



WELCOME DELEGATES PRESENT AT THE SEMINAR ON RISK MANAGEMENT AND POST-ENTRY AUDIT



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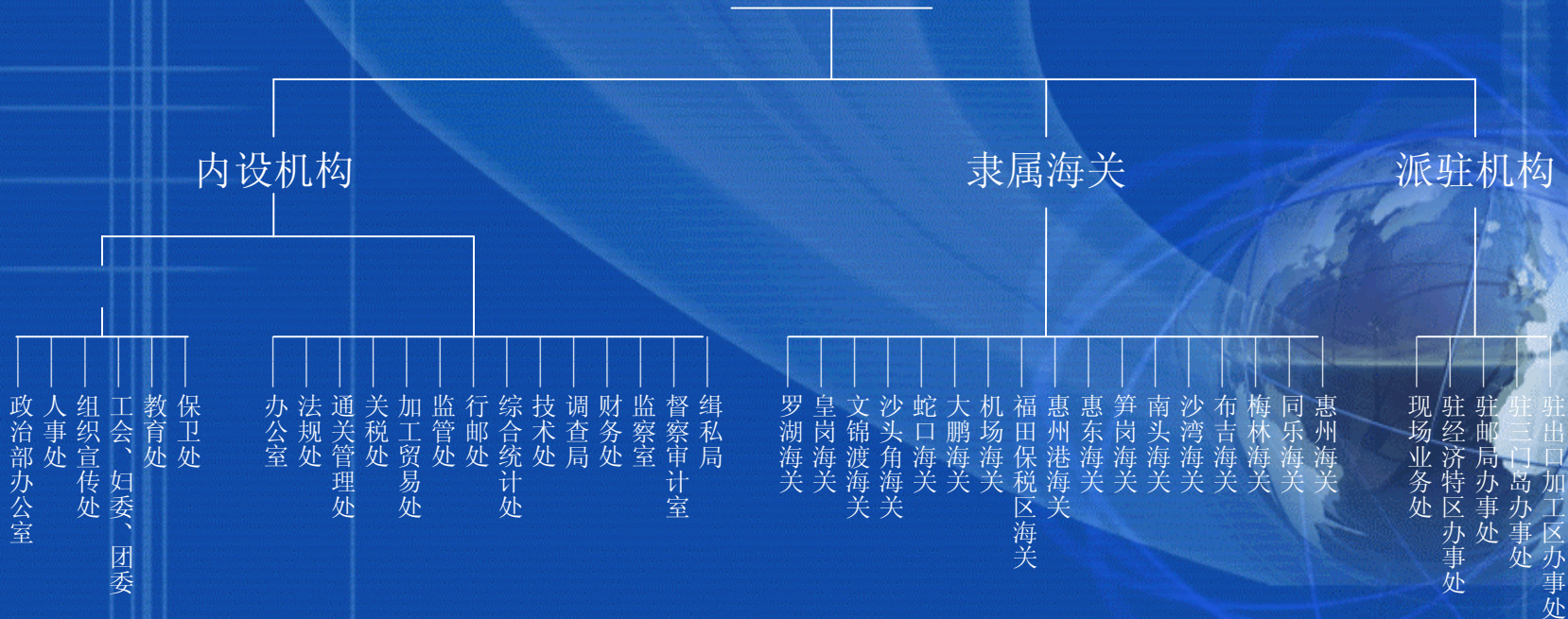
Brief Introduction to SHENZHEN CUSTOMS





- Covering two cities, Shenzhen and Huizhou
- 5,695 staffs
- 45 institutions at division levels

深圳海关





All sorts of Customs control covering harbor, road, airport, postal office, and railway





In 1887 Shenzhen Customs originated as Kowloon Pass in Hong Kong.





In October 1949, the people's government took over control of Kowloon Pass and moved the headquarters from Hong Kong to Shenzhen.

In January, 1950, Kowloon Pass was renamed as Kowloon Customs of PRC.



当年排队过关的人龙



On July 1, 1997, since Hong Kong reverted to the sovereignty of China, the name of Shenzhen Customs District replaced Kowloon Customs.

