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Editor's Note

- Upon the new round of consultations, Macao suggested to further deepen and expand the liberalization measures in service sectors for the next phase of CEPA, in which the Mainland expressed positive response to the new proposal.
- As product safety affects the daily life of the public, General Administration of Quality Supervision, Inspection and Quarantine and Macao Economic Services organized the “2009 Annual Meeting on Product Safety Technology Group” in Macao. Experts from the Mainland delivered keynote speeches to all inspectors of the Inspection of Economic Activities Department of Macao Economic Services during a training program.
- The General Administration of Customs and Macao Economic Services initiated the Annual CEPA Trade in Goods Meeting in Changchun and the two sides exchanged views to the implementation of trade in goods under CEPA in the

previous year. They also engaged consultations in rules of origin for new CEPA goods in 2009 and reviewed the implementation of rules of origin of the existing CEPA goods accordingly.

- To further facilitate the implementation of CEPA and Hong Kong/Macao service suppliers invested in Guangdong, relevant authorities in the Mainland delegate the Guangdong provincial departments the authority in approving the Hong Kong/Macao advertising enterprises; the authority in approving project proposals and commencement of businesses of Hong Kong/Macao road transport enterprises.

1. Mainland and Macao commenced consultations on the Supplement VI to CEPA in 2009

Following the first 2009 CEPA Senior Official Meeting held in January in Sanya of Hainan Province, the Mainland and Macao convened the second meeting in Macao to discuss further liberalization measures upon the new phase of CEPA in February this year. During the meeting, Macao suggested new liberalization commitments in several of the advantageous service sectors in itself, including services of convention and exhibition, tourism and logistics. The Mainland expressed positive response and would take into consideration of Macao's suggestions, in a sense to provide substantial support to moderate diversification for industrial development in Macao and to ensure that the liberalization measures in the next round of CEPA would further enhance the investment of the Macao service suppliers. In addition, officials from the Department of International Cooperation of the State Administration for Industry and Commerce and Macao Economic Services engaged discussions on cooperation of trademark of both sides.

After two rounds of discussions, the two sides agreed to speed up the progress of CEPA consultations in order to strive to have the Supplement VI to CEPA signed at the earliest time frame.



The second 2009 CEPA Senior Official Meeting held in late February in Macao

2. Officials from General Administration of Quality Supervision, Inspection and Quarantine of PRC and Macao Economic Services organized meeting on product safety in Macao

General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) and Macao Economic Services (MES) convened “2009 Annual Meeting on Product Safety Technology Group” on February, 27 this year. During the meeting, the two sides exchanged views on cooperation areas and directives on product safety and they also endorsed to the annual meeting minute of the preceding year. This meeting was presided by Mr. Sou Tim Peng, Acting Director of MES and Mr. Liu ShiYuan, Deputy Secretary of the Department of Inspection and Supervision of AQSIQ.

In the annual meeting, the Mainland and Macao exchanged views on recent work trend of quality control of products as well as safety standards of market circulating products. Meanwhile, both sides also initiated to intensify cooperation on product market supervision; communication and exchange of information; training programs for law-enforcement officers; and technical support from the Mainland product inspection institutions, etc. Furthermore, the two sides will engage in more exchanges and interchange of information particularly on consumer goods such as toys and children’s products; household and related use of electrical appliances; clothing; and cosmetics, etc. In this coming May, AQSIQ would appoint experts and professionals on toy products to Macao to deliver explanatory sessions to public and local enterprises relevant safety caution on toy products. Also, the Mainland would

provide substantial support and assistance to Macao when establishing guidelines for safety standards of toy product. Besides, the two sides confirmed to convene the second annual meeting in the later half of the year in the Mainland and Zhuhai Entry-Exit Inspection and Quarantine Bureau would be the liaison office of the Mainland under the mutual cooperation mechanism.

Presided by Mr. Ng Kam Chong, Head of Inspection of Economic Activities Department of MES and Mr. Sun WenKang, Deputy Director of Shenzhen Inspection and Quarantine Bureau, an internal seminar and training programs commenced soon after the annual meeting on product safety technology group was over. With the attendance of all inspectors from the MES Inspection of Economic Activities Department, representative from AQSIO, Mr. Qin Yuan, delivered a speech on “Introduction to Supervision System of the Imported and Exported Toys in China”. In his speech, Mr. Qin provided details on abstract of China exported toys; China regulatory measures on imported and exported toys; technology standards for toy safety in China; administration systems for quality control and safety of exported toys; control measures for imported toys; inspection and supervision on technology safeguard for imported and exported toys; and promoting further international cooperation and exchanges.



