

# Introduction to Yangshan Bonded Port Area and Yangshan Customs



Yangshan Customs  
May 2011



- The 1st bonded port area approved by the State Council in this country – Started operations on Dec. 10, 2005. And the 1st bonded port area's Customs house, Yangshan Customs, had its inauguration ceremony on the same day.
- Symbolized the birth of the first Chinese bonded port area with world-class modern port conditions and robust policy advantages.



**Yangshan Customs started operations  
on Dec. 10, 2005.**



# I. Background of the Setting Up of Yangshan Bonded Port Area



上海市高速公路路网编号表

命名路名	起止点
A20公路	外环线（吴淞地区—浦东地区）—内环线（吴淞地区）
A30公路	外环线（吴淞地区—浦东地区）—内环线（吴淞地区—吴淞地区）
A1公路	A20公路—浦东机场
A2公路	A20公路—芦潮港
A3公路	A20公路—A30公路
A4公路	A20公路—新江湾
A5公路	A12公路—A42公路（嘉定区—闵行区—宝山区）
A6公路	A30公路—浦东机场
A7公路	A30公路—新江湾（新江湾—航头）
沪西高速 (A8公路)	A20公路—新江湾
A9公路	A20公路—江湾新镇
沪宁高速 (A11公路)	真北路立交—江苏省界
A12公路	真北路—江苏省界
A13公路	A20公路—宝山区—崇明县—江苏省界
A14公路	A30公路—长兴岛—崇明县—江苏省界



