

E-CERT IN CHINA

Ladies and Gentlemen:

Good morning.

First, I would like to express our deep gratitude for the invitation of FAO, let us have this very good opportunity to learn from and share the successful experience and the achievements on e-cert cooperation of other countries. Now, I am here, on behalf of AQSIQ, to give a introduction on the efforts made by AQSIQ in international e-cert cooperation, and the achievements we have gained.

My presentation is divided into the following four parts: first, the background of China's international e-cert cooperation. Secondly, the features of the China E-cert. Thirdly, the development and achievements of China's international e-cert cooperation. Fourthly, the prospect for the future.

Part 1, the background of China's international e-cert cooperation

The inspection and quarantine certificate, issued by the inspection and quarantine agencies, is the document to prove that the entry-exit consignments are in conformity with the provisions of the laws and regulations. It is also significant for the consignments to be smoothly processed by Customs at ports. With the rapid development of the international trade and the application of IT technology, more and more countries explore a new way of using international e-cert cooperation to promote trade facilitation, prevent trade fraud, crack down on counterfeiting certificates and ensure quality and security of entry-exit products.

The General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China (AQSIQ) takes responsibilities of national entry-exit inspection and quarantine and certification. AQSIQ has set up 300 branches and 200 local offices across the country, performing the function of entry-exit inspection and quarantine. As required by foreign authorities, they issue various inspection and quarantine certificates for the exported commodities that pass the inspection and quarantine. Meanwhile, in accordance with Chinese laws, they verify the certificates issued by foreign authorities for part of the imported commodities. In recent years, with the rapid development of China's foreign trade, entry-exit inspection and

quarantine business has increased by large margins. Every year, 2.25 million export certificates are issued, and 0.33 million import certificates need to be verified. With such a huge amount of certificates, on one hand, we must improve efficiencies, to assure the authenticity and accuracy, and accelerate consignment clearance. On the other hand, illegal activities of counterfeiting certificates have increased, which severely impact seriousness and authority, bring great harm to the healthy development of international trade. In order to maintain the reputation of Chinese-made products, AQSIQ has committed to take effective measures to improve quality and efficiencies, cracked down on counterfeiting certificates. For example, since last year, we've launched a special nation-wide action to crack down on manufacturing and selling counterfeiting certificates. Meanwhile, we started new edition of paper certificates, adding anti-counterfeiting functions. However, we think, the fundamental solution to counterfeiting certificates and the most effective way to promote trade facilitation is to set up international mechanism of on-line verification on e-cert, by close cooperation between governments. The development of international e-cert cooperation, and the improvement of the electronic inspection and quarantine, has created opportunities and conditions for China E-cert project.

Therefore, a working team of China e-cert project was set up in 2007.

Learning from international advanced experiences, we finished business requirement assessment in 2008. The China E-cert was developed by AQSIQ and came into effect in 2009. After a series tests, upgrading and trials, we presented a note to related authorities of various countries in January 2010, officially starting e-cert system. Since then, the cooperation mechanism with other countries on electronic certification has been gradually established.

Part 2, The Features of The China E-cert.

The China E-cert has made full use of high-tech means, by establishing a centralized and unified platform for inspection and quarantine e-cert administration and electronic data exchange, to achieve such functions as automatic electronic data exchange with foreign authorities, on-line verification, giving feedback, inquiry and statistics. The main features are as follows:

1. Standardization. The China E-cert was designed in accordance with international standards. Conforming to the UN/CEFACT E-cert Data Standard model, the electronic data is transmitted in the eXtensible Markup Language (XML). It is a data processing mode in international practice, which makes it convenient for data exchange from computer to computer with the countries which have already used electronic

certificates.

2. Flexibility. The China E-cert offers three flexible accesses for data exchange and certificate verification, upon requirements from different countries. The first access is on-line view and verification. The user login the system by web browser (the website is <http://ecert.eciq.cn/>) and conduct online verification and even download e-certs. This access is suit for the countries and regions which have not developed their own e-cert systems. The second access is to pull data through the use of the Simple Object Access Protocol (SOAP). The third access is to push data through the use of Simple Mail Transfer Protocol (SMTP). The latter two accesses realize the real-time data transformation from computer to computer.

3. Openness. There is no limit at number of users, and the importing countries could register appropriate numbers of users at their convenience. After the registration information being submitted successfully, please apply for the approval from the competent department in AQSIQ through your embassy in China. After being approved by the competent department in AQSIQ, the users can formally use our system to verify and check the text certificates issued by China inspection and quarantine agencies.

4. Timeliness. The users can verify e-cert information in real time through the system and give a feedback to us. They can submit online inquiry on the certificates in question. We would adopt measures according to verification results and reply immediately, so as to assure the consignments clearance successfully processed.

5. Security. The China E-cert uses Secure Hypertext Transfer Protocol (HTTPS) for communication and 128 bit encryption for data exchange as well as user authentication. to safeguard the security and reliability for the platform.

6. Simplicity. With friendly interface, our system is convenient to operate. There's no need for foreign officials who need to view or verify e-cert information to be specially trained. They can operate the system relying on the instructions on the webpage. Please find and download the User Guide on the home page of the system.

