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Editor’s Notes

The local business community, seizing the business opportunities brought about by the Pan-PRD Regional Cooperation Framework Agreement, was led by Mr. Francis Tam Pak Yuen, Secretary for Economy and Finance of the MSAR, to take part in the first ‘Pan-PRD Regional Economic and Trade Co-operation Fair’ in Guangzhou in mid-July. The Macao delegation consisted of 200 business elites from local industrial and commercial sectors, business associations, as well as governmental departments. In the fair, a collective signing ceremony was held, and contracts for 28 projects were signed by Macao delegation, with a total amount of around MOP2.2 billion.

For more efficient cooperation in the implementation of CEPA, the customs departments

of Guangdong, Hong Kong and Macao jointly held an explanatory session on customs clearance and facilitation measures for trade in goods in the 3 places. It is hoped that through all these facilitation measures the industrial and commercial development in the three places can be further benefited.

Macao manufactured cement, children's clothing and souvenirs have been exported to the Mainland under the zero-tariffs treatment. It is expected that local products, which are fueled by the preferential policies for the Zhuhai-Macao Cross Border Industrial Park, will be more competitive in the enormous Mainland market.

1. Zhuhai and Macao governments collaborate on promoting the Zhuhai-Macao Cross Border Industrial Park

The governments of Zhuhai and Macao held the “2004 Investment Promotion Conference for the Zhuhai-Macao Cross Border Industrial Zone” on 29th June, at the Macao World Trade Center, announcing relevant investment promotion activities for the Industrial Park to investors. The Industrial Park is located between Maoshengwei, Gongbei of Zhuhai, and Qingzhou of Macao. The total area of the Industrial Park in the first phase is about



Mr. Francis Tam Pak Yuen, Secretary for Economy and Finance of Macao SAR, spoke in the Promotion Conference for the Zhuhai-Macao Cross Border Industrial Zone (Courtesy photo from the Government Information Bureau)

0.4 square kilometers, with 0.29 square kilometers for the Zhuhai Zone and 0.11 square kilometers for the Macao Zone. The two zones will be connected by a dedicated customs checkpoint so as to enhance complementary advantages and promote closer cooperation between the two places in the areas of manufacturing, logistics and transit-trade, etc. In the Conference, Representatives from relevant government departments in the Mainland and Macao introduced the

planning of the Cross Border Industrial Park, the application requirements for settlement in the Park, and the investment procedures, etc. Investment promotion activities will be ended by the end of September this year. For any information, please contact the Reception of Macao Business Support Center Information & — Zhuhai-Macao Cross Border Industrial Zone (Macao Zone), by phone: 728212, 7989633, by fax: 752395 or by

email: cbiz@ipim.gov.mo

2. Customs of Guangdong, Hong Kong and Macao cooperate to nurture business opportunities in Pearl River Delta. Trade volume between Guangdong and Macao was up more than 35% in the first half of the year to USD\$700 million

The Customs of Guangdong, Hong Kong and Macao jointly held a policy introduction session on the customs clearance and facilitation measures after CEPA was implemented at the Macao World Trade Center on 23rd July this year. The General Administration of Customs of China has rolled out various measures for implementing CEPA, including advanced administration and inspection systems such as declaration system for road transport freight, automated cargo inspection system, co-inspection by two customs in one checkpoint, mutual recognition on inspection, Customs Green Seals, etc., for facilitating the inspection and clearance of CEPA zero-tariffs products.



Officiating guests from Guangdong, Hong Kong and Macao took photos in the Seminar



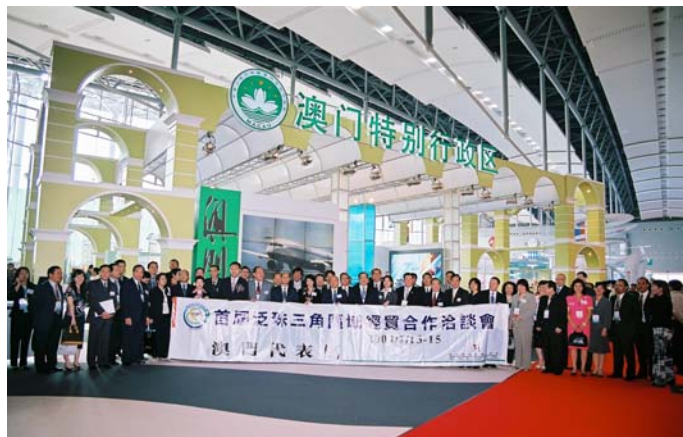
Mr. Fong Ion Leong, Head of the Department of External Trade of Macao Economic Service, briefed on the current situation of COs applications in

