

About Shanghai Customs

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October 21, 2005 Shanghai, China

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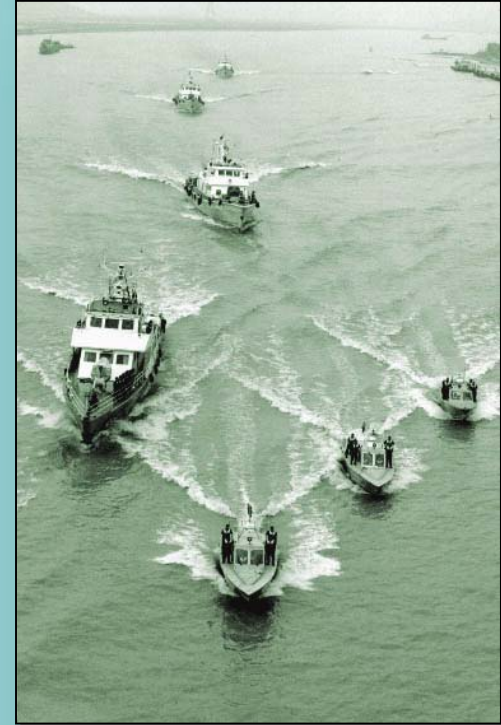
Geography

- Situated at $31^{\circ} 41'$ north latitude and $121^{\circ} 29'$ east longitude
- Bordered by Jiangsu in North-West and Zhejiang in the South-West, the East China Sea on the east and Hangzhou Bay on the south
- Explosive 20% annual growth rate of container throughput



Responsibilities

- ❖ Exercising control over all the means of transport, goods, luggage, postal items and other articles entering or leaving the territory.
- ❖ Collecting Customs duties and other taxes and fees
- ❖ Preventing and combating smuggling
- ❖ Compiling Customs statistics.
- ❖ Dealing with other Customs affairs.



History



- Imperial Maritime Customs Established in 1685 during 24th Year of the Kangxi period of QING Dynasty
- Shanghai Customs of the People's Republic of China Renamed on February 16 1950.



Organization



There are 45 subordinate offices,
including:

- 13 Ports of Entry
- 18 Divisions
- 7 Offices of Shanghai Customs
- 6 Offices of Central Administration
- Yangshan Customs (under preparation)
- 2938 employees

Panoramic view of Yangshan Port



■ Yangshan Port open at the end of this Nov.

■ Yangshan Free Port

1st phase 2005: 5 deep water berths and annual container handling 2.2mil TEU

■ Yangshan Free Port

2nd phase 2006: 4 deep water berths and annul container handling 4.5 mil TEU



Statistics Figures

	Goods Value (bln \$)	Container throughput (mln TEU)	Duty Revenue (bln ¥)	Transactions (mln)
04	282.6	14.55	104.2	8.59
% y-o-y	40.4%	24.2%	23.03%	26%
% of the total	24.47%	-	22%	-
05 (Jan.-Jul.)	191.6	6.11	64.1	5.67
% y-o-y	22.9%	-	4.82%	18.3%
% of the total	29.7%	-	21.99%	-

