

CAREC Federation of Carrier and Forwarder Associations
BUSINESS NETWORKING FORUM

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Overview of CFCFA PRC Member Associations

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PRC Overview

The foreign trade of China has adhered to the principle of “steady growth, restructuring and rebalancing”. The foreign trade policy of China has remained relatively stable, with a steady and rapid growth of import and export. The trade structure continues to optimize, with a more balanced development of foreign trade. New achievements have been attained in the shifting of foreign trade development pattern. In 2011, China’s foreign trade as experienced a rapid growth in the first half of year, then slowed down in the second half. The total import and export of China in 2011 was 3.5 trillion USD, a 20% increase on the previous year. .

In 2011, the total import and export of China was 3.64206 trillion USD, up by 22.5% on the previous year. Total export was 1.8986 trillion USD, up by 20.3% and total import was 1.74346 trillion USD, up by 24.9% . In December, total import and export was 332.92 billion USD, up by 12.6%, while export totaled 174.71 billion USD, up by 13.4%, and import totaled 158.2 billion USD, up by 11.8%



Overview of PRC Import and Export in billion USD

	December, 2011		Year round total, 2011	
	Total	Up by % on pre yr.	Total	Up by % on pre yr.
Total Imp & Exp	332.92	12.6	3642.06	22.5
Total Export	174.72	13.4	1898.60	20.3
Total Import	158.20	11.8	1743.46	24.9
Difference	16.52	31.0	155.14	-14.5





Member Associations and Services

Member Associations

China International Freight Forwarders Association (CIFA)

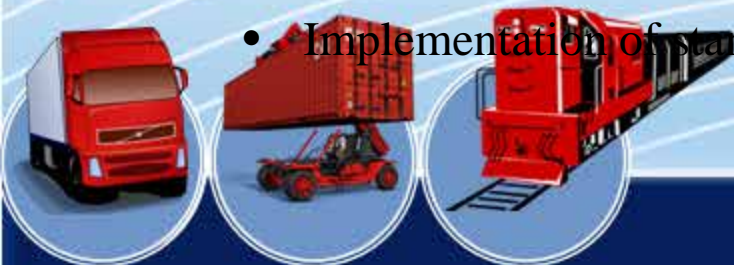
Inner Mongolia Autonomous Region Logistics Association (IMAR) Xinjiang

Uygur Freight Forwarders Association

Chongqing International Freight Forwarders Association

Services

- Business registration for all Chinese freight forwarders (CIFA)
- To provide business statistics on logistic companies to the Inner Mongolia Government (IMAR)
- To provide consultation, participate in policy making and program drafting (IMAR)
- FIATA certificate test, CIFA certificate test (CIFA)
- Training of logistic trainers
- Financial services and insurance
- Credit rating of freight forwarders and logistic companies
 - Grade A logistic company assessment, credit rating
 - Performance measurement and monitoring of six CAREC corridors
 - Implementation of standards



The State Council

Opinions on Promoting a Rapid and Quality Growth of Inner Mongolia

To develop the infrastructure of regional hub cities, to take full advantage of resources and ports, to develop a number of regional logistic centers, and to build Manzhouli into East Asia International Logistic Center. To actively promote Northeast Asia and Central Asia regional cooperation.

Ministry of Commerce

ØThe Ministry of Commerce of China proposed several priorities for foreign investment during the 12th five-year plan

- 1.To optimize foreign investment cooperation and to promote industry upgrade
- 2.To improve market environment of foreign investment and cooperation, and to further participate in international labor specialization.
- 3.To improve local foreign investment, and to promote balanced regional economic growth.
- 4.To improve business entities, to foster multinational companies and prestigious brands.

ØThe implementation will focus on:

- 1.Policy improvement, better multi-agency coordination. Better motivated local government. Better synergy
- 2.To improve service support system. To improve foreign investment planning. To study on key national and industry layout.
- 3.To establish a risk management system.
- 4.To support all companies to expand their business overseas.



Chongqing Municipality

Ø To develop into an inland modern trade and logistic hub

To establish Ten Export Bases, including national foreign trade upgrading demonstration base, bases for automobiles, ships, science and technology innovations, etc. To develop Eight Function Platforms, including vehicle import port, scrap metal import port, designated import ports for frozen food, animal and plant, timbers, etc., financial lease center for equipment, distribution center for import consumer goods. To take full advantage of bonded port area and “Chongqing-Xinjiang-Europe” corridor. To innovate bonded logistic mode as “to register in the area, to operate outside the area, with good connectivity and smooth customs clearance”.

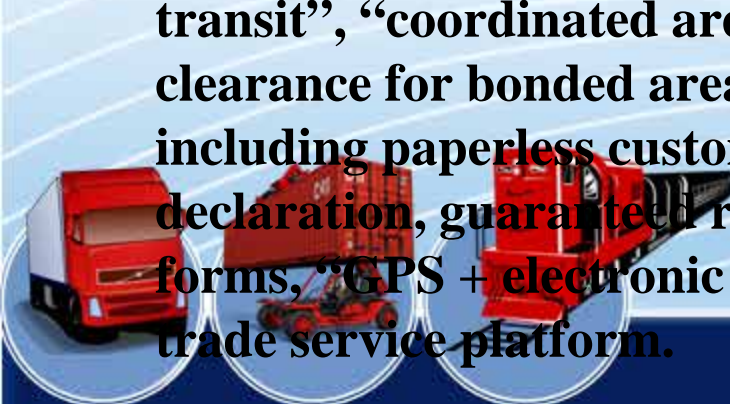
Ø To develop a national pilot area of outbound investment

Ø To support Chongqing to develop as an international trade corridor.



