

Maintaining historic ties

INTERVIEW WITH RT HON LORD HOWE OF ABERAVON CH QC

PRESIDENT, GREAT BRITAIN-CHINA CENTRE



LORD HOWE OF ABERAVON

served as chancellor of the exchequer (1979-1983), as foreign and commonwealth secretary (1983-1989), and finally as deputy prime minister and leader of the House of Commons (1989-1990). On retirement from the Commons he entered the House of Lords in July 1992. Educated at Winchester and Cambridge, he served as chairman of the International Monetary Fund Interim Committee (1982-1983) and attended eleven World Economic Summits (1979-1989). He is president of the Great Britain-China Centre, patron of Enterprise Europe and sits on the FIRST Award judging panel.

Geoffrey Howe has taken a close interest in the affairs of Hong Kong for more than thirty years since his first visit in 1973- and he remains an optimist about the territory's prospects. As Foreign Secretary in the 1980s, the now Lord Howe of Aberavon was directly involved in the negotiations leading up to the agreement over the ending of British rule in Hong Kong, and has maintained links since the handover more than eight years ago.

Lord Howe is positive about what has happened since 1997. This will provide a broadly favourable background to the visit to Britain in early November of Donald Tsang Yam-kuen, his first as Chief Executive, following his visits to the USA and Canada in late October. He will make two major speeches during his stay in the United Kingdom and meet Tony Blair and other members of the British Government.

"I am delighted with the general pattern of what has subsequently happened since 1997", Lord Howe says, referring particularly to economic developments. He was in Hong Kong for the handover in mid-summer that year and attended a big financial conference in south-east Asia at about the same time. Nobody at that time, he says, talked about economic storms ahead, though these hit the whole region only a few months later.

Hong Kong could not escape the impact. Property prices fell, unemployment rose sharply and the budget deficit increased. But, looking back, Lord Howe comments: "Many people would not have believed it possible for Hong Kong to maintain its forward march, to recover from the Asian economic storm as it did". He points to the mid-October major policy speech by the new Chief Executive with its references to the "feel good" factor improving and a return of both investor and consumer confidence.

Lord Howe also notes the moves towards closer economic co-operation between the Mainland and Hong Kong with trade free access to markets and liberalisation of some sectors- adding up to a mini-free trade area under the terms of CEPA (the Closer Economic Partnership Arrangement).

Britain, and the UK Government, are still very interested in Hong Kong matters, though, of course, they no longer have formal responsibility. There is now much more political and media focus on develop-

ments in Beijing and Shanghai. There remain close links, however: the large number of Hong Kong residents who hold British passports, the sizeable number of UK citizens who live and work in Hong Kong, and the continuing close business links.

Lord Howe also stresses the close interest still taken in political and constitutional developments in Hong Kong. There are political, as well as commercial, reasons for wanting to maintain stability and continuity in the Special Administrative Region. He says matters "have been handled with considerable respect for the Joint Declaration".

However, he notes, with typical tact, that "one cause of tensions and disappointment to the Hong Kong population is the pace of progress towards universal suffrage in elections". He was speaking as a Hong Kong Government taskforce put forward a set of arrangements for the election of the chief executive and the LegCo, or Legislative Council, in 2007 and 2008 respectively. These represent only a partial move toward wider involvement, with an increase in the number of LegCo seats and the number of election committee members. But the door to universal suffrage in the immediate future remains closed. The emphasis is on "orderly and gradual progress" and balanced representation.

Lord Howe stresses that universal suffrage remains the "ultimate objective" since the Basic Law envisaged development towards this goal, as well as accountability of the chief executive to the legislature. He regards it as very important that the Hong Kong Government looks again at this issue.

Overall, despite the expansion of Shanghai and other cities on the Mainland coast, Lord Howe still sees a special role for Hong Kong in terms of its financial and hi-tech skills and entrepreneurial spirit. Hong Kong, he believes, can still thrive despite this increased competition.

Hong Kong remains, in his view, a springboard for outsider investors into Mainland China: one of the world's leading financial centres via its Stock Exchange and collection of international banks. Hong Kong is still where major companies want to raise capital. This scale of inward investment more than enables Hong Kong to compete with Shanghai. **F**

Interview conducted for FIRST by Peter Riddell, Chief Political Commentator of The Times.