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Content:

1. CEPA IV Consultation was held in Macao
2. Six more Mainland cities will be included in the Individual Traveler Scheme from 1st May
3. Conference on “Defending for Anti-dumping Litigations” was held in Macao
4. The Ministry of Commerce delegated authority to approve foreign investment
5. Feature on the National Vocational Qualification Examination Coordination Center of Macao
6. Reform on consumption taxes in the Mainland will come into force from 1st April
7. New facilitation measures were announced for Mainland residents traveling to Hong Kong and Macao

Editor’s Notes

CEPA IV Consultation was recently held in Macao. Officials from the Mainland and Macao both hoped to enhance the benefits of CEPA to Macao through active cooperation and effective implementation of CEPA. Before the arrival of the Golden Week, which starts from 1st May, the Entry-Exit Inspection Bureau of the Ministry of Public Security of the People’s Republic of China announced that 6 more cities will be included in the Individual Traveler Scheme and will issue visas to Mainland residents for visiting Hong Kong and Macao. The number of mainland cities involved in the Scheme has now increased to a total of 44. Also, The Ministry promulgated an array of measures facilitating Mainland residents’ traveling to Hong Kong and Macao so as to smooth the movement of people in the region.

1. CEPA IV Consultation was held in Macao

The first CEPA Senior Officials Meeting of the year was held in Macao on 18th April and



Senior officials from the Mainland and Macao engaged in the consultation on the content of CEPA IV in the meeting.

was attended by representatives from relevant government departments of the Mainland and Macao. The main focus of the meeting was to discuss work plans for Trade in Goods, Trade in Services, as well as Trade and Investment Facilitation in CEPA IV. In the meeting, the two sides also reviewed the implementation of CEPA in the aspects of Trade in Goods, Trade in Services and Trade and Investment Facilitation after the signing of CEPA.

2. Six more Mainland cities will be included in the Individual Traveler Scheme from 1st May

The Entry-Exit Inspection Bureau of the Ministry of Public Security, with the approval of the State Council of PRC, announced on 19th April 2006 that in order to facilitate the movement of people between the Mainland and Hong Kong/Macao, residents from Nanchang (Jiangxi), Changsha (Hunan), Nanning (Guangxi), Haikou (Hainan), Guiyang (Guizhou) and Kuiming (Yunnan) may apply for visas to visit Hong Kong/Macao under the Individual Traveler Scheme starting from 1st May 2006.

3. Conference on “Defending for Anti-dumping Litigations” was held in Macao

Invited by Macao Economic Services, representatives from the Department of Taiwan, Hong Kong and Macao Affairs and the Bureau of Fair Trade for Imports and Exports of the Ministry of Commerce attended a seminar on “Mainland and Macau Enterprises Defending for Anti-dumping Litigations” held at Macau World Trade Center on 3rd March 2006. During the meeting, Mr. Li Chenggang, Deputy-Director of the Bureau of Fair Trade for Imports and Exports, gave a brief introduction to the laws, procedures and cases pertaining to trade remedies for international anti-dumping litigation. He also explained how enterprises should respond to



Keynote speakers in the seminar included Mr. Sou Tim Peng, Acting Director of Macao Economic Services, Mr. Li Chenggang, Vice Director of the Bureau of Fair Trade for Imports and Exports of the Ministry of Commerce, and Mr. Liu Zhenhua, Director of the Department of Taiwan, Hong Kong and Macao Affairs of the Ministry of Commerce.

unfair trade protection policies and strive for a fair trade environment. Mr. Liu Zhenhua, Director of the Department of Taiwan, Hong Kong and Macao Affairs of the Ministry of Commerce, also briefed on the progress of CEPA since its implementation and assessed the achievements attained in the meeting.

4. The Ministry of Commerce delegated authority to approve foreign investment

Starting from 1st March 2006, the Ministry of Commerce, in response to the requirement of the State Council of the People's Republic of China to simplify administrative procedures, has streamlined the procedures for approving foreign investment in the Mainland for the sakes of efficiency. According to “the Administrative Measures for Foreign Investment in Commercial Fields”, certain procedures for approving foreign invested commercial businesses would be delegated to the provincial departments of foreign trade and economic cooperation and the national committee of economic and technology development zone.

