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**Editor’s Notes:**

The “Agreement between the Mainland and Macao on Achieving Basic Liberalization of Trade in Services in Guangdong” under the framework of CEPA was signed in Macao on 18 December 2014, and shall be implemented on 1 March 2015. All along, liberalization commitments under CEPA and its Supplements have been set out in the form of positive list, whereas the Agreement adopts a brand new approach of both negative and positive listings. In addition, the Agreement has achieved liberalization both in terms of depth and breadth, with 153 services trade sub-sectors opened up to Macao, accounting for 95.6% of the total 160 sub-sectors under WTO Services Sectoral Classification System. According to international standards on liberalization of trade in services, basic liberalization of trade in services has been achieved between Guangdong and Macao.

- 1. The Mainland and Macao signed the “Agreement between the Mainland and Macao on Achieving Basic Liberalization of Trade in Services in Guangdong” under the framework of CEPA***

The “Agreement between the Mainland and Macao on Achieving Basic Liberalization of Trade in Services in Guangdong” (hereinafter referred to as the “Agreement”) under the framework of the Mainland and Macao Closer Economic Partnership Arrangement was signed in Macao on 18 December 2014. According to the Agreement, as from 1 March 2015, Guangdong will open up 153 services trade sub-sectors to Macao, achieving basic liberalization of trade in services between the two

places. Meanwhile, 24 new liberalization measures are added to the sectors that adopt positive list, and 84 additional sectors are liberalized among individually owned stores.

Witnessed by the Chief Executive of MSAR, Mr. Chui Sai On; Deputy Director of the Central Liaison Office in

Macao, Mr. Yao Jian; Vice-Governor of the People's Government of Guangdong Province, Ms. Zhao Yufang; Deputy Commissioner of the Ministry of Foreign Affairs of the PRC in the Macao SAR, Mr. Pan Yundong; Director-General of Macao Customs Service, Mr. Choi Lai Hang; Head of Department of Hong Kong and Macao Affairs Office of the State Council, Mr. Xiang Bin; Head of Department of Ministry of Commerce of the PRC, Ms. Chen Xing, Director of Hong Kong and Macao Affairs Office, the People's Government of Guangdong Province, Mr. Liao Jingshan; Chief of Office of the Secretary for Economy and Finance, Ms. Lok Kit Sim and among other guests, Vice Minister of Commerce of the PRC, Ms. Gao Yan, and Secretary for Economy and Finance of the SAR government, Mr. Tam Pak Yuen, signed the legal text of the Agreement.

The Agreement established a foundation for the next stage of full liberalization of trade in services between the Mainland and Macao. The Agreement enhances the openness of Guangdong's services market to Macao services industry, on the basis of the existing liberalization contents under CEPA and its Supplements, achieving basic liberalization of trade in services between the two places.

With respect to the liberalization mode of trade in services, the Agreement adopts an open management approach of negative and positive listings simultaneously. As for "cross-border services", "telecommunications services" and "cultural services", liberalization measures will remain positively listed, covering a total of 24 new liberalization measures based on the existing liberalization contents under CEPA and its Supplements.

Upon implementation of the Agreement, Guangdong opens up 153 services trade



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sub-sectors to Macao services industry, accounting for 95.6% of the 160 sub-sectors under WTO Services Sectoral Classification System. According to the standards of WTO' s services classification, basic liberalization of trade in services has been achieved between Guangdong and Macao.

In accordance with the Agreement, national treatment will be applied to Macao in 58 sectors, including advertising, photography, convention, hotels and restaurants, tourist guides, road transport, and so on. Macao Service Suppliers can enjoy national treatment in terms of market access conditions in Guangdong Province, which generates positive impact on the expansion of the market scope for Macao' s services industry. Moreover, Macao residents are allowed to register, according to the relevant laws and regulations in the Mainland, as operators of individually owned stores in Guangdong Province. The Agreement liberalizes 130 services sectors that individually owned stores can operate, representing an additional 84 liberalized sectors under the existing CEPA and its Supplements.

With regard to trade and investment facilitation, for the purpose of investment in the liberalized services sectors by Macao Service Suppliers in Guangdong Province, the establishment of a company and the change of contract and articles of association of a company will be subject to filing of record, followed by the application of formalities, in accordance with relevant regulations of the Mainland. With respect to the reserved restrictive measures and telecommunications and cultural sectors, the establishment and change of a company and financial institutions will be subject to the existing foreign investment laws and regulations and relevant formalities. In addition, the establishment and change of commercial presence other than a company will be subject to the existing regulations and formalities.