Representatives from General Administration of Quality Supervision, Inspection and Quarantine and Macao Economic Services took photos during the annual meeting

3. The General Administration of Customs and Macao Economic Services initiated Annual CEPA Meeting on Trade in Goods

The 2008 annual CEPA implementation meeting on Trade in Goods was held in Changchun of Jilin Province on January 7, 2008. Representatives from the General Administration of Customs of PRC; Secretariat Bureau of the General Office of the State Council; Department of Taiwan, Hong Kong and Macao Affairs of the Ministry of Commerce; Hong Kong and Macao Affairs Office of the State Council; the Central Government Liaison Office; the Gongbei Office of Origin and Macao Economic Services attended the meeting. The two sides reviewed the implementation of trade in goods under CEPA in the previous year, amounting to total CEPA exports of MOP14.2 million and tariff savings of MOP1 million in 2008. The CEPA export goods included refined copper foil; postages; ribbons for typewriters; plastic bags; and coffee beans, etc. In addition, both sides had in-depth discussions on future work arrangement and would engage further consultations on rules of origin for more CEPA goods in 2009. Also, implementation of rules of origin of the existing CEPA goods would be reviewed constantly according to the needs of current development of Macao manufacturing sector. Above all, under the current effective communication mechanism, both sides would endeavor to strengthen cooperation to assist enterprises to solve problems in customs clearance in order to ensure the smooth customs clearing process.



Representatives from the Mainland and Macao reviewed the implementation of the CEPA Trade in Goods during the annual meeting

4. Authority delegated to Guangdong Administration for Industry and Commerce in approving Hong Kong/Macao advertising enterprises invested in Guangdong

In order to promote and strengthen Guangdong as an “early and pilot” base to the

implementation of CEPA in service sectors for Hong Kong/Macao, the State Administration for Industry and Commerce (SAIC) and the Ministry of Commerce revised and promulgated, on August 22, 2008, the “*Administrative Regulations for Foreign-Invested Advertising Enterprises*”. According to the new regulations, either the SAIC or the provincial industry and commerce bureau is allowed to have the authority for approving project proposals as well as feasible reports of foreign-invested advertising enterprises. In regard, the SAIC issued a circular of “*Notice Concerning Delegation of Authority to Guangdong Administration for Industry and Commerce in Approving the Proposals of Hong Kong/Macao Investors Establishing Advertising Enterprises in Guangdong*” on October 13, 2008. Thus, Guangdong Administration for Industry and Commerce is now authorized to approve all equity joint venture, contractual joint venture or wholly-owned enterprises engaging in advertising services in Guangdong set up by Hong Kong/Macao investors. In this case, Hong Kong/Macao investors need not proceed to Beijing for application procedures when setting up advertising enterprises in Guangdong.

For further details, please access to the following:

- Guangdong Administration for Industry and Commerce
Enquiry: (020) 8558 7198
E-mail: raoyip@gdgs.gov.cn
- “*Administrative Regulations for Foreign-Invested Advertising Enterprises*” , promulgated by the State Administration for Industry and Commerce and Ministry of Commerce
http://www.fdi.gov.cn/pub/FDI/zcfg/law_ch_info.jsp?docid=97742
- “*Notice Concerning Delegation of Authority to Guangdong Administration for Industry and Commerce in Approving the Proposals of Hong Kong/Macao Investors Establishing Advertising Enterprises in Guangdong*”
<http://www.gdbip.org.cn/Article/ShowArticle.asp?ArticleID=701>

5. Authority delegated to Guangdong Transport Department in approving project proposals and commencement of businesses of Hong Kong/Macao enterprises invested in road transport services in Guangdong