Features of Operations

- Ⓢ Comprehensive Surveillance

Sea, Land, Air and Postal

- Ⓢ Long Coastal Line with Dense Checkpoints

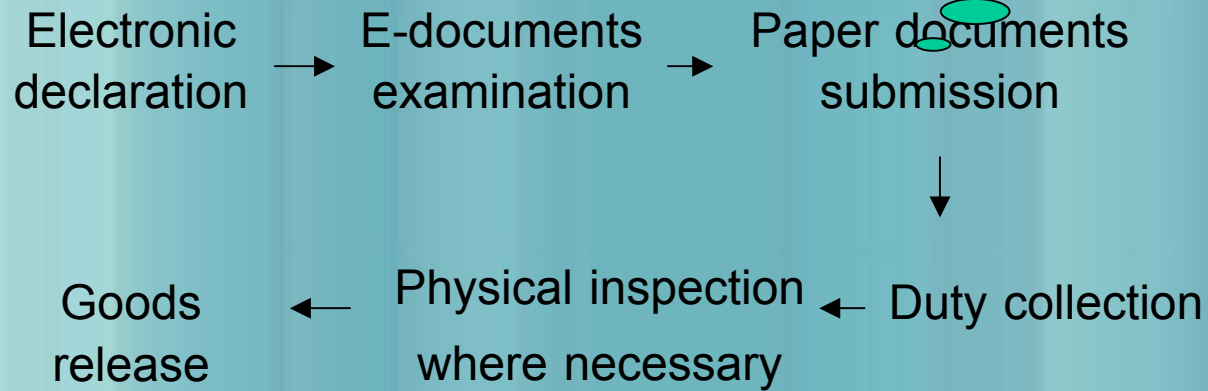
41 terminals, 101 berths and 50 buoys

- Ⓢ Large Business Volume

Maritime trade 380 tons, container throughput 14.55 mln TEU

Trade Facilitation

Customs Clearance Procedure



H2000 Clearance System



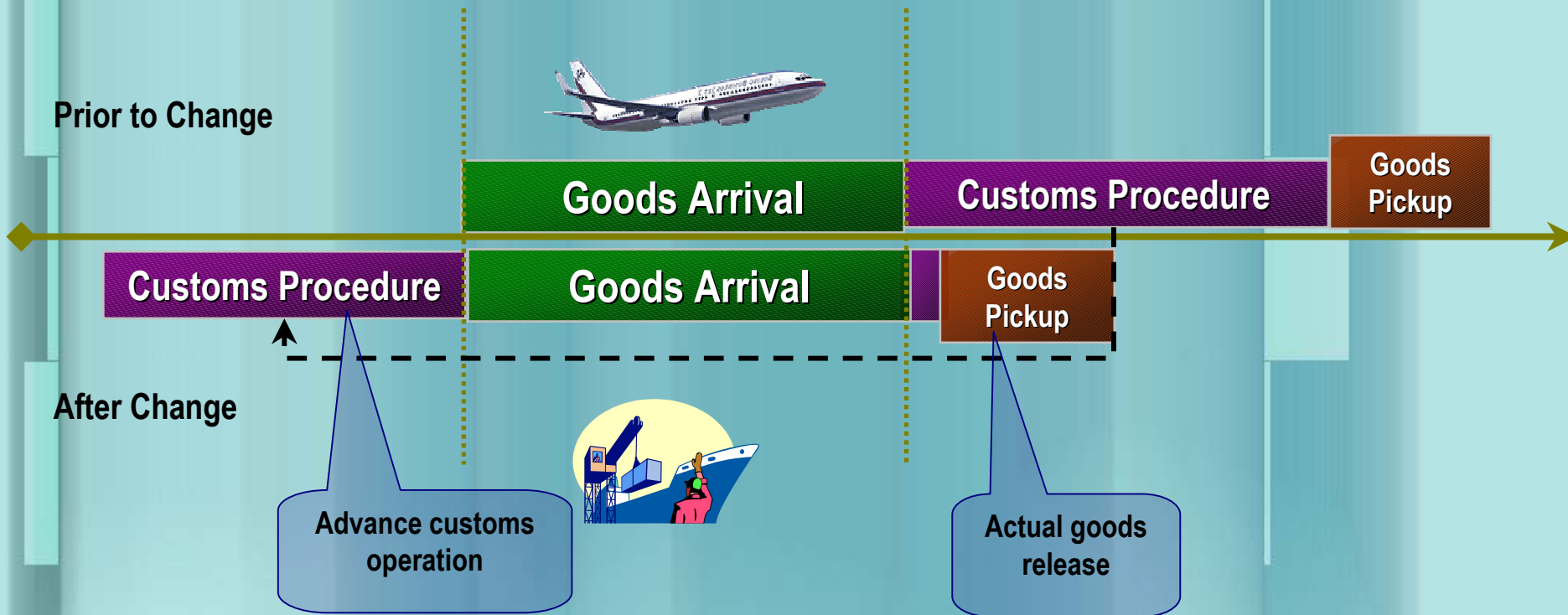
Achievements

- ▶ Trade Facilitation
- ▶ International Trade Security
- ▶ International Cooperation
- ▶ Building up Customs Forces

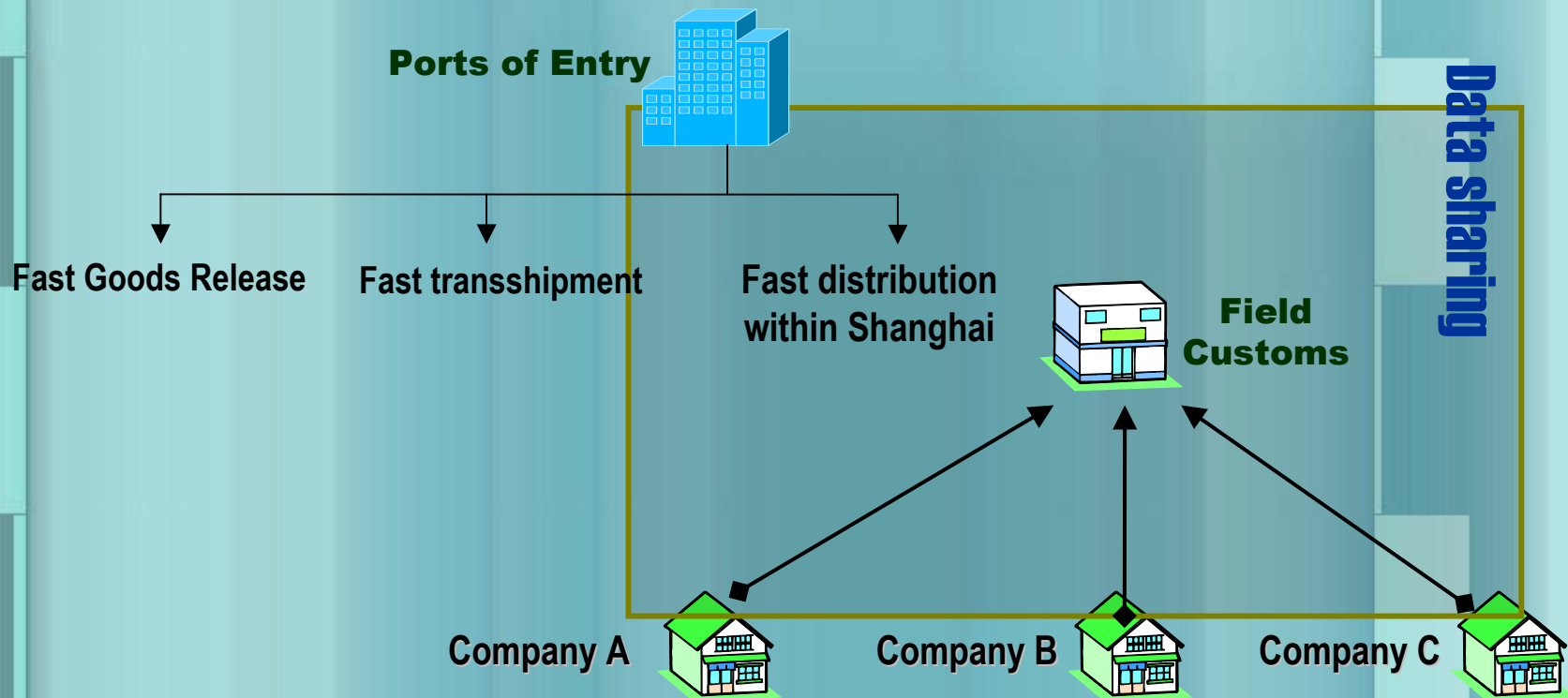
Trade Facilitation

✦ Restructured Clearance - *Advance Declaration Good Release Upon Arrival*

Customs clearance takes up 2.88 hours on average, an 86% improvement over the original one.



Trade Facilitation



Restructured Clearance - "Paperless Clearance"

Reduced the Imports and Exports clearance time to 15.84 hours and 0.72 hours, a reduction of 5.76 hours and 4.08 hours respectively.

Trade Facilitation

- ✦ Fast transshipment for cross-region Customs clearance - *“Single Declaration, Single Inspection and Single Release”* which helps enterprises in the neighboring provinces lodge the customs formalities in advance



Trade Facilitation

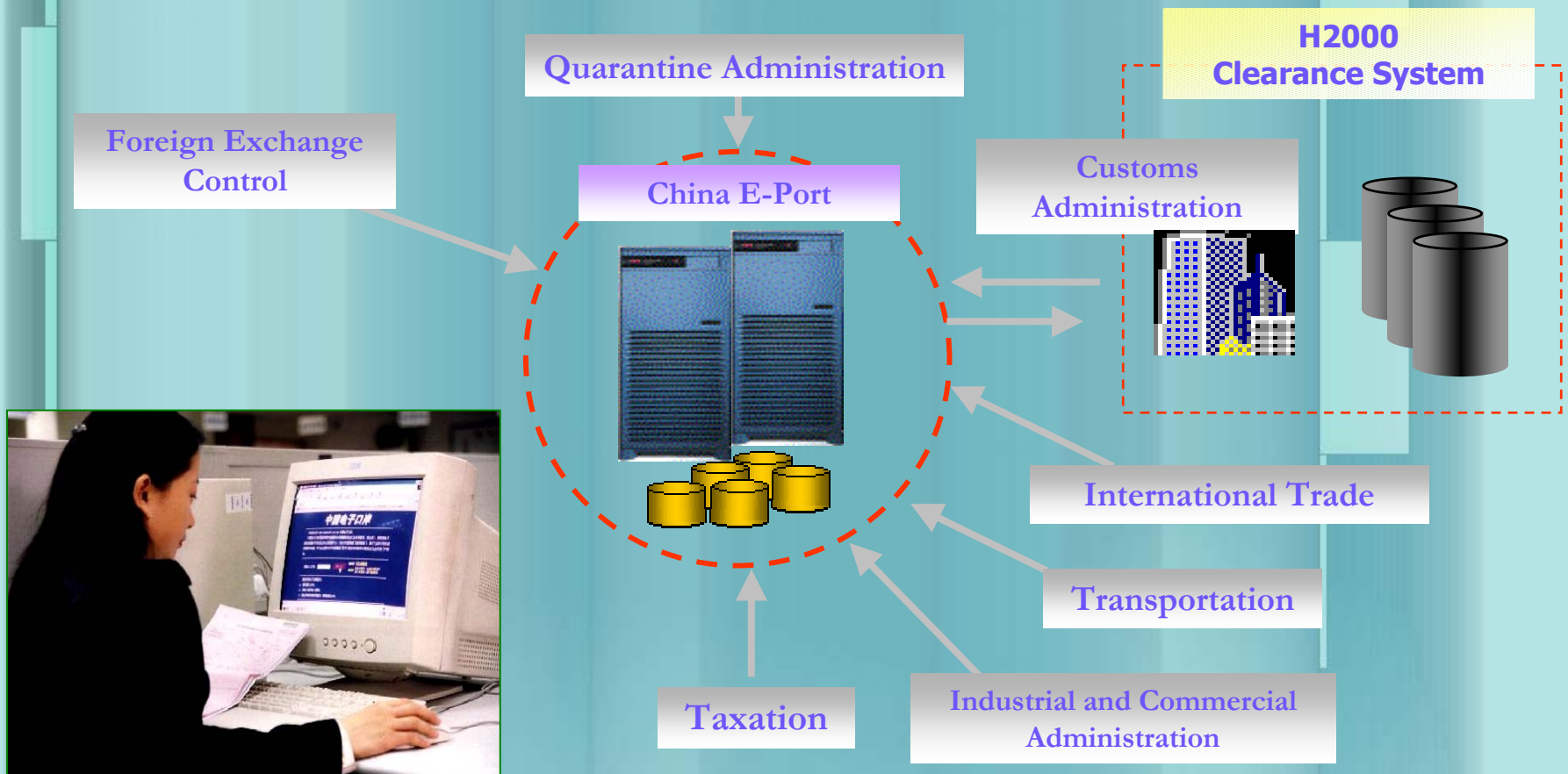
- ✦ A “5+2” days Rule - *Shanghai Customs has initially piloted the rule since October 1, 2003.*



Trade Facilitation

- Shanghai E-port-China Customs signed an MOU regarding Shanghai E-Port with Shanghai Municipal government on Oct. 25, 2004

40,000 users all over the country



Trade Facilitation

Risk management

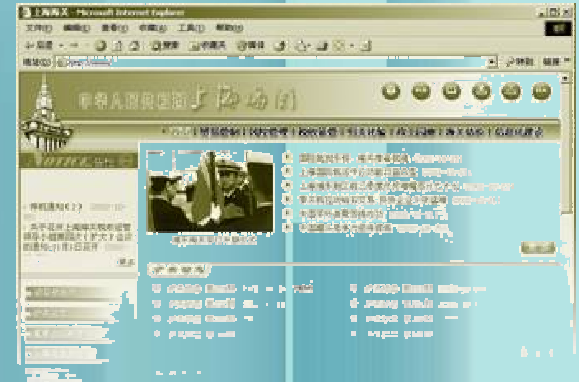
- *The Risk Analysis and Supervision Center established on February 1, 2005*
- *“Use appropriate Customs Inspection and then evaluate the results”*
- *A pilot project has been conducted at the logistics park by carrying out differential management based on the credibility of enterprises*



Trade Facilitation

+ Enforcement transparency

- ◆ *China Customs portal website (www.customs.gov.cn)*
- ◆ *All administrative rules concerning traders' rights and obligations are made known to the public on month in advance of implementation*
- ◆ *Top Customs officials meet business people and Customs officers every Thursday to answer questions*
- ◆ *A “satisfaction guaranteed solution” system*



International Trade Security

- Tightened supervision and control over import and export goods
 - *A Global Positioning System installed in all Customs supervised vehicles*
 - *H986 large-scale container scanning equipment introduced*
 - *Special arrangement for Particular areas “ enclosed area management, 24-hour vigilance surveillance, and control at checkpoints with localized patrols”*



International Trade Security

Improving anti-smuggling system

- *“Integrate combat with prevention, administer all aspects of smuggling activities; focus on high-likelihood of smuggled commodities, persistent in all actions”*
- *implemented enterprises credit rating system*

➤ *A, B, C, D categories Red list vs. Black list*



International Trade Security

- Reinforcing intellectual property rights
 - *Trademark infringement cases e.g. “Benz”, “Kodak”, “Philiphs”, “Osram”, “Galaxy” and “Diamond” were seized in succession.*
 - *Strengthening an outreach program and building a network*



International Cooperation



- International Cooperation taking on a new look
 - *2005 APEC Customs-Business Dialogue (bottom right)*
 - *Customs workshop with AmCham Shanghai (top right)*
 - *Meeting with Singapore Customs (top left)*



Container Security Initiative



Declaration of Principles Relating to Bilateral Customs Cooperation at Seaports to Enhance Security of Ocean-going Containers on July 29th, 2005.

CSI implemented at the Port of Shanghai on April 4th, 2005

two-tiers liaison mechanism:

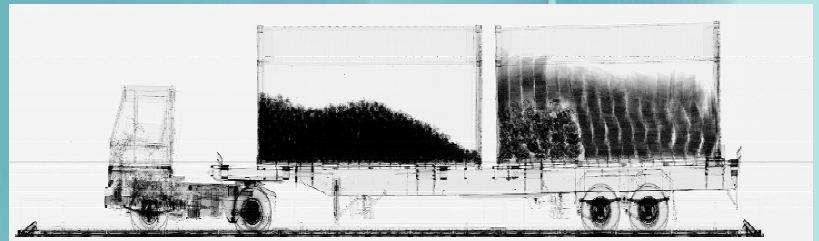
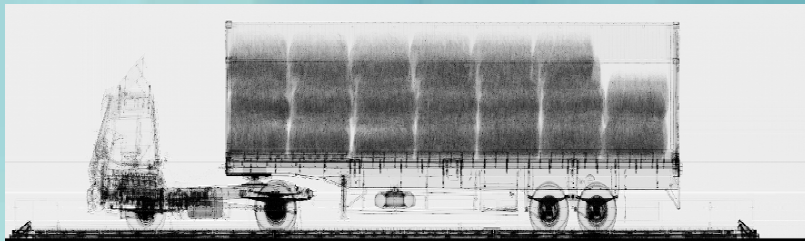
the first tier is in charge of communication and determination of physical inspection; and the second tier takes responsibility of physical check.



Container Security Initiative



- ✿ H986 large scale container scanning machines at the seaports of Waigaoqiao and Wusong
- ✿ Perform non-intrusive inspection of selected high-risk containers



Thank You!