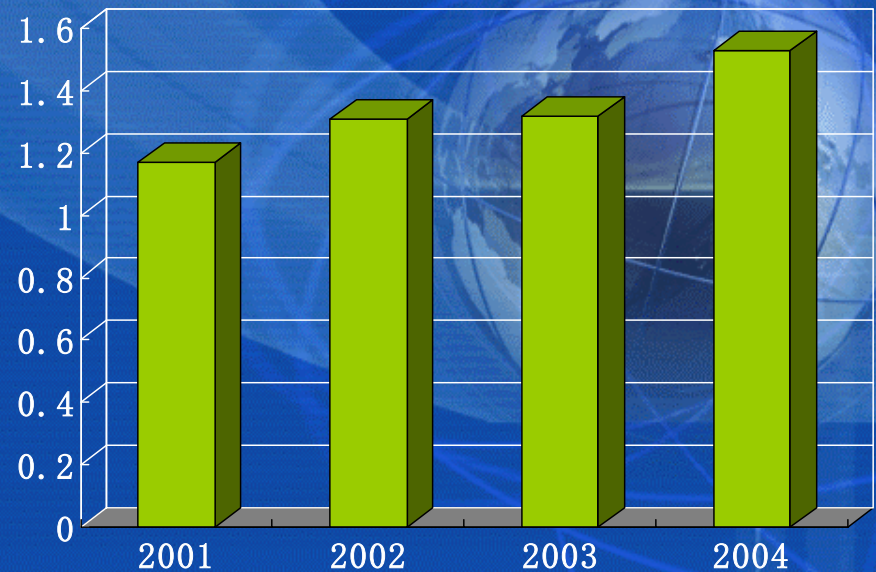
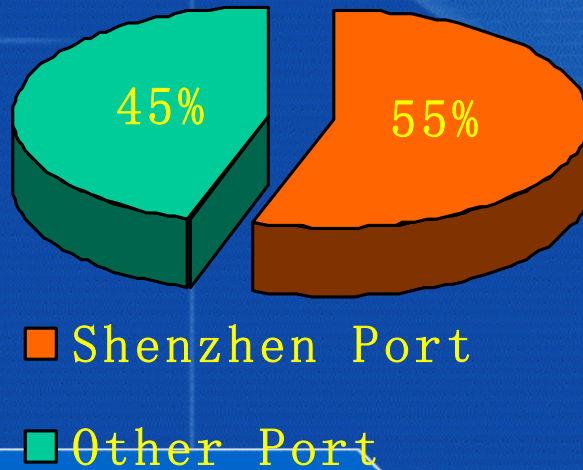


ROUTINE TASK



Passenger Inspection:

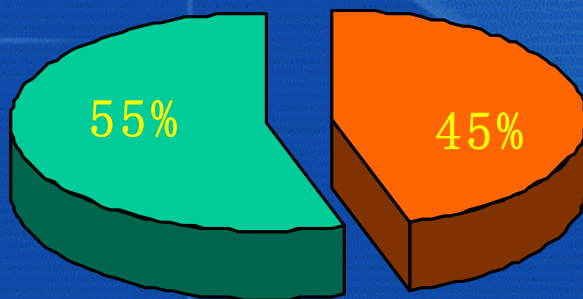
2004: 150 million, 55%





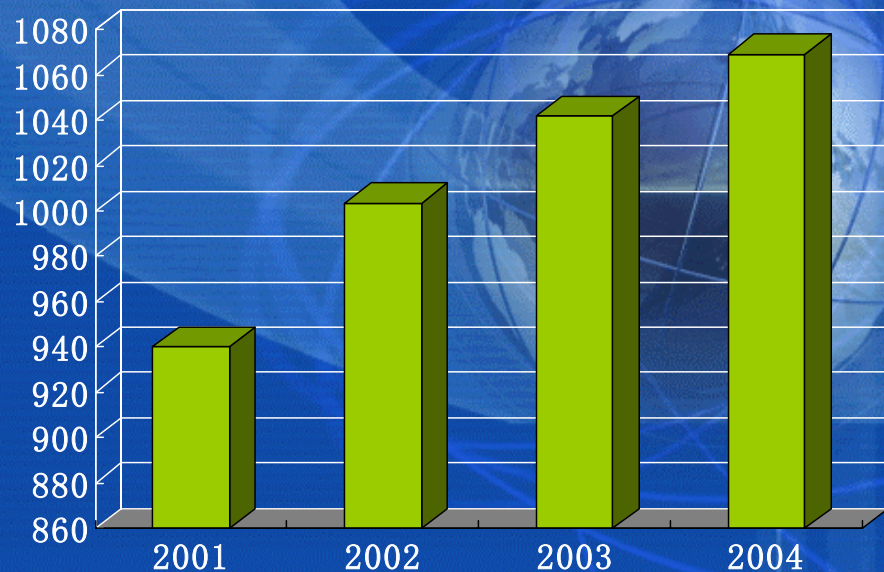
Vehicle Control:

2004: 10.692 million , 45%



Shenzhen Port

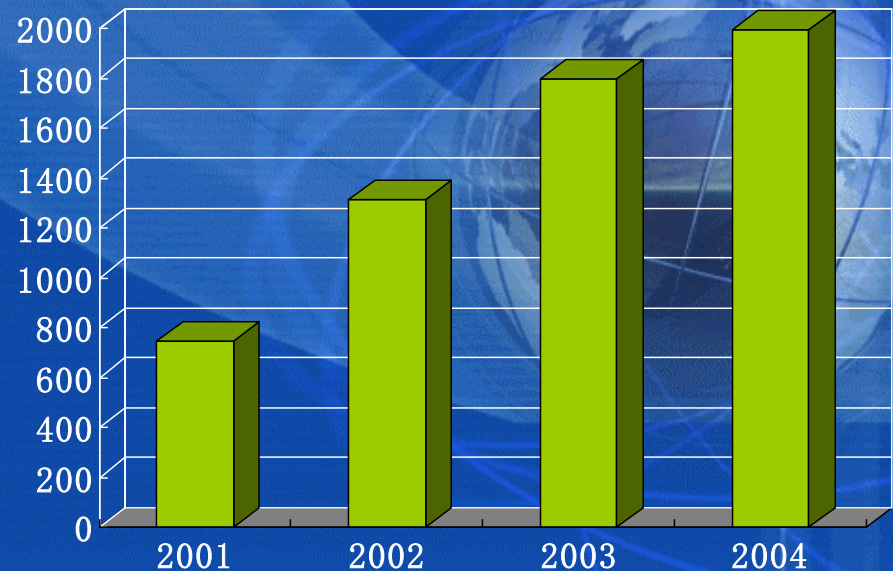
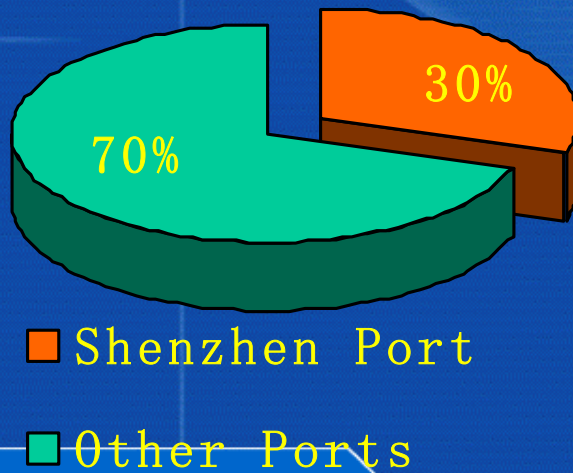
Other Port