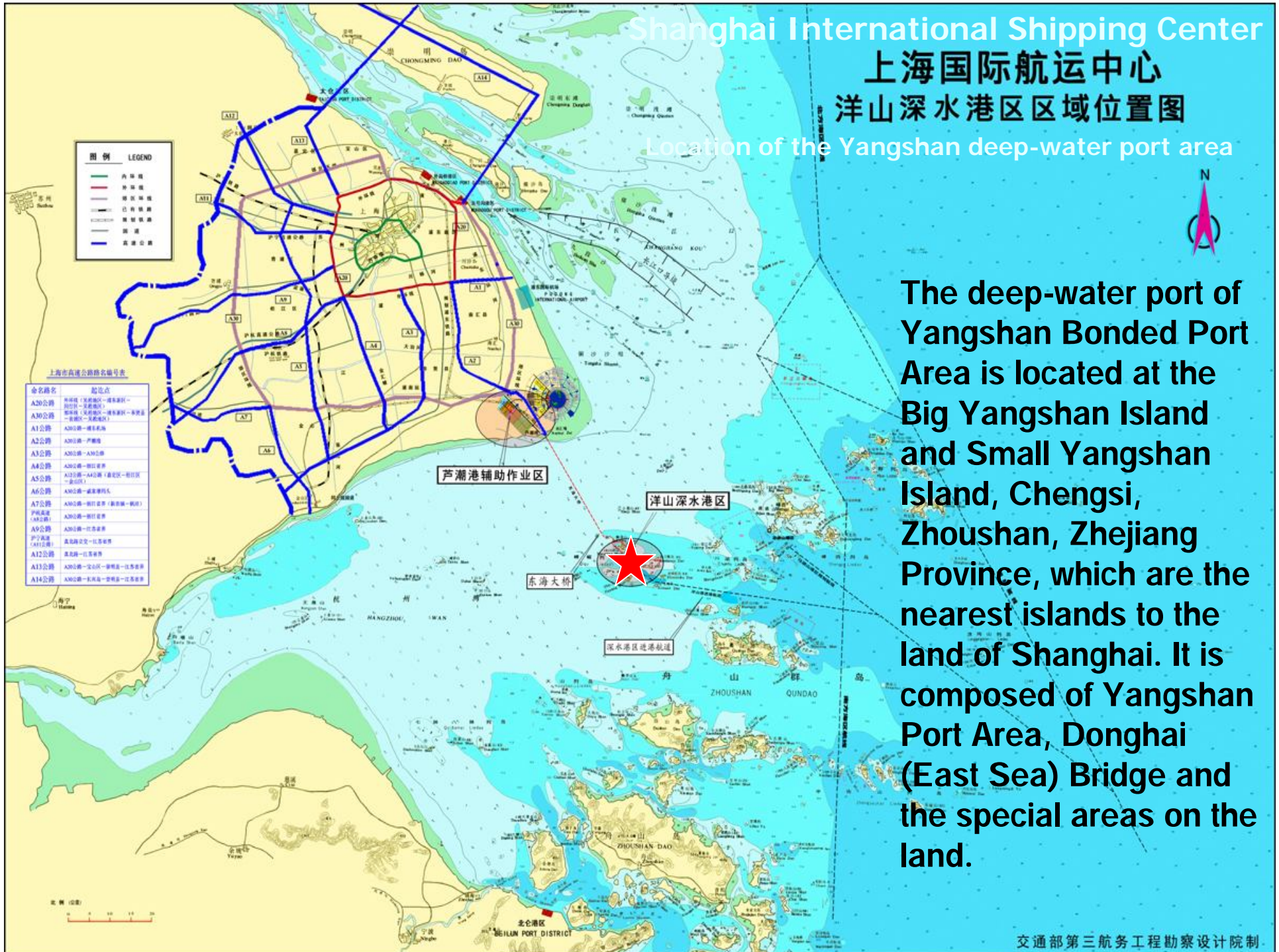


# Shanghai International Shipping Center

## 上海国际航运中心

### 洋山深水港区区域位置图

Location of the Yangshan deep-water port area



The deep-water port of Yangshan Bonded Port Area is located at the Big Yangshan Island and Small Yangshan Island, Chengsi, Zhoushan, Zhejiang Province, which are the nearest islands to the land of Shanghai. It is composed of Yangshan Port Area, Donghai (East Sea) Bridge and the special areas on the land.

- ✦ In 1995, a proposal was made to establish a port in Yangshan.
- ✦ In March 1997, the feasibility study report on the new port location of Shanghai International Shipping Center was completed.
- ✦ In Aug. 1999, the proposal on Phase I of Yangshan Deep-water Port Area was submitted to the State Planning Commission.
- ✦ On March 13, 2002, the 56th Executive Meeting of the State Council approved the construction of Phase I of Yangshan Deep-water Port.
