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closer Economic Partnership Arrangement

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Editor's Note:

After a review by the World Trade Organization (WTO) with a view to ensuring free trade agreements (FTAs) signed under its framework comply with the relevant rules, the HK-Macao CEPA was approved at the meeting of the 92nd session of the Committee on Regional Trade Agreements held on 1 April.

To further broaden the scope of liberalisation under the CEPA Agreement on Trade in Services, the second CEPA Joint Steering Committee senior officials meeting (SOM) of this year, chaired by Mr. Sun Tong, Director-General of the Department of Taiwan, Hong Kong and Macao Affairs of the Ministry of Commerce of the People's Republic of China, and Ms. Teng Nga Kan, Chief of the Office of the Secretary for Economy and Finance, was convened in Beijing on 28 June. This Meeting was a consultation between the two sides on broadening the scope of liberalisation under the CEPA Agreement on Trade in Services on the basis of the basic achievement of liberalisation of trade in services between the two places since the first CEPA SOM of 2019, held on 28 March.

Furthermore, a mechanism for CEPA Rules of Origin (ROOs) consultation has been established in accordance with Article 26 of the CEPA Agreement on Trade in Goods, signed at the end of last year and implemented since 1 January 2019. In case Macao manufacturers need to request revisions to the CEPA ROOs, they may submit requests for revision to ROOs to the Macao Economic Bureau (DSE).

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. WTO reviews and approves the HK-Macao CEPA

After a review by the World Trade Organization (WTO) with a view to ensuring free trade agreements (FTAs) signed under its framework comply with the relevant rules, the HK-Macao CEPA was approved at the meeting of the 92nd session of the Committee on Regional Trade Agreements held on 1 April.

During the review meeting, representatives of the Macao Economic Bureau (DSE) and Hong Kong's Trade and Industry Department (TID) gave presentations on the purposes of signing and the content of the HK-Macao CEPA. On 27 October 2017, Hong Kong and Macao signed the HK-Macao CEPA, which has been implemented since 1 January 2018 with a view to strengthening trade ties and exchanges in respect of technical cooperation between the two sides. The HK-Macao CEPA is the second FTA signed by Macao with another WTO member, the first being CEPA signed with Mainland China. On the scope of liberalisation of the agreement, both parties committed to continue to apply zero tariffs to, and not to apply non-tariff and anti-dumping

measures to goods originated from the other side. The commitments on services even go beyond those undertaken by the two sides under the WTO. Besides, the agreement also covers multiple areas, such as systematic arrangements for dispute resolution as well as the Economic and Technical Cooperation Work Programme. Speaking at the meeting, the representative of China commented that the HK-Macao CEPA is a FTA that possesses the characteristics of "One Country, Two Systems" and complies with the free trade rules laid down by the WTO, and that the agreement can strengthen the trade exchange between Hong Kong and Macao by offering each other treatments that are more favourable than those for other members.

Representatives of Macao and Hong Kong attending the meeting included, among others, Tai Kin Ip, Director of the DSE; Lam Fai, Acting Head of the Macao Economic and Trade Office to the WTO; Lai Sui King, Principal Trade Officer of TID; and Mak Kai Yin, Assistant Representative of Hong Kong to the WTO.



Representatives of the DSE and Hong Kong's TID give presentations on the purposes of signing and the content of the HK-Macao CEPA



The WTO reviews the HK-Macao CEPA at the meeting of the 92nd session of the Committee on Regional Trade Agreements

2. Second CEPA SOM of 2019 convened in Beijing

To further broaden the scope of liberalisation under the CEPA Agreement on Trade in Services, the second CEPA Joint

Steering Committee senior officials meeting (SOM) of this year, chaired by Mr. Sun Tong, Director-General of the Department of Taiwan,

Hong Kong and Macao Affairs of the Ministry of Commerce of the People’s Republic of China, and Ms. Teng Nga Kan, Chief of the Office of the Secretary for Economy and Finance, was convened in Beijing on 28 June. This Meeting was a consultation between the two sides on broadening the scope of liberalisation under the CEPA Agreement on Trade in Services on the basis of the basic achievement of liberalisation of trade in services between the two places since the first CEPA SOM of 2019, held on 28 March.

During the meeting, the two sides held a full review of the scope of liberalisation under the CEPA Agreement on Trade in Services and held a substantive consultation on broadening the scope of liberalisation under the CEPA Agreement on Trade in Services by summarising the past implementation experience and taking into account the actual needs of Macao’s business sector.

The Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area has explicitly stated, among others, “to implement the Agreements under the respective CEPAs with Hong Kong and Macao, take forward the implementation of special liberalisation measures for Hong Kong and Macao with respect to sectors including finance, education, legal and

dispute resolution, maritime transport, logistics, rail transport, telecommunications, Chinese medicine, as well as construction and related engineering”. For this purpose, the two sides hoped to broaden the scope of liberalisation under the CEPA Agreement on Trade in Services, cut down the negative list and explore taking forward the negative list of cross-border services, especially to promote the implementation of policies of broadening liberalisation in finance, education, tourism, cultural activities and other areas of trade in services under CEPA in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), so as to promote the achievement of comprehensive liberalisation of trade in services in the GBA.

Attendees of the Meeting included representatives of the Macao Economic Bureau (DSE), Legal Affairs Bureau (DSAJ), Macao Trade and Investment Promotion Institute (IPIM), Monetary Authority of Macao (AMCM), Financial Services Bureau (DSF), Education and Youth Affairs Bureau (DSEJ), Cultural Affairs Bureau (IC), Macao Post and Telecommunications Bureau (CTT), Marine and Water Bureau (DSAMA), Macao Investment and Development Company Limited (MID) and other authorities.



The 2nd CEPA Joint Steering Committee SOM of this year is convened in Beijing to hold substantive consultations on further broadening the scope of liberalisation under the CEPA Agreement on Trade in Services



The 2nd CEPA Joint Steering Committee SOM of this year is convened in Beijing to hold substantive consultations on further broadening the scope of liberalisation under the CEPA Agreement on Trade in Services

3. Three WGs under the CEPA Agreement on Trade in Goods convene meetings

In accordance with the CEPA Agreement on Trade in Goods, which has been implemented since 1 January 2019, three working groups (WGs), namely the WG on Rules of Origin (ROOs), 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 with a view to following up on the implementation of the Agreement on Trade in Goods.

According to the areas covered by trade in goods under CEPA and the nature of the WGs, the Macao Economic Bureau (DSE), along with the Macao Customs, Municipal Affairs Institute (IAM), Macao Trade and Investment Promotion Institute (IPIM), Macao Productivity and Technology Transfer Center (CPTTM), Macao Investment and Development Company Limited (MID), and Macao EDI VAN S.A. (TEDMEV) have formed the Macao-side members of the three WGs, and convened the first working meetings on 10 and 25 April respectively under the chairing of Chan Tze Wai, Acting Director of the DSE.

During the meeting, the parties actively conducted exchanges together on implementing the series of tasks under the CEPA Agreement on

Trade in Goods, exchanging information with and collecting opinions from each other, and explored taking forward the customs clearance facilitation measures under the chapter on the Guangdong-Hong Kong-Macao Greater Bay Area.

The parties agreed to sum up the relevant experience and generalise the problems faced currently. After being sorted and consolidated, these will be taken up with and handed over to the Mainland side at relevant meetings in future to allow the two places to achieve new breakthroughs in future on the basis of trade in goods under CEPA, further enhancing the level of facilitation in export of goods to the Mainland.



The WG on SPS Measures convenes its meeting



The WG on ROOs convenes its meeting



The WG on TBT convenes its meeting

4. DSE launches CEPA ROOs revision mechanism

A mechanism for CEPA Rules of Origin (ROOs) consultation has been established in accordance with Article 26 of the CEPA Agreement on Trade in Goods, signed at the end of last year and implemented since 1 January 2019. In case Macao manufacturers need to request revisions to the CEPA ROOs, they may submit requests for revision to ROOs to the Macao Economic Bureau (DSE).

According to the relevant arrangements, enterprises may submit revision requests to the DSE before 1 July, 1 September and 1 November in 2019; and may submit revision requests before 1 March and 1 September from 2020 or afterwards. Once verified by the DSE, the

abovementioned requests will be submitted to the General Administration of Customs for consultations. Upon completion of the consultations, the revised CEPA ROOs will be incorporated in the Annex (Product-specific Rules of Origin) to the Agreement and promulgated, and will be implemented one month after their promulgation.

The abovementioned requests may be submitted to or consulted at the Foreign Trade Division of the DSE. Address: Rua Dr. Pedro José Lobo, 1-3, Luso International Bank Building, 2/F, Macao. Phone: 85972328/ 85972342. Fax: 28715633. E-mail: dcecodece@economia.gov.mo.

5. DSE launches professional consultation services exchange programme

To strengthen the support for the entrepreneurial development of the youth of Macao in the Greater Bay Area (GBA) as a complement to the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area, the Macao Economic Bureau (DSE) launched the “Professional Consultation Services Exchange Programme” in June 2019. Through the joint effort between the Macao Young Entrepreneur Incubation Centre (MYEIC) and relevant youth entrepreneurship organisations in the GBA, professional services in legal, accounting, taxation and other fields will be provided to their residing startup teams from the other side, allowing Macao’s business starters to obtain professional and reliable consultation support services while starting and developing their businesses in the GBA.