Chongqing Municipality

- Ø **To support the operation of Chongqing-Xinjiang-Europe International Scheduled Train**
- Ø **The Chongqing-Xinjiang-Europe International Logistic Company (Chongqing) was established on April 12th. It serves as a major platform for Asia-Euro international rail transport. It is the only railway logistic company jointed invested by railway ministries of PRC, Kazakhstan, Russia and Germany, and operated by Chongqing Transport Holding Co. Ltd. It will provide round trip “stop to stop” services between Chongqing and Europe.**
- Ø **To innovate on customs clearance monitoring system**
- Ø **regional customs clearance. To implement classified customs clearance. To promote “3 in 1 inspection”. To improve “pre-clearance + customs transit”, “coordinated areas and ports”, to ensure smooth customs clearance for bonded area logistics. To implement several reforms, including paperless customs clearance, classified collective customs declaration, guaranteed release, bar code technology for declaration forms, “GPS + electronic customs lock”. To develop and promote TCS2.0 trade service platform.**



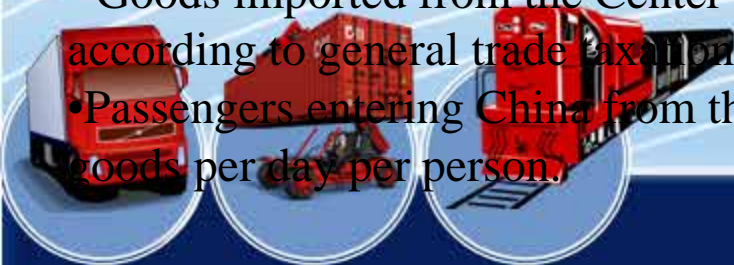
Xinjiang Uygur Autonomous Region

Ø The Irekshtam Port of Kashi will be moved to Wuqia County

The Irekeshtanm Port has been overloaded with its operations for years. The limited capacity of the port can no longer handle the rapid growth of the import and export . The Port is faced with difficult development bottleneck. Meanwhile, the Port is far from the town center, and cannot therefore promote the local town's economic development. The new port is located at 3km west of Wuqia County center. The altitude of the new port is 1000 meters lower than the old one. The total area of the new port is 3.5 km², with an actual investment of RMB 260 million yuan. Facilities that are expected to be in operation include border crossing area, a part of logistic warehouses and some office and residence facilities. Infrastructures are under construction, including a 7500m² inspection hall, vehicle inspection lanes, a 4500 m² declaration office building, etc.

Ø On April 18th, 2012, the Khorgos International Border Cooperation Center between PRC and KAZ started to enjoy preferential policies rendered by the State Council of China.

- Imported infrastructures, building materials and equipment that are for the Center's companies' own use can have tax rebate.
- Imported infrastructures, materials and equipment from KAZ, if they are to be used in the Center, are exempted from customs duty and import VAT, according to bonded area policies.
- Goods imported from the Center to China will be subject to import duty and import VAT according to general trade taxation administrative regulations.
- Passengers entering China from the Center, can carry RMB 8000 yuan worth of duty-free goods per day per person.



Inner Mongolia Autonomous Region

IMAR has 19 ports, allocated in 14 border cities, Hohot City and Hulunbeier City. Among them, 6 ports are between PRC and Russia, 10 ports are between PRC and Mongolia.

Ø10 measurements issued by Hohot Customs

- 1. To further the reforms on various operations, to include more eligible companies in “local declaration, port inspection and release”, so as to facilitate customs clearance for companies with good credibility.**
- 2. To accelerate the development of e-port, to realize information sharing among companies, port authorities, financial companies and logistic companies, etc., in order to improve efficiency, reduce trade cost, and facilitate customs clearance.**
- 3. Further cooperation and coordination with Mongolia customs. To establish regular meeting mechanism, to improve cooperation in various aspects, including inspection information sharing, intelligence sharing, joint crackdown of smuggling, assistance of case inspections, etc., so as to address problems in the border crossing and ensure a smooth clearance.**



Inner Mongolia Autonomous Region

Ø **Manzhouli Customs Issued 9 measurements**

1. To actively promote the opening-up to Aershan. To speed up the construction of Aershan port office buildings and supporting facilities, to actively support the verification and acceptance of the port by the authorities, in order to ensure the timely operation of Aershan as a seasonal port.
2. To continue with the 24 hours passenger border crossing at Manzhouli road BCP. Russian vehicles can enter with bond letters. To explore on smart inspection of passenger vehicles.

Ø **Border Security issued 9 measurements**

Use Ganqimaodu - Gaxun Sukhait port as a pilot, to develop self-help inspection lanes, so that energy transportation vehicles can go through the self-help lanes, which will reduce the border crossing time to 1/5 of the current time. This self-help lanes will be further promoted to other energy ports of the region, to ensure “rapid in and rapid out” and a smooth import of energy resources.



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Thank You!