- ✦ On June 26, 2002, construction started.



On Sept. 2, 2002, the General Administration of China Customs (GACC) issued a reply on the jurisdiction of customs management of Yangshan Deep-water Port Area, making the 1st precedent of cross-province customs management jurisdiction, and laying a foundation for other ministries and commissions regarding the jurisdiction of management for other local authorities than Customs in Yangshan Port.





## II. Achievements of Yangshan Bonded Port Area



Bird's-eye view



# Construction and Planning

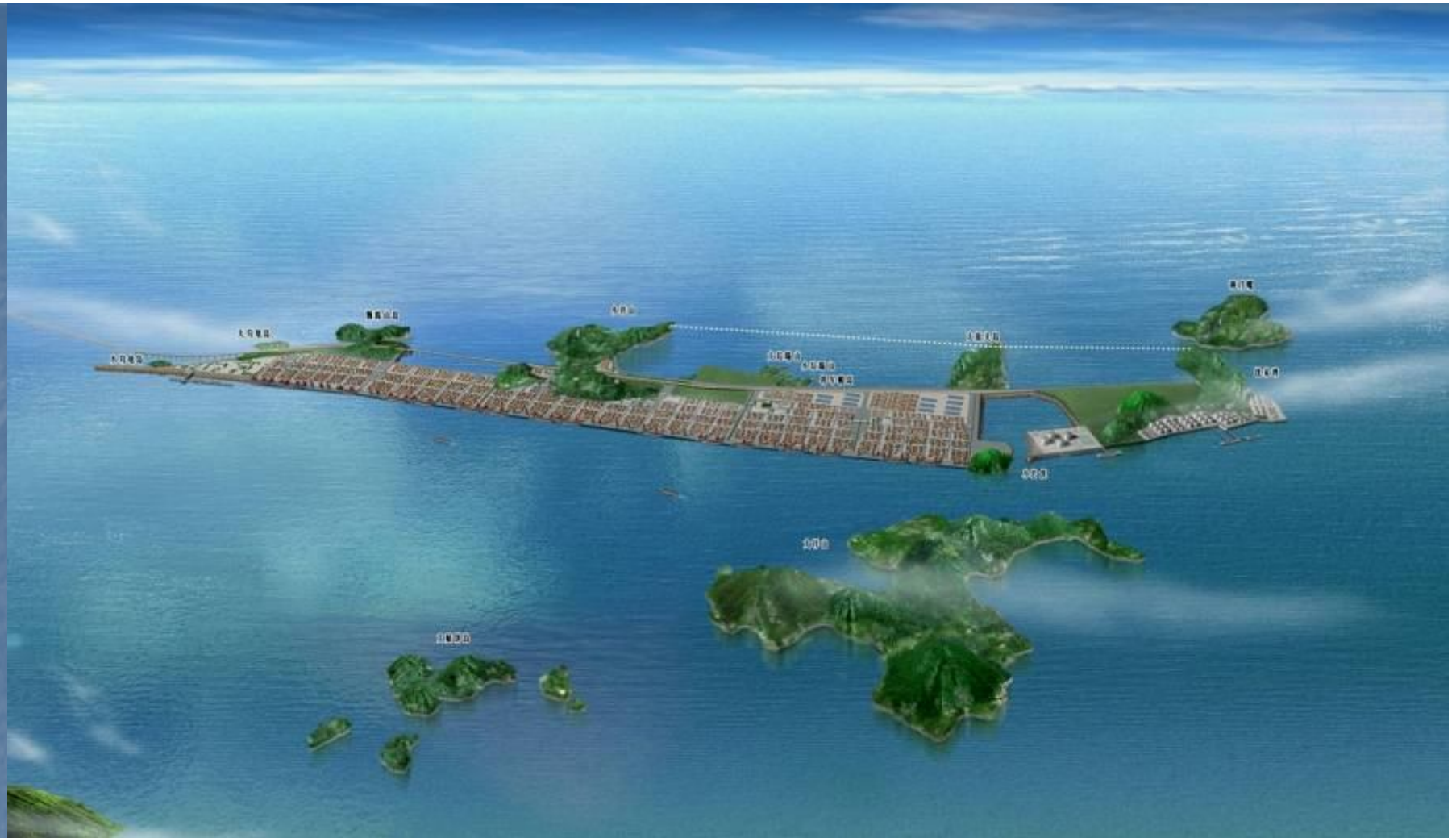
- Phase I: Designed water depth for the terminals is -15.5 meters, which can accommodate Generation 5&6 container vessels (9000 TEUs).
- Phase I was put into operations in Dec. 2005.
- The land area is 1.44 sq. km<sup>2</sup>, with 5 deep-water berths, 2.2 million TEUs of designed annual handling capacity.





