

Maintaining Mutual Understanding: The European Union's Diplomacy in Hong Kong and Macau

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Introduction

Since its establishment in 1993, the Office of the European Union to Hong Kong and Macau has sought to facilitate dialogue and mutual understanding between its Headquarters in Brussels and the two Special Administrative Region (SAR) Governments. The author had the privilege of interviewing His Excellency Ambassador Harvey Rouse, Head of the EU Office, whose tenure highlights the dynamic nature of the Union's diplomacy in this unique political context. Throughout his career, the Ambassador has dedicated himself to promoting European values and interests, contributing to open and vibrant societies, and reinforcing economic partnerships.

This paper explores the multifaceted mission of the EU Office to Hong Kong and Macau, delving into its role and historical significance while highlighting the diverse areas of cooperation with the two SARs. The article also provides a glimpse into the objectives of the European External Action Service (EEAS), and its crucial role in shaping the EU's foreign policy agenda.

1. Policy Coordination among the Twenty-Seven Member States

The creation of the EEAS, in the wake of the ratification of the Treaty of Lisbon, marked a pivotal evolution in European foreign policy in 2009. The 27 Member States now entrusted a shared diplomatic corps, serving as the compass for their collective external action. In practice, over 5,000 officials work under the direction of the High Representative of the Union for Foreign Affairs and Security Policy—at the time of writing, Kaja Kallas—to ensure a strategic and coherent direction in

the EU's external engagements. With a presence spanning all six continents, the EEAS not only prepares policy proposals but also implements them after European Council approval. The Service further assists the President of the European Council, António Costa, and the President of the European Commission, Ursula von der Leyen, in advancing the Union's diplomatic agenda (European Union, 2025).

Operating within the EEAS structure, 145 EU Delegations and Offices across the planet function similarly to embassies, fostering mutual understanding and monitoring political and economic development locally (EEAS, 2025). These European representations have enhanced a TeamEurope Approach, ensuring that the collective efforts of Brussels and the 27 EU capitals lead to more impactful outcomes on the ground. Among them, the EU Office in Hong Kong and Macau has been a crucial player in promoting the EU's visibility in the Greater Bay Area.

2. History of Diplomatic Ties between the European Union, Hong Kong, and Macau

As the European Union and China mark half a century of diplomatic ties this year, it presents a timely opportunity to examine the evolution of the EU's engagement with the Special Administrative Regions of Hong Kong and Macau. These territories were formally handed over to the People's Republic of China by the United Kingdom in 1997 and 1999, respectively. Since then, Hong Kong and Macau have embodied a distinctive governance model characterized by the coexistence of central government oversight and a high degree of local autonomy, necessitating a tailored diplomatic approach. In this interview, Ambassador Rouse offered an insightful retrospective on the major moments that shaped the EU's unique framework to the two SARs.

Ambassador Rouse: *"The Office of the European Union to Hong Kong and Macau was established in October 1993 as the 'Office of the European Commission to Hong Kong and Macau,' before the EU as we know it today was born.*

Following 1 July 1997 and 20 December 1999, the EU has always supported the implementation of 'one country, two systems' and 'high degree of autonomy' in Hong Kong and Macau, as well as a smooth transition of sovereignty. This spirit ran through several official documents published before the handovers.

In 1996, the European Council stated the EU's stance on the transition in Hong Kong and Macau. With regards to Hong Kong, the High Representatives reiterated that 'the European Union's strong interest in the future peace and prosperity of Hong Kong' and 'the European Union's desire to do anything possible to contribute to a smooth transition.' The EU stated its commitment to 'strong continuing relations with the SAR in the World Trade Organization and in all other matters where the SAR will enjoy autonomy under the Basic Law.'

With regards to Macau, the Conclusions of the European Council hoped that the Sino-Portuguese Joint Declaration 'will continue to contribute to the progress and social stability' of Macau.

In April 1997, the EU concluded that 'far from being a time to downgrade links with Hong Kong, 1997 should mark another step forward in the progressive enhancement of ties between the European Union and Hong Kong' in 'The European Union and Hong Kong: Beyond 1997—Communication from the Commission to the Council.'

