

**CHINA – MACAO, CHINA (GOODS)**  
**Summary Fact Sheet**  
**November 2007**

**Table 1: Background Information**

Parties	People's Republic of China; Macao, China	
Date of signature	17 October 2003	
Date of entry into force	17 October 2003 (tariff arrangements for goods imported into China from Macao, China with effect from 1 January 2004)	
Transition period for full implementation	2 Years	
Date of full implementation	1 January 2006	
Website addresses or points of contact	China: www.mofcom.gov.cn/ Macao, China: www.economia.gov.mo	
List of related GATT/WTO documents	WT/REG163/N/1 WT/REG163/1 and Add.1-3 WT/REG163/2 WT/REG163/3 WT/REG163/M/1- 3 WT/REG163/5-7 and WT/REG162/7/Rev.1	Notification Agreement Terms of Reference Standard Format Summary Records Questions and Replies

**Table 2: Internal trade liberalization provisions**

Import duties and charges	Article 5 and Annex 1– Macao, China will continue to apply zero tariffs on all imports of Chinese origin. China has applied zero tariffs on imports of Macao, China origin which satisfy the rules of origin established under the Agreement.
Export duties and charges	No specific provisions on export duties and charges.
Non-tariff measures	Neither Party will apply non-tariff measures inconsistent with the provisions of the WTO Agreements to goods imported and originated from the other side (Article 6.1).
Sector-specific rules	No sector-specific provisions
Product exclusions	Article 1.1 of the Supplement II to the CEPA - The zero tariff arrangement of China does not cover imported goods prohibited from importing as stipulated in China's laws and regulations, those banned from import under international treaties, and special products committed by China in international agreements.

**Table 3: Common External Tariff**

Provisions	Not applicable
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**Table 4: General trade-related provisions**

Provision	Relevant Article(s)	Additional Information
Rules of Origin	Chapter 3 Annex 2	Goods are treated as originating in China or Macao, China if they are wholly obtained in China or Macao, China respectively. Goods not wholly obtained in the Parties are considered as originating only if they have undergone substantial transformation in the Parties. The criteria for determining substantial transformation may include manufacturing or processing operations, change in tariff heading, value-added content, other criteria or mixed criteria. Based on these principles, specific origin criterion are available for each product in Table 1 of Annex 2. Goods meeting the origin requirements are eligible for duty free treatment. Annex 3 contains procedures for the issuing and verification of certificates of origin.
Standards-related measures	Article 17.1.3 Item 5.2.4	The Parties will promote cooperation in commodity inspection, quality and standardization and will urge their respective organisations to strengthen cooperation with a

Provision	Relevant Article(s)	Additional Information
	of Annex 6	view to promoting conformity assessment, accreditation and standardization management
SPS measures	Article 17.1.3 Item 5.2.2 of Annex 6	The Parties will use the existing co-ordination mechanism to step up cooperation in inspection and quarantine of animals and plants and food safety, to enable them to enforce their respective regulations more effectively.
Safeguard mechanisms (intra-trade)	Article 9	If implementation causes sharp increases in the import of a product in Annex I originating from the other Party which has caused or threatened to cause serious injury to the affected Party's domestic industry that produces like or directly competitive products, the affected Party may, after giving written notice, temporarily suspend CEPA concessions on the import of the concerned product, and will, at the request of the other Party, promptly commence consultations under Article 19 to reach an agreement
Anti-dumping and countervailing measures	Article 7 Article 8	The Parties undertake not to apply anti-dumping measures to goods imported and originating from each other. They also undertake not to apply countervailing measures to goods imported and originating from each other.
Subsidies and state aid	None	
Customs-related procedures	None	No specific provisions except that the Parties will promote cooperation in customs clearance facilitation
IPR	Amendment of Article 17 on CEPA (Supplement III)	The Parties will strengthen and enhance cooperation in IPR protection through the cooperation mechanism between relevant government departments by exchanging and communicating information on IPR protection through the Intellectual Property Protection Coordination Centre to be set up in Macao, China.
Government procurement	None	
Competition	None	
Investment	Article 16	The Parties will promote trade and investment facilitation through greater transparency, standards conformity and enhanced information exchange
General exceptions	Article 18	The CEPA and its Annexes shall not affect the Parties' rights to maintain or adopt exceptions consistent with WTO rules.
Accession	None	
Dispute resolution	Article 19	A Joint Steering Committee was set up to, among others, supervise implementation, interpret provisions and resolve disputes that may arise during implementation. The Parties will resolve any problems arising from the interpretation or implementation of CEPA through consultation in the spirit of friendship and cooperation. The Joint Steering Committee will make its decisions by consensus
Relation with other trade agreements	Article 2.2 Article 4 Article 20.1	The conclusion, implementation and amendment of CEPA to be consistent with WTO provisions. The Parties agree that Articles 15 and 16 of the Protocol on Accession of the People's Republic of China to the WTO and paragraph 242 of the Report of the Working Party on the Accession of China will not apply to trade between them. Any action taken under CEPA will not affect or nullify the rights and obligations of either Party under other existing agreements to which it is a contracting party, except as otherwise provided in CEPA
Institutional provisions	Article 19	The Parties have set up a Joint Steering Committee (JSC), which comprises senior representatives or officials designated by them. Liaison Offices will be set up under the JSC. The JSC supervises CEPA implementation, interprets

Provision	Relevant Article(s)	Additional Information
		its provisions, resolves disputes that may arise during implementation, draft additions and amendments, steer the work of the working groups and deal with any other implementation related business. The JSC will meet at least once a year, and may convene special meetings within 30 days upon request by either Party and will make its decisions by consensus.

**Table 5a: Trade and tariff data (China's imports from Macao, China)**  
US\$ million

	Imports by value and percent		Imports Covered by the Agreement	
	Total	percent from Macao, China	By value	Percent covered
2001	119,120	0.049	..	..
2002	142,274	0.048	..	..
2003	185,755	0.045	..	..
2004	215,760	0.038	..	..

Source: Customs General Administration of China

**Table 5b: Trade and tariff data (Macao, China's imports from China)**  
US\$ '000

	Imports by value		Imports Covered by the Agreement	
	Total	from China	By value	Percent covered
2001	2,396,250	1,020,588	1,020,588	100%
2002	2,540,375	1,059,648	1,059,648	100%
2003	2,762,125	1,186,241	1,186,241	100%
2004 (Q1-Q3)	2,545,750	1,142,189	1,142,189	100%

Source: Macao, China Statistics and Census Service