

## **MINISTER'S MESSAGE**

The year 2016 opened the critical stage for China to build a well-off society in an all-round way. It was also a pivotal year in pushing ahead the supply-side structural reform. Under the strong leadership of the Central Committee of the Communist Party of China (CPC) with Comrade Xi Jinping at its core, China Customs made concerted efforts and accomplished solid progress in fulfilling our tasks.

In 2016, China's import and export volumes stood at 24.33 trillion yuan, showing a steady recovery season by season, coupled with continuous optimization of trade structure. China Customs stepped up effective control by exploring such approaches as "undisruptive inspection and control" and "non-intrusive inspection prior to declaration", which has brought inspection rate for outbound consignments down by 1%. Paperless clearance was expanded in full swing. Imported and exported goods under customs control totaled at 3.98 billion tons, and vehicles and vessels 33.819 million, up by 0.8% and 5.2% from the previous year, respectively. We administered taxes in an all-around way and saw revenue of the year standing at 1.5388 trillion yuan, a year-on-year increase of 2.6%. We maintained a tough stance against smuggling and pressed ahead with the joint specialized operation "National Sword 2016". 2633 smuggling cases were investigated, involving a total value of 52.93 billion yuan, representing a growth of 17% and 4% over the previous year,

respectively. A particular focus was given to agricultural products, which led to seizure of 366,000 tons of smuggled rice and other grains, 4 times that of 2015, making a new record. International cooperation was further enhanced, with 25 cooperation documents signed, 11 of which at the witness of state leaders. Solid strides were made towards coordinated control at ports based on the principle of 3M (Mutual exchange of information, Mutual recognition of control, Mutual assistance of enforcement), and the nation-wide integrated clearance reform has taken root. Another 13 tested measures in the pilot free trade zones were replicated and rolled out across the country. The oversight model of random inspection and public release (Note: The model comprises inspections of randomly selected entities by randomly selected inspectors and the public release of inspection results) was more widely adopted. The random risk targeting rate is now 94.3%, and all inspection assignments are randomly given to customs officers. We have overhauled service charges associated with import and export procedures, in a bid to ease burden of businesses. The year witnessed a complete abolishment of customs administrative charges.

The year 2017 ushers in the 19th National Congress of the CPC. It is also an important year to implement the 13th Five-Year Plan and to deepen the supply-side structural reform. China Customs will fully implement the guidelines from the 18th National Party Congress and those of the third through sixth plenary sessions of the 18th Party Central Committee, as well as the Central Economic Work Conference, put into practice the principles from General Secretary Xi Jinping's major addresses. We will

maintain political integrity, think in big-picture terms, uphold the leadership core, and keep in alignment, giving particular emphasis to the last two points of the four-point principle. We will do our part to promote balanced economic, political, cultural, social, and ecological progress and coordinated implementation of the Four-Pronged Comprehensive Strategy (Note: This refers to making comprehensive moves to finish building a moderately prosperous society in all respects, deepen reform, advance the law-based governance of China, and strengthen Party self-governance). We will remain committed to the underlying principle of making progress while keeping performance stable, focus on supply-side structural reform, gain a strong understanding of and put into practice the new development philosophy, and work to build a modern customs with “Five Features” (learning-based, service-oriented, law-observing, innovation-driven and corruption-free) by practicing the overall requirement of “Four Good Jobs” (safeguarding national gateway, providing quality services, preventing potential risks and building a qualified workforce).

In 2017, China Customs will continue to improve control and revenue collection, crack down on smuggling by the joint specialized operation “National Sword 2017” with focus on the smuggling of food, frozen products, dutiable goods and resource products such as refined oil, electronic products, machinery, as well as the smuggling of drugs, guns, solid waste and endangered species. Cooperation and coordination with customs administrations of countries along “the Belt and Road” will be strengthened to build an international logistics passage and support domestic enterprises “going global”. Innovative regulatory measures for the pilot free trade zones will be introduced, tested policies and measures

will be promoted on a larger scale and new measures to support newly established pilot free trade zones will be rolled out. We will continue to upgrade customs special control areas and push forward regulatory reforms on processing trade and bonded operations. Clearance efficiency will be further raised and time needed for the release of goods will be cut by one-third. By earnestly practicing the policy of “streamlining administration, delegating powers, and improving services”, China Customs aims to achieve nation-wide integrated clearance, push forward coordinated control at ports based on the 3M principle, promote the nation-wide adoption of a standard version of "single window" for international trade, and ensure full coverage of random inspection and public release oversight model. An online service platform will be built to put in place an Internet Plus Customs model for providing better services to the public.