The EU acknowledged that while the primary responsibility for making Hong Kong a success 'must lie with the Hong Kong government and the Chinese authorities,'

Europe can 'play its part in helping the SAR as an autonomous administration to operate as foreseen.' For example, the EU pledged to deal directly with Hong Kong and Macau in areas within the responsibility of the SAR governments.

This may sound a bit abstract. Let me give an example that actually had an impact on millions of residents in Hong Kong and Macau. Back then, for the purposes of the EU's common visa list, we promised access to residents from Hong Kong and Macau on their own merits.

And we did live up to our promise. In 2001, the EU Parliament and the Council of Ministers approved a European Commission proposal in favor of visa-free access to the EU for Hong Kong and Macau SAR passport holders. This rule became effective on 10 April 2001 and was welcomed by both the Hong Kong and Macau SAR authorities.

The EU took action to demonstrate confidence in the future of Hong Kong and Macau and believed that freer access to the EU would be in the interests of all three places.

Following the visit of former European Commission President José Barroso to Hong Kong and Macau in July 2005, the EU published 'The European Union, Hong Kong and Macau: Possibilities for cooperation 2007-2013.' The Communication from the Commission to the Council and the Parliament laid out areas for cooperation: trade and customs, finance, people-to-people and academic links, transport, health and food safety and environment. The former President visited Hong Kong again in 2013.

More challenging relations between the EU and Hong Kong started in 2020. On 30 June that year, the Standing Committee of China's National People's Congress adopted the National Security Law for Hong Kong. In the Council conclusions on Hong Kong adopted on 24 July, the EU stated that 'China's actions and the new legislation are not in conformity with China's international commitments under 24 July, the EU stated that 'China's actions and the new

legislation are not in conformity with China's international commitments under the Sino-British Joint Declaration of 1984 or with the Hong Kong Basic Law.'

Upholding international commitments is important and in the following years, further developments of concern took place, including the conviction of pro-democracy activists. The EU has also voiced concerns via public statements and private conversations with Hong Kong and mainland Chinese authorities.

With this change in the political atmosphere, I have seen media outlets and local interlocutors trying to paint the EU as a negative foreign influence in Hong Kong. However, many of the examples I recalled above show that the EU genuinely wants the 'one country, two systems' to succeed and we continue to contribute to this objective. Our voiced concerns are all well-intended and we wish to strengthen our relations based on the principles of the one country, two systems."

3. The Engagement of the EU Office

A reflection on its history reveals that the role of the Office to Hong Kong and Macau has been multifaceted. Its primary task is to foster bilateral relations between the European Union and the governments of Hong Kong and Macau. The Office aims to present the interests and positions of the 27 Member States as a Union to the local authorities.

Moreover, the European representation facilitates communication between the Headquarters of the Commission in Brussels and the SAR officials. Its staff monitors, analyzes and reports on local policy developments, ensuring that EU decision-makers are well-informed about regional affairs. Additionally, the team coordinates visits from EU representatives, providing briefing materials and reports before their meeting with local stakeholders (EEAS, 2025).

Public diplomacy is another important facet of the EEAS. Through its social media platforms or official website, the Office seeks to promote the visibility of the European Union. It offers a better understanding of the affairs, interests and values of the institution to Hong Kongers and Macanese. The Office hosts diverse events throughout the year, enhancing the cultural richness of European countries while deepening ties with the local civil society. In parallel, the organization remains committed to promoting academic exchange, creating opportunities for students and researchers from Hong Kong, Macau, and Europe to travel and learn from one another.

Crucially, the European Union Office maintains close coordination with the diplomatic missions of all EU Member States represented in Hong Kong and Macau. Ambassador Rouse and his team regularly convene meetings with the fifteen Consuls General based locally. The objective is to maintain a coherent and unified voice on key regional issues. Particular emphasis is placed on monitoring political and economic developments, as well as human rights.

4. Diplomatic Profile: Ambassador Harvey Rouse

Ambassador Rouse has a distinguished diplomatic career, marked by a strong commitment to promoting the values of the European Union across continents. From a young age, Mr. Rouse has been dedicated to contributing to the EU's integration and cooperation. He began his professional journey in European affairs in Brussels, where he worked with both the European Parliament and the European Commission on EU trade policy. Ambassador Rouse has served at three European Union Delegations, including as Head of the Trade and Economic Section in Indonesia, Brunei Darussalam, and ASEAN. His expertise was also celebrated at the Political and Trade Sections in Uganda and in Kenya, where he participated in the EU election monitoring in 2007. Ambassador Rouse gained significant experience in working

with political stakeholders with diverse backgrounds and identifying pathways to reinforce EU diplomatic relations.

