

Transportation and Logistics – 2008 Liberalization Measures

Maritime Transport

- 1. Are Hong Kong Service Suppliers (HKSS) allowed to set up wholly-owned enterprises in the Mainland to provide third party international shipping agency services?**

By virtue of Supplement IV to CEPA signed in 2007, HKSS are allowed to set up enterprises in the form of equity joint ventures in the Mainland to provide third party international shipping agency services, of which the shareholding of HKSS should not exceed 51%. This liberalisation measure took effect as from 1 January 2008.

According to the additional liberalisation measure introduced in Supplement V to CEPA signed in 2008, with effect from 1 January 2009, HKSS will be allowed to set up wholly-owned enterprises and branches in Guangdong to provide shipping agency services to vessel operators for routes between Guangdong province and Hong Kong/Macao.

Road Transport-related Services

Driver Training

- 2. What are the new liberalization measures for the driver training enterprises under Supplement V to CEPA?**

With effect from 1 January 2009, the power to approve Hong Kong service suppliers in the setting up of driver training businesses in Guangdong will be delegated to the provincial government under the Supplement V to CEPA. The approval power is currently vested in the Ministry of Transport.

- 3. What relevant Mainland rules/regulations governing the existing regulation of individual service sector are currently available for reference?**

Hong Kong service suppliers may refer to the “measures to implement the ‘Administrative Provisions for Driver Training’” issued by the Guangdong Communications Department for more information on the existing regulations in relation to driver

training in Guangdong. See link below (Chinese only):

<http://search.gd.gov.cn/detail?record=1&channelid=28757&searchword=title2%3D%25%E5%B9%BF%E4%B8%9C%E7%9C%81%E4%BA%A4%E9%80%9A%E5%8E%85%E5%85%B3%E4%BA%8E%E5%AE%9E%E6%96%BD%E3%80%8A%E6%9C%BA%E5%8A%A8%E8%BD%A6%E9%A9%BE%E9%A9%B6%E5%91%98%E5%9F%B9%E8%AE%AD%E7%AE%A1%E7%90%86%E8%A7%84%E5%AE%9A%E3%80%8B%E5%8A%9E%E6%B3%95%25>

Motor Vehicle Repair

4. What are the new liberalization measures for the motor vehicle repair under Supplement V to CEPA?

With effect from 1 January 2009, the power to approve Hong Kong service suppliers in the setting up of motor vehicle repair businesses in Guangdong will be delegated to the provincial government under the Supplement V to CEPA. The approval power is currently vested in the Ministry of Transport.

5. What relevant Mainland rules/regulations governing the existing regulation of individual service sector are currently available for reference?

Hong Kong service suppliers may refer to the “Approval of foreign investment in road transport enterprises” for more information on the existing Mainland regulations in relation to administrative approvals. See link below (Chinese only):

http://www.moc.gov.cn/zhuzhan/banshizhinan/bushubanshi/gonglujiaotong/200710/t20071020_438188.html

Road Freight Transport Services

6. By virtue of Supplement III to CEPA signed in 2006, Hong Kong Service Suppliers (HKSS) have already been allowed to set up wholly-owned enterprises in the Mainland to operate road freight transport stations (depots). What are the new liberalisation measures for this item under Supplement V to CEPA?

According to the additional liberalisation measure introduced in Supplement V to CEPA, with effect from 1 January 2009, the authority to approve HKSS in the setting up of road freight transport stations (depots) in Guangdong will be delegated to the Guangdong province.

7. How will the further liberalisation measure relating to road freight transport stations (depots) under Supplement V to CEPA facilitate HKSS accessing the Guangdong market?

Supplement V to CEPA has delegated to Guangdong province approval of HKSS setting up road freight transport stations (depots) in Guangdong. As a result, HKSS will be able to save up to 30 working days in applying to set up such business in Guangdong.

8. Which rules and regulations can HKSS refer to when they apply for the operation of road freight transport stations (depots)?

The relevant existing rules and regulations include :

- ✧ Provisions on the Administration of Road Transport Services with Foreign Investment (Decree 2001 No. 9 of the Ministry of Communications and the Ministry of Foreign Trade and Economic Cooperation);
- ✧ Regulation of the People's Republic of China on Road Transport (Decree 2004 No. 406 of the State Council);
- ✧ Administrative Measures on Road Freight Transport and Transport Stations (Depots) (Decree 2005 No. 6 of the Ministry of Communications);
- ✧ Notice on Delegation to Provincial Department of Commerce the Authority to Approve Establishment of Certain Road Transport Enterprises with Foreign Investment (Ministry of Commerce, January 2006); and
- ✧ Approval for the Setting up of Road Transport Enterprises with Foreign Investment (Ministry of Communications, October 2007).