

EU statement at the Trade Policy Review of Macao, China, 13/05/13

Statement by EU Deputy Ambassador Detlev Brauns

I would first like to extend a very warm welcome to the delegation of the Special Administrative Region, Macao China, led by Mr. SOU Tim Peng Director, Macao Economic Services. I would also like to thank the WTO Secretariat and the delegation of Macao China for their comprehensive reports which form the basis for our discussion today. Let me extend my appreciation to the Discussant, H.E. Mr. Weerachai Nopsuwanwong (Thailand), for the comprehensive analysis and interesting remarks.

We welcome the opportunity to discuss the important economic and trade developments that took place since 2007. The EU also welcomes Macao China's efforts towards the necessary diversification of its economy. The economy, which is based on market-led principles guided by the rule of law, has sustained outstanding economic growth rates with GDP leaping more than 40% in the three consecutive years from 2009 in 2011 whilst decreasing unemployment. The EU stands ready to actively engage with Macao on the diversification of its economy. An open, transparent and non-discriminatory trade and investment environment is a key factor for the attainment of that goal.

Mr Chairman, let me start by recalling the deep historical and economic ties that relate the EU to the SAR of Macao, China. The EU's relations with the Macao SAR are based on common values, a European heritage and shared interests in the economy, the environment, education and culture. The EU welcomes the special administrative region's authorities' sustained efforts to promote good governance and transparency, to enhance its people's access to a fair share of the growth fruits and its on-going strategy to diversify its economy with the view to becoming a world tourism and leisure centre. The WTO Secretariat report has noted that the shortage of labour may be an obstacle to the diversification of the economy and the EU would like to share its concerns in this regard. Given the very low unemployment rate - effectively full employment - and continued economic growth, the EU would encourage Macao, China also taking into account its other policy priorities, to ensure the sufficient availability foreign labour.

The EU welcomes the efforts to develop a more sustainable and diversified growth based in particular on tourism and to enhance transportation means. Regarding the Hengqin island project, the EU is very interested in learning more about the future developments and initiatives related.



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The European Union is among Macao SAR's most important trade partners accounting for 23.6 % of its overall trade flows. EU exports have grown by 58% from 2010 to 2011 following the robust import demand led by the high growth of the GDP. Macao SAR is a growing market for European goods and services and the EU notes with satisfaction a number of reforms that improve the business climate in particular the entry into force since June 2012 of the amended Copyright Code which fully addresses EU concerns of piracy transmission of broadcasts, including but not only sport broadcasts.

The EU has submitted some advanced questions on a few areas where the EU envisages potential for further trade and investment. Today, I would merely emphasize the following aspects that are of significant interest to us:

The first issue we would like to raise is public procurement. The EU is pleased to note that the legal framework in place in Macao, China is generally in line with international standards. Also, the steady improvement of transparency reflects positively on the government procurement. We strongly encourage Macao, China to continue the efforts to increase fair treatment for foreign bidders and enhance legal compliance and predictability of the procurement process. The EU would highly value a swift move towards accession of Macao, China to the WTO Government Procurement Agreement. While a legal framework reflecting international standards sends an important signal to bidders, ensuring that the application and observance of the rules also reflects international standards is equally important.

The second issue we would like to address refers to the rationale for the lack of a comprehensive competition policy. The EU would be interested to know if there is any intention to adopt such as law in order to ensuring a level playing field for all businesses and increasing the level of consumer welfare.

Regarding IPR, as stated earlier, there are a number of positive developments that the EU welcomes. The WTO Secretariat report notes that a review has been made of the industrial property code and the EU would be pleased to know in particular whether pharmaceutical products may be covered in a future revision of the code?

Finally, regarding the objective of the government to promote sustainable growth and the role of public transport in this domain, the EU is interested in any information the authorities could provide regarding future plans for the light rapid system. An issue of interest is whether there will be a public concession and if so, will there be a public tender for the rail services or should the service be attributed to a publicly owned entity?

In conclusion, Mr Chair, let me say that the EU looks forward to this TPR and to the added value it may have in facilitating Macao, China to reach its long term objective of sustainable and diversified growth.