



China Customs Modernization for Trade Facilitation and Equitable Development

The Challenge

The recent two decades of development have witnessed a robust expansion of China's international trade. Import and export volume has been increasing continuously. Trade has become a mighty engine behind China's fast social and economic development. However, the poor will not ultimately benefit from trade expansion unless innovative policy agenda harnessing economic growth in favor of human development is pursued. China Customs faces great challenges to cope with trade efficiency and modernization mandates so as to leverage trade related resources to more equitable development. Major challenges including imbalanced development situations in difference regions, uneven capacities of customs between east and west, as well as insufficient mechanism to stimulate the development of small-and medium-sized enterprises (SMEs) to benefit from international trade.

The Response

Drawing on previous experience, the project is designed to promote inclusive and equitable economic and social development through the broad based facilitation of trade. It will focus on policy development on the one hand and customs modernization on the other with particular emphasis on SMEs in poor areas.



Customs policy and regulations will be refined or upgraded to be more in compliance with WTO framework and relevant international standards. In identified areas for improvement in current customs laws, China Customs will open up broad-based dialogue with regulated parties to ensure informed decision making process. An advisory committee consisting of representatives from various segments of the trade community will be established as a mechanism for information exchanges on customs modernization. The committee is also entrusted with the responsibility of enhancing transparency and openness, and promoting greater access among the public to China customs decision making process.

Alongside policy reform, the project will work on building capacity of customs staff and trade communities, and improving institutional and system of customs. Professional trainings will be provided to customs staff and trade communities to improve their knowledge and skills in providing high-quality services to various customers. In addition, special programmes will be designed and delivered to SMEs employees in the Western and Northeastern and other remote regions. Institutional capacity building will be focusing on refining and re-engineering customs and trade mechanisms and procedures to realize better efficiency and meet the needs of customers

and fulfill the principles of cost effectiveness and risk management.



Strategies of customs for SMEs will also be formulated to guide the next stage of reform. Throughout the cycle of the project, broad-based partnership will be established and strengthened to guarantee a sustained impact of the project. This will include partnership among various levels of customs and partnership between the public and the private sector.

Through these interventions, the project will significantly enhance trade-related economic development at national level, with particular benefits to small- and medium-sized business and business in Western, Northeastern and other remote regions, thus promoting the complementary goals of rule of law as well as sustainable social and economic development.

At A Glance

Start Date: 2006

End Date: 2010

Implementing Partner(s): China International Centre for Economic and Technical Exchange (CICETE)

Project ID: 00051472

UNDAF: Outcome 1 Social and economic policies are developed to be more scientifically based and human centered for sustainable and equitable growth

MDG: Goal 1 – Eradicate extreme poverty and hunger
Goal 8 – Develop a global partnership for development

CPAP output:

Output 1.3 Improved tax legislation and strengthened capacities in tax administration enable the development of pro-poor initiatives

Output 1.4 Poverty reduction approach piloted on target population

Website: www.undp.org.cn

Total Budget: US\$ 25,300,000

UNDP: US\$ 2,300,000

Government: US\$ 23,000,000

Project location(s): Beijing

To contribute to this initiative, or to find out more about the programme, please visit our website or contact Mr. Wu Peng, Programme Manager at (86-10) 8532 0752 or bert.wu@undp.org