In 2017, China Customs will take the Party building work as a guidance in comprehensively strengthening Party discipline and customs discipline, strengthen control of the border with full-fledged efforts, employ all possible means to promote stable economic growth and development, maintain a firm stance to launch pragmatic reforms and to exercise law-based governance of customs. We will guarantee strong support and build a loyal, highly qualified and down-to-earth paramilitary workforce. These efforts should enable us to pave the way for the 19th National Party Congress with outstanding achievements.



## **I. OVERVIEW OF CHINA CUSTOMS**

China Customs is a border agency supervising inbound and outbound activities and has a centralized organizational structure. Its key functions include customs control, revenue collection, fighting against smuggling and foreign trade statistics compilation. It also manages tasks including port management, management of bonded operations, audit-based customs control, customs enforcement of intellectual property rights and international customs cooperation.

The General Administration of Customs of the People's Republic of China (GACC) is the headquarters of China Customs. It is a full-ministerial-level government agency that directly reports to the State Council of the People's Republic of China and manages all the customs administrations nationwide. It is composed of 18 departments, 8 directly affiliated enterprises and institutions in Beijing and comprehensively supervises 4 associations (i.e. Customs Institute of China, Customs Brokers Association of China, Port Society of China, and Association of Bonded Areas and Export Processing Zones of China), and has posted representative offices in the European Union, the Russian Federation, the United States of America and Hong Kong SAR. The CPC Central Commission for Discipline Inspection has stationed the Discipline Inspection Office in the General Administration of Customs.

By the end of 2016, China Customs has a total of 47 direct subsidiaries at the same level (i.e. Guangdong Sub-Administration of Customs that is in charge of the 7 customs districts located in Guangdong province, 2 supervising offices that are located in Tianjin and Shanghai respectively, 42 customs districts and 2 customs educational institutions), over 740 customs houses and offices (including designated offices, customs declaration examination offices and onsite customs service offices). It has a staff force of around 60,000 (including customs anti-smuggling police). It adopts a customs ranking system for its staffs.

Mr. Yu Guangzhou is the incumbent Director of the Board and Minister of the General Administration of Customs of China.

## **II. CUSTOMS CONTROL**

Customs control in China is the process in which China Customs examines, inspects, and verifies inward and outward means of transport, goods, personal articles as well as mails and parcels according to laws to ensure the enforcement of relevant national laws and regulations, through acceptance of declarations, documents examination, inspection and release, and other related management institutions and procedures.

In 2016, China Customs decreased the outward inspection rate by 1 percentage point and pushed forward the paperless customs clearance program by exploring and implementing “undisruptive inspection and control” and “non-intrusive inspection prior to declaration”. The annual inward and outward freight volume and means of transport under customs control amounted to 3.98 billion tons and 33.819 million units respectively. It also strengthened the supervision of personal articles as well as mails and parcels, enhanced cross-border e-commerce, marketing purchase and foreign trade enterprises with integrated services, promoted the anti-terrorism and stability-maintaining work in supervising customs clearance processes, and stepped forward the implementation of the integrated reform of national customs clearance.



China Customs will make great efforts to establish a multi-tiered operation model of access inspection and evaluation inspection in 2017, and will be committed to scientifically adjusting the inspection rate, regulating the management of customs operation areas, promoting the intelligent control of logistics information, working out fundamental regulations such as regulations for multimodal transport, further optimizing the paperless customs clearance operations and enhancing the supervision over personal articles as well as mails and parcels. It will support the healthy development of new foreign trade models, innovate customs supervisory measures and establish a customs supervision and control framework in conformity with the development of cross-border e-commerce, marketing purchase trade and foreign trade enterprises with integrated services. It will strive to improve customs clearance efficiency by reducing customs clearance time by one third, streamline service charges associated with import and export procedures, implement such preferential policies as exempting the hoisting, displacement and storage charges for the foreign trade enterprises without any customs inspection problem. Furthermore, it will conscientiously implement the import expansion policies to support the import of advanced equipment and key components and promote the establishment of inward duty-free shops so as to guide overseas consumption back to China.

