

2018 Working Plan under Guangdong-Macau Cooperation Framework Agreement Released

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On July 10, 2018, Guangdong Provincial Government issued "The Notice of 2018 Working Plan under Guangdong-Macau Cooperation Framework Agreement" (Yuefuhan[2018] No. 191, Hereinafter the Working Plan). Based on the framework agreement, which aims to accelerate mutual development between Guangdong Province and Macau SAR by strengthening regional integration, concrete working plan has been released each year. This year's working plan elaborated cooperation policies from 6 aspects including participation in the Greater Bay Area (GBA) and the Belt-and-Road development. The main contents of the Working Plan were introduced below.

BACKGROUND

In December 2008, the National Development and Reform Committee promulgated "The Reform and Development Plan of The Pearl River Delta Region (2008-2020)" with the goal to build the most vibrant and competitive megalopolis in the Asia Pacific Region by promoting closer cooperation between Guangdong Province, Hong Kong SAR and Macau SAR. To achieve the goal, Guangdong Province signed "Guangdong-Hong Kong Cooperation Framework Agreement" with Hong Kong SAR in September 2010, and "Guangdong-Macau Cooperation Framework Agreement" with Macau SAR in March 2011 respectively. The two framework agreements proclaimed to accelerate the enactment of CEPA-based pilot policies, and to intensify regional cooperation in various sectors including infrastructure and public service. Working plans referring to the framework agreements were formulated and implemented every year.

	Guangdong-Hong Kong Cooperation Framework Agreement	Guangdong-Macau Cooperation Framework Agreement
Time of Agreement	• September 2010	• March 2011
Direction of Cooperation	<ul style="list-style-type: none"> • Complement each other by exerting Hong Kong's strength in service and Guangdong's strength in manufacture • Consolidate Hong Kong's position as an international financial centre and accelerate Guangdong's development in financial service industry 	<ul style="list-style-type: none"> • Enhance collaboration in tourism and leisure industry, education and culture industry, Chinese medicine industry etc.
Major Achievements	<ul style="list-style-type: none"> • Established Hong Kong University of Science and Technology's research-based industrialization platform in Nansha(Guangzhou) 	<ul style="list-style-type: none"> • Established Macau University's Hengqin(Zhuhai) Campus • Opened up Hengqin access to vehicles with Macau license plate¹

¹ A quota of 800 vehicle was set, and applicants were subject to certain conditions at present

	<ul style="list-style-type: none"> ▪ Established China's first fully foreign-owned fund management company in Qianhai(Shenzhen) ▪ Introduced in Shenzhen-Hong Kong Stock Connect Scheme² to broaden the channel of cross-border equity investment ▪ Implemented Professional Service Co-promotion Subsidizing Plan³ 	<ul style="list-style-type: none"> ▪ Inaugurated Chinese Medicine Science and Technology Industrial Park in Hengqin
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HIGHLIGHTS

The Working Plan consists contents from the following 6 aspects. In particular, cooperation measures to develop GBA strategy are elaborated. Main contents of the Working Plan are stated below.

① Participation in The Development of GBA

In addition to further strengthening economic cooperation under CEPA, the following contents were added to this year's list of missions.

- Launch integrated coordination mechanism to tighten cross-border financial alliance
- Further facilitate Macau residents' access, including broaden Macau vehicle access to Guangdong
- Establish GBA international trade platform and host trade/investment promotion fairs together
- Create GBA's own tourism brand and image, co-develop trade routes, and co-host tourism promotion events
- Encourage collaboration between academic and industrial sectors to standardize smart city specifications, and enhance interaction among smart cities

② Participation in The Belt-and-Road Actions

The Working Plan kept the conventional policy to support Macau and Guangdong enterprises at expanding market of Portuguese-speaking countries by making use of China-Portugal Cooperation Development Fund. It also urged the establishment of Guangdong, Hong Kong and Macau Legal Service Research Centre to provide Belt-and-Road related legal services. In addition, the working plan proposed intensification of exchange and partnership between Guangdong and Macau construction service providers, and joint-participation by Guangdong and Macau construction companies to Belt-and-Road projects.

③ Accelerating The Development of Infrastructure and Other Cross-border Facilities

The Working Plan agreed to reinforce water and power supply from Guangdong to Macau. It also emphasized to improve transportation infrastructure connecting Guangdong and Macau. In particular, facilitating cross-border traffic by building functional auxiliary sites such as logistics, travel and commercial facilities surrounding Hong Kong-Zhuhai-Macau Bridge project, and by managing airports and air routes resources in GBA in an integrated manner.

④ Strengthening Collaboration in Modern Service Industry

Major collaboration measures in each industry are highlighted in the following chart.

² The scheme was a combination of Hong-Kong Stock Connect, which allowed China domestic investors to trade Hong Kong-listed stocks through Shenzhen stock exchange, and Shenzhen Stock Connect, which allowed foreign investors to trade Shenzhen-listed stocks through Hong Kong stock exchange. The trade started in December 2016.

