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closer Economic Partnership Arrangement

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Editor' s Note:

The 70th issue of CEPA Newsletter has been released. The 3rd senior officials meeting of the CEPA Joint Steering Committee of 2019 convened in Macao on 11 September, with a view to further opening up trade in services in the Mainland for Macao, and promoting closer cooperation and development of economic and trade relations between the two places. The two sides had an in-depth negotiation on the details of the scope of liberalization of each service sector under the CEPA Agreement on Trade in Services to promote the pilot implementation of policies broadening the scope of liberalization of trade in financial, legal, cultural and tourism services and other service sectors under CEPA within the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), with a view to facilitating the achievement of comprehensive liberalization of trade in services within the GBA.

In response to the global trend of digitalization and to deepen the cooperation in digital economy and industrial internet within the GBA, the 2019 China Industrial Internet Conference & Guangdong-HongKong-Macao Greater Bay Area Digital Economy Conference was held from 27 to 28 August in Guangzhou. Themed “Interconnection of Industries, A Digital Bay Area”, the Conference promoted the innovative application of industrial internet and the development of new technology and industries in support of the development of the GBA Digital Economy Pilot Zone.

Furthermore, to promote the development of Macao's cross-border e-commerce (CBEC) sector and deepen Macao's integration into the Mainland's CBEC, the CBEC Sub-committee of the Macau Chinese Enterprises Association organized the Shaanxi-Macao CBEC Exchange Session and activities for in-depth learning of the Yan'an spirit in Shaanxi from 2 to 5 September.

For further details, please access the CEPA Newsletter through the following link of the DSE website: Home > Classification by Functions > External Economic & Trade Relations > CEPA Newsletter. For any enquiry or suggestion, please contact the DSE (Tel: 85972343 or E-mail: info@cepa.gov.mo).

1. The 3rd SOM of the CEPA Joint Steering Committee convenes in Macao

The 3rd senior officials meeting (SOM) of the CEPA Joint Steering Committee of 2019 convened in Macao on 11 September, with a view to further opening up trade in services in the Mainland for Macao, and promoting closer cooperation and development of economic and trade relations between the two places.

Jointly chaired by Mr. Sun Tong, Director-General of the Department of Taiwan, Hong Kong & Macao of the Ministry of Commerce of China, and Ms. Teng Nga Kan, Chief of Office of the Secretary for Economy and Finance, the meeting saw the two sides have an in-depth negotiation on the details of the scope of liberalization of each service sector under the CEPA Agreement on Trade in Services, of which the content promotes particularly the pilot implementation of policies broadening the scope of liberalization of trade in financial, legal, cultural and tourism services and other service sectors under CEPA within the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), with a view to facilitating the achievement of comprehensive liberalization of trade in services within the GBA.

The new measures, including lifting or relaxing restrictions such as qualification requirements, percentage of shareholding and market access, will further lower the threshold for entry into the Mainland market for Macao enterprises and service providers, allowing Macao enterprises to enjoy more relaxed

admission criteria for investing and doing business in the Mainland. This will bring a positive effect to the expansion of market coverage in the Mainland of Macao's service sector, favoring the moderate diversification of Macao's economy.

The negotiation of the CEPA Agreement on Trade in Services officially started in early 2019. After 3 SOMs, the two sides have basically reached a consensus on the scope of liberalization of the Agreement, and will try to complete the relevant work and announce publicly by the end of the year.

The meeting was attended by representatives of a number of authorities, among others, the Macao Economic Bureau, the Monetary Authority of Macao, the Macao Trade and Investment Promotion Institute, the Legal Affairs Bureau, the Cultural Affairs Bureau, the Land, Public works and Transport Bureau, the Macao Post and Telecommunications Bureau, and the Higher Education Bureau.



This year's 3rd SOM of the CEPA Joint Steering Committee convenes in Macao

2. 2019 China Industrial Internet Conference & Guangdong-HongKong-Macao Greater Bay Area Digital Economy Conference held in Guangzhou

In response to the global trend of digitalization and to deepen the cooperation in digital economy and industrial internet within the Guangdong-Hong Kong-Macao Greater Bay Area

(GBA), the 2019 China Industrial Internet Conference & Guangdong-HongKong-Macao Greater Bay Area Digital Economy Conference was held from 27 to 28 August in Guangzhou.