### **III. REVENUE COLLECTION**

Customs revenue collection in China is an important part of the nation's tax collection work. It also serves as a vital tool for national macro-control. Currently, the revenue collected by China Customs mainly includes customs duties, import VAT, consumption tax and vessel tonnage tax. The Chinese government worked earnestly to honor its tariff concession commitments made upon China's accession to the World Trade Organization (WTO), and lowered its tariff rate year by year. By 2010, China had fulfilled all its tariff reduction obligations, reducing its average arithmetic tariff rate from 15.3% (before the accession to the WTO) to 9.8%.

In 2016, faced with complex and tough foreign trade environment and with substantial decrease of total trade volume of imports and exports, China Customs still realized a net tax collection of RMB1,538.8 billion by overcoming diversified difficulties and employing multiple measures, with an year-on-year growth of 1.95%. China Customs actively participated in the legislation of *Tariff Law*, and steadily pushed forward the reform of revenue collection. "One declaration, step-by-step dispositions" reform pilot areas have covered the whole country.

In 2017, China Customs will strengthen revenue collection and management, deepen the comprehensive revenue collection, collect and supervise revenues in accordance with applicable laws and regulations. It will make every effort to take innovative measures of revenue risk management, optimize revenue performance management, implement the import revenue preferential policies and improve the quality of revenue research. In addition, it will take the lead in negotiations of the rules of origin, explore cooperation with the FTA partner countries and implement the signed preferential trade items. China Customs will speed up the establishment of the tax collection and management center and put it into service in the first half of 2017, covering all the means of transport and goods listed in tariff regulations and conducting bulk audit by categories of merchandise and industry.

#### **IV. CUSTOMS ANTI-SMUGGLING**

China Customs is the national competent anti-smuggling authority. China's anti-smuggling mechanism works in a way where multiple border agencies share the role to identify smuggling activities, hand over to customs for action and a whole of government approach to address smuggling issues. Anti-smuggling efforts are made under the guidelines of “combining combating and preventing, governing in an all-round manner, focusing on key issues and fighting with perseverance”. The Minister of the GACC also acts as the coordinator for the anti-smuggling comprehensive approach inter-ministry joint conference mechanism established by the State Council, with its office located at the GACC. Anti-smuggling police, under the dual-leadership of the General Administration of Customs and the Ministry of Public Security, is a special force responsible for criminal and administrative anti-smuggling enforcement, with China Customs taking the major leading role. The anti-smuggling police combat all kinds of illegal or criminal smuggling activities in accordance with applicable laws and regulations.

In 2016, China Customs made great efforts in cracking down upon smuggling crimes or activities in key sectors, channels and merchandise by launching the joint special operation “National Sword 2016”, in which

2,633 smuggling criminal cases worth RMB52.93 billion were investigated and prosecuted, 366,000 tons of smuggled rice and 4.9 tons of different kinds of drugs were seized , and 76 smuggling suspects fleeing to 25 countries and regions were arrested. The “anti-smuggling battlefield ” mode had been promoted in a comprehensive way while the reform of the “simple cases and cases with simple procedures” handling mode had been implemented well.

In 2017, China Customs will continue to maintain a pressing posture in fighting against smuggling crimes or activities and further carry out the joint special operation “National Sword 2017”, focusing on smuggled overseas wastes, agricultural products, resource products, key tax-related goods, drugs and guns. Greater efforts will also be made to fight against smuggling of goods in border regions without customs houses or smuggling and transactions of smuggled goods from the commodity circulation processes. What's more, the open governance and joint operations will be strengthened to further curb smuggling in the key areas.

## V. SUPERVISION AND CONTROL OVER BONDED OPERATIONS

Processing trade and supervision over bonded operations is an important mission of China Customs. For over 30 years since the inception of the Reform and Opening-up Policy, as the international industrial transfer and productive specialization gradually deepened, processing trade has always been an important part of China's open economy. China Customs has adapted to the fact that such productive services as logistics distribution, financial lease and examination and maintenance are separated and derived from the manufacturing industry, further improved the supervision measures over bonded operations, and extended the industrial chain of the processing trade. As a result, China Customs has established a supervision system over bonded operations with unique characteristics of China Customs that integrates bonded processing, logistics and services.