For further information, please refer to:

<http://wzs.mofcom.gov.cn/aarticle/zcfb/200512/20051201073020.html>

5. Feature on the National Vocational Qualification Examination Coordination Center of Macao

With the tremendous business opportunities brought about by CEPA since its implementation, it is imperial for the vocational skills of Macao residents to be recognized in line with the national qualification certification standards. To this end,



Facilities and Equipment in the Professional Examination Resources Unit of CPTTM

Macao Productivity and Technology Transfer Center (CPTTM) and the Professional Skill Identification and Guidance Centre of Guangdong Province signed a cooperation agreement in which CPTTM is designated as the official coordination center for the National Vocational Qualifications Examinations in Macao and is charged with arranging relevant examinations that meet the demand of the local market. CPTTM pointed out that they faced a lot

of difficulties in establishing the center. Yet thanks to the mainland experts and instructors offering tailored courses in Macao, and also to the assistance of the Labor Affairs Bureau, Macao Economic Services, and various local organizations, they were able to attain satisfactory results. Last year, a total of 6 National Vocational Qualification Examinations were organized in Macao, namely: Chinese cuisine, Chinese noodle and dim sum, hairdressing, beauty treatment, flower arrangement and logistics. 111 candidates passed the examinations, amounting to an overall passing rate of 91%.

Ms. Wong, an experienced beautician, said in the interview that she has learnt a lot in the pre-exam preparatory courses for beauty treatment arranged by CPTTM. In the course, she learnt make-up skills that can be used to accentuate the features of a person through learning the skills for sketching. This allowed her not only to combine the theories learnt with her experience, but also to absorb new knowledge and skills in the trade. Although obtaining the National Vocational Qualification would not bring about direct business benefits, she felt more confident and recognized in her profession. She also talked about her plans of taking the intermediate and advanced level



Candidates shared their experiences of sitting for the National Vocational Qualification Examination

examinations for beauticians to be held soon. Another examinee interviewed, Mr. Zhao, who took the computerized examination for logisticians, stated that that the preparatory course was designed to balance theories with practices. It not only enhanced students' creative thinking, but also raised the standards of professional qualifications for logisticians operators. All in all, he believed that the examination would benefit the development of the industry in the long term.

Given the positive response to the examinations, CPTTM is planning to expand the scopes of examinations to include new subjects, such as western culinary, western pastry and bakery, and national hi-tech computer skills, as well as examinations for electricians, salesmen, and property management operators. They expected that the center could assist a total to over 300 examinees.

6. Reform on consumption taxes in the Mainland will come into force from 1st April

The Ministry of Finance and the State Administration of Taxation jointly announced on 21st March that from 1st April, major adjustments would be made to the current

consumption tax items, tax rates and relevant policies. Furthermore, to be in line with the Notice Concerning the “Adjustment and Betterment of the Consumption Tax Policy” of 21st March, and to collect and manage consumption taxes better, the Administration has rolled out the “Administrative Measures for Adjustment and Betterment of the Consumption Tax Policy”.

The Policy is the most significant adjustment to consumption tax imposition since the Tax Reform in 1994. It bore important meanings in terms of enhancing the buffer function of consumption taxes, promoting environmental protection and scrimping on resources, and directing the production and consumption of relevant products. One of the prominent adjustments to consumption taxes is to impose taxes on luxurious products, such as yachts, golfing equipment and expensive watches. Taxes will also be levied on kerosene used in aviation industry, naphtha, white spirit, lubricant, fuel oil, etc., to widen the tax base for consumption taxes on oil products and to raise the tax rate on large-emission cars.

For more information, please refer to:

http://www.mof.gov.cn/news/20060322_2253_13932.htm

<http://www.chinatax.gov.cn/view.jsp?code=200604011542544114>

7. New facilitation measures were announced for Mainland residents traveling to Hong Kong and Macao

The Entry-Exit Administration Bureau of the Ministry of Public Security announced that “the operational standards of application, approval and issuance of Exit-entry Permit for Travelling to and from Hong Kong and Macau” came into force from 10th April. Ten new measures have been introduced to facilitate short-term travel of mainland residents to Hong Kong and Macau with the purpose of promoting tourism and business cooperation between the Mainland and Macao. The measures mainly include:

- An increase in the number of once-a-year or twice-a-year visas issued for tour group tourists
- Visas for individual travelers and other visas
- Allowing applicants to choose the departure day within a year
- Shortening the time required for reply to applications for business or work permits to Hong Kong/Macao that needs verification outside of China from 20 working days to 10 working days
- Cancellation of the requirement that a declaration should be printed on a public newspaper when applicants reapply for the Exit-entry Permit for Travelling to and

from Hong Kong and Macau when it is lost. Applicants are now only required to submit declarations to the authority in the cases of reapplication.

- New situations justifiable for the applications for Exit-entry Permit for Travelling to and from Hong Kong and Macau are introduced, e.g. attending funerals in Hong Kong or Macao. Also, Mainland residents who study or work in Macao can now applied for the permits to Hong Kong.

For further information, please refer to the website:

http://www.mps.gov.cn/cenweb/brjlCenweb/jsp/common/three_gagz.jsp?category=700731