For details, please refer to the website of Macao Economic Services: <http://www.economia.gov.mo> or designated website of CEPA: <http://www.cepa.gov.mo>.

## ***2. “High-level Conference on the Protection and Development of Global Traditional Medicine Culture 2014 (Macao)” was held in Macao***

“High-level Conference on the Protection and Development of Global Traditional Medicine Culture 2014 (Macao)” , co-organized by Macao Economic Services, World Cultural Forum (Taihu, China) and Nam Kwong (Group) Co., Ltd. was held in Macao on 13 to 14 November 2014, with the theme of “Innovating and Developing Global Traditional Medicine, Marching toward a New Era of Ecological Civilization” .

Chief Executive, Mr. Chui Sai On, Vice Chairman of the Standing Committee of the National People's Congress of the PRC, Mr. Chen Zhu, Vice Prime Minister of Cambodia, Mr. H.E. Samdech Chaufea Veang Kong Som Ol and other Chinese and foreign

dignitaries attended the Opening Ceremony.

Traditional Chinese medicine professionals and scholars and representatives of international organizations and businesses, almost a thousand participants from nearly 20 countries and regions attended the conference, including a number of Chinese medicine masters, members of Chinese Academy of Engineering and about 50 renowned experts, for in-depth exchanges and discussions on inheritance and promotion, integration and innovation, and international cooperation of Traditional Chinese medicine.

During the conference, participants and speakers expressed high appreciation on the efforts of the SAR government on the development of traditional medicine, which includes actively supporting education, science and research and industrial development of Traditional Chinese medicine, as well as launching human resource training for traditional medicine.



Vice Chairman of the Standing Committee of the National People's Congress of the PRC, Mr. Chen Zhu delivered a speech at the Conference.

Besides, the Guangdong-Macao Traditional Chinese Medicine Technology Industrial Park Development Co., Ltd. and the Portuguese Institute of Traditional Chinese Medicine signed the “Memorandum for Building International Exchange and Cooperation Platform of the Traditional Chinese Medicine Science and Technology Industrial Park of Cooperation between Guangdong and Macao” at the Conference. Both sides will establish a cooperation mechanism to guarantee for actively advancing international promotion and cooperation, setting up regular communication channel, building an international exchange and cooperation center together, promoting import and export of Chinese medicine, talent training, and spreading traditional Chinese medicine culture, etc.

### ***3. Guangdong, Hong Kong and Macao jointly held “The 10<sup>th</sup> Pan-PRD Regional Intellectual Property Rights Cooperation Joint Conference and Exchange Program on Designated Topics”***

“The 10<sup>th</sup> Pan-PRD Regional Intellectual Property Cooperation Joint Conference and Exchange Program on Designated Topics” was jointly held by Guangdong Intellectual Property Rights Office, Intellectual Property Rights Department of the Government of the Hong Kong SAR and Economic Services of the Government of the Macao SAR in Zhongshan of Guangdong



“The 10<sup>th</sup> Pan-PRD Regional Intellectual Property Cooperation Joint Conference and Exchange Program on Designated Topics” was held in Macao.

Province, Hong Kong and Macao respectively from 22 to 24 October 2014. Around 50 representatives from the departments of intellectual property, trade and industry, and copyright of the nine provinces (regions) of Pan-Pearl River Delta region, Hong Kong and Macao, as well as guests from Patent Examination Cooperation Center of the Patent Office, SIPO, Guangdong and Patent Examination Cooperation Center of the Patent Office, SIPO, Sichuan invited by the Conference participated.

Representatives from the different areas of “9+2” called for the Joint Conference in Zhongshan on 22 October. During the conference, work achievements since the establishment of the platform for Pan-PRD Regional Intellectual Property Rights Cooperation in 2004 were concluded. Representatives from the different provinces (regions) also shared the latest progress of their work on intellectual property. Moreover, the parties preliminarily approved the next stage (2014-2016) of cooperation in development of 19 projects in 5 main areas such as innovation of the cooperation mechanism, strengthening of regional cooperation in protection of intellectual property rights, promotion on cooperation in use of intellectual property rights, improvement of cooperation in intellectual property services and expansion of cultural exchange on intellectual property rights.

