

CEPA Newsletter ♦ November 2007 ♦ Issue no. 23 ♦

Published by Macao Economic Services

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Editor's Note:

The second senior official meeting under the Joint Steering Committee of CEPA was held in Chongqing. Delegates from the Mainland and Macao exchanged opinions on the cooperation in the coming year. Furthermore, in view of the deepening cooperation between Guangdong and Macao, officials from the Economic and Trade Commission of the Guangdong Province came to Macao meeting up with representatives of Macao Economic Services for future cooperation in service sectors. Product safety has always been one of the focal points of Mainland-Macao cooperation, and hence MES invited experts from the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China to Macao to explain relevant regulations in China and other countries. Also in this issue, the latest breakthrough in Chinese medicine cooperation between the Mainland and Macao will be highlighted.

- 1. Senior Official Meeting under CEPA Joint Steering Committee was held in November in Chongqing**

The second Senior Official Meeting under CEPA Joint Steering Committee was held from 28 to 30 November 2008 in Chongqing municipality. The Macao delegation attending the meeting was led by Ms. Lok Kit Sim, Chief of Office of the Secretary for Economy and Finance, while Mr. Sun Tong, Deputy Director-General of the Department of Taiwan, Hong Kong & Macao of the Ministry of Commerce was the head of the Mainland delegation. The Ministry of Commerce announced in the meeting that the Mainland would adjust and amend certain laws and regulations to accommodate the implementation of CEPA. Macao representatives also briefed about the overall implementation of CEPA, exports under the zero-tariffs scheme and the issuance of Macao Service Supplier Certificate, and raised their opinions and the



Mainland and Macao officials exchanged views on the latest development in CEPA implementation

problems encountered by Macao service suppliers in the Mainland. During the meeting, both sides discussed the relevant work plans for CEPA implementation in the

coming year amid amicable ambience.

2. Management of the Economic and Trade Commission of the Guangdong Province paid a visit to Macao Economic Services exchanging views on Guangdong-Macao Cooperation



Delegates of the Economic and Trade Commission of the Guangdong Province met with Mr. Sou Tim Peng, Acting Director of Macao Economic Services

The delegation of Economic and Trade Commission of the Guangdong Province, which was represented by Mr. Feng Huizhao, Chief of the Department of Market Development, Mr. Yang Cheng, Deputy Chief of the Department of Market Development, Ms. Zhang

Huimei, Deputy Chief of the Department of Convention and Exhibition, Ms. Tian Min and Ms. Lin Yilin, senior staff members from the Department of Market Development and the Office of Hong Kong and Macao Affairs of the Guangdong Provinces, respectively, came to Macao on 17 October for a working meeting with Macao Economic Services.

In the meeting, both sides briefed on their latest economic development and reviewed the progress made in Guangdong-Macao cooperation in service sectors in the previous stage. Both sides were satisfied of the cooperation results attained in the last stage, such as “2007 Logistics Cooperative Conference”, the Seminar on “Business Opportunities out of National Cultural Heritage – the Successful Inscription of Chinese Herbal Tea in the National Cultural Heritage List and the Business Opportunities of Health Care Beverages in the Portuguese-Speaking Countries”, etc., and reflected on the experience gained in hosting those activities. Guangdong and Macao both hoped that, based on the achievement attained and the new liberalization measures in Supplement IV to CEPA, the two places could advance in expanding the realm, deepening the depth, and enhancing the enthusiasm of cooperation.



Also, during the meeting, Economic and Trade Commission of Guangdong Province presented complementary copies of the book *Regulation Guide for Hong Kong & Macao Service Suppliers* compiled by the Commission to MES.

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3. Macao Economic Services and the General Administration of Quality Supervision, Inspection and Quarantine of the People’s Republic of China jointly organized a symposium on safety of electrical appliances



Acting Deputy Director of Macao Economic Services, Mr. Tai Kin Ip, presented souvenir to the Deputy Director of the Technical Center for Machinery and Electrical Appliances Inspection of Shanghai Entry-Exit Inspection and Quarantine Bureau, Mr. Fu Peigang.

