



FOOD REGULATIONS FOR SEAFOOD IN CHINA

| IMPORT REQUIREMENTS FOR FIVE MAJOR CITIES

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Food Regulations for Seafood in China - Specific Import Requirements for Five Major Cities

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Purpose

This document focuses on the background (population, income (salary level), and Gross Domestic Product (GDP) statistics) and food (seafood) import requirements for five major Chinese cities – Shanghai, Shenzhen, Beijing, Guangzhou and Xiamen. It is provided as a general reference document for current and potential seafood exporters. This information may change or be updated by the Chinese authorities from time to time and as such, readers are advised to check with the Seafood Trade Advisory Group (STAG) for updates via:

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Economic background and seafood imports

Shanghai, Shenzhen, Guangzhou and Xiamen have set up free trade zones (FTZ), and have carried out trade policies on a pilot basis, which are usually more preferential than non-FTZ cities in terms of food (seafood) imports. Beijing, which does not have a FTZ, has launched schemes to facilitate trade, and establish the system for the convenient import of seafood.

Data from the China National Bureau of Statistics in 2015, shows that Shanghai has the largest population and Gross Domestic Product (GDP), while Beijing has highest average salary level. The GDP and the salary level of Shenzhen and Guangzhou, which are located in the southern Guangdong Province, were almost the same. This information is summarised in Table 1 below.

Table 1: Brief Economic Background in Five Chinese Major Cities in 2015

| City | Population (million) | Average salary (RMB thousand) | GDP (RMB trillion) |
|-----------|-------------------------|-------------------------------------|-----------------------|
| Shanghai | 14.4 | 109 | 2.5 |
| Beijing | 13.4 | 113 | 2.3 |
| Shenzhen | 3.5 | 81 | 1.7 |
| Guangzhou | 8.5 | 81 | 1.8 |
| Xiamen | 2.1 | 67 | 0.3 |

China customs data indicates that Shanghai took the lead in the import of seafood in both value and volume, followed by Guangzhou, Shenzhen, Beijing and Xiamen in value, and by Xiamen, Guangzhou, Shenzhen, and

Beijing in volume (even though it does not have a sea port). Most foods were imported into Beijing via airlines for consumption by local residents.

The ranking changes depending on the HS Tariff Line. For example, for HS Code 1604, Shanghai ranked the first in both value and volume, followed by Shenzhen, Xiamen, Guangzhou and Beijing in value, and by Shenzhen, Xiamen, Guangzhou and Beijing in volume. While for HS Code 1605, Shenzhen had the best performance in value and volume, trailed by Shanghai, Beijing, Xiamen and Guangzhou (value), and by Beijing, Shanghai, Xiamen and Guangzhou (volume). Table 2 summarises the official China Customs data for imported seafood.

Table 2: Five Chinese Major Cities' Import of Seafood from Jan to May 2017

| HS Code | Description | City | Volume KG | Value US\$ |
|---------|---|-----------|------------|-------------|
| 03 | Fish and crustaceans, molluscs and other aquatic invertebrates | Shanghai | 42,953,477 | 503,400,761 |
| | | Beijing | 6,474,226 | 86,504,396 |
| | | Shenzhen | 13,767,744 | 98,927,666 |
| | | Guangzhou | 16,925,146 | 139,306,336 |
| | | Xiamen | 33,545,001 | 69,449,670 |
| 1604 | Prepared or preserved fish; caviar and caviar substitutes prepared from fish eggs | Shanghai | 1,271,342 | 6,628,966 |
| | | Beijing | 57,019 | 438,991 |
| | | Shenzhen | 1,119,317 | 4,047,721 |
| | | Guangzhou | 187,245 | 1,384,883 |
| | | Xiamen | 589,800 | 1,403,902 |
| 1605 | Crustaceans, molluscs and other aquatic invertebrates, prepared or preserved | Shanghai | 183,381 | 1,298,840 |
| | | Beijing | 265,464 | 1,035,934 |
| | | Shenzhen | 342,745 | 1,372,920 |
| | | Guangzhou | 29,916 | 212,072 |
| | | Xiamen | 146,334 | 565,879 |

Seafood import trade facilitation

Shanghai

In the Shanghai Pilot FTZ, under the "first entering and then declaring" system, enterprises registered with the Customs Office in the Pilot Zone must present the manifest of imported goods and other relevant information. They may also be required to first make a brief declaration to Customs and then the goods may enter the zone and the arrangements may be made to organise picking up their goods at port. Within the prescribed time limit, importers must do the formal declaration formalities with the Customs office.

In the Pilot FTZ, there are arrangements for the import of live seafood without the requirement for a laboratory test. The system is based on the relaxation of the review and approval requirements, and simplification on a trial basis of procedures for import filing and pre-examination before shipping.