The Conference was guided by the Ministry of Industry and Information Technology of China, the People’s Government of Guangdong Province, the Hong Kong Special Administrative Region Government and the Macao Special Administrative Region Government, and jointly hosted by the Department of Industry and Information Technology of Guangdong Province, the Guangdong Communications Administration, the Innovation and Technology Bureau of Hong Kong, the Macao Economic Bureau (DSE), Nanfang Media Group, the Guangdong Academy of Social Sciences (Academy of Greater Bay Area Studies), the Alliance of Industrial Internet with the special support of the People’s Government of Guangzhou Municipality. Being one of the hosts, the DSE organized the participation of a Macao delegation that consisted of local government authorities and trade associations in the event. Rector Song Yonghua of the University of Macau, a member of the delegation, was invited to deliver a keynote speech titled “Digital Bay Area: Macao’s Exploration and Practice” at the Conference’s main forum.

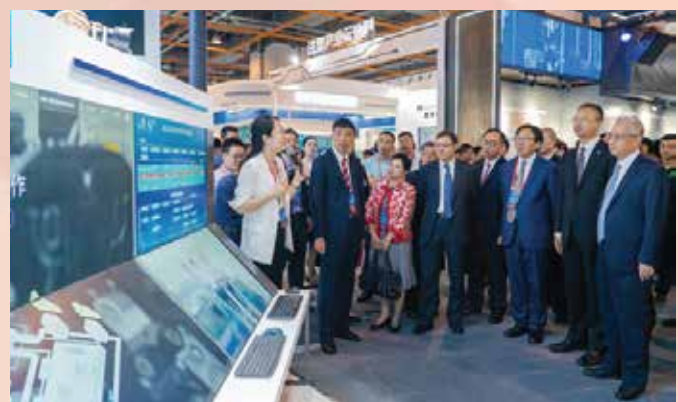
Themed “Interconnection of Industries, A Digital Bay Area”, the Conference facilitated integration of innovation elements of digital economy, focused on digital industrialization and industrial digitalization and promoted the innovative application of industrial internet and the development of new technology and industries in support of the development of the GBA Digital Economy Pilot Zone. Apart from the main forum, the Conference also included the Greater Bay Area Conference on Robotics and Artificial Intelligence, the 2019 Guangdong-Hong Kong-Macao Big Data Application and Innovation Development Conference, a business exchange and matchmaking seminar, and a 2-day feature exhibition of industrial Internet application scenarios, where outstanding industrial internet platforms and service providers in China and overseas staged displays. Furthermore, Guangdong, Hong Kong and Macao jointly



Group photo of members of the Macao delegation at the Conference venue



Rector Song Yonghua of the University of Macau delivers a keynote speech



The Macao delegation pays a visit to the feature exhibition of industrial internet application scenarios

issued at the Conference the “Advocate Paper on Jointly Promoting the Development of Greater Bay Area Digital Economy Integration and Innovation between Guangdong, Hong Kong and Macao”, which called for strengthening of exchange and cooperation between Guangdong,

Hong Kong and Macao for promoting research and technology development and taking forward entrepreneurship and innovation in the digital economy of the GBA.

Members of the Macao delegation included: the University of Macau, the Science and Technology Development Fund, the Macao Post and Telecommunications Bureau, the Macao Productivity and Technology Transfer Center, the Industrial Association of Macau, the Macau International Industrial Technology Development

Association, the Smart City Alliance Association of Macau, the Information Technology Association and the Association for Promotion of Science & Technology of Macau, among others. The participating representatives concurred that the event enabled a deeper understanding of the development of digital economy in the GBA, and an understanding of the application and development of big data, artificial intelligence, and industrial internet, and is able to promote the interaction and exchange between industry,

3. Meeting of WGs on ROO, SPS Measures and TBT convenes in Beijing under CEPA's Agreement on Trade in Goods

The Agreement on Trade in Goods was signed as an enhancement to CEPA on 12 December 2018. Three working groups (WGs), which are the WG on Rule of Origin (ROO), WG on Sanitary and Phytosanitary (SPS) Measures and WG on Technical Barriers to Trade (TBT), have been set up under the mechanism of the CEPA Joint Steering Committee in accordance with the Agreement to follow up the implementation of the Agreement for promoting the development of Macao's trade in goods.