Before his assignment in Hong Kong and Macau, the Ambassador held a significant position at the Directorate-General for Mobility and Transport (DG-MOVE) at the European Commission. As the Head of the Unit on International Relations, Mr. Rouse played a critical role in fostering strategic partnerships with third countries and promoting European interests outside the Schengen borders. Among his most significant tasks was his support for Ukraine in establishing alternative land routes for the export of agricultural goods after the 2022 bombing of Odessa, a city on the northwestern shore of the Black Sea. Since the onset of Russia's invasion of Ukraine, Ambassador Rouse has remained steadfast in his commitment to the EU stance—supporting Kiev and advocating for a just and lasting peace.

In addition to his diplomatic journey, Harvey Rouse has extensive experience in the cinematographic sector. In 1994, he became the youngest Vice President at the Motion Picture Association of America (MPAA), which represents seven of the most preeminent Hollywood studios. Mr. Rouse was responsible for overseeing and lobbying on matters related to television, theater, and digital platforms in the EU.

His deep passion for the film industry is often reflected in the themes and references of his official speeches. Ambassador Rouse understands that movies can transcend language and cultures and share ideas and perspectives more effectively than any other diplomatic tool.

With his inspiring and international background, Ambassador Rouse has developed a unique perspective and deep understanding of foreign policy in Asia and elsewhere. This expertise equips him to

effectively lead the EU's representation in Hong Kong and Macau and to make informed and strategic decisions on behalf of the European Commission.

5. The Role of Head of the EU Office to Hong Kong and Macau

Ambassador Rouse officially began his tenure as the Head of the EU Office to Hong Kong and Macau in September 2024. The Ambassador took the time to offer insights into his specific responsibilities and the complexities of his position:

Ambassador Rouse: *“The EU has long enjoyed close, broad and deep relations with both Hong Kong and Macau. As the EU Ambassador to these two Special Administrative Regions, I aim to strengthen these ties and explore new avenues for cooperation that will benefit both sides, whilst upholding universal values.*

I am committed to ensuring that the existing economic partnerships will continue to expand, facilitating more opportunities for trade, investment, and collaboration in key sectors such as technology, green energy, and finance. Meanwhile, I stand ready to support both Special Administrative Regions’ uniqueness, their high degree of autonomy and their commitment to these principles. It is through open dialogue and mutual respect that we can address any challenges that arise and work towards solutions that uphold the dignity and rights of all individuals.

I am committed to fostering partnerships that are dynamic, forward-looking, and mutually beneficial. I believe that we can seize opportunities for growth, and promote a future where prosperity, sustainability, and human rights go hand in hand.”

6. The Economic Connector with Mainland China

One of the crucial tasks of the Office is to facilitate trade and dialogue between business communities in Europe, Hong Kong and Macau

(EEAS, 2025). The status of Hong Kong and Macau (EEAS, 2025). The status of Hong Kong as China's primary gateway to the world may be eroded by the tariff escalation between Beijing and Washington. Amid a challenging international environment this year, the EU is intensifying its efforts to uphold the robustness of its economic relationships with local stakeholders. Brussels cooperates with Consulate Generals to maintain a welcoming environment for European investors and workers.

Author: *"As of June 2024, the European Union has imposed 70 anti-dumping measures and 10 countervailing duties on China. Yet, Hong Kong and the EU have maintained a relatively stable trade relationship. Do you foresee any potential impact of these economic tensions on Hong Kong? And do you believe Hong Kong will continue to be the preferred hub for EU companies' regional headquarters in Asia?"*

Ambassador Rouse: *"Hong Kong has been a separate customs region and is indeed a separate member of the WTO under the arrangement of 'one country, two systems.' Preserving this uniqueness is vitally important. In 2024, the EU remained the largest non-Chinese foreign business community in the city (1,640 EU companies), ahead of Japan, the U.S., and the UK, according to an annual Hong Kong government survey. For half of the EU companies present in Hong Kong, their office is also the regional headquarters.*

Furthermore, the EU presence grew by 6% in 2024. It should also be underlined that EU companies are not just concentrated in one sector but present in a wide range of domains which are essential to the Hong Kong economy, including financial and business services, trading and logistics, retail, food and beverage, construction and engineering, and environmental services. EU companies see many advantages in Hong Kong (ease of doing business, low corruption, robust and efficient financial markets, low and simple tax system).