Another measure is the "transportation under self-control". Enterprises registered with Customs in the Pilot Zone may use vehicles registered with the Customs office to transport their own goods (i.e. under self-control).

Shenzhen

In the China (Guangdong) Pilot FTZ, Qianhai and Shekou area of Shenzhen, the procedures are simplified, and administration efficiency has been improved.

Goods passing through the area are free from inspection, quarantine and approval. There are also simplified procedures for import documentation filings and pre-checking before shipment.

Acceptance and first review approval of importing and exporting has been delegated to the inspection and quarantine institution within the area's jurisdiction. By utilising the internet and new mobile technology, quarantine in the cooperation zone has both an improved and paperless service. This process integrates sampling, inspection, checking, evaluation, verification, assurance of conformity, registration, recognition, approval into practise.

Guangzhou

The China (Guangdong) Pilot FTZ, Nansha Area of Guangzhou, provides an innovative food safety supervision mechanism for imported foods. The area carries out food safety pilot programs, including imported food enterprise food safety personnel management systems, food safety active reporting management systems for imported food enterprises and the storage management system for imported foods at designated places or authorised locations. Goods passing through the area are free from inspection, quarantine and approval.

There are also simplified procedures for import filings and pre-checking before shipment and the filing acceptance. The first review approval of importing and exporting has been delegated to the jurisdiction of the inspection and quarantine institution in the area. However, if the imported food enterprises register with the FTZ or have arrangements with the FTZ, then import procedure will be much more simplified.

Guangdong will keep improving the inspection and quarantine service platform, and link this platform with the e-trading market for bulk commodities in the Nansha New Zone. This will help provide an accurate information service for both the government and enterprises in relation to technical barriers to trade in foreign countries. It will also provide quality data for bulk commodities while helping enhance the overall service level of the international trading platform for bulk commodities.

Xiamen

Efficient customs clearance

Fujian Pilot FTZ has a 'one-stop' inspection service, with Customs and inspection and quarantine services operating in the same space at the same time, running the same system, sharing the same site facilities, and inspection equipment and other resources. Both organisation's have a mutual recognition of their inspection data.

Management innovation

Fujian Pilot FTZ is the first zone to have a state classification supervision on goods, and allows Customs' a special area to operate bonded and non-bonded businesses. When bonded commodities on exhibition and transaction are sold, the tax is collected according to a different process and the guarantee deposit is charged by the actual transaction rather than by a monthly payment. This reduces the capital outlay.

Fujian is the first pilot zone to integrate different certifications. The 33 certifications originally issued to enterprises are replaced by the *Certification of Fujian Entry-Exit Inspection and Quarantine Business Registration Record* covering all the requirements for the specific products.

Beijing

To expedite Customs' clearance, Beijing's CIQ adopted a system to receive the pre-declaration information of the goods in advance of the goods arrival, and assessing the goods based on the enterprise's credit and quality assurance, as well as the conduct of the pre-test or third-party test results.

With respect to the import of animals, fruit and edible aquatic animals, Beijing's CIQ has implemented the import licence scheme of rapid test and rapid clearance systems, and also incorporates a paperless system for the licence application, licence issuing, and licence verification procedures. The import system of live and fresh agricultural products is based on risk assessment, categorised administration, and rapid test and rapid clearance.

Beijing's CIQ has also launched preferential policies to increase the import of live and fresh foods. As a result of setting up the import food traceability system and self-examination by foreign suppliers, the CIQ has strengthened supervision of the food at origin before importation, and enhanced the traceability administration after importation. This will reduce the port flow procedures, and lower the percentage of random spot inspections. Through the CIQ's comprehensive assessment of enterprise product risk levels, quality control and credit, and import records, the products of some enterprises have been selected as good-quality products, and as such experience rapid clearance (if they are not subject to random spot inspections). The first group of products being implemented by the CIQ include live and chilled aquatic products and pasteurised milk.

Export Case Studies

Shanghai's first import of live King Crab by sea

On 12 June 2017, a ship with a consignment of 53-tonnes of live King Crabs from Vladivostok (Haishenwai) Russia arrived in Shanghai's Hengsha Seaport, after a six-day trip by sea.

Previously, Russian seafood entered the Shanghai market by transit via the seaports of Dalian and Qingdao, and then were transported by vehicle, at a high cost and via long transportation times. Now Russian seafood has direct vessel access to Shanghai with high seafood survival rates, shorter transportation times and at a lower economic cost.