Following the WG meetings convened in Macao early this year, representatives of each WG member convened a meeting with representatives consisted of the Department of International Cooperation, the Department of Health Quarantine and the Department of Animal and Plant Quarantine on 6 September at the General Administration of Customs (GACC) in Beijing. The meeting, which was jointly chaired by Hu Lan, Deputy Director-General of the Department of International Cooperation of GACC, and Chan Tze Wai, Deputy Director of

the Macao Economic Bureau, saw the two sides discuss ROO work, food safety monitoring, customs clearance facilitation measures and cooperation in smart customs, among others. Under the framework of CEPA, the two sides had ample discussions on the above issues, explored new trial runs, and sought preferential measures with higher openness with the aim of advancing customs clearance facilitation and promoting the development of local manufacturing industries.



The meeting of WGs convenes under CEPA's Agreement on Trade in Goods

4. DSE representatives attend Shaanxi exchange activities to promote CBEC development of the two places

To promote the development of Macao's cross-border e-commerce (CBEC) sector and deepen Macao's integration with the Mainland's CBEC, the CBEC Sub-committee of the Macau

Chinese Enterprises Association organized the Shaanxi-Macao CBEC Exchange Session and activities for in-depth learning of the Yan'an spirit in Shaanxi from 2 to 5 September, with the

participation of representatives of the Macao Economic Bureau (DSE).

The group of representatives first arrived at Xi'an to attend the Shaanxi-Macao CBEC Industry Exchange Seminar, which was attended by representatives of over 40 enterprises from the two places. DSE Deputy Director Chan Tze Wai pointed out at the Exchange Seminar that this year is the 70th anniversary of founding of the People's Republic of China, as well as the 20th anniversary of the return of Macao to China, and that Macao, enjoying its status as a free port and a separate customs territory under the advantage of "One Country, Two Systems", will give full play to its function as a commercial and trade cooperation service platform between China and Portuguese-speaking countries with its own unique advantages to assist enterprises of the two places in exchanging and collaborating in-depth for exploring rooms for diversified economic and trade development by "brining in and taking abroad" quality products through CBEC, so as to promote the CBEC innovation and development of the two places.

Vice Governor of the People's Government of Shaanxi Province Xu Datong stated at the Seminar that Shaanxi will implement the support

for Hong Kong and Macao's integration into the national development strategies and comprehensively strengthen the mutually beneficial cooperation between the Mainland and Hong Kong and Macao. He added that with the apparent advantages in culture, location, resources and industries like technology, Shaanxi Province is looking to promote comprehensively the exchange and connection with Macao in areas such as trade and logistics, e-commerce, culture and tourism, so as to achieve mutual benefits and joint development.

During the event, the CBEC Sub-committee of the Macau Chinese Enterprises Association signed a strategic cooperation agreement with the Shaanxi E-commerce Association, and enterprises of the two places exchanged and established connections at the venue. Secretary General of the Liaison Office of the Central People's Government Wang Xindong, DSE Deputy Director Chan Tze Wai, Vice Governor of Shaanxi Province Xu Datong, Supervision Commissioner of Shaanxi Province Zhou Hebin and other local guests witnessed the signing of cooperation agreements between enterprises of the two places.



The CBEC Sub-committee of the Macau Chinese Enterprises Association signs a strategic cooperation agreement with the Shaanxi E-commerce Association



Representatives of Macao participate in the Shaanxi-Macao CBEC Exchange Seminar

5. DSE and DSAL organize GBA Entrepreneurship and Employment Visit Tour to Bay Area cities

To encourage youths of Macao to explore room for entrepreneurship and employment development in the Mainland, and grasp the development opportunities arising from regional cooperation, the Macao Economic Bureau (DSE) and the Labor Affairs Bureau (DSAL) jointly organized the Greater Bay Area entrepreneurship and employment visit and exchange activities on 15-17 August 2019, organizing visits of a group of 60 teenage students and representatives of tertiary institutions, organizations and trade associations to youth entrepreneurship incubation organizations and innovative enterprises in Zhuhai, Guangzhou and Shenzhen to enhance the understanding of the entrepreneurship and employment environment of the Greater Bay Area (GBA) among the youths of Macao, deepen the exchange and cooperation between the youths of the two places, and facilitate establishment of connections among various parties and their exploration of room for personal career development.

