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**COMMISSION STAFF WORKING DOCUMENT**

**EVALUATION**

**of the**

**EU-China Customs Cooperation 2004-2024, as laid down in the Customs Cooperation  
and Mutual Administrative Assistance Agreement (CCMAA) and subsequent Strategic  
Frameworks on Customs Cooperation**

{SWD(2024) 144 final}

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## Glossary

<i>Term or acronym</i>	<i>Meaning or definition</i>
AEO	<b>Authorised Economic Operator</b>
AEO MR	<b>Authorised Economic Operator Mutual Recognition</b>
AFIS	<b>Anti-Fraud Information System</b>
CAP	<b>Customs Action Plan</b>
CCMAA	<b>Customs Cooperation and Mutual Administrative Assistance Agreement</b>
EU WSR	<b>EU Waste Shipment Regulation</b>
GACC	<b>General Administration of Customs of the People's Republic of China</b>
GDPR	<b>General Data Protection Regulation</b>
IPR	<b>Intellectual Property Rights</b>
JCCC	<b>Joint Customs Cooperation Committee</b>
MCME	<b>Measures on classified Management of Enterprises</b>
MAA	<b>Mutual Administrative Assistance</b>
OLAF	<b>European Anti-Fraud Office</b>
SACA	<b>Strategic Administrative Cooperation Arrangement</b>
SF	<b>Strategic Framework</b>
SSTL	<b>Smart and Secure Trade Lanes</b>

TCG	<b>Trade Contact Group</b>
UCC	<b>Union Customs Code</b>
VAT	<b>Value Added Tax</b>
WTO	<b>World Trade Organisation</b>

## 1. INTRODUCTION

The aim of the present document is to evaluate the EU's customs cooperation with the People's Republic of China (hereafter 'China') to support the European Commission – at a later stage – in its decision whether to possibly propose to review, improve and/or upgrade the EU-China Agreement on 'Customs Cooperation and Mutual Administrative Assistance (CCMAA), if considered appropriate.

The mission of EU Customs is to protect the financial interests of the EU, control unfair and illegal trade, ensure safety and security at the EU's external border, while enhancing legitimate trade. In order to achieve its mission, EU customs cooperates internationally with external partners like China.

The EU-China customs cooperation is established by the CCMAA that was concluded in 2004. Based on the CCMAA, subsequent 'Strategic Frameworks'<sup>1</sup> were agreed with China to operationalise on a periodic basis this customs cooperation.

This cooperation consists of different building blocks. Each building block pursues its own specific objectives and has therefore its own merits. The key building blocks are the following: 1) establishing customs cooperation via developing official communication channels; 2) cooperating as part of a system of Mutual Administrative Assistance (MAA); 3) ensuring security of supply chains and enhancing legitimate trade through Smart and Secure Trade Lanes (SSTL) and through 4) Authorised Economic Operator (AEO) mutual recognition (MR); also customs cooperation regarding 5) IPR border infringements and 6) fighting together against fraud (financially and to protect the environment), as well as customs cooperation on 7) trade statistics and 8) cross-border e-commerce<sup>2</sup>.

These key building blocks form the core of the present evaluation and were all addressed individually.<sup>3</sup> This allowed for a better analysis of the situation and understanding of all the key factors in play. They have been evaluated on the basis of the following five evaluation assessment criteria following the Commission's Better Regulation Guidelines: their effectiveness, efficiency, coherence, added value and relevance.

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<sup>1</sup> The first Strategic Framework for Cooperation on customs matters between EU and China was adopted in 2010 for the period 2010-2012. This was followed, in 2014, by a new Strategic Framework for the period 2014-2017. In 2017, the Strategic Framework was agreed and signed for the period 2018-2020. The Strategic Framework for the period 2021-2024 has been negotiated with China in 2021, adopted by the Commission on 12 July 2021 and endorsed by the Council on 9th of November 2021. Circumstances outside the strict customs cooperation have not allowed afterwards for the swift signing. At the end of 2022 both sides agreed to continue the customs cooperation on the basis of the agreed Strategic Framework 2021-2024, while signature followed on 22 June 2023.

<sup>2</sup> The Commission uses the definition of the World Customs Organisation Framework of Standards for e-commerce: "*All transactions which are effected digitally through a computer network (e.g., the internet), and result in physical goods flows subject to Customs formalities*".

<sup>3</sup> With the exception of cross-border e-commerce. Cross-border e-commerce has not been part of this evaluation *in extenso* as: 1) cross-border e-commerce was only relatively recently introduced in the customs cooperation with China, namely in the Strategic Framework 2018-2020; 2) this cooperation focussed until beginning of 2024 on exchanges of information within the JCCC Steering Group on the Parties' respective systems of cross-border e-commerce and 3) on seeking alignment at the multilateral level of the World Customs Organisation in the context of the adoption of the 'Cross-Border E-Commerce Framework of Standards'. Due to the limited cooperation with China so far on cross-border e-commerce, there was very little to evaluate.

The time period covered in this ex-post evaluation, starts from 2005 until the present.<sup>4</sup> This evaluation provides an evidence-based assessment whether the objectives of the CCMAA and the subsequent Strategic Frameworks have been achieved and whether they are still up to date. In this context, the last fully implemented Strategic Framework 2018-2020 has been taken into account, except when explicitly mentioned otherwise.

The geographical scope of the evaluation encompasses all the countries to which it applies – implying all the EU Member States<sup>5</sup> and China – while obviously placing a specific focus on the impact of the measures for the EU (rather than the impact it had on China).

As for the methodology used, the Commission services collected data, input and findings from independent sources gathered via an external study.<sup>6</sup> The external consultant first conducted desk research, then carried out extensive stakeholder consultations (an online survey, a phone survey and a public online consultation in all EU languages) and thirdly performed an in-depth analysis of the primary and secondary data collected.<sup>7</sup>

In terms of robustness, the external consultant performed stakeholder consultations and used different complementary data collection methods. Measures were also taken upfront to avoid gaps. For more details on the robustness, please see Annex II.2.

The external consultant faced substantial setbacks in the data-collection, impacting in particular the ‘costs and benefit’ analysis and the area of ‘Smart and Secure Trade Lanes’ (for details see Annex II.3). Due to these data gaps, the conclusions drawn did not always have a robust evidence base and should therefore, where applicable, rather be considered as indicative.

Despite the limitations indicated, the external study provides an informative and objective overview of the EU customs cooperation with China. While this study was published in 2020, the conclusions on the overall state of the customs cooperation between the EU and China as drawn by the consultant, did not lead to any surprises and still remains valid as they also broadly reflect those reached by the Commission services. Moreover, wherever possible and appropriate, the evaluation has been using the latest available data.

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<sup>4</sup> 2005 forms the start of the intervention as it marks the entry into force of the EU-China CCMAA agreement. It runs until present depending on available and/or representative data. Since beginning of 2020, the COVID-19 (Corona) pandemic disrupted the usual customs cooperation including the organisation of official meetings.

<sup>5</sup> As long as the UK was member of the EU, the data concerning the UK was included in the evaluation as the UK was then part of the EU-China customs cooperation.

<sup>6</sup> The external study was published by the Commission: “European Commission, Directorate-General for Taxation and Customs Union, Ludden, V., Colaiacomo, E., Sharp, F., et al., *Evaluation study on the implementation of the agreement between the European Community and the government of the people's Republic of China on cooperation and mutual administrative assistance in customs matters : final report*, Publications Office, 2020, available at <https://data.europa.eu/doi/10.2778/211586>.

<sup>7</sup> For more information, please see Annex II.

## 2. WHAT WAS THE EXPECTED OUTCOME OF THE INTERVENTION?

### 2.1. Description of the intervention and its objectives

The **intervention logic** of the CCMAA was based on certain ‘needs’<sup>8</sup> to cooperate with China on customs matters. The ‘general objectives’ were taken from the mission of EU customs as defined in the Union Customs Code.<sup>9</sup> As this evaluation assesses if and in how far the set objectives were reached, it is important to correctly reflect the objectives of the EU customs cooperation with China.<sup>10</sup> The ‘specific objectives’, as laid down under the CCMAA, are: 1) to have effective controls so as 2) to ensure safety and security and to fight customs fraud while 3) contributing to fair and open trade. In the CCMAA of 2004 itself, there were no clearer and/or more specific Key Performance Indicators (KPIs) set.

In the CCMAA these objectives were defined in two kinds of ‘actions’, the overall ‘Customs Cooperation’ and ‘Mutual Administrative Assistance’ (MAA). Both were translated in provisions in Titles III and IV of the CCMAA.<sup>11</sup> Successful results for the overall ‘Customs Cooperation’ would be reached if the EU and China managed to set up constructive customs dialogues, in other words ‘effective and efficient communication’. For MAA, success would rather be that ‘the information exchanged supported fraud detection, prevention or investigation’.

The consecutive Strategic Frameworks specified these objectives of the CCMAA further and in more detail. The last fully implemented Strategic Framework covers the period 2018-2020; it defines these

<sup>8</sup> ‘Needs’ were identified as follows: ‘controlling trade with China at the EU customs border and contributing to fair and open trade’; ‘avoiding operations in breach of customs legislation (causing distortion of competition)’; and ‘avoiding reduction in revenue for public budget’. The Commission did not retain a number of additional needs identified by the external consultant, such as needs in terms of ‘Regulating trade with China’, ‘ensuring a level playing field’ and ‘avoiding a negative impact on social fairness’ as they were not deemed to belong *stricto sensu* to the mission of customs. Indeed, first customs does not ‘regulate’ trade; customs rather ‘controls and contributes to fair and open’ trade. Moreover, ‘ensuring level playing field’ on trade matters has more to do with fair ‘competition’ related to market access and equal treatment in the concerned country; this relates therefore more to trade policy. And thirdly, ‘social fairness’ is also not really a need that customs covers while customs does cover for example the safety of products entering the EU and making sure goods are not infringing any IPR.

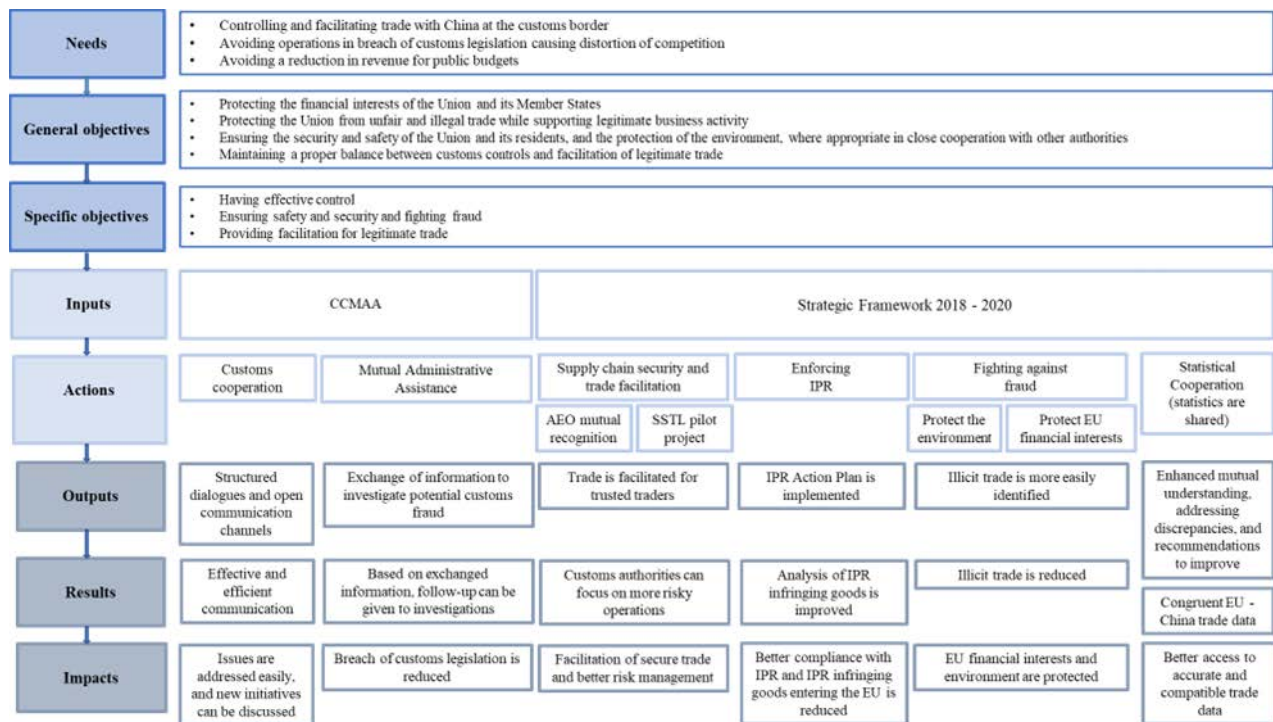
<sup>9</sup> The mission of the EU’s customs authorities is set out in Article 3 of the Union Customs Code and includes putting measures in place that aim at: “1) *protecting the financial interests of the Union and its Member States*, 2) *protect the Union from unfair and illegal trade while supporting legitimate business activity*, 3) *ensuring the security and safety of the Union and its residents, and the protection of the environment, where appropriate in close cooperation with other authorities*, and 4) *maintaining a proper balance between customs controls and facilitation of legitimate trade*”. <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02013R0952-20200101&from=EN>

<sup>10</sup> In this regard, it is to be noted that, similar to the identification of the needs, some of the objectives established by the external study (such as increasing trade volumes, strengthening trade relations with China, reducing negotiating time) went beyond the objectives of the customs cooperation as set out in the CCMAA and the Strategic Frameworks (and relate more to trade policy than customs).

<sup>11</sup> ‘Actions’ in the CCMAA on customs cooperation were identified, based on Article 6 to 9 CCMAA, as follows: 1) to develop “cooperation in customs matters” [in particular by cooperating on: a) establishing and maintaining channels of communication between the Parties’ customs authorities to facilitate and secure the rapid exchange of information; b) facilitating effective coordination between the Parties’ customs authorities; c) any other administrative matters related to the CCMAA that may from time to time require joint action; d) exchanging information and expertise on measures to improve customs techniques and procedures and on computerised systems; e) exchanging personnel and experts; f) providing technical assistance for training, exchange of professional, technical and scientific data and g) cooperating in international organisations of common interest]; 2) For the MAA part in the CCMAA (Article 10 CCMAA) were identified as actions: a) providing assistance on request and/or on a voluntary basis, b) sharing information on potential breaches and c) appearance of officials of requested authority in administrative proceedings.



actions as follows: 1) Enhance the Supply Chain Security and the trade of Reliable Traders by (a) upgrading the cooperation on Authorised Economic Operator (AEO) mutual recognition and by (b) implementing Phase 3 of the Smart and Secure Trade Lanes (SSTL) project; success for Supply Chain Security would be that ‘customs authorities could focus more on risky operations’; 2) strengthen enforcement of IPR; success in this area would that the ‘analysis of IPR infringing good is improved’; 3) fight against fraud by (a) protecting financial interests and (b) the environment; success here would be that ‘illicit trade is reduced’ and on 4) the development statistical cooperation, success would be that we would reach ‘congruent EU-China trade data’.<sup>12</sup> All these concrete ‘actions’ and correlated intended success to lead to different outputs and results which each a different impacts, as graphically represented below.



In sum, the EU basically endeavoured those customs becomes more effective through international cooperation with China.

The **wider policy context** of the evaluated customs initiatives with China is ‘international trade’.<sup>13</sup> Customs protects the internal market and contributes to fair and open trade. By realizing their mission<sup>14</sup>, EU customs ensures that traded goods can cross the EU’s external borders effectively and efficiently.

Today, the EU and China are, by far, two of the three largest traders in the world. In 2023, China was the third largest partner for EU exports of goods (8.8 %) and the largest partner for EU imports of

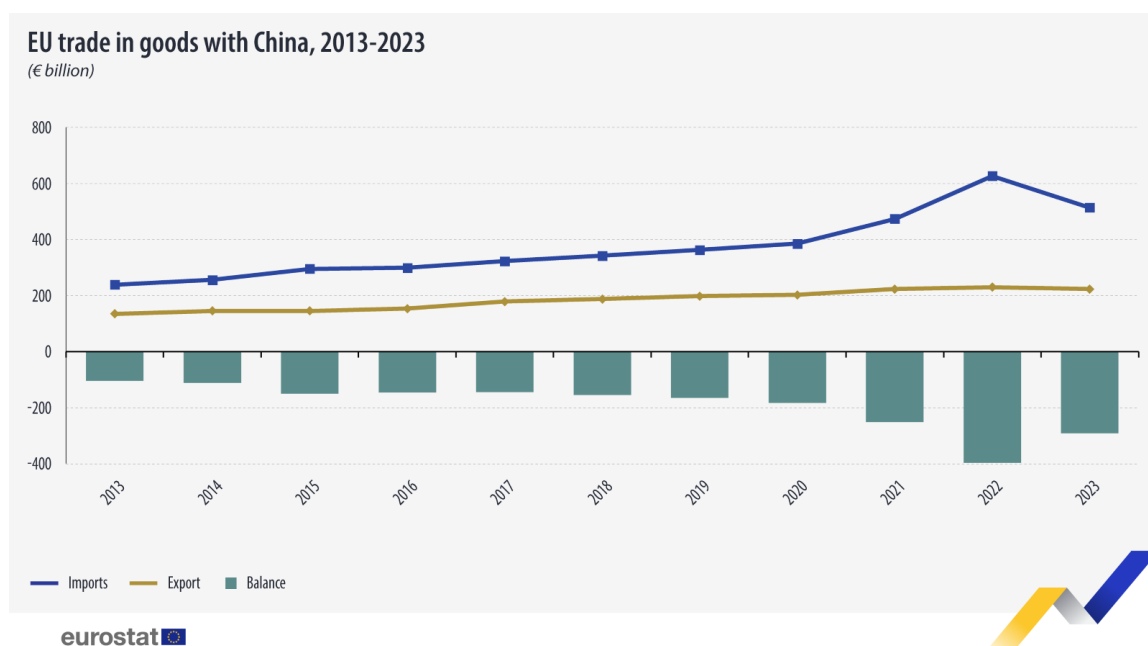
<sup>12</sup> Establishing customs cooperation in cross-border e-commerce was also part of that Strategic Framework 2018-2020 but consisted mostly of cooperation at multilateral level which is not the focus of this (bilateral) evaluation.

<sup>13</sup> Article 3 of Union Customs Code: “Customs authorities shall be primarily responsible for the supervision of the Union’s international trade, thereby contributing to fair and open trade, to the implementation of the external aspects of the internal market, of the common trade policy and of the other common Union policies having a bearing on trade, and to overall supply chain security. (...)”

<sup>14</sup> See footnote 9.

goods (20.5 %). EU imports from China were at € 363 billion in 2019, € 472 billion in 2021, reached € 626 billion in 2022, and were at € 515 billion in 2023. While 2023 shows a yearly decline of 27% of Chinese imports into the EU, levels are above 2021 figures and reflect the long-term trend of increasing imports. EU exports showed a more modest growth over the same period from € 198 billion in 2019, € 223 billion in 2021, € 230 billion in 2022 and € 224 billion in 2023. The trade imbalance thus continues to significantly increase.<sup>15</sup> The huge bilateral trade requires enhanced and effective controls by customs (*see Figure 1 for graphic presentation of Eurostat data since 2013*).

**Figure 1. EU-27 trade in goods with China, 2013-2023 (EUR-billion)**



Source: Eurostat (2024), "China-EU - international trade in goods statistics"<sup>16</sup>

Moreover, trade with China is particularly challenging for EU customs not only due to the sheer volume and imports from China but also due to China's specific production model. As highlighted in a EUIPO/OECD report, China is the world's largest manufacturer base for fake or substandard products<sup>17</sup> (especially dangerous non-food consumer products such as toys and childcare articles, and medical material and equipment like masks and tests, as the COVID pandemic has shown). China is also the main producer of designer drug precursors<sup>18</sup> which lays the basis of much illegal synthetic drug production in and trafficking within the EU. China is also the destination of substantial trafficking in the 'Convention on International Trade in Endangered Species of Wild Fauna and Flora' (CITES) protected endangered species.<sup>19</sup> This makes the work of EU customs authorities all the more relevant for trade coming from China.

<sup>15</sup> DG Trade: [https://webgate.ec.europa.eu/isdb\\_results/factsheets/country/details\\_china\\_en.pdf](https://webgate.ec.europa.eu/isdb_results/factsheets/country/details_china_en.pdf) and for latest from Eurostat: <https://ec.europa.eu/eurostat/web/products-eurostat-news/w/ddn-20240304-2>

<sup>16</sup> China-EU - international trade in goods statistics by Eurostat. <https://ec.europa.eu/eurostat/web/products-eurostat-news/w/ddn-20240304-2>

<sup>17</sup> [2021 EUIPO OECD Trade Fakes Study FullR en.pdf \(europa.eu\)](https://ec.europa.eu/eurostat/web/products-eurostat-news/w/ddn-20240304-2).

<sup>18</sup> [Precursors and chemicals frequently used in the illicit manufacture of narcotic drugs and psychotropic substances \(incb.org\)](https://ec.europa.eu/eurostat/web/products-eurostat-news/w/ddn-20240304-2).

<sup>19</sup> [World Wildlife Report 2020 9July.pdf \(unodc.org\)](https://ec.europa.eu/eurostat/web/products-eurostat-news/w/ddn-20240304-2).

Underneath the growing trade figures of the last two decades, there are increasing trade frictions.<sup>20</sup> China is also among the countries with the most and longest-term market access barriers towards the EU and the many attempts over the years to solve those barriers, have not always resulted in substantial tangible results.<sup>21</sup> Chinese overcapacity is another trade irritant which EU business highlighted already since more than a decade<sup>22</sup> and which recently gained more attention again.

Besides the trade component, which is of direct relevance for customs, overall relations with China are among the most important and challenging for the EU. This was acknowledged *inter alia* in the Joint Communication entitled ‘*Elements for a new EU strategy on China*’ of June 2016 and by the Joint Communication on ‘*EU-China: A strategic outlook*’ of March 2019. In this 2019 strategic outlook, the EU presented its ‘multi-faceted’ approach towards China, where China is simultaneously considered as a cooperation partner, an economic competitor and a systemic rival.<sup>23</sup> This strategic outlook was reconfirmed at the Foreign Affairs Council held on 17 October 2022, which also stressed the need for the EU to strengthen its internal resilience. In the EU Council conclusions of 30 June 2023, this strategic outlook was again re-iterated while adding that the EU will ‘*continue to reduce critical dependencies and vulnerabilities, including in its supply chains, and will de-risk and diversify where necessary and appropriate. The European Union does not intend to decouple or to turn inwards*’.<sup>24</sup>

Concerning the **UN Sustainable Development Goals (SDG)**, by controlling and contributing to fair and open trade, customs make trade possible. Customs is thereby promoting trade security, performs controls for the safety of citizens, and plays a role in protecting citizens’ health, and in stopping illicit trade of wildlife and other crimes that affect the environment.<sup>25</sup> As such, the customs cooperation with China is linked to at least four of the SDG.<sup>26</sup> UN SDG number 1 refers to ending poverty in all its forms everywhere, UN SDG 3 to good health and wellbeing, goal number 8 refers to the promotion

<sup>20</sup> A significant example is the crisis that started at the end of 2021 around difficulties for EU products and parts produced in Lithuania to enter China; see i.a. [https://policy.trade.ec.europa.eu/news/joint-statement-borrell-and-dombrovskis-chinas-measures-against-lithuania-2021-12-08\\_en](https://policy.trade.ec.europa.eu/news/joint-statement-borrell-and-dombrovskis-chinas-measures-against-lithuania-2021-12-08_en) This led the EU to initiate a formal dispute in January 2022 and subsequently to request the establishment of a panel [EU requests two WTO panels against China \(europa.eu\)](https://policy.trade.ec.europa.eu/news/eu-requests-two-wto-panels-against-china-2022-01-12_en)

<sup>21</sup> In May 2024, China has 30 market access barriers listed in the EU. China is, next to India and Russia, the country with the most barriers.

<https://trade.ec.europa.eu/access-to-markets/en/barriers/results?isSps=false&countries=CN>

<sup>22</sup> The European Chamber of Commerce in China (EUCCC) published already a study on overcapacity on 26 November 2009: [https://www.europeanchamber.com.cn/en/publications-archive/27/Overcapacity in China Causes Impacts and Recommendations](https://www.europeanchamber.com.cn/en/publications-archive/27/Overcapacity%20in%20China%20Causes%20Impacts%20and%20Recommendations) ; and published another one on 22 February 2022: [https://www.europeanchamber.com.cn/en/publications-archive/405/Overcapacity in China An Impediment to the Party s Reform Agenda](https://www.europeanchamber.com.cn/en/publications-archive/405/Overcapacity%20in%20China%20An%20Impediment%20to%20the%20Party's%20Reform%20Agenda)

<sup>23</sup> [EU-China Strategic Outlook: Commission and HR/VP contribution to the European Council \(21-22 March 2019\) | European Commission \(europa.eu\)](https://ec.europa.eu/press/2019/03/21-22-march-2019-eu-china-strategic-outlook-commission-and-hr/vp-contribution-to-the-european-council)

<sup>24</sup> <https://www.consilium.europa.eu/media/65398/2930-06-23-euco-conclusions-en.pdf>

<sup>25</sup> Already in 2015, more than 30 million jobs were supported by exports outside the European Union meaning exports supports almost one in seven jobs in Europe. These jobs are highly skilled and better paid than average. They are spread across all EU Member States and are both directly and indirectly linked to exports outside the EU. For instance, 200,000 jobs in Poland and 140,000 in Italy are linked to German exports outside the EU. French exports outside the EU support 150,000 jobs in Germany, 50,000 in Spain and 30,000 in Belgium. As a result, the benefits of trade are spread much more widely than is often realised. See [https://trade.ec.europa.eu/doclib/docs/2015/october/tradoc\\_153846.pdf](https://trade.ec.europa.eu/doclib/docs/2015/october/tradoc_153846.pdf)

<sup>26</sup> [THE 17 GOALS | Sustainable Development \(un.org\)](https://www.un.org/sustainabledevelopment/)

of sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all while UN SGD 15 is all about the Life on Land.

## 2.2. Point(s) of comparison

Until China joined the World Trade Organisation in 2001, trade between the EU and China was quite insignificant, especially compared to current figures. This bilateral trade started to take off sharply in the first years of the 21<sup>st</sup> century.<sup>27</sup> It was only then that a need for customs cooperation emerged. Indeed, as trade started to grow exponentially, both China and the EU were convinced that action against illegal trade could be more effective through customs cooperation<sup>28</sup> and negotiations were started for a CCMAA which was agreed and signed in 2004.

The entry into force of the CCMAA between the EU and China on 1st January 2005 provides the baseline of this evaluation. This baseline is important as it is the milestone with which to compare the evaluation criteria (effectiveness, efficiency, coherence, added value and relevance) of the customs cooperation developed since 2005. Before this, neither coordinated communication nor regular or structural dialogues were taking place (neither on general issues nor on specific customs subjects) on customs. There was also no opportunity to take concrete initiatives to enhance customs cooperation and discuss challenges and problems, like breaches of customs legislation.

