GS1 vs HS
What Would Happen Next

China Customs
Brussels Belgium 3 May 2019
01 Pain point of classification
02 Possible GS1 approach
03 Chinese perspective
04 Next step
Pain point of classification
Pain

01

Big volume

02

Complicated

03

Ineffective

04

Huge disputes
Possible GS1 approach
New technology, new era

- Accurate
- Clear
- Easy understand

How

- Objective
- Fair
- Effective

HS

GS1

Customs officer
Possible solution

CIC (Commodity Identification Code)

Identity of product
Standardization, digitization, uniformity

Product categories

<table>
<thead>
<tr>
<th>GLOBAL St.</th>
<th>GTIN</th>
<th>Unique GTIN Code</th>
</tr>
</thead>
<tbody>
<tr>
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<table>
<thead>
<tr>
<th>Sectoral St.</th>
<th>CAS</th>
<th>Unique code for chemical products</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>VIN</td>
<td>Vehicle Identification Number</td>
</tr>
<tr>
<td></td>
<td>UDI</td>
<td>Unique Device Identification</td>
</tr>
<tr>
<td></td>
<td>SKU</td>
<td>Stock Keeping Unit for logistic of wholesale and resale</td>
</tr>
</tbody>
</table>

| Company St.  | Manufacture No. | From ERP (Enterprise Resource Planning) of a factory |
Possible solution

Standard manufacture process

Clear labeling

Easy identification

GTIN

Solve cl. problems

Advantages
- Unique
- Reliable
- Objective
03 Chinese perspective
Pathfinder

How to joint GS1 with HS

1. Data sources for GTIN
2. Data sets on sectoral basis
3. Binding GTIN with HS —— mechanism, team, models, etc.
4. Pilot project and spread application
How to reach consensus

Decision-making process

1. Feasibility studies
2. Technical capability
3. Joint to data-base and clearance process
4. Application and implementation
Pattern:
Change product declaration to so-called
GS1 declared, GS1 checked by Customs
Pilot project

- 350 milk powder brands, subdivision of over 1000 categories

- 52 declaration forms, 122 GTIN, auto-matching with HS

- Fast-track clearance
Case study

GPC BRICK-HS4 corresponding to 2830 GPC categories (71.88%), covering 515 4-digit HS codes (42.2%), 69 Chapters (71%) and

By now, GTIN-HS10 data-base developed in products sectors eg. wine, disposable diaper, etc.
Next step
Planning for long-run
Thank you for your attention