Representatives from the Mainland indicated that trade volume between Guangdong and Macao during the first half of this year increased to USD 700 million, a substantial increase of 35.8% when compared to the same period in the previous year. Furthermore, Guangdong's imports from Macao have also increased by an average of 28.9% per month. These figures all confirmed the prominent results of CEPA. Mr. Chao Chak Sam, Acting Head of Control Points Department, Macao Special Administrative Region Customs Service, and Mr. Fong Ion Leong, Acting Head of the Foreign Trade Management Department of Macao Economic Services, also explained extensively on the duties of the Macao Customs Service and the issuance of the Certification of Origin respectively. Mr.

Chao believed that after the General Administration of Customs of PRC signed the “Customs Co-operative Arrangement” with Macao Customs Service, the scheme of ‘co-inspection by two customs in one checkpoint’ would be implemented at the end of this year or at the beginning of next year. Mr. He Li, Deputy Director of Customs Commissioner Second Class of Guangzhou Customs District of P.R.C., gave an insightful analysis on the development of new logistics industry. He pointed out that the development of a versatile free trade logistics zone is an irreversible trend in the future. In fact, the 10th ‘Five-Year Plan of China also regarded this newly emerged logistics industry as an important economic sector, and thus, opportunities for this industry will be infinite.

3. The first ‘Pan-PRD Regional Economic and Trade Co-operation Fair’ was successfully held in Guangzhou. Mr. Francis Tam Pak Yuen, the Secretary for Economy and Finance, led a delegation of more than 200 people to take part in the activities. 28 investment projects with a total amount of MOP 2.2 billion were secured.

The four-day first “Pan-PRD Regional Economic and Trade Co-operation Fair” was inaugurated at Guangzhou International Convention and Exhibition Center on 14th July. It was the first large-scale fair held after the signing of “Pan-PRD Regional Cooperation Framework Agreement” in early June, symbolizing the concrete cooperation of the Pan-Pearl River Delta Regional. The purpose of the Fair is to establish economic and cooperation platform for the 9 mainland provinces, and the Hong Kong and the Macao SARs with the aim to promoting integration of resources in the Pan-Pearl River Delta Region, strengthening regional competitiveness and promoting adjustment and coordinated development of regional industrial structure. At the same time, it will speed up the implementation of CEPA and further create room for



Macao Delegation participated in the first ‘Pan-PRD Regional Economic and Trade Co-operation Fair’
(Courtesy photo from IPIM)

promoting long-term prosperity and stability of the Hong Kong and the Macao SARs.

The Fair covered cooperation in 6 areas, namely transportation, energy, production, circulation, technology and tourism. In the opening ceremony, 11 Mainland provinces and regions held a collective signing ceremony, in which contracts for 28 projects were signed by Macao delegation with a total value of MOP2.2 billion. In addition, 8 promotional seminars were held on the margins the Fair. Aside from promoting the development of Macao's tourism industry and the Macao Zone of the Zhuhai-Macao Cross Border Industrial Park, the government of the Macao SAR also held a seminar on 'Cooperation and exchanges between the markets of the Pan-Pearl River Delta and Portuguese-Speaking Countries'. The aim of seminar was to strengthen the recognition of Macao as a trade and economic cooperation platform between the Mainland and Portuguese-Speaking Countries, and to bolster Macao's role in the region. During the exhibition, many local enterprises, as well as business associations and Governmental Departments, set up 88 exhibition booths to promote Macao. Among the booths, the most popular was the one introducing typical Macao cuisine, attracting the visit of a large crowd.

4. More Macao zero-tariffs products were exported to the Mainland

Exports of Macao manufactured products to the Mainland has been picking up in the last few months with the zero-tariffs benefit of CEPA. Apart from cement, which has been popular in the Mainland market, nougat and children's clothing have become the first batch of foods and textiles enjoying CEPA zero-tariffs benefits to test the response of the Mainland market. Previously, textiles and clothing dominates Macao's exports, especially those exported to Europe and the US. The implementation of CEPA allows Macao manufacturers to gain a vantage point in expanding their businesses in the gigantic Mainland market.

The general manager of Taipa Cunha food factory, Mr. Lun Kam Gung, said that it has been the first time that they exported 50 boxes of nougat to the northeast region of China. On one hand, they tried to cater to customer demands. On the other hand, they wanted to understand the procedures of customs clearance, inspection and quarantine for exporting foodstuff to the Mainland. To this end, they kept track of relevant production costs to accumulate experience for exploring the Mainland market in the future.

