



## **EU and China sign a joint statement on mutual recognition of Authorised Economic Operators**

EU and Chinese trusted traders will enjoy lower costs, simplified procedures and greater predictability in their activities, thanks to a landmark mutual recognition agreement that is due to come into force in November 2015.

Under the agreement signed last year, the EU and China committed to recognising each other's certified safe traders, thereby allowing these companies to benefit from faster controls and reduced administration for customs clearance. Mutual recognition of trusted traders also allows customs to focus their resources on real risk areas, thereby improving supply chain security on both sides. The EU is the first trading partner to enter into such an agreement with China, having already signed similar deals with the USA (2012) and Japan (2011).

The EU Authorised Economic Operator (AEO) status was launched in 2008, offering simplified customs procedures to companies that prove to be safe, reliable and compliant with security standards. Certified AEOs have fewer inspections on goods and speedier customs procedures and formalities. This benefits the companies because the goods can move faster from one destination to another, lowering transport costs and facilitating more efficient trade. It also benefits EU customs administrations, who can concentrate their resources on checking high-risk transactions.

The People's Republic of China introduced similar measures for its own reliable enterprises in 2008, which were replaced by a new legislation from 1 December 2014.

Today the Commission and the Customs Administration of the People's Republic of China signed a joint statement about the last steps before mutual recognition takes effect later this year. They concluded that China's new legislation is compatible with EU customs legislation and they will carry out further technical work to facilitate trade.

Mutual recognition of certified traders prevents a proliferation of incompatible standards amongst international trade partners, and helps promote a more harmonised approach to customs practices worldwide.

Trade between China and the EU is worth more than €1 billion every day. Today, we form the second-largest economic cooperation in the world. Bilateral trade in goods reached € 467.2 billion in 2014. Trade in services, however, is still about ten times lower at € 49.9 billion (2013 data) and remains an area full of potential.

China has become one of the fastest growing markets for European exports. In 2013 our exports to China increased by 11.1% to reach a record € 164.7 billion. China is the EU's biggest supplier, with € 302.5 billion worth of imported goods in 2014 (nearly by 8% more compared to 2013).

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