

INSPECTION

All inspections in China are carried out by the China National Import and Export Commodities Inspection Corporation (CNECIC). An independent inspection organisation, set up in 1980, it is the sole authorised agent of the State Administration of Import and Export Commodity Inspection, a body directly under State Council. According to Chinese laws, foreign inspection organisations are neither allowed to set up their own branches nor to send their representatives to make inspections in China, the CNECIC acts as third party agent for them.

COMMERCIAL INVOICE

Although no special form of contents are prescribed for the commercial invoice, it is advisable to include the following: 1) date and place of shipment; 2) markings of the packages and their numerical order; 3) exact description of the goods (e.g. customary commercial description according to kind, quantity, grade, weight [gross and net] in metric units, with special emphasis on factors that may affect value; 4) agreed upon price of the goods, including unit cost and total cost f.o.b. factory, plus shipping, insurance and other charges; 5) delivery and payment terms; and, 6) the signature of a responsible official from the shippers' firm.

BILL OF LADING

There are no regulations specifying the form or number of bills of lading required for any particular shipment entering China, except that it must indicate the weight in kilograms. A bill of lading customarily shows: 1) name of the shipper; 2) name and address of the consignee; 3) port of destination; 4) description of the goods; 5) listing of the freight and other charges; 6) number of bills of lading in the complete set; 7) date and signature of the carriers' official, acknowledging receipt on board of the goods for shipment. This information should correspond with that shown on the commercial invoices and packages. Bills of lading direct of "to order" are accepted. For air cargo shipments, the "way-bill" replaces the bill of lading.

PACKING LIST

Although not required, a packing list is useful in expediting customs clearance at the port of entry. Such a list should describe, in detail, the contents of each case or container included in the shipment giving the net and gross weights, together with the c.i.f. value of each commodity. As an additional note, wherever possible, the required documentation should be forwarded separately to the consignee prior to the departure of the goods for submission to customs with the entry documents. Enclosing them in the package being shipped will cause delay. In addition, designations and descriptions on documents should be in terms of the Harmonized System (HS) or the national tariffs of the country of destination.

DISTRIBUTION

Until several years ago, foreign suppliers were not concerned with marketing and distribution in China; they sold only to the government's import-export corporations, often without even knowing who the end-users were. In the past 10 years, numerous Canadian companies have established representative offices in China, the majority in Beijing and Shanghai. The relatively high cost of maintaining office facilities and supporting expatriate staff in China, however, has led other Canadian corporations to use Hong Kong as their base of operations for China. As China's economic system changes, various new organizations are beginning to offer their services as agents and distributors. These have no track record in what is essentially a new function in China and must operate in a still-evolving economic environment, and firms should do appropriate checks with regard to properly licensed companies.