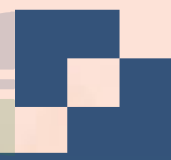


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CEPA Newsletter

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closer Economic Partnership Arrangement

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Editor's Note:

December sees the signing of the CEPA Investment Agreement and CEPA Agreement on Economic and Technical Cooperation between the Ministry of Commerce of the Central People's Government and the Government of the Macao Special Administrative Region at the Government Headquarters, marking a new phase of economic and trade cooperation and exchange between the Mainland and Macao.

Besides, Hong Kong and Macao signed the Hong Kong Special Administrative Region and Macao Special Administrative Region Closer Economic Partnership Arrangement during the 10th Hong Kong Macao Cooperation High Level Meeting to facilitate the two SAR governments keeping abreast of the market pulse and foster more collaboration opportunities, favouring the long-term economic development and growth of the two places.

The China-Portuguese Speaking Countries Cooperation and Development Fund (CPDFund) organised the first publicity campaign since its settlement in Macao – the China-Portuguese Speaking Countries Cooperation and Development Fund Promotion Session, which helped to deepen the understanding of the industrial and commercial sector and the public on the CPDFund and at the same time promoted two-way cooperation in investment between China and Portuguese-speaking countries.

To further implement the policy objective of supporting youth innovation and entrepreneurship and provide support services with higher comprehensiveness to young entrepreneurs of Macao, the SAR Government has entrusted the Parafuturo de Macau Investment and Development Limited to operate the new MYEIC at the 3rd Floor of The Carat, NAPE. The new Incubation Centre will forge an integrated service platform focusing on providing systematic innovation and entrepreneurship support services to youth startups while utilising resources more efficiently.

To actualise the setting up of an “innovation and entrepreneurship exchange centre for young entrepreneurs in China and Portuguese-speaking countries” in Macao, which is a measure advanced by Premier of the State Council Li Keqiang during the 5th Ministerial Conference of the Forum for Economic and Trade Co-operation between China and Portuguese-speaking Countries for benefiting Macao, the SAR Government has finalised the setting up of the Youth Innovation and Entrepreneurship Centre for Young Entrepreneurs in China and the Portuguese-speaking Countries, of which the plaque unveiling ceremony was held on 18 October 2017.

1. Two Agreements for Enhancement of CEPA signed at Macao

The Ministry of Commerce of the Central People's Government and the Government of the Macao Special Administrative Region signed the CEPA Investment Agreement and CEPA Agreement on Economic and Technical Cooperation at the Government Headquarters on 18 December 2017. The two agreements are integral parts to the enhancement of the Mainland and Macao Closer Economic Partnership Agreement (hereafter referred to as CEPA), marking a new phase of economic and trade cooperation and exchange between the Mainland and Macao. Vice Minister of Commerce Gao Yan and Secretary for Economy and Finance Leong Vai Tac indicated at the CEPA Joint Steering Committee High Level Meeting that the two agreements are a special economic and trade arrangement made between the two places under the “One Country, Two Systems” framework in conformity with the World Trade Organization rules, and is an important measure for achieving high level trade and investment liberalisation and

supporting Macao's integration into the national development strategies as proposed at the 19th National Congress, favouring the deepening of economic and trade relationship between the two sides and the broadening of space for development of small and medium enterprises, professionals and youth of Macao, and offering strong support and boost to the moderate diversification of economic development in Macao. Both sides stated to focus on implementing the two agreements properly in future, and hoped that industries of the two places will make full use of the favourable policies of CEPA to foster further in-depth integration between economies of the two places and achieve joint development.

Witnessed by Chief Executive of the Macao Special Administrative Region Chui Sai On, Vice Director of the Liaison Office of the Central People's Government in Macao Chen Sixi, Director-General of the Department of Taiwan, Hong Kong and Macao Affairs of the Ministry of Commerce Sun Tong, Chief-of-Office of the Chief Executive's Office O Lam, and Vice Director of the Department of Exchange of the Hong Kong and Macao Affairs Office of the State Council Chen Wei, Vice Minister Gao and Secretary Leong signed the two agreements on behalf of the Ministry of Commerce of the Central People's Government and the Government of the Macao Special Administrative Region respectively.



