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Editor’s Notes:

The newly signed Supplement X to CEPA will bring further liberalization content to Macao, including liberalization of trade in services, financial cooperation as well as trade and investment facilitation. Especially for Trade in Services, the Mainland will adopt 65 specific measures for Macao. The market access conditions, restrictions on shareholding, scope of business and region of operation of 28 sectors, namely legal, construction, etc. will be further relaxed on the basis of the existing commitments on liberalization. At the same time, liberalization measures in duplicating services and after-death facilities services will be introduced, bringing the total number of liberalization measures under Trade in Services to 383. The newly introduced and more in-depth liberalization content will instill vitality to the development of the moderate diversified economy of Macao. Till now CEPA has been implemented for 10 years, it could be seen that the different measures have brought fruitful results to the economic development of Macao, and the expected effects have been achieved. The PRC plan to implement full liberalization of Trade in Services by end of the 12th Five-Year Plan, with anticipation for further integration of the economic development of the Mainland and Macao, enhancing their development to a higher stage.

1. The Mainland and Macao signed Supplement X to CEPA

Witnessed by the Chief Executive, Mr Chui Sai On, Deputy Director of the Central Liaison Office in Macao, Ms. Chou Hong, Acting Commissioner of the Office of Commissioner of the Ministry of Foreign Affairs in Macao, Mr. Feng Tie, Director-General of the Department of Exchange and Cooperation of Hong Kong and Macao Affairs Office of the State Council, Mr. Huang Guang, Director-General of Macao Customs Service, Mr. Choi Lai Hang and other guests, Vice Minister of Commerce of the

PRC, Ms Gao Yan, and Secretariat for Economy and Finance of the SAR government, Mr. Tam Pak Yuen, signed the legal text of Supplement X to CEPA on 30 August 2013 at the Macao Government Headquarter.

The content of the newly signed Supplement X to CEPA mainly includes 3 areas: Trade in Services, financial cooperation as well as trade and investment facilitation.

Starting from 1 January 2014, further liberalization of Trade in Services will be brought to Macao, including continuation of the Early and Pilot measures in Guangdong, further relaxation of restrictions on region of operation to Fujian,



The Chief Executive, Mr Chui Sai On and other guests witnessed the signing ceremony (Courtesy photo from the Government Information Bureau)

addition of the content of “contractual service provider”, as well as further strengthening of cooperation in the area of trade and investment facilitation. For Trade in Services, the Mainland will adopt 65 specific measures for Macao. The market access conditions, restrictions on shareholding, scope of business and region of operation of 28 sectors, namely legal, construction, computer and related services, real estate, market research, etc. will be further relaxed on the basis of the existing commitments on liberalization under CEPA and the previous Supplements. At the same time, liberalization measures in duplicating services and after-death facilities services will be introduced, bringing the total number of liberalization measures under Trade in Services to 383.

For financial cooperation, qualified Macao insurers will be actively supported to take part in compulsory traffic accident liability insurance business in the Mainland. Applications made by Macao insurers will be actively considered and facilitation will be provided in accordance with relevant rules and regulations.

For trade and investment facilitation, the two sides agreed to further strengthen cooperation in the areas of commodity inspection, certification, accreditation and standardization management in the area of quality and standardization, as well as intellectual property protection, which mainly includes:

- To promote Guangdong and Macao mutual recognition of testing and certification results in respect of third-party testing and certification services; promote Guangdong and Macao mutual recognition of testing and certification results in respect of voluntary certification, and; promote mutual recognition of testing and certification

results under the China Compulsory Certification (CCC) System in accordance with the relevant requirements of the related national laws, rules, regulations and treaties;

- To promote efficiency of the supply chain of the commodity trade between Guangdong and Macao by opening up the commodity information platform to members of the commodity bar code system of the Macao Special Administrative Region to enjoy the same services as those system members in the Mainland; strengthen the sharing of commodity information resources between Guangdong and Macao with a view to achieving bilateral verification and inspection of commodity information circulated between the two places by employing the global uniqueness of commodity barcoding and to jointly combat counterfeit commodities so as to optimize the business environment;
- To further strengthen cooperation in the area of intellectual property protection, support studying the joint promotion of intellectual property trading and financing by Guangdong and Macao, and to explore the feasibility of developing businesses such as mutual recognition of intellectual property valuation through cooperation between Guangdong and Macao.