Express Consignment Processing:

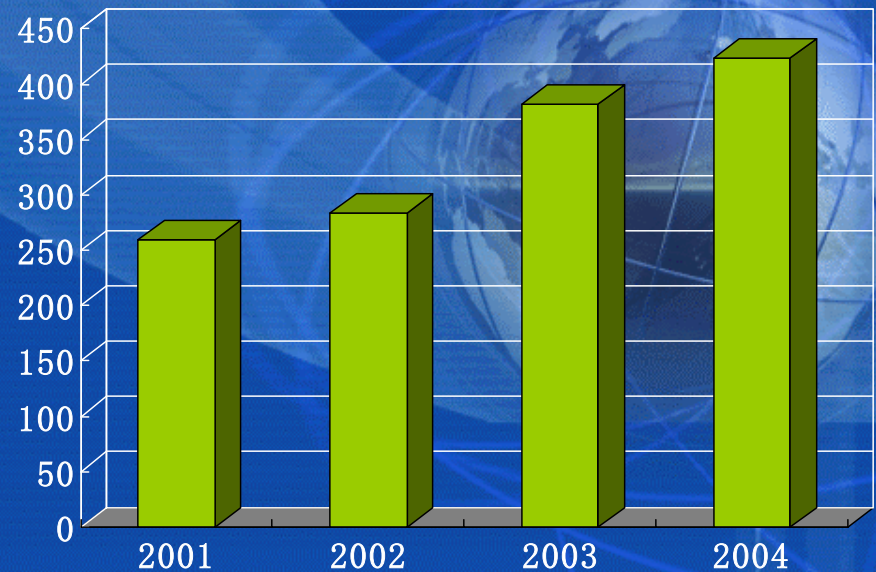
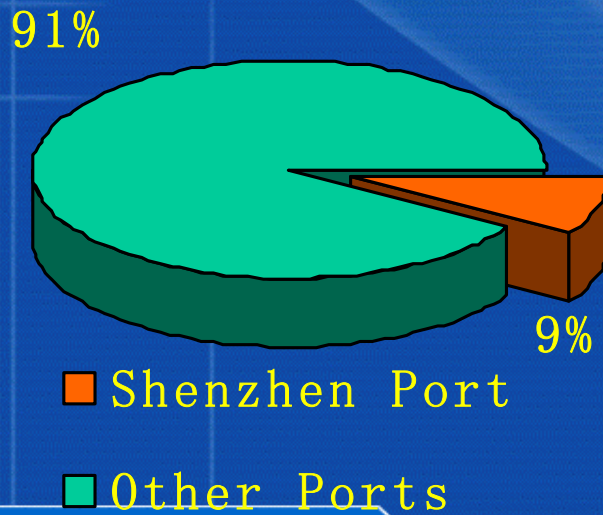
2004: 19.947 million, 30%





Customs Revenue:

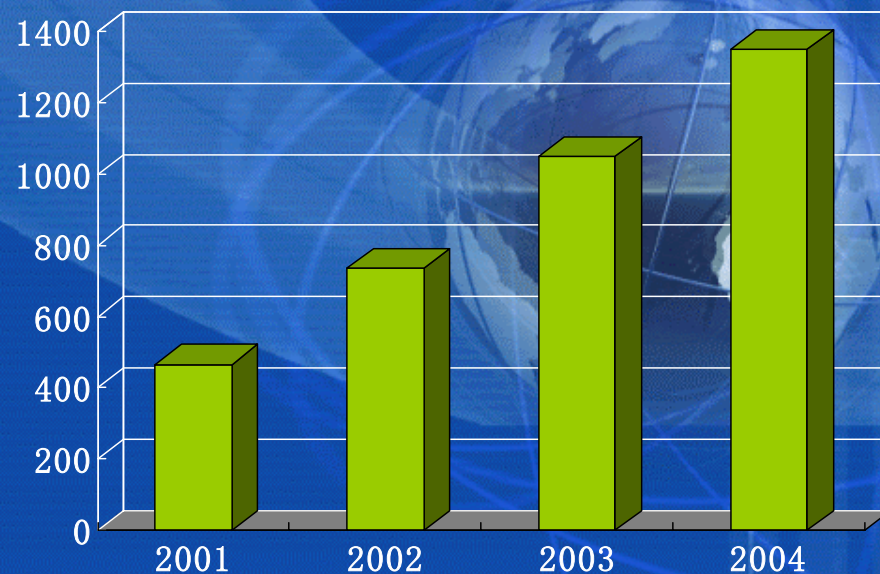
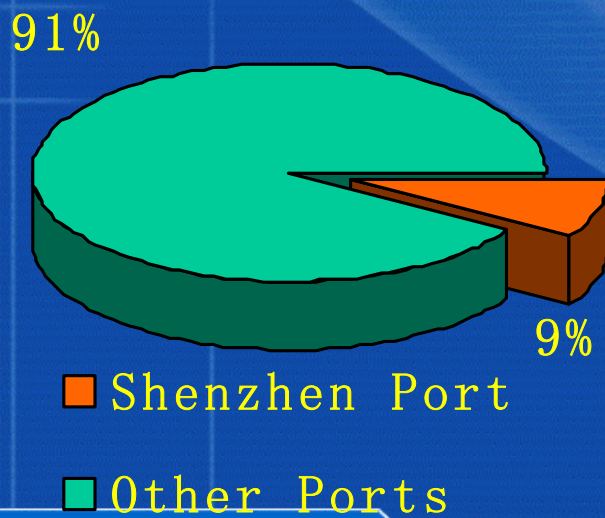
2004: 42.36 million,
9%





