

Xiamen's Intelligent FTZ

Automation and the Internet of Things make the city more appealing to businesses

By Ma Li



Workers monitor the electronic port system of the Xiamen Area of China (Fujian) Pilot Free Trade Zone

We used to spend one or two days finishing all the necessary customs procedures," said Chen Fangfang, a staff member at the Xiamen Port Joint Inspection Center of the China (Fujian) Pilot Free Trade Zone (FTZ), on August 4. "Now we only need to fill in one form online, which can be finished in a few minutes," Chen told *Beijing Review*.

The process Chen referred to is the single-window foreign trade service implemented in Xiamen, a coastal city in southeast China's Fujian Province, since 2015. Under that system, foreign trade companies submit all the required documents and electronic information via a single platform—on which processing results are also displayed. The platform is jointly operated by 36 departments in charge of customs, commerce, planning, taxation, port and other affairs,

offering 65 types of services. As a result, efficiency has been improved by more than 50 percent, the average time needed for customs declaration reduced from four hours to 5-10 minutes, and the waiting time for ships at port reduced from 36 hours to a minimum of 2.5 hours.

A multi-purpose platform

In 2016, the port of Xiamen became the first in the country to offer a single-window service for all imports and exports of general goods, international means of transport, cross-border e-commerce parcels, international express mail, as well as the exit and entry of people. Chen said in 2016 alone, 10,150 companies went through inspection and quarantine procedures at the port of Xiamen. "The number of items for declaration has been cut by 30 percent, and paper

declaration forms have been cut by more than 250 pages," she said.

Since 2017, the platform has also provided tax refund and self-declaration services for individual travelers. Till now, more than 17,000 people have gone through self-declaration procedures via e-mail. The platform has more than 5,600 users and serves 26,000 companies. Moreover, 110,000 documents per day can be processed through this platform.

"The platform covers the entire port of Xiamen and has been introduced to the nearby cities of Quanzhou, Zhangzhou and Longyan. It also exchanges information with Singapore's TradeNet online customs system," Chen said.

The single-window service system in Xiamen has become the country's first pilot of Internet Plus-based self-declaration conducted by the General Administration of Customs, the national customs authority. The General Administration of Quality Supervision, Inspection and Quarantine of China has set the "Xiamen model" as the benchmark for nationwide standards.

Modern productivity

The country's first fully automated shipping terminal is also in the Xiamen area of Fujian FTZ.

"The Yuanhai Container Terminal is an intelligent, safe and environment-friendly facility. Most of the terminal's functions are performed by automated machines controlled by computers in a central control room," Chen Yipeng, Deputy General Manager of Xiamen Yuanhai Container Terminal Co. Ltd., told *Beijing Review*.

On May 27, the Yuanhai terminal received the *Oriental Hong Kong*, the world's first container ship capable of carrying more than 21,000 TEUs (20-foot equivalent units) of containers. It was the first time that the port of Xiamen or the Yuanhai terminal had received such a large ship.

"Since the terminal was put into operation in March 2016, it has maintained a clean safety record. The number of containers handled, work efficiency and economic benefits have all improved rapidly. The terminal has facilitated China's industrial development," said Chen Yipeng.

The Yuanhai terminal is also China's first berth that is completely run by electric machines. "Loading and unloading operations are all completed on tracks and driven by electricity, which saves more than 25 percent of energy than in traditional berths and has zero emissions," he said.

Previously manual procedures such as identification and positioning of goods are now done via intelligent sensors automatically. But are the intelligent sensors reliable enough to replace manual labor?

"Automated terminal machines must have an intelligent eye to replace humans when it comes to identifying the shape of containers, and that must be reliable in any weather condition," said Chen Yipeng, adding that the Yuanhai terminal's laser scanners meet such requirements.

"The terminal is the first fourth-generation automated terminal in the world. More importantly, China holds its proprietary intellectual property rights," he said. ■



The fully automated Yuanhai Container Terminal at the port of Xiamen, Fujian Province

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Fujian FTZ

Approved by the State Council on December 31, 2014, the China (Fujian) Pilot Free Trade Zone (FTZ) is among the second group of pilot FTZs in China.

Covering an area of 118.04 square km, the Fujian FTZ comprises three areas in Pingtan, Xiamen and Fuzhou, of which the 43.78-square-km Xiamen area is the largest.

The Xiamen area consists of two parts: Cross-Straits Trade Center, which covers 19.37 square km, and Haicang Port Area of the Southeast International Shipping Center, which covers 24.41 square km.

The Xiamen area aims to become a demonstration area for cross-Straits emerging industries and modern service industries, an international shipping center, a cross-Straits regional financial service center and a cross-Straits trade hub.

From January to June, 12,575 enterprises were established in the Fujian FTZ, with total registered capital of 259.98 billion yuan (\$38.98 billion). Of them, 12,196 were invested in by Chinese, with total registered capital of 234.04 billion yuan (\$35.09 billion), and 463 were funded by foreign investors, with contractual investment of \$3.86 billion and paid-in capital of \$404 million.

From the start of its operation on April 21, 2015 till June 30, 2017, 61,125 enterprises were established in the Fujian FTZ, with total registered capital of 1.2 trillion yuan (\$179.91 billion). Of the total, 58,194 were invested in by Chinese, with total registered capital of 1.04 trillion yuan (\$155.92 billion), and 2,931 were funded by foreign investors, with total registered capital of 163.98 billion yuan (\$24.58 billion).

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