



Hong Kong General Chamber of Commerce  
香港總商會 1861

*Press Release  
For Immediate Release*

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## **New Milestone in Guangdong-Hong Kong Cooperation**

The Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) has achieved a breakthrough development with the signing of an agreement today to liberalize trade in services between Hong Kong and Guangdong. The Hong Kong General Chamber of Commerce (HKGCC) welcomes the move. HKGCC Chairman Y K Pang believes the agreement will further strengthen economic cooperation between the two places and open doors to new opportunities for Hong Kong people and youngsters seeking to develop their careers in Guangdong.

Pang said: "Over the past decade, the Chamber has played an active role in submitting recommendations to the Hong Kong and Guangdong Governments regarding further liberalization measures under CEPA. We are pleased to see that a number of our proposals have been incorporated into the latest agreement. These include the introduction of a "negative list," which will be first implemented in Guangdong. The granting of pre-entry national treatment will help lower the threshold for setting up business in the Mainland, facilitating Hong Kong SMEs' entrance into the Mainland market. The agreement also makes it easier for young people to develop their careers in the Mainland."

The new agreement aims to achieve basic liberalization of trade in services between Guangdong and Hong Kong, which is consistent with the "early and pilot implementation" approach supported by the Chamber. "The Chamber has long advocated adopting a pilot scheme in Guangdong, a region that is interdependent with Hong Kong. As this experience can be used to test the waters, liberalization measures could later be extended nationwide. In terms of mutual benefits, both the Mainland and Hong Kong economies will get a boost from the agreement, which will take cooperation to a new level," Pang added.

Under the mode of "commercial presence," the "negative list" approach is adopted. Other than those measures explicitly specified on the negative list as being inconsistent or inapplicable to the obligation of national treatment, the Central Government will abolish all other restrictions applied to foreign enterprises for Hong Kong enterprises operating in Guangdong. In other words, Hong Kong service providers can enjoy "national treatment" in those unspecified areas.

Chamber CEO Shirley Yuen added that although only Hong Kong service enterprises established



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in Guangdong can enjoy “national treatment,” there is no restriction, in principle, on serving clients beyond Guangdong, which is in line with Mainland enterprises, except for those restrictions stated on the negative list.

The Chamber is pleased that many of our proposals have been adopted in the new agreement, and that trade liberalization measures in legal, accounting, insurance, banking, telecommunications, technology testing and analysis, will boost opportunities for Hong Kong companies.

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