Container Inspection:

2004: 13 million





In 2004, SZC seized 270 cases of smuggling crimes and 10,400 cases of smuggling violations.



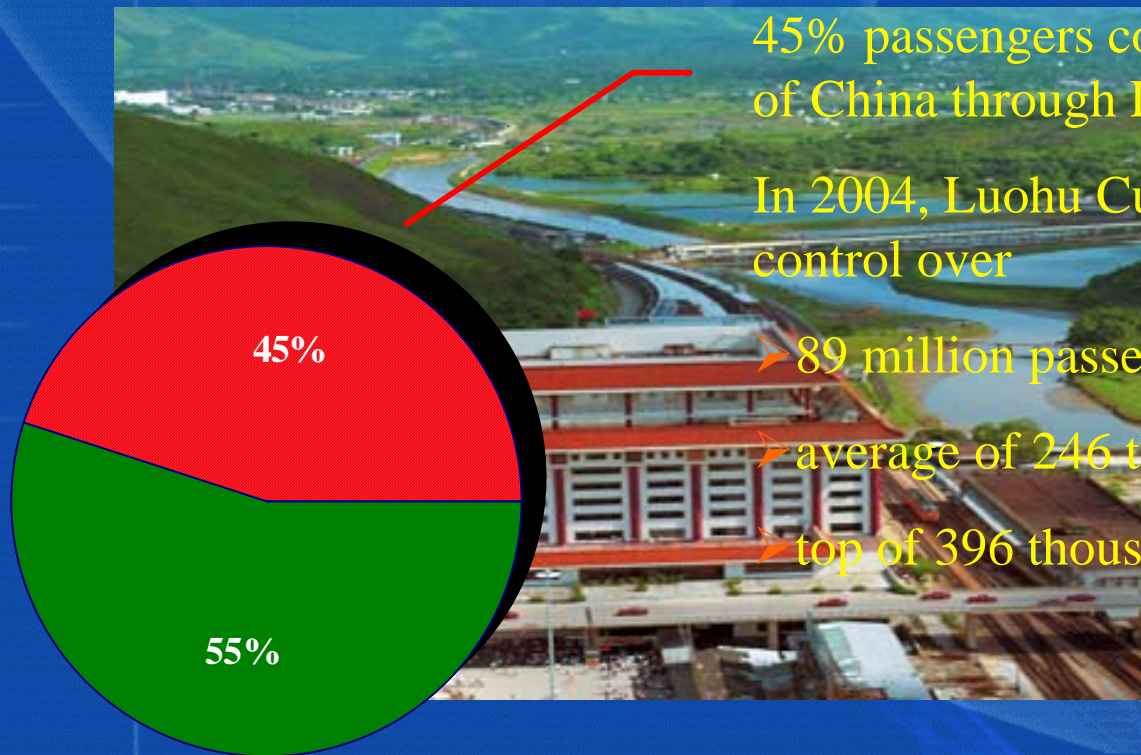


Shenzhen is next to Hong Kong, and Luohu, Wenjindu and Huanggang are the main channels for travel and transport between mainland and Hong Kong





Luohu Port has the largest passenger quantity of ports in China and Asia



45% passengers come into and out of China through Luohu Port

In 2004, Luohu Customs maintains control over

- 89 million passengers in aggregate
- average of 246 thousand per day
- top of 396 thousand in a single day



Huanggang Port is the largest road port in the world, is also the main goods port between mainland and Hong Kong.



customs

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s in aggregate

d per day

hicles and

assengers in

MAIN OPERATIONS



The Automated Check and Release System

- ◆ H2000/EDI Sub-System
- ◆ Vehicle Auto Identification Sub-System
- ◆ Driver Card Auto Identification Sub-System
- ◆ Electronic Platform Balance
- ◆ Electronic Gate

(For details, please refer to the introduction of Huang Gang Customs House to Automated Clearance System.





The volume of containers through Shenzhen Port increases tremendously , 4th largest harbor in the world.



