

Annex 6

Trade and Investment Facilitation

1. Pursuant to the Mainland and Hong Kong Closer Economic Partnership Arrangement (hereinafter referred to as the “CEPA”), the Mainland and the Hong Kong Special Administrative Region have concluded this Annex on cooperation in trade and investment facilitation.

2. The two sides agree to cooperate in trade and investment facilitation in seven areas, namely, trade and investment promotion; customs clearance facilitation; commodity inspection and quarantine, food safety, quality and standardization; electronic business; transparency in laws and regulations; cooperation of small and medium enterprises, and cooperation in Chinese traditional medicine and medical products sector. Cooperation in these areas will follow the guidance and coordination of the Joint Steering Committee set up in accordance with Article 19 of the “CEPA”.

3. Trade and Investment Promotion

The two sides recognize the importance of mutual trade and investment to their economic and social development. Taking into account the actual development of trade and investment as well as the need for growth, the two sides agree to strengthen cooperation in trade and investment promotion.

3.1. Cooperation Mechanism

Relevant working groups under the Joint Steering Committee will be made full use of in guiding and coordinating cooperation in trade and investment promotion between the two sides.

3.2. Content of Cooperation

Based on past cooperation experience, as well as the development of economic and trade exchanges between both

sides, the two sides will strengthen cooperation in the following areas:

3.2.1. Notify and publicize their respective policies and regulations on external trade and foreign investment promotion, with a view to achieving information sharing.

3.2.2. Exchange views and conduct consultations to solve common problems relating to trade and investment of both sides.

3.2.3. Strengthen communication and cooperation in mutual investment and joint promotion of overseas investment.

3.2.4. Strengthen cooperation in organizing exhibitions and arranging delegations to participate in overseas exhibitions.

3.2.5. Conduct exchanges on other issues of mutual concern relating to trade and investment promotion.

3.3. Participation of Other Entities

The two sides note that the participation of semi-official and non-official organizations in the area of trade and investment promotion has positive effect and significance. The two sides agree to support and assist these organizations in various ways to launch trade and investment promotion activities.

4. Customs Clearance Facilitation

Recognizing the importance of close and long-term cooperation between the two Customs Administrations and of the implementation of customs clearance facilitation to their economic and social development, the two sides agree to strengthen cooperation in customs clearance facilitation.

4.1. Cooperation Mechanism

The two sides will steer and coordinate cooperation in customs clearance facilitation through the Annual Review Meeting between the senior leaders of the General Administration of Customs and the Customs and Excise Department of Hong Kong, and will promote the launch of cooperation in customs clearance facilitation through expert groups of the Customs Administrations and relevant departments of the two sides.

4.2. Content of Cooperation

Taking into account the need for different customs clearance systems and monitoring modes as well as experience in cooperation, the two sides agree to strengthen cooperation in the following areas:

4.2.1. Establish a reciprocal notification system to report their respective policies and regulations on customs clearance and management of clearance facilitation.

4.2.2. Conduct studies and exchanges on the differences between their respective customs clearance systems and on existing problems, with a view to enriching the specific content of cooperation in customs clearance facilitation.

4.2.3. Explore the expansion of the scope for further cooperation in strengthening control and enhancing efficiency in respect of customs clearance in areas such as sea and land transportation, intermodal operation and logistics.

4.2.4. Strengthen cooperation in establishing a crisis management mechanism at control points and adopt effective measures to maintain as far as possible smooth clearance on the two sides.

4.2.5. Establish a regular liaison mechanism, to make full use of the Guangdong and Hong Kong Customs Working Group on Operational Efficiency of Control Points set up under the Guangdong Branch of the General Administration of Customs and the Customs and Excise Department of Hong Kong.

4.2.6. Strengthen the work of the Expert Group on Cargo Data Sharing and Road Cargo Clearance set up under the two Customs Administrations, study the feasibility of data interchange and development of electronic customs clearance system at control points, strengthen the risk management of customs clearance and enhance its efficiency with technical solutions.

5. Commodity Inspection and Quarantine, Food Safety and Quality and Standardization

Recognizing the importance of protecting the health and safety of Mainland and Hong Kong people in the course of trade in goods and movement of persons, the two sides agree to strengthen cooperation in the areas of commodity inspection and quarantine, food safety, health and quarantine of people, and certification, accreditation and standardization.