## 3. HOW HAS THE SITUATION EVOLVED OVER THE EVALUATION PERIOD?

### 3.1. The CCMAA Agreement

Under the CCMAA that entered into force in 2005, the EU and China undertook to develop “cooperation in customs matters” in particular by: 1) establishing and maintaining channels of communication between the Parties’ customs authorities to foster and secure the rapid exchange of information; 2) enhancing effective coordination between the Parties’ customs authorities; and 3) any other administrative matters related to the CCMAA that may from time to time require joint action. Under the CCMAA, “*cooperation in customs matters*” covered all matters relating to the application of ‘customs legislation’.<sup>29</sup>

The second, equally substantial, pillar of the CCMAA concerns “*mutual administrative assistance*” (MAA). Under the MAA regime, parties undertook to provide each other assistance to ensure proper application of customs legislation, as well as to prevent, investigate and combat breaches of customs

<sup>27</sup> In 1985, EU imports from China were € 3.9 billion and EU exports to China were € 7 billion. In 1990, EU imports from China grew to € 10.6 billion and EU exports to China dropped to € 5.3 billion. In 1994, EU imports from China were at € 22.7 billion and EU exports to China were € 12.5 billion. In 1997, EU imports from China were € 37.5 billion (nearly ten times what they were a decade earlier) and EU exports to China were € 16.5 billion (only doubled over the same timespan). In 2000, the year before China joined the WTO, trade with EU had grown to € 70.2 billion of EU imports from China while EU exports to China were only at € 25.4 billion.

<sup>28</sup> See 4<sup>th</sup> and 5<sup>th</sup> recital of the EU-China CCMAA.

<sup>29</sup> In Article 1 (a) of the CCMAA, ‘customs legislation’ is defined as: “*any laws, provisions or other legally binding instruments of the European Community or the People’s Republic of China, governing the import, export and transit of goods and their placing under any other customs regime or procedure, including measures of prohibitions, restrictions and control*”.

legislation as established in Article 10, paragraph 1 of the CCMAA. Such assistance can either be on request or spontaneous, as established in Articles 11 and 12 of the CCMAA.

Concerning the institutional structure, the CCMAA establishes a ‘Joint Customs Cooperation Committee’ (JCCC). This is a committee that consists of representatives of the customs authorities of the EU and China at the level of the Director-General of DG TAXUD for the EU and Vice-Minister for China.<sup>30</sup> There is also a JCCC Steering Group at the level of Director for the EU, which oversees the proper operational functioning of the CCMAA.

### **3.1.1. Customs Cooperation**

In the context of the CCMAA, the implementation of customs cooperation starts by organizing different forms of cooperation and exchanges among customs authorities of both sides of which official communication channels are key.

The key meetings held between the EU and Chinese authorities within the framework of the CCMAA and the Strategic Framework are detailed in Annex VI. In summary, from 2014 onwards the following meetings were held: 4 JCCC meetings (in 2014, 2015, 2017 and 2019; and one JCCC planned in 2024), 6 JCCC Steering Group meetings (2015, 2016, 2017, 2018, 2019, 2021), 5 meetings on anti-fraud (2014, 2015, 2017, 2018, 2020, 2023), 5 meetings on the SSTL pilot project (two in 2017, one in 2018 and two in 2019), 11 meetings on customs cooperation in IPR (2014, 2015, 2016, two in 2017, two 2018, 2019, two in 2020 and, for the moment, one in 2024), 1 meeting on solid waste (2018), 1 meeting on statistics on mutual administration requests (2019) and 1 meeting to share experiences on the implementation of AEO MR (2019).

These meetings demonstrate that, in terms of implementation of the CCMAA, several channels of communication with structured dialogues were set up. The dialogues were key for the rest of the cooperation. The COVID-19 pandemic and its aftermath led to fewer meetings in recent years. Since 2023, contacts were taken up again with informal (AEO, SSTL, e-commerce) and formal (Statistics and IPR Working Group) interactions in 2024.

### **3.1.2. Mutual Administrative Assistance (MAA)**

Under the ‘Mutual Administrative Assistance’ (MAA) pillar of the CCMAA, the EU and China agreed to provide each other with assistance in customs matters, including with operational information. This information was intended to be used to foster the proper application of customs legislation, to prevent and to fight breaches of customs legislation, and to prevent and to fight against the illegal import and export of goods.

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<sup>30</sup> As foreseen in Article 21(b) of the CCMAA, the JCCC shall, inter alia: a) see to the proper functioning of the CCMAA; b) examine all issues arising from its application; c) take measures necessary for customs cooperation in accordance with the objectives of this CCMAA; d) exchange views on any points of common interest regarding customs cooperation, including future measures and the resources for them; e) recommend solutions aimed at helping to attain the objectives of this CCMAA.

The table below shows the total number of requests<sup>31</sup> for information sent by the EU Member States and China respectively, year by year from 2014 to 2023.<sup>32</sup> The last column shows the ratio of EU Member States requests to the number of Chinese requests. It shows that the EU Member States sent a significantly higher number of requests to China than the other way around.

**Table 1. Comparison of requests sent by EU Member States and China, 2014-2023**

Year	Requests sent by EU Member States	Requests sent by China	Ratio EU MS to Chinese requests
2014	246	16	15,38
2015	139	12	11,58
2016	51	20	2,55
2017	75	13	5,77
2018	161	17	9,47
2019	372	12	31,00
2020	227	16	14,18
2021	126	7	18
2022	151	6	25,17
2023	119	6	19,8

Mutual Administrative Assistance can however not be measured exclusively by the volume of requests but rather by the assistance provided on the requests. Table 2 and 3 below reflect in quantitative terms the response rate to the requests for assistance.

**Table 2. MAA requests from the EU Member States to China – Response rate**

Year	Requests from the EU MS	Responses from China	Response rate
2014 (Q2)	246	17	7%
2015	139	20	14%
2016	51	24	47%
2017	75	41	55%
2018	161	18	11%
2019	372	52	14%
2020	227	81	36%
2021	126	80	63%
2022	151	39	26%
2023	119	34	29%

**Table 3. MAA requests from China to the EU Member States – Response rate**

Year	Requests from China	Responses from the EU MS	Response rate
2014 (Q2)	16	9	56%
2015	12	12	100%
2016	20	18	90%
2017	13	8	61%
2018	17	11	65%

<sup>31</sup> The number of requests indicated does not include the requests for mutual administrative assistance between OLAF and the Anti-Smuggling Bureau (ASB) which take place under the SACA framework.

<sup>32</sup> Although the scope of the evaluation covers the period from 2005 onwards, data on MAA requests were only available for the period starting from 2014.



2019	12	7	58%
2020	16	14	87%
2021	7	4	57%
2022	6	3	50%
2023	6	2	33%

The quantification in Table 2 demonstrates that the Chinese authorities' responses to the requests of the EU Member States ranged from as low as 7% to 63% over the period 2014-2023. Table 3 shows that the EU Member States' response rates to Chinese requests for the same period were significantly higher, ranging from 33% to 100%. However, China sends a significant lower number of requests to the EU Member States than vice-versa. Most EU Member States did not receive any requests from China between 2014 and 2019.<sup>33</sup>

EU Member States' customs reported recurring obstacles over many years in the effective implementation of the MAA provisions of the CCMAA. These obstacles were not limited to the overall low response rate of China customs to requests for mutual assistance as quantitatively demonstrated above<sup>34</sup> but also include other obstacles and difficulties related, amongst others, to a disclaimer clause and to language issues (more on this in chapter 4 of this evaluation under efficiency in point 4.1.1). Particular difficulties were also reported by Member States concerning the implementation of the CCMAA in recent years (2020, 2021 and 2022).<sup>35</sup>

### 3.2. The Strategic Framework

For the purpose of this evaluation exercise, the latest fully implemented Strategic Framework (2018-2020) was taken into account, unless explicitly mentioned otherwise. The key building blocks of the customs cooperation with China were all implemented in a different way and to a different extent. The details of the implementation of all these building blocks can be found in Annex VI of this evaluation. It shows the width and the depth of the customs cooperation that was established over the years between the EU and China. In short:

**SSTL pilot project:** Initially launched in 2006, it aims to test end-to-end supply chain security instruments and mechanisms in line with World Customs Organisation SAFE Framework of Standards by establishing specific maritime, air and rail trade lanes between the EU, China and Hong Kong. The SSTL pilot project has been implemented in three phases (2006, 2010 and 2016). At present, the SSTL pilot project covers approximately 120 trade lanes, involving 200 economic operators between 16 maritime ports.

**AEO mutual recognition:** Launched in 2014, it allows the EU and China to recognise each other's safe traders and provide reciprocal benefits. The implementation of the mutual recognition agreement consisted of three main goals: 1) an awareness-raising campaign, 2) the involvement of other governmental agencies to improve risk management and 3) the establishment of a monitoring mechanism.

<sup>33</sup> See the external study, p.63 (Table 13). <https://data.europa.eu/doi10.2778/211586>.

<sup>34</sup> Annual reports from OLAF: [https://ec.europa.eu/anti-fraud/about-us/reports/olaf-report\\_en](https://ec.europa.eu/anti-fraud/about-us/reports/olaf-report_en) and OECD/EUIPO (2021), *Global Trade in Fakes: A Worrying Threat, Illicit Trade*, OECD Publishing, Paris <https://www.oecd.org/publications/global-trade-in-fakes-74c81154-en.htm>

<sup>35</sup> [https://ec.europa.eu/anti-fraud/about-us/reports/olaf-report\\_en](https://ec.europa.eu/anti-fraud/about-us/reports/olaf-report_en); <https://eucrim.eu/news/high-level-conference-customs-fraud-helsinki/>;

**IPR**: EU-China IPR Action Plans were signed in 2009, 2012, 2014, and 2018, with the latest Action Plan covering the period 2021-2024. Also, the EU has established the China IPR Small and Medium-sized Enterprises (SMEs) Helpdesk project and the IP Key project.

**Fight against fraud (financial interests)**: Implemented through the ‘Strategic Administrative Cooperation Arrangement in Combatting Customs Fraud’ between OLAF and the General Administration of Customs of the People’s Republic of China (GACC) concluded in 2018. Regularly updated ‘Action Plans’ further operationalise this arrangement. The fraudulent activities investigated by OLAF and related to goods originating from China are worth several billion euros of lost customs duties/VAT.<sup>36</sup>

**Fight against fraud (environmental)**: To a large extent, focused on the import and export of solid waste. A Working Group on Waste was created under the Strategic Framework 2014 – 2017 and carried out a mapping exercise in 2015 to provide data and issue recommendations regarding EU-China waste flows.

**Statistical cooperation**: Under the CCMAA, Eurostat has been receiving monthly trade data (sent on an annual basis) from China, which was not previously the case. In 2013, Eurostat and GACC concluded an Action Plan for Exchange of External Trade Data. Furthermore, in 2015, cooperation between the two parties resulted in a joint mirror study on discrepancies in EU and Chinese trade statistics showing a decrease in discrepancies despite growing trade volumes. In the beginning of 2024, it was discussed to conduct another mirror study.

**Cross-border e-commerce**: Introduced in the EU-China Strategic Framework since 2018 and concentrating until now on exchanges of information within the JCCC Steering Group and cooperation at the multilateral level. The Strategic Framework 2021-2024 foresaw to increase cooperation in this area. Informal contacts were set up in 2024 to discuss how such a cooperation could look like.

As Annex VI shows, each key element of the EU-China customs cooperation met its own implementation challenges. This will be evaluated under chapter 4 below.

## 4. EVALUATION FINDINGS (ANALYTICAL PART)

This chapter covers the analysis and the key results of the evaluation based on the data gathered as part of the implementation as laid down in the CCMAA and in the different building blocks of the Strategic Framework. As indicated in the method under chapter 1 and Annex II, the evaluation criteria and questions will each time be applied to these key building blocks of the last fully implemented Strategic Framework 2018-2020.

### 4.1. To what extent was the intervention successful and why?

#### 4.1.1. Effectiveness

Effectiveness was assessed through the following question<sup>37</sup>: To what extent did the CCMAA and Strategic Framework contribute to reaching the objectives set and achieve what was intended?

<sup>36</sup> See the external study, p.113. <https://data.europa.eu/doi10.2778/211586>.

<sup>37</sup> All evaluation questions can be found in Annex III.



## Customs cooperation

Year	Meeting
2014	3 <sup>rd</sup> Anti-fraud working group EU-China, 3 <sup>rd</sup> February 2014
	7 <sup>th</sup> Meeting of the EU-China JCCC, 16 <sup>th</sup> May 2014
	EU China Action Plan on customs cooperation in IPR, 2 <sup>nd</sup> working group meeting, Rome, Italy, 25 <sup>th</sup> - 27 <sup>th</sup> November 2014
2015	3 <sup>rd</sup> Meeting of the EU-China JCCC Steering Group, 21 <sup>st</sup> January 2015
	8 <sup>th</sup> Meeting of the EU-China JCCC, 2 <sup>nd</sup> June 2015
	EU China Action Plan on customs cooperation in IPR, 3 <sup>rd</sup> working group meeting, Brussels, Belgium, 9 <sup>th</sup> - 11 <sup>th</sup> June 2015
	4 <sup>th</sup> Anti-fraud working group EU-China, 4 <sup>th</sup> December 2015
2016	4 <sup>th</sup> Meeting of the EU-China JCCC Steering Group, 22 <sup>nd</sup> February 2016
	EU China Action Plan on customs cooperation in IPR, 4 <sup>th</sup> working group meeting, Ningbo, 24 <sup>th</sup> - 26 <sup>th</sup> May 2016
2017	5 <sup>th</sup> Anti-fraud working group EU-China, 27 <sup>th</sup> February 2017
	5 <sup>th</sup> Meeting of the EU-China JCCC Steering Group, 28 <sup>th</sup> February 2017
	EU China Action Plan on customs cooperation in IPR, 5 <sup>th</sup> working group meeting, Firenze, Italy, 20 <sup>th</sup> - 21 <sup>st</sup> March 2017
	29 <sup>th</sup> Working Group Meeting EU-China SSTL pilot project 3 <sup>rd</sup> and 4 <sup>th</sup> May 2017 (Spain)
	9 <sup>th</sup> Meeting of the EU-China JCCC, 2 <sup>nd</sup> June 2017
	EU China Action Plan on customs cooperation in IPR, 6 <sup>th</sup> working group meeting, Beijing, 17 <sup>th</sup> - 18 <sup>th</sup> July 2017
	30 <sup>th</sup> Working Group Meeting EU-China SSTL pilot project 22 <sup>nd</sup> and 23 <sup>rd</sup> November 2017 (Qingdao)
2018	6 <sup>th</sup> Meeting of the EU-China JCCC Steering Group, 11 <sup>th</sup> January 2018
	EU China Action Plan on customs cooperation in IPR, 7 <sup>th</sup> working group meeting, Brussels, Belgium, 24 <sup>th</sup> - 25 <sup>th</sup> April 2017
	31 <sup>st</sup> Working Group Meeting EU-China SSTL pilot project 15 <sup>th</sup> -17 <sup>th</sup> May 2018 (Trieste)
	EU China Action Plan on customs cooperation in IPR, 8 <sup>th</sup> working group meeting, Shanghai 5 <sup>th</sup> -6 <sup>th</sup> June 2018
	EU-China customs working group on solid waste, 5 <sup>th</sup> Meeting, Antwerp, Belgium, June 26 <sup>th</sup> -27 <sup>th</sup> 2018
2019	6 <sup>th</sup> Anti-fraud working group EU-China, 14 <sup>th</sup> September 2018
	32 <sup>nd</sup> Working Group meeting EU-China SSTL pilot project, 26 <sup>th</sup> -28 <sup>th</sup> February 2019 (Chengdu)
	7 <sup>th</sup> Meeting of the EU-China JCCC Steering Group, 20 <sup>th</sup> March 2019
	10 <sup>th</sup> Meeting of the EU-China JCCC, 26 <sup>th</sup> June 2019
	Expert Group on Mutual Assistance in Customs Matters, 9 <sup>th</sup> meeting of the EGMACM held in Brussels on 12 <sup>th</sup> -13 <sup>th</sup> December 2019 - Statistics on Mutual Administration requests
	EU China Action Plan on customs cooperation in IPR, 9 <sup>th</sup> working group meeting, Alicante, 17 <sup>th</sup> 18 <sup>th</sup> October 2019
	33 <sup>rd</sup> Working Group meeting EU-China SSTL pilot project, 10 <sup>th</sup> 11 <sup>th</sup> December 2019 (Budapest)
2020	EU China Action Plan on customs cooperation in IPR, 10 <sup>th</sup> working group meeting (virtually) 12 <sup>th</sup> October 2020
	EU China Action Plan on customs cooperation in IPR, 11 <sup>th</sup> working group meeting (virtually) 16 <sup>th</sup> December 2020
	7 <sup>th</sup> Meeting of the Anti-Fraud Working Group (virtually), 22 <sup>nd</sup> Dec 2020
2021	8 <sup>th</sup> Meeting of the EU-China JCCC Steering Group, 21 <sup>st</sup> April 2021
2023	8 <sup>th</sup> Meeting of the Anti-Fraud Working Group (virtually), 6 <sup>th</sup> June 2023
2024	EU China Action Plan on customs cooperation in IPR, 12 <sup>th</sup> working group meeting (virtually) 15 <sup>th</sup> May 2024
	11 <sup>th</sup> Meeting of the EU-China JCCC (scheduled), 18 <sup>th</sup> June 2024, Shanghai, China

The objective was to set up structured customs dialogues and have open communication channels. As the substantial list above of official meetings show, the EU and China have successfully managed to set-up platforms for dialogues where issues could be addressed, and new initiatives could be discussed. In the framework of the external study, an interviewee from the European Commission reported that cooperation really took off after 2010 due to the operationalisation of the Strategic Framework.<sup>38</sup> It can therefore be asserted that, under the CCMAA and Strategic Framework, customs cooperation proved effective in creating a structured network of different communication channels between the EU and China on customs, as was the objective.

## Mutual Administrative Assistance

The objective was to exchange information in order to be able to investigate and pursue potential customs fraud. As previously indicated under implementation section 3.1.2, this present evaluation pointed out significant discrepancies between the EU and the Chinese response rate to administrative assistance requests. A few representatives of EU Member States customs administrations even

<sup>38</sup> See the external study, p. 91. <https://data.europa.eu/doi/10.2778/211586>

indicated during the interviews that they avoided sending MAA requests to China because they did not expect to get a response.<sup>39</sup> This was corroborated by responses to the national authorities' survey where most respondents indicated that the Chinese authorities do not inform promptly enough if a request can be complied with, while the other way around this seems to be done swiftly.<sup>40</sup>

Moreover, when a response is received by EU Member States from China, in most cases the quality is not good enough to feed into fraud investigations. Several interviewees of EU Member States reported that the responses received from the Chinese counterpart are indeed not always useful. Several reasons for this were provided<sup>41</sup>:

1) The execution of requests may require on-site verification of firms in order to be able to provide documents and relevant data to the applicant authority. It appeared that the necessary evidence is not always provided to the applicant authority.

2) China unilaterally sets a limit on the use that the EU authorities can make of the information they receive. In fact, GACC responses contain a 'disclaimer'. This prevents EU customs authorities from using the information as evidence in administrative or judicial proceedings without permission of GACC. Only very few cases have been reported in which such a permission has been granted.

3) As reported by several interviewees, GACC appears not to answer to MAA requests related to trade defence policy.

4) China also sets a time-limit on the data it keeps and thus shares. One national administration said that out of 192 requests sent to China, it received 35 responses. Out of those 35, it received data for only 5. For the remaining 30 requests, China claimed data could not be provided as export procedures occurred more than three years earlier.

5) EU MAA requests towards China have to be provided in Chinese. This implies costs of translation for EU national administrations in terms of money, time and human resources.<sup>42</sup>

As indicated under the third point above, there were instances where China provided information following an MAA request that allowed for establishing a corrected due customs debt. However, in most of these instances, those could not be enforced by EU customs because of the unilaterally introduced restriction on the use of the provided information ('disclaimer'). This 'disclaimer' prevents EU customs from using the information shared by China Customs in the framework of the MAA mechanism as evidence in front of national courts. This is therefore hampering EU customs fight against certain fraudulent behaviours. As a consequence, meaningful anti-fraud measures to tackle large-scale fraud could not be taken. The Chinese consistent refusal to lift its disclaimer questions the very *raison d'être* of the bilateral MAA mechanism.

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<sup>39</sup> See the external study, p.92. <https://data.europa.eu/doi10.2778/211586>

<sup>40</sup> See the external study, p.92. <https://data.europa.eu/doi10.2778/211586>

<sup>41</sup> See the external study, p.92. <https://data.europa.eu/doi10.2778/211586>

<sup>42</sup> "These requests translate into "high costs" – resource and monetary – as reported by one national customs authority. The interviewee stated that his/her administration had signed a contract to translate documents for them: the cost per page translated was around 100 EUR." See the external study, p.92, 128 and 129. <https://data.europa.eu/doi10.2778/211586>

All the indicated obstacles have effectively hampered EU Member States customs' ability to take more meaningful anti-fraud prevention measures and/or investigative activities to tackle large-scale fraud. The scale of the difficulties encountered in the MAA implementation with China is substantial.

In spite of having been raised at multiple occasions in official meetings, the repeated attempts to solve the difficulties encountered through dialogue, have remained to a large extent unsuccessful so far.<sup>43</sup> This has an impact in several other key areas of the customs cooperation between the EU and China notably on attempts to act against counterfeit goods and also against fraudulent activities.

Following an organisational restructuring of GACC in 2018, the Chinese entity "Research Centre for International Inspection and Quarantine Standards and Technical Regulations" has been put in charge of handling MAA requests from around the world. The unilateral introduction of additional criteria to requests for MAA make the use of the MAA instrument more complicated and sometimes impossible to work in practice.

Given the imbalances in response rates and the significant imbalance of satisfaction on the usefulness of the responses on the Chinese side compared to EU side and the partial (usable) information provided by China to the EU, the MAA pillar is not considered as sufficiently effective, at least not for the EU side. The objective to be able to exchange information to investigate and pursue fraud was therefore not sufficiently reached.

### ***Supply Chain Security and Contribution to Legitimate Trade***

The objective of supply chain security aims at supporting trade, which is legitimate, safe and secure through reliable traders which allows customs to focus on the more risky operations. An econometric analysis of the EU-China relationship has been conducted to assess its effectiveness.<sup>44</sup> From the econometric analysis it was not possible to draw a strong causal link on the role of the CCMAA and Strategic Framework in contributing to supply chain security enhancements.

#### **a) AEO Mutual Recognition**

The main goal of Authorised Economic Operators (AEO) Mutual Recognition is to ensure a safe supply chain by expediting controls of trusted traders (AEOs). This allows customs to improve risk management by focussing on non-secure (non AEO) traders. Awareness campaigns have been carried out to inform the business community about the benefits of the programme (see Table 4 below). The survey indicates that these activities have been completed to a satisfactory extent.

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<sup>43</sup> See for example ECA Special report no 19/2017, where MAA is mentioned in para 59: "*However we found incidents of insufficient cooperation from China: Member States reported problems in obtaining replies to requests sent using Mutual Assistance. According to OLAF, to date only 1/3 of around 150 verification requests sent after JCO Snake to China have been answered*".

<sup>44</sup> The variables that have been taken into consideration range from the GDP of EU Member States and China, tariffs imposed by China, if non-tariff measures are imposed by China as well as indicators of the implementation of the CCMAA, AEO MRA and SSTL. See Annex II.6 for the details of the econometric analysis.

**Table 4. Business community survey - Key examples of the benefits of being an AEO**

What are the benefits (if any) of being an AEO for the businesses that you represent? (n=2)	What are the benefits (if any) of being an AEO for your company? (n=4)
<p><b>"Reduction/waiver in CCG<sup>45</sup>"</b></p> <p><i>[Represents businesses at EU level that trade with China, European Association, Worldwide]</i></p>	<p><b>"Faster progress</b>, Mutual Recognition Agreements, Customs Simplifications"</p> <p><i>[Company trades with China, Importer/Exporter, Germany]</i></p>
<p>"AEOS: once the costs of setting up absorbed, the gains most often mentioned concern the <b>border crossing time</b> and a <b>better knowledge of customs procedures</b> of the partners"</p> <p><i>[Represents businesses in an EU Member State that trade with China, National Association, Worldwide]</i></p>	<p>"Green lane provisions / benefits"</p> <p><i>[Company trades with China, Importer/Exporter/Manufacturer, Worldwide]</i></p>
	<p><b>"Reduction of guarantee cost</b> only".</p> <p><i>[Company trades with China, Importer/Exporter/Manufacturer, Belgium]</i></p>
	<p><b>"Simplified procedures</b> and EIDR<sup>46</sup> on imports into EU"</p> <p><i>[Company trades with China, Manufacturer, Germany]</i></p>

Source: Question 18, Business community survey

Overall, the evidence on the success and usefulness of awareness campaigns is uniformly positive. The evaluation has uncovered that the EU and Chinese stakeholders describe the initiative as successful in its goal of lowering inspection rates, reducing costs and simplifying procedures.<sup>47</sup> While thus expediting controls for AEO's is perceived as positive by traders, the econometric analysis could not demonstrate the objective of improved risk management for customs as a consequence. Therefore, there is no strong evidence on the effectiveness of the AEO mutual recognition between the EU and China. This does not mean it was not effective; there is just no data to demonstrate it.

#### **b) SSTL pilot project**

The main objectives of the SSTL pilot project are to enhance supply chain security and to contribute to fair and open trade for vetted economic operators so that customs can focus on risky consignments.

Key actions under the SSTL are to reduce lead times for consignments as well as enhance communication channels between customs authorities. During an official EU-China meeting (March 2019), both Chinese and EU officials agreed that clearance times for consignments under the SSTL pilot project had shortened considerably.<sup>48</sup> However, the evidence from both the national authorities'

<sup>45</sup> Customs comprehensive guarantee.

<sup>46</sup> Entry in the Declarant's Records.

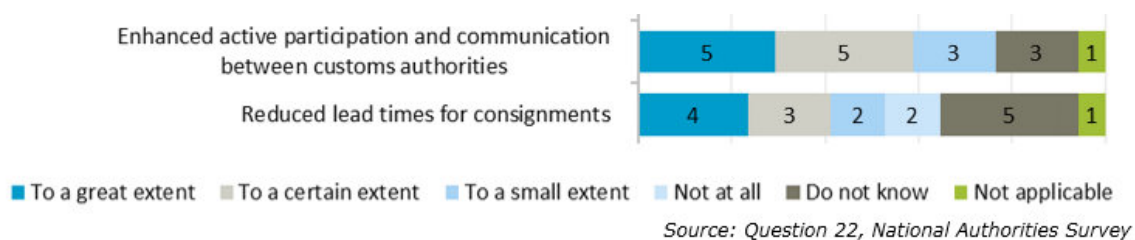
<sup>47</sup> See the external study p.97. <https://data.europa.eu/doi10.2778/211586>

<sup>48</sup> See the external study, p.101. <https://data.europa.eu/doi10.2778/211586>

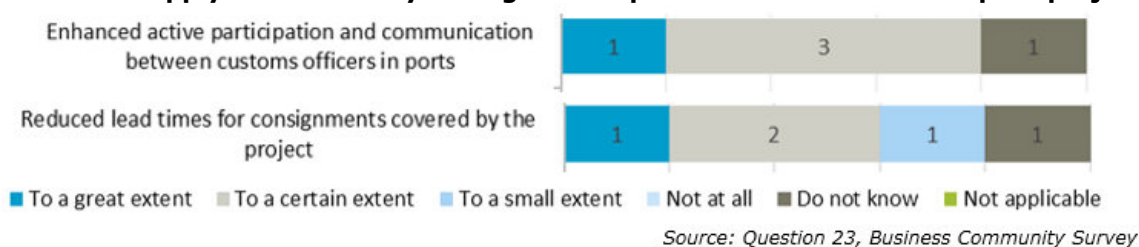
and the business community survey (see Figure 2 and Figure 3 below) suggests that the SSTL pilot project only partially reduced lead times for consignments and improved data exchange. Unfortunately, no quantitative data was available to back or contradict claims on the reduction in lead times from Member States.<sup>49</sup>

SSTL was seen by certain stakeholders as the catalyst for the creation of stable exchange networks between customs authorities and between customs officers in ports. Responses in both the national authorities' and the business community survey (see Figure 2 and Figure 3 below) and by several interviewees at the EU and national level, confirmed improved cooperation between customs, and between customs and other agencies has been achieved due to SSTL.