Enhancement of CEPA signing ceremony

Vice Minister Gao stated at the CEPA Joint Steering Committee High Level Meeting that under the joint effort of the two places throughout the 18 years since Macao's handover to China, economic and trade exchange and cooperation between the two places has yielded fruitful results with the scope and level of cooperation broadening and enhancing continuously. The Mainland and Macao have achieved full liberalisation of Trade in Goods and basic liberalisation of Trade in Services through CEPA, and at the same time adopted efficient and pragmatic trade and investment facilitation measures as well as set up wide-ranging economic and technical cooperation arrangements. The signing of the two agreements continues to maintain the highest level of liberalisation offered by CEPA, and embodies the support of the Central People's Government on Macao's economic development, long-term prosperity and stability.

Secretary Leong indicated at the Meeting that the two agreements display the continuous enhancement of the Mainland's liberalisation towards Macao in terms of

breadth, depth and strength, of which the CEPA Investment Agreement fills the gap of outbound investment in Macao and establishes a resolution mechanism for investment disputes between the two places, while the CEPA Agreement on Economic and Technical Cooperation acknowledges Macao's distinctive role in the participation of China's "Belt and Road" Initiative, expressly supports the Macao's development as a financial service platform for commercial and trade cooperation between China and Portuguese-speaking countries, and strengthens the support on and coordination with the moderate diversification of Macao's economy, while

broadening the room for development for micro, small and medium enterprises, professionals, and youth of Macao to provide further favourable conditions for all sectors of Macao to integrate themselves into China's national development strategies.

Both sides concurred on the suggestion of implementing the two agreements properly together and carry out comprehensive publicity through multiple means, channels and forms, so as to give citizens and industries a thorough understanding of the agreements.

2. Hong Kong Macao Cooperation High Level Meeting held at Hong Kong Government Headquarters as both sides signed the HK-Macao CEPA



HK-Macao CEPA signing ceremony

To promote economic and trade cooperation and exchange between Hong Kong and Macao, and create a more favourable environment for future economic integration among regions, especially in respect of the integration among cities in the Guangdong-Hong Kong-Macao Bay Area, the 10th Hong Kong Macao Cooperation High Level Meeting was held between Hong

Kong and Macao on 27 October 2017, during which the Secretary for Economy and Finance of Macao Leong Vai Tac and the Financial Secretary of Hong Kong Paul Chan Mo-Po signed the Hong Kong Special Administrative Region and Macao Special Administrative Region Closer Economic Partnership Arrangement (HK-Macao CEPA).

HK-Macao CEPA is Macao's second Free Trade Agreement after the signing of the Mainland and Macao Closer Economic Partnership Arrangement in 2003. Since both Hong Kong and Macao are members of the World Trade Organization, the agreement covers multiple areas including Trade in Goods, Trade in Services and

Economic and Technical Cooperation Work Programme. Both Hong Kong and Macao commit to continue applying zero-tariff measures to goods originating from the other side in terms of Trade in Goods; in terms of Trade in Services, Hong Kong will open up 105 services sectors to Macao, while Macao will open up 72 services sectors to Hong Kong, including Macao's relatively advantaged sectors, such as tourism, convention and exhibition, entertainment and logistics, etc. Besides, the two places will set up a more full-fledged communication and cooperation mechanism

covering activities such as customs procedures and trade facilitation, intellectual property, transparency in laws and regulations, etc. through the Economic and Technical Cooperation Work Programme of the agreement, so as to facilitate the two SAR governments keeping abreast of the market pulse and foster more collaboration opportunities, favouring the long-term economic development and growth of the two places. Contents of liberalisation of Trade in Goods and Trade in Services under the HK-Macao CEPA will be put in place from 1 January 2018.

