

RIGHT TRACK



A tourist shops at a duty-free store in Hainan province. MENG ZHONGDE / FOR CHINA DAILY

## 28 steps to boost Hainan FTP

Measures to speed up trade in services and goods, says Ministry of Commerce

By LIU ZHIHUA  
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China has come out with 28 new measures to support the high-quality development of the Hainan Free Trade Port, with an added focus on facilitating faster goods and services trade, the Ministry of Commerce said on Monday.

The new measures are a response to the demand of market players and aim to bolster high-quality development of the Hainan FTP so as to achieve its high standard and phased development goals, the ministry said. They are also a detail-oriented implementation of the master plan for the development of the Hainan FTP announced in June last year.

Thirteen measures focus on

goods trade while the rest deal with services. The Yangpu bonded port in Hainan province will pilot a special Customs supervision area where imports and exports of crude and refined oil will not be subject to the general regulations governing enterprise qualification and quantity. Sugar imports in the area will be exempt from the total tariff quota management.

In some special areas, import licenses for mechanical and electrical goods will not be needed, while support for the development of secondhand car exports and new offshore international trade was also announced.

Hainan has been authorized by the central government to allow international vessels refueling bonded oil in the province.

The Hainan FTP will also pilot the examination and approval institutions to enhance early detection and management of safety risks associated with exports and imports.

In addition it will set up work stations to help deal with trade frictions. Trade adjustment assistance programs will also be launched.

As for services trade, the new measures will allow foreign institutions to independently organize foreign-related economic and technological exhibitions except for those using words such as "China" or "National" in their names.

Registration requirements for commercial activities regarding technology imports and exports, and licenses for setting up auction firms have been canceled.

Fast track for services export and import safety management cooperation between the ministry and Hainan province will be

established, and in some key areas, domestic regulations will be standardized to support the latter's free trade and trade facilitation in the services sector.

Sang Baichuan, an economics professor at the University of International Business and Economics in Beijing, said the new measures will speed up construction of the Hainan FTP and bring benefits to international trade and economic exchanges.

"The new measures will also provide strong policy basis for the high-quality development of the Hainan FTP and contribute to the establishment of the dual-circulation development paradigm," he said.

"They also demonstrate China's determination to promote the liberalization and facilitation of international trade, to support an open world economy and contribute to economic globalization."

## GAC accelerates IPR protection efforts

By ZHONG NAN  
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The General Administration of Customs will fortify the teamwork on the protection of intellectual property rights, or IPR, with Customs authorities of the Regional Comprehensive Economic Partnership's participating countries this year to create a sound trade and business environment in the region, a Customs official said on Monday.

With a view to accelerating the RCEP agreement and putting it into force as early as possible, and supporting an open, inclusive, transparent and rules-based multilateral trading regime, the administration will accelerate the negotiation pace and consensus-building on the contents of the IPR protection regime with Customs authorities of other RCEP members in the next stage, said Jin Hai, director-general of the GAC's department of general operations.

The GAC will enhance services for China's export-oriented companies with independent innovation ability and help them tailor their plans for IPR protection, the official said, adding the administration has continued to update its system of corporate liaison officers for the IPR protection of domestic companies.

The intellectual property chapter of the RCEP agreement provides a balanced and inclusive approach for the protection and enforcement of IPR in the region, he said.

Besides featuring provisions relating to harmonizing the protection for the standard suite of IPR, it provides for IPR protection beyond the level of the World Trade Organization's Agreement on Trade-Related Aspects of Intellectual Property Rights, including provisions relating to technological protection measures and enforcement in the digital environment and penalties against unauthorized copying of a cinematographic work on a commercial scale.

To support IPR holders, the chapter also includes provisions to streamline and align procedures for the establishment of certain IPRs, such as those relating to electronic filing of applications and making relevant information available online, he said.

In addition to supporting the RCEP, the GAC will reinforce its law enforcement cooperation on the IPR protection with Customs authorities of economies related to the Belt and Road Initiative, the

United States, Russia, Japan and the Republic of Korea this year, as well as actively participate in the activities launched by the WTO, the World Intellectual Property Organization and the International Criminal Police Organization to further improve both China's and the world business environment.

China's Customs authorities seized 12,885 batches of products suspected of IPR infringement in the first quarter of this year, detaining 13.33 million items, data from the GAC showed.

They initiated 65,300 actions to protect IPR of exported and imported products last year. A total of 61,900 batches of goods suspected of IPR infringement were seized last year, involving 56.18 million items.

They are part of the government's campaign to take firm action against the smuggling of illegal products to protect the image of "Made in China" products internationally, he said, adding Customs branches across China will further enhance the crackdown on third-parties involved in illegal transshipment acts in violation of IPR protection rules, form a regional law enforcement network with other trading partners and effectively prevent illegal activities in the port areas this year.

For the healthy growth of the e-commerce sector, the GAC will continue to fight against internet-related IPR infringements by working with e-commerce platforms and applying integrated online and offline supervision measures.

Zhang Shaogang, vice-chairman of the Beijing-based China Council for the Promotion of International Trade, said once the RCEP agreement takes effect, market access would be expanded and investment hurdles would be mitigated. These moves would release enormous potential and further promote intraregional trade and investment flows.

Therefore, all RCEP member economies should combine resource endowments and comparative advantages among members, optimize and harmonize regional trade and economic rules, facilitate innovation and integration of regional industries, as well as upgrade and restructure the industrial and supply chains, he said.

Zhang also called on members to develop the RCEP as a service platform and actively help companies create new markets and expand business in member countries.