**Figure 2. National authorities' survey - What in particular have the CCMAA and its Strategic Framework achieved through the implementation of the SSTL pilot project? They have... (n=17)**



**Figure 3. Business community survey - What have the CCMAA and its Strategic Framework done to enhance supply chain security through the implementation of the SSTL pilot project? (n=5)**



SSTL was launched in 2006 and a second phase was established in 2010 to expand to risk management and to more (complex) lanes. Under the third phase of SSTL launched in 2016, the goal was to establish an IT system for information exchange. National participants in surveys noted the lack of implementation of a fully-fledged IT system for automatic exchange of data.<sup>50</sup> EU officials have reported that the positive outcome of the third phase was notably the expansion of SSTL to include rail and air besides maritime transport.<sup>51</sup> On the EU side, SSTL activities have however been considerably slowing down for some time with several SSTL participating Member States progressively stopping sending data. Some Member States have not sent any data since 2014 and most not since the COVID 19 Pandemic. China continues to send data, but the underlying IT system is not always functioning properly and the data not really useful for the EU side. Moreover, contrary to Chinese companies, EU companies seem to have lost interest. However, it seems that, for China, SSTL remains an important project to continuously expand.

<sup>49</sup> Please keep in mind that, as indicated in the introduction of this evaluation in Chapter 1 and further detailed Annex II.3, SSTL is among the two major issues where it was most difficult to assemble robust data.

<sup>50</sup> See the external study, p.102. <https://data.europa.eu/doi10.2778/211586>

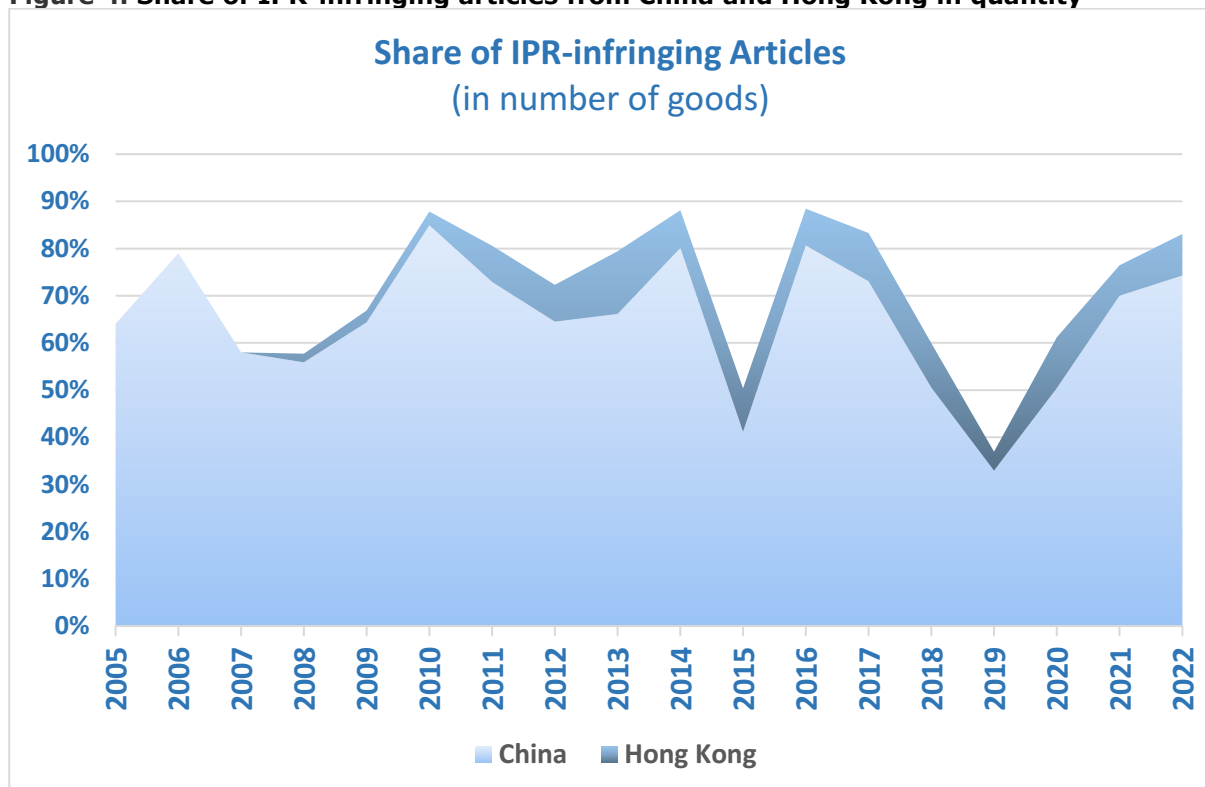
<sup>51</sup> See the external study, p.102. <https://data.europa.eu/doi10.2778/211586>

In conclusion, SSTL has contributed at establishing communication channels between customs authorities, notably in ports and it has led to the exchange of some data which, according to stakeholders' perception by China and EU Member States, has had a positive benefit on reduced clearance lead times for participating traders, at least in the beginning of the project.<sup>52</sup> However, in recent years SSTL has been hardly used at the EU side. It is therefore seriously questionable if SSTL enhances supply chain security and allows customs to better focus on risk management, which was its objective. SSTL seems therefore hardly effective.

### ***Intellectual Property Rights (IPR)***

The objective of cooperation on IPR enforcement between the EU and China is to be able to reduce trade in IPR infringing goods and increasing their seizure at the border.

**Figure 4. Share of IPR-infringing articles from China and Hong Kong in quantity**

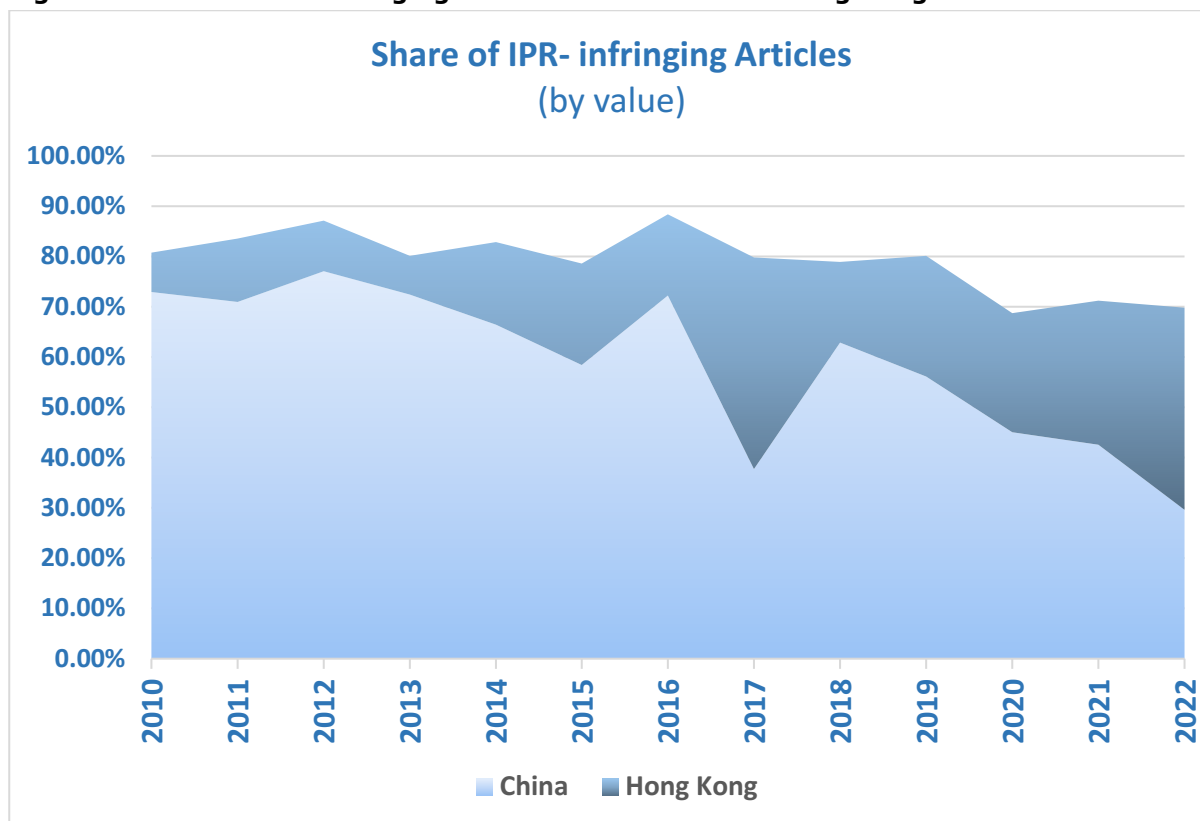


Source: data extracted by DG TAXUD from the IPR annual reports

Figure 4 above shows very clearly that IPR infringing goods coming from China (and Hong Kong) consistently represent a large majority of all IPR infringing goods entering the EU (some years even above 80%). Also, in value, these figures remain high, although IPR infringing goods from Hong Kong (in dark blue) are relatively higher in value (see Figure 5 below) as those include regularly more valuable products like watches and jewellery.

<sup>52</sup> See Annex IV, table 22 and figure 18.

**Figure 5. Share of IPR-infringing articles from China and Hong Kong in value**



Source: data extracted by DG TAXUD from the IPR annual reports

The objective to strengthen IPR enforcement and curtail trade in IPR-infringing goods was evaluated based on the key actions foreseen in the subsequent IPR Action Plans, which were based on the subsequent EU-China Strategic Framework.

Key action 1 in the last fully implemented IPR Action Plan foresees a joint analysis of seizure statistics which takes stock of the efforts and data on IPR enforcement activities from both parties. While the exercise has been conducted regularly, discrepancies have emerged between EU and China data sets (see figure 40 in Annex VIII on IPR).

Key action 2 of the IPR Action Plan concerns two aspects: firstly, the targeting of high-risk consignments through the exchange of data on detentions; secondly, the development of special joint operations (see also figure 41 in Annex VIII on IPR). Under Key Action 2, mixed results have been uncovered by the evaluation. On the one hand, real-time exchange of information has resulted in the tackling of some high-profile cases and the subsequent targeting of high-risk consignments.<sup>53</sup> On the other hand, major obstacles have been encountered in the sharing of information, specifically on ‘referrals’ through EU’s Anti-Fraud Information System (AFIS).<sup>54</sup> China indicated that the combination of the 2018 administrative reorganization of GACC<sup>55</sup> and the introduction of the 2017 Chinese Cybersecurity Law have hampered the data exchange process. However, also from 2019 until present the EU did not notice any significant improvement.

<sup>53</sup> See the external study, p.106. <https://data.europa.eu/doi10.2778/211586>

<sup>54</sup> See the external study, p.107. <https://data.europa.eu/doi10.2778/211586>

<sup>55</sup> In March 2018, the State Council announced a government-wide reorganization geared at improving efficiency and customer service. As part of the reorganization, the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) merged into GACC.



Key Action 3 covered the establishment of cooperation between customs and other law enforcement authorities to fight IPR infringement. To accomplish this goal, the exchange of best practices between custom administrations was the main activity (see also figure 42 and 43 in Annex VIII on IPR). Study visits and exchanges that promoted bilateral understanding of working methods were organised. Communication between EU and China customs authorities however experienced difficulties with the above mentioned 2018 GACC reorganization. The period of the COVID pandemic that started at the beginning of 2020 and the consecutive lockdowns did not improve communication either. In its aftermath, communication had difficulty to take up again. New impetus has been given the first half of 2024, but it remains to be seen if this will increase results. To be effective, production facilities of IPR-infringing goods should be dismantled. GACC is however only responsible for border control actions and has no inland competence in China. The expected benefits of this Key Action did therefore not sufficiently materialise.

Key Action 4 envisages the creation of joint partnerships with the business communities across the EU and China. On this point, there were only a small number of responses received to stakeholders' consultations so no hard conclusions can be drawn (see also figure 44 in Annex VIII on IPR).<sup>56</sup> However, human resources both at the level of the EU and at the level of EU Member States dealing with the implementation of border measures on IPR are limited. The expectations for improved results should be adapted accordingly.

Positive progress has however been made on raising awareness on IPR issues. The IP Key China<sup>57</sup> project set up in Beijing is likely to also have a positive impact on this. China's own development, technological evolution and the increase in its own IP rights also likely contributes to its growing awareness of the respect for IP rights.

In conclusion, the objective of the IPR Action Plan was to enhance the IPR border enforcement and curtail trade in IPR infringing goods between the EU and China. This has at best been partially achieved as detentions at the EU border of IPR infringing goods coming from China represent still a large majority of all detained IPR infringing goods without any improvement while the number of referrals to get information for investigations continued to decrease. Positive results have been registered in the establishment of bilateral communications channels and regular exchanges on best practices, but this was not a goal on itself.

### ***Fight against fraud: Protecting EU financial interests***

The objective of the fight against fraud is to reduce illicit trade. The fight against fraud by means of protection of EU financial interests is an important aspect of the EU-China CCMAA. In general, observed types of fraud in the area of customs include undervaluation and misclassification of imported goods, smuggling and counterfeiting, with a fraudster's view to reduce or avoid due payments of customs duties and VAT. Some successes involved undervaluation.<sup>58</sup> An effective MAA

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<sup>56</sup> See the external study, p.109. <https://data.europa.eu/doi10.2778/211586>

<sup>57</sup> The IP Key China is directed by the European Commission and implemented by the European Union Intellectual Property Office (EUIPO). For more information, please see [China | IPKEY](#)

<sup>58</sup> In a string of investigations concerning the import of large quantities of textiles and footwear from China into the EU, OLAF found that by declaring falsely low values for the imports, fraudsters had managed to evade very large amounts of customs duties over the years. The largest of OLAF's investigations concerned imports through the UK



mechanism is considered crucial to address these types of fraud; as demonstrated above, this is currently not completely the case with China notably on requests from EU Member States.

Nevertheless, the well-established cooperation between OLAF and the Chinese Anti-Smuggling Bureau seems conducive, as evidenced for example by the successful implementation of three flagship international Joint Customs Operations (JCOs), namely JCO SNAKE and SNAKE II, targeting undervaluation of goods in 2021 and 2022<sup>59</sup>, and the JCO NOXIA on dangerous substances in 2023.

Some positive results have also been registered in the effectiveness of the CCMAA and Strategic Framework in reducing the amount of tax revenue lost to fraud. Partly thanks to the mutual administrative assistance mechanism of the CCMAA, OLAF uncovered fraudulent activities related to goods originating from China worth several billion euros of lost customs duties/VAT. These cases demonstrate quite some effectiveness in this area of customs cooperation.<sup>60</sup>

In more recent years, known patterns of fraud have been found to be applied in cross-border e-commerce. This remains a great challenge due to the sheer number of units (parcels) to be customs-cleared. Cross-border e-commerce has therefore had a particular impact on the fight against fraud. To tackle this issue, the EU implemented a new VAT package as of July 2021. The main goal is to find a common ground between easing all imports via cross-border e-commerce channels while securing revenue collection, safety and IPR protection.

Some positive data has been gathered on enhanced cooperation and knowledge sharing between the EU and China under the Strategic Framework. There is evidence that refers to the number of investigations conducted on fraud based on shared intelligence, the number of operations against the smuggling of tobacco, the number of goods seized at shipping and delivery points, and, lastly, the share of goods seized that breach customs legislation. However, not all the information on the fight against fraud could be gathered (see Annex II.5).

In sum, while the common fight against fraud has some positive results, notably in the cooperation between OLAF and the Chinese Anti-Smuggling Bureau, the sub-optimal functioning of the MAA mechanism between China and the EU Member States, hampers reaching the objective of reducing illicit trade. Therefore, the EU-China customs cooperation has only been partially effective in the fight against fraud.

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(when it was still a Member State) between 2013 and 2016. About €2 billion worth of customs duties were lost in those instances.

See OLAF report 2016 ([https://anti-fraud.ec.europa.eu/system/files/2021-07/olaf\\_report\\_2016\\_en.pdf](https://anti-fraud.ec.europa.eu/system/files/2021-07/olaf_report_2016_en.pdf)) and [https://anti-fraud.ec.europa.eu/media-corner/news/olaf-welcomes-european-court-justice-ruling-uk-undervaluation-case-2022-03-10\\_en](https://anti-fraud.ec.europa.eu/media-corner/news/olaf-welcomes-european-court-justice-ruling-uk-undervaluation-case-2022-03-10_en)

<sup>59</sup> Commission press release - [https://anti-fraud.ec.europa.eu/system/files/2021-07/snake\\_ip\\_14\\_1001\\_en.pdf](https://anti-fraud.ec.europa.eu/system/files/2021-07/snake_ip_14_1001_en.pdf), OLAF report 2021 - [https://anti-fraud.ec.europa.eu/system/files/2022-09/olaf-report-2021\\_en.pdf](https://anti-fraud.ec.europa.eu/system/files/2022-09/olaf-report-2021_en.pdf).

<sup>60</sup> See the external study, p.112. <https://data.europa.eu/doi10.2778/211586>

### ***Fight against fraud: Protecting the environment***

The objective is to reduce illicit trade in goods with negative consequences for the environment. Respondents to the national authorities' survey indicated that the following had been achieved to varying extents: a) increased awareness on the issue of illicit trade of waste, b) development of a common understanding of the issue, and measures to solve it, c) identification of key trends in the illicit trade of waste and 4) reduction in the amount of illicit waste traded (see figure 45 in Annex IX).

The Waste Working Group<sup>61</sup> carried out in 2014 a mapping exercise whereby data on EU-China waste flows were collected, and joint recommendations provided.<sup>62</sup> The key finding of this study was that the import of e-waste into China was officially banned in 2000 although still around 8 million tonnes of e-waste were imported illegally into China every year until 2014. Figures have dropped significantly thereafter. The results of the exercise are summarised in table 31 in Annex IX.

The most significant drop in the figures of illicit waste was recorded after China introduced the Regulation on Solid Waste Importation on 1 January 2018, as Figure 6 below illustrates. Prior to China's ban, 95% of the plastics collected for recycling in the EU were sold and shipped to Chinese processors.<sup>63</sup> Consulted stakeholders believe that the CCMAA and Strategic Framework did contribute to reducing the amount of waste illegally traded between the EU and China (see figure 46 in Annex IX) and can therefore be regarded as effective due to the creation of a cooperative framework and exchange of data. Ultimately, the Chinese ban on solid waste importation led to the greatest decrease in the numbers.

Based on the above, the CCMAA and Strategic Framework have reached the objective to reduce illicit trade in waste and has therefore been quite effective in the fight against environmental fraud.

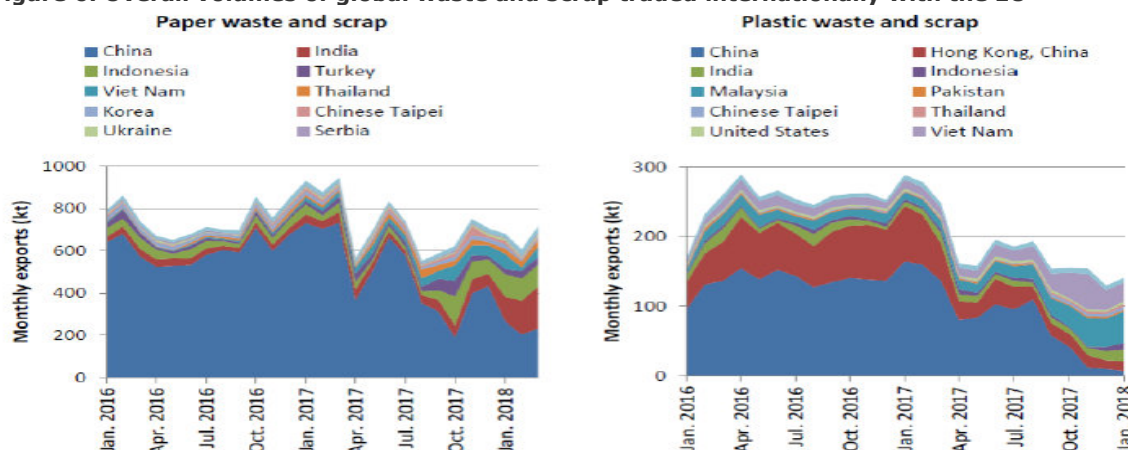
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<sup>61</sup> The Waste Working Group is one of the specific cooperations with China falling under the subsequent Strategic Frameworks since 2014. Its participants can include representatives at EU side of different Directorate Generals within the Commission and, at the Chinese side of GACC, Anti-Smuggling Bureau and Ministry of Environment.

<sup>62</sup> Geeraerts, K., Illes A. and J-P Schweizer (2015). *Illegal shipment of e-waste from the EU: A case study on illegal e-waste export from the EU to China*. A study compiled as part of the EFFACE project. London: IEEP [index.pdf](https://efface.eu/index.pdf) ([efface.eu](https://efface.eu))

<sup>63</sup> See the external study, p.118. <https://data.europa.eu/doi10.2778/211586>

**Figure 6. Overall volumes of global waste and scrap traded internationally with the EU<sup>64</sup>**

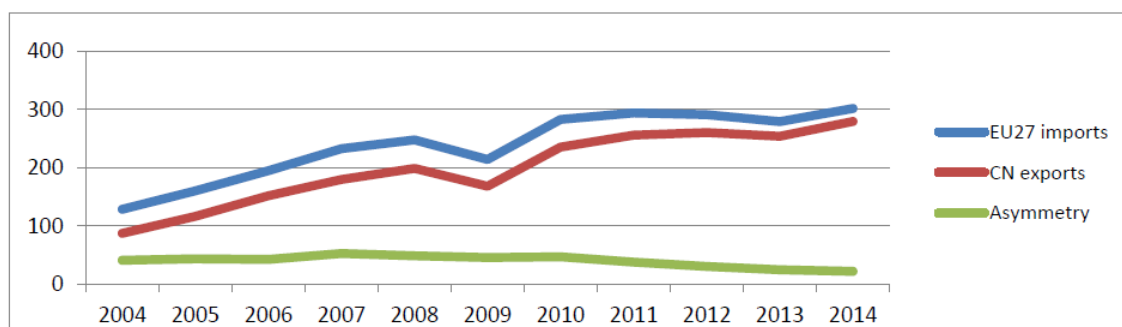


Source: Commission Staff Working Document; Evaluation of Regulation (EC) No 1013/2006 of the European Parliament and of the Council of 14 June 2006 on shipments of waste. Page. 23

### Statistical Cooperation

Statistical cooperation took place under the Action Plan for Exchange of External Trade Data between Eurostat and China's customs to boost mutual exchanges on trade data and tackle discrepancies with the objective of having more congruent data. EU and Chinese officials conducted a study in 2015 analysing the mismatch between the trade statistics provided by China and the EU between 2004 and 2014. The report illustrates how the asymmetry between the data provided from China to the EU has decreased continuously. The study was positively welcomed on both sides and considered useful to repeat in the future in order to produce more frequent data on reconciliation. In conclusion, the evaluation showed that the CCMAA and Strategic Framework have been successful in promoting statistical cooperation with tangible results.<sup>65</sup> The cooperation halted a bit in recent years while in spring 2024, ESTAT and GACC discussed the possibility of conducting another joint mirror study.

**Figure 7. Mirror asymmetry in westbound trade (EUR billion)**



Source: EU imports/China exports data (Eurostat databases for EU and China trade)

<sup>64</sup> Commission Staff Working Document; Evaluation of Regulation (EC) No 1013/2006 of the European Parliament and of the Council of 14 June 2006 on shipments of waste. Page. 23. Available at: [https://ec.europa.eu/environment/waste/shipments/pdf/SWD\\_2020\\_26\\_F1\\_SWD\\_EVALUATION\\_EN\\_V4\\_P1\\_10\\_64541.pdf](https://ec.europa.eu/environment/waste/shipments/pdf/SWD_2020_26_F1_SWD_EVALUATION_EN_V4_P1_10_64541.pdf)

<sup>65</sup> See the external study, p.124. <https://data.europa.eu/doi10.2778/211586>

#### 4.1.2. Efficiency

Efficiency is basically a cost-benefit analysis and was assessed through the following two questions<sup>66</sup>: 1) Has the implementation and application of the CCMAA and Strategic Framework created regulatory costs for EU businesses, the relevant national authorities, and the EU as a whole? 2) What is the magnitude of these costs, and particularly of the administrative burdens (and other regulatory costs like compliance costs?) for the stakeholders and to what extent are they offset by the benefits brought? The scope for simplification should also be assessed. While quantitative and qualitative data have been considered by the external study, they were only limitedly available. A detailed overview of the costs and benefits can be found in Annex IV.

##### 4.1.2.1. Costs incurred per key area of customs cooperation

As stakeholders were not able to provide quantitative assessments, this part of the evaluation provides rather a qualitative assessment. As the graphs in Annex IV show, most respondents indicated that they did not know what the cost of a certain measure was and/or did not observe anything significant; it was then assumed that the costs have not changed significantly due to establishment and maintenance of a certain measure under the CCMAA and the Strategic Framework. Indeed, the costs would likely have caught the necessary attention of stakeholders if they had changed and/or increased substantially, notably if they had been exorbitant and/or considered exceptional, which would then have been noticed and reported by EU Member States and businesses during the evaluation, *quod non*. Under these circumstances, it is also difficult to assess if there would be any scope for simplification which could reduce costs.

##### *Customs cooperation*

Customs cooperation has been reported as an expense at both the EU and the EU Member States level. The Commission services consider under the costs of the general customs cooperation the costs for continuously setting up and maintaining over the years the structured dialogues and communication channels with China. The external study identified indeed under this item, the organization of official meetings and (high level) dialogues but also trainings and study visits (although those have not taken place in recent years/since the COVID 19 pandemic). Those dialogues and study visits comprehend costs for transport and logistics, meals and interpreters. For each specific issue of EU-China customs cooperation where an official Working Group is set up under the EU-China Strategic Framework, like for example for IPR, there is also internal EU coordination involved. Travel costs of EU Member States to Brussels for such internal coordination meetings as well as travel costs to official meetings in China, have been reimbursed to EU Member States from the EU budget. On costs covered from EU Member States' own budget, EU Member States indicated notably the costs for maintaining an official representation of customs attachés in China. However, as the EU Member States would anyhow have kept a representation in Beijing even without the CCMAA and the Strategic Framework, these costs for staff and related costs would In Beijing not have significantly augmented.<sup>67</sup> One of the positive consequences of the COVID 19 pandemic was that it has shown that

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<sup>66</sup> All evaluation questions can be found in Annex III.

<sup>67</sup> See the external study, p.128. <https://data.europa.eu/doi10.2778/211586>

some international meetings can also take place online and/or in hybrid format. This digital ‘simplification’ can lead sometimes to serious (travel) cost reductions.

### ***Mutual Administrative Assistance***

For administrative costs incurred under MAA, there is mixed evidence in the external study. Some stakeholders stated that they were subject to higher expenses while others affirmed their spending stayed the same. Concerning regulatory costs for MAA requests, most respondents indicated that these have remained stable over time. National level interviewees reported that GACC imposed increasingly stringent requirements and asked for example to submit their MAA requests in multiple formats, including a paper version, a scanned version and Excel version, and in the Chinese language. This required resources.<sup>68</sup> Because of this, some customs authorities interviewed deplored spending their budget on elements they considered falling outside the scope of the CCMAA.<sup>69</sup> The present evaluation deems that the potential of machine translation will in future increasingly offer a reliable solution for reducing the administrative burden linked to the MAA mechanism and therefore be considered as a valid digital simplification.