China Customs pushed forward administrative approval system reform in the processing trade sector in 2016. It, in association with the Ministry of Commerce, cancelled the approvals for starting processing trade business and selling materials made by processing trade domestically, simplified the domestic-sale tax collection models and piloted self-examination of the single product consumption. China Customs reduced the costs of institutional transactions. It also actively implemented the assignments of

the supply-side structural reform and adjusted the prohibited categories of processing trade to eliminate lagging production capacity featuring “high energy consumption, high pollution and resource dependence”. It boosted the growth of strategic emerging industries and served the national strategy of western development by allocating more newly established special control areas and bonded control areas in central and western regions and promoted processing trade in inland and border regions. Great achievements had been made in consolidating and optimizing the special control areas with focus increasingly given to quality than quantity. The innovative control over the pilot free trade zones had also been stepped forward by actively introducing such measures as selective duty collection over goods for home use, categorization of goods for control, qualification of general VAT taxpayers, etc. Besides, practices of 13 pilot reform had been rolled out nationwide.

China Customs will continue to upgrade and integrate special control areas, reform control over bonded processing trade and innovate the control systems for pilot free trade zones. It will also, adhering to the general direction of industrial restructuring and upgrading, give full play to the advantages of innovated control systems for pilot free trade zones, reform control models for bonded processing trade, support the growth of new trade models such as cross-border maintenance, guide the processing trade to transfer towards high ends and create more added values. China

Customs will work out differentiated trade administration measures applied to eastern, central and western areas, allocate more newly established special control areas and bonded areas in central and western regions and promote processing trade in inland and border regions. It will improve the policies for special control areas, integrate the categories, functions, policies and administration, optimize the exit mechanism and further improve the utilization rate of land and its effectiveness.



## VI. AUDIT-BASED CUSTOMS CONTROL

Audit-based customs control in China mainly includes 3 aspects, namely, audit-based control over enterprises, risk management and administration over enterprises. Audit-based control over enterprises means that China Customs, according to laws and regulations, verifies the documents of enterprises and institutions directly related to import and export, so as to supervise the authenticity and legitimacy of import and export activities. Risk management is an organic regime and procedures adopted by China Customs, in order to identify, analyze, evaluate, resolve and monitor any risk that customs may face via division of duty and coordinated operation at different levels, departments and links of customs for higher effectiveness and efficiency. Administration over enterprises means that customs, based on control over inward and outward goods, administrates the parties or their agents to make sure their import and export activities, other activities that are related to import and export and their internal management are done in accordance with customs laws and regulations. Administration over enterprises includes enterprise qualification administration, enterprise credit administration, and AEO international mutual recognition and cooperation, among which the enterprise credit administration is the core.

China Customs pushed forward steadily the “integration of multiple

inspections” as well as the formulation of *Customs Audit–Based Control Regulations*, and improved the follow-up supervision and control effects in 2016. It completed 8,409 customs audit-based control operations with problems found in 4,512 operations, and recovered tax revenue of RMB5.685 billion, reaching a record high with a year-on-year growth of 10.94%. It enhanced the risk management analysis and application, sped up the establishment of the National Targeting Center with direct supervision from the GACC, exercised control featuring “double random selections, administrative publicity”. What’s more, China Customs further improved its credit management over import and export enterprises, put unified social credit codes into services, took part in building the national credit system, and made efforts to promote the AEO international mutual recognition and cooperation.

In 2017, China Customs will further update rules related to *Customs Audit–Based Control Regulations*, push forward the reform of the “integration of multiple inspections”, explore the transformation of the organization functions of customs audit-based control entities, and encourage enterprises to disclose information proactively. It will strengthen the credit management over import and export enterprises and roll out the “double random selections, administrative publicity” policy around the whole country. China Customs will also update customs clearance facilitation such as the AEO international recognition by conducting unified incentive and punitive measures, as well as establish a

new credit-centered customs supervision mechanism. China Customs will accelerate the construction of the National Targeting Center and put it into full operation in the first half of 2017.

## **VII. CUSTOMS STATISTICS**

The statistics of China Customs are statistics of trade in goods imported into and exported out of China, which represent an important component of the national economy statistics. Following the working principle of making the statistics “accurate, timely, scientific, complete and internationally comparable”, and comprehensively applying the statistical standards recommended by the United Nations, China Customs surveys on and produces statistics about import and export trade in goods of China. It produces and issues monthly in both Chinese and English various statistical materials. And it has conducted extensive exchanges and cooperation with its counterparts in countries and regions which are China’s major trading partners, for example, the U.S., the E.U., Russia, South Korea and Hong Kong SAR.