The Pan-PRD Regional Intellectual Property Rights Cooperation Exchange Program on Designated Topics was jointly held by Intellectual Property Department of the Government of the Hong Kong SAR and Economic Services of the Government of the Macao SAR in Hong Kong and Macao, respectively, from 23 to 24 October. The themes of this exchange program were “Promotion of the ‘No Fakes Pledge’ Scheme” and

“Protection of Intellectual Property Right”. During the program, representatives from the different provinces (regions) exchanged views on further strengthening the protection of intellectual property rights. They also visited the themed gallery “The History and Development of Hong Kong Customs in the past 100 years” and the State Key Laboratory of Quality Research in Chinese Medicine, University of Macau.

Since the establishment of the Pan-PRD regional intellectual property cooperation mechanism in 2004, with the positive driving force of the departments of intellectual property of the different Pan-PRD provinces (regions) in the Mainland, Hong Kong and Macao, the cooperation environment in Pan-PRD region continued to be improved, areas of cooperation continued to be developed, strength of cooperation continued to be intensified, having brought a positive effect in promotion of regional economic development.

This joint conference and exchange program enabled the departments, from the field of intellectual property of the nine provinces (regions) of Pan-Pearl River Delta region, Hong Kong and Macao to have a more in-depth understanding of the area of intellectual property rights. Their individual sharing of experiences in the area would further promote closer cooperation in intellectual property rights of the Pan-Pearl River Delta region.

#### ***4. Representatives of the Tariff Policy Department of Ministry of Finance of the PRC visited Macao and called for “Seminar on the Implementation Status of CEPA Trade in Goods” with the business sector***

“Seminar on the Implementation Status of CEPA Trade in Goods” was held at Macao Economic Services on 31 December 2014. Deputy Head of the Tariff Policy Department of Ministry of Finance of the PRC, Mr. Xu Long led a delegation of representatives from different departments such as Ministry of Commerce



“Seminar on the Implementation Status of CEPA Trade in Goods” was held in Macao.

of the PRC and Hong Kong and Macao Affairs Office of the State Council. Deputy Director-General of the Economic Affairs Department of Liaison Office of the Central People’s Government in the Macao SAR, Mr. Kou Ming, Director of Macao Economic Services, Mr. Sou Tim Peng as well as the heads of related departments, and representatives from the major chambers of commerce participated in the seminar.

Director Sou Tim Peng delivered in his speech that CEPA had been smoothly implemented for a number of years with the positive support of many departments and committees in the Mainland. The zero tariff treatment, which enabled made in Macao products to be exported to the Mainland without levying any tariff, strengthened the competitiveness of local products by cutting the cost of export for the manufacturers, as a favourable means for Macao enterprises to develop in the Mainland market, playing a supportive role for the Macao manufacturing sector, while promoting the development of economic diversification in Macao.

Deputy Head of Department, Mr. Xu Long pointed out that outstanding results were achieved after CEPA had been implemented for ten years. Among them, 4 areas can be summarized as: (1) The major trait of the privilege treatment for CEPA Trade in Goods was the fast pace of decrease of preferential tariff rate, with no quota or trade protection clauses, that fully reflected the high level of integration of the economic and trade development between the Mainland and Macao; (2) the trade volume of Macao in 2013 has increased by 2.4 times comparing to the trade volume in 2003, meaning that the level of trade development of the two places was enhanced; (3) closer cooperation in electronic customs clearance between the two places was promoted, whereby real-time notification can be made with the establishment of electronic examination mechanism to enhance the efficiency of customs clearance facilitation; (4) the implementation of CEPA enables mutual experience learning for better trade and economic development between the two places and helps building up a regular exchange platform mechanism.

During the seminar, representatives of the major local business associations actively involved in depicting the problems encountered within CEPA trade in goods and propose relevant suggestions. The seminar provided a platform for direct exchanges between the authorities and business sector of the Mainland, playing an active role in the development of CEPA Trade in Goods through bilateral exchange and interaction.

##### ***5. Addition of Standard of Origin of 1 Product from 1 January 2015***

According to the agreement of CEPA, Macao Economic Services and related departments of the Mainland has completed consultations on the rules of origin for the products newly petitioned for zero-tariff treatment for the second half of 2014. Starting from 1 January 2015, the rule of origin for 1 product was added, namely Methanol (methyl alcohol) with Tariff Code: 2905.1100. The rule of origin of the added product and respective tariff code are available for reference, on the website of Macao Economic Services

([https://www.economia.gov.mo/public/data/cepa/tig/attach/f8ca40e8ba8cc09432b7608283c4ac76/en/new\\_blist\\_en.pdf](https://www.economia.gov.mo/public/data/cepa/tig/attach/f8ca40e8ba8cc09432b7608283c4ac76/en/new_blist_en.pdf)).