### ***AEO mutual recognition***

Among the small sample of respondents of the business community survey, the answers indicated a slight increase in costs for AEO activities. The nature of these costs were listed as “logistics costs, direct costs and storage fees”.<sup>70</sup> These findings appeared however to contradict the results from the phone survey and in-depth interviews indicating that the AEO mutual recognition reduced costs.<sup>71</sup> One EU level interviewee and one interviewed Chinese stakeholder indicated that, as a result of the AEO mutual recognition, costs for economic operators are now lower.<sup>72</sup> No hard conclusions can be drawn due to limited and contradicting data. Moreover, AEO MR is already digitalized so there seems no need for further simplification in this area.

### ***SSTL pilot project***

Evidence gathered by the external consultant on the costs implications of the SSTL pilot project were extremely limited as only one interviewed economic operator had experience with SSTL. Under national authorities a few respondents indicated slight increase while most respondents answered they did not know.<sup>73</sup> Again, no conclusion can be drawn from this limited data. At the EU side, the data is not processed in a fully automated way which indicates there is quite some scope for further simplification through digitalization.

### ***IPR***

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<sup>68</sup> See the external study, p.128. <https://data.europa.eu/doi10.2778/211586>

<sup>69</sup> However, the phrasing of the CCMAA states that requests have to be submitted “in an official language of the requested authority or in a language acceptable to that authority”. The interpretation thereof has been specified in “Guidelines for handling requests under Mutual Administrative Assistance provisions” (2008) indicating that “requests addressed to China [are] to be established in English and include as much information as possible in the original language.” However, in recent years, Member States are now required by the TBT Centre to send MAA request in Chinese.

<sup>70</sup> See the external study, p.129. <https://data.europa.eu/doi10.2778/211586>

<sup>71</sup> See the external study, p.129. <https://data.europa.eu/doi10.2778/211586>

<sup>72</sup> See the external study, p.129. <https://data.europa.eu/doi10.2778/211586>

<sup>73</sup> See the external study, p.129. <https://data.europa.eu/doi10.2778/211586>

Overall, the limited evidence assembled by the external study suggests that the costs incurred because of IPR enforcement under the Agreement and Strategic Framework were not impacted or only slightly (upward). However, at both the EU (at the EU and the EU Member State's level) and the Chinese side, the investment in human resources made available to deal with IPR enforcement is in any case limited and did not increase over the recent years, so costs could not have risen.<sup>74</sup> Referrals between the EU and China are already sent digitally (via the AFIS system) so there seems little need for further simplification in form of digitalization.

### ***Fight against Fraud***

The external study did not cover the costs for the fight against fraud, neither on those to protect financial interests of the EU, nor on those to protect the environment. This indicates there was absolutely no data available on the costs of these activities. However, as indicated above under effectiveness, quite some activity took place, notably at EU level to pursue those objectives and therefore corresponding costs were incurred.<sup>75</sup> It may probably be assumed that those costs were not out of the ordinary and/or exceptional as otherwise this would likely have caught some attention during the evaluation. Requests for assistance under the MAA mechanism are currently not processed digitally. There seems to be scope for further simplification in form of digitalization if both sides can agree on using a common system for issuing and replying to MAA request.

### ***Statistical cooperation***

The European officials interviewed in the evaluation on this aspect mentioned that no significant costs were incurred due to the statistical cooperation with China. Of the four survey respondents to the national authorities' survey, only one noted an increase in costs. The other three respondents did not know whether there had been a cost impact.<sup>76</sup> It did not appear that there is need for simplification in the form of digitalization in this context.

#### **4.1.2.2. Benefits per key area of customs cooperation**

There was more data and evidence (albeit primarily in qualitative terms) available on the benefits resulting from the CCMAA and the Strategic Framework than on the costs. As graphically presented in Annex IV most stakeholders indicated an increase of benefits for each measure under the CCMAA and Strategic Framework.

### ***Customs cooperation***

While it is difficult to quantify the benefits of dialogues and exchanges over the years, it is possible to provide a qualitative assessment. The key benefit of the CCMAA and the Strategic Framework most frequently mentioned by stakeholders, and across different areas of customs cooperation and type of stakeholders, is the enhanced dialogues and the resulting cooperation from those dialogues with China. As already indicated under effectiveness (section 4.1.1), the organization of official

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<sup>74</sup> See the external study, p.129. <https://data.europa.eu/doi10.2778/211586>

<sup>75</sup> See the external study, p.112, Table 20 on EU financial losses due to Chinese frauds, 2005-2018 <https://data.europa.eu/doi10.2778/211586>

<sup>76</sup> See the external study, p.130. <https://data.europa.eu/doi10.2778/211586>



meetings between the EU and China established successful platforms for dialogue, and set-up and maintained structured communication channels between the EU and China customs administrations. This constitutes the basis of all other cooperation established between the EU and China under the Agreement and the Strategic Framework.

### ***Mutual Administrative Assistance***

The implementation of the MAA pillar has shown that the Chinese authorities only responded to a minority of the requests sent by the EU, ranging from 6% to 64% over the period 2014-2023. In addition, Chinese responses were limitedly useful and usable, as indicated earlier. This evaluation thus shows a huge potential to improve the benefits of MAA by increasing the number of responses from China and by increasing the quality. While there is a lot of room for improvement, there were at least some responses received from China. The MAA mechanism can thus be regarded as having had at least some benefits, even if limited. Indeed, without the mutual administrative assistance provided, the information received from China would have been nihil.

### ***AEO mutual recognition***

AEO mutual recognition has been widely described by the business and economic operators' community as beneficial in qualitative terms. In this sense, the main advantage perceived was faster customs clearance and decreased customs intervention during the logistical process (although no data was available to objectively back up these opinions). Furthermore, a smaller sample of participants also reported that being an EU AEO leads to lower inspection rates in China, which is also considered a substantial advantage.<sup>77</sup>

### ***SSTL pilot project***

Qualitative research shows that SSTL generated several benefits: 1) the improvement in communication between customs authorities; 2) some data exchange and 3) a reduction in customs lead times for consignments.<sup>78</sup> As a result, customs authorities experienced better conditions to test end-to-end supply chain security. Traders experienced quicker release of consignments.

### ***IPR***

As reported by most stakeholders, benefits from exchange and analysis of information on detentions of IPR infringing goods were only reached to a limited extent.<sup>79</sup> Similarly, cross-border cooperation on IPR investigations has also been limited. Some respondents also brought forward the lack of commitment from the Chinese counterparts as an obstacle to the achievement of benefits under IPR. Some hoped the IPR cooperation would lead to a substantial reduction of revenue losses at EU side and better protection of IPR. While some progress was made, the continuous increasing imports made it very difficult, as the Figures 4 and 5 above showed. However, a majority of respondents (78%) indicated that the IPR provisions yielded many direct and societal benefits: they enabled the exchanges of knowledge and experiences of the IPR border enforcement policies and practices in China and the EU; they allowed for the exchange and analysis of information on seizures; they enabled the targeting of high-risk consignments in a network of key airports, seaports and other

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<sup>77</sup> See the external study, p.131. <https://data.europa.eu/doi10.2778/211586>

<sup>78</sup> See the external study, p.130. <https://data.europa.eu/doi10.2778/211586>

<sup>79</sup> See the external study, p.131. <https://data.europa.eu/doi10.2778/211586>

customs control points and they helped to establish different levels of operational cooperation in cross-border IPR investigations.<sup>80</sup> As a societal benefit, they helped curtail trade in IPR-infringing goods.

### ***Fight against fraud***

The evaluation reports that the fight against fraud has provided two main benefits: more products being seized in breach of customs policies as well as a decrease in tax revenue loss. Data shows that the VAT gap in the EU has decreased.<sup>81</sup> Moreover, respondents have expressed positive views on the environmental fight against fraud as they indicated that actions have led to enhanced cooperation between customs and relevant authorities such as the regular gathering and analysis of data on legal and illegal trade of waste with China.<sup>82</sup>

### ***Statistical cooperation***

On statistical cooperation, great benefits seem to have been achieved as for zero or small cost, the data received from the Chinese counterparts was considered useful while the gap between the trade data of the EU and China was reduced.

#### **4.1.2.3. Efficiency: Proportionality Costs-benefits**

The analysis of efficiency covered both administrative and adjustment costs. The graphical overview in Annex IV indicates that the costs remained overall pretty much the same while the evaluation identified an increase or a large increase in direct benefits and societal benefits for all key areas of the customs cooperation. The customs cooperation with China is therefore certainly considered proportionate in terms of cost-benefits and therefore efficient.

#### **4.1.3. Coherence**

Checking coherence means analysing how various components of the same EU intervention operate together to achieve its objectives as well as the extent to which it is consistent with other EU measures. The coherence has been evaluated upon the following question: are the CCMAA and Strategic Framework coherent internally and with one another, as well as with other policy areas of the EU, for example in international relations, trade, environmental protection (e.g., Waste Shipment Regulation and Ship Recycling Regulation), safety and security, etc.

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<sup>80</sup> See the external study, p.213. <https://data.europa.eu/doi10.2778/211586>

<sup>81</sup> Official data from the European Commission shows that EU countries lost EUR 137 billion in VAT revenues in 2017. However, the same study shows that “during 2017, collected VAT revenues increased at a faster rate of 4.1% than the 2.8% increase of VAT Total Tax Liability. As a result, the overall VAT Gap in the EU Member States saw a decrease in absolute values of about EUR 8 billion or 11.2% in percentage terms The “official data” the external study references to is this SWD from 2020 “Study and reports on the VAT gap in the EU-28 Member States - Publications Office of the EU (europa.eu)” The “official data” the external study references to is this SWD from 2020 “[Study and reports on the VAT gap in the EU-28 Member States - Publications Office of the EU \(europa.eu\)](https://data.europa.eu/doi10.2778/211586)” half of the respondents to the online survey of national authorities indicated that a reduction in the amount of tax revenue lost to fraud has been achieved thanks to the CCMAA and Strategic Framework.

<sup>82</sup> See the external study, p.133. <https://data.europa.eu/doi10.2778/211586>



#### 4.1.3.1. Internal coherence

The CCMAA was regarded by basically all interviewees as being internally coherent. To support their views, they indicated that the Agreement is internally coherent as it is like most of the customs cooperation agreements that the EU has signed with other third countries. Moreover, only a minority of respondents of the national authorities' survey indicated that there were some inconsistencies between the CCMAA and the Strategic Framework<sup>83</sup> but they could not support these statements by any concrete data or examples which devaluates these views as irrelevant. Several interviewees reported however that Article 17, paragraph 3 of the CCMAA<sup>84</sup> is interpreted differently by the EU and China. However, this does not point to internal inconsistencies of the CCMAA itself.<sup>85</sup>

#### 4.1.3.2. External coherence

The evaluation has assessed external coherence at two levels. On the one hand, external coherence regarding legislative initiatives in other EU and international policies which might directly or indirectly affect the customs policy area (and therefore influence the implementation of the CCMAA and the Strategic Framework) while, on the other hand, it has done so in relation to other legislative initiatives in the customs area.

##### a) Coherence with other legislative initiatives and measures in other EU or international policies

###### *The WTO Trade Facilitation Agreement*

The WTO Trade Facilitation Agreement's main goals refer to enhancement of legitimate trade through reduced clearance times at the borders. The CCMAA and Strategic Framework manifest similar interests to contribute to legitimate trade with China through their common initiatives such as the AEO MRA and SSTL. They are thus certainly coherent. Article 12, paragraph 6 of the WTO Trade Facilitation Agreement provides a time limit within which requests for information shall be handled. The CCMAA does not contain such a time limit. This does not make them inconsistent but indicates that the WTO Trade Facilitation Agreement goes even further and could possibly be taken over to improve implementation of for example the MAA mechanism in the future.

###### *The Drug Precursors Regulation (Regulation 111/2005)*

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<sup>83</sup> See the external study, p.144. <https://data.europa.eu/doi/10.2778/211586>

<sup>84</sup> Article 17, paragraph 3 Stipulates: '*Nothing in this Agreement shall preclude the use of information or documents obtained in accordance with this Agreement as evidence in administrative proceedings subsequently instituted in respect of operations in breach of customs legislation. Therefore, the Contracting Parties may, in their records of evidence, reports and testimonies and in administrative proceedings use as evidence information obtained and documents consulted in accordance with the provisions of this Agreement. The competent authority which supplied that information or gave access to those documents shall be notified of such use*'.

<sup>85</sup> It is probably inevitable in any international agreement that there might be some discrepancy of interpretation between parties. This however does not make the measures necessarily incoherent. In this case, the Article refers to the possibility to use information obtained by customs in administrative proceedings. As previously mentioned, Chinese authorities do not allow the EU to use information in both administrative and judicial proceedings. The Commission services and GACC discussed this but GACC maintained its position. Rather than saying something about the coherence of the measures, it simply means that the information gathered under MAA in the CCMAA is sometimes of limited value.

This Regulation aims to prevent the diversion and trafficking of drug precursors by controlling and monitoring the trade between the EU and third countries (while also implementing an EU-wide approach on granting licenses and monitoring requirements). Cooperation on drug precursors between the EU and China currently take place through the Agreement on Drug Precursors (2008) which has the same aim.<sup>86</sup> As both have totally consistent aims, they are completely coherent, even if the workstreams and governance is different. The implementation thereof is mainly the responsibility of customs authorities (TAXUD and OLAF in the Commission).

The CCMAA is pre-dating the 2009 Agreement on Drug Precursors and the EU Regulation on drug precursors and therefore the CCMAA does not reference, overlap or contradict these two instruments. China is a large producer and exporter of drug precursors. Part of these drug precursors are called designer precursors as these are substances with no legal use, on purpose made by rogue companies in China to circumvent EU legislation and control (Amphetamine Type stimulants).<sup>87</sup> These designer precursors are usually mis-declared and/or mis-classified as another product and do not enter the licit supply chain.

To amplify the impact, it was considered useful that this customs work on designer drug precursors with China is taken up more explicitly in the broader scheme and structures of customs cooperation with China. As it has all the same objective, it reinforces again the coherence. This is the reason why the fight against illegal imports of drug precursors is included in the Strategic Framework 2021-2024. Besides the CCMAA, the Agreement on Drug Precursors (2008) has also a link with the EU-China dialogue on drugs since 2022, which represents a different and independent workstream but again pursues the same overall aim, so it is also coherent with that intervention.

***The Explosives Precursors Regulation (Regulation 98/2013) and its delegated Regulations (2017/21476; 2017/21577; 2017/21678)*** The implementation at the EU border of the Explosive Precursor Regulation and its delegated acts lays in the hands of customs. Based on the review of their legal texts with the text of the CCMAA and Strategic Framework, there appears to be no overlap, no inconsistencies or complementarities and therefore coherent. In the external study this was confirmed by interviewed EU officials.

***The 2016 General Data Protection Regulation (GDPR)<sup>88</sup> and the 2018 Data Protection Regulation in the EU Institutions and Bodies (aligned with the GDPR)<sup>89</sup>***

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<sup>86</sup> Agreement between the EU and China on ‘Drug precursors and substances frequently used in the illicit manufacture of narcotic drugs or psychotropic substances’: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32009D0166>

<sup>87</sup> It is well known that those designer drug precursors (Amphetamine Type stimulants) originate from China; see yearly reports of INCB; last report of 2023: [Precursors Technical Reports \(incb.org\)](https://www.incb.org/en/technical-reports/)

<sup>88</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02016R0679-20160504&qid=1532348683434>

<sup>89</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1552577087456&uri=CELEX:32018R1725>

The 2016 GDPR and 2018 Data Protection Regulation stipulate that agreements entered into force before its implementation require no modification, until they are revised (if at all). The 2005 CCMAA can therefore currently not be deemed inconsistent with the GDPR. Nevertheless, should the CCMAA be revised, the GDPR provisions should be taken into account, notably concerning Article 17 of the CCMAA on “information exchange and confidentiality”.

#### ***The Waste Shipment Regulation (Regulation 1013/2006)***

The Waste Shipment Regulation (WSR) is the legal basis for customs action in the area of waste shipment control. Concerning international cooperation, the WSR includes a section to foster collaboration with other countries on exchange of information and sharing of best practices as well as new technologies to protect the environment. To this regard, the CCMAA and Strategic Framework share the same goals of the WSR since they both helped to create a platform for bilateral cooperation to prevent illicit trade of waste to preserve the environment and also to prevent customs fraud. Guidelines on the implementation of the EU WSR are available to support customs in their control of waste shipments. On 11 April 2024, a new WSR was adopted that entered into force on 20 May 2024. It aims, amongst others, to strengthen enforcement to prevent illegal shipments of waste from the EU to third countries. The CCMAA and Strategic Frameworks are therefore still fully aligned and coherent with the revised WSR.

#### ***The Ship Recycling Regulation (Regulation 1257/2013)***

The Ship Recycling Regulation seeks to legislate the recycling, the operation, and the maintenance of ships of EU Member States in order to prevent, reduce or eliminate potential negative effects this action might have on citizens’ health. The evaluation identified no overlap between the CCMAA and Strategic Framework with the Ship Recycling Regulation, while there is complementarity with role of customs at the EU border to protect citizen’s health and cooperation with China in this context; the measures are therefore coherent.

#### ***The Basel Convention***

The Basel Convention targets the generation and management of hazardous and other waste that could harm human health and environment. Both the EU and China have signed the Basel Convention. According to the Convention, international cooperation on criminal waste activities is ensured. In this regard, the CCMAA and Strategic Framework have provided for an EU-China platform of collaboration on illegal traffic of waste; they are therefore considered coherent with the Basel Convention.

### **b) Coherence with EU customs policy**

#### ***The Union Customs Code (Regulation (EU) 952/2013)***

The EU’s 27 Member States, and notably their customs authorities, apply a uniform system for handling the import, export and transit of goods and implement a common set of rules called the Union Customs Code (UCC). The UCC was adopted on 9 October 2013 as Regulation 952/2013. The aim of EU’s international customs cooperation is by definition to reinforce the EU’s customs policy. The CCMAA and Strategic Framework’s objectives are based on the same principles as set out in the

UCC and its mission coincides (enhancing legitimate trade and improving control). In this respect, the CCMAA and Strategic Framework are fully aligned with the UCC.

In our fast-changing world, new developments are constantly surfacing. To improve customs in the EU and keeping it abreast with latest realities and challenges to remain ‘fit-for-purpose’, a Wise Persons Group was created on the future of EU customs. They came with a report outlining ‘*Ten proposals to make the EU Customs Union fit for a Geopolitical Europe*’.<sup>90</sup> Following the proposals of this Wise Persons Group, the European Commission tabled, on 17 May 2023, proposals for the most ambitious and comprehensive reform of the EU Customs Union since its establishment in 1968.<sup>91</sup> The reform responds to the current pressures under which EU Customs operate, including a huge increase in trade volumes, especially in e-commerce, a fast-growing number of EU standards that must be checked at the border, and shifting geopolitical realities and crises.

The measures proposed present a world-leading, data-driven vision for EU Customs, which has the aim to massively simplify customs processes for business, especially for the most trustworthy traders. Embracing the digital transformation, the reform will cut down on cumbersome customs procedures, replacing traditional declarations with a smarter, data-led approach to import supervision. At the same time, customs authorities will have the tools and resources they need to properly assess and stop imports which pose real risks to the EU, its citizens, and its economy. At the center will be an EU Customs Data Hub which will act as the engine of the new system. Over time, the Data Hub will replace the existing customs IT infrastructure in the EU Member States.

Overall, the new proposed framework will make EU Customs fit for a greener, more digital era and contribute to a safer and more competitive Single Market. It simplifies and rationalises customs reporting requirements for traders, for example by reducing the time needed to complete import processes and by providing one single EU interface and fostering data re-use. In this way, it helps deliver on President von der Leyen’s aim to reduce such burdens by 25%, without undermining the related policy objectives. If the CCMAA and future Strategic Frameworks are to remain aligned and coherent with internal EU customs legislation, they will have to consider the upcoming developments, changes and upgrades in the UCC reform, once adopted.

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<sup>90</sup> Wise Persons Group on the Reform of the EU Customs Union (2022) *Putting More Union in the European Customs: Ten proposals to make the EU Customs Union fit for a Geopolitical Europe*, Brussels. [https://taxation-customs.ec.europa.eu/system/files/2022-03/TAX-20-002-Future%20customs-REPORT\\_BIS\\_v5%20%28WEB%29.pdf](https://taxation-customs.ec.europa.eu/system/files/2022-03/TAX-20-002-Future%20customs-REPORT_BIS_v5%20%28WEB%29.pdf)

<sup>91</sup> For more information, please consult: [EU Customs Reform \(europa.eu\)](https://europa.eu/eu-customs-reform)

*Directive on the exemption from value added tax on the final importation of certain goods (2017/2455)* Recital (6) of Directive 2017/2455 acknowledges the “explosive growth of electronic commerce” and stresses “the need to protect Member States’ tax revenue, to create a level playing field for the businesses concerned and to minimise burdens on them”.<sup>92</sup> The latest two Strategic Frameworks include e-commerce and acknowledges the ever-increasing volume and the need to address the many challenges around this and are thus fully aligned with those set out in Directive 2017/2455. Moreover, both the CCMAA – through its operationalisation in the form of the Strategic Framework – and Directive 2017/2455 aim at protecting the financial interests of the Union and at reducing, to the extent possible, the burden on European businesses.

## **4.2. How did the EU intervention make a difference?**

### **4.2.1. EU added value**

The EU has exclusive competence on customs matters. Nevertheless, the evaluation looked at whether equal or better results could have been accomplished at other levels. The EU’s added value was evaluated via desk research and stakeholders’ interviews through the following evaluation questions<sup>93</sup>: Is the EU best placed to obtain the best results out of international cooperation in customs matters with China? What are the key benefits of an EU-wide framework over any action at national level? What are the feasible alternatives to such a framework? What constitutes “EU added value” in the customs cooperation agreements such as the CCMAA and Strategic Framework? Finally, what constitutes “EU added value” in the customs cooperation agreements such as the CCMAA and Strategic Framework?

### **4.2.2. Overall EU added value**

The findings of this present evaluation point to a clear added value for the EU under the CCMAA and Strategic Framework.

Firstly, this is due to the evolution and development from a low baseline as there was basically no meaningful customs cooperation with China before 2005 when the CCMAA entered into force (there was also little need, as trade with China before the WTO accession in 2001 was negligible). Hence, all customs cooperation established, developed, and maintained with China over the last 18 years is a plus against that baseline. The CCMAA also created a legal basis for customs cooperation which also has added value.

Secondly, there was an overarching consensus among all the respondents to the surveys that EU-China customs cooperation has added value.<sup>94</sup> In this regard, the possibility to exchange views through dedicated communication channels and have regular dialogues with China has been highlighted as positive by most stakeholders.

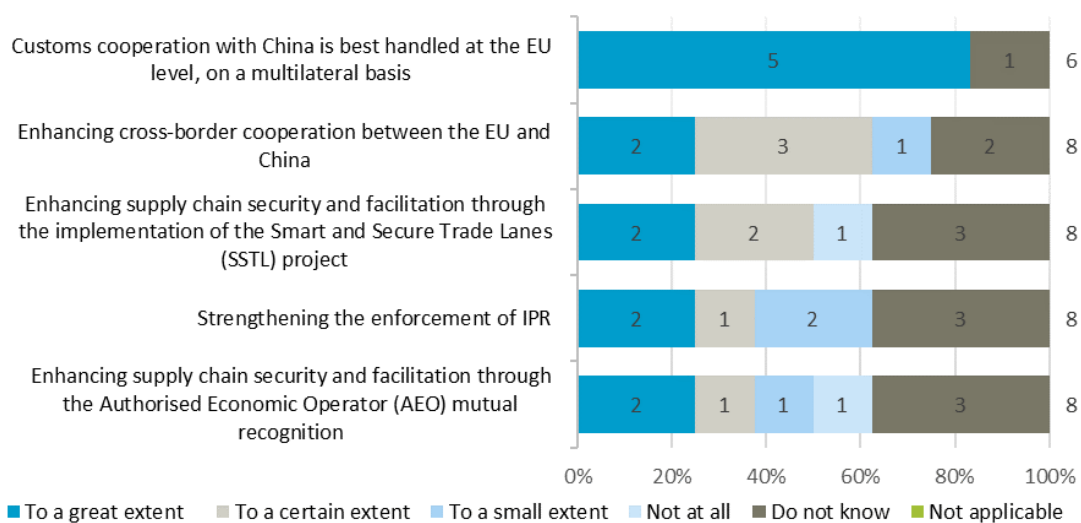
<sup>92</sup> Preamble (6) of Directive 2017/2455: “The realisation of the internal market, globalisation, and technological change have resulted in an explosive growth of electronic commerce and, hence, of distance sales of goods, both supplied from one Member State to another and from third territories or third countries to the Community. The relevant provisions of Directives 2006/112/EC and 2009/132/EC should be adapted to this evolution, taking into account the principle of taxation at destination, the need to protect Member States’ tax revenue, to create a level playing field for the businesses concerned and to minimise burdens on them.”

<sup>93</sup> All evaluation questions can be found in Annex III.

<sup>94</sup> See the external study, p.149. <https://data.europa.eu/doi10.2778/211586>

Thirdly, consultations showed the added value of the EU’s coordinated approach: participants have underlined ‘the importance to deal with China at EU level’ rather than at national level. The CCMAA and the Strategic Framework offer the possibility to have interactions with China while ‘speaking with one voice’ and ‘in a coordinated manner’ with information sharing among individual Member States. It provides an ‘overall sense of unity’, and the messaging has stronger impact on China. Some stakeholders reported that China takes cooperation on customs more seriously when working with the EU than at the bilateral level.<sup>95</sup> Member States separately cannot reach and interact with China in the same way. Size matters when dealing with China. National authorities and business respondents alike, indicated that the EU cooperation with China has aided the increase in trust and willingness to work on customs matters.

**Figure 8. Business Community Survey-- To what extent do you agree with the following statements? The implementation of the CCMAA and it’s Strategic Framework have contributed to... (n=variable)**



Source: Question 12, Business Community Survey

In assessing the overall added value of the CCMAA and its Strategic Framework, the question of ‘what consequences would arise if the CCMAA was stopped’ was asked during the in-depth interviews. A significant proportion of the EU and national level interviewees expressed concerns about this possibility. According to most interviewees, the withdrawal of the CCMAA would likely result in a halt of customs cooperation with an increase of incompliant and unsafe goods entering Europe from China, as well as an increased threat on EU IPRs, a further increase in smuggling of drug precursors and in financial fraud. Customs cooperation with China also has added value beyond its usefulness for customs authorities as it protects European businesses and the interests of European citizens.

#### 4.2.3. Added Value in Specific Areas of Customs Cooperation

##### *Customs Cooperation*

<sup>95</sup> See the external study, p.150. <https://data.europa.eu/doi10.2778/211586>



The depth and the width of the customs cooperation with China which was created over the last two decades is quite extensive (MAA, IPR, AEO MR, SSTL, statistics, fight against trade in waste, etcetera).<sup>96</sup> In fact, from all the trade partners with which the EU has customs cooperation, the one with China is probably the most elaborated. This should come as no surprise as China is by far the largest source of imports at the EU border; those imports are also the largest source of fake, substandard, and dangerous products entering the EU. Without the establishment of the CCMAA and the Strategic Framework, there would be no structural dialogue on all the challenges created by imports from China at the border. The added value of the customs cooperation lies in this foundation.

