

**Answer given by Mr Patten on behalf of the Commission**

(19 December 2002)

Respect for human rights represents a central issue in the Union's relations with China. In the context of the bilateral dialogue on human rights, established between the Union and China in 1996, the Union regularly raises individual cases of concern, including cases involving Falun Gong practitioners. In addition, the Union has on several occasions undertaken formal démarches to express concern about reports of torture and ill treatment of arrested followers of the Falun Gong movement, and has urged China to review harsh sentences imposed on them. In particular, the Union has requested China to ensure that safeguards for a fair trial, including adequate legal representation, are fully respected with respect to all individuals. Concern about the violations of the human rights of the followers of Falun Fong was also expressed in the March 2002 conclusions of the General Affairs Council on Human Rights in China.

The Commission appreciates the major importance and political sensitiveness in the global Chinese context of the initiative taken by the Hong Kong Government to start up a consultative process in view of enacting Article 23 of the Basic Law. However, as the consultation document was drafted in general terms, it will only be possible to make an accurate judgement or assessment of its effects on human rights and fundamental freedoms, including the freedom of religion, once the draft bill has been submitted to the Legislative Council. This should happen in February 2003.

So far, the Commission is of the opinion, as expressed in its fifth annual report on Hong Kong adopted on 5 August 2002 (<sup>1</sup>) that, four and a half years after the hand-over, the 'One Country, Two Systems' principle continues to work reasonably well, and that Hong Kong, in general, has preserved its rule of law, human rights, civil liberties and free and open society.

However, the report also acknowledges that the actual implementation of these principles has given rise to some debate and uncertainty. Therefore, the Commission will continue to follow the developments in Hong Kong very closely, in particular with regard to further evolutions concerning Article 23.

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(<sup>1</sup>) COM(2002) 450 final.

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(2004/C 65 E/011)

**WRITTEN QUESTION E-3458/02**

**by Christopher Heaton-Harris (PPE-DE) to the Commission**

(6 December 2002)

*Subject:* Tax treatment of biodiesel in Germany and France

What is the tax treatment of biodiesel made from rapeseed methyl ester (RME) compared to normal mineral diesel in Germany and France?

Total-Fina-Elf sells diesel containing a percentage of RME. Could the Commission confirm whether this is because of taxation encouragement from the French Government or due to a French Governmental decree?

**Answer given by Mr Bolkestein on behalf of the Commission**

(16 January 2003)

1. The normal rates of excise duties applicable to diesel used as a propellant are currently EUR 389 and EUR 440 for thousand litres in France and Germany respectively.

Germany, according to § 1 Abs. 2 Mineralölsteuergesetz i.V.m. § 1 Abs. 2 Nr 1 Mineralölsteuerdurchführungsverordnung, grants a full tax exemption to 97 % pure biodiesel sold in Germany. In practise, this tax exemption applies mostly to methyl esters having a vegetable origin (including rapeseed).

The German legislation is based on Article 8(2)(d) of Council Directive 92/81/EEC of 19 October 1992 on the harmonization of the structures of excise duties on mineral oils<sup>(1)</sup>. The Commission has not yet examined in depth whether this article is appropriate; however, the Commission's proposal for a special regime for the taxation of biofuels, which is likely to be adopted in the coming months, has taken this specific situation by a so-called 'grand-fathering' clause (Article 8c paragraph 3) into account. This clause would allow Member States, which on 1 January 2001 totally exempted products solely made up of biofuels, continue to totally exempt these until 31 December 2003.

France has been authorised by the Council to grant permits for the application of a differentiated rate of excise duty to the fuel mixture 'diesel/vegetable oil esters'. The reductions in excise duties cannot exceed EUR 35,06/hl or EUR 396,64/t for vegetable oil esters.

The French legal arrangement is based on Article 25 of the amending finance law of 1997, on Decree No 98-309 of 22 April 1998 laying down the requirements for participation in the invitation to tender for the release for home use in France of biofuels giving rise to a reduction in domestic consumption tax, and on the decision of 22 April 1998 setting up the Committee for the examination of authorisation requests by biofuel production units.

2. The Commission does not know why Total-Elf-Fina has decided to sell diesel containing a percentage of rapeseed methyl ester.

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<sup>(1)</sup> OJ L 316, 31.10.1992.

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(2004/C 65 E/012)

**WRITTEN QUESTION E-3472/02**

**by Hanja Maij-Weggen (PPE-DE) to the Commission**

*(6 December 2002)*

*Subject:* Extra checks on goods shipped to the United States via European ports

Can the Commission confirm that it has objected to contracts between the American customs and a number of European Union port authorities for extra checks on goods being shipped to the United States via European ports?

Does the Commission not find it justified for the American customs to want to cooperate with the European Union port authorities, when the aim is to prevent terrorist attacks via containers on shipping on the transatlantic route?

Would it not be more constructive for the Commission to set up an agreement between the American customs and all the relevant European Union port authorities for a uniform system of checks to prevent terrorist activities?

**Answer given by Mr Bolkestein on behalf of the Commission**

*(10 February 2003)*

Regarding the concerns expressed by the Honourable Member on the Commission's response to the strengthening of security controls in European Ports by American Customs with a view to combat terrorism, the Commission has been actively working to find a Community response to this question.

The Community shares the objective of improving maritime transport security and protecting trade against any threat of terrorist attack. Concerning the United States initiative the Commission is concerned as to the impact of this initiative, particularly with regard to Community policies in transport, trade and customs. For this reason the Commission is opposed to the conclusion of bilateral agreements in areas where a common Community approach is needed and negotiations between the Community and the United States should be privileged. In December 2002 the Commission therefore sent letters of formal notice to four Member States that had concluded bilateral agreements on this matter.