- Phase II: Put into operations since Dec. 10, 2006. The land area of the port was expanded to 2.14 sq.km<sup>2</sup> with 4 more berths added, with a designed annual handling capacity of 4.5 million TEUs.





- Phase III: Construction completed by the end of 2008. Added 7 more deep-water berths. Water depth: 17.5 meters. Port coastal line is longer, increased by 2600 meters. Designed annual handling capacity: over 9.5 million TEUs.

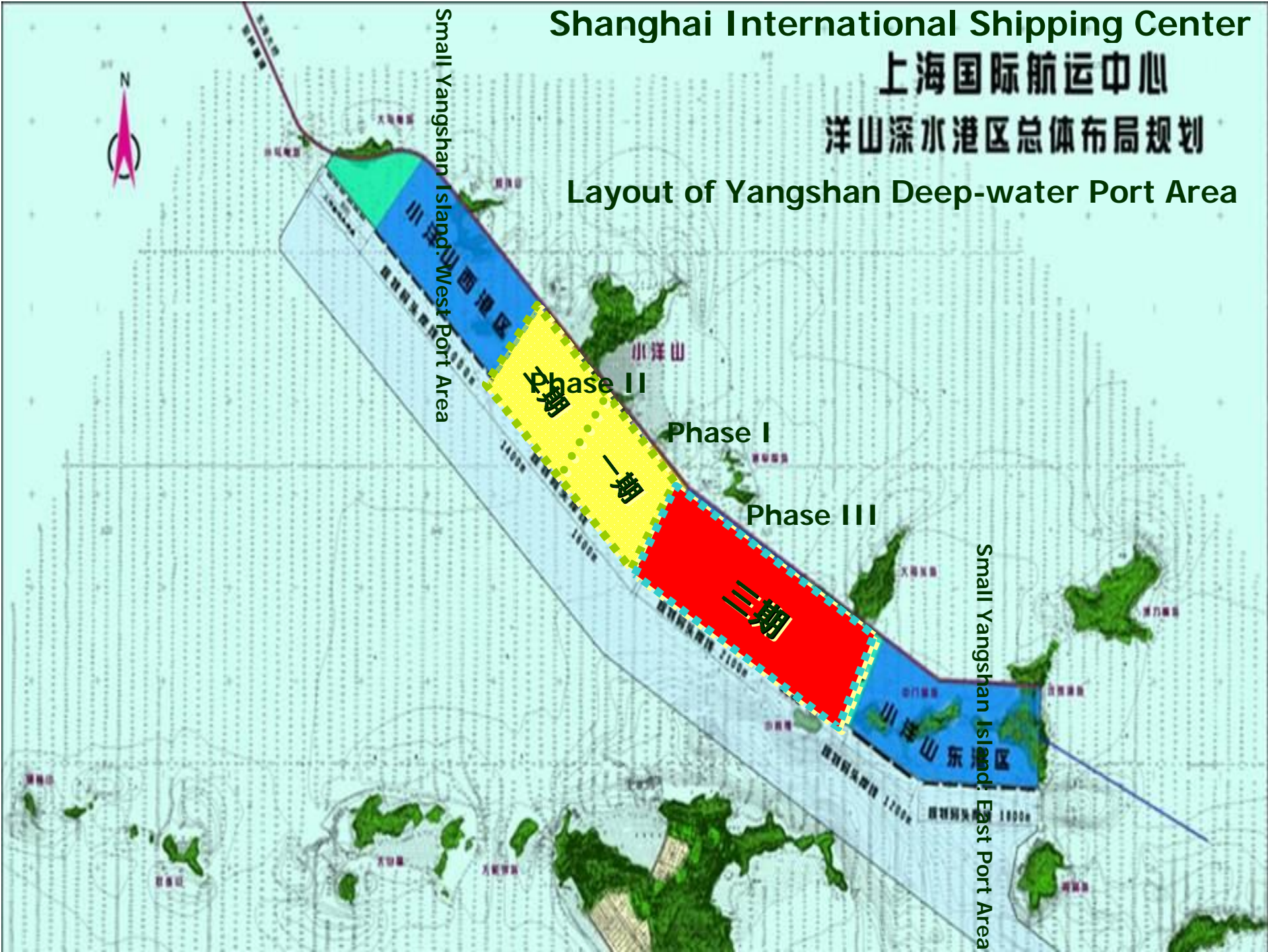


# Shanghai International Shipping Center

## 上海国际航运中心

### 洋山深水港区总体布局规划

#### Layout of Yangshan Deep-water Port Area





# Donghai Bridge (East Sea Bridge)

Length: 32.5 meters. Two-way.  
With a barrier between the two  
directions. 6 lanes. The only  
passage connecting the  
Yangshan Deep-water Port  
Area and the special areas on  
the land.