Part 3, the development and achievements of China's international e-cert cooperation

Since January 2010 when the China E-cert was formally implemented, we have adopted various measures to keep expanding e-cert cooperation

with other countries in the world in strengthening publicity, and enhancing exchanges and communications with other countries. So far, there are over 9 million electronic certificates uploaded to the system for foreign authorities to verify and download. There are over 300 officials from 40 countries using the system to carry out online verification of nearly 5 million e-certs. AQSIQ has set up official regime on inspection and quarantine e-cert verification respectively with New Zealand Food Safety Authority, Australian Department of Agriculture, Fisheries and Forestry, Ministry of Economic Affairs, Agriculture and Innovation of the Netherlands, to realize system docking and online data exchange in real time. Till now, our system has received about 200,000 e-certs from the above three countries from system to system. Besides, China has communicated with related authorities from such countries as Singapore, Iran, Egypt, Belgium, South Korea, France and Chinese Taiwan and signed cooperation agreements with US, Germany, Chile, Thailand and etc., Now we are cooperating with SAG of Chile. We had the third Chile-China official e-cert seminar just before this meeting in Hangzhou China and everything was going well.

The implementation of e-cert has deepened understanding and cooperation between China and other countries. It plays an positive role in facilitating consignments clearance, enhancing security of official

certificates and effectively preventing counterfeiting certificates. It is also significant to ensure quality, hygiene and security of imported and exported products and to promote international trade facilitation.

Firstly, speed up consignments clearance. Compared to paper certificates, e-cert data exchange has greatly accelerated delivering of certificates. As soon as a certificate is issued, it is transformed to the China E-cert for verifying and downloading. The importing authority can acquire the certificate information before the consignments arrive at the port and arrange the inspection and quarantine, which speed up consignments releasing and clearance. Take the e-cert cooperation with Australia, New Zealand and the Netherland as examples, our system receives e-cert data from the above three countries through in real time. The inspection and quarantine authorities at Chinese ports verify the e-cert in advance. Two working days in average can be shortened during consignments clearance.

Secondly, effectively prevent fraudulent certificates. For a long time, counterfeiting certificates have greatly affected the health development of international trade. Severely cracking down on illegal activities of using counterfeiting certificates became one of the most important tasks for competent authority for all the countries. However, it is difficult to identify the authenticity, which gives chances for illegal counterfeiting of

inspection and quarantine certificates. The international e-cert cooperation brings about digital data exchange and online verification. The secure data transmission protocol prevents the unauthorized change of digital data, which ensures the authentication and accuracy of e-certs. This can help the importing authorities to identify the authentication of certificates.

Since E-cert system was started to use, we have been informed that thousands of counterfeiting certificates were identified by the importing authorities by the system. It has strongly hit the illegal activities of counterfeiting certificates. I'd like to take the pre-shipment certificate to Egypt as an example. The Egyptian authority started to use China E-cert System in August 2010 to carry out online verification to the certificate of every batch of consignments exported to Egypt. We are informed by the Egyptian side, the counterfeiting certificates issued to Egypt has apparently reduced. The role of e-cert has gradually transformed from passive verification into active prevention.

Thirdly, keep the smooth communication channel. At present, the competent authorities are lack of communication and information share regarding law enforcement. It often delays consignments clearance. The E-cert System provides a good platform to increase the possibility for online communication in real time. The competent authorities could

negotiate with each other on the issues regarding consignments and certificates during clearance process, ensuring the consignments smoothly processed by customs officials at all ports throughout the world, and promote the healthy and sustainable development of bilateral trade.

Part 4, the prospect for the future

China is willing to carry out cooperation on e-cert with Central and South America in setting up e-cert verification mechanism. We sincerely invite all of the other countries to use the China E-cert to realize the e-cert verification, enhance trade facilitation, jointly promote paperless certification, and ensure the quality and security of the imported and exported products all over the world. Next, we will focus on the following aspects:

Firstly, to further improve the functions of the China E-cert. Relying on previous experiences, we'll boost developing e-cert system as well as its application and supporting systems. to improve the functions of E-cert System and promote it's intelligence. .We appreciate suggestions and requirements to our system posed by all the other countries. We will strive to adapt to different needs of different countries to upgrade the China E-cert, making it an international project with stronger functions,

more convenience, more friendly-use and with more extensive influence.

Secondly, to promote international e-cert development. We are willing to share the successful experiences on e-cert with other countries and support the countries which shows interest to develop their e-cert system. Meanwhile, we are making positive efforts to c research on international e-cert standards, in participating the formulation of international e-cert standards, to boost the standardization of international e-cert, and keep promoting China's and global e-cert.

Last but not least, to jointly strive to promote paperless certification. The paperless certification is the future trend of international e-cert cooperation. We are exploring a trial with the Netherlands. We're willing to make continuous efforts jointly with our counterparts, in implementing online verification on e-cert with the purpose to gradually realize intergovernmental paperless certification for exported product.

So much for my presentation. Thank you for your attention.