MAIN OPERATIONS



Yantian Port Zone of Shenzhen Port

- The clearance system reform in 1998
- The operation volume soars

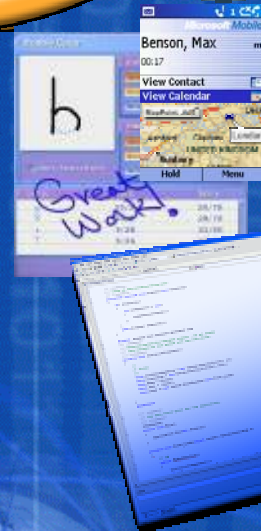
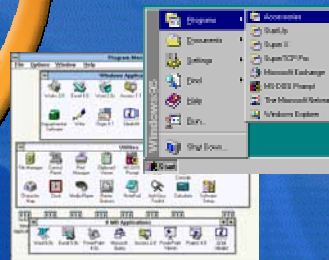
- Inspecting 6 million TEU
- Inspecting 11686 ships

- Throughput will be 8-10 million TEU in next 2-3 years

- The operating efficiency of a single ship will exceed 200 TEU per hour



	1998	1999	2000	2001	2002	2003	2004
INCOME	2000.00	2000.00	2000.00	2000.00	2000.00	2000.00	2000.00
EXPENSES	2000.00	2000.00	2000.00	2000.00	2000.00	2000.00	2000.00
TOTAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00



1998

2004

Next 2—3 years



In order to improve the supervision efficiency at sea port, we initiate the new-step clearance operation reform at sea ports.

The management
of standardized
classification in
inspection

The division of
labor based on the
specialization in
interior operation

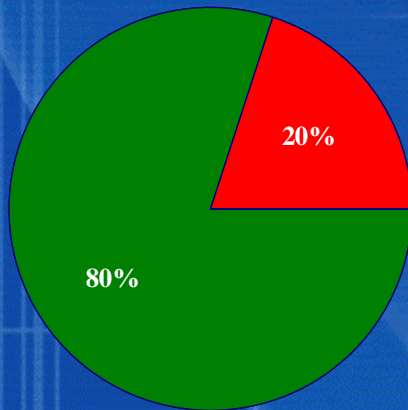
RISK MANAGEMENT
AND INNOVATION OF
EXAMING MECHANISM

The quantum evaluation
on performance in the
personnel management

MAIN OPERATIONS

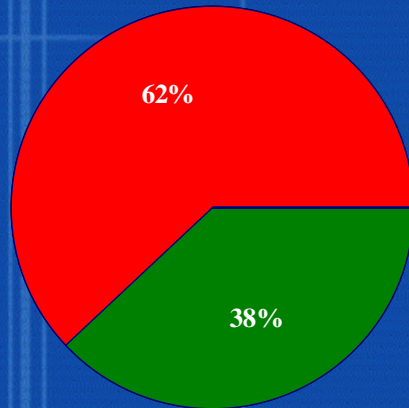


PROCESSING TRADE

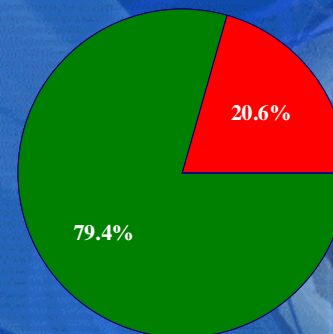


In 2004, there are 20 thousand processing trade enterprises supervised by Shenzhen Customs District, accounting for 20% of the nation-wide volume.

