



Coordinated Border Management in China

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Outline

- Background
- Practices of coordinated border management domestically and internationally
- Challenges of coordinated border management
- Recommendation

Background



External:

- Terrorism, financial crises, A(H1N1) , etc.
- Globally networked Customs
- The trend of cooperation between Customs
- From ISCM to CBM
- The 2nd building block of C21 document

Background



Internal:

- To improve the efficiency of clearance
- To protect the security of foreign trade
- To lower the cost of trade
- To increase the competitiveness of traders

Domestic Practices of coordinated border management



Integrated Clearance Mechanism:

- Initiated in 2001
- Headed by China Customs
- Related to Customs, AQSIQ, MOC, SAT, Banks, etc.
- Established liaison body
 - 8 agencies
 - Meeting annually

Domestic Practices of coordinated border management



Basic concept of the mechanism:

- Coordinated by Government
- Common database
- Dumbbell shape clearance mode
- Single point of data submission
- One stop service

Domestic Practices of coordinated border management



Benefits of the mechanism:

- Closer cooperation between Customs and other Border authorities
- Optimized clearance procedures
- Higher efficiency clearance

Domestic Practices of coordinated border management



Integrated Clearance Mechanism
(Coordinated Border Management)

Support
Each
Other

China E-port System
(Data exchange between agencies and
companies)

Domestic Practices of coordinated border management



China E-port System:

- Started in 1999
- Aimed at setting up common database for Integrated Clearance Mechanism
- Connected with 11 agencies under state council
- Connected with over 470,000 companies
- Developed over 400 sub-systems

Domestic Practices of coordinated border management



Benefits of E-port system:

- Underpinning Integrated Clearance System
- Online declaration and release
- Facilitating the trade
- Lowering the cost of traders

International Practices of coordinated border management



CBM pilot with HK Customs:

- Project: Shenzhen-HK Customs operation
- Time: Since Apr. 16, 2005
- Key components:
 - Unified land port cargo manifest
 - Trans-Customs express clearance cooperation
 - Co-location cooperation in Shenzhen bay port:
 1. Expansion of mutual recognition of inspection results;
 2. Transmission of NII scanning images;
 3. Sharing of CCTV images
 4. Cooperation of clearance coordination

International Practices of coordinated border management



CBM pilot with Kazakhstan Customs:

- Project: China-Kazakhstan Joint Customs Control
- Time: Dec. 13, 2007 (Dulata-Dulaty)
- Nov. 17, 2008 (Jimunai-Maihabuqi)
- Key components:
 - Harmonization of documentation
 - Mutual recognition of inspection results
 - Joint Border control operation

International Practices of coordinated border management



CBM pilot with Mongolian Customs:

- Project: China-Mongolian Joint Customs Control
- Time: Planning and preparing
- Key components:
 - Adopting the model of China-Kazakhstan Joint Customs Control
 - Working group meeting in selected crossing points
 - Exchange of rules and templates for the first state of pilot (Loading list of road trucks)

International Practices of coordinated border management



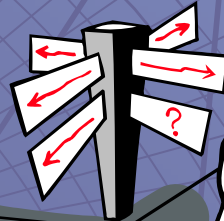
CBM pilot with Vietnam Customs:

- Project: Cross-border transport agreement between China and Vietnam
- Time: Signed on March 20, 2007
- Key components:
 - Working hours coordinated
 - Round-clock operation on request by both sides
 - Single Window inspection

International Practices of coordinated border management



CBM



China-EU Smart and
Secure Trade Lane
Pilot Project

China-US Validation
Pilot Project

Challenges of coordinated border management



Main Challenges:

- Difficult coordination between border agencies
- Lack of international benchmark
- Less support of capacity building
- Poor legal framework

Mode of coordinated border management



Expectation of mode of CBM:

- Smooth coordination of all border agencies, internally and externally
- Fast information exchange
- Risk analysis based resources allocation
- High efficiency of border management
- Trade security and facilitation

Mode of coordinated border management



Next step by China Customs:

- To upgrade China e-port system and Integrated Clearance System
- To strengthen communication with other Chinese borders agencies
- To explore the best mode of CBM together with other member Customs
- To share best practices within international CBM community



Recommendation

- Experience saving of pilots of CBM
- Comparison of different modes of CBM
- Guideline for CBM implementation
- Capacity building assistance from IGO
- Step by step:
 - Stage 1: CBM domestically
 - Stage 2: CBM along the border
 - Stage 3: CBM globally



Thanks for your attention.

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