### ***Mutual Administrative Assistance***

As indicated along this present evaluation, the MAA cooperation has been sub-optimal and leaves quite some room for improvement. Still, some information shared by China is considered valuable as it has a certain impact on fighting fraud. It is however highly unlikely that EU Member States separately would have reached better results than under the current setting with the CCMAA at EU level.

### ***AEO mutual recognition (MR)***

The EU participants reported that implementing the CCMAA and Strategic Framework was certainly conducive to the drafting and establishment of the cooperation on AEO MR as such with China.<sup>97</sup> AEO MR has also certainly contributed to a closer relationship between AEO traders from the EU and China. National customs administrations also indicated that under the AEO MR, they have noticed an improvement in trade-related practices with China.

### ***SSTL pilot project***

The majority of respondents pointed out that the EU added value was tangible due already to the mere existence of the SSTL pilot project<sup>98</sup>, although for the EU participating Member States, the value added progressively reduced, especially in recent years. The collaboration achieved under SSTL has contributed notably to enlarge the network of contacts with ports and rail authorities. At the same time, the fact that most Member States did not participate in this pilot and that a proper legal basis is absent which led sub-optimal IT connections for the exchange of data, reduced substantially its potential for bigger added value.

### ***IPR***

The CCMAA and Strategic Framework have been considered as successful and adding value through enabling the exchange of knowledge and experiences of IPR enforcement policies.<sup>99</sup> At the same time, positive results cannot be quantitatively demonstrated through a decrease in the number of seizures or via statistics in diminished infringements.

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<sup>96</sup> See Annex VI for history, developments and depth of customs cooperation in each of those key areas.

<sup>97</sup> See the external study, p.151. <https://data.europa.eu/doi10.2778/211586>

<sup>98</sup> See the external study, p.152. <https://data.europa.eu/doi10.2778/211586>

<sup>99</sup> Responses to Question 28 in the EU Member State survey online, see the external study, p. 103 <https://data.europa.eu/doi10.2778/211586>



In conclusion, from all the specific areas of customs cooperation, the external study only provided input for the added value of AEO, SSTL and IPR. It appears that most stakeholders did not specifically express their views as to the added value of the other key areas. However, stakeholders clearly highlighted their perceived utility of the CCMAA and the Strategic Framework to shape and guide customs cooperation at EU level and in a coordinated manner with China.

### **4.3. Is the intervention still relevant?**

The relevance has been assessed through the following evaluation questions<sup>100</sup>: To what extent are the CCMAA and Strategic Framework still relevant, adequate, and sufficient to meet the needs of the stakeholders in a customs environment that has changed considerably over the years? How have the needs changed over time and what were the most important factors behind the change (e.g.: global and national economic situations, political developments, technological progress including cross-border e-commerce, etc.)?

The assessment of relevance in this evaluation explored the degree to which the CCMAA responds to the needs of two distinct groups: the customs authorities, on one hand, and the business community, on the other, and how these have developed over the last two decades of customs cooperation with China since the CCMAA entered into force.

#### **4.3.1. Changes of developments in the customs environment over the past 18 years**

Structural changes have occurred in the customs and trade environment all over the world since the introduction of the CCMAA in 2005. While customs traditionally focussed on fostering legitimate and fair trade and fight against fraud, customs have now also become essential in managing crises at the European borders and dealing with non-fiscal controls related to prohibitions and restrictions. Customs has become custodians of many of the sanctions imposed on third countries, such as the recent ones on Russia and Belarus.<sup>101</sup> The world economy, international trade and geopolitics have evolved in a dramatic way since 2004. Security and safety concerns have risen to the fore, including product safety. Brexit, the Covid-19 pandemic and the Russian invasion into the Ukraine have been accelerators of these. In other words, dangerous, non-compliant products enter the EU market every day and besides the health considerations, we have billions of customs duties and taxes uncollected.<sup>102</sup> Moreover, the stricter climate and environmental legislations in the EU that have been adopted in recent years are resulting in need to further protect the EU against those illegal imports. For instance, the smuggling into the EU of hydrofluorocarbons that are mainly produced and exported from China and are circumventing an EU quota system for these climate warning gases.<sup>103</sup>

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<sup>100</sup> All evaluation questions can be found in Annex III.

<sup>101</sup> [EU measures following the Russian invasion of Ukraine \(europa.eu\)](https://europa.eu/eu-press/press-room/2022-03-10-statement-ec-commissioner-trade-and-economic-affairs-tiedtke-eu-measures-following-the-russian-invasion-of-ukraine)

<sup>102</sup> Wise Persons Group on the Reform of the EU Customs Union (2022) *Putting More Union in the European Customs: Ten proposals to make the EU Customs Union fit for a Geopolitical Europe*, Brussels, [https://taxation-customs.ec.europa.eu/system/files/2022-03/TAX-20-002-Future%20customs-REPORT\\_BIS\\_v5%20%28WEB%29.pdf](https://taxation-customs.ec.europa.eu/system/files/2022-03/TAX-20-002-Future%20customs-REPORT_BIS_v5%20%28WEB%29.pdf)

<sup>103</sup> Regulation (EU) 2024/573 on fluorinated greenhouse gases.

The Wise Persons Group, tasked to make proposals for making the EU Customs Union fit for a geopolitical Europe, identifies in its report<sup>104</sup> two root causes: first, the last decade has witnessed major changes in trade and technology, which have exacerbated pre-existing difficulties. The volumes of trade have significantly increased, and the nature of trade has changed with the expansion of cross-border e-commerce in the form of millions of small packages to be processed at the EU borders each day. Second, the role customs is given, has evolved from those related to revenue collection to include citizens' demands to ensure that the values that they cherish – sustainability, safety, human rights, health – as well as security concerns are upheld and, in recent years, this trend has been accelerating. These developments lay at the basis of the Commission's proposal of the Customs Union Reform.

The growing trade in cross-border e-commerce has generated opportunities for the global economy and has revolutionised the way businesses and consumers market, sell, and purchase goods. This poses significant challenges for customs as they need to collaborate with other authorities to be able to fulfil new tasks given to customs. The volume of cross-border e-commerce imports into the EU is growing rapidly.

In 2021, approximately 750 million declarations for release for free circulation in the EU were filed for e-commerce shipments. This number continues to rise as in 2022, there were 1.4 billion e-commerce customs declaration of which 1 billion came from China (74%). And in 2023, this increased further to 2.3 billion of e-commerce consignment entering the EU of which 86% came from China (representing 2 billion e-commerce shipments). By value, these cross-border e-commerce consignments represent approximately 1% of the total declared imported value while being subject to the same customs formalities.<sup>105</sup>

The challenges of cross-border e-commerce are numerous for customs: high volumes of declarations and freight to be controlled and inspected at an ever-increasing speed to keep the pace with quick moving small consignments. This against the background of substantial parts of declarations containing incomplete or inaccurate data, misuse of duty relief for low value consignments, insufficient exchange of data for risk management and controls, resulting in undervaluation, misclassification, artificial splitting of consignments and goods entering or being placed on the EU market while not meeting non-financial requirements. These challenges are set to grow, as new technologies and evolving business models add new strains on the current system.

In 2004, when the CCMAA was agreed with China, cross-border e-commerce was not significant. Now, it is one of the two major challenges of customs, and this importance is likely to increase in the future. While the Strategic Framework 2018-2020 already designated cross-border e-commerce as one of the priorities, this area is further mentioned in the latest Strategic Framework 2021-2024. The level of cooperation on cross-border e-commerce with China should be developed to correspond to customs realities on the ground.

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<sup>104</sup> Wise Persons Group on the Reform of the EU Customs Union (2022) *Putting More Union in the European Customs: Ten proposals to make the EU Customs Union fit for a Geopolitical Europe*, p. 3 [https://taxation-customs.ec.europa.eu/system/files/2022-03/TAX-20-002-Future%20customs-REPORT\\_BIS\\_v5%20%28WEB%29.pdf](https://taxation-customs.ec.europa.eu/system/files/2022-03/TAX-20-002-Future%20customs-REPORT_BIS_v5%20%28WEB%29.pdf)

<sup>105</sup> Data obtained from customs declarations for release for free circulation in the European Union.

At the same time, the responsibilities of Member States' customs authorities have extended since 2004 beyond their traditional role in protecting the single market and supervising and contributing to fair and open trade. They are taking on an increasing number of responsibilities in the field of safety and security with a view to protecting the public against terrorist, health and safety, environmental and other threats.<sup>106</sup> Customs authorities need indeed the tools and resources to properly assess, and stop imports which pose real risks to the EU, its citizens, and its economy. This aspect has gradually gained more attention in the subsequent Strategic Frameworks with China, as product safety and fight against smuggling of drug precursors has been taken up in the latest Strategic Framework.

Moreover, customs will also have to jump on the train of the digital transformation. The proposal for the Union Customs reform intends cut down on cumbersome customs procedures, replacing traditional declarations with a smarter, data-led approach to import supervision. To keep our customs cooperation up to date, fit for and relevant in the future, the CCMAA will have to be seriously upgraded to reflect those increasingly important aspects of customs cooperation.

#### **4.3.2. Changes in needs in 18 years of developments in the customs environment and relevance of scope and objectives of the interventions**

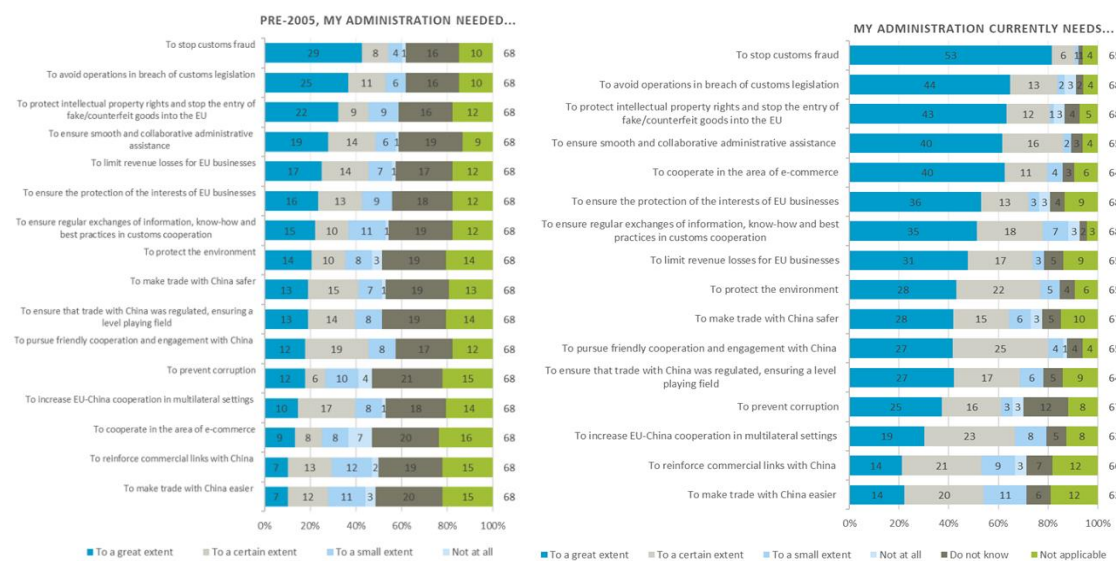
As a result of these two major new developments in the larger trade and customs environments in the last two decades, there has been a change in the needs of key stakeholders. Notably, there is a need to proactively address current and emerging risks affecting national revenues, product safety, security of the citizens and the protection of IPR. Before 2004, the primary goals of customs authorities and national administrations were the fight against fraud and activities in breach of customs legislation, together with IPR enforcement and collaborative administrative assistance. These areas are still among their key objectives today. The original objectives and priority areas identified in the CCMAA and the Strategic Framework are thus still very relevant.

However, new objectives and areas are gaining track in relevance too due to the developments indicated under 4.3.1. Due to developments in cross-border e-commerce for and the increased role of customs in safety and security, other tasks have emerged over the last two decades. Virtually all stakeholders consulted voiced indeed the need for the CCMAA and Strategic Framework to address cross-border e-commerce and the challenges it presents in a more targeted way. The figure below shows the evolution of customs authorities and other relevant national authorities' needs from 2004 to present.

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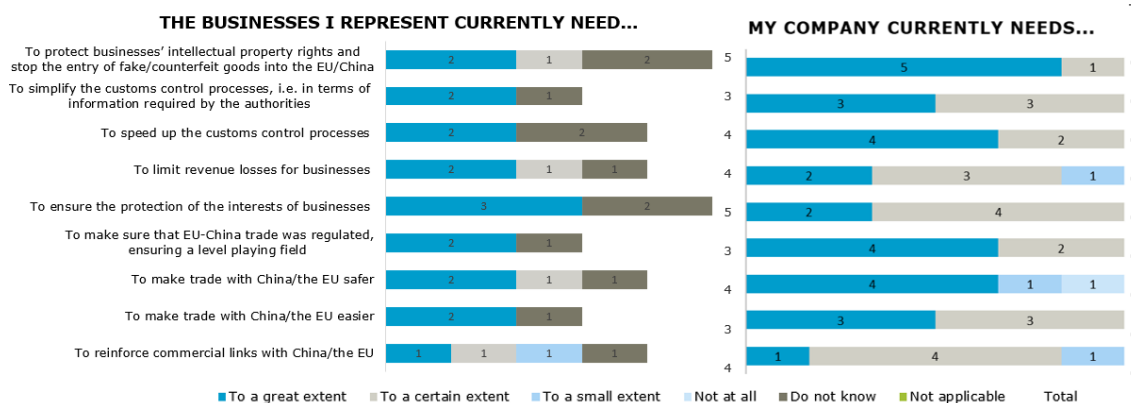
<sup>106</sup> Impact assessment with the document Proposal for a Council Directive amending Directive 2006/112/EC introducing certain requirements for payment service providers and impact assessment with the Proposal for a Regulation establishing the 'Customs' programme for cooperation in the field of customs, SWB(2018) 321, 8 June 2018, p.11, URL: [https://ec.europa.eu/commission/sites/beta-political/files/budget-may2018-customs-impact-assessment\\_en.pdf](https://ec.europa.eu/commission/sites/beta-political/files/budget-may2018-customs-impact-assessment_en.pdf)

**Figure 9. National authorities' survey – “To what extent do the following reflect the past (pre-2005)/current needs of your administration when cooperating with China in customs matters?”**



On the side of the business community, the focus before 2004 was on simplifying and speeding up the customs control processes and therefore fostering trade between the EU and China. However, over time, for EU businesses, the protection of businesses' IPR and making trade with China more secure and safer have gained more importance, as reflected in the table below.

**Figure 10. Business community survey – “To what extent do the following reflect the past (pre-2005)/current needs of the businesses you represent/your company when cooperating with China/the EU in customs matters?”**



The first Strategic Framework was put in place in 2010 and it is updated on a three-yearly basis. This cooperation instrument between the EU and China remains thus flexible enough to be easily adaptable to current and emerging challenges and needs in the course of time. For example, the 2018-2020 Strategic Framework presented two new priorities that were not included in the previous one: cross-border e-commerce and horizontal actions. For the 2021-2024 Strategic Framework, two other priorities have been added: product safety and drug precursors. Due to the consecutive adaptations in the Strategic Framework to upcoming priorities, the scope and objectives of the CCMAA, notably through the Strategic Framework remained very relevant. In line with these findings, the consecutive Strategic Framework and the organisational set-up behind the CCMAA have allowed for an adaptation to changing times to a certain extent.

However, most stakeholders consulted at the EU and national level would welcome a revision of the CCMAA.<sup>107</sup> This is notably in view of recent changes that affected the customs environment, like adapting its provisions to new fraud patterns, including those linked to transshipment and cross-border e-commerce, and to increased roles like on product safety and security. Moreover, due to expected changes in EU customs policy following the Wise Persons Group and the UCC Reform, it could be more important than before to keep our customs cooperation with China aligned and up to date with those new policy directions.

In addition, the CCMAA and Strategic Framework have the challenging ambition of addressing the needs of two distinct groups: customs authorities, on one hand, and the business community and traders, on the other. Overall, both the CCMAA and the Strategic Framework were judged relevant by virtually all stakeholders consulted through interviews and surveys.<sup>108</sup> However, as established before in this evaluation, several stakeholders highlighted that the CCMAA's relevance is affected by the difficulties encountered in the implementation of the MAA pillar.<sup>109</sup> If the CCMAA is revisited and potentially enlarged in scope addressing other key areas like cross-border e-commerce<sup>110</sup> and also safety and security, stakeholders indicated that it would also be a good occasion to find (other) ways to address the challenges that are currently hampering the implementation process of MAA. In this context, one could for example consider the benefits of stronger commitments and enforceability overall in the CCMAA and an increased focus on risk management.

#### 4.4. Gap Analysis

In the context of evaluating the relevance of the CCMAA and the Strategic Framework, it is important to look at the possible gaps. The following two questions were evaluated in the gap analysis: 1) Is there room for improvement in the implementation and application of the CCMAA and Strategic Framework within the context and constraints of the legislation currently in force? 2) Are there any gaps that the two instruments leave uncovered in terms of actions that could/should be taken under the policy areas currently covered and/or of new policy areas currently not included (e.g.: product safety, drug precursors)?

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<sup>107</sup> See the external study, p.88. <https://data.europa.eu/doi10.2778/211586>

<sup>108</sup> See the external study, p.88. <https://data.europa.eu/doi10.2778/211586>

<sup>109</sup> See the external study, p.88. <https://data.europa.eu/doi10.2778/211586>

<sup>110</sup> As per the Strategic Framework cross-border e-commerce cooperation could entail the following actions:

- Sharing in-depth knowledge and best practices. This can take the form of case studies and recommendations on customs supervision and facilitation practices;
- Ensuring efficient controls including on security, safety and IPR, whilst facilitating legitimate cross-border e-commerce in a manner that is non-discriminatory towards other trade modes;
- Enhancing risk management cooperation in cross-border e-commerce;
- Cooperating in the World Trade Organisation (WTO) and in the World Customs Organisation cross-border e-commerce Working Group.



#### 4.4.1. Gaps found in key areas currently covered in customs cooperation

##### *Customs cooperation*

The majority of consulted stakeholders stressed that the key to improving the CCMAA and the Strategic Framework overall is, first and foremost, ensuring that it is properly implemented.<sup>111</sup> Some also mentioned the seeming mismatch on the Chinese side between the political will demonstrated by the Chinese counterpart during official meetings and the concrete implementation following them; this seems not necessarily due to a lack of goodwill from the Chinese experts but may result from a lack of manpower and resources assigned to the different tasks.<sup>112</sup>

##### *Mutual Administrative Assistance*

For the MAA pillar, also the lack of proper implementation surfaced as the core issue where improvements could lead to substantial increase in benefits. The sub-optimal application of this pillar leads also to ineffectiveness and inefficiency on other key areas of cooperation, like IPR enforcement and the fight against (financial) fraud.

##### *AEO mutual recognition (MR)*

Virtually all stakeholders consulted through interviews reported that the cooperation with China on AEO MR could benefit from further improvements.<sup>113</sup> Both customs authorities and representatives of the business community believed for example that the establishment of a monitoring system for the implementation of the AEO MR should be (further) promoted under the CCMAA.<sup>114</sup>

##### *SSTL*

As a key priority to improve the SSTL pilot project, virtually all stakeholders highlighted the implementation of automated data exchanges.<sup>115</sup> Linked to the development of IT systems that would allow the automated exchange of data, is the need to incorporate advanced risk management techniques in the ambit of the project.<sup>116</sup> This is only possible if the SSTL pilot project is upgraded with a formal legal basis.<sup>117</sup> The legal base can only be provided through amending the CCMAA. The limits to further develop this project through current instruments have been reached. Once there is a legal basis established in a possible new CCMAA, all the EU Member States should be able to participate.

##### *IPR*

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<sup>111</sup> See the external study, p.134. <https://data.europa.eu/doi10.2778/211586>

<sup>112</sup> See the external study, p.134. <https://data.europa.eu/doi10.2778/211586>

<sup>113</sup> See the external study, p.139. <https://data.europa.eu/doi10.2778/211586>

<sup>114</sup> See figure 55 and 56 in Annex X.

<sup>115</sup> See the external study, p.140. <https://data.europa.eu/doi10.2778/211586>

<sup>116</sup> See figure 52 and 53 in Annex X.

<sup>117</sup> European Commission, DG TAXUD/Joint Customs Cooperation Committee (JCCC) Steering group – 7th Meeting of the EU-China JCCC, 20th March 2019. The external study also reported that Chinese officials had argued that future work should concentrate on the development of rail lanes. After China launched its New Silk Road initiative in 2013, there are now at least 51 railway lines that directly connect 27 Chinese cities to 28 European cities and have begun operation. However, many of those trains come with full cargo from China but go back empty to China which does not make it economically viable and quite dependent on Chinese funding. Moreover, since the start of the Russian invasion into Ukraine beginning of 2022, many of those trade rail lanes pass through Russian territory which puts into question this logistical means.

Figures 47 and 48 in Annex X present graphic responses from customs authorities and members of the business community indicating that IPR enforcement should be improved through the further development of several actions. Increasing the targeting of high-risk consignments and further curtailing trade in IPR infringing goods seems a priority for authorities. The business community would welcome an increased effort to establish an exchange of best practice and knowledge with economic operators in China.

#### ***Fight against fraud to protect financial interests***

In the national authorities' survey, most respondents indicated that actions should be promoted to reduce tax revenue losses due to fraud.<sup>118</sup> Several interviewees highlighted however that without the necessary information to target and tackle fraudulent activities, it will not be possible to reduce tax revenue losses. The fight against fraud to protect financial interests has also directly suffered the consequences of a sub-optimal implementation of the MAA pillar. Most respondents from the business community indicated that the development of a common understanding of corruption, and measures to avoid it, as the key priority to improve the fight against fraud.<sup>119</sup>

#### ***Fight against fraud to protect the environment***

Customs authorities from EU Member States identified the following as the first three key areas of improvement to protect further the environment via customs cooperation with China: 1) Identification of key trends in the illicit trade of waste; 2) Increase of awareness of the illicit trade in waste; and 3) Development of a common understanding of illicit trade in waste and the measures to solve it.<sup>120</sup> Members of the business community also identified the creation of a single network of focal points as a key priority which would contribute to operational actions against illegal shipments. Furthermore, it would also be beneficial to have a closer cooperation to facilitate enforcement of climate and environmental rules adopted more recently, e.g., Regulation (EU) 2024/573 on fluorinated greenhouse gases.

#### ***Statistical cooperation***

There was no gap identified in this field.

### **4.4.2. Gaps found in key areas currently not covered by the CCMAA**

The external study also investigated whether, according to stakeholders' opinions, the CCMAA would benefit from the inclusion of new areas in its scope for customs cooperation.

As a result of the exponential growth of e-commerce in recent years, the number of illegal or irregular transactions increased further as well. Therefore, e-commerce and the challenges it poses, like reflected in the last two Strategic Frameworks, should be taken up in the CCMAA if it is to be amended.

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<sup>118</sup> See the external study, p.136. <https://data.europa.eu/doi/10.2778/211586>

<sup>119</sup> See figures 49 and 50 in Annex X.

<sup>120</sup> See figure 52 in Annex X.



The most frequently mentioned gaps in the scope of the CCMAA that are currently not part of the CCMAA would be to also include ‘product safety’ and ‘drug precursors’<sup>121</sup> both having been added already as priorities to the latest Strategic Framework 2021-2024.

## 5. WHAT ARE THE CONCLUSIONS AND LESSONS LEARNED?

### 5.1. Conclusions

#### *Summary of key findings on effectiveness: were objectives met?*

The evaluation demonstrated that the objectives of the key areas of customs cooperation with China as identified in the CCMAA and Strategic Framework have been reached to varying degrees.

- On the **overall Customs Cooperation**, the organization of official meetings and exchange visits between the EU and China have been successful in providing a platform for dialogue. Overall cooperation significantly improved after 2010 due to the subsequent Strategic Frameworks which defined specific areas of cooperation and set concrete priorities in those areas.
- On **Mutual Administrative Assistance (MAA)**, response rates from China to EU Member States queries recorded over the years have not been satisfactory and, when the information was provided, it was not always useful or exploitable. Several obstacles hinder effective MAA implementation, including the unilateral restrictions imposed by China on the use of information exchanged under MAA and communication difficulties. The cooperation between OLAF and the Chinese Anti-Smuggling Bureau provides good results. Overall, the MAA pillar is not considered sufficiently effective from an EU perspective.
- **Supply chain security initiatives** have shown mixed results. While there are some positive outcomes, such as perceived reduced clearance lead times and improved cooperation under the Authorized Economic Operators (AEO) Mutual Recognition, there were also clear limitations to the cooperation on notably the Smart and Secure Trade Lanes (SSTL) pilot project due the lack of a fully-fledged IT system and legal basis to allow electronic and automatic data exchanges and not all Member States currently participate.
- **IPR enforcement** between the EU and China has led to positive outcomes, such as joint investigations and exchanges of best practices. However, challenges persist, including high percentage of IPR infringing goods from China. Improvements would require that the obstacles in information sharing which would be removed.
- In the **fight Against Fraud**: 1) The protection of EU’s financial interests has led to some achievements, including some successful joint customs operations with China targeting fraudsters and reduced tax revenue losses. However, challenges related to MAA hinder full effectiveness. 2) The protection of the environment through the combat of illegal trade in waste has, on the other hand, been effective.
- **Statistical cooperation** between Eurostat and China's customs has been successful in the past, as evidenced by a decreasing asymmetry in the EU-China trade statistics at some point. Cooperation had however halted in recent years, although in 2024 exchanges were taken up again.

<sup>121</sup> See the external study, p.141. <https://data.europa.eu/doi10.2778/211586>

In sum, while some areas of cooperation have shown positive outcomes and concrete results, serious challenges remain in achieving full effectiveness, particularly in addressing usefulness of responses under MAA and combating financial fraud comprehensively.

***Summary of key findings on efficiency: How was the cost-benefit analysis?***

The available evidence on the costs of the intervention was extremely limited. Therefore, the evaluation can, at most, provide an indication. As practically no quantitative data was available, a qualitative assessment of the costs prevailed while both administrative and regulatory costs were evaluated. Most respondents were not aware about the costs of a specific measure. If costs would have gone out of the ordinary and been exceptionally high, it is assumed it would have then been noticed by respondents.

On the benefits, more data was available than on costs, albeit primarily also in qualitative terms.

On the **benefits** per key area of customs cooperation:

- On **Customs Cooperation**, all stakeholders in all the different areas of the cooperation, mentioned the facilitation of successful platforms for dialogues, the enhanced exchanges and resulting cooperation with China as a key benefit.
- On **Mutual Administrative Assistance (MAA)** the benefits have been curtailed by its sub-optimal functioning.
- **Authorized Economic Operators (AEO) Mutual Recognition** has been widely described as beneficial by the business community and customs due to faster customs clearance and decreased intervention rates.
- The highest benefit in **Smart and Secure Trade Lanes (SSTL)** was generated through direct contact points in ports and improved communication channels.
- The benefits in terms of reducing the number of seizures on **IPR** infringing goods from China were limited (as over the last decade most seized goods remained originating in China). However, up to 78% of respondents indicated many direct benefits, like exchanges of knowledge and best practices, the target on high-risk consignments, as well as societal benefits in curtailing trade in IPR-infringing goods.
- **Fight against fraud** cooperation has provided two main benefits: more products seized in breach of customs rules as well as a decrease in tax revenue loss under fraud, as data shows that the VAT gap in the EU has decreased. The cooperation was also beneficial for reducing trade in illegal waste and narrowing the gap in **statistics**.