According to Shanghai's CIQ, they had given rapid import clearance for the consignment, based on preliminary application for inspection before arrival, and rapid inspection and clearance upon arrival. It was confirmed that the consignment of crabs had a 100 per cent survival rate. It took approximately 36 hours to unload the goods. Some parts of the consignment were rapidly hoisted from the vessel, and by 'green channel' (fast clearance) loaded to the transport vehicles with holding tanks, bound for distributors. Other parts were dispatched to the holding facilities at the port.

Shanghai's CIQ has helped Hengsha Seaport to build a 2,500 square-metre holding facilities for live seafood. This facility is supported by technicians, and is fully equipped. The port was open to international trade and transport from the second half of 2016.

Bulk Squid imported into Xiamen from Taiwan

Since Xiamen had become the area of Pilot FTZ in Fujian Province, Haicang Port has developed special trade facilities to meet requirements for inspection and quarantine, and promote the import of aquatic products. The main aquatic products imported into Haicang Port were frozen Squid, frozen Longfin Tuna, frozen Cuttlefish, frozen Sea Cucumber, frozen Prawns, and frozen Salmon.

On 7th May 2015, a total of 2,283 tonnes of frozen Squid, carried by bulk vessel from Taiwan, anchored into Haicang Port. It was the first batch of frozen bulk Squid ever imported into Xiamen by sea and direct import from Taiwan resulted in speedy transportation. Soon after fish have been harvested, a vessel can start its journey to Xiamen, reducing time and ensuring freshness of product once it arrives into China. The launch of bulk cold storage sea transport from Taiwan laid a foundation for the cold chain logistic centre across the Strait. In the future, Haicang Port is likely to become a major port for the import of seafood from Taiwan.

'Green Channel' at Shenzhen Airport

On 13 March 2017, it was reported by Southcn.com that it took only five hours for Big Eye Tuna to travel 4,000kms from the 400-metre deep seawater off the Pacific Marshall Islands to reach the tables of Shenzhen residents. This is from Shenzhen Airport Customs opening the 'Green Channel' for the import of seafood by air. In this example, the seafood flies in direct from the Marshall Islands to Shenzhen, and took less than half-a-day, including transport time and the one-and-a-half hours for Customs to complete the declaration and clearance procedures.

The green channel was opened to promote the rapid clearance for fresh and live product. Airport Customs contacted airlines and cargo companies to find out information about flight times, delivery times, and demand for clearance effectiveness for a given time-period. Customs arranged special officers for particular positions, and set up special windows to ensure highly efficient clearance for fresh and live product.

Currently, marine eels, crabs, lobsters and tunas come continuously through the Airport Customs Clearance Centre in Shenzhen, and then are distributed throughout Shenzhen and China.

Rapid clearance of salmon at Guangzhou

On 8 June 2017, a plane from Chile, fully loaded with imported Salmon, landed at the Guangzhou Baiyun International Airport. Soon after, the officials of Guangzhou Airport Customs completed the Customs clearance procedure in less than 20-minutes. According to Customs statistics, Guangzhou Airport had imported 12,000 tonnes of fresh and live products since the start of 2017, with the average Customs clearance time averaging one hour.

Salmon requires highly efficient cold chain handling to maintain taste and colour. Therefore, Salmon importers have a high demand for efficient customs clearance procedures. Guangzhou Customs is responding to this demand by carrying out reforms to enhance their 'fresh clearance'. This means that fresh and live goods are prioritised for customs declaration, examination of documentation and inspection procedures. The importer can lodge a Customs declaration in advance, prior to the arrival of the goods at the airport. The Customs Office works seven days a week, 24 hours a day to clear fresh and live goods.

The rapid customs clearance not only lowers the company's risks in storage of fresh and live goods and transit periods (which can result in large additional costs), but also ensures quality of the products, and guarantees rapid delivery of the fresh and live foods to the tables of consumers.

'Green Channel' in Beijing

Thanks to e-commerce platform 163.com, consumers were able to enjoy seafood, meats, fruits and vegetables for Chinese New Year 2017 due to Beijing Customs opening the 'Green Channel' in January 2017.

On 27 January 2017, 2.9 tonnes of Lobsters from Canada, and 4.3 tonnes of Mangosteens from Thailand arrived at the Beijing Capital International Airport. These products were immediately and rapidly cleared so that they could be delivered quickly to waiting consumers all over Beijing and throughout China.

In the lead-up to the Spring Festival, Customs received a significant increase in fresh and live seafood, fruits, wine and other perishable food goods. According to the Customs' statistics, in the first three weeks of January 2017, the Capital Airport Customs cleared 861 consignments – 2,491 tonnes worth US\$18 million, which is up 73 per cent, 93 per cent and 133 per cent respectively in comparison with the same period last year.

Resources

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