³ A funding scheme to support Hong Kong service industry's expansion into Guangdong and Belt-and-Road country/area, which was initiated by "2017 Working Plan under Guangdong-Hong Kong Cooperation Framework Agreement"

Industry	Conventional Measures	Added Measures to The Working Plan
Finance Industry	<ul style="list-style-type: none"> Promote RMB settlement with Portuguese-speaking countries and consolidate Macau's position as RMB clearing centre with Portuguese-speaking countries 	<ul style="list-style-type: none"> Encourage the use of mobile and other non-cash settlement tools, and realize the settlement of cross-border E-invoice between Guangdong and Macau Broaden the open-up in insurance industry and optimize the cooperative mechanism regarding cross-border auto insurance
Tourism and Leisure Industry	<ul style="list-style-type: none"> Establish Hengqin International Leisure Base Accelerate the introduction of yacht freeway tour between designated ports in Guangdong and Macau 	—
Culture, Exhibition and Trade Industry	<ul style="list-style-type: none"> Continue e-commerce collaboration between Guangdong and Macau, based on "Memorandum on Strengthening Cooperation of Cross-border E-commerce"⁴ 	<ul style="list-style-type: none"> Strengthen regional cultural communication by holding assembly to exchange Guangdong, Hong Kong, Macau and Taiwan-produced micro-movies, and holding meetings for outstanding youth in Guangdong, Hong Kong and Macau
Chinese Medicine Industry	<ul style="list-style-type: none"> Strengthen exchange on food and medicine safety issues, reinforce cooperative development and international registration of Chinese medicine products, and fortify human resource development and patent protection in Chinese medicine industry 	—
Professional Service Industry	<ul style="list-style-type: none"> Reinforce technical and industrial cooperation in measuring and testing industry Promote intellectual properties-related information exchange to raise productivity 	<ul style="list-style-type: none"> Implement joint subsidizing plan for GBA technology development based on "The Arrangement Regarding The Technology and Innovation Exchange between Guangdong and Macau"⁵

⑤ Accelerating Cooperation in Public Service Field

The Working Plan called for cooperation on medical services against public hygienic accidents and cooperation between policy forces on cracking down illegal trans-border and other cross-border crimes. It also declared to joint research, protection and exploration of atmosphere and ocean resources, and mentioned the plan to continue promoting Macau's used automobile and inactive construction waste to be transported to Guangdong for disposal⁶. In addition, it is under discussion that allowance shall be paid to Macau students enrolled in

⁴ The Memorandum was signed by Guangdong Bureau of Commerce and Macau Economic Bureau at Guangdong International Electronic Commerce Conference 2015. It aims to introduce new business style and create new opportunities for international trade by promoting cooperation on E-commerce between Guangdong and Macau.

⁵ The Agreement was signed by Guangdong Science and Technology Bureau and the Macau Science Development Foundation in March 2018. The objective of the agreement is to set up a joint fund, information and human resource platform and sharing the resources in the development of science and technology.

⁶ The policy to transfer and dispose used automobiles in Macau to Guangdong Automobile Disassembling Station was decided by "2017-2020 Guangdong and Macau Environmental Cooperation Agreement". A special panel to implement the policy was established under Guangdong Environment Bureau in April 2018 and the pilot operation is expected to be initiated within the year. In addition, Macau Chief Executive mentioned in his 2017 policy address that local landfill for construction debris were in saturation, and undergoing discussion with Guangdong may allow transfer of such waste cross-border.

primary and secondary schools in Guangdong.

⑥ Development of The Major Cooperation Zones

The Working Plan has specified Hengqin New District in Zhuhai, Cuiheng New District in Zhongshan, and Daguang Bay District in Jiangmen as the 3 major cooperation zones. Among them, Hengqin has been positioned as a major cooperation zone in the Working Plan 2011 and the year afterwards. As of April 2018, approximately 45,800 businesses have been registered in Hengqin. Among them, 1,215 were investment from Macau, while 1,013 were investment from Hong Kong. Besides, connecting Macau light rail to Hengqin and provision of medical and other social insurance service to Macau residents in Hengqin were among the key contents of the Working Plan. In addition, the development acceleration plan of Cuiheng and Daguang Bay were also on the agenda.

CONCLUSION

The Working Plan aims to accelerate the innovation in tourism, leisure, Chinese medicine and e-commerce industries by leveraging the land and production potential from Guangdong, together with the human capital and economic system advantages from Macau. In addition, the Working Plan also expects the Portuguese-speaking area of Macau to play a more active role in the GBA strategy, as well as in the Belt-and-Road initiative, by strengthening the economic and trade tie with the rest of the Portuguese speaking world. Finally, the Working Plan revealed multiple policies to accelerate cross-border infrastructure projects and facilitate the travel of people and vehicles between Guangdong and Macau. It is expected that such measures will contribute greatly to the further implementation of GBA strategy in the future.

(END)

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