But they do also have concerns over changes to the 'uniqueness' of Hong Kong in terms of 'one country two systems,' and stress the importance of an open society with a diverse vibrant talent pool."

The EU Office is thus committed to sustaining the presence of its young professionals, entrepreneurs, industry leaders, and engineers in Hong Kong, recognizing their valuable contributions to the local business landscape. These actors play a crucial role in diversifying the economy, creating employment, and enhancing innovation. The continued presence of European workers is vital for the international status of the leading business hub.

With its freedom of capital movement and favorable tax policies, Hong Kong is a highly attractive destination for European and global investment. By the end of 2022, the 27 EU Member States had invested a total of US\$34 billion in Foreign Direct Investment (FDI) in Hong Kong—with France, the Netherlands, and Germany among the leading investors. In contrast, the SAR had invested US\$67.9 billion in the European Union, with the Netherlands, Luxembourg, and Portugal serving as the primary destinations. Europe is Hong Kong's second-largest source of foreign direct investment globally (European Commission, 2022).

Yet, Hong Kong's significance to the EU extends beyond the exact volume of trade and investment between the two regions. The SAR certainly plays a crucial connecting role, facilitating trade and investment flows between Mainland China and the EU. The Free Trade Agreement signed in 2003 between Hong Kong and the Mainland not only strengthens their bilateral exchanges, but also serves as a key platform for foreign investors. Notably, EU companies make extensive use of the Hong Kong-Mainland China Closer Economic Partnership Arrangement (CEPA). In practice, the CEPA allows European firms to establish manufacturing operations in Hong Kong, enabling their products to qualify for CEPA's rules of origin and be exported tariff-free to the Mainland Chinese market.

This stable economic relationship creates opportunities for the Office to foster deeper cooperation between European and local businesses, such as artificial intelligence, green finance or sustainable energies.

7. Promising Cooperation on the Sustainability Agenda

Climate change is *“a shared challenge that requires collective action,”* according to the EU Ambassador. The European Union and Hong Kong share the same objective of attaining climate neutrality in 2050, which creates potential for mutual support and collaboration.

Last year, the EU Office coordinated the third edition of the Green Way Forward Forum. This pivotal event was organized in collaboration with the Department of Foreign Direct Investment (InvestHK), as well as the European and Hong Kong Chambers of Commerce. The high-level dialogue gathered representatives from industry, civil society, academia, and local government. It provided a platform for participants to exchange perspectives and potential solutions for sustainable housing, green innovation, and environmentally responsible trade practices (EuroCham, 2024). Actionable policy recommendations were subsequently presented to Hong Kong officials. Notably, the Financial Secretary of the HKSAR Government, Mr. Paul Chan, warmly welcomed this guidance, concluding that *“Hong Kong has what it takes to rise as a world leader in green tech and green finance.”* The previous edition was successfully hosted in Macau in 2023. European industry experts explored how sustainable development could help the SAR in diversifying its economy and attracting new actors, a key objective of the government.

Ambassador Rouse hopes to promote closer synergies between EU and local stakeholders on sustainable finance and manufacturing: *“Hong Kong is the third largest financial*

services hub globally and is therefore also very important vis-à-vis green financing. Hong Kong is the world’s number one aviation cargo hub, and addressing the sustainability of this important sector (including sustainable aviation fuels) is its license to grow.”

The Head of the EU Office emphasizes that multiple *“European companies have state-of-the-art green technologies, and they have brought them to Hong Kong to benefit the people in the city. The presence of European companies in the financial, transport and waste management sectors has contributed to the positive development in green transition in both Hong Kong and Macau.”* As an illustration, waste management has become an increasingly important challenge for Hong Kong. Facing this obstacle, the HKSAR Government was assisted by Veolia, a French transnational company specializing in environmental public services, to build one of the largest waste-to-energy facilities in the world, T-Park in Tuen Mun (Tsang & Woo, 2023).