The value of import and export IS
113 billion USD



62% of
Shenzhen
Customs total
volume

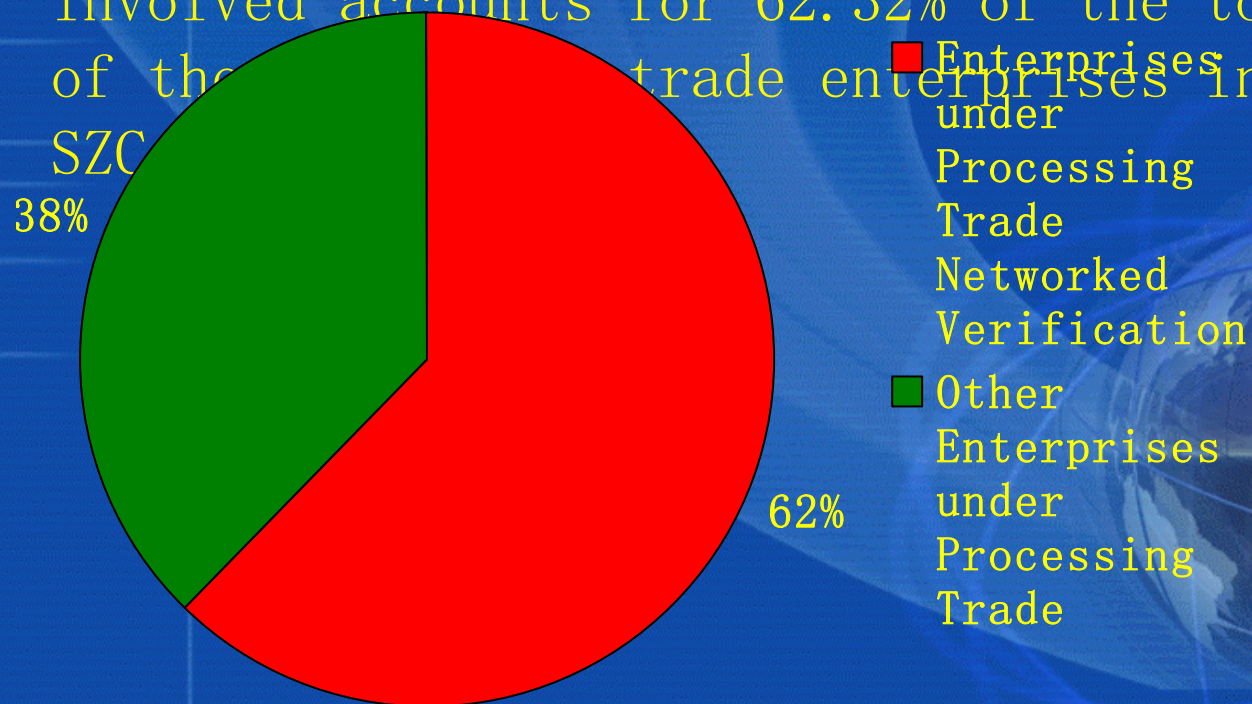


20.6% of the
nation-wide
volume

MAIN OPERATIONS



By April, 2005, 597 enterprises have been under the networked control of processing trade. The trade volume involved accounts for 62.32% of the total trade enterprises in SZC





RISK MANAGEMENT



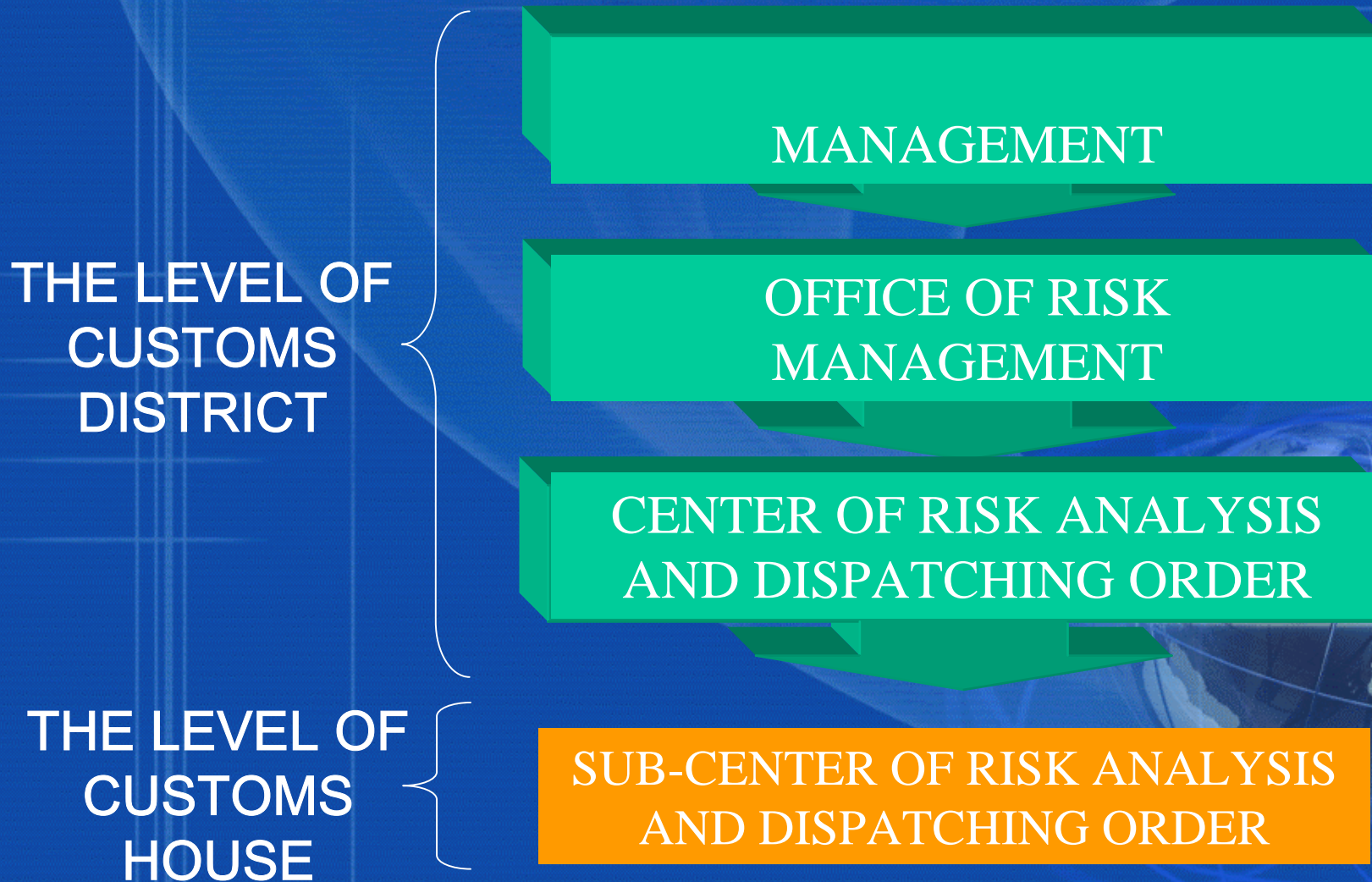
The level of adopting risk management is a significant symbol to judge the modernization standard of the customs. Risk management is attached importance to and set as the central link of the second step to establish a modern customs regime by General Administration of China. Shenzhen Customs has made great effort to the work, including the establishment of the center of risk analysis to create the program that is cooperating in analysis, dispatching order from two levels and managing in concentration. The management platform developed by GAC is used extensively in Shenzhen and benefit a lot to the risk analysis.