According to the stipulations of Supplement X to CEPA, the newly added contractual service providers, who are employed by Macao service suppliers, are allowed to provide related services in the Mainland in the mode of movement of natural persons. A “Contractual service provider” refers to a natural person who holds a Macao Special Administrative Region identity document and enters the Mainland to provide temporary service for the performance of the service contract(s) secured in the Mainland by his/her employer. His/her employer should be a Macao service supplier without commercial presence in the Mainland. The remuneration of a contractual service provider during his/her stay in the Mainland will be borne by the employer. The contractual service provider should possess academic qualification and technical (professional) qualification relevant to the services provided. During his/her stay in the Mainland, the contractual service provider cannot involve in any service activities irrelevant to the contract.

Supplement X to CEPA introduces liberalization measures in duplicating services and after-death facilities services. Duplicating services (CPC87904) are blue printing, photocopying, mimeographing, photostating, and other duplication services other than printing. The liberalization content of after-death facilities services is to allow Macao service suppliers on a wholly-owned or equity joint venture basis to invest in and operate funeral facilities (excluding crematorium) and human ashes storage facilities in the Mainland.

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. Implementation of CEPA for 10 years brought fruitful results

The Central Government supports the sustainable development and moderate diversification of Macao SAR's economy in order to cope with the global trend of trade liberalization. Consultation work of CEPA for the two special administrative regions started in 2003. Based on the principle of "tackling the easier first and then the harder", the Mainland and Macao completed the consultation of CEPA in the three areas, namely trade in services, trade in goods as well as trade and investment facilitation within four months. The two sides signed the main legal text of CEPA and 6 annexes on 17 October 2003 in Macao, the content of which came into effect on 1 January 2004. Afterwards, the two sides signed supplements to CEPA every year, further widening and deepening the liberalization content. Until now, 10 supplements were signed, with the number of made-in-Macao products entitled to enjoy zero tariff treatment increasing from 273 at the beginning to 1,283 now. 41 liberalization measures were adopted in 18 service sectors initially, and by now the number has increased by ninefold to a total of 383. Since the implementation of CEPA, huge and profound influence was brought to the economy of Macao, in the areas of trade in goods, trade in services and trade and investment facilitation, in particular, the "Individual Visit Scheme", which was first introduced by the Mainland on 28 July 2003, has given a strong boost to the development of the tourism and retail industry of Macao. Other liberalization content also further facilitate progress towards moderate diversification of Macao's economy, injecting new impetus into the trade development of the two places, bringing the trade and economic relation to a new stage, and building a solid foundation for achieving the goal of full liberalization of trade in services between the two places by end of the 12th Five-Year Plan of China.

The results of implementation of CEPA are concluded as follows:

For trade in goods, ever since CEPA came into effect till end of September 2013, Macao Economic Services has issued 2,782 CEPA certificates of origin, involving products of total export value of around MOP434 million with an estimate tariff saving amounting to MOP35.67 million. These goods mainly include refined copper foil, textiles and clothing, food and recycled plastics, etc.

With respect of trade in services, Macao Economic Services has approved 438 "Macao Service Supplier" certificates as of end of September 2013, which primarily engaged in service sectors of freight forwarding agency, transport, storage and warehousing, logistics, convention and exhibition, etc. For individually owned stores, according to the information from the Ministry of Commerce of the PRC, as of end of December 2012, 897 individually owned stores were set up by Macao enterprises or residents in the Mainland, involving 2,161 employees and registered capital of RMB 56.52 million, which mainly are centralized in Guangdong Province.

Regarding the Individual Visit Scheme, CEPA allows the residents of 49 municipalities,

including major cities in the Pan Pearl River Delta Region, Beijing, Shanghai, Tianjin and Chongqing, etc to visit Macao under the Individual Visit Scheme, and the number of Mainland visitors travelling to Macao under this Scheme continues to increase. According to the information from the Macao Statistics and Census Service, as of end of August 2013, total number of Mainland individual visitors travelling to Macao accumulated to 58.52 million. In the first 8 months of 2013, the number of individual Mainland visitors was around 5.4 million, which increased by 13.2% as compared to 4.77 million in the same period of the previous year.