In sum, the Cost-Benefit analysis showed that costs remained overall relatively stable across all key areas, while direct and societal benefits increased significantly (except for MAA). The customs cooperation with China is therefore considered proportionate in terms of cost-benefit analysis and therefore efficient.

***Summary of key findings on coherence: consistent with other measures?***

The CCMAA is internally coherent. No inconsistencies were found between the CCMAA and the Strategic Framework. The objectives of the CCMAA and the Strategic Frameworks are also aligned with other EU policies, notably the current Union Customs Code (Regulation 952/2013), the WTO Customs and Trade Facilitation Agreement, the Directive on the exemption from value added tax on

the final importation of certain goods (Directive 2017/2455) and the Waste Shipment Regulation (Regulation 1013/2006 including the new of 2024). The CCMAA and the Basel Convention are considered complementary. No incoherence was found between the CCMAA and the Ship Recycling Regulation (Regulation 1257/2013), the Drug Precursors Regulation (Regulation 111/2005) or the Explosives Precursors Regulation. If the CCMAA will be renewed, it will have to be updated in the field of data protection, in accordance with GDPR.

***Summary of key findings on added value: Did the cooperation at EU level make a difference?***

Customs is one of the policy fields where the EU has an exclusive competence. Nevertheless, the evaluation looked at whether equal or better results could have been established at national level. This analysis revealed the most positive results of this whole evaluation: all stakeholders, across the board, expressed unconditionally that interventions on customs at EU level with China have an important added value above national level. Stakeholders underlined that it allows the EU ‘to speak with one voice’, ‘to take action in a coordinated manner’ and with an ‘overall sense of unity’ while having ‘more weight in the interactions with China’. Individual EU Member States cannot interact with China in the same way as the EU does; sheer size matters when dealing with China. Member States emphasized that the possibility to deal with China in a uniform way, justifies the intervention at the EU level.

***Summary of key findings on relevance: Is the intervention still relevant and adaptable to the latest developments?***

Back in 2004, when the CCMAA was agreed, the primary needs of customs authorities were the fight against fraud and activities in breach of customs legislation, along with IPR enforcement and collaborative administrative assistance. The original objectives and priority areas identified in the CCMAA and the Strategic Framework are still key and very relevant for customs today.

However, the trade and customs context have dramatically changed over the last two decades and, on top of initial key areas, new challenges have emerged. Establishing cooperation in e-commerce was not a priority in 2004, but it is today. The business community used to be keen on fostering trade between the EU and China; now we are in an era of de-risking. Safety and (economic) security have gained traction over time, including by dealing with product safety and drug precursors. The digital transformation also requires having a strong legal basis for possible future automated and/or systematic electronic exchanges of information, and to make it GDPR compliant. This information exchange would also allow a greater focus on control through better (targeted) risk management.

***Summary of key findings on Gaps analysis: Is there room for improvement?***

Increasing the effort to ensure proper implementation of the Mutual Administrative Assistance (MAA) mechanism should be a priority. It should be achieved with tools that make MAA more enforceable and accountable, and which makes data exchange more useful. Such an improved mechanism should reduce tax revenue losses. Moreover, the SSTL pilot project has reached its limits and would notably need a proper legal basis, if it were to be continued. In addition, an up-to-date risk assessment management should be included. Enforceability of commitments should have a central role. IPR cooperation should become even more focused on high-risk consignments. The scope of the CCMAA should also be enlarged to reflect new developments in the customs environment, notably

on e-commerce, product safety and drug precursors, as these topics are currently only taken up in the non-binding Strategic Framework. There is thus room for improvement and the CCMAA would likely benefit from a review process. This should take into account the latest developments, trends and dynamics in terms of responsibilities and priorities for customs including the fact that a broader focus on climate and environmental rules is warranted.

### ***In sum***

While the EU's intervention in customs cooperation with China has yielded overall positive outcomes, there is room for improvement to address some of the gaps to achieve effective implementation and adapt to emerging challenges. Expanding the scope of the CCMAA to include new priority areas would be a critical step forward in ensuring that EU-China customs cooperation remains robust and effective in the years to come.

## **5.2. Lessons learned**

There are several positive take-aways from this evaluation. The first is that there is a clear added value for the EU to deal with China on customs related issues. This was acknowledged by all EU Member States as taking up the cooperation at EU level helps not only to ‘speak with one voice’ for the whole EU but also to ‘take action in a coordinated manner’ and with an ‘overall sense of unity’ while having ‘more weight in the interactions with China’. This confirms the relevance of engaging in customs cooperation at the EU-China level.

Secondly, this evaluation demonstrates that establishing structured communication channels with a partner like China is crucial; it is the basis of the cooperation. Trying to forge common interests, cooperate and reaching common results on customs between two economic and trade powers which are culturally and politically substantially different is not easy; constructive and recurrent dialogues help to create mutual understanding and bridge gaps.

Thirdly, the governance of the customs cooperation has been adaptable to latest trends and developments. The successive Strategic Frameworks with China allowed to remain flexible and update along the way the priorities of the customs cooperation to the new realities. As an illustration, the latest challenges of cross-border e-commerce and fight against designer drug precursors have been taken up in recent Strategic Frameworks as new priorities to focus the customs cooperation on.

When it comes to potential improvements, the evaluation has brought to light several points that are worth considering. First, the role of customs has evolved over the last 20 years. From the traditional role of collecting duties and taxes, customs has evolved. It currently includes the execution of controls and other activities that serve a wider set of objectives, such as the protection of safety, security, and the environment and otherwise contributing to tackling harmful or non-compliant trade through supervision of all goods and transports crossing the external borders. EU-China customs cooperation should adapt to the changes in the global trading environment and to the needs of stakeholders. As the CCMAA has not been changed in 20 years, these new roles and new challenges could not be fully reflected yet in the EU customs cooperation with China. This would probably justify, already on its own, a modernization of the CCMAA.

Secondly, as the evaluation established, the overall context of customs cooperation was in 2004 radically different from the current 2024 context: while in 2004 there was barely any trade between the EU and China, in 2024 the EU gets by far the largest share of its imports from China

(around 20% in value in recent years). The imports are by value, volume, and number of consignments the most relevant for the EU Customs Union's risk management. As the EU imports twice as much from China as the other way around, the bulk of the customs challenges lies also squarely on the EU side. Many cases involving undervaluation or evasion of customs duties relate to imports originating in China. 85% of e-commerce imports in the EU in 2023 came from China, of which a substantial part is deemed incompatible with EU legislation. 83% of the number of IPR infringing goods seized at the EU border in 2022 came from China. The evidence collected show that like 95% of all designer precursors for amphetamine type stimulants in recent years, are originating in China. While the customs cooperation established with China logically represented the most comprehensive engagement in the customs domain with an EU trading partner, these figures, as revealed by the evaluation, show that there is need to continue but also strengthen further this customs cooperation. Indeed, although the evaluation established that there is room for improvement on different levels and key areas, in light of the magnitude of the challenges coming from Chinese imports for customs, not cooperating or not using the instruments provided by the CCMAA seems not an option. It would make it more difficult, and in some cases rather impossible, for EU customs to meet their objectives. Talking about objectives, the customs cooperation with China could benefit from setting in advance 'S.M.A.R.T' specific objectives and KPIs to more specifically measure success in the future.

Thirdly, one of the main components of the EU-China customs cooperation is the Mutual Administrative Assistance (MAA) mechanism. Regrettably, the MAA with China is functioning in a sub-optimal manner. Neither the number of MAA requests from the EU Member States to China (between 51 and 372 a year), nor the low response rate (most years largely below 50%), or the quality of these responses from the Chinese authorities (only in exceptional cases, it contains both useful and usable information due to the GACC 'disclaimer' which does not allow the information to be used in administrative and/or judicial proceedings), are adequate in view of the scale and type of imports from China to the EU today. Therefore, a priority should be in the future to establish a mechanism for obtaining quantitative, actionable, and usable customs data coming from China. This is clearly an area for improvement.

Fourthly, customs will also have to jump on the train of the digital transformation. The Commission proposal for the Union Customs Reform intends cut down on cumbersome customs procedures, replacing traditional declarations with a smarter, data-led approach to import supervision and more efficient risk management. The customs reform proposal will strengthen in particular the EU's capacity to detect non-compliant supply chains and to intervene through customs controls and also through instructing that certain goods should not be transported to the EU in the first place. It will also equip the EU with a new capacity to make systematic use of information obtained in the context of co-operation arrangements. To keep international customs cooperation up-to-date, and fit for, and relevant in the future, an upgrade of the CCMAA should be considered to reflect those important developments. To stay coherent with and relevant for the projected EU future customs policy, the customs cooperation with China should have the capacity to adapt in light of these evolutions.

Fifthly, the evaluation established that the Smart and Secure Trade Lanes (SSTL) Pilot project has reached its limits and cannot continue in its current form. Information exchanges should only take place in an electronic and recurrent manner with a proper and well-functioning IT-tool usable to a satisfactory level for both sides and which guarantees full GDPR conformity and confidentiality of data, while taken cybersecurity issues into account and be accessible for all the EU Member States.

Finally, experience with the current CCMAA has shown that when expectations are not fulfilled by reality, several issues can be addressed and solved through dialogue. Those dialogues do however not always produce fully satisfactory results, at least for the EU side, e.g. the MAA mechanism and IPR enforcement. To ensure that these dialogues remain effective, there is potential room for more accountability and enforceability in the commitments taken under the future cooperation.

Based on the above, it would seem ill-advised not to cooperate with China on customs, even if there are many challenges and some serious shortcomings. And based on all the lessons learned, it seems that there would be enough elements that could justify a modernization of the EU-China customs cooperation through an update of the CCMAA.

Given the scale of the EU-China trade relationship and the issues that arise from it, a broad, relevant, effective and enforceable customs cooperation is a priority to protect the EU interests. Cooperation in general does not remove the need for the EU to improve its own capacities to systematically identify and respond to harmful, non-compliant supply chains, but it can make an important contribution to outcomes. Continuing and deepening this cooperation is aligned with the wider, multi-faceted EU policy on China, which is considered as a strategic rival, an economic competitor, but also a partner for pragmatic engagement on issues of common interest.

**Lead DG, Decide Planning/CWP references**

DG TAXUD, PLAN/2018/3975

**Derogations granted and justification**

Not Applicable

**Organisation and timing**

Participating services in the Inter-Service Steering Group (ISSG): SG, LS, EEAS, OLAF, DG TAXUD, TRADE, HOME, JUST, ENV, ESTAT, AGRI and NEAR.

The ISSG had 6 meetings on July 9<sup>th</sup>, 2019, November 6<sup>th</sup>, 2019, December 17<sup>th</sup>, 2019, May 20<sup>th</sup>, 2020, September 22<sup>nd</sup>, 2021, and December 14<sup>th</sup>, 2022

**Exceptions to the better regulation guidelines**

Not Applicable

**Consultation of the Regulatory Scrutiny Board - RSB (if relevant)**

Not Applicable

**Evidence, sources and quality**

As the Commission services wanted to carry out the evaluation based on evidence, an external study was commissioned to help with the data assembly and the gathering of objective findings to substantiate the evaluation with as much objective data as possible. The external study targets to provide the Commission services with an evidence base to assess whether the specific objectives of the CCMAA and the latest Strategic Framework have been achieved. This external study was completed in July 2020 and published in October 2020 and accompanies this Commission evaluation. The external study was published by the Commission:

<https://data.europa.eu/doi10.2778/211586>



## II. 1 The evaluation tools

The Commission services collected data and input and findings from independent sources gathered via an external study<sup>122</sup> that was commissioned. The following tools were used in this regard:

First, data and evidence (both qualitative, but also quantitative<sup>123</sup>) was gathered via desk **research**.

Secondly, a broad **stakeholder consultation** was set-up. This consultation consisted of various elements: An **online survey** was conducted with both EU Member States national customs authorities as well as the business community. Also, a **phone survey** was conducted with economic operators. In addition, in-depth interviews were carried out with a variety of stakeholders at the EU and EU Member States level. Finally, a **public consultation** in all EU languages was held to supplement the evidence gathered with views and opinions from other sources. An overview of each of these can be found in the table in hereunder. Some more details on the different tools used for the different elements of the stakeholders' consultation to gather the data and evidence needed, can be found hereunder under point II.4.

Thirdly, **an-depth analysis of the primary and secondary data collected** was conducted that included a cost-benefit analysis and the econometric analysis of the potential trade impacts of the CCMAA.

## II. 2 Robustness of the findings

<sup>122</sup> The external study was published by the Commission: <https://data.europa.eu/doi10.2778/211586>

<sup>123</sup> For the compilation of quantitative data, data on EU-China trade, the number of AEOs by Member State, as well as a number of control variables such as GDP and trade costs compiled for the purpose of the econometric analysis of the potential trade impacts of the CCMAA, SSTL pilot and AEO MRA were used. Trade data was sourced from the UN COMTRADE database and includes trade flows between EU Member States and China at the Harmonized System sub-heading (6-digit) level over the 2000 - 2018 period. GDP data was extracted from the World Bank's WDI database. To measure trade costs, tariff data was drawn from the United Nations Conference on Trade and Development's (UNCTAD) Trade Analysis Information System (TRAINS) database. At the time, tariff data was available only for up to the year 2018. Data on non-tariff measures was extracted from the WTO's Integrated Trade Intelligence Portal (I-TIP) database. To capture the impact of the AEO MRA, a time series of the number of AEOs authorised for security and safety (AEOSs) featuring in the European Commission's database of AEOs was constructed for each Member State in order to reflect the 'prevalence of AEOSs' within Member States. In addition, a time series of the number of freight trains travelling from Europe to China was used to control for the trade-contributing effects of the Belt and Road Initiative. The data was sourced from the website of the China Railway Container Transport (CRCT) company. Further details used on the data collected by the consultant for the econometric analysis are provided under point II.4 below.




The stakeholder consultation activities and the different data collection methods were developed and designed in such a way to be complementary among themselves.

In addition, measures were taken upfront to avoid gaps<sup>124</sup>. To avoid stakeholder fatigue during the consultations, different questions were asked in the consultation of stakeholders, representing a variety of perspectives and focus. This also prevented an over-representation of certain opinions in case the same stakeholder would reply to several consultation tools.

A broad range of stakeholders was reached through the various consultation activities, covering a broad geographical base all over the EU. Moreover, the consulted stakeholders cover a sufficiently broad range of types to represent the perspectives of all stakeholder groups that are directly affected by the CCMAA and/or have a medium to high level of influence and interest in it.

In tables 6 and 7 below, the robustness and representation of the data is presented along with a top-level ranking and a graphic representation of the assessment of the representativeness of the data per data collection tool. Findings and results of all these tools were triangulated and synthesised to provide robust, evidence-based input on the different assessment criteria of the evaluation.

**Table 6 Legend for the assessment of representativeness and robustness**







Legend	Description
	Good representation and geographical coverage, leading to overall robustness in the data.
	Partial representation and geographical coverage, leading to some data gaps in some of the sources.
	Poor representation and geographical coverage, leading to inconsistencies in the quality of data
<b>Acronyms:</b> Authorised Economic Operator Mutual Recognition (AEO MR), Smart and Secure Trade Lanes (SSTL), Intellectual Property Rights (IPR), Fight against Fraud (FAF), Statistical Cooperation (SC)	


In the number of responses per data collection tool and specific area of the Strategic Framework is presented, along with the degree of geographical coverage. One of the tools which lacked adequate representation was the phone survey with a sample of economic operators. As previously caveated, the general problems from this survey arose within the

<sup>124</sup> For instance, the overall approach to collecting data was based on sequencing. Gaps identified in the desk research (e.g. in terms of evidence) were then later filled through stakeholder consultation activities, notably the phone and online surveys and targeted interviews.

context of the COVID-19 crisis, making it particularly difficult to identify SSTL contacts to include in the survey.

**Table 7. Assessment of the representativeness of the data per data collection tool**

Data collection tool		Total responses	Responses per specific area					Coverage	Representativeness
			AEO MR	SSTL	IPR	FAF	SC		
National authorities' survey		68	18	17	24	31	5	21 EU Member States	
Business Community survey	Businesses	20 <i>(of which 10 business associations)</i>	4	2	2	2	-	Mixture of national and EU level organisations	
	Business Associations		3	5	3	3	-		
Phone survey with a sample of economic operators		11	11	10	-	-	-	Country of operation – 16 Member States and Worldwide	
In-depth interviews (National Level)		14	3	5	2	3	-	8 Member States	
In-depth interviews (EU level)		13	2	1	2	1	2	EU Level	
Exploratory interviews		9	1	1	1	2	-	EU Level	

<b>Public Consultation</b>	<b>52</b>	Survey questions keep to a high level to encourage participation from all relevant stakeholder including citizens	20 different countries. 16 out of the 27 EU Member States. Non-EU include: United Kingdom, Switzerland, Turkey and the United States.	
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## II. 3 The limitations of the findings

Despite the many efforts, there were also substantial setbacks in the data-collection by the external consultant. Despite the design of the data collection, mitigation strategies to deal with difficulties and the solutions used, some evidence could not be found (or only partially so) for a certain number of quantitative indicators in the research. The two big general areas where limitations occurred were notably in the ‘costs and benefit’ analysis and in the area of ‘Smart and Secure Trade Lanes’ as described below. There were also other specific areas where more detailed limitations arose, as described in Annex II.5. It is in general not easy to get much cooperation by stakeholders to this kind of consultations and surveys, while it is likely the impact of the global COVID-19 pandemic and lockdown further decreased participation levels.

The specific areas where limitations were occurred, are noted below with the solutions found.

### *Costs and benefit analysis*

There was a substantial effort made to collect information on costs and benefits. However, due to the lack of quantitative data and the very limited qualitative cost information received from stakeholders, it was only possible to conduct a cost-benefit analysis at a rather high level which remained also rather brief. Consequently, the costs-benefit analysis is more of an indicative nature than a precise assessment.

### *Problems encountered on SSTL and mitigation strategies*

For performing the survey with relation to the subject of SSTL, it proved particularly difficult to identify SSTL contacts in EU companies.<sup>125</sup> And once they were identified, some were not available at the time of the study. In other cases, companies who initially gave their consent to be contacted, did not want to cooperate any longer later onwards. As a result, it was only possible to conduct a low number of surveys on SSTL. Therefore, only limited data was gathered from economic operators involved in the SSTL pilot. This could be partly mitigated by gathering evidence from national authorities.

### *Impact of COVID-19 and mitigation strategies*

It is already not easy to get, in normal circumstance, good response from business to surveys. The COVID-19 pandemic outbreak – which was unforeseen when the momentum for the data gathering was planned – significantly impacted the business community and its employees. This likely impacted the limited response rates of the different stakeholders’ consultations and surveys even more. Different mitigation strategies were used to try to

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<sup>125</sup> There is no publicly available source that lists all SSTL participating companies/entities. As a consequence, an outreach was done through the SSTL contact point to identify the relevant stakeholders to be consulted. Not all national contact points were able to identify however relevant stakeholders. And in general, only a small pool of national contact points reacted.

find solutions (like extension of deadlines in the surveys, reaching-out pro-actively to certain stakeholders, finding other stakeholders, providing the option answering in written form). This did not seem to an impactful increase of responses rates.

### *Specific data gaps*

Despite the design of the data collection, mitigation strategies to deal with difficulties and the solutions used, for a certain number of quantitative indicators in the research, some evidence could not be found (or only partially so).<sup>126</sup> Furthermore, where relevant and appropriate, limitations to the data available are included in the individual answers to the evaluation questions.

Despite the limitations indicated, the Commission services appreciate the overall quality of the said external study. The Commission services acknowledge the efforts undertaken by the external consultant to mitigate the difficulties encountered in the fact-finding exercises while the conclusions drawn may not always have a robust evidence-base. Consequently, the conclusions drawn by the consultant may not always have been accurate and the Commission services did not always agree with them and/or may want to make a nuance or different emphasis. In any case, the whole reason for the Commission services to perform its own evaluation in this staff working document, is to clearly indicate its own opinion and its own conclusions which may thus differ from those reached by the external consultant.

## **II. 4 Details on different tools used for the stakeholders' consultations**

### *II.4.1 Phone survey with a sample of economic operators*

The phone survey targeted an illustration of 30 economic operators. This included a limited number of general questions on EU-China relations, the CCMAA and the Strategic Framework. Specific questions regarding the costs incurred and benefits accrued because of the CCMAA were also included. This survey was started on 30 March 2020, and formally closed for responses on the 8 May 2020.

**Table 8. Responses to the phone survey with a sample of economic operators**

<b>Planned number of phone surveys</b>	<b>Economic operators contacted</b>	<b>Phone conducted surveys</b>
30	33	<b>11</b>

### **II.4.2 Online survey to EU Member States' customs administrations and other relevant national authorities**

<sup>126</sup> These data gaps are presented in detail hereunder under point II. 5.



An online survey was launched on 12 March 2020. It targeted national customs authorities and other relevant authorities, including at the European level. The online survey included questions on the degree of implementation, effectiveness, relevance, coherence, and EU added value of the CCMAA, and the key areas covered by the Strategic Framework.

The survey was initially planned to stay open for 4 weeks. The deadline was extended twice. The survey formally closed for responses on 28 April, 7 weeks after its launch. The deadline was extended to seek to increase the response rate and counterbalance the challenges posed by the COVID-19 outbreak.

The survey was disseminated to authorities using a combination of a personalised link for named representatives and an open link which could be forwarded to other colleagues, to maximise the dissemination of the survey. Follow-ups were sent to those who had partially completed the survey at regular intervals. Table 9 below presents the responses garnered. The full national authority survey analysis can be found in Annex 8 of the external study of the consultant.<sup>127</sup>

**Table 9. Online survey to EU Member States' customs administrations and other relevant national authorities –response status**

<b>Number of respondents invited to complete the survey<sup>128</sup></b>	<b>Answered – complete</b>	<b>Answered – partially completed</b>
286	53	15

#### *II.4.3 Online survey to the Trade Contact Group (TCG) and the EU Chamber of Commerce in China*

Like the national authorities' survey, an online survey was also launched on 12 March 2020.

This survey targeted members of the business community, including associations which represent businesses at the national and European level (i.e., members of the TCG), businesses that trade with China and representatives of the European Chamber of Commerce in China.

The online survey included questions on the relevance, the degree of implementation, effectiveness, coherence and EU added value of CCMAA and the key areas dealt with by the Strategic Framework.

The survey was initially planned to stay open for 4 weeks. The deadline was extended twice and formally closed for responses on 28 April 2020, 7 weeks after its launch. Again, here

<sup>127</sup> The external study was published by the Commission: <https://data.europa.eu/doi10.2778/211586>

<sup>128</sup> Either invited directly by the study team or indirectly by colleagues who have forwarded the invitation

was also the deadline was extended to seek to increase the response rate and counterbalance the challenges posed by the COVID-19 outbreak.

The survey was disseminated to authorities using a combination of a personalised link for named representatives and an open link which could be forwarded to other colleagues, to maximise the dissemination of the survey. Follow-ups were sent to those who had partially completed the survey at regular intervals. Table 10 below presents the responses from the survey. The full survey analysis can be found in Annex 9 of the external study of the consultant.<sup>129</sup>

**Table 10. Online survey to the Trade Contact Group (TCG) and the EU Chamber of Commerce in China**

<b>Number of respondents invited to complete the survey<sup>130</sup></b>	<b>Answered – complete</b>	<b>Answered – partially completed</b>
194	8	12

#### *II.4.4 In-depth interviews with key stakeholders*

Thirty in-depth interviews with relevant stakeholders at the European and at the national level were conducted. The targeted interviews aimed to complement the online and phone surveys. As such more details would be collected more on why stakeholders held certain opinions, as well as to gather additional evidence for which qualitative data was judged to be an important source. An overview of the number of interviews conducted per organisation/ national authority is presented in the table below.

**Table 11. Overview of interviews at the EU and national levels**

	<b>Organisation/ National Authority</b>	<b>Planned interviews</b>	<b>Interviews conducted</b>
<b>EU Level</b>	European Chamber of Commerce in China	3	2
	European Commission	6	8

<sup>129</sup> The external study was published by the Commission: <https://data.europa.eu/doi10.2778/211586>

<sup>130</sup> Either invited directly by the study team or indirectly by colleagues who have forwarded the invitation

	OLAF	4	2
	GACC – China customs	3	1
National level	Belgium	2	3
	France	2	1 <sup>131</sup>
	Germany	2	2
	Greece	2	1
	Italy	2	2
	Netherlands	2	2
	Poland	2	2
	<b>Total</b>	<b>30</b>	<b>27</b>

#### II.4.5 Public Consultation

On 24 March 2020, a public consultation (PC) was launched to gather the opinions of the broader stakeholder community on the CCMAA between the EU and China, its implementation and interaction with other legislation in the area.

The PC was open to all EU citizens for 12 weeks, in line with the European Commission's Better Regulation Guidelines, until 16 June 2020. The full PC analysis is presented in Annex 11 of the external study of the consultant.<sup>132</sup>

## II.5 Analysis of data gaps

**Implementation – EQ 1.2. Have there been any complaints or irregularities regarding the implementation of the CCMAA and Strategic Framework? If so, how have they been handled?**

To respond to this sub-question, the study team intended to collect and analyse several indicators, if data was readily available for all Member States at the EU level, or to be gathered at the national level for a sample of Member States through the interviews. For one of them, evidence was not available.

<sup>131</sup> As a mitigation measure, one additional interview with Spain was carried out.

<sup>132</sup> The external study was published by the Commission: <https://data.europa.eu/doi10.2778/211586>

Indicator	Status
Number of complaints made with regard to the implementation of the CCMAA and Strategic Framework by Member States and/or by China	The precise number of complaints made, or irregularities uncovered could not be assessed during the evaluation study. Nevertheless, stakeholders' have provided a qualitative assessment of the main complaints and irregularities that have taken place since the introduction of the CCMAA and the Strategic Framework.

**Effectiveness – EQ 3.1 Has the implementation of the CCMAA and Strategic Framework contributed to reaching its objectives, notably: enhancing customs controls (general objective 1)**

In order to respond to this sub-question, the study team intended to collect and analyse several quantitative indicators, if data was readily available for all Member States at the EU level, or to be gathered at the national level for a sample of Member States through the interviews. For some of them, no information was available. Others could only be assessed to a partial extent based on available evidence. The table below presents an overview.

Indicators	Status
% increase of duty collection compared before and after the implementation of the CCMAA	Data <sup>133</sup> was retrieved and analysed. However, the information available is not sufficiently granular to be used as evidence in this study. The duty collection rate <sup>134</sup> over the evaluation period is available for Europe, but the <i>source</i> of such duties is not available (e.g.: customs duties applied to imports from China). Therefore, the information available would not provide any insights into the role the CCMAA and Strategic Framework might have played in this regard.
Duty collection trends over time (2005-2018)	Data <sup>135</sup> was retrieved and analysed. However, the information available is not sufficiently granular to be used as evidence in this study. The duty collection levels over the evaluation period are available for Europe, but the <i>source</i> of such duties is not available (e.g.: customs duties applied to imports from China). Therefore, the information available would not provide any insights in the role the CCMAA and Strategic Framework might have played in this regard.
Number of personnel exchanged over the evaluation period - Number of Chinese personnel sent to the EU - Number of EU personnel sent to China	The exact number of personnel exchanged between EU and China from 2005 to 2018 could not be assessed. However, consulted stakeholders and desk research reported an increase in the number of personnel exchanged between the EU and China as a result of the CCMAA and the Strategic Framework.
Number of trainings conducted to develop specialised skills of customs authorities of both parties over the evaluation period	The exact number of trainings conducted to develop specialised skills of customs authorities in the EU and China from 2005 to 2018 could not be assessed. However, consulted stakeholders and desk research reported that several trainings were organised and conducted as a result of the CCMAA and the Strategic Framework.
Number of meetings held to exchange know-how on techniques and improved methods of processing passengers and cargo	The exact number of meetings and study visits conducted to develop specialised skills of customs authorities in the EU and China from 2005 to 2018 could not be assessed. However, consulted stakeholders and desk research reported that several meetings/study visits were organised and conducted as a result of the CCMAA and the Strategic Framework.