Effective from January 1, 2009, in order to enhance the implementation of “early and pilot” policy in service sectors in Guangdong for Hong Kong/Macao enterprises, the Ministry of Transport has delegated the Guangdong Transport Department the authority of approving Hong Kong/Macao service suppliers production enterprises

providing road freight transport services in Guangdong; setting up repair and driver training enterprises; passenger and freight transport stations in Guangdong. As to streamline the approving procedures of proposals, from January 1 this year, application materials submitted by Hong Kong/Macao service suppliers establishing enterprises engaging such businesses in Guangdong, will be accepted and examined for preliminary vetting by local transport administrative authorities at prefectural level. Subsequently, the application materials will be delivered to Guangdong Transport Department for further approval. Meanwhile, in applying projects of setting up passenger and freight transport stations, Hong Kong/Macao service suppliers have to comply with local relevant requirements for planning and construction of passenger and freight transport stations. Then, service suppliers will have to go through procedures of arranging and registration of construction. Further, examination procedures for commencement of businesses have been adjusted accordingly, in which transport administrative authorities at prefectural level will be responsible to approve commencement of the aforesaid businesses by Hong Kong/Macao service suppliers invested in Guangdong. In other words, Hong Kong/Macao road transport enterprises should fill out the “engaging services in road transport application forms”, with details corresponding to the approved business scopes in project proposals after approved by the provincial transport department. Applicants can then submit their application forms directly to the local transport administrative authorities at prefectural level where the enterprises are registered for applying in commencement.

For further details, please visit the following website:

- “Notice Concerning the Adjustment of the Procedures on Approval and Establishment Inspection for Road Transport Enterprises set up by Hong Kong/Macao service suppliers”
<http://big5.gdcd.gov.cn/gate/big5/www.gdcd.gov.cn/AllAttach/attach/attach89baebcc-0510-4a9d-8398-0e5c569622df.pdf>

6. Supporting new policies in the Mainland for uplifting the development of the processing trade industry

In order to cope with the global financial crisis and maintain a balanced and stable economic development in the Mainland, national administrative authorities and the Guangdong Government recently, implement a series of policies and measures to uplift the competitiveness of the processing trade enterprises (applied to Hong Kong and Macao invested enterprises) in the changing market environment. New

programs involve abolishing payment of “nominal” customs duty deposit by exporting enterprises to alleviate their cash flow burden, possibly reducing by \$15.5 billion. Furthermore, the export tax rebate rate and value-added tax rate have been adjusted, aiming to support the development of the processing export enterprises. The export tax rebate rate of more than 7,000 out of 11,000 types of goods has been modified to restore to the level rate in the beginning of 2006. Other supporting measures include adjustment to the prohibited category and restricted category in the processing trade industry; “Five Alleviations, Four Reductions, Three Subsidies, Two Consultations” in national social security policy and employment disputes; rebate tax rate for foreign-invested enterprises purchasing state-manufactured equipment.

7. The 3rd China Expo Economic Forum was held in Qingdao

To bolster the development of Macao convention and exhibition industry and intensify further exchanges and visits, Macao Economic Services encouraged local enterprises and representatives to the participation of the 3rd China Expo Economic Forum held in Qingdao on December 4-6, 2008. The forum was co-organized by the Ministry of Commerce of PRC, the Shandong Government and the Mainland Economic Times Association, focus on “Development of MICE Economics Vs Modern Service Industries”. Headed by Mr. Li Zhizhong, Chairperson of Macao Convention and Exhibition Association (MCEA), the Macao delegation comprising 26 representatives attended the forum, along with Mr. Alan Ho, President of Board of Directors of MCEA; Mr. Lam Chong In, Chairperson of Macao Fair & Trade Association; Mr. Chan Hang Seng, Chairman of the Council of the Association of Advertising Agents of Macao as the deputy chiefs of the delegation. Alongside the three sessions of keynote speeches, feature topics and site-visit activities in the forum, there was a photo exhibition held to introduce the development of the MICE Industry in different places. Meanwhile, the Macao delegation was interviewed by the Mainland MICE magazines and website to promote Macao MICE Industry to other participants of the forum. In conclusion, participation of the Macao delegation to the forum was met with positive responses and results. In one way, it helps to foster the competitive advantages of Macao MICE Industry for future development; and the other is to strengthen its exchanges and networking with the Mainland and International MICE Industries. Moreover, a strategic cooperation agreement was signed with the Qingdao MICE Industry Development Office to build up a close partners-relationship.