For professional qualification examinations, as of 2012, a total of 12 Macao residents passed the National Judicial Examination, 3 residents passed the Chinese CPA Examination, 228 residents were successfully issued with National Medical Practitioner's Qualification Certificates. On 31 January 2005, Macao Productivity and Technology Transfer Center (CPTTM) and the Professional Skill Identification and Guidance Centre of Guangdong Province signed "Cooperation Agreement on Starting National Vocational Qualification Examinations in Macao SAR", through which CPTTM was designated as the official coordination center for the National Vocational Qualification Examinations. Macao coordination center held the first National Vocational Qualification Examinations in October 2005. From October 2005 to December 2012, 1,390 Macao residents were issued with National Vocational Qualification Examination Certificates of different levels under different subjects, such as repair and maintenance skills, personal image service, cooking and flower arrangement. Moreover, till now there is 1 Macao resident who obtains the qualification of national patent agent.

For trade and investment facilitation, to strengthen cooperation between the Mainland and Macao, the two sides work together on setting up joint groups, holding seminars, signing cooperation agreements, as well as organizing exchanges and visits among the authorities and industries of the two places, through which satisfactory results were achieved. With respect of industrial cooperation, fruitful results were obtained in promoting development of Macao's convention and exhibition industry. Through the cooperation mechanism under CEPA, the Mainland agreed to facilitate visa procedures for Mainland personnel participating in conventions and exhibitions held in Macao, supporting Macao in organizing large-scale conventions and exhibitions. Furthermore, great effort was put on promoting certain large-scale or branded conventions and exhibitions of the Mainland to be held in Macao, including "The International Infrastructure Investment and Construction Forum" which had been successfully held in Macao for two consecutive years. Moreover, the Macao SAR government started to hold the "Dynamic Macao" series activities since 2009, promoting Macao in 13 cities in the Mainland, including Shanghai, Chongqing, Beijing, Zhengzhou and Guiyang, etc. The business and trade fair promoted made-in-Macao and Macao-branded products to different provinces and cities in the Mainland, building a cooperation platform for the small and medium sized enterprises of Macao and the

Mainland enterprises, and providing opportunities for more extensive cooperation.

3. The Chief Executive led a delegation to participate in “The 9th Pan-PRD Regional Cooperation and Development Forum”

The Chief Executive, Mr Chui Sai On, led a Macao delegation to participate in “The 9th Pan-PRD Regional Cooperation and Development Forum” in Guiyang of Guizhou Province. Members of the delegation included Secretariat for Economy and Finance of the SAR Government, Mr. Tam Pak Yuen, Director-General of Macao Customs Service, Mr. Choi Lai Hang and Chief of Office of the The Chief Executive, Mr. Tam Chon Weng.



The Chief Executive delivered speech in the High-level Forum (Courtesy photo from the Government Information Bureau)

The Chief Executive attended the opening ceremony of “The 9th Pan-PRD Regional Cooperation and Development Forum” in the morning of 9 September 2013 and delivered a speech at the High-level Forum. The Chief Executive expressed that regional economic and trade interaction has enhanced the vitality of economic development of the SAR. The strategic plan of the SAR to build a service platform for trade cooperation among China and Portuguese Speaking Countries was also further affirmed. The more in-depth cooperation of the Pan-PRD region has played a positive role in promoting the development of the moderate diversified economy of Macao and continuously improving the living standard of Macao residents. Macao SAR would keep on strengthening tourism cooperation with the Pan-PRD region, promoting development of the service platform for trade and business cooperation of the Pan-PRD region, and deepening cooperation in areas of environmental protection, culture, education and medical services.

Before then, representatives of Macao Economic Services participated in “The 9th Pan-PRD Regional Cooperation and Development Forum – The Thematic Consultation for Accelerating the Construction of Modern Industrial System” held in Guiyang of Guizhou Province on 3 July 2013. The meeting was conducted in the form of consultation. During the meeting, representatives of the industrial authorities from different provinces and regions introduced their respective status of industrial development, and expressed their opinions on topics such as strengthening mutual cooperation in the region, giving full play to their respective advantages, as well as working together on construction of a modern industrial system. After the meeting, all participating representatives signed the

“Memorandum of Multilateral Cooperation at the 9th Pan-PRD Regional Cooperation and Development Forum – The Thematic Consultation for Accelerating the Construction of Modern Industrial System”, setting the direction for cooperation on constructing a modern industrial system within the Pan-PRD region.