## Draft of futures law signals market development

By SHI JING in Shanghai  
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China's first futures law, a draft of which was submitted to the country's top legislator on Monday for initial revision, is expected to regulate and further promote the development of the futures market in the country, experts said.

The Standing Committee of the 13th National People's Congress, China's top legislature, began its 28th session on Monday. During the four-day session, the purposes, principles and supervision mechanism of the futures law will be reviewed. The legislature will also review stipulations for trading, settlements and transactions, basic mechanism for other derivatives

trading, protection for futures investors, futures management institutions and trading venues.

The top legislature said the futures law will help the sector better serve the real economy and safeguard the country's financial security. It will also address the need for better linking of the domestic and international circulations with the help of the futures market. This is the right time for the futures law to take effect, said experts.

According to data released by the China Futures Association in early February, the total trading value of futures in the Chinese market hit a record of 437.53 trillion yuan (\$67.32 trillion) last year, up 50.56 percent on a yearly basis. China accounted for 13.2

percent of the total futures trading value in the world last year.

Last year, China surpassed all other economies in terms of commodities futures trading value for the 11th year in a row. Meanwhile, 12 new futures products were launched last year, including four commodities futures and eight commodities options, according to the association.

While attending the 16th China (Shenzhen) International Derivatives Forum in late December, the China Securities Regulatory Commission Vice-Chairman Fang Xinghai said that the futures law will facilitate the reform and opening-up of the Chinese futures market top down. It will define the legal status of market participants, basic legal rela-

tionships and liability, supervision on over-the-counter market, market entry rules and cross-border supervision.

Scott O'Malia, CEO of the International Swaps and Derivatives Association Inc, said at the same forum late last year that a normally operating derivatives market should be secured by a predictable and powerful legal framework, which includes executable close-out netting rules. A prosperous Chinese derivative market will be highly dependent on the close-out netting rules and the legal certainty regarding execution, he said.

Close-out netting is a technique used to determine the net obligations of a defaulted counterparty to a derivatives transaction.

### Briefly

#### Meituan in dock for monopolistic behavior

The State Administration for Market Regulation has probed into shopping platform Meituan for suspected monopolistic behavior, the administration said on its website on Monday. The regulator said probes into the alleged malpractices will be focused on actions including forcing collaborating merchants to choose between its own online marketplace and those of its competitors for selling products.

#### More lock-up shares eligible for trading

Lock-up shares worth 72.47 billion yuan (\$11.2 billion) will become eligible for trading on China's bourses this week. As of Friday, about 2.81 billion shares of 47 stocks will become tradable on the two stock exchanges in Shanghai and Shenzhen, according to data from financial information provider Wind.

CHINA DAILY - XINHUA

## Action plan to expedite digitalization of State firms

By ZHU WENQIAN and HU MEIDONG in Fuzhou

China will launch a special action plan to speed up the digitalization process of State-owned enterprises, with more breakthroughs in core technologies, said an official during the fourth Digital China Summit in Fuzhou, the capital of Fujian province.

SOEs will accelerate and deepen their digital transformation and create a model of the digital transformation, Weng Jieming, vice-chairman of the State-owned Assets Supervision and Administration Commission of the State Council, said on Sunday at the summit.

"State firms will focus on the demand of China's strategically important and most acclaimed industries, and tackle industrial development bottlenecks. They are expected

to make breakthroughs in core technologies such as core electronic components and industrial software, and high-end chips," Weng said.

Weng also said the State asset regulator would offer favorable policies to help the digital transformation of enterprises and help SOEs build a number of digital collaborative innovation platforms and promote industrial coordination.

The State asset regulator said it would further promote smart and green manufacturing, and smart energy, transportation and construction.

SOEs, China's economic backbone, have made significant achievements in their integration of the internet with the real economy. The State asset regulator released 10 remarkable achievements made by SOEs in digital transformation at the summit.

Last year, China's digital economy reached 39.2 trillion yuan (\$5.08 trillion) in market size, up by 9.7 percent year-on-year, according to a report released by the China Academy of Information and Communications Technology, a research institute of the Ministry of Industry and Information Technology.

China's digital economy accounted for 38.6 percent of the GDP last year, and it remains a key pivot for the country's economic growth. The penetration rates of internet-based digital economy in agriculture, manufacturing and services reached 8.9 percent, 21 percent and 40 percent, respectively, said the report.

Telecom giant China Mobile said in the next five years, new digital infrastructure is expected to attract an investment of more than 15 trillion yuan. Out of this, 7.5 trillion

yuan will be spent in 5G network related investment, and 5 trillion yuan will be used for big data center investments.

"By 2025, China's core sectors that are related to artificial intelligence will have investments in excess of 400 billion yuan," said Dong Xin, general manager of China Mobile.

For the energy sector, State Grid Corp of China said it would further speed up the digitalization process and build new types of power systems. The company has integrated advanced digital and energy technologies to help reduce carbon emissions. It has established the world's largest new energy cloud platform, which is expected to unlock new business value for the power industry.

"Promoting clean energy and the transformation to low-carbon manufacturing is an important responsibility and mission of the energy



A pupil watches a robotic arm in action during the fourth Digital China Summit in Fuzhou, Fujian province. CHEN BIN / FOR CHINA DAILY

industry. We have formulated the development outline of digital transformation," said Xin Baoan, president of State Grid.

Agricultural Bank of China said the financial sector has been an important participant in building digital villages. It is making efforts

to narrow the digital gaps between urban and rural areas by promoting the use of mobile banking in villages and providing convenient online loan services to small businesses.

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