During the activity, the Macao youth exchange group visited youth entrepreneurship incubation organizations in Hengqin, Zhuhai, Tianhe District, Guangzhou and Qianhai, Shenzhen, with each having its own characteristics, including InnoValley HQ in Hengqin, Chrik Up Coworking and Timetable Coworking Space in Guangzhou, and the Qianhai Shenzhen-Hong Kong Youth Innovation and Entrepreneur Hub, where they learned on-site about the functions and positioning, entrepreneurship environment and related support services provided of each youth entrepreneurship incubation base, and exchanged and shared entrepreneurship experiences with the youth startup enterprises there. Furthermore, the exchange group visited iFlytek, a well-known enterprise apt at applying artificial intelligence (AI) to various areas, where they were briefed by its person-in-charge on the forefront development of AI technology. After that, the

exchange group visited the BYD plant at Pingshan District, Shenzhen, where they experienced a trial ride on the cloud rail train and the facial recognition entry and exit system to feel the convenience brought to life by innovative technologies. Meanwhile, to strengthen the youth's understanding of China's modernization development, the Macao youth exchange group visited the "Great Tides Surge Along the Pearl River – 40 Years of Reform and Opening-up in Guangdong" exhibition for strengthening their national sentiment and patriotism and better integration into the national development strategies.



Visit to the BYD plant at Pingshan District, Shenzhen



Visit to the "Great Tides Surge Along the Pearl River – 40 Years of Reform and Opening-up in Guangdong" exhibition

6. Exchange visit of Brazilian and Portuguese youth startups to the Greater Bay Area

To deepen the role of Macao as an “exchange center for innovation and entrepreneurship for the youth from China and Portuguese-speaking Countries (PSCs)”, the Macao Economic Bureau (DSE) organized an exchange visit of representatives of 6 youth entrepreneurship incubation organizations in Portugal and Brazil and their 16 incubating startup teams to Zhuhai’s Hengqin, Dongguan’s Songshan Lake and Shenzhen’s Qianhai on 8-11 September. They visited the entrepreneurship incubation bases and outstanding tech startups in different cities and conducted exchanges with the representatives of the organizations, with a view to promoting the strengthening of connection between tech startup resources of China and overseas, establishing business connections and exploring rooms for business cooperation.

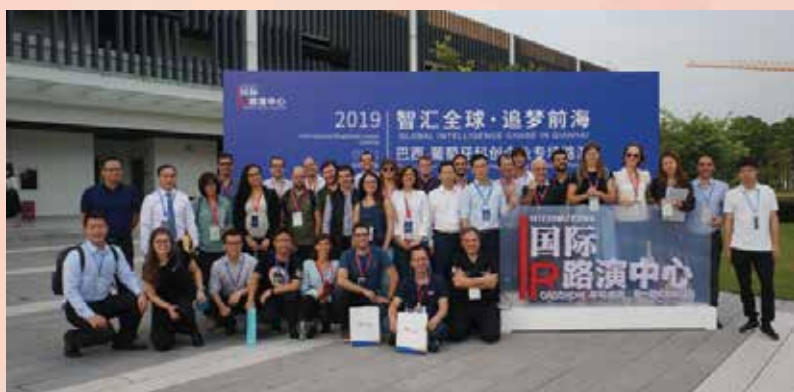
This exchange visit of Brazilian and Portuguese tech startups to the Greater Bay Area (GBA) was strongly supported by the government authorities of those places responsible for promoting youth entrepreneurship. Apart from highlighting the support and preferential policies targeted to overseas innovation and entrepreneurship teams and high-end talents, they also arranged visits for the group of Brazilian and Portuguese representatives to a number of advanced technology enterprises in the GBA, including Bringbuys, Pachira Information Technology, CloudWalk, iFlytek, Guangdong Hiway and Hytera, among others, to enhance the understanding of the economic development and business environment of the GBA among the Brazilian and Portuguese enterprises, and enable them a better understanding of China’s latest technology development.

Meanwhile, the DSE worked with authorities in the GBA responsible for youth entrepreneurship to stage Brazilian and Portuguese tech startups roadshows in Nansha, Songshan Lake and Qianhai. Their

projects covered innovation and technology fields such as artificial intelligence, big data, internet of things, big health, marine organisms and clean energy, etc. The staging of roadshows on one hand allowed the youth startups from PSCs to interact and exchange with Mainland investors, venture funds and relevant technology enterprises for receiving expert comments and improvement suggestions and facilitating establishment of business connections. On the other hand, it favors Macao in giving full play to its function as a platform between China and PSCs for introducing quality technology startup projects from PSCs to develop business in the GBA, which will assist in China’s innovation and entrepreneurship development, and allow Macao integrate better into China’s major development strategies such as the GBA and “Belt and Road” Initiative.