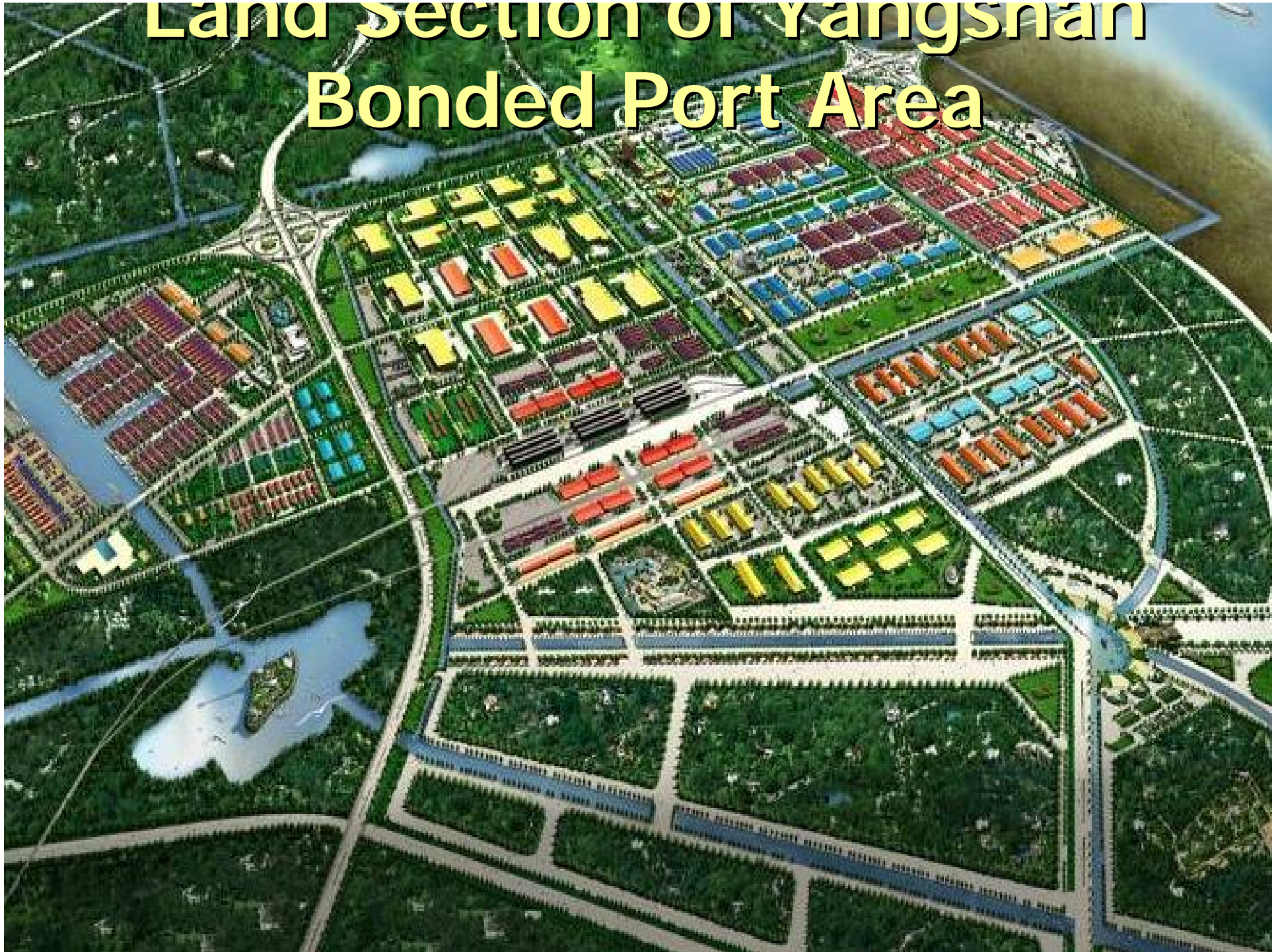


# Land Section of Yangshan Bonded Port Area

The land section of Yangshan Bonded Port Area is located at Luchao Port, Nanhui District, Shanghai, over 70 km<sup>2</sup> away from the downtown area of Shanghai. Connected to the Yangshan Islands Port Area via Donghai Bridge. Phase I: 6 sq. km<sup>2</sup>. Business for Phase I: bonded warehousing and logistics, and export processing. Customs has enclosed control over the whole area.



# Land Section of Yangshan Bonded Port Area

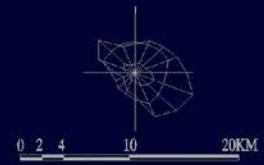


# Floor Plan for the new city near the port



The new city near the port is located in the southeastern section of Shanghai, to the north of Yangshan Bonded Port Area and to the south of Pudong International Airport, covering an area of 311.6 sq. km<sup>2</sup>. It comprises an industrial area and a living area. With the development of manufacturing and service sectors around Yangshan Bonded Port Area, it will become a new growth pillar of Shanghai's economy.



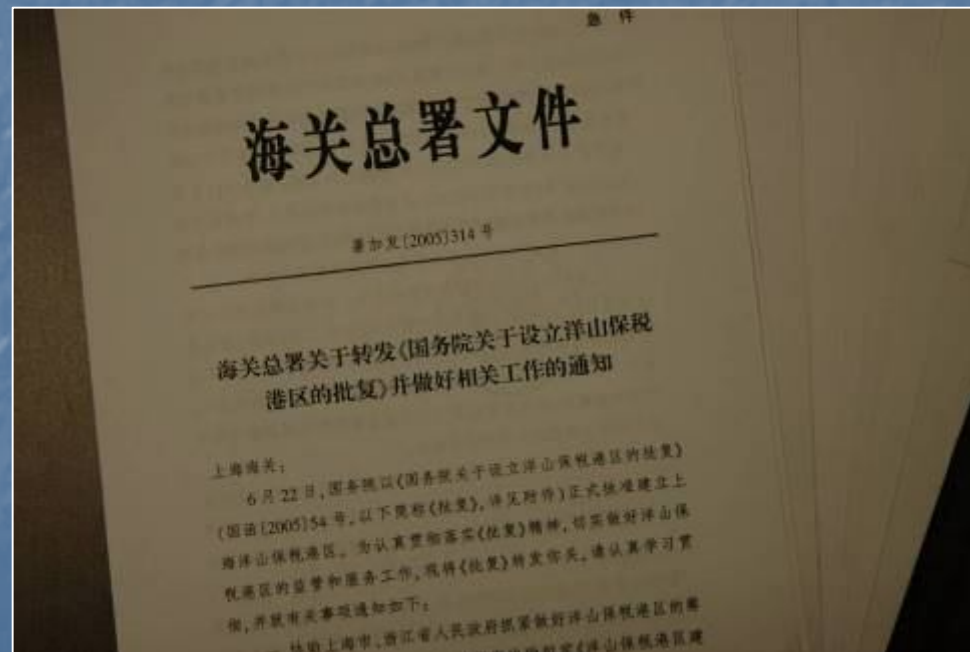


Location  
of the new  
city and  
the  
Yangshan  
Bonded  
Port Area  
in  
Shanghai