STRUCTURE OF ORGANIZATION





Enterprises
inspected



Credit evaluation



Classification
of credit



High Grade

Mid Grade

Low Grade

Clearance
Preference





CEPA



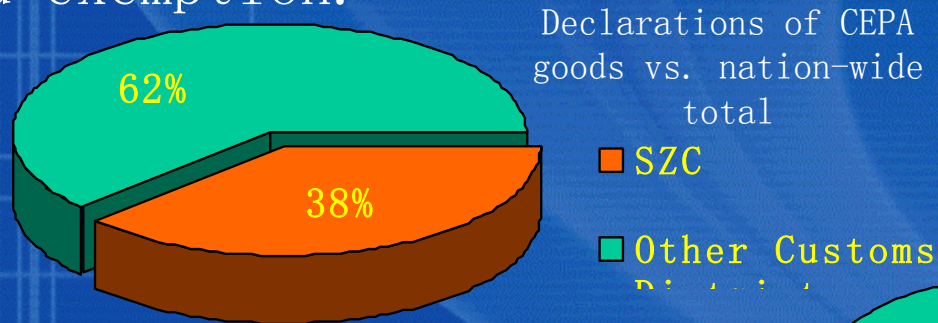


CEPA represents “Closer Economic Partnership Arrangement between Mainland and Hong Kong ”

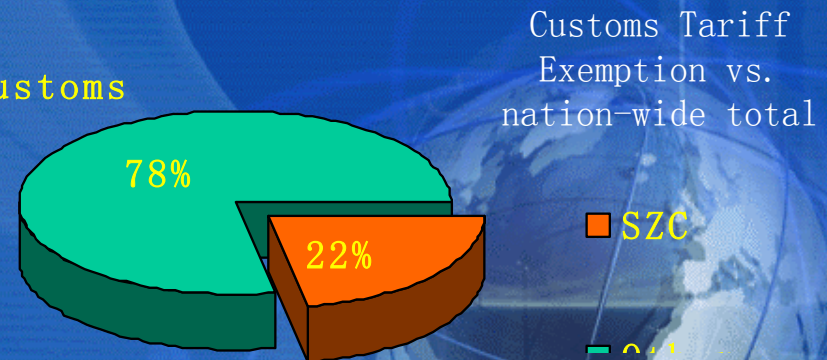
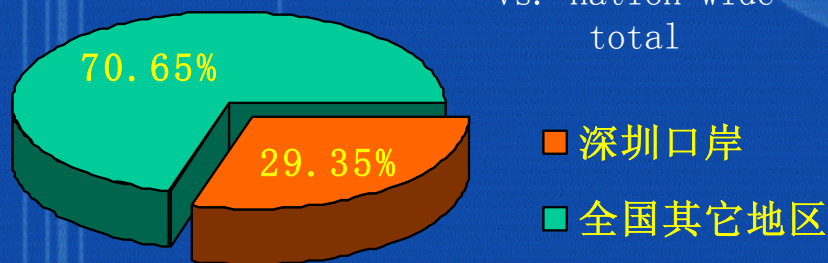
- on June 29th, 2003 → CEPA main text
- on September 29th, 2003 → six annexes of CEPA
- on January 1st, 2004 → CEPA I implemented
- on January 1st, 2005 → CEPA II implemented



In 2004, SZC approved 980 C/Os for CEPA zero tariff goods with a value of 290 million H.K. dollars. 14.73 million RMB was involved in terms of tariff reduction and exemption.



