

Mainland and Hong Kong
Closer Economic Partnership Arrangement (CEPA)

Frequently Asked Questions – Economic and Technical Cooperation

Enhancement of CEPA

Q1. What is enhancement of CEPA?

A: The Mainland and Hong Kong signed the CEPA in 2003 and have since signed ten Supplements and five subsidiary agreements to broaden and enrich the content of CEPA through expanding market liberalisation and further facilitating trade and investment. Over the years, CEPA has brought significant benefits in promoting trade and economic development of the two places and fully sustained the complementary and mutually beneficial relations between the two places.

The National 13th Five-Year Plan states that the Central Government will step up efforts to further open up its markets to Hong Kong and advocate the enhancement of CEPA. The Mainland and Hong Kong signed the Agreement on Trade in Services in November 2015, the Investment Agreement and the Agreement on Economic and Technical Cooperation in June 2017, and the Agreement on Trade in Goods in December 2018 to complete the enhancement of CEPA, which becomes a modern and comprehensive free trade agreement. The CEPA enhancement sets up a framework comprehensively covering the trade and economic relationship between the two places supported by the four pillars of trade in goods, trade in services, investment, and economic and technical cooperation.

Economic and Technical Cooperation

Q1. What is the significance of the Agreement on Economic and Technical Cooperation (Ecotech Agreement) signed in 2017?

A: Since CEPA has covered economic and technical cooperation starting from 2003 and under various Supplements over the years, the relevant cooperation activities have been subsumed into different chapters. Apart from consolidating and updating the commitments of various cooperation areas of trade and investment facilitation under CEPA, the Ecotech Agreement adds new economic and trade cooperation areas in relation to the “Belt and Road” Initiative and Sub-regional Cooperation, and enriches and specifies the contents of cooperation. It caters for the trend and needs for the development of Hong Kong and the Mainland, and lays the foundation and sets the direction for higher level of cooperation between the two sides in future.

Q2. Are there any substantive measures introduced in major cooperation areas, such as financial services, under the Ecotech Agreement?

A: The Ecotech Agreement does not cover market access commitments or substantive liberalisation measures, but lays the foundation and charts the course for higher level of cooperation between the two sides. The Ecotech Agreement covers existing cooperation activities and the direction for future cooperation. In accordance with the mechanisms and direction as set out in the Ecotech Agreement, relevant authorities of the two sides will formulate and implement the cooperation measures to cater for and support the development and cooperation of the trade, as well as to promote and facilitate trade and investment between the two places.

Q3. The Ecotech Agreement adds new cooperation areas in relation to “Belt and Road” Initiative and Sub-regional Cooperation. What advantages would they bring to Hong Kong traders?

A: Cooperation in economic and trade areas of the “Belt and Road” Initiative and Sub-regional Cooperation are newly added areas of cooperation in the Ecotech Agreement. Incorporating these two areas of cooperation into the systemic framework of CEPA manifests that both sides will provide the trade with opportunities to participate in national development strategies. Through deepening the cooperation between the two sides in the “Belt and Road” Initiative and Sub-regional Cooperation, tremendous business opportunities will be brought to Hong Kong industries with clear advantage such as financial services, professional services, logistics and trading, innovation and technology, and tourism, etc., and opportunities offered to more Hong Kong micro, small and medium enterprises and youth to start their businesses in the Pilot Free Trade Zones.

Q4. Customs clearance facilitation has been an area of cooperation under CEPA since its conclusion in 2003. Why is this cooperation area not covered by the Ecotech Agreement?

A: Customs clearance facilitation mainly involves the circulation of goods, which falls under the scope of trade in goods. Therefore, it is not covered by the Ecotech Agreement.

For the latest cooperation mechanisms and activities of customs clearance facilitation under CEPA, please refer to Chapter 5 (Customs Procedures and Trade Facilitation) of the Agreement on Trade in Goods for details.