3. China-Portuguese Speaking Countries Cooperation and Development Fund Promotion Session held in Macao

The China-Portuguese Speaking Countries Cooperation and Development Fund Promotion Session – the first publicity campaign of the China-Portuguese Speaking Countries Cooperation and Development Fund (referred to hereafter as the CPDFund) since its settlement in Macao – was held on 12 October 2017 at Lotus Room, World Trade Center Macau with an attendance of over 120 participants from government authorities, industry and commerce associations as well as the public. This Promotion Session has helped to deepen the understanding among the industrial and commercial sector as well as the public in Macao on the CPDFund, and promote bilateral cooperation in investment between China and Portuguese-speaking countries (PSCs) in order to implement further the

series of measures of the Central Government for supporting Macao's development. During the Session, representatives from the Macao headquarter of the CPDFund gave a detailed presentation on the targets of services, investment criteria, forms of investment, application procedures of, and information and documents required for application for the Fund to provide attendees a more



Group photo of attending guests

comprehensive understanding and picture of the CPDFund, contributing to the development of commercial and trade cooperation service platform between China and PSCs. In addition, this Promotion Session included specialised topic presentations on investment and development in PSCs, offering an overview of investment in energy and manufacturing

industries, which are relatively typical options among various investments in PSCs. The CPDFund's settlement in Macao made it possible for fund management team experienced in investing in PSCs to give an account on the investment environment of PSCs for and share the latest situation of the PSCs markets with the local industrial and commercial sectors.

4. Macao Young Entrepreneur Incubation Centre operates at new site



Macao Young Entrepreneur Incubation Centre

The SAR Government highly values nurturing Macao youth's innovation and entrepreneurship capabilities. To promote the development of youth innovation and entrepreneurship, the Macao Economic Bureau (DSE) set up the Macao Young Entrepreneur Incubation Centre (MYEIC) in June 2015 in order to provide free-of-charge temporary office space and one-stop services for youth startups, so as to encourage youth to innovate and start up new businesses. From 2015 to October 2017, MYEIC received a total of 112 new applications and 27 renewal applications

and approved 67 and 19 of them respectively, successfully nurturing startups of various industries.

To further implement the policy objective of supporting youth innovation and entrepreneurship and provide support services with higher comprehensiveness to young entrepreneurs of Macao, the Macao SAR Government has entrusted Parafuturo de Macau Investment and Development Limited to operate the new MYEIC at the 3rd Floor of The Carat, NAPE since 18 October 2017.

The new Incubation Centre will forge an integrated service platform focusing on providing systematic innovation and entrepreneurship support services to youth startups while utilising resources more efficiently and achieving higher cost effectiveness. It will continue to provide free-of-charge temporary office space and basic facilities to young entrepreneurs with

such needs and operate on a 24/7 basis to cater for the variety of needs of Macao's entrepreneurship talents.

In addition, to make outbound services connected and seamless, the DSE, the Macao Trade and Investment Promotion Institute and the Macao Productivity and Technology Transfer Centre will continue offering support by providing professional, personalised and full-range incubation services, including: startup training, enquiry, one-stop incorporation, startup adviser consultation, business matchmaking, collecting applications for Youth Entrepreneurs Aid Scheme and for residence at Mainland youth startup incubation centres, as well as organising various activities related to youth entrepreneurship.

The new Incubation Centre will also collaborate with venture capital funds and accelerators to organise roadshows of



The new Incubation Centre will focus on providing systematic support services to youth startups

startup projects regularly at the Centre or other areas to facilitate matchmaking between residing teams and venture capital funds, as well as assist youth entrepreneurs to start off well. Moreover, the new Incubation Centre has launched the Macao Interaction Area project in Zhongshan in collaboration with incubators in other areas of the Mainland to provide an integrated platform to Macao enterprises interested in developing their businesses in the Mainland.