Apart from the MYEIC, participants of the first phase of the “Professional Consultation Services Exchange Programme” also include ten youth entrepreneurship bases in the GBA, which are Guangzhou’s CIC2, Guangdong-HK-Macao (International) Youth Entrepreneur Hub, Unicorn Field and Tianhe Hong Kong & Macau Youth

Association; Shenzhen’s Qianhai Shenzhen-Hong Kong Youth Innovation and Entrepreneur Hub; Zhuhai’s InnoValley HQ; Dongguan’s Songshan Lake Hong Kong and Macao Project Conversion Service Centre and Songshan Lake Hong Kong and Macao Youth Entrepreneurship Base; Zhongshan’s E-Park; and Jiangmen’s Torch High-Tech Creative Park. These youth entrepreneurship partner organisations will provide legal, accounting, taxation and other professional consultation services directed to the operating difficulties commonly encountered by the youth of Macao during their early stage of entrepreneurship in the Mainland to assist them in solving the practical problems. Meanwhile, business registration, intellectual property protection, policy consultation and other services will also be provided with a view to providing more comprehensive and to-the-point professional consultation support services to Macao’s youth startup enterprises. At the same time, Mainland youth startup enterprises can also strengthen their connections and cooperation with Macao and even Portuguese-speaking countries (PSCs) through the cooperation mechanism, giving

full play of the role of Macao as a “centre of youth innovation and entrepreneurship exchange between China and PSCs”.

A press conference was held by the DSE on 6 June this year, with responsible persons of the youth entrepreneurship partner organisations invited to introduce their facilities and the professional consultation services provided, so as to allow youth startup enterprises and the general public of Macao to get a better grasp of the details of the Programme.



The DSE and youth entrepreneurship partner organisations in the GBA jointly launch the “Professional Consultation Services Exchange Programme”

6. DSE and CPDFund stage promotions in Greater Bay Area cities

To promote the functions and roles of Macao as a commercial and trade cooperation service platform between China and Portuguese-speaking countries (PSCs) and introduce Macao’s business environment and business opportunities of the China-PSCs platform featured finance to cities of the Guangdong-Hong Kong-Macao Greater Bay Area, the “Understanding Macao’s Business Advantages: China and PSCs Business Opportunities and Featured Finance Promotion Seminar” was held on 5 and 6 of June in Zhaoqing and Foshan respectively. Presentations on Macao’s business environment, development of featured finance, taxation policies and the China-PSCs Cooperation and Development Fund (CPDFund) were delivered during the Seminar. The two sessions of the Seminar together drew an attendance of over 180.

General Manager of the China-Portuguese Speaking Countries Cooperation and Development Fund Company Limited Song Yunsong gave a presentation on the overview, investment criteria and requirements of the CPDFund, investment environment of PSCs the current situation of the Fund’s investments. Apart from the “fund pooling” function, the Fund also

has the “intelligence pooling” function, searching investment opportunities for Chinese and foreign enterprises that lack experience in investing or running businesses in PSCs and building a platform for the business sector for their searching of cooperation partners, so as to promote two-way investments between China and PSCs.

The Seminar was jointly hosted by the Monetary Authority of Macao (AMCM), Macao Trade and Investment Promotion Institute (IPIM), Macao Economic Bureau (DSE) and Financial Services Bureau (DSF); organised by the Bureau



China and PSCs Business Opportunities and Featured Finance Promotion Seminar

of Commerce of Zhaoqing, Finance Bureau of Zhaoqing, Foreign Affairs Bureau of Zhaoqing, Taiwan, Hong Kong and Macao Affairs Office of the Foshan Municipal Party Committee, Bureau of Commerce of Foshan and Finance Bureau of Foshan; and supported by the

China-Portuguese-speaking Countries Federation of Entrepreneurs, China-Portuguese Speaking Countries Cooperation and Development Fund Company Limited and the Macau Association of Banks.

7. Guangdong-Hong Kong-Macao Classic Brand/Time-honoured Brand Development Exchange Activity

To implement the 2019 Guangdong-Hong Kong and Guangdong-Macao intellectual property cooperation programmes, the Guangdong Province Administration for Market Regulation held the “Guangdong-Hong Kong-Macao Classic Brand/Time-honoured Brand Exchange Activity” on 7 May in Guangzhou. Officers of the Macao Economic Bureau (DSE), along with the Macao Classic Brand Support Group and representatives of Macao Classic Brands and their brand-reshaping consultancies participated in this Activity. Officials from intellectual property authorities of, and representatives of business chambers and enterprises of Guangdong, Hong Kong and Macao conducted exchanges and discussions revolving topics of brand development and reshaping of classic brands/time-honoured brands and

trademark protection. They also visited two China Time-honoured Brands to learn about the experience of Mainland’s time-honoured brands in brand development and reshaping.