China Customs analyzed, monitored and conducted early warning over China’s imports and exports through statistics production to fully and accurately reflect the faring tendency of foreign trade, and released timely the foreign trade operational information and China’s Foreign Trade Export Leading Index by the month in 2016. It assisted the central government in making macro-economic policies and decisions and strictly supervising and controlling counterfeit trade by making constructive suggestions and submitting a batch of high quality statistical

data and analytical reports.

China Customs will continuously improve its statistical and analytical capabilities and its inspection and pre-warning analysis upon imports and exports, and monitor, project and pre-warn the foreign trade development trends in a dynamic manner in 2017. It will assist the central government in making macro-economic policies and decisions by optimizing the Foreign Trade Export Leading Index. It will also make every effort to establish an advanced system of statistics and investigation for modern customs, improve the statistics and investigation programs for cross-border e-commerce, develop brand new customs statistical measures for new industries, new types of business and new models. Furthermore, it will also strictly supervise and control counterfeit trade in accordance with applicable laws and regulations and further improve its information-sharing and data monitoring mechanisms.

## **VIII. PORT MANAGEMENT**

As the competent port authority, the GACC duly performs its duty in port management, strengthens comprehensive governance of ports, plans port layout in a scientific way and advocates and promotes “single window” for international trade, in line with the general requirements of “integrated customs clearance” proposed by the CPC Central Committee and the State Council.

China Customs made positive achievements in terms of port management in 2016. The “single windows” for international trade were all established and put into operation in coastal ports, basically realizing the goal of sharing customs information at key processes of “integrated customs clearance”. It compiled the “Thirteenth Five-Year Plan” for national port development in accordance with the provisions of national “Thirteenth Five-Year Plan”. The overall layout of customs ports had been further optimized and the customs infrastructure further improved. China had 300 ports of diversified categories which had been approved by the State Council to open up as of the end of 2016. In addition, China Customs had also made new achievements in terms of port international cooperation.

China Customs will further take advantage of the port administration inter-ministry joint conference mechanism established by the State

Council and coordinate and cooperate with related port regulatory agencies to promote the building of “integrated customs clearance” in 2017. It will strive to share facilities and resources, establish and improve the risk prevention and control mechanisms of customs ports. The standardized “single window” for international trade will be promoted all around China. Greater efforts will be made to improve the administration, operation and maintenance mechanisms of the electronic ports and enhance the data sharing between different port departments. China Customs will speed up the formulation of the *Ordinance on Port Administration*, formulate specific construction standards for port inspection facilities, as well as strengthen the transformation and upgrading of port infrastructure. It will further implement the “Thirteenth Five-Year Plan” for national port development, enhance public approvals of customs ports and optimize the overall structure of customs ports. The port international cooperation will also be strengthened. The comprehensive administration over customs ports will be carried out, and the operational performance evaluation system for customs ports will also be established and promoted. China Customs will also improve the customs clearance efficiency and overall customs clearance environment by reducing the customs clearance time of imports and exports by one third.

## **IX. CUSTOMS LEGAL FRAMEWORK**

China Customs, as a national competent authority for supervising and managing entries and exits, is committed to law-based administration, deeming it a fundamental requirement and principle for customs work. In safeguarding the border and providing services, China Customs bears in mind the rule of law, strengthens awareness, approaches everything according to law, enforces laws in the interests of the people, makes coordinated efforts for rule of law and relevant reforms, strikes a balance between efficiency and fairness, fulfills the due responsibilities of China Customs mandated by law, and fulfills the goals and tasks to build a law-based customs administration. At the same time, as a medium connecting the government and the people, China Customs earnestly implements the decisions and arrangements of the central government and the State Council concerning the “streamlining administration, delegating powers, and improving services” reform, makes greater efforts to simplify administrative procedures, delegate powers to lower levels and reform the administrative approval system. In addition, it dedicates itself to transforming customs functions towards creating sound development environment, providing quality public services and safeguarding equity and fairness by adopting necessary measures to reduce institutional transaction costs, thus effectively improving the sense of gain and satisfaction of people and enterprises.