5. Centre for young entrepreneurs in China and Portuguese-speaking Countries opened as exchange programme introduced to encourage young entrepreneurs venturing into Portuguese-speaking countries

To actualise the setting up of an “innovation and entrepreneurship exchange centre for young entrepreneurs in China and Portuguese-speaking countries” in Macao, which is a measure advanced by Premier of the State Council Li Keqiang during the 5th Ministerial Conference of the Forum for Economic and Trade Co-operation between China and Portuguese-speaking Countries

for benefiting Macao, and to strengthen Macao's role as a service platform for commercial and trade cooperation between China and Portuguese-speaking countries (PSCs) in order to promote exchange and cooperation in youth entrepreneurship between Mainland China, Macao and PSCs, the Macao SAR Government has finalised the setting up of the Youth Innovation and

Entrepreneurship Centre for Young Entrepreneurs in China and the Portuguese-speaking Countries, of which the plaque unveiling ceremony was held on 18 October 2017, officially marking its residence at the Macao Young Entrepreneur Incubation Centre (MYEIC). The Centre has committed to provide quality basic facilities and support services to youth entrepreneurs, as well as a platform for youth from Mainland China, PSCs and Macao to jointly innovate and start up new businesses, as well as explore room for development of regional integration, so as to strengthen Macao's role as a service platform for commercial and trade cooperation between China and PSCs.

To complement the setting up of the Centre, the SAR Government has launched an “innovation and entrepreneurship exchange programme for youth in China and Portuguese-speaking countries” and held a launched conference in the afternoon of 25 October 2017 at MYEIC. The programme provides free work space at Second Home, Lisbon and business training courses and consultation services of Fábrica de Startups to young entrepreneurs and personnel of youth startups of Macao interested in seeking business opportunities or exploring business exchanges in Portugal in order to support and encourage youth entrepreneurs to visit and develop in PSCs, inspire innovative thinking, and foster opportunities



DSE Director Tai Kin Ip speaking at the plaque unveiling ceremony

for business and collaboration. The programme will also provide participants with partial assistance on their travel expenses between Macao and Lisbon, Portugal, and partial subsidies on living and accommodation expenses during their residence at Second Home. Prospectus and application form of the programme are available for download at the DSE website (www.economia.gov.mo). For enquiries, call 85972147/85972602 or e-mail to paje.info@economia.gov.mo.

6. “Guangdong-Macao Task Force on the Development of China (Guangdong) Pilot Free Trade Zone Meeting 2017” held in Macao



Guangdong-Macao Task Force on the Development of China (Guangdong) Pilot Free Trade Zone Meeting 2017

The “Guangdong-Macao Task Force on the Development of China (Guangdong) Pilot Free Trade Zone Meeting 2017” was held in Macao on 31 October 2017, at which both sides exchanged views on the development of Hengqin Area, Nansha Area and Qianhai Area. The Guangdong side hoped to develop an integrated platform for displaying and selling products from

Portuguese-speaking countries (PSCs) in the Nansha Area, and forge it into an online and offline interactive display and sales platform; Macao is currently dedicated to promoting the development of featured finance, including financial leasing, wealth management and Renminbi clearing, and will continue to strengthen financial cooperation between Guangdong and Macao in future. During the meeting, representatives of the China-Portuguese Speaking Countries Cooperation and Development Fund (CPDFund) presented an overview of the Fund’s settlement in Macao, and how to apply for the Fund; to encourage Mainland and local enterprises to explore the PSCs markets, the CPDFund will organise promotional campaigns in Guangdong Province in future to assist enterprises in “venturing abroad”.

7. DSE Delegates participated in the Pan-Pearl River Delta Region Joint Meeting on Intellectual Property Rights Cooperation and the “Belt and Road” Intellectual Property Rights High-level Forum

Hosted by the Intellectual Property Office of Hunan Province, the Pan-Pearl River Delta Region Joint Meeting on Intellectual Property Rights Cooperation and the “Belt and Road” Intellectual Property Rights High-level Forum 2017 was held in Changsha on 21 November 2017.

The Forum centred on four themes,

namely, “The Choice of Intellectual Property Rights System under the Background of ‘Belt and Road’ Initiative: Standpoints, Principles and Solutions”, “Experience Sharing on International Knowledge Transfer and Intellectual Property Rights by the City University”, “Intellectual Property Rights of Chinese Enterprises Venturing Abroad under the

Background of ‘Belt and Road’ Initiative” and “Intellectual Property Rights in Hunan throughout the Internationalisation Process”, exploring the development and integration of intellectual property rights under the background of the “Belt and Road” Initiative. Over 200 intellectual

property rights experts, scholars and delegates of intellectual property offices, enterprises, high schools and trademark/patent agencies from the Pan-Pearl River Delta Region attended the Forum.



