

Further Liberalisation under CEPA

The Hong Kong Special Administrative Region Government and the Central People's Government (CPG) today (July 29, 2008) agreed on further services liberalisation under the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA). Witnessed by the Chief Executive, Mr. Donald Tsang and other guests, the Financial Secretary, Mr. John C Tsang and the Vice-Minister of Commerce, Mr. Jiang Zengwei, signed the Supplement V to the CEPA today.

Under Supplement V to the CEPA, the Mainland will introduce 29 liberalisation measures covering 17 services sectors, including existing sectors such as convention and exhibition, banking, construction and related engineering services, social services, tourism, accounting, and medical and dental services, as well as two new sectors, namely services incidental to mining, and related scientific and technical consulting services. The total number of services sectors covered by CEPA will be expanded from 38 to 40.

Supplement V to the CEPA opens up the Mainland market in two new services sectors. Hong Kong service suppliers will be allowed to provide services incidental to mining on a contractual joint venture basis (confined to exploration of oil and natural gas only), and related scientific and technical consulting services (prospecting and surveying services for iron, copper and manganese) on a wholly owned, equity joint venture or contractual joint venture basis.

All the services liberalisation measures will come into force on January 1 2009.

The two sides also agreed to enhance co-operation in branding, trademark, e-commerce in the area of trade and investment facilitation, and to continue work on mutual recognition of professional qualifications in accounting and construction. In this regard, an agreement on trademark co-operation and two agreements on accounting were signed in conjunction with the signing of the Supplement V today.

The CEPA was first signed in June 2003. Under CEPA, the Mainland agrees to give all products of Hong Kong origin tariff free treatment if they meet the CEPA rules of origin. On trade in services, the Mainland has already allowed preferential treatment to Hong Kong service suppliers in 38 services sectors. Details on CEPA including the newly agreed liberalisation and co-operation measures are available on the Trade and Industry Department's CEPA dedicated website at <http://www.tid.gov.hk/english/cepa/index.html>.

Ends/July 29, 2008