In 2021, local authorities announced the urban development of the Northern Metropolis to further integrate the city into the Greater Bay Area. While promoting cross-border synergy in the technological sector with Shenzhen, this initiative also seeks to alleviate the housing shortage in Hong Kong by offering more affordable flats (Global Connectivities, 2024). European investors, talents and industries could play an active role in the process.

8. The Strength of People-to-People Exchanges

The EU greatly values intercultural exchanges with local residents and has a strong presence across multiple social media channels. The Ambassador underscored their close collaboration with influential local vloggers, notably the content-creator Yi-fu. The objective is to offer a broader understanding of European affairs to Hong Kong and Macau citizens: *“I am proud to share that the video—produced in Hong Kong’s daily language, Cantonese—already attracted a large audience, and it is still growing.”*

In 2025, my Office will continue to undertake more initiatives to engage with the public and encourage more people-to-people exchanges in public diplomacy activities.”

The Office also hopes to boost academic exchanges and research programs in European countries through Erasmus+ and Horizon Europe: *“A most recent example is the ‘Study in Europe Education Fair’ that we organized with EU Member State Consulates General in Hong Kong in November last year. We decided to undertake a #TeamEurope approach in encouraging students from Hong Kong to explore education opportunities in European countries that are also home to world-leading education institutions. Hong Kong and many of our Member States also have active, wide-ranging cultural exchange programs and initiatives, which are another vital part of our relations.”*

In parallel with strategic communication and education, art is instrumental in bridging different communities through shared emotions. The EU Office organizes a variety of events to promote cultural connections, including the annual European Film Festival or the HKWalls Festival (Culture Plus Asia, 2023).

Since the start of the Russian invasion of Ukraine three years ago, the EU representation has organized multiple events to demonstrate the unwavering support of the 27 Member States to Ukraine. To mark the third anniversary of the conflict, the EU Office collaborated with the Ukrainian Society of Hong Kong to host the photo exhibition “Ukraine: War and Resistance.” In his opening speech at the ceremony, Ambassador Rouse declared: *“To give visual representation to the bonds between Hongkongers and Ukraine, we have invited three outstanding photographers from Hong Kong, who have traveled to Ukraine multiple times since the beginning of the full-scale invasion.”* The Ambassador also noted the deep compassion shown by Hongkongers during the screening

of the Oscar-winning documentary “20 Days in Mariupol,” co-organized with the Journalism School of the University of Hong Kong in November 2024 (Press and information team of the Delegation to Hong Kong and Macau, 2024).

Finally, one of the core values uniting the 27 Member States is individual liberty. In line with this commitment, the EU staff regularly organizes events for human rights safeguarding, including the surge of human trafficking, conferences on women’s rights, and discussions on LGBTI rights. This engagement is crucial for the protection of fundamental freedoms in Hong Kong and Macau, and encourages continued discussion on these systemic issues.

9. The Future of the EU-Hong Kong-Macau Dialogue

Looking ahead, the European Union Office to Hong Kong and Macau remains committed to further strengthening diplomatic, economic, and cultural engagement with the two SARs. The European Union’s representation emphasizes key strategic issues, notably the imperative to safeguard Hong Kong’s uniqueness to maintain its appeal for European businesses, as well as the need to deepen cooperation with Macau. Yet, the EU will continue to express concerns responsively and when necessary under the One Country, Two Systems principle. These objectives are at the core of the mandate of Ambassador Rouse for the next four years.

With a rapidly evolving geopolitical environment marked by the recent onset of a global trade war, diplomatic relations are undergoing a profound paradigm shift. China and the European Union may potentially seek to strengthen their economic ties, as highlighted by the official call between European Commission President Ursula von der Leyen and Chinese Premier Li Qiang on Hong Kong is well-positioned to play a key role as a connector between Mainland China and the Union. Its strategic location and unique financial infrastructure equip the SAR to strengthen trade between these two crucial regions. Will the

European Union and China seize this moment to re-engage with one another?

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