Venue of the Intellectual Property Rights High-level Forum



Group photo of attending guests

8. Inauguration ceremony of the “pilot service centre for Mainland business registration” and “foster group for featured time-honoured brands”

To further implement the Five-Year Development Plan of the Macao Special Administrative Region (2016-2020), assist small and medium enterprises (SMEs) to explore room for development and support featured time-honoured brands to reshape their brands, the Macao Economic Bureau (DSE) signed cooperation agreements on establishing a “foster group for featured time-honoured brands” and a “pilot service centre for Mainland business registration” with the Macau Chain Stores and Franchise Association and the Guangdong and Macao Federation of Industry and Commerce respectively on 6 November 2017 to advance the related works orderly.

The DSE supports the Macau Chain Stores and Franchise Association in setting up a foster group for featured time-honoured brands of Macao. A survey on local featured time-honoured brands will be commenced and selection criteria will be drawn up in the first phase, so as to commence the selection of local featured time-honoured brands in the first quarter of 2018 in order to help those brands to reshape their brand images and achieve ongoing development.

Besides, to facilitate Macao enterprises and residents setting up companies in the Mainland and strengthen exchanges and cooperation of enterprises between Guangdong and Macao, the DSE



Inauguration ceremony of the “foster group for featured time-honoured brands”

supports the Guangdong and Macao Federation of Industry and Commerce in setting up a pilot service centre for Mainland business registration in Macao. During the first phase, the service centre will provide free-of-charge incorporation and individually-owned store registration services to Macao enterprises and residents, service items include: (1) Mainland company name search; (2) set up databases to review relevant registration details; (3) provide guidance to filling in registration documents; (4) set up a “green lane” to

streamline registration procedures. The service centre is located at Unit N, 8th Floor of The Macau Square at No. 43-53 Avenida do Infante D. Henrique. The office hours are Monday to Saturday 9 a.m. to 1 p.m., 2 p.m. to 6 p.m. (Closed on public and government holidays). The enquiry number is 2871 5979.

The ceremony also witnessed the signing of two cooperation agreements. The Guangdong Time-honoured Brands Association and the Macau Chain Stores and Franchise Association signed a cooperation partnership agreement on the “foster group for featured time-honoured brands”; the Administration of Industry and Commerce of Hengqin New Area and the Guangdong and Macao Federation of Industry and Commerce signed a cooperation partnership agreement on the “pilot service centre for Mainland business registration”, with a view to promoting close cooperation between Guangdong and Macao.

9. Promotion session on “pre-loaded imported food inspection system” held in Macao

To promote goods clearance facilitation and create conditions for the ongoing development of Macao’s food manufacturing industry and food trade, the Macao Economic Bureau (DSE) deepens the cooperation with the Zhuhai Entry-Exit Inspection and Quarantine Bureau to introduce through innovation of systems a “pre-loaded imported food inspection system”, under which pre-inspection

measures are applied to food products imported into the Mainland from Macao through every port of entry of Zhuhai, inspection certificates issued by qualified third-party Macao inspection institutions are recognised, and fast inspection and release are applied on this basis to further facilitate goods clearance. The system does not only benefit food products made in Macao, including those under the framework of



Attendees and guests conducting in-depth discussion on the actual operation of the pre-loaded inspection system

CEPA, but also those imported into the Mainland through Macao, helping to attract enterprises from Portuguese-speaking countries to explore the Mainland market by making use of Macao's role as a platform, providing positive effects for Macao's development as a food product distribution centre for Portuguese-speaking countries.