Visit to a well-known technology enterprise in Guangzhou engaging in facial recognition and big data technologies



Tech startups from Brazil and Portugal stage successful roadshows in Qianhai, Shenzhen

7. Youth Entrepreneurship and Innovation Program – Stage II trainees visit Guangzhou for exchange and study

Organized by the Education and Youth Affairs Bureau, the Macao Economic Bureau and the Preparatory Committee of the Youth Entrepreneurship and Innovation Program, the Youth Entrepreneurship and Innovation Program visit activity was held from 28 to 30 August 2019.

The activity organized visits of some 20 Macao youths to youth entrepreneurship incubation organizations and innovative enterprises in the Guangzhou Development Zone, including the International Blockchain Center, the Guangdong, Hong Kong and Macao Innovation Center of the Research Institute of Tsinghua, Pearl River Delta, and the showroom of the Guangzhou International Bio-Island, among others, to experience the latest urban planning of the region for inspiring their future path of entrepreneurship development in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA). In addition, the exchange group visited high-tech enterprises such as Xiangxue Pharmaceutical Co., Ltd. and GuangZhou HeyGears Technology Ltd. to learn about the development of and the market opportunities arising from the integration between various industries and the concept and technology of big data, internet of things, artificial intelligence and cloud computing, with a view to broadening the vision of the Macao youths.

During the visits, leaders of the Huangpu District Government, persons-in-charge of various authorities and representatives of renowned enterprises held a discussion with the group of Macao youth representatives to interpret the Implementation Measures for Supporting the Innovation and Entrepreneurship of Hong Kong and Macao Youths for them, and make a sharing on the development opportunities in Huangpu District as well as successful experiences of enterprise development. In its integration into the GBA development, Huangpu District pools talents, technology and capital from around the world with an open attitude, and has formulated a

series of policies, hoping that youths of Macao engaging in innovation and entrepreneurship would settle in there for development. The Implementation Measures for Supporting the Innovation and Entrepreneurship of Hong Kong and Macao Youths supports youths from Hong Kong and Macao in settling in for development in various aspects, such as entrepreneurship commencement, innovation incentives, platform development, financial support, working subsidies, internship and employment, as well as cooperation and exchange, with a view to jointly creating a bright future of development.



The Macao youth entrepreneurship representatives' group visit the Whampoa Military Academy



The Macao youth entrepreneurship representatives' group visits high-tech enterprises in Huangpu to feel the frontier technologies

8. Mainland and Hong Kong SAR, Macao SAR Intellectual Property Symposium 2019 held in Macao

Jointly organized annually by the Office of Hong Kong, Macao and Taiwan Affairs of China National Intellectual Property Administration, the Economic Bureau of the Government of the Macao SAR (DSE) and the Intellectual Property Department of the Government of the Hong Kong SAR, the Mainland and Hong Kong SAR, Macao SAR Intellectual Property (IP) Symposium 2019 was held on 11 September 2019 at the Convention Hall of the Macao Science Center Convention Center.

IP administration authority representatives, IP experts and scholars were invited as guest speakers to the Symposium. Discussions were held on the themes of “The Latest Development of Intellectual Property in the Mainland and Hong Kong SAR, Macao SAR”, “Intellectual Property: the New Impetus for Economic Growth in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA)” and “Intellectual Property Rights, Innovation and Start-up in the New Era”. Targeting the new normal of economic development and industrial development trend, an analysis was made on the supporting and guiding effect of IP to the innovation development of the GBA, with the latest IP situation and development trend of the Mainland and the Hong Kong and Macao SARs serving as the starting point. An in-depth exploration of the interactive relationship between IP and

entrepreneurship and innovation was also made at the same time. Almost 160 government officials, experts, scholars, and trade and business sector representatives in the IP sector from the Mainland, Hong Kong and Macao attended the Symposium.