<sup>133</sup> EU Revenue figures: [https://ec.europa.eu/budget/graphs/revenue\\_expenditure.html](https://ec.europa.eu/budget/graphs/revenue_expenditure.html)

<sup>134</sup> Net duty collection as a percentage of total revenue

<sup>135</sup> See footnote 22

Number of cooperation initiatives between EU and China that have been introduced since the introduction of the CCMAA and the Strategic Framework	The exact number of cooperation initiatives established between the EU and China from 2005 to 2018 could not be assessed. However, consulted stakeholders and desk research reported that several joint operations/activities were organised and conducted as a result of the CCMAA and the Strategic Framework.
<p>Number of requests for mutual assistance that have been submitted/received over the evaluation period</p> <ul style="list-style-type: none"> <li>- Number of requests submitted/received by relevant authorities in EU</li> <li>- Number of requests submitted/received by relevant authorities in China</li> </ul>	The number of requests for MAA that have been submitted/received over the evaluation period is available for the period 2014-2019. Therefore, only the second half of the evaluation period is covered by this indicator.
<p>Number of requests for mutual assistance which have been handled and solved over the evaluation period</p> <ul style="list-style-type: none"> <li>- Number of requests handled by relevant authorities in EU</li> <li>- Number of requests handled by relevant authorities in China</li> </ul>	The number of requests for MAA that have been handled over the evaluation period is available for the period 2014-2019. Therefore, only the second half of the evaluation period is covered by this indicator.
Number of interactions needed on average to handle a request to/from China	The exact number of interactions needed (on average) to handle a request to/from China could not be assessed. However, desk research and stakeholder consultations uniformly indicate that often, several interactions are needed to handle a request.
Average time required to handle a request to/from China	The average time required to handle a request to/from China could not be assessed. However, desk research and stakeholder consultations indicate that the time required to handle requests is generally considered too long.

**Effectiveness – EQ 3.4: Has the implementation of the CCMAA and Strategic Framework contributed to reaching its objectives, notably: enhance supply chain security and enhancement for reliable traders through b) the implementation of Phase 3 of the SSTL pilot project (key priority 1)**

In order to respond to the sub-question above, the study team intended to collect information on a few quantitative indicators. Not all the necessary information could be gathered.

Indicators	Status
Number of goods (by type and total amount) traded within the SSTL pilot project over the evaluation period.	No quantitative information or qualitative indication available.

Number of EU Member State administrations, ports and enterprises that joined the SSTL pilot project since its start.	While the number of Member State administrations and ports is provided, it was not possible to determine the increase in enterprises since the inception of the project. Nevertheless, the study team were able to gather information on the number of economic operators and maritime ports currently included in the project (as of 2019).
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**Effectiveness – EQ 3.5 Has the implementation of the CCMAA and Strategic Framework contributed to reaching its objectives, notably: strengthen IPR enforcement (key priority 2)**

To respond to the sub-question above, the study team intended to collect quantitative indicators, if data was readily available for all MS at the EU level, or to be gathered at the national level for a sample of MS through the interviews.

Indicators	Status
<p>Number of goods/activities/persons/means of transport involved in IPR breaches (before and after the implementation of the CCMAA)</p> <p>Number of investigations opened/handled on goods/activities/persons/means of transport involved in IPR breaches (before and after the implementation of the CCMAA)</p>	<p>The number of IPR-infringing articles for Europe overall, and from China specifically, is available over the evaluation period.</p> <p>The number of IPR-infringing articles for Europe over the evaluation period, by means of transport, is also available. However, this information is not available for IPR-infringing goods specifically coming from China.</p> <p>The number of cases is available for the whole evaluation period. Each case represents an interception by customs and includes a number of articles ranging from one to several million. Each case can also cover different categories of goods and different right-holders. However, the information cannot be granulated to identify cases relating to Chinese articles or right-holders.</p> <p>The distribution of IPR-infringing articles and cases by mode of transport is also available for the whole evaluation period. However, once again, the information cannot be disaggregated to assess specific EU-China trends.</p>
Time required to handle joint IPR investigations over the evaluation period	No evidence could be gathered on this indicator.
Tax revenue losses attributed to IPR-infringing goods over the evaluation period	Estimates of tax revenue losses attributed to IPR-infringing goods in 2013 and 2016 are provided in



	Section 4.1.5 (Context). However, data only provides contextual information, as it applies to Europe overall and it is not possible to determine losses attributed to IPR-infringing goods specifically originating from China.
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**Effectiveness – EQ 3.6 Has the implementation of the CCMAA and Strategic Framework contributed to reaching its objectives, notably: fighting fraud, so that (a) financial interests are protected?**

In order to answer the sub-question above, the study team intended to collect quantitative indicators, where data was readily available for all Member States at the EU level, or to be gathered at the national level for a sample of MS through the interviews. Not all the information for the necessary indicators could be (fully) gathered.

Indicator	Status
Number of <i>joint</i> investigations on fraud networks conducted over the evaluation period	The exact number of joint investigations conducted over the evaluation period could not be established. However, desk research and stakeholder consultations indicated that the CCMAA did favour joint investigations on fraud networks between the EU and China.
Number of common operational activities and dialogues in the fight against the smuggling of tobacco products over the evaluation period	The exact number of common operational activities and dialogues in the fight against the smuggling of tobacco products conducted over the evaluation period could not be established. However, stakeholder consultations indicated that the CCMAA contributed to achieving positive results in the fight against the smuggling of tobacco products.
Number of seized goods at shipping/delivery points	The annual Reports on the Protection of the European Union's financial interests published by the European Commission provide information on the number and value of fraudulent activities identified over the evaluation period. However, figures cannot be disaggregated to identify the number of seized goods at shipping/delivery points coming from China.
Share of seized goods in breach of customs legislation	The annual Reports on the Protection of the European Union's Financial Interests published by the European Commission provide information on the number and value of fraudulent activities identified over the evaluation period. However, figures cannot be disaggregated to identify the share of seized goods at shipping/delivery points coming from China.

**Effectiveness – EQ 3.7: Has the implementation of the CCMAA and Strategic Framework contributed to reaching its objectives, notably: fighting fraud, so that (b) the environment is protected**

In order to respond to the sub-question above, the study team intended to gather information on two quantitative indicators.

Indicators	Status
Number of joint investigations on illicit trade of waste conducted before and after the introduction of CCMAA	It was not possible to establish the exact number of joint investigations on illicit trade of waste. However, desk research and stakeholder consultations indicated that the CCMAA did favour cooperation between Europe and China to investigate and fight the illicit trade of waste.
Amount of waste illicitly traded before and after the implementation of the CCMAA between the EU and China	Official statistics only report the amount of waste traded, not its illicit exchange. Therefore, no quantitative information could be provided on this. Nevertheless, stakeholders believe that the CCMAA did contribute to reducing the amount of waste illegally traded between the Eu and China.

**Effectiveness – EQ 3.8: Has the implementation of the CCMAA and Strategic Framework contributed to reaching its objectives, notably: develop statistical cooperation?**

Indicators	Status
Number of instances in which inconsistencies in EU-China trade statistics have been found and addressed.	The study team reported on the “Study on improving the comparability of EU China Trade in Goods Statistics” reports on the inconsistencies found between 2010 and 2014. Details on how these discrepancies were addressed were also provided. Nevertheless, information on discrepancies before 2010 and after 2015 is not available.

**Efficiency – EQ 4: Have the implementation and application of the CCMAA and Strategic Framework created regulatory costs for EU businesses, the relevant national authorities and the EU as a whole? What is the magnitude of these costs, and particularly of the administrative burdens (and other regulatory costs like compliance costs?), for the stakeholders and to what extent are they offset by the benefits brought?**

In order to assess the costs and benefits imposed by the CCMAA and the Strategic Framework, the study team intended to collect qualitative and quantitative data. Virtually no stakeholder could provide a quantitative indication of costs incurred as a result of the CCMAA and the Strategic Framework. A few stakeholders could provide a qualitative assessment of such costs. Through stakeholder consultations, an indication of the magnitude and distribution of costs and benefits emerged. However, overall, evidence is too limited to base strong conclusions on it.

Indicators
<b>Qualitative indicators:</b> Stakeholders’ qualitative assessment and evidence from desk research on: The degree to which the implementation and application of the CCMAA and Strategic Framework created <b>direct/indirect regulatory and enforcement costs, particularly an administrative burden</b> for EU businesses, the relevant national authorities and the EU as a whole
<b>Contextual indicators:</b> Indication of <b>magnitude</b> of direct/indirect regulatory and enforcement costs Indication of <b>distribution</b> of direct/indirect regulatory and enforcement costs per stakeholder group
<b>Qualitative indicators:</b> Stakeholders’ qualitative assessment and evidence from desk research on: The extent to which the direct/indirect regulatory/enforcement costs imposed are offset by the benefits brought
<b>Qualitative indicators:</b>

Stakeholders' qualitative assessment of the extent to which there is potential for simplification and burden reduction for any (or all) of the relevant stakeholders, with regard to:

- Processes
- Direct/indirect regulatory costs
- Enforcement costs

## II.6 Econometric analysis of the EU-China relationship over the period 2000 to 2018

### - Quantitative data analysis

The present section investigates whether the CCMAA, the SSTL pilot and AEO mutual recognition agreement were associated with an increase in trade between EU Member States and China. The CCMAA that came into effect in 2005 helps mostly national authorities by aiming to strengthen cooperation and aligning processes for the customs enforcement. This strengthened cooperation might boost businesses' confidence in engaging in trade. In addition, the Smart and Secure Trade Lanes Pilot (SSTL) and the mutual recognition of Authorised Economic Operators (AEOs) – which are implicitly included in the agreement and explicitly mentioned in the Strategic Framework – may have a more direct impact on businesses and EU-China trade.

The SSTL is a pilot project that allows for e.g. faster processing of goods, reduced control and better predictability of delivery times. The first phase of the pilot started in the UK and the Netherlands and for AEOs only in 2004. In 2010, additional countries as well as non-AEOs were added during the second phase of the pilot. The roll out of the third phase started in 2016.

The mutual recognition of AEOs is also intended to aid businesses by reducing border controls, administrative burden and processing time in particular as regards security-related aspects. However, the documents provided by the European Commission indicate that in the first years of implementation of the EU-China Mutual Recognition Agreement (MRA), not many companies may have taken advantage of these benefits, as companies often did not provide their AEO identifier numbers when declaring traded goods. Moreover, it is difficult to attribute costs and benefits of AEO status to the particular EU-China CCMAA and Strategy Framework. Indeed, EU AEO status is granted at the company level, without distinction of specific third country trade the company may be engaged in. Irrespective of MRAs with third countries, all EU AEOs enjoy benefits corresponding to their AEO status ("security" and/or "compliance") in their relations with EU national customs administrations. The EU-China MRA extends enhancement benefits for EU AEO-"security" companies also to their relations with Chinese customs. In contrast, SSTL is somewhat longer in operation and is specific to EU-China trade lanes. For this reason, it is assumed that an impact on trade volumes of the SSTL could be more effectively noticed in the context of this evaluation study.

#### Empirical Strategy

In order to estimate whether the implementation of the CCMAA, SSTL pilot and AEO MRA are associated with an increase in trade between EU Member States and China, an econometric analysis of bilateral trade flows is conducted. The empirical specification takes the following form:

$$\ln(X_{ijst}) = \alpha_0 + \alpha_1 \ln(GDP_{it}) + \alpha_2 \ln(GDP_{jt}) + \alpha_3 \ln(1 + t_{ijst}) + \alpha_4 NTM_{ijst} + \sum \alpha_5 I_t + \sum \alpha_6 I_s + \sum \beta CCMAA_{ijt} + u_{ijst}$$

where the dependent variable  $X_{ijst}$  denotes the trade value between countries  $i$  and  $j$  ( $i$  represents different EU Member States and  $j$  represents China) in year  $t$  and for commodity  $s$ , defined at the Harmonized System's 6-digit level. The control variables include the GDP of both trading partners ( $\ln(GDP_{it})$  and  $\ln(GDP_{jt})$ ), the

tariff ( $\ln(1 + t_{ijst})$ ) imposed by the importer,<sup>136</sup> the presence of non-tariff measures ( $NTM_{ijst}$ ),<sup>137</sup> product fixed effects ( $I_s$ ) and country-pair fixed effects indicating trade flows between China and a given EU Member State ( $I_i$ ). Country-pair fixed effects capture the bilateral time-invariant determinants of trade such as geographical distance.  $u_{ijst}$  is the error term.

$CCMAA_{ijt}$  is a set of dummy variables, indicating whether the countries  $i$  and  $j$ :

- A. fall under the CCMAA with China;
- B. are part of the Smart and Secure Trade Lanes (SSTL) Pilot Project (separate dummy variables are used for each of the three phases of the pilot);
- C. have entered into an agreement allowing for the mutual recognition of AEOs.

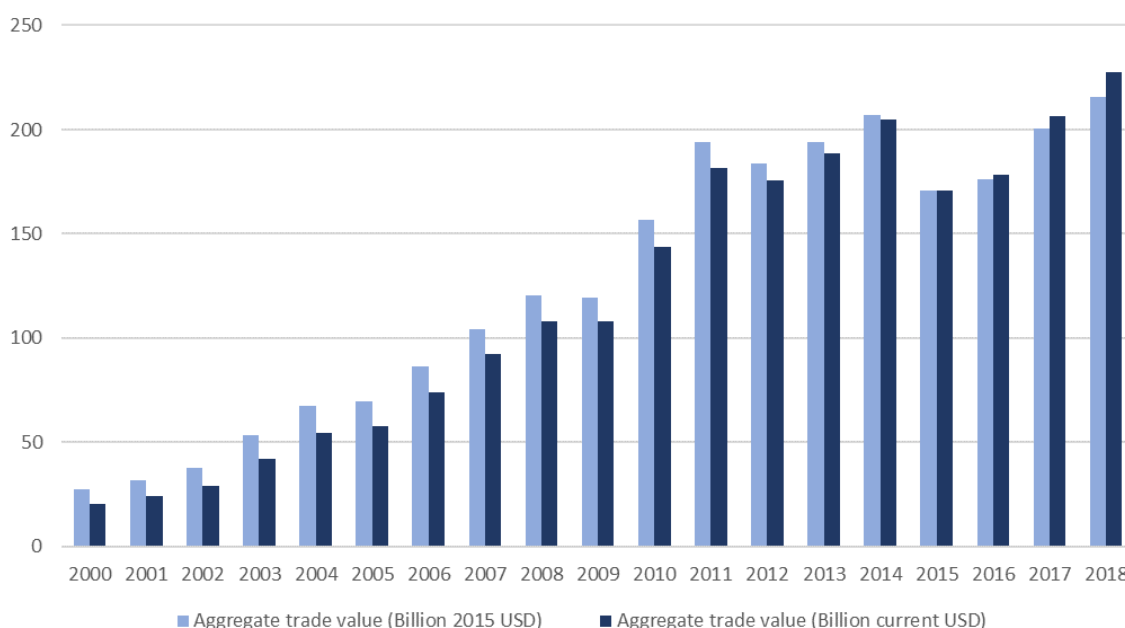
## Data

The data used in the econometric analysis is described in the following paragraphs.

The dependent variable is made up of product-level exports from EU Member States to China. Products are defined at the Harmonised System (1996 revision) sub-heading (6-digit) level. Trade data is drawn from the United Nations COMTRADE (UN COMTRADE) database. UN COMTRADE data is extracted via the World Bank and United Nations Conference on Trade and Development's (UNCTAD) World Integrated Trade Solution Software (WITS). Trade value, originally in thousands of current US dollars, was converted into thousands of constant (2015) US dollars using the US GDP deflator.

and illustrate an upward albeit non-uniform trend in both aggregate trade covered in the analysis and in the mean value of individual trade flows, defined at the country-pair-product level.<sup>138</sup>

**Figure 11. Aggregate trade value covered in baseline estimation**



Source: LE Europe analysis of UN COMTRADE and Word Bank WDI data

<sup>136</sup> A logarithmic transformation is applied to 1 plus the relevant tariff so that trade flows that are subject to zero tariffs remain in the analysis (as the natural log of zero is not defined).

<sup>137</sup> The  $NTM_{ijst}$  is coded as an indicator for whether the importer imposes at least one NTM on a specific trade flow (defined at the country-pair-product level), in a given year.

<sup>138</sup> The figures are based on the same sample as that used in the baseline estimations.

**Figure 12. Mean value of trade flows in baseline estimation**



Source: LE Europe analysis of UN COMTRADE and Word Bank WDI data

The independent variables of interest, denoting the implementation of the CCMAA, the SSTL pilot and AEO MRA are almost all binary variables indicating when these became effective.

The implementation of the CCMAA was captured by an indicator variable equal to one for country-years in which the CCMAA was effective, namely from 2005 in 24 Member States, from 2007 in Bulgaria and Romania, and from 2013 in Croatia.

Three SSTL indicators are used, each representing one phase of the pilot. A first indicator is equal to 1 between 2004 and 2010 for the United Kingdom and the Netherlands.<sup>139</sup> A second is equal to 1 between 2011 and 2015 for Belgium, France, Germany, Italy, the Netherlands, the United Kingdom. A third dummy variable equals 1 from 2016 for the Member States taking part in the third phase of the pilot, namely Belgium, France, Germany, Hungary, Italy, the Netherlands, Poland and Spain. Three different variables are used because of changes in the pilot project across phases (e.g. non-AEO entities were only able to participate from phase 2).

<sup>139</sup> The programme began around 2004 in the United Kingdom and the Netherlands, even though the pilot was launched in 2006.

The variable denoting the implementation of the AEO MRA takes on the value of 1 from 2016 (as the MRA entered into force towards the end of 2015). Given that the AEO MRA covers AEOs authorised for security and safety (AEOS) in all EU Member States, the MRA variable fluctuates only across time. Therefore, estimates of its effect, as captured simply by a dummy variable indicating the pre-/post-agreement period may also be driven by common shocks faced by all EU Member States unrelated to the AEO MRA. In addition, some Member States may be more strongly impacted by the MRA than others if, for instance, they have a larger number of AEOSs. To account for these considerations, two additional variables capturing the ‘prevalence of AEOSs’ in each Member State were added to the specification. Based on the European Commission’s database of AEOs,<sup>140</sup> a time series of the number of AEOSs was constructed for each Member State to proxy for the prevalence of AEOSs within Member States. This allows to control for the prevalence of AEOs regardless of whether the MRA was in place – indeed, firms that are AEOs satisfy a number of criteria, which lower transaction costs (e.g. financial solvency and appropriate record keeping) and are thus likely to have a higher propensity to export. In addition, the latter variable is interacted with the dummy indicating whether the MRA was in place (effectively, the interaction term equals zero before the MRA and is equal to the number of AEOs in a given Member State from 2016 onwards). The interaction term would capture the change in the marginal effect of the prevalence of AEOSs on exports after the MRA was in effect. The variable capturing the number of AEOSs does, however, carry two important limitations. Indeed, it does not identify (i) AEOs that trade with China (the variable of interest may therefore include AEOSs that do not export to China) and (ii) those which actually utilize their AEO status, so it does not isolate the exact number of economic operators potentially benefitting from the AEO MRA within each country, but rather an upper bound thereof.

Control variables include the gross domestic product (GDP) of EU Member States and China, expressed in constant 2010 US dollars. GDP is drawn from the World Bank’s World Development Indicators (WDI) database.

In order to control for policy measures affecting trade costs, tariff data is drawn from UNCTAD’s Trade Analysis Information System (TRAINS) database and extracted through WITS. Because tariffs are recorded under a different commodity classification to that used for the trade data, tariff data was processed and matched to the trade data. In particular, when several products in the tariff classification corresponded to a single product in the HS 1996 classification, the corresponding tariffs were averaged. Whenever possible, Ad Valorem Equivalents are computed by UNCTAD when tariffs are not expressed as a percentage of trade value. China did not report its tariffs in 2012 and 2013, so tariffs from the closest reported years are used (respectively 2011 and 2014).

Another set of policy measures affecting trade costs are NTMs. Data on NTMs is sourced from the WTO’s Integrated Trade Intelligence Portal (I-TIP). Drawing on a number of individual specialised databases (“silos”), the I-TIP database provides information on various NTMs based on notifications by WTO Member States.<sup>141</sup> This carries the caveat that completeness of information is subject to reporters’ compliance with the notification requirement. Most measures recorded in the I-TIP database are assigned a HS code at a more or less granular level, thereby allowing to match information from the I-TIP database to product-level trade flows.<sup>142</sup> Only measures that are assigned a HS code at the 6-digit level (or more granular) are considered, as the inclusion of measures that are assigned less granular HS codes would require the assumption that all 6-digit codes within the reported HS chapter (2-digit code) or heading (4-digit code) are affected by the measure. Based on this, the NTM indicator used in the econometric analysis equals one if a given product

<sup>140</sup> Available here : [https://ec.europa.eu/taxation\\_customs/dds2/eos/aeo\\_home.jsp?Lang=en](https://ec.europa.eu/taxation_customs/dds2/eos/aeo_home.jsp?Lang=en)

<sup>141</sup> Specifically, the I-TIP database integrates silos on anti-dumping duties, countervailing duties, safeguards measures, technical barriers to trade, sanitary and phytosanitary measures, state trading enterprises, special safeguards, tariff-rate quotas, export subsidies, and quantitative restrictions. Only NTMs related to imports were considered in this analysis.

<sup>142</sup> Measures that were not assigned a HS code are not considered in the analysis.

exported by a given country at the end of a given year was subject to a at least one measure recorded in the I-TIP database.

An additional control variable, included as a robustness check, is the yearly number of freight trains which travelled from Europe to China. This variable is intended as a proxy for infrastructural developments associated with the Belt and Road Initiative. These developments, which coincided with the implementation of the CCMAA's objectives, may also have enhanced trade between Europe and China, thereby posing the risk of omitted variable bias. Data on the number of freight trains travelling from Europe to China was sourced from the website of the China Railway Container Transport (CRCT) company.<sup>143</sup>

## Results

A model of exports from EU Member States to China was fit through linear regression on the independent variables of interest, GDP of the importer and exporter, as well as tariffs and NTMs imposed by China on each product from each exporter. Two alternative sets of variables are used to capture the AEO MRA, with the version capturing cross-country variation in the number of AEOs being preferred for reasons explained above and below. The model with the preferred specification of the AEO MRA 'treatment' was also run separately with the addition of a linear time trend, and 4-year period time fixed effects in order to control for unobserved factors affecting trends in EU-China trade which are correlated with but not caused by the implementation of the CCMAA, SSTL pilot and AEO MRA. These results are presented in Table .

In the baseline models (columns 1 and 2), the coefficient on the dummy indicating whether the CCMAA was in effect is statistically significant and its magnitude suggests that the implementation of the CCMAA was associated with a 21%-22% increase EU exports to China. The magnitude of the coefficient is implausibly high, and drops substantially with the inclusion of a linear time trend (column 3), losing statistical significance when 4-year time period fixed effects are included (column 4). Because the CCMAA treatment does not exhibit much variation across countries, the CCMAA coefficient in the baseline specifications most likely captures the upward trend in EU exports to China described above rather than the impact of the CCMAA (this may also be the case in the latter two specifications, although probably to a lesser extent due to the additional controls for time trends). Therefore, the CCMAA coefficient should be interpreted with caution.

The coefficient on the dummy indicating whether the AEO MRA was in place (column 1) is negative and statistically significant. However, it should be interpreted with caution given that the AEO MRA dummy varies only across time as the mutual recognition agreement applies to all Member States (as explained above). Therefore, it may capture the effect of shocks to exports which are common to all Member States but unrelated to the AEO MRA. The last three columns feature the addition of the number of AEOs per Member State as well as its interaction with the dummy denoting the MRA implementation. The latter is the coefficient of interest as it captures the change in the relationship between the number of AEOs and exports following the MRA. This coefficient is not statistically significant in any of the four models. Therefore, these results do not provide evidence that the AEO MRA was associated with an increase in exports from the EU to China. However, given the limitations to identification described above (i.e. it is not possible to capture the number of AEOs that trade with China and actually use their AEO status), these results should be interpreted with caution.

The coefficient on the dummy indicating the first phase of the SSTL pilot is positive and statistically significant in all columns. The coefficient ranges between 0.10 and 0.15, which suggests that the first phase of the SSTL pilot was associated with an 10%-17% increase in exports to China. While the sign of the coefficient is in line with expectations, its order of magnitude is too large to be plausible.

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<sup>143</sup> The time series only extended to 2017 so the number of trains in 2018 was estimated by assuming that the increase between 2017 and 2018 was equal to the increase in the previous year. The data is available here: <http://www.crct.com/index.php?m=content&c=index&a=lists&catid=22>



The coefficient on the dummy indicating the second phase of the SSTL pilot is not statistically significant in any of the columns. This is surprising as the second phase of the SSTL pilot has a larger scope than phase one of the pilot (the second phase of the pilot was extended to non-AEOs).

The coefficient on the third phase of the pilot is positive and statistically significant. Its magnitude is higher than that of the coefficient on the SSTL phase 2 dummy but lower than the magnitude of the coefficient on the phase 1 dummy in two of the four models (columns 2 and 3), which is surprising given the larger scope of phase 3 of the pilot. In addition, the magnitude of the coefficient, which suggests a 13%-17% uplift in trade associated with phase 3 of the pilot, is much higher than would be expected.<sup>144</sup>

**Table 12. Regression results**

	Baseline (MRA dummy)	Baseline (number of AEOs)	Linear time trend	4-year period dummies
<i>CCMAA</i>	0.192*** (0)	0.198*** (0)	0.0834*** (6.39e-06)	0.0124 (0.528)
<i>AEO MRA in place</i>	-0.312*** (0)	-0.309*** (0)	-0.158*** (0)	-0.296*** (2.88e-09)
<i>Number of AEOs falling under the MRA</i>		3.91e-05*** (0.00755)	5.62e-05*** (0.000132)	6.68e-05*** (6.05e-06)
<i>AEO MRA in place x Number of AEOs falling under the MRA</i>		5.47e-06 (0.757)	-2.64e-06 (0.881)	-1.49e-05 (0.400)
<i>SSTL pilot (phase 1)</i>	0.155*** (0)	0.153*** (0)	0.147*** (0)	0.0979*** (5.71e-09)
<i>SSTL pilot (phase 2)</i>	0.00266 (0.842)	-0.0130 (0.396)	-0.0105 (0.493)	0.00804 (0.604)
<i>SSTL pilot (phase 3)</i>	0.158*** (0)	0.126*** (1.58e-08)	0.124*** (2.63e-08)	0.127*** (1.18e-08)
<i>ln(Exporter GDP)</i>	0.246*** (0.000981)	0.246*** (0.000970)	0.301*** (5.86e-05)	0.175** (0.0208)
<i>ln(Importer GDP)</i>	0.562*** (0)	0.546*** (0)	2.099*** (0)	0.724*** (0)
<i>ln(1+tariff)</i>	-0.137*** (0)	-0.139*** (0)	-0.141*** (0)	-0.0953*** (0)
<i>NTM indicator</i>	0.0140 (0.805)	0.0142 (0.802)	0.0155 (0.786)	0.0181 (0.750)
<i>Country-pair fixed effects</i>	YES	YES	YES	YES
<i>Product fixed effects</i>	YES	YES	YES	YES
<i>Linear time trend</i>	NO	NO	YES	NO
<i>4-year time period dummies</i>	NO	NO	NO	YES
<i>Number of observations</i>	505,325	505,325	505,325	505,325

Robust p-values in parentheses  
\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Note: OLS regressions across HS 1996 6-digit product-level trade flows. Extremely small p-values are reported as (0).