To assist Macao enterprises in grasping the opportunities and making goods use of the food inspection facilitation measures to explore the enormous Mainland market, the DSE organised a promotion session on the "pre-loaded imported food inspection system" on 10 November 2017. Chief of Food Section of the Zhuhai Entry-Exit Inspection and Quarantine Bureau Zeng Xiaojun, and Vice General Manager of Chong Kim (Macao) Inspection Analyse Company Limited Ding Xiaoyu were invited by the Session as speaking guests to give an introduction on the operational details and application procedures of the "pre-loaded imported food inspection

system" to the Macao trade. The Session received a warm attendance of over 130 participants from the trade, who discussed in depth with the guests on the actual operation of the pre-loaded inspection system. According to some small and medium enterprise attendees, the system helps enterprises to plan well for the clearance and sales of goods before exporting them by "pre-loading" the quality and labelling inspection of goods to Macao, which enhances the clearance efficiency. They are looking to try exporting their goods to the Mainland by means of the pre-loaded inspection system in the short term.

The first batch of goods under CEPA enjoying the facilitation measure of "pre-loaded imported food inspection system", which included cookies and egg rolls made in Macao in a total of 68 boxes and a total value of MOP37,000, was successfully cleared from the customs at the Hengqin port of entry on 28 November. The Hengqin Entry-Exit Inspection and Quarantine Bureau completed the whole inspection and quarantine process within two hours by applying the monitoring model of the pre-loaded system. The involved Macao enterprises remarked that the pre-loaded system has simplified the inspection process of food being imported into the Mainland and significantly shortened the clearance time. They will continue using the pre-loaded system to develop the Mainland market.

10. Cross-border e-commerce joins Dynamic Macao Business and Trade Fair to facilitate SMEs' ongoing sales

To assist Macao small and medium enterprises (SMEs) to integrate with e-commerce, so as to explore markets by keeping abreast of times, the Macao Economic Bureau (DSE) supported commercial associations in introducing e-commerce services during the “Dynamic Macao Business and Trade Fair – Fujian Quanzhou” for the first time in order to assist exhibitors to make effective use of e-commerce to promote their products. As the promotion of products using e-commerce during the Quanzhou fair has achieved ideal results, a cross-border e-commerce exhibition area was added to the “Dynamic Macao Business and Trade Fair – Hainan Haikou” held in Haikou, Hainan on 17 November 2017. It not only enabled Macao exhibitors to conduct sales during the fair, but also allowed Mainland consumers to continue ordering products of Macao enterprises online with ease and speed at their hometowns after the fair, achieving the goal of ongoing sales.

Executive Vice President of the Sino-Portuguese E-commerce Chamber Ma Jun indicated that a total of 16 exhibitors used cross-border e-commerce services during the Haikou fair, with 250 items of products involved and over 200 cross-border e-commerce orders received. The products included mainly Macao's specialities and milk powder, etc. The sales amount



Guests visiting the Dynamic Macao Business and Trade Fair

increased tenfold from the previous Quanzhou fair. Cross-border e-commerce offers a new channel to Macao enterprises and effectively assists products made or distributed by Macao enterprises to reach abroad and explore the vast Mainland market, making itself a major highlight of the Dynamic Macao Business and Trade Fair.

11. 1,535 items of goods entitled to zero-tariff preference under CEPA upon entry into the Mainland

The Macao Economic Bureau (DSE) has completed the rules of origin consultation with the relevant Mainland authorities for goods applying for zero tariff in the second half of 2017. According to the consultation results, 5 new rules of origin for goods will be added from 1 January 2018, including sphygmomanometers and appliances (Tariff Code: 90189020), diathermy apparatus (Tariff Code: 90189050), massage apparatus (Tariff Code: 90191010), dental fittings (Tariff Code: 90212900) and hearing aids (Tariff Code: 90214000). Up till present, CEPA rules of origin have been developed

for a total of 1,535 items of Macao products, making them eligible for zero-tariff preference. Tariff Codes and rules of origin of the related products are available for download at the DSE website (website address: https://www.economia.gov.mo/en_US/web/public/pg_cep_a_tig?_refresh=true).

Since the implementation of the zero-tariff preference for Trade in Goods under CEPA in 2004 until December 2017, the aggregate value of goods imported into the Mainland totalled MOP860 million, with MOP61.89 million of tax exempted.