China Customs further strengthened its legal system by pushing forward the legislation of *Tariff Law*, assisting the State Council in formulating *Customs Audit-Based Control Regulations* and establishing a long term mechanism in reviewing and sorting out customs regulations in 2016. China Customs made significant achievements in simplifying administrative procedures, delegating powers to lower levels and reforming administrative approval systems. As of the end of 2016, with the approval of the State Council, China Customs had cancelled 13 administrative approval items, delegated 3 administrative approval items and cancelled all the non-administrative licensing and approval items. All the administrative approval items could be applied for and gone through online with “single window” service. China Customs strove to simplify internal approval processes of administrative enforcement of law, implemented directory management and initially accomplished the compilation of right and liability lists for the GACC and its affiliated agencies. It had also made positive achievements in terms of the intellectual property protection program named “Qing Feng” action, detaining 17,000 batches of infringement goods and over 36 million infringement merchandise worth RMB220 million, the number of registration application cases increasing by 59.3% year-on-year. The legal supervision and relief effects of the administrative review and litigation had been given full play and fruitful achievements had been made in

terms of legal awareness education in the “Sixth Five-Year Plan”.

China Customs will be committed to stepping forward the legislation of major laws and regulations and the standardization of customs administrative licensing by concentrating on related or similar administrative approval items in 2017. It will make greater efforts to carry out the right and liability list system, extend the position right and liability list into the whole law enforcement field and designate the rights and liabilities to specific positions and staffs. It will strive to regulate the administrative discretion power by adopting the qualification management system for all administrative and law enforcement staffs, establish a legal consulting and public lawyer system with customs characteristics, as well as further improve the working mechanism of administrative review and litigation. Great efforts will be made to carry out legal awareness education in the “Seventh Five-Year Plan” to strengthen. China Customs will maintain a pressing posture in fighting against the counterfeit merchandise and cultivate the industry-leading domestic intellectual property right enterprises to transform China from a big manufacturing power to a great manufacturing power.

## **X. CUSTOMS SCIENCE AND TECHNOLOGY**

China Customs has firmly established an awareness of “strengthening the customs with science and technology” and made efforts to improve its scientific management and technological application effects.

With the building of the Golden Customs Project ( Phase II ) going into trial operation and acceptance process, China Customs put such major systems into online operation as the national customs control system, the credit management system for import and export enterprises, the logistics monitoring system, the mobile business application and support platform and the customs intelligence system in 2016. The building of a new-generation customs information system had been launched. Such new equipment and facilities as supervision ships and H986 had been purchased and put into service. New achievements had also been made in terms of the research and development of new-generation equipment. The effects of “System Plus Science and Technology” had been further strengthened with the HL2008 pre-warning and treatment system of corruption risk in customs law enforcement, the HZ2011 customs comprehensive business administration platform and the HP2015 customs clearance operation support system put into further operation.

China Customs will further formulate the informatization development plan, work out a guideline to lead the scientific and technological innovation, accomplish the Golden Customs Project( Phase II )to take full advantage of its operational effects in 2017. It will build the next-generation intelligent information system, innovate the mechanisms and systems for customs scientific administration, as well as enhance the internet security. In addition, customs supervision capabilities and effectiveness will be improved by fully utilizing new technology and equipment. China Customs will also study and establish a new mode to research and develop, select the model, determine the model and distribute new equipments, and accelerate building an integrated e-government service platform of the customs nationwide .

## **XI. INTERNATIONAL COOPERATION**

Since joining the World Customs Organization (WCO) in 1983, with full consideration of China's diplomatic situation and foreign trade growth, China Customs has continuously promoted international exchanges and cooperation, proactively participated in determining international customs issues and making related rules and regulations, hosted significant international conferences, activities and regional organizations, actively participated in negotiations and implementation of customs chapters of Free Trade Zones (FTAs) in line with national FTAs strategies, enhanced exchanges and cooperation with Hongkong, Macao and Taiwan customs, and promoted the integration of modernization ideas and practices of China Customs with international standards.

China Customs concluded 25 cooperation agreements with 22 countries and regions in 2016, of which 11 agreements were signed witnessed by respective state leaders. So far, exchanges and communications between China Customs and customs in 162 other countries and regions have been conducted and 194 cooperation agreements have been signed. It carried out bilateral or multi-lateral cooperation with countries and regions along the "Belt and Road" in terms of "3M"(mutual exchange of information, mutual recognition of control and mutual assistance of enforcement), supported China-EU LAND SEA CORRIDOR and China Railway

Express, and served the great passage for international logistics. Great achievements had been made in practical cooperation projects such as AEO mutual recognition, Smart and Secure Trade Lanes, mutual recognition of supervision and control results, “Green Passage” for agricultural products. It also enhanced its external capability building aid by hosting 17 training classes for over 200 personnel from customs of 28 countries along the “Belt and Road” and 17 training classes for over 600 senior African customs officials from over 40 countries. It sought to forge a bigger global voice and improve the international impact by participating in multi-lateral and regional affairs of WCO, WTO and those related to ASEAN. It also actively took part in the negotiations of 10 FTZs customs issues involving Regional Comprehensive Economic Partnership Agreement (RCEP).