Representatives of intellectual property authorities, business chambers and enterprises of Guangdong, Hong Kong and Macao conduct exchanges

8. DSE and the Department of Commerce of Guangdong Province jointly host the “2019 Guangdong-Macao Cross-border E-commerce Exchange Activity” in Zhuhai

To promote the joint development of cross-border e-commerce between Guangdong and Macao and to deepen the industrial exchange and cooperation between the two places, the “2019 Guangdong-Macao Cross-border E-commerce Exchange Activity”, hosted by the Macao Economic Bureau (DSE) and the Department of Commerce of Guangdong Province and organised by the Zhuhai Commerce Bureau, was held in

Hengqin, Zhuhai on 25 June. About 200 representatives of relevant industry associations and enterprises from Macao and Mainland China attended the Activity to jointly explore the development and opportunities arising from cross-border e-commerce.

The Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area has explicitly proposed to support Hengqin in

providing a pivot for Macao’s development of cross-border e-commerce industries. The thriving of e-commerce and enormous consumer market in the Mainland has offered a broad development prospect for Macao’s cross-border e-commerce. Both Zhuhai and Macao hope the industries of the two places engaging in cross-border e-commerce to capture the current opportunities, especially to leverage the strength of Macao as a commercial and trade cooperation service platform between China and Portuguese-speaking countries (PSCs) and make good use of Hengqin’s unique advantages for jointly advancing the innovative development of cross-border e-commerce.

Committed to creating a sustainably developable business environment for cross-border e-commerce with a view to promoting Macao’s moderate economic diversification, the governments of Zhuhai and Macao will strengthen their cooperation in cross-border e-commerce, jointly building an exchange platform for the

industries to further enhance information exchange and providing multifaceted support to facilitate easier entry of Macao and PSCs products into the Mainland market.

A number of Mainland authorities gave presentations on the supervisory policies related to cross-border e-commerce and on Hengqin’s cross-border e-commerce during the exchange session. Participants acquired a better understanding of the latest development of cross-border e-commerce in Hengqin through visiting Hengqin’s cross-border e-commerce support facilities. The Activity also included a session for promoting specialty agricultural produce from less-developed counties and a session for establishing connection and exchanging with the Mainland e-commerce industries, providing an interaction platform for deepening the room for cooperation between the cross-border e-commerce industries of the two places.



The “2019 Guangdong-Macao Cross-border E-commerce Exchange Activity” is successfully held



The DSE organises industry participation in the “2019 Guangdong-Macao Cross-border E-commerce Exchange Activity”

9. “GBA Macao Youth Entrepreneurship Exchange Group” travels to Guangzhou, Dongguan and Shenzhen for exchange

To encourage more youths of Macao to start businesses and seek development in the Greater Bay Area (GBA), and to enhance the youth’s understanding of youth entrepreneurship support policies and related facilities in GBA cities, the Macao Economic Bureau (DSE) organised the “GBA Youth Entrepreneurship Exchange Group” from 16 to 17 May 2019. A total of 44 representatives of youth associations, tertiary institutions, and enterprises residing in the Macao Young Entrepreneur Incubation Centre were invited to travel to major leading technology and innovation cities in the GBA to visit youth entrepreneurship incubation organisations and outstanding technology and innovation enterprises in those places and conduct exchanges with their responsible persons and residing enterprises, promoting the establishment of business connections and development of room for business cooperation between the two sides.

During the two-day visit, the Group travelled to Guangzhou, Dongguan and Shenzhen to visit their youth entrepreneurship incubation organisations that each had their own characteristics, including Chirk Up Coworking in Tianhe District, Guangzhou, Guangda We Valley in Songshan Lake, Dongguan, and

Shenzhen-Hong Kong Youth Innovation and Entrepreneur Hub in Qianhai, Shenzhen, to learn on-site about the functions and roles and entrepreneurship environment of, and related support services provided by each youth entrepreneurship incubation base, and to exchange and share entrepreneurship experience with local youth startup enterprises. In addition, the Group visited two advanced technology enterprises in Guangzhou engaging in smart vehicle equipment manufacturing and unmanned driving technology respectively. Members of the Group were allowed to experience first-hand the Mainland’s innovative technology advancement as they were invited to experience autonomous driving technology. Meanwhile, the Group also visited the Spallation Neutron Source, the International Robotics Industry Base and other state-level technology and innovative technology projects in Songshan Lake, Dongguan, so as to enhance the Macao youth’s understanding of China’s innovative technology development trend and of the innovation and entrepreneurship environment as well as the related preferential policies in the GBA for better capturing the development opportunities arising from regional cooperation.



Responsible person of Chirk Up briefed on their local youth entrepreneurship support policies



The Macao Youth Entrepreneurship Exchange Group visits the International Robotics Industry Base