5.1. Cooperation Mechanism

The two sides will make use of the existing cooperation channels of relevant departments to promote the launch of cooperation in the relevant areas through reciprocal visits, discussions and other modes of communication.

5.2. Content of Cooperation

The two sides agree to strengthen cooperation in the following areas:

5.2.1. Inspection and supervision of electrical and mechanical products

To ensure the safety of consumers of both sides, the two sides will enhance information flow and exchanges through established communication channels, in particular the exchange of information and intelligence on the safety of electrical and mechanical products, so as to jointly prevent safety problems associated with these products. The two sides will also promote cooperation in the training of inspection and supervisory officers.

The two sides are committed to implementing the “Cooperation Arrangement on Electrical and Mechanical Products Safety” signed between the State General Administration for Quality Supervision and Inspection and Quarantine, and the Electrical and Mechanical Services Department of Hong Kong on 12 February 2003.

5.2.2. Inspection and quarantine of animals and plants, and food safety

The two sides will make use of the existing coordination mechanism to step up cooperation in inspection and quarantine of animals and plants as well as in food safety, so as to enable both sides to enforce their respective regulations more effectively.

5.2.3. Monitoring of health and quarantine issues

The two sides will make use of the existing channels to regularly notify each other of the information on epidemic outbreaks and to step up academic exchange and joint research on health and quarantine issues; discuss health monitoring issues in respect of small vessels plying between the control points of Guangdong and Shenzhen; enhance cooperation in areas such as investigation and prevention of tropical infectious diseases and live vectors, surveillance and control of special articles and radioactive articles, transportation of biological disease factors and the related inspection, treatment and control measures.

5.2.4. Certification, accreditation and standardization management

The two sides will urge their respective organizations to strengthen cooperation with a view to promoting conformity assessment (including testing, certification and inspection), accreditation and standardization management.

6. Electronic Business

The two sides recognize that the application and promotion of electronic business will create more trade and investment

opportunities for both sides. They agree to step up exchange and cooperation in the area of electronic business.

6.1. Cooperation Mechanism

Under the guidance and coordination of the Joint Steering Committee, the two sides will set up a working group to act as a communication channel as well as a consultation and coordination mechanism for cooperation in electronic business, with a view to promoting cooperation and joint development in the area of electronic business.

6.2. Content of Cooperation

The two sides agree to cooperate in the following areas:

6.2.1. Cooperate in specialized projects in respect of the study and formulation of rules, standards and regulations of electronic business, with a view to creating a favourable environment for promoting and ensuring the healthy development of electronic business.

6.2.2. Strengthen exchange and cooperation in areas such as corporate application, promotion and training. Make full use of the relevant government departments of the two sides in promotion and coordination, step up promotion for electronic business, foster interaction between the enterprises of the two sides, and facilitate the launching of electronic business among the enterprises through demonstration projects.

6.2.3. Strengthen cooperation in implementing e-government, intensify exchange and cooperation in the development of e-government at various levels.

6.2.4. Cooperate in economic and trade information exchange, and expand the scope and extent of cooperation.

7. Transparency in Laws and Regulations

The two sides recognize that enhanced transparency in laws and regulations is an important foundation for promoting economic and trade flow between both sides. In the spirit of serving the commercial and industrial enterprises in the two places, the two sides agree to strengthen cooperation in the area of enhanced transparency of laws and regulations.

7.1. Cooperation Mechanism

The two sides will cooperate through relevant working groups under the Joint Steering Committee as well as their respective representative agencies.

7.2. Content of Cooperation

The two sides agree to strengthen cooperation in the following areas:

7.2.1. Exchange information on the enactment and revision of laws, regulations and rules in respect of investment, trade and other economic areas.

7.2.2. Disseminate in a timely manner information on policies and regulations through various media including newspapers, journals and websites.

7.2.3. Organize and support the organization of various briefings and seminars on economic and trade policies and regulations.

7.2.4. Provide advisory services to commercial and industrial enterprises through channels such as WTO enquiry points and websites of “Invest in China” and “China Business Guide” of the Mainland.