China Customs will continue to participate in relevant activities of the Belt and Road Forum for International Cooperation and the BRICS Summit in 2017. It will make greater efforts to research and utilize international rules, participate in more multi-lateral and regional affairs of WCO, the BRICS and Shanghai Cooperation Organization, and promote its cooperation with such key countries(regions) as the U.S., the Europe and Russia. Furthermore, it will also implement the support work concerning the *Trade Facilitation Agreement*, and take the lead in negotiating customs issues of preferential foreign trade arrangements.

## **XII. STAFF MANAGEMENT**

China Customs thoroughly learned and implemented the spirit of the 18th CPC Central Committee, its 3rd, 4th, 5th and 6th panel sessions as well as a series of key speeches addressed by President Xi Jinping, and held the National Customs Party Building Work Meeting in 2016. It thus strengthened the Party's leadership and building in the national customs system, comprehensively strengthened Party discipline. It called upon all its staffs to consciously stay in line with the Party Central Committee with Comrade Xi Jinping as General Secretary in terms of ideology, politics and action by working out specific implementation opinions for comprehensively strengthening Party discipline and enhancing "Four Consciousnesses". In addition, it also made efforts to conduct the "Two Studies and One Qualification" (the Party doctrines study plus Party executives speech study in a bid to become a qualified party member) campaign, comprehensively promoted the building of Party branches at sections, organized the selection and recognition of "Two Excellent, One Advanced" (excellent party workers, excellent communists and advanced grassroots party organizations), encouraging its Party members to become qualified members featuring "Four Stresses and Four Haves" (stress politics, have faith; stress discipline, be well-behaved; stress morality, be virtuous; stress contribution, have achievements). By conducting

job-specific trainings and skill contests, China Customs strengthened the building of a paramilitary customs workforce, optimized the structure of leadership at all levels, and promoted the reform of the human resource system. It made efforts to extend its audit-based supervision to the national customs system, as well as publicized the audit decisions and improvement results. It also promoted the building of the internal control mechanism with the coverage rate of internal control knots reaching 80%.

2017 will witness the “Learning and Implementation Year” of China Customs in terms of Party building work. All the customs agencies should take Party building work as a guiding role, learn and implement the spirit of the 6th panel session of the 18th CPC Central Committee and a series of key speeches addressed by President Xi Jinping, further strengthen “Four Consciousnesses”, especially the consciousness of core and the consciousness of alignment and firmly maintain the authority of the Party Central Committee with Comrade Xi Jinping as General Secretary. All the customs agencies should consolidate the results of “Two Studies and One Qualification” and strengthen the building of Party groups (committees), and let them play a crucial role of steering the direction, controlling overall status and ensuring implement effectively. They should confirm the establishment of grass-root Party branches, guide the section building with Party building work, improve leadership composition, promote the reform of the human resource system, step



forward the reform to reduce the number of executives and increase the number of operational staffs, further promote the building of a paramilitary customs workforce by deeply learning from the army, and conduct the people-oriented “heart-warming projects”. They will also strive to build a clean and honest government and strike against corruption, and encourage Party branches of all levels to fulfill their political duties of comprehensively strengthening Party discipline based upon strict accountability, in order to forge a customs workforce of honesty, integrity, and discipline.

## **MAJOR OPERATIONAL STATISTICAL DATA OF CHINA CUSTOMS IN 2016**

3.978 billion tons of import and export goods

RMB24.34 trillion worth of import and export goods

855,300 arriving and departing airplanes

466,600 arriving and departing vessels

27,071,500 arriving and departing vehicles

1,503,400 arriving and departing train carriages

103,221,300 TEUs

733,966,600 inward and outward postal items and luggage

410,156,000 inward and outward items through express mail service

73,506,500 import and export declarations

1,740,000 declarations of goods inspected

25,300 smuggling cases filed nationwide

RMB54.742 billion involved in filed smuggling cases nationwide

5,310 persons imposed mandatory measures

RMB1538.814 billion net customs revenue