The general manager of Chong Ou Spinning, Weaving, Garment & Dyeing Factory Ltd., Mr. Wong Tim Fok, also said that the company has been producing designer clothing for many years. It was an attempt for the company this time to export products to the Mainland market under the policy of CEPA. Therefore, they were exporting clothing of various designs in small quantities in order to test consumer response of the Mainland market. He explained further that if feedback was positive, they would venture into the Mainland market in full swing by featuring clothing of Macao design and Macao brand in their exports.

Compared with foodstuff and textiles and clothing, Macau Cement Manufacturing Company Limited has relatively ample sales experience in the Mainland. According to the executive general manager of Macau Cement Manufacturing Company Limited, Mr. Cheng Xiang, the factory has been operating for 20 years. Several years ago, Macao cement products recorded satisfactory sales in the Pearl River Delta Region. Through the advantages brought forth by the zero-tariff policy of CEPA, they could save as much as 8% on tariffs when exporting cement to Mainland. Therefore, their competitiveness could be enhanced, appealing the company to focus on the Mainland market once again. He expected that in the future, sales in the Mainland market would take up as much as 20-30% of the company's business. Although in the short term Macao manufacturers may not be capable of developing businesses in the Mainland market, they can partner with foreign investors to jointly explore the advantages in CEPA and make most of Macao's role as a trade and commerce platform.



Macau-made confectioneries were exported to the Mainland tariff-free.



Mr. Lun shared his experience in developing the Mainland market



Cement products manufactured in Macao were exported to the Mainland smoothly.

(Courtesy photo from the Government Information Bureau)

5. Deadline for Macao residents to enroll in the 2004 National Judicial Examination was due

The Office of the State Judicial Examination of the Ministry of Justice in the Mainland announced the guidelines for Hong Kong and Macao residents to enroll in the 2004 National Judicial Examination in early July. The Macao China Legal Services (Limited) Company has been designated as the examination registration office in the Macao SAR.

According to relevant information,

- By the end of July, a total of 58 Macao residents have enrolled in the State Judicial Examination.
- The unified examination date is set on 18/09 and 19/09 across the country. The examination center for Macao residents will be set up in Zhuhai.
- The Ministry of Justice has specially published the “2004 National Judicial Examination Outlines” for Macao examinees to prepare for the examination. The examination paper will be printed in simplified Chinese, but Hong Kong and Macao examinees are allowed to choose to answer in traditional or simplified Chinese.
- For more information about the examination, please visit the website of the Ministry of Justice of the People’s Republic of China (<http://www.legalinfo.gov.cn/>), or call the National Judicial Examination Office at (010-63995582 transfer to (or extension) 203/207), or e-mail to sfksga@legalinfo.gov.cn.

6. The results of CEPA implementation and development of Tertiary industry in Zhongshan

Zhongshan has always been an investment hot spot for Hong Kong and Macao enterprises. In order to facilitate foreign investment, the Government of Zhongshan has released an “Investor Handbook” on the website (<http://www.zs.gov.cn/>) to give out details on company registration and procedures, and to provide online verification and approval services. Furthermore, in order to facilitate the implementation of CEPA, the Zhongshan Development Planning Bureau has especially published “Guidelines for

investment in Zhongshan under CEPA” on the website (<http://www.zsdp.gov.cn/window.asp?id=1053>) so as to explain the relevant application procedures in detail. Also, the State Administrative Department for Industry and Commerce has set up “Green Lanes” to provide one-stop services for Hong Kong and Macao individual store owners. Currently, more than 20 individually owned stores set up by Hong Kong and Macao residents have been established in Zhongshan.

The tertiary industry in Zhongshan accounted for 32% of the its economy in 2003, and the output value has increased by 9.5%. In this regard, the Government of Zhongshan established a “Zhongshan tertiary industry leading group” (Tertiary Industries Office) to formulate a general plan for development of the tertiary industry. If Hong Kong and Macao enterprises are interested in investing in the tertiary industry in Zhongshan, all relevant documents should now be examined and approved by the “Tertiary Industries Office”.

In its general economic planning, Zhongshan has identified 6 industries as their development priorities, namely tourism, trade and commerce, real estate industry, services for emerging industries (such as finance, transportation, logistics, product design, etc.), communication service industry, newly emerged social service industry (e.g. security, property management, etc.) Various preferential policies have also been rolled out so as to promote development in Zhongshan.