8. Cooperation of Small and Medium Enterprises

The two sides recognize that the development of small and medium enterprises plays an important role in increasing employment, promoting economic development and maintaining social stability. The two sides agree to promote exchanges and

cooperation between small and medium enterprises of the two places.

8.1. Cooperation Mechanism

Establish an operational mechanism between relevant government departments of both sides to promote cooperation between small and medium enterprises of the two sides, with a view to fostering their cooperation and seeking mutual development.

8.2. Content of Cooperation

The two sides agree to support and promote cooperation in the following areas:

8.2.1. Explore jointly the strategy and support policy for the development of small and medium enterprises through visits and exchanges.

8.2.2. Organize visits and exchanges on the organizational and operational modes of the intermediaries providing services to small and medium enterprises in the two places, and promote cooperation of the intermediaries.

8.2.3. Establish channels for providing information services to small and medium enterprises in the two places, exchange regularly relevant publications, set up dedicated websites, implement progressively information interchange and the interconnection of information website databases of the two sides.

8.2.4. Organize through different modes direct exchanges and communication between small and medium enterprises of the two places to promote their cooperation.

8.3. Participation of Other Entities

The two sides support and assist semi-official and non-official organizations to play a part in promoting cooperation between small and medium enterprises of the two places.

9. Cooperation in Chinese Traditional Medicine and Medical Products Sector

The two sides recognize that traditional Chinese medicine and medical products, being a fine component of the Chinese culture, bears tremendous market application potential and economic benefits. Both sides have their own competitive edge in areas such as promoting the industrialization of traditional Chinese medicine and medical products and advancing its modernization and internationalization. Cooperation in this area will be of notable significance to economic and social development of both sides. The two sides agree to strengthen cooperation in the development of the traditional Chinese medicine and medical products sector.

9.1. Cooperation Mechanism

The two sides will strengthen and improve the mechanism of liaison and cooperation between their respective government departments so as to promote the development of cooperation in traditional Chinese medicine and medical products sector of the two places.

9.2. Content of Cooperation

Based on the situation and development trend of cooperation in traditional Chinese medicine and medical products sector in the two places, the two sides agree to strengthen cooperation in the following areas :

9.2.1. Communicate on the formulation of their respective regulations on and management of traditional Chinese medicine and medical products with a view to achieving information sharing.

9.2.2. Enhance cooperation in research on traditional Chinese medicine and medical products, exchange and share information on areas such as industry development strategy and development orientation of traditional Chinese medicine and medical products.

9.2.3. Strengthen communication and coordination in registration management of traditional Chinese medical

products, implement standardization in the management of traditional Chinese medical products, and facilitate mutual trade in traditional Chinese medical products.

9.2.4. Cooperate in such areas as facility management and regulations and requirements for clinical trials, with a view to achieving mutual recognition of clinical data.

9.2.5. Conduct exchanges and cooperate in quality standardization for traditional Chinese medical products, and jointly promote the enhancement of quality standards for traditional Chinese medical products.

9.2.6. Support cooperation between the traditional Chinese medicine and medical products enterprises of the two places and jointly strive for international market expansion.

9.2.7. Strengthen trade and investment promotion and cooperation in the traditional Chinese medicine and medical products sector.

9.2.8. Conduct exchanges and consultations on ways to solve problems arising from cooperation in traditional Chinese medicine and medical products sector.

9.3. Participation of Other Entities

The two sides will support and assist the participation of semi-official and non-official organizations in cooperation in the traditional Chinese medicine and medical products sector, including the cooperation already established between the National Center for Traditional Chinese Medicine and the Hong Kong Jockey Club Institute of Chinese Medicine Ltd.

10. According to paragraphs 3 and 4 of Article 17 of the “CEPA”, any new area or content of trade and investment facilitation agreed by the two sides will be incorporated into this Annex.

11. This Annex will come into effect on the day of signature by the representatives of the two sides.

Signed in duplicate in Hong Kong, this 29th day of September, 2003 in the Chinese language.

Vice Minister of Commerce
People's Republic of China

Financial Secretary
Hong Kong Special
Administrative Region of the
People's Republic of China

(signature)

(signature)