On the other hand, representatives of Macao Economic Services and Macao Customs Service participated in “The 9th Pan-PRD Regional Intellectual Property Cooperation Joint Conference” held in Guiyang of Guizhou Province on 15 October 2013, discussing cooperation in the area of intellectual property in the Pan-PRD region.

4. “Dynamic Macao Business and Trade Fair” was held in Guizhou, Guiyang

The large-scale integrated exhibition for business and trade promotion, “Dynamic Macao Business and Trade Fair”, was held in Guiyang of Guizhou Province for 3 consecutive days from 12 to 14 July 2013. Aside from exhibiting and selling products, the program of this Guiyang station comprised seminar on



Officiating guests participated the opening ceremony of “Dynamic Macao Business and Trade Fair – Guizhou Guiyang ”

promotion of the investment environment of Portuguese-speaking countries, matchmaking session for the Chinese medicine industry of Guizhou and Macao, seminar on promotion of business and tourism of Macao, business matching session for Guizhou and Macao, featured performances, etc., providing a platform for connecting the enterprises of Guizhou and Macao, further promoting the economic and trade cooperation between the two sides, as well as showing to the public and enterprises of Guizhou the role of Macao as a world tourism and leisure centre, and a regional business and trade services platform. Secretariat for Economy and Finance of Macao, Mr. Tam Pak Yuen, Vice Governor of the People’s Government of Guizhou Province, Mr. Meng Qi Liang, Deputy Director of the Liaison Office of the Central People’s Government in Macao SAR, Ms. Chou Hong and other guests officiated the opening ceremony of the Fair. Director of Macao Economic Services, Mr. Sou Tim Peng delivered speech and expressed that the road show “Dynamic Macao Business and Trade Fair” was held in the Mainland to open up the channels for Macao products and services to enter the vast market of the Mainland. At the same time, it was expected that Guizhou and Macao could take this activity as an opportunity to foster

exchange and cooperation between enterprises of the two places, as well as bring into full play the role of Macao as a bridge between China and Portuguese-speaking countries, and thus as an important platform for Guizhou to open to foreign and international market.

The Fair was held at Guiyang International Conference and Exhibition Center, with an exhibition area of around 7,500 square meters and 260 exhibition booths, including “Made-in-Macao” products exhibit area, Macao special souvenirs pavilion, Macao enterprises exhibit area, and pavilion of products of Portuguese-speaking countries, bringing to the public of Guizhou the special food products and apparel made in Macao, as well as red wine, coffee and canned fish from Portuguese-speaking countries. At the same time, Macao economic development pavilion, Macao tourism pavilion, Macao trade and investment pavilion and Macao convention and exhibition pavilion were also set up so that the public of Guizhou could experience from multiple perspectives the diversified economic development, commerce, tourism, cultural development, local customs and practices of Macao.

5. “Mainland, Hong Kong SAR and Macao SAR Intellectual Property Symposium 2013” was convened in Macao

Jointly organized by State Intellectual Property Office of the PRC, Intellectual Property Department of the Government of the Hong Kong SAR and Macao Economic Services, the “Mainland, Hong Kong SAR and Macao SAR Intellectual Property Symposium 2013” was successfully held in Macao on 10 July 2013. Around 180 guests including experts in the field of intellectual property, scholars and representatives from different sectors gathered and exchanged views on the hot topics of the current work of intellectual property. They explored the latest trend of intellectual property development in the areas of strategic emerging industry and creative industry, shared the working experience and exchanged their thoughts, and proposed prospective and creative ideas to promote the development of intellectual property of the three places.



Photo of guests and speakers from the three places after the symposium

Since Mainland, Hong Kong SAR and Macao SAR Intellectual Property Symposium was successfully launched in 2000, it has become an important platform for the intellectual

property industry of the three places to exchange and strengthen communication, and plays a positive role in promoting the enhancement of the creation, operation, protection and management level of the intellectual property of the three areas.