The Symposium has been held annually in rotation between the Mainland, Hong Kong and Macao since 2000, and reached its 20th anniversary this year. From its inauguration, the Symposium has provided IP practitioners in the three places a platform for initiating exchanges and strengthening communication, bringing a positive effect to deepening the cooperation and exchange in the IP field between the three places.



Symposium in progress

9. PPRD Region IP Public Officers Exchange Activities

Jointly organized by the Macao Economic Bureau (DSE) and the Intellectual Property Department of the Government of the Hong Kong SAR (IPD), the Pan-Pearl River Delta (PPRD) Region Intellectual Property (IP) Public Officers Exchange Activities were held on 3-5 July 2019 to allow public officers in the PPRD to better understand each other’s work on IP, and to

promote cooperation and exchange in IP protection.

The DSE sent representatives to attend the exchange activities held in Hong Kong on 3-4 July. On 5 July, all representatives visited the DSE to get an overview of the Macao SAR’s IP administration and law enforcement, and conducted discussions on such topics. After the

discussions, they visited the Macao University of Science and Technology to learn about Macao’s scientific research capabilities, academic level and higher education development. The discussions and visits enabled a comprehensive understanding of the IP protection work of the SARs of Hong Kong and Macao, and deepened the mutual understanding among the PPRD region.



Group photo of the attendees

10. DSE and CPDFund stage promotions in GBA cities

After being held in Guangzhou, Jiangmen, Zhuhai and Zhongshan last year, and Zhaoqing and Foshan in June this year, the “Understanding Macao’s Business Advantages: China and Portuguese-speaking Countries (PSCs) Business Opportunities and Featured Finance Promotion Session”, jointly organized by the Monetary Authority of Macao, the Macao Trade and Investment Promotion Institute, the Macao Economic Bureau (DSE) and the Financial Service Bureau, continued to be held from 18 to 20 September this year in Shenzhen, Huizhou and Dongguan in the eastern part of the Greater Bay Area (GBA). Apart from having presentations on Macao’s business environment, development of featured finance, tax policy and the China-Portuguese-speaking Countries Cooperation and Development Fund

(CPDFund), the Session also highlighted the newly-enacted Legal Regime of Financial Leasing Companies and Tax Incentives Regime for Financial Leasing Companies. The Promotion Session has finished touring nine cities in the GBA and achieved the expected result, deepening the understanding of Macao among the GBA cities, especially in terms of Macao’s role as a platform between China and PSCs and its financial development.



China and PSCs Business Opportunities and Featured Finance Promotion Session

11. DSE organizes the Law on Implementation of the Kimberley Process Certification Scheme for the International Trade in Rough Diamonds Briefing Session

The Macao SAR will implement the Kimberley Process Certification Scheme (KPCS) from 1 October 2019, with the legislation regulating rough diamond economic activities entering into force on the same date.

The SAR Government promulgated the Law on Implementation of the Kimberley Process Certification Scheme for the International Trade in Rough Diamonds on 19 August to introduce rough diamond trade through establishing regulatory measures in line with international standard, with a view to promoting the development of Macao's moderate economic diversification by supporting Macao's manufacturing sector in directing to high-end and high added-value development, and especially by better leveraging on Macao's function as a commercial and trade cooperation service platform between China and Portuguese-speaking countries (PSCs) with a combination of the established network of the Mainland and the jewelry raw material resources in PSCs.

The Macao SAR implements the KPCS with a two-tier regulatory mode: firstly, economic activity operators engaging in the business of import, export, transit, purchase, sale or transport of rough diamonds are required to apply for an Operating License from the Macao Economic Bureau (DSE); then, a License is required for each import, export and transit, and the export of rough diamonds even requires a Kimberley Process (KP) Certificate.

To prompt the implementation of the KPCS, and allow the trade to understand more clearly the

information of various aspects, such as the operation process of the KPCS and the requirements for engaging in the business, among others, the DSE held a briefing session on the Law on 17 September. The session saw representatives of the DSE, the Customs, the Macao Post and Telecommunication Bureau and Macao EDI VAN give in-depth presentations on the requirements of the Law, specifically, process for application for Operating License, Import/Export License and KP Certificate; obligations of operators and penalty regime for violations; customs declaration and clearance processes and procedures; operation process of EDI electronic customs declaration; and notes for application for and use of electronic signature. The session received an active participation of practitioners of the trade.



Industry representatives raised questions actively at the briefing session