# III. Policies and Functions of Yangshan Bonded Port Area

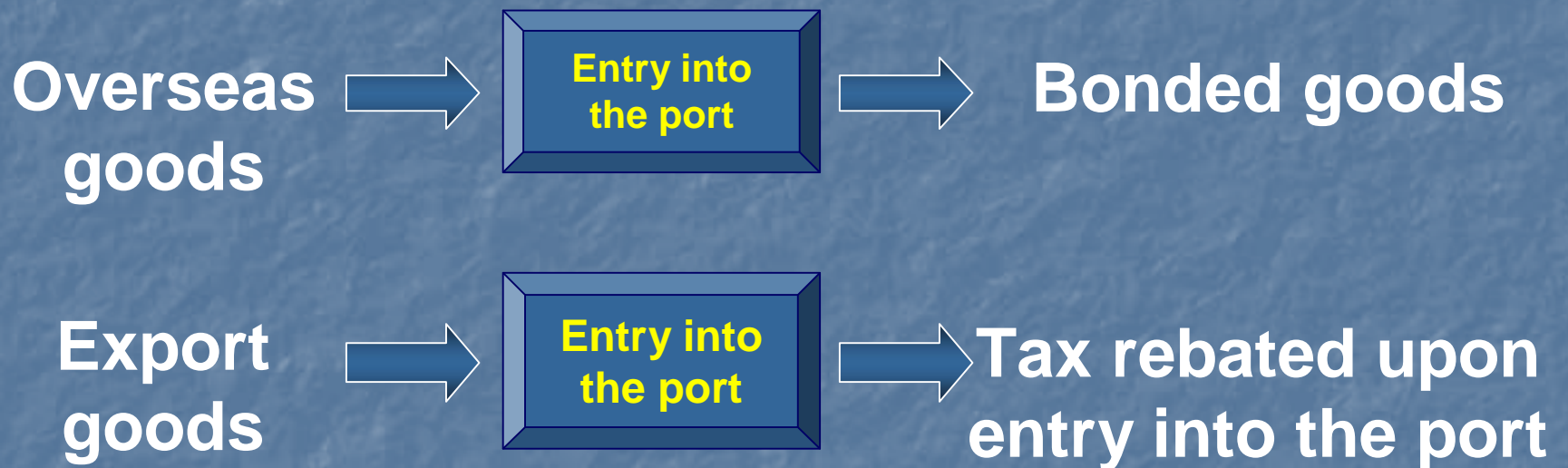


On Feb. 22, 2005, after a field study of the area, the GACC submitted to the State Council a proposal on the establishment of Yangshan Bonded Port Area. On June 22, 2005, the State Council approved the proposal.



## Policy Positioning of Yangshan Bonded Port Area

Enjoys the taxation and foreign exchange (forex) policies of bonded areas and export processing zones.



No VAT and consumption taxes levied for the trade in goods within the port area.



## Function Positioning of Yangshan Bonded Port Area

According to the letter of approval of the State Council, it was approved for Yangshan Bonded Port Area to give full play to its geographical advantages and policy advantages to develop the following business and expand related functions:

- ◆ **International transit**
- ◆ **International distribution**
- ◆ **International procurement**
- ◆ **International entrepot trade**
- ◆ **Export processing**

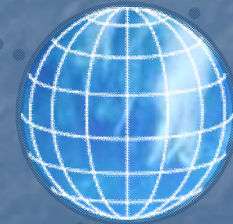


## Business Approved for Yangshan Bonded Port Area to conduct

According to the Interim Rules on the Administration of Bonded Port Areas promulgated by GACC, within a bonded port area, the following business may be conducted:

Storage of import/export goods and other goods whose customs formalities are not completed yet.

- ◆
- ◆ Foreign trade, including international entrepot trade
- ◆ International procurement, distribution and delivery
- ◆ International transit
- ◆ Testing and post-sale services and repair&maintenance
- ◆ Commodity exhibition
- ◆ R&D, processing and manufacturing
- ◆ port operations
- ◆ other business as approved by Cust





# Three Functional Areas of Yangshan Bonded Port Area

- ❑ Port Operations Area : located at the Small Yangshan Island. In addition to basic functions of a port, it focuses on development of international transit and multi-modal transportation.
- ❑ Warehousing and Logistics Area: located at the special Customs control area of the land section. It focuses on such logistics sectors as international distribution, international procurement, and international entrepot trade.
- ❑ Export processing zones: located at the special Customs control area of the land section. It focuses on the development of export-oriented processing.