A number of robustness checks were conducted and are presented in Table 13 and Table 14. These estimations are based on the specification in column 4 of Table 28 (i.e. they include 4-year period time dummies).

Table 13 explores alternative ways measuring the potential effect of the SSTL pilot project. Column 1 uses a single dummy variable for all phases of the project (i.e. it takes the same value for all countries joining the programme, regardless of which phase of the pilot is in place). Although the magnitude of the SSTL coefficient is still too large to be plausible, it is lower than most of the SSTL coefficients presented in Table 12. This should further reinforce caution in interpreting the large magnitude of the SSTL coefficients in Table 12.

Columns 2, 3 and 4 of Table 13 separately estimate the potential effect of each phase of the SSTL pilot. For each phase, the estimation sample is restricted to countries that had not previously been part of the SSTL pilot project (e.g. in the second column, which focuses on phase 2 of the pilot, the Netherlands and United

<sup>144</sup> This range is based on coefficients which were statistically significant.

Kingdom are excluded as they were already part of phase 1 of the pilot). The objective of this approach is to exclude the effect of changes to the SSTL pilot across phases and, as much as possible, isolate the potential effect of the SSTL on Member States joining the SSTL pilot for the first time. Furthermore, the estimation period extends until the last year in which the phase of interest was in place (i.e. 2010 for phase 1 and 2015 for phase 2). The SSTL coefficient is not significant in any of the three models. Therefore, although the coefficients presented in columns 2, 3 and 4 of Table 13 do not capture the potential impact of changes in the SSTL pilot project (and therefore potentially underestimate the total impact of each phase),<sup>145</sup> the fact that none are statistically significant further suggests caution in interpreting the results presented in Table 12.

**Table 13. Regression results (robustness checks)**

	One SSTL dummy	SSTL Phase 1	SSTL Phase 2	SSTL Phase 3
<i>CCMAA</i>	0.0182 (0.352)	-0.0373* (0.0730)	0.0205 (0.349)	0.0999*** (0.00289)
<i>AEO MRA in place</i>	-0.252*** (2.45e-07)			-0.258*** (0.00181)
<i>Number of AEOs falling under the MRA</i>	3.27e-05** (0.0216)	-7.36e-05 (0.226)	0.000103*** (3.04e-10)	0.00115*** (0)
<i>AEO MRA in place x Number of AEOs falling under the MRA</i>	4.27e-05*** (0.00372)			-0.000146 (0.442)
<i>SSTL pilot (phase 1)</i>		-0.0250 (0.270)		
<i>SSTL pilot (phase 2)</i>			-0.0272 (0.149)	
<i>SSTL pilot (phase 3)</i>				0.0513 (0.316)
<i>SSTL pilot (all phases)</i>	0.0717*** (3.13e-10)			
<i>ln(Exporter GDP)</i>	0.158** (0.0351)	-0.0198 (0.894)	-0.00210 (0.983)	0.942*** (0)
<i>ln(Importer GDP)</i>	0.700*** (0)	1.040*** (0)	0.801*** (0)	0.385*** (3.16e-08)
<i>ln(1+tariff)</i>	-0.0968*** (0)	-0.0147 (0.324)	-0.0461*** (0.00335)	-0.0302 (0.176)
<i>NTM indicator</i>	0.0182 (0.748)	0.426*** (2.43e-05)	0.0295 (0.692)	0.0182 (0.839)
<i>Country-pair fixed effects</i>	YES	YES	YES	YES
<i>Product fixed effects</i>	YES	YES	YES	YES
<i>Linear time trend</i>	NO	NO	NO	NO
<i>4-year time period dummies</i>	YES	YES	YES	YES
<i>Number of observations</i>	505,325	246,640	332,887	233,279

Robust p-values in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Note: OLS regressions across HS 1996 6-digit product-level trade flows. Extremely small p-values are reported as (0). The estimation periods in columns 2 and 3 are respectively 2000-2010 and 2000-2016.

To further check the robustness of results presented in Table , the addition of an additional control variable and alternative estimation samples were explored. These are presented in Table 14.

First, it is possible that the Belt and Road Initiative is responsible for the magnitude of the coefficients on the SSTL phase 2 and phase 3 indicators. The Belt and Road Initiative is a vast infrastructural investment programme aiming to increase integration across Eurasia and Africa which began in the first half of the 2010s. Given that the Initiative coincided with the implementation of the second and third phases of the SSTL pilot, it may drive the magnitude of the coefficients. In order to control for the trade-enhancement dimension of the Belt and Road Initiative, the number of freight trains travelling from Europe to China was included as a

<sup>145</sup> Indeed, unlike in Table 28, no comparison is made across time for countries that were part of several phases in the project.

control variable. As shown in column 1, the coefficients on the SSTL phase 2 and phase 3 indicators do not change substantially compared to the results described above.

Second, the model was re-run for Member States that had joined the EU before 2007 (column 2). This has the effect of removing cross-sectional variation in the CCMAA treatment (as this removes countries that were not part of the CCMAA for some time after 2005). Results in column 2 are mostly similar to those in column 4 of Table 12 (the specification on which this model is based). The CCMAA coefficient is one order of magnitude lower than in Table , but both are non-statistically significant. This suggests that the limited amount of cross-sectional variation in the CCMAA implementation was somewhat important in estimating the CCMAA coefficient.

Another variation of the model was explored in order to investigate whether the phase 2 and phase 3 SSTL coefficients were sensitive to (i) the exclusion of the United Kingdom and the Netherlands – the only two countries to take part in phase 1 of the pilot – and (ii) restricting the ‘pre-SSTL’ period to 2005 onwards (as well as removing the indicator for whether the CCMAA was in place, which would hardly exhibit any variation). The latter restriction in the estimation sample is intended to increase the comparability of the pre- and post-SSTL periods. As shown in column 3, the coefficients on the SSTL indicators remain implausibly high.

**Table 14. Regression results (robustness checks – continued)**

	Eastbound freight trains control	Pre-2007 MS	Estimation period 2005-2018
<i>CCMAA</i>	0.0164 (0.409)	0.00392 (0.842)	
<i>AEO MRA in place</i>	-0.297*** (2.67e-09)	-0.313*** (4.20e-10)	-0.418*** (0)
<i>Number of AEOs falling under the MRA</i>	6.66e-05*** (6.31e-06)	6.55e-05*** (8.23e-06)	2.68e-06 (0.881)
<i>AEO MRA in place x Number of AEOs falling under the MRA</i>	-1.56e-05 (0.378)	-1.69e-05 (0.337)	-1.64e-05 (0.367)
<i>SSTL pilot (phase 1)</i>	0.0975*** (6.52e-09)	0.0839*** (5.69e-07)	
<i>SSTL pilot (phase 2)</i>	0.00906 (0.560)	0.00237 (0.879)	0.0378** (0.0448)
<i>SSTL pilot (phase 3)</i>	0.128*** (1.00e-08)	0.155*** (0)	0.194*** (0)
<i>ln(Exporter GDP)</i>	0.165** (0.0304)	0.215*** (0.00524)	0.939*** (0)
<i>ln(Importer GDP)</i>	0.708*** (0)	0.732*** (0)	0.608*** (0)
<i>ln(1+tariff)</i>	-0.0960*** (0)	-0.0931*** (0)	-0.0114 (0.738)
<i>NTM indicator</i>	0.0182 (0.749)	0.0138 (0.809)	-0.0392 (0.613)
<i>Eastbound freight train trips between Europe and China</i>	1.58e-05 (0.266)		
<i>Country-pair fixed effects</i>	YES	YES	YES
<i>Product fixed effects</i>	YES	YES	YES
<i>Linear time trend</i>	NO	NO	NO
<i>4-year time period dummies</i>	YES	YES	YES
<i>Number of observations</i>	505,325	492,512	347,591

Robust p-values in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Note: OLS regressions across HS 1996 6-digit product-level trade flows. Extremely small p-values are reported as (0).

The model was then estimated separately for each HS section in order to investigate whether the coefficients of interest vary across broad categories of goods. These estimations are based on the specification in column

4 of Table , and are presented in Table 15, Table 16, Table 17 and Table 18. The unit of analysis is the same as in Table 12, Table 13 and Table 14 (i.e. yearly HS 6-digit product-level exports from individual EU Member States to China). Each estimation, however, is restricted to products within a given HS Section (i.e. similar products). Given that each estimation includes multiple products, product-fixed effects can still be implemented.

For the vast majority of HS sections, the CCMAA coefficient, as well as the interaction between the number of AEOs and the indicator for whether the MRA was in place, is not statistically significant.

The coefficient estimates on the first phase of the SSTL pilot is mostly in line with those from the pooled sample when they are statistically significant. Estimates of the SSTL phase 2 and phase 3 coefficients are more volatile.

**Table 15. Commodity-level regression results (part 1)**

	I.	II.	III.	IV.	V.	VI.
<i>CCMAA</i>	-0.427** (0.0313)	-0.0123 (0.943)	-0.375 (0.197)	-0.00297 (0.982)	0.110 (0.530)	0.0930 (0.110)
<i>AEO MRA in place</i>	0.173 (0.714)	-0.747* (0.0983)	0.104 (0.896)	-0.569* (0.0616)	0.232 (0.632)	-0.125 (0.422)
<i>Number of AEOs falling under the MRA</i>	0.000653*** (1.11e-05)	0.000323*** (0.00279)	0.000325 (0.142)	4.53e-05 (0.586)	0.000158 (0.250)	0.000312*** (0)
<i>AEO MRA in place x Number of AEOs falling under the MRA</i>	-8.17e-05 (0.620)	-5.06e-05 (0.670)	-0.000394* (0.0857)	-0.000135 (0.160)	7.44e-05 (0.645)	-5.56e-07 (0.990)
<i>SSTL pilot (phase 1)</i>	-0.0840 (0.586)	-0.0121 (0.939)	-0.276 (0.283)	0.111 (0.302)	0.0735 (0.644)	0.0403 (0.406)
<i>SSTL pilot (phase 2)</i>	0.0589 (0.683)	-0.0566 (0.679)	-0.561** (0.0241)	-0.143 (0.107)	-0.132 (0.398)	-0.0630 (0.183)
<i>SSTL pilot (phase 3)</i>	0.0204 (0.915)	0.233 (0.266)	0.381 (0.248)	0.204* (0.0910)	-0.322 (0.157)	0.0248 (0.729)
<i>ln(Exporter GDP)</i>	0.666 (0.225)	-2.887*** (9.10e-05)	-0.0321 (0.975)	-1.153*** (0.00859)	-0.407 (0.541)	-1.126*** (4.42e-05)
<i>ln(Importer GDP)</i>	0.918** (0.0160)	1.124*** (0.00221)	0.716 (0.268)	1.666*** (0)	0.229 (0.558)	0.405*** (0.00181)
<i>ln(1+tariff)</i>	0.158 (0.322)	0.0161 (0.920)	0.505** (0.0387)	-0.272*** (0.00812)	-0.225 (0.120)	-0.446*** (0)
<i>NTM indicator</i>	-0.125 (0.717)	0.0819 (0.734)	-0.0432 (0.934)	0.278 (0.209)		-0.142 (0.130)
<i>Country-pair fixed effects</i>	YES	YES	YES	YES	YES	YES
<i>Product fixed effects</i>	YES	YES	YES	YES	YES	YES
<i>Linear time trend</i>	NO	NO	NO	NO	NO	NO
<i>4-year time period dummies</i>	YES	YES	YES	YES	YES	YES
<i>Number of observations</i>	5,447	6,258	2,048	14,262	5,830	56,916

Robust p-values in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Note: OLS regressions across HS 1996 6-digit product-level trade flows. Extremely small p-values are reported as (0). This table includes estimations for HS sections: I. (Live animals; animal products); II. (Vegetable products); III. (Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes); IV. (Prepared foodstuffs; beverages, spirits and vinegar; tobacco and manufactured tobacco); V. (Mineral products); VI. (Products of the chemical or allied industries).

**Table 16. Commodity-level regression results (part 2)**

	VII.	VIII.	IX.	X.	XI.	XII.
<i>CCMAA</i>	0.0692 (0.344)	0.176 (0.255)	0.198 (0.205)	-0.0519 (0.616)	0.134*** (0.00939)	0.250 (0.186)
<i>AEO MRA in place</i>	-0.389** (0.0344)	-0.183 (0.630)	-0.484 (0.245)	-0.265 (0.336)	-0.198 (0.117)	0.204 (0.652)
<i>Number of AEOs falling under the MRA</i>	4.98e-06 (0.925)	5.52e-05 (0.672)	-0.000176 (0.153)	-7.81e-05 (0.357)	-3.75e-05 (0.313)	0.000162 (0.174)
<i>AEO MRA in place x Number of AEOs falling under the MRA</i>	-2.32e-06 (0.971)	0.000225 (0.194)	3.38e-05 (0.818)	0.000116 (0.254)	-2.59e-05 (0.557)	5.15e-06 (0.969)
<i>SSTL pilot (phase 1)</i>	0.176*** (0.00489)	-0.0737 (0.578)	0.519*** (0.00222)	0.226** (0.0150)	0.0708 (0.112)	0.0419 (0.783)
<i>SSTL pilot (phase 2)</i>	-0.0106 (0.852)	0.307*** (0.00967)	0.223* (0.0892)	0.211** (0.0177)	0.0753** (0.0482)	0.345*** (0.00840)
<i>SSTL pilot (phase 3)</i>	0.151* (0.0610)	0.277 (0.125)	0.578*** (0.00157)	0.0147 (0.908)	0.220*** (7.66e-05)	0.800*** (3.71e-05)
<i>ln(Exporter GDP)</i>	0.232 (0.396)	0.713 (0.220)	0.852 (0.106)	-0.488 (0.216)	-0.478** (0.0152)	0.592 (0.450)
<i>ln(Importer GDP)</i>	1.068*** (0)	0.646** (0.0397)	0.418 (0.216)	0.497** (0.0326)	0.844*** (0)	0.0872 (0.817)
<i>ln(1+tariff)</i>	-0.0506 (0.581)	-0.666*** (0.00751)	-0.0259 (0.765)	-0.403*** (0.000609)	0.615*** (0)	-1.163*** (8.99e-05)
<i>NTM indicator</i>	-0.124 (0.480)			-0.261 (0.556)		
<i>Country-pair fixed effects</i>	YES	YES	YES	YES	YES	YES
<i>Product fixed effects</i>	YES	YES	YES	YES	YES	YES
<i>Linear time trend</i>	NO	NO	NO	NO	NO	NO
<i>4-year time period dummies</i>	YES	YES	YES	YES	YES	YES
<i>Number of observations</i>	34,635	7,348	7,397	17,385	66,754	5,658

Robust p-values in parentheses

\*\*\* p&lt;0.01, \*\* p&lt;0.05, \* p&lt;0.1

Note: OLS regressions across HS 1996 6-digit product-level trade flows. Extremely small p-values are reported as (0). This table includes estimations for HS sections: VII. (Plastics, rubber, articles thereof); VIII. (Raw hides and skins, leather, furskins and articles thereof; saddlery and harness; travel goods, handbags and similar containers; articles of animal gut); IX. (Wood, articles of wood; wood charcoal; cork, articles of cork; manufactures of straw, of esparto or of other plaiting materials; basketware and wickerwork); X. (Pulp of wood or of other fibrous cellulosic material; recovered (waste and scrap) paper or paperboard; paper and paperboard and articles thereof); XI. (Textiles and textile articles); XII. (Footwear, headgear, umbrellas, walking-sticks, seat-sticks, whips, riding-crops and parts thereof; prepared feathers and articles made therewith; artificial flowers; articles of human hair).

**Table 17. Commodity-level regression results (part 3)**

	XIII.	XIV.	XV.	XVI.	XVII.	XVIII.
<i>CCMAA</i>	0.00699 (0.949)	0.198 (0.419)	-0.0135 (0.806)	-0.0235 (0.519)	-0.0960 (0.473)	-0.0911 (0.199)
<i>AEO MRA in place</i>	-0.373 (0.179)	-1.292** (0.0350)	-0.377*** (0.00592)	-0.227** (0.0151)	-0.343 (0.309)	-0.149 (0.421)
<i>Number of AEOs falling under the MRA</i>	0.000272*** (0.000615)	3.65e-05 (0.812)	7.82e-05* (0.0506)	5.62e-05** (0.0430)	-8.54e-05 (0.377)	9.97e-05** (0.0490)
<i>AEO MRA in place x Number of AEOs falling under the MRA</i>	-5.29e-05 (0.589)	8.07e-05 (0.652)	7.64e-05 (0.119)	-0.000101*** (0.00267)	8.00e-05 (0.484)	-7.54e-05 (0.235)
<i>SSTL pilot (phase 1)</i>	-0.0509 (0.579)	-0.299 (0.135)	0.111** (0.0144)	0.138*** (2.32e-05)	0.0721 (0.538)	0.0674 (0.285)
<i>SSTL pilot (phase 2)</i>	-0.145* (0.0995)	-0.0784 (0.675)	0.0173 (0.689)	0.0162 (0.586)	0.0569 (0.583)	0.00888 (0.879)
<i>SSTL pilot (phase 3)</i>	-0.0364 (0.770)	0.0463 (0.868)	-0.106* (0.0875)	0.109*** (0.00994)	-0.164 (0.285)	0.0869 (0.309)
<i>ln(Exporter GDP)</i>	0.149 (0.730)	1.015 (0.336)	-0.465** (0.0359)	0.972*** (0)	0.572 (0.271)	1.097*** (0.000152)
<i>ln(Importer GDP)</i>	0.573** (0.0142)	1.458*** (0.00467)	0.828*** (0)	0.713*** (0)	1.284*** (6.99e-06)	1.024*** (6.43e-11)
<i>ln(1+tariff)</i>	-0.587*** (7.51e-06)	0.324 (0.209)	-0.203*** (0.00684)	0.00537 (0.787)	-0.789*** (1.48e-07)	-0.0684* (0.0891)
<i>NTM indicator</i>			0.478*** (1.74e-06)	-0.428 (0.378)	0.205 (0.801)	-0.231 (0.304)
<i>Country-pair fixed effects</i>	YES	YES	YES	YES	YES	YES
<i>Product fixed effects</i>	YES	YES	YES	YES	YES	YES
<i>Linear time trend</i>	NO	NO	NO	NO	NO	NO
<i>4-year time period dummies</i>	YES	YES	YES	YES	YES	YES
<i>Number of observations</i>	16,989	2,910	66,336	127,631	11,559	30,320

Robust p-values in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Note: OLS regressions across HS 1996 6-digit product-level trade flows. Extremely small p-values are reported as (0). This table includes estimations for HS sections: XIII. (Articles of stone, plaster, cement, asbestos, mica or similar materials; ceramic products; glass and glassware); XIV. (Pearls, precious or semi-precious stones, precious metals and articles thereof; imitation jewellery; coin); XV. (Base metals and articles of base metal); XVI. (Machinery and mechanical appliances; electrical equipment; parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles); XVII. (Vehicles, aircraft, vessels and associated transport equipment); XVIII. (Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; clocks and watches; musical instruments; parts and accessories thereof).

**Table 18. Commodity-level regression results (part 4)**

	XIX.	XX.	XXI.
<i>CCMAA</i>	0.283 (0.560)	-0.0927 (0.335)	0.942** (0.0389)
<i>AEO MRA in place</i>	1.521 (0.342)	-0.218 (0.366)	0.616 (0.515)
<i>Number of AEOs falling under the MRA</i>	-0.000228 (0.598)	0.000107 (0.142)	-6.67e-05 (0.785)
<i>AEO MRA in place x Number of AEOs falling under the MRA</i>	0.000864* (0.0782)	-0.000110 (0.219)	9.48e-05 (0.700)
<i>SSTL pilot (phase 1)</i>		0.146* (0.0609)	0.109 (0.719)
<i>SSTL pilot (phase 2)</i>	0.199 (0.715)	-0.167** (0.0228)	0.772*** (0.00610)
<i>SSTL pilot (phase 3)</i>	-1.968* (0.0935)	0.386*** (0.000312)	0.105 (0.786)
<i>ln(Exporter GDP)</i>	-9.060** (0.0104)	0.862** (0.0287)	-0.573 (0.753)
<i>ln(Importer GDP)</i>	0.629 (0.635)	0.626*** (0.00178)	0.344 (0.655)
<i>ln(1+tariff)</i>	1.741 (0.712)	-0.235*** (0)	0.286 (0.559)
<i>NTM indicator</i>			
<i>Country-pair fixed effects</i>	YES	YES	YES
<i>Product fixed effects</i>	YES	YES	YES
<i>Linear time trend</i>	NO	NO	NO
<i>4-year time period dummies</i>	YES	YES	YES
<i>Number of observations</i>	223	18,529	890

Robust p-values in parentheses

\*\*\* p&lt;0.01, \*\* p&lt;0.05, \* p&lt;0.1

Note: OLS regressions across HS 1996 6-digit product-level trade flows. Extremely small p-values are reported as (0). This table includes estimations for HS sections: XIX. (Arms and ammunition; parts and accessories thereof); XX. (Miscellaneous manufactured articles); and XXI. (Works of art, collectors' pieces and antiques).

The results presented above provide very limited evidence that the CCMAA which came into effect in 2005 resulted in an uplift in trade between EU Member States and China. This is expected as the CCMAA that came into effect in 2005 mostly aides national authorities rather than individual exporters.

Furthermore, the results do not suggest that the AEO MRA resulted in an increase in trade between EU Member States and China. A number of factors may explain the lack of a statistically significant impact of the AEO MRA on the volume of EU-China trade. Firstly, in the early years following the MRA, companies often did not provide their AEO number when declaring their goods, meaning that they could not take advantage of the benefits from the MRA. Secondly, another explanation may be that the number of AEOs in a given Member State is not a good proxy of the number of AEOs that trade with China.

Finally, most of the results suggest that the first and third SSTL pilots were associated with increased trade between the EU and China. However, the magnitude of the coefficients is much higher than would be expected, which suggests that the variables denoting the SSTL implementation may be capturing other factors driving trade. Therefore, the interpretability of the estimates is limited.



# ANNEX III. EVALUATION MATRIX AND, WHERE RELEVANT, DETAILS ON ANSWERS TO THE EVALUATION QUESTIONS (BY CRITERION)

## Evaluation questions matrix

Evaluation Questions	Operationalised Sub-questions	Indicators/Descriptors	Judgement criteria	Sources	Analysis tools/methods
<b>Implementation</b>					
1. What is the current state of play of the implementation of the CCMAA and the Strategic Framework?	<p>1.1. To what extent has the implementation of the CCMAA and Strategic Framework progressed as planned?</p> <p>1.1.1. Which internal/external factors have impacted the implementation process of the CCMAA and the Strategic Framework?</p> <p>1.1.2. Which challenges had to be overcome during the implementation process of the CCMAA and the Strategic Framework?</p>	<p>Qualitative indicators:</p> <p>Stakeholders' qualitative assessment of and evidence from desk research on:</p> <ul style="list-style-type: none"> <li>The current state of play of the implementation of the CCMAA and Strategic Framework</li> <li>the extent to which the implementation of the CCMAA and Strategic Framework progressed as planned</li> <li>the internal/external factors that have positively/negatively impacted the implementation process of the CCMAA and the Strategic Framework</li> </ul>	<p>Implementation has progressed as planned, bringing expected results:</p> <ul style="list-style-type: none"> <li>Increase in the number of personnel exchanged over time between EU and Chinese customs authorities</li> <li>Increase in the number of trainings conducted over time</li> <li>Increase in the number of meetings between the customs authorities to exchange know-how</li> <li>Share of requests for mutual assistance that have been effectively handled (both from the EU to China and vice-versa)</li> </ul>	<ul style="list-style-type: none"> <li>Literature review</li> <li>Targeted consultations MS</li> <li>Targeted consultations EU businesses</li> <li>In-depth interviews</li> </ul>	<ul style="list-style-type: none"> <li>Descriptive statistics</li> <li>Qualitative Data Analysis</li> </ul>

Evaluation Questions	Operationalised Sub-questions	Indicators/Descriptors	Judgement criteria	Sources	Analysis tools/methods
	1.2. Have there been any complaints or irregularities with regard to the implementation of the CCMAA and Strategic Framework? If so, how have they been handled?	<p><b>Quantitative indicators:</b></p> <ul style="list-style-type: none"> <li>Number of complaints made with regard to the implementation of the CCMAA and Strategic Framework by Member States and/or by China</li> </ul> <p><b>Qualitative indicators:</b></p> <p>Stakeholders' qualitative assessment of:</p> <ul style="list-style-type: none"> <li>the main complaints made, or irregularities reported with regard to the implementation of the CCMAA and Strategic Framework</li> <li>the extent to which and the way complaints have been handled</li> </ul>	Complaints received (if any) have been effectively handled by the relevant body	<ul style="list-style-type: none"> <li>Literature review</li> <li>In-depth interviews</li> <li>Targeted consultations MS</li> </ul>	<ul style="list-style-type: none"> <li>Descriptive statistics</li> <li>Qualitative Data Analysis</li> </ul>
	1.3. Which opportunities are available to facilitate the implementation process of the CCMAA and the Strategic Framework in the future?	<p><b>Qualitative indicators:</b></p> <ul style="list-style-type: none"> <li>Stakeholders' qualitative assessment and evidence from desk research on:</li> <li>opportunities available to facilitate the implementation process of the CCMAA and the Strategic Framework in the future</li> </ul>	Stakeholders identify opportunities to facilitate the current implementation process of the CCMAA and SF in the future	<ul style="list-style-type: none"> <li>Targeted consultations MS</li> <li>Targeted consultations EU businesses</li> <li>In-depth interviews</li> </ul>	<ul style="list-style-type: none"> <li>Qualitative Data Analysis</li> </ul>
Relevance					

Evaluation Questions	Operationalised Sub-questions	Indicators/Descriptors	Judgement criteria	Sources	Analysis tools/methods
2. To what extent are the CCMAA and Strategic Framework still relevant, adequate and sufficient to meet the needs of the stakeholders in a customs environment that has changed considerably over the years?	2.1 Have the needs and expectations of the stakeholders with regard to cooperation in customs matters between the EU and China changed since 2005?	<p>Qualitative indicators:</p> <p>Stakeholders' qualitative assessment and evidence from desk research on:</p> <ul style="list-style-type: none"> <li>the degree to which the needs and expectations of stakeholders with regard to cooperation in customs matters between the EU and China changed since 2005</li> </ul>	The customs policy domain has changed and evolved due to internal/external factors	<ul style="list-style-type: none"> <li>Literature review</li> <li>Targeted consultations MS</li> <li>Targeted consultations EU businesses</li> <li>In-depth interviews</li> <li>PC</li> </ul>	<ul style="list-style-type: none"> <li>Descriptive statistics</li> <li>Qualitative Data Analysis</li> </ul>
	2.2. To what extent are the current needs and expectations adequately addressed by the CCMAA and the actions prioritised in the Strