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Logistics Management in Trade Facilitation & Processing Trade

—A Draft Speech for “CAREC Member Country Economic Cooperation Training Course”

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(August 23rd 2007)

Ladies & Gentlemen :

Today, it is my pleasure to be with you at this Training Course for Central Asia Regional Economic Cooperation held by the Ministry of Commerce to jointly participate in the discussion of the theme on “Implementation of Comprehensive Action Program for Central Asia Regional Economic Cooperation, Strengthening Information Sharing in the Fields of Trade & Investment by Regional Member Countries, Promoting Facilitation of Trade and Coordination of Trade Policies”.

First of all, on behalf of the Urumqi Customs, I would extend our warm congratulations on the ceremonious opening of the Training Course. I believe this training course organized meticulously by the sponsor party will build up a platform at working level between the Customs and member countries, and through this platform we can share our respective practices and successful experiences, further strengthen cooperation and communication and together we will make our due contribution to the sustainable development of all the member countries. In the meantime such efforts will infuse new momentum to the enterprises of member countries who can get commercial opportunities to achieve fast development.

The economic globalization and regional integration are in the ascendant. The pace of economic integration between countries and regions is being accelerated, especially in countries in APEC, EU, ASEA, Gulf Cooperation Committee, North American Free Trade Zone, which has produced significant effect on the conventional economic development mode and regional economy. The establishment of Shanghai Cooperation Organization has provided an important security for promotion of the regional economic development. The implementation of CEPA and progressing of

China-ASEA Free Trade Zone have played an exemplary role for the regional cooperation of Central Asia and South Asia.

As every body knows, the dialogue and cooperation between the governments of member countries and between government and commercial circle are playing a positive role in the process of promoting the trade facilitation. In 2004, the World Customs Organization (WCO) with a membership of 166 Customs and representing 99% of the world trade volume signed a document on Global Trade Security & Facilitation Standard Framework taking the cooperation between the Customs and Commercial Circle and the cooperation between the Customs and Customs as the two pillars under the Standard Framework. The Organization also advocates that all member countries should further strengthen the relation of strategic cooperation partnership between the Customs and the commercial circle.

As an administration authority for exit and entry supervision on behalf of the country, the Customs shoulders the important duties of working as the country's gatekeeper and providing service to the country's economy. To promote the development of international trade and draw on the experience of the international practices, China Customs has constantly pushed forward the customs reforms and made unremitting efforts and researches in strengthening cooperation with the commercial circle and facilitating the enterprises in their trading. In recent years, under the correct leadership of the Customs Head office, China Customs has been engaged in bringing in new ideas in the system creation and scientific and technological innovation, practicing trade facilitation and brought into play the dual role of the Customs in both the international trade security and facilitation by sticking to the 16-character principle of "To Administer according to Laws, To Guard for Country, To Serve Economy, To Promote Development". Now, I would like to give you a brief account of what we have done in the following 6 aspects:

1. Implementation of "Grand Customs Clearance" Facilitation Project

In 2001, by establishing a coordinated mechanism of the Customs with commodity inspection & quarantine, freighter agent, warehousing and other units, pushing forward the construction of "Grand Customs Clearance" Facilitation Project and providing "One-stop Mode" service, we have effectively promoted the efficiency of port customs clearance and greatly enhanced the working performance of the government.

In simplifying and optimizing the procedures and formalities of customs clearance, we have introduced & implemented in an all-round manner a new customs clearance model of “Customs declaration in Advance and Release Upon Examination of Real Goods” Since 2002, China Customs started to implemented EDI electronic customs clearance, which directly conducted automatic processing of the import and export digital data by relying on modern information technology and network technology. The hi-tech & new technological enterprises were provided with convenient customs clearance facilities such as fast passage, examination & release against surety and pre-classification etc.. Such fast customs clearance facilities were provided for the special areas like the bonded zone and export-oriented processing zone. In order to verify whether the measures taken by the Customs was effective, we have selected one company in the export-oriented processing zone as study object. The analysis indicated that the time of air freight for the company from the airport landing to the export-oriented processing zone was shortened to the present 4 hours from the previous 72 hours, in which the customs clearance only took about 10 minutes, accounting for 4% of the total port entry. Besides, the import & export duties and charges involved in the customs clearance links can be paid through the EDI system. The EDI system has been linked with most of the specialized banks through the electronic platform in the “Grand Customs Clearance” Facilitation system. Since February 2005, we have practiced “5 + 2”days working system to enable the realization of “Customs Clearance Every Day for 365 Days”.

2. Promoting Construction of “Electronic Port”

China Customs has been actively participating in the construction of “China Electronic Port” since 1999. The electronic basic accounting data of information flow, cash flow, cargo flow for import & export business involving the departments of the foreign economic trade, the Customs, import & export commodities inspection and quarantine, the industrial & commercial administration, taxation, foreign exchange and transportation etc. are all stored in a public data center where the relevant administrative authorities can make trans-departmental and cross-trade data checking, and by conveniently utilizing the Internet, the enterprises can also go through a series of formalities of customs declaration, application for inspection, foreign exchange cancellation after verification, export tax rebate and making payment through Internet. The official use of China Electronic Port is of real and positive significance to the process of pushing the trade facilitation.

3. Creation of New Logistics Supervision Mode

The deep-level development of our country's export-oriented economy is making new demand to the international logistics whose manifestation is no longer limited to the speed but is visible in a new change. This change is the bonded logistics service with associated facilities in conformity with the international practices - provision of a carrier equipped with the functions of global purchasing, negotiability simple processing and value-added service, transit trade, international dispatching and logistics information processing etc. which will enable the cargoes to be dispatched and distributed to the destinations at the quickest speed, minimum cost and lowest risk. The trade facilitation measures are aimed at speeding up the trans-border circulation of cargo and trade information so as to promote the economic growth while reinforcing the security control. These measures would involve trading firms, the customs, forwarding agents, banks, insurers and other participants of international trade. The research shows that the trade facilitation measures can save the transaction cost as high as 15%.

With the shifting of international industries, constant increase in the scale and aggregate of our country's export-oriented economy, there have been significant changes in the industrial structure and depth of processing. The structure of export commodities are constantly optimized, the proportion of hi-tech products and high value-added products is getting bigger and bigger. Further to the approval by the State Council on December 8th 2003 for the experiment in the Bonded Logistics Park of Shanghai Waigaoqiao, on August 16th 2004, the State Council also approved the experiment of bonded logistics parks in Qingdao, Ningbo, Dalian, Zhangjiagang, Xiamenxiangyu, Shenzheyantian Port and Tianjin. By the end of 2005, the 8 bonded logistics parks approved by the State Council had been closed for customs operation one after another, among which, the business of 4 parks of Shanghai, Dalian, Tianjin and Zhangjiagang has shown rather rapid growth indicating a fast, healthy and sustainable development trend. By the end of April 2006, the cargo storage of the bonded logistics parks in the country had been added up to 1294000t and the total value of import and export has accumulated to US\$3,770,000,000.000.

On December 8th 2003, the State Council officially replied to the General Administration for Customs approving the Scheme of Coordinated Operation Experiment of Dock Area of Shanghai Waigaoqiao Bonded Zone submitted by the Customs Head office. This pilot project is to fully display the policy advantages of the bonded zone and geographic positional advantage provided by the setting-up of the bonded logistics park linking the bonded zone and dock area with emphasis on the development of warehousing and logistics industry in order to further broaden the four big functions of "International Transit, International Dispatching, International

Purchasing Center and International Transit Trade”, thus effectively promoting the coordinated development of warehousing and logistics industry. It can be seen that the market size, trade facilitation extent and logistics cost are the necessary conditions for formation of regional commercial and trade logistics center. Efficiency and cost are the major factors constituting modern logistics, and the modern logistics has become an important element for the enterprise’s core competitiveness and is the third profit source. With the unremitting progressing of economic globalization, regional economic integration, the increasingly detailed division of work in specialty in society and adequate application of modern science and technology, the time-centered competition is getting increasingly intense.

How to optimize the supply chain management, how to raise the comprehensive benefits of logistics and capture the commanding height of future competition has become the issues most concerned in the world economic circle. The development of modern logistics has become the critical link for the continued sustainable, stable and fast development of our country’s national economy. The statistics of the departments concerned showed that the total annual expenditure related to the logistics at present in China amounted to RMB 1900 billion approximately, the cost of logistics accounts for about 20% of the GDP, and 70% of the logistics service providers has witnessed an average of 30% increase in their business in the past 3 years. By 2005 the annual rate of increase of third party logistics in the whole China would reach 25%.

At present, the logistics of processing trade or in other words, the bonded logistics are mainly as follows:

One is the third party logistics-dispatching mode by the transnational corporations. With the progress of industrialization and socialized division of work and coordination, the manufacturer and business firms are now the first party, consumers are the second party, the logistics service enterprises providing transportation, and warehousing have become the third party specialized in providing services for manufacturers, vendors and consumers, they are now called the Third Party Logistics.

Now, the transnational corporations mostly adopt, in their globalized operation, the modern production & operation mode, transportation mode, the third party logistics and the fourth party logistics such as placing order through Internet, JIT, zero inventory, vendor-managed inventory, payment settlement upon production line and door-to-door sales. The IT industry has developed to such an extent that it only takes a few weeks from product conception to product production and product sale. This could not be realizable without the support of new production modes, new marketing mode, new management mode and transportation mode such as modern logistics, electronic commerce, instant production and zero inventory etc.

The second is the regional logistics distribution center. China is now becoming an important production base, purchasing base and research & development base for many transnational corporations. The transnational corporations have set up in China the research and development institutions, global purchasing, marketing center and after-service center and regional logistics distribution center in their operation and management system.

The world top 500 enterprises and all big logistics enterprises focus their attention on the region market and the regional logistics distribution center in order to compete for the commanding height in the future. For example, in order to expand the Central Asia market and lower the risk of foreign exchange collection from foreign trade, Samsung Group has taken Urumqi as regional distribution center for Central Asia and Russia and has changed to a new logistics mode in which they first dispatch their products to the distribution center instead of directly to the final destinations as previously done and where the products are distributed according to the payment situation of customers.

The third is the multi-mode through transport logistics dispatching scheme, e.g. customers are provided with two or more than two transport modes for delivery with one through voucher such as sea-and-railway coordinated transport, land-and-sea-and-air coordinated transport, railway-and-highway coordinated transport. The third party logistics can realize multi-mode through transport dispatching mode to provide customers of different requirements at lowest cost but with the most convenient associated services.

The modern logistics of a “Third Profit Headspring” reputation is now developing very fast in our country as a new emerging service sector, and the deep-level development of the national economy and foreign trade is now increasingly depending upon the development of modern logistics. The modern logistics has become an important factor of enterprise’s core competitiveness and is an important means for the enterprises to gain profits in the new round of globalized competition. Now, in the IT industry, it only takes a few weeks and even a few days for a product to be produced ever since the birth of a product concept. It is so short and it would be impossible without the smooth, timely and low cost logistics. The modern logistics industry has become a new productive force and new economic growth point in our country’s economic development, and it makes the national economy of increasingly detailed social division of labour and increasingly complicated economic structure into an organic integrity.

Practices proved that the more a country is advanced in the export-oriented economy, the more it requires the international logistics, and the higher it requires the supply chain management level. In the process of logistics supervision, the

application of risk management techniques conforms to the trend of international development as it has the same target with the customs management. For example, we have applied classified management to the processing trade enterprises and import and export enterprises, e.g. 4 categories of A,B, C and D. In the actual practice, there are no margin bench sheets for the processing trade conducted by the enterprise class AA, the margin bench sheets for the processing trade conducted by the enterprise class A runs in blank and the bench sheets for the processing trade conducted by the enterprise class B runs real. The amount of margin money depends on the actual circumstances. The merit of such practice is to give the lawful enterprises more convenience.

There have been explicit descriptions of risk management applicable for the customs in the common action program of APEC Customs Formality Sub-committee in 1997 and Kyoto Convention in 1999. The Customs Cooperation Council advised the 129 member parties to adopt the risk management techniques. Besides, GPS supervision was conducted to the vehicles carrying the goods under the customs supervision from point to point including real time supervision of routes and time of transportation vehicle. The Customs has also applied the hi-tech means to the supervision & examination such as detecting apparatus for H986 large containers, electronic weighbridge, container identification system etc. The detecting system for H986 large container was used to carry out the non-invasion type examination to the import and export cargoes. For the special area like the bonded zone and export-processing zone, a system of “Mesh Enclosure Type Management, 24 Hours on Duty at Pass, Patrol Supervision within Area” was implemented. Meanwhile, the logistics monitoring system for the special areas of the bonded zone and export processing zone was practiced , and as a result, the cargo dispatching time between special areas is shortened to 2 – 3 hours.

From 1996, the processing trade has accounted for half of the total value of the foreign trade import and export of our country. From January to June this year, the processing trade took 46.2% of the total import & export value, in which, the export accounted for 54.3% of the country’s total export value. The processing trade plays a very important role in respects of the country’s economic development, expansion of export, attraction of foreign fund, promotion of industrial structure upgrading etc. and has vital effects The setting-up of the export-oriented processing zone is aimed at promoting the healthy development of processing trade, regulating the management of processing trade by changing the present part of “ Sheep Roaming & Grazing on a Hill Type” processing trade to the “ Sheepfold Rearing Type” management to suit the

new situation of entry into the WTO and economic globalization so as to provide the lawful enterprises with simplified, fast customs clearance facilities for more export of home-made raw materials and spare parts and making more contributions to the expansion of foreign trade export.

By the end of April 2000, the State Council approved the setting-up of export-oriented processing zone and selected part of the areas to conduct experiments.

After 7 years' construction and development, the export processing zones approved by the State Council have reached 60, which are mainly located in the coastal areas in Jiangsu, Shanghai and Shandong etc., but some export-oriented processing zones were also set up in the capital cities of hinterland provinces, open cities along the river and border cities. Among which, 80% processing zones are set up in the coastal area, 20% for the middle part and western part respectively. The processing zones are rather rationally laid out.

In light of the features and circumstances of economic development at different areas, we are exploring the management pattern and ways suitable for healthy and effective for China's export processing zones. The export-oriented processing zones have been set up by the State to promote the healthy development of processing trade, regulating the management of processing trade and adapting to the new situation of entry into the WTO and economic globalization. In accordance with the customs working principle of "To Administer according to Laws, To Guard for Country, To Serve Economy, To Promote Development." the Customs shall not only conduct strict and efficient supervision of the processing trade but also simplify the procedures to the maximum to achieve high efficiency. The export processing zones are the right objects suitable for the combination of the two, for which a scientific management mode is purposely generated. The export processing zones are the "check post-managed" special and fully enclosed areas under the Customs supervision. The export processing zones which have started operating after acceptance have possessed the following advantage features, e.g. realization of standard management of processing trade, enhancing the competitiveness of enterprises and effectively promoting development.

While approving the experiment for establishment of the export processing zones, the State Council approved in form of official document the "Temporary Method for Export Processing Zone by the Customs of The Peoples' Republic of China" clearly stipulating the nature and function of the export processing zone, principal policies to

be implemented and supervision of goods coming inside and outside the processing zones. The Customs Head office, the former Ministry of Foreign Trade, the State Taxation Bureau, the State Foreign Exchange Control Administration Bureau and other authorities concerned have drawn up the relevant associated management method or implementation details in accordance with the "Method" approved by the State Council, thus providing legal security for the standard management and normal operation of the export processing zones.

The basic policy of the export processing zones is designed in the thinking of "Inside Border But Outside Customs". A series of preferential policies on taxation and foreign exchange management were offered to the enterprises operating inside the zone to have relaxed policy for their rapid development. In accordance with the WTO rules, the policy on taxation and foreign exchange etc. granted to the export processing zone should be the most favorable one in the specific area. The key points of these policies shall include: 1). Machinery, equipment imported for infrastructure construction projects related to production nature inside the zone, materials for capital construction required for construction of production workshop and warehousing facilities are exempted from customs duties; 2). Machinery, equipment, molds, spare parts for maintenance required for production purpose by the enterprises inside the zone are exempted from customs duties; 3). The imported raw materials, parts, components, packaging material and consumable material required for processing the export products by the enterprises inside the zone are bonded; 4). The office articles of reasonable quantity imported for their own use by the zone enterprises and administration institutions are exempted from customs duty; 5). The State does not levy any value-added tax on the products processed inside the zone; 6). The goods coming into the zone from the outside are regarded as exports, the enterprises outside the zone can apply for export tax rebate to the taxation authorities with the relevant document; 7). The zone enterprises can enjoy more simplified procedures than the outside enterprises in terms of foreign exchange collection and payment. For the institutions inside the zone, all foreign exchange revenue can be deposited into their foreign exchange account and all foreign exchange expenditure can be paid from the foreign exchange account for there is no requirement to divide the foreign exchange account into foreign exchange settlement account and foreign exchange special account. Goods to be transported from the zone or sold abroad are not required to go through the procedures of foreign exchange cancellation after verification for export foreign exchange collection, and the zone institutions are not required to go through the procedures of foreign exchange cancellation after verification for import foreign exchange payment when making payment abroad for imports. These policies have greatly lowered the production cost of the zone enterprises, very conducive to the healthy development of the enterprises.

The establishment of the export-processing zone is tailor-made for those enterprises that tally with the specific functions of such zones. The enterprises that are

basically in compliance with these functions should have bright prospects. The specific functions of the export-processing zone mean that not any enterprises are suitable to open business in the zone. Generally, it will be of good prospects for the enterprises of production and processing nature and enterprises whose products are mainly for export to settle down in the zone. Therefore, it is not suitable for those whose products are mainly sold domestically to open business in the zone.

I think that it would be advisable for the following types of enterprises to come to the export-processing zone to set up their business.

(1) Enterprises whose products are required to be delivered within very short period of time after receiving orders in order to compete in the international market.

(2) Enterprises whose products require many different kinds of raw materials, and components with complicated checking and rectification for unit consumption cost and subject to the management of very complicated procedures set in the Manual for processing trade outside the zone.

(3) Leading enterprises engaged in export products, what we call, the downstream enterprises, whose products are assembled inside the processing zone and the associated components are produced outside the zone. Such enterprises will definitely enhance their competitive capability and develop fast once they operate in the zone.

The export-processing zone is mainly set up for the enterprises whose products are re-exported after being processed. Facing the fierce competition in the market, regardless of domestic or foreign capital, investors all wish to make full use of both the international market and domestic market. In consideration of this situation, the finished products processed by the zone enterprises are allowed to be sold domestically if the products cannot all be sold abroad due to changes in the international market. As stipulated in the export processing zone supervision method, the products for the export processing zone are regarded as imports if sold in China, which should be declared to the Customs, and the duty shall be levied on as finished products. The Customs shall produce valid document if they fall under permit management. This is because all the production elements inside the zone such as workshop, equipment and material etc. do not contain any customs duties. Therefore, these products shall be levied and managed as products produced outside the customs border from an angle of import & export tax collection.

4. Actively Pushing Forward Informationization Construction

This year is the second year for starting the second step development strategy for modern customs system in an all-round manner. The construction of application item taking the electronic port as platform is a specific measure for upgrading the modernization of customs management. Being specific for the modern logistics, China Customs has developed the sub-system of bonded warehousing management – supervision platform Phase I taking as management object the bonded warehouse and customs supervision site of export supervision store, thus realizing the communication of import & export customs declaration and warehousing enterprise information, building the bridge between the logistics enterprise and the customs, solving the problem of customs declaration of cargo import and export and the subsequent supervision and promoting the information network and resource sharing.

We should say that the setting-up of the supervision platform has provided smooth and fast channel for communication between the customs and the logistics enterprises.. Our future efforts shall be directed to the full grasp of the customs clearance information, examination of information, warehousing information, entry/exit logistics information and other electronic data information of the third party logistics enterprises via information monitoring, electronic customs declaration, electronic data exchange and computer data application management so as to carry out an overall supervision of the information flow of the third party logistics enterprises and achieve the dynamic supervision of the actual cargo import & export.

The implementation of the customs omnibearing digital supervision has provided rich first-hand information resource for establishing risk management, fast customs clearance and other measures, which facilitates not only the customs clearance for enterprises but provides strict customs supervision so as to suit the requirement of internationalization, informationization and facilitation of the present day commodity trade, which also provides a foundation for facilitation of cargo customs clearance. While pushing forward the construction of “Electronic Port”, in 2001, the “Electronic Customs Head office ”was established, and the Customs law enforcement evaluation system was developed and put into use, which played an important role in raising the law enforcement capacity of the customs and working efficiency, maintaining the national interest and the lawful rights of the broad import & export enterprises. At present, the Customs’ customs clearance system has completed the switching from H883 to H2000. With the spread of “Electronic Customs Clearance”, electronic payment of duties and charges system and “Grand Customs

Clearance "Facilitation project etc., the application of information technology by the Customs has reached a new level.

5. To make public the law enforcement standard and procedures, to strengthen the law enforcement transparency, to smoothen the publishing channel of policies and regulations, to regulate the law enforcement action, to raise the law enforcement unification and customs entry efficiency, to change the management ideas, to strengthen the awareness of service, to strengthen the communication with the commercial circle, to learn the needs of enterprises and promote the trade facilitation. The Customs Website is officially open to the general public, which contains the Customs laws and regulations, bulletin, enterprise guidelines, intellectual property right protection and other contents in connection with the trade facilitation.

When implementing the management stipulations concerning the rights and obligations of the persons to be targeted, we try to help the people better understand, grasp and apply the relevant customs stipulations by giving one month notice to the public, via Website notices, on-the-spot explanation and policy promulgation. In the meantime, we have further strengthened opening the customs affairs and implement a "Responsibility System for First Question" to facilitate the customs clearance.

6. Establishment of Strategic Partnership Relation with Commercial Circle

Medium and small-scale meetings for exchange between the customs and enterprises shall be held regularly. To strengthen cooperation, many enterprises have now signed with the Customs "Memorandum of Understanding", which covers regulating the import & export behavior by enterprises, implementing the intellectual property right protection, strengthening the logistics supervision, guarding against price fraud, exchanging commodity price information etc..

The development of international trade requires the joint efforts of the Customs and enterprises to protect the cargo and service from disturbances and ensure the smooth moving. With rigorous development of economic globalization trend and trade between countries, constant upgrading of modern logistics mode, the voice of the commercial circle for trade facilitation is increasingly stronger. At present, like the Customs of other parts of China, Urumqi Customs has a full range of business departments for land transportation, air transportation, postal luggages and parcels etc. Under the Urumqi Customs, there are more than 20 units and over 30 job sites of supervision with 11 business sites. Since 1998, the annual average workload of Urumqi Customs has seen a rather big increase, but the staff increase is quite low as compared with the proportion of the total customs staff in the country. As the imports & exports through the ports in Xinjiang are developing rapidly, the limited

human resources of the Customs is under the most direct pressure in the process of promoting the operation of logistics at high efficiency and trade facilitation. Further more, we shall continue to make efforts in the following 7 aspects:

1). To push forward the opening of the customs government affairs and raise the transparency of the customs law enforcement. Our aim is to enable the enterprises to have more predictability of the customs management and the published operation flow to have more workability. In addition to making notices via the website and other media, we shall further strengthen the training to the enterprises and provide better services to the enterprises.

2). To continue the process of informationization of the customs clearance operation, we shall try to have the enterprise data connected and exchanged with the relevant port customs departments and improve the relevant functions of China electronic port in order to further enhance the automatic processing capacity of customs clearance data.

3). To implement the risk management reform in an all-round manner to promote modernization of the customs management. The Customs has set up a risk management department to conduct risk analysis and supervision, which marks the overall startup of risk management reform. Based on the risk appraisal of the import & export enterprises, commodities and sectors, we shall explore the possibility of implementing an integrated management mode of “More Freedom, Control, Management, Evaluation”. Such reform shall grant the lawful enterprises the most customs clearance facilities. Our aim is to take as core the management of enterprises operating honestly in strict observance of laws and perfect the operation entity of risk management – “Risk Analysis & Supervision Center” and push forward the risk management reform as a whole through risk information acquisition, identification, handling and evaluation.

4). To implement the Central Asia regional customs clearance reform and raise the working efficiency of regional logistics. Under the unified planning of the Customs Head office and based on fast customs clearance of trans-customs area, the regional customs clearance mode of “Declaration at Registration Location, Examination & Release at Port” shall be practiced. The customs houses inside the Euro-Asia Continental Bridge region and Tianjin Customs shall be considered as “Grand Customs Clearance Facilitation Coordination Area” and will carry out trans-customs area declaration, document examination, inspection & release so as to

speed up the rational moving of imports & exports within the Euro-Asia Continental Bridge region to the maximum.

5). To ensure the smooth construction and operation of Horgas Sino-Kazakhstan Cooperation Center Customs House. We shall make preparations in respects of legal matters drawing up rules & regulations, construction of supervision facilities, completion of information system and allocation of human resources. In the meantime, we shall implement a closed, electronic and intensification management in the Horgas Sino-Kazakhstan Cooperation Center and try to achieve simplified procedures, convenient customs clearance, smooth logistics, high operating efficiency and build the Center into a “Model Zone ”for the Customs modernized management. 6). To upgrade processing trade pattern transformation

We shall speed up the pace of processing trade informationization management, optimize the functions of upgrading the export processing zone, bonded zone and bonded logistics park and build up a modern bonded logistics network composed of sea-railway through transportation in association with highway and air transportation in order to meet the requirement for developing a multi-modal processing trade and bonded logistics system.

7). Strengthen the construction of the customs law enforcement capability, build a law enforcement force of high quality. Further strengthen management of all customs staff, constantly raise the law enforcement capability and level, try to maintain the uniformity of law enforcement and enhance the administrative efficiency and service quality.◦

Urumqi is an extremely important region along China’s border. It is marching forward towards the target of building up the international economy and trade. Urumqi Customs shall always stick to the working principles on the Customs work, strengthen the strategic cooperation partnership relationship with the commercial circle, steadfastly strengthen its own capability construction and make our due contributions for greatly promoting the sustainable development of Xinjiang foreign trade and unremittingly pushing forward the international trade facilitation.

Thank you!