# Function 1



**international customs transit**



Yangshan  
Bonded Port  
Area

sorted according to  
ports of destination

consolidated if the  
same port of  
destination



**change of means of transport:  
loaded onto other international  
shipping vessels**

# International Transit





# Function 2 :

## International Distribution

Within the territory



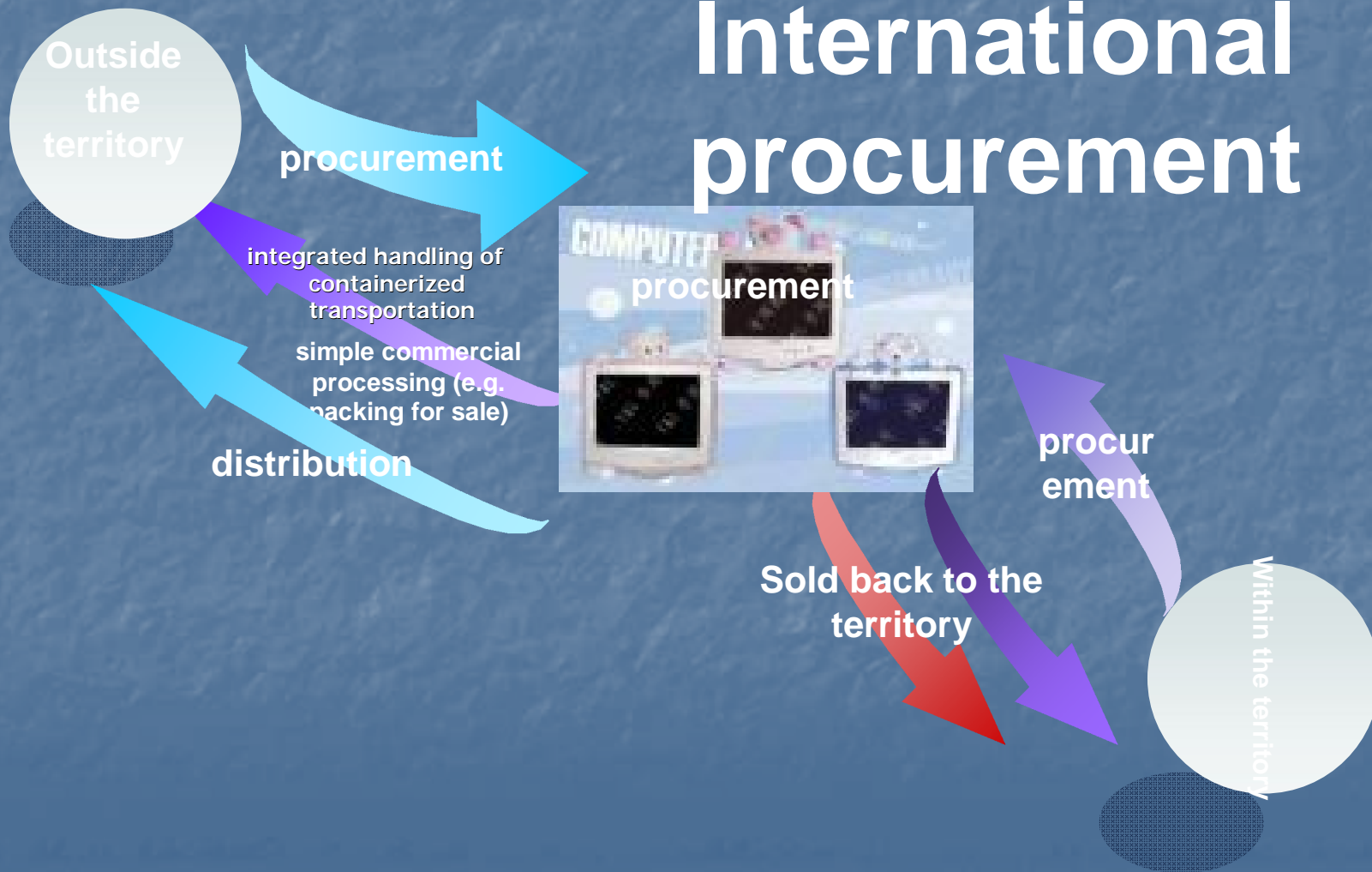
Sorting Movement distribution delivery

Outside the territory



# Function 3 :

# International procurement





Function 4 :

# International Entrepot Trade



Entrepot trade



Exhibition



Sample is ready

Order is put

transaction



Function 5 :

# Export-oriented processing





# IV. Customs Control in Yangshan Bonded Port Area

## Customs Control in Yangshan Bonded Port Area

Management philosophy: relaxed control for primary line, effective control for secondary line, and freedom within this area.

