

Sm 33%? 6A 6 a 410m
Ofli of Me bers of t Executive and Legislative Councils
Gurzemiaaamea
\$\$ER YmquE 3% T& 526 4027 Ext. 230
\$\$\$\$ CMerE C 416/90 8% Duc 2 April 1990
Mr Jerry Matsila
African National Congress
Tokyo Office
Sohyo Bldg., 6/F
3-2-11, Kanda-Surugadai
Chiyoda-ku
Tokyo 101
JAPAN

. Dear Sir

Thank you for your fax letter dated 10 March 1990.

I have received from Mr Albert van Oortmerssen
the reference material mentioned in your letter. These
documents are useful and have helped us to have a better
understanding on the issue of trade sanctions against
South Africa.

In the light of the information you provided,
Members have raised questions at the Legislative Council
meeting on 14 March 1990 to seek the Administration's
clarification on the allegations contained in the United
Nation's document concerning Hong Kong, I attach a copy
of the questions and replies given by the Administration
for your information please.

Your other views expressed at the meeting on
. 2 March 1990 have also been reported to all Members of
OMELCO during their in-house meeting. Regarding your
idea of inviting Mr Nelson Mandela to visit Hong Kong
during his tour to Japan, Members suggested you to approach
the Administration direct.

Members have asked me to thank you for your
interest in OMELCO.

Yours faithfully

/0

fl 690341;

(Daniel P N)

for Secretary General

DP/cc

Office: Legislative Council Building, 8Jackson Road, Central, Hong Kong

\$\$iti%\$EEEiA%i&EXE

Enquiries and Complaints: 12/F, Swire House, 9-25 Chater Road, Central, Hong Kong

WM\$R\$it\$\$E3Hihgltiai\$imrEK

"HONG KONG LEGISLATIVE COUNCIL _ 14 March 1990 -

EEEiE

rSanctions against South Africa

3. MR. PETER WONG asked: Is the Administration aware of the allegations contained in an United Nations report that Hong Kong is being used as an area to circumvent international trading sanctions against South Africa and what action does the Administration propose; and in the light of recent announcement -nnomzatma .'A A16VMV

, "5" ,. I HONG KONG LEGISLATIVE COUNCIL _ 14 March 1990

7 ,. a Eientaei-ennoezatwa

by the United Kingdom Government of lifting its sanctions against South Africa, will the H ong Kong Administration retain the existing sanctions?

FINANCIAL SECRETARY: Sir, the Government introduced certain economic sanCtions against South Africa in 1986. These include _a statutory ban on the import of gold coins and iron and steel from South Aftica, and a voluntary ban t and bank loans and promotion of tourism to the country.

on new investmen

We are aware that allegations have been made that Hong Kong is being used as an area to circumvent international trading sanctions against South Africa. It has been alleged that a Hong Kong company has imported coal from South Africa, and re-exported it to other countries, and that another Hong Kong empany has been shipping oil to South Africa.

On the first allegation, Hong Kong has not imposed any ban on the import 'vailable statistics, there

of coal from South Africa. Furthermore, according to a

has been no re-export of coal of South African origin from Hong Kong since 1986. As regards oil, Hong Kong has no oil production, and so there is no domestic export trade in oil. We are also not aware of any re-exports of oil to South Africa.

To date the Hong Kong Government has not taken any action to lift the existing sanctions. We shallekeep the situation under review.

MR. PETER WONG: Sir, the Commonwealth Heads of Government Review

dleeting in London in August 1986 specifically recommended the banning of the mport of coal as well as iron and steel. Why was coal not included as part of the sanction items for H ong Kong?

FINANCIAL SECRETARY: Sir, free trade has always been our policy. Now, we would not normally favour trade restrictions except when they are clearly necessary and in line with international practice. The economic sanctions that we have taken are within our trade autonomy and any other sanctions would be a matter of foreign policy which would be a matter for the United Kingdom Government.

VIR. VICGREGOR: Sir, wxll the Government confirm that it will consider the ' o ' South Africa from the point of view of Hong

HONG KONG LEGISLATIVE COUNCIL - 14 March 1990

g h' gezae #nnozsstma

Kong's interests and not simply follow United Kingdom instructions or United Kingdom interests?

FINANCIAL SECRETARY: Yes, Sir.

MR. PETER WONG: Sir, is the Secretary absolutely satisfied that none of the coal imported was actually used in H ong Kong?

FINANCIAL SECRETARY: No, Sir, I did not in fact say that in my original answer. I said that coal was not covered by our sanction order. Coal may have been imported from South Africa and it may have been used in Hong Kong.