

## Shanghai Model Port Project

China Customs, together with US Customs and a coalition of private sector companies with significant business interests in the APEC economies, formed a public-private partnership in 1999 with the goal of making Shanghai a model modern customs entry point by the time of the 2001 APEC Leaders meeting in Shanghai. China Customs, US Customs and the US National Center for APEC signed a letter of intent to conduct the project. American President Lines, Applied Materials, Compaq, DHL, FedEx, Ford, General Electric, General Motors, Hewlett-Packard, JBC International, Mattel, Microsoft, Oracle, Procter and Gamble, TNT and UPS are the participating private companies.

China Customs declared that the overall objective of the Project is to shift its entire mode of operations from the current system of enforcement based on supervision, control and inspection to a new approach based on forming relationships of trust with the companies which are its main clients. The project fulfills a desire on the part of the customs agencies and private sector companies to convincingly demonstrate the value of improved customs practices in the APEC region. Implementation of this program will also allow China to achieve early completion of the twelve action items in the APEC Customs Collective Action Plan.

The program has three main components:

- Training on advanced customs procedures, provided by US Customs both in China and the United States. The training component has created a core cadre of officers with advanced training within Shanghai Customs who will provide models and share the benefits of their training throughout China Customs. The training was funded by the private sector members of the Project and through a grant from the US government's Trade and Development Agency.
- A major upgrade of Shanghai Customs information technology, funded entirely by China Customs. This effort required the majority of the financial resources devoted to the Project. In addition to upgrading its current system, the hard ware/software provided as part of the SMPP will allow China Customs to implement seven new applications designed to automate various customs processes and implement China's WTO obligations.
- A new express package facility at Shanghai's Pudong Airport, paid for by China, which became operational in July 2001. China Customs has significantly upgraded its express package clearance procedures and shippers enjoy one of the world's most advanced operating environments.

## E-Commerce Individual Action Plan

**Objective:** Use the six categories of the APEC E-Commerce Readiness Guide to ensure capability to fully participate in the digital economy.

**Guideline:** Each economy will carry out actions in the following six areas:

**Basic Infrastructure and Technology:** Establish an open and competitive telecommunications services market and an open market for information technology and telecommunications products.

- Eliminate barriers to market entry.
- Establish a regulatory authority for telecommunications that is independent of any market participants and will ensure competition.
- Establish fair and equitable interconnection rules aligned to the APEC interconnection agreement.
- Ensure equal regulatory treatment.
- Remove subsidies to market participants.
- Eliminate foreign investment restrictions in telecommunications infrastructure and related services.
- Eliminate tariffs on information technology and telecommunication products.

**Access to Necessary Services:** Electronic commerce requires a number of support services, such as access to basic infrastructure, content hosting and publishing, efficient transport, express delivery services, efficient customs, and capable banking and payment systems.

- Facilitate the creation of Internet Service and content providers (ISPs and ICPs) by removing unnecessary burdens such as licensing requirements.
- Ensure the ISP market is subject to general competition rules.
- Ensure that ISPs have competitive terms and access as ISPs run by incumbent telecommunication operators, and in an unbundled manner.
- Ensure that customers have the freedom to choose their ISP, service package and pricing policy.
- Minimize content restrictions and promote self-regulatory and user-empowering solutions for the control of harmful content.
- Liberalize express delivery and airfreight markets.
- Encourage customs pre-clearance, as well as twenty-four hour, paperless operations.
- Create legislation for banking and payment systems that provides for credit card usage and international electronic settlements.

**E-Government:** Success in generating E-Commerce readiness will allow governments to generate e-government.

- Develop and implement an e-government strategy to provide government information, services and transactions online, including e-procurement from SMEs.
- Use e-business technologies to transform and streamline government.

**Promotion and Facilitation Activities:** Both the public and businesses need to be informed of the benefits of electronic commerce and how to use it.

- Disseminate to businesses, especially SMEs, best practices in the use of the Internet in the improvement of their businesses.
- Provide education to the public with regard to use of the Internet, the availability of self-regulatory options, screening and filtering technologies, and dispute resolution mechanisms.
- Foster interoperability between networks and services by adopting open, international, market-driven standards.

**Skills and Human Resources:** Developing high quality skills at all levels of education - schools, job training and adult education - will be important to maximize participation in e-commerce.

- Ensure all schools have Internet access and the use of information technology (IT) is integrated into the curriculum.
- Integrate the Internet and information technology into subjects in the normal curriculum.
- Develop close relationships between educational institutions and business in developing IT curriculum.
- Design worker retraining programs to integrate IT.
- Facilitate worker mobility by mutual recognition of diplomas and certificates.
- Remove barriers to the provision of services across borders.

**Positioning for the Digital Economy:** A transparent and predictable regulatory framework will be essential to give users, consumers and businesses alike the confidence to use electronic commerce.

- Participate in and support the work of APEC, WIPO, OECD and UNCITRAL.
- Ensure tax regimes are transparent and simple, do not discriminate against e-commerce, and complement global rules.
- Support making the WTO custom duty moratorium on e-transmissions permanent and binding.
- Provide a legal framework for electronic signatures that has the same legal effect as handwritten signatures and seals; apply existing laws to deter fraud and misconduct.

- Eliminate legal restrictions on the use of and trade in encryption products and services; permit law enforcement authorities to access plain text only with the consent of the key owner or by court order.
- Ensure strong copyright protection for works made available over digital net works, while promoting the lawful use of such works by consumers; enforcement of WIPO treaties and WTO TRIPS standards.
- Address liability issues by striking a careful balance between the legitimate business interests of different stakeholders, including content providers, service providers and end-users; refrain from imposing on service providers a general requirement that they monitor the information they transmit or store.
- Protect freedom of expression in the online environment to the same extent that it is protected in the offline environment. Allow content-related issues to be addressed through self-regulation and market-based solutions.
- Do not use market access barriers to electronic commerce to protect or promote national cultural heritage or identity issues.
- Cooperate with business to develop self-regulatory mechanisms for data protection that are internationally recognized and provide for both business and consumer confidence. Create transparency in the market for independent agencies or companies that make market evaluations of products and services.
- Make alternative dispute resolution and/or mediation mechanisms available for resolving complaints.
- Promote freedom of contract to enable businesses and consumers to agree on terms that are mutually acceptable to them.



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