Management means: enclosed area; computerization.

Specific practices:

Different types of lanes at checkpoints

Divergence of goods

Zoning

Different procedures depending on the circumstances





## 1. Enclosed management

To ensure the effective implementation of the policies and functions of the bonded port area

- ❖ fencing facilities and monitoring system which meet the requirements of Customs control
- ❖ Anti-smuggling police patrol the adjacent waters



## 2. Computerized management to ensure efficient operations of modern logistics



- Computer networking to ensure information sharing and mutual administrative assistance

- adoption of recordation-based declaration with whole-process computerized dynamic monitoring and control



- automated check and release of goods and vehicles

- checkpoints equipped with electronic boom bars and electronic ground scales



- Connected with H2000 system to realize automated operations of checkpoints and smart management



### 3. Unified management to ensure overall improvement of management efficiency and effectiveness



- ◆ Unified institutional management
- ◆ Unified declaration management
- ◆ Unified checkpoint management
- ◆ Unified inspection management

# Scope of Customs Control of Yangshan Customs

- imported and exported goods in Yangshan Bonded Port Area
- enterprises doing business in warehousing and processing in the Bonded Port Area
- international shipping vessels moving into and out of the Yangshan Bonded Port Area
- goods of the bonded warehouses of the new city near the port

- transit goods at railway container depots
- help fight against terrorism and prevent the proliferation of nuclear materials
- protect intellectual property rights and fight against infringement and piracy





- Phase I of the terminal for oil products has one 100,000 ton unloading berth for vessels (can accommodate the anchorage of 120,000 ton vessels), and two 5,000 ton loading berths and two 2,000 loading berths. The designed handling capacity is 7.5 million tons of finished oil products per year. Total capacity of oil tanks is 430,000 m<sup>3</sup>. Total capacity of bonded oil tanks is 340,000 m<sup>3</sup>.
- LNG Project Phase I: designed scale is 3 million tons per year. By 2010, 2.9 billion m<sup>3</sup> of LNG was supplied. LNG supply from Yangshan Port accounts for 50% of the total natural gas consumption of Shanghai.



# Routes currently opened at Yangshan Port



Yangshan Port has opened 11 routes to Europe, the Mediterranean, West U.S., East U.S., South America, Oceania, Mideast, Africa, South Korea, Japan and the Black Sea. Every week, there are 82 vessels anchoring here.



Goods transited via Yangshan Customs cover 31 provinces (regional Customs) and 231 localities (local customs houses).

Cooperating with 19 provinces (regional Customs) and 89 places (local customs houses) for “declaration at place of location and release at another place (port)”





Currently, railway-ocean multi-modal trains opened in Yangshan Port have transported goods to and fro Yangshan and 20-plus other cities, such as Hefei, Nanchang, Chengdu and Zhengzhou.





# Business Volume of Yangshan Customs

Items	2009	2010	
	Collected	Collected	Year-on-year increase
Revenue at Yangshan Port	RMB44 billion	RMB50.7 billion	8%
Among which, Yangshan Customs collected and handed over to the coffer of the State	RMB22.4 billion	RMB23.6 billion	5%
Number of containers processed	7.5 million TEUs	9.49 million TEUs	26%
Import&Export Value	US\$105.7 billion	US\$155.7 billion	47%
Import&Export Cargo Weight	75.63 million tons	93.62 million tons	24%
International shipping vessels	6518 vessels	7875 vessels	21%
international transit goods	810,000 TEUs	840,000 TEUs	3%
water-water transit goods	3.85 million TEUs	4.36 million TEUs	13%

# Business Volume of Yangshan Customs

Items	Jan. – April 2011	
	Collected	YoY increase
Revenue at Yangshan Port	<b>RMB17.6 billion</b>	<b>33%</b>
Among which, Yangshan Customs collected and handed over to the coffer of the State	<b>RMB11.5 billion</b>	<b>23%</b>
Number of containers processed	<b>3.48 million TEUs</b>	<b>20%</b>
Import&Export Value	<b>US\$58.9 billion</b>	<b>37%</b>
Import&Export Cargo Weight	<b>34.52 million tons</b>	<b>19%</b>
International shipping vessels	<b>3075 vessels</b>	<b>31%</b>



An aerial photograph of Shanghai, China, featuring the Bund on the left with the historic clock tower, the Huangpu River in the center, and the Oriental Pearl Tower on the right. The sky is blue with light clouds.

谢谢!

Thank you!