Macao Economic Services held a Symposium on Safety of Electrical Appliances, featuring the Deputy Director of the Technical Center for Machinery and Electrical Appliances Inspection of Shanghai Entry-Exit Inspection and Quarantine Bureau, Mr. Fu Peigang, as keynote speaker. The Symposium was aimed at introducing safety guidelines on electrical appliances and explaining international

and Chinese regulations on relevant products.

Product Safety is one of the major items under CEPA Industrial Cooperation. As the economies of the Mainland and Macao has been developing rapidly, and the livelihood of people in both places has been improving, the number of new consumers products launched in the market each year has been increasing, involving a wide variety of products. To tackle the problems arising from product safety, both Mainland and Macao pledged to work closely in order to ensure physical health and safety of consumers.

4. CEPA Implementation from January to October 2007

In terms of 2007 Mainland tariff codes, there are now a total of 656 items of Macao products eligible for the zero tariffs benefits under CEPA. In the first 10 months of the year, Macao Economic Services has issued 196 CEPA Specific Certificate of Origin (CEPA CO), covering products from 8 different categories, including textiles and garments, plastic bags, stationeries, copper foils, stamps, coffee beans, footwear, and adhesives, etc. Among all the CEPA COs issued, 177 certificates have been utilized. The amount of zero tariffs exports and tariffs savings during the period reached MOP 24.4 million and MOP 2.6 million, equivalent to an annual growth of 174.23% and 149.9%, respectively.

On the front of Trade in Services, until the end of October 2007, Macao Economic Services has issued 346 Macao Service Supplier Certificate (MSSC), benefiting 42 Macao enterprises. 16 Macao Service Suppliers (MSSs) has already entered the Mainland and set up 35 branches in different provinces or cities. Other 6 enterprises are also in the process of setting up branches or representative offices in the Mainland. Most of the MSSs chose to base their businesses in Gunagdong, Beijing, Shanghai and other regions. Freight forwarding agency, transportation, storage and warehouse, logistics, convention and exhibition, construction and related engineering, and real estate services are still popular among Macao investors.

With the latest liberalization of CEPA, business scopes for Macao residents setting up individually owned stores in the Mainland have been expanded to 17 kinds. According to the information provided by the State Administration for Industry and Commerce, until December 2006, the Administration has recorded 261 registrations of individually owned stores invested by Macao residents, with a total of 638

employees and total registered capital of RMB10.3 million. In the respect of Individual Travel Scheme, 49 cities are now covered by the Scheme, including the Guangdong Province, Beijing, and Shanghai, etc. In the first 9 months of 2007 alone, total tourist arrivals under the Individual Travel Scheme reached 5.2 million, posting a 23.57% increase over the 4.21 million tourist arrivals in the same period of last year.

5. Remarkable results have been attained in the medical cooperation between the Mainland and Macao

To enhance the cooperation between the Mainland and Macao in developing Chinese medicine, and to intensify the collaboration among pharmaceutical product inspection institutes and scientific research institutes in the Mainland and Macao, the Macao Health Bureau has been engaging in consultation with the Mainland, and remarkable results have been attained lately in this respect. State Food and Drug Administration of the People's Republic of China basically agreed that 18 customs checkpoints in the Mainland will provide drug inspection and examination services to Macao. Against this backdrop, Macao Health Bureau is planning to enlist these 18 checkpoints as Macao recognized inspection and examination center for pharmaceutical products. The above-mentioned centers are National Institute for the Control of Pharmaceutical and Biological Products, Institutes for Drug Control of Beijing, Tientsin, Dalian, Shanghai, Jiangsu, Zhejiang, Fujian, Shamen, Qingdao, Wuhan, Guangdong, Guangzhou, Hainan, Chongqing, Chengdu, Shanxi, and Guangxi.