Value of CEPA goods vs. nation-wide total





Bangkok Agreement and “Early Harvest” Program

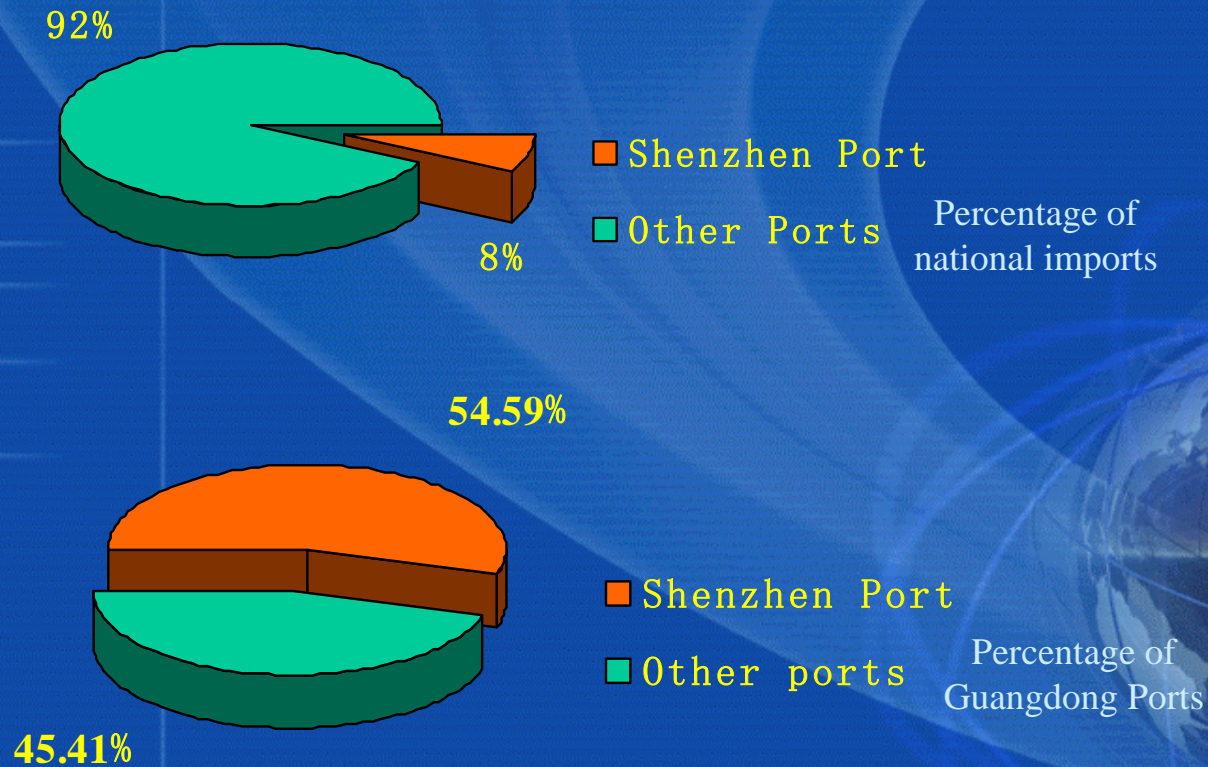


In 2005, seven preferential trading arrangements are being implemented in China :

- H.K. CEPA, Macao CEPA
- Early Harvest Program of ACFTA
- SPT to Laos, Myanmar and Cambodia
- Bangkok Agreement
- Sino-Pakistan Preferential Arrangement
- SPT to African LDCs



In the first quarter of 2005, 47.947 million USD goods under the seven preferential agreements are imported through Shenzhen Port





中华人民共和国深圳海关

ECONOMIC COOPERATION IN PAN-PRD





In 2004, the Guangdong Sub-administration of Customs put forward “Ten Measures of Customs for the Active Participation and Promotion in Pan-PDR Regional Cooperation”, which was implemented with the approval of GAC. Its implementation ushers customs in Pan-PDR Region into a new era of further integration, innovation and capacity building.



Shenzhen Customs District takes an active role in formulating measures for the customs cooperation among Pan-PDR Region. It initiates the practices of three fast channels, namely Shenzhen-H.K. highway, sea-rail\rail-sea multi-modal transportation and cross-customs district fast channels.



CUSTOMS PROTECTION OF IPR



CUSTOMS PROTECTION OF IPR

China Customs initiated Customs protection of intellectual property rights (IPR) in 1995. Great achievements have been made in fighting against infringements.

With the implementation Regulations on Customs Protection of IPR as from March 1, 2005, China customs has intensified its efforts to protect IPR.

Shenzhen Custom has been putting great efforts into fighting against infringement and has been taking the lead position among the regional customs in terms of working efforts and achievements.





CUSTOMS PROTECTION OF IPR

During 1996 to 2004, Shenzhen Custom District ferreted out 963 cases of infringement, accounting for 22% of the national total.

In 2004, the 201 infringement cases ferreted out involved a value of RMB 20 million.

Up to this moment, in 2005, Shenzhen Custom District has seized 68 cases of infringement involving 1million 145 thousand pieces of goods and a value of RMB 8 million.





On May 16th, 2005, SZC seized two cases of “exporting counterfeit five well-known brand cosmetics” and “exporting counterfeit Panasonic Radios”, which won the “Awards for Best Cases of IPR Protection” of QRPC.





INTERNATIONAL COOPERATION



Being the forefront of the reform and opening-up of China and adjacent to Hong Kong, Shenzhen plays an active role in international communication and cooperation. Shenzhen Customs District has been attaching great importance to foreign communication and regional cooperation.





INTERNATIONAL COOPERATION



Commissioner of Vietnam General Administration of Customs and guests from United Kingdom, South Korea, France and other countries. Shenzhen Customs District strengthens contacts and communication with H.K. and Macao Customs.

In 2004 we hosted Sino-Dutch Customs Seminar on Law Enforcement on Trade Security and Facilitation and other international conferences. We also gave warm receptions to US congress and government officer delegation, Director General of Japan Customs and Taxation Bureau,





Great achievements have been made in regional cooperation. Recently, thanks to the intelligence sharing between Shenzhen and H.K. Customs, in the joint counter-smuggling combat called “**scabbard stabbing**”, it seized one severe drug

trafficking case and
grams of assorted
6,797 grams of heroin
ketamine, **980** grams
and **244** grams



ferreted out **9,267**
drugs including
1,246 grams of
methamphetamine
of cocaine.





PERSONNEL MANAGEMENT





PERSONNEL MANAGEMENT



In 2003, China Customs adopted the custom ranking system. According to the requirements that the custom force shall be politically strong, professionally competent and completely reliable, China customs is committed to building up a modernized, regulated and semi-militarized disciplined customs force.



Shenzhen Customs District intensifies its team construction efforts by carrying out such measures as “three unifications and three standardization”

- Three unification---unification of organization structures, post duties and operational procedures
- Three standardization—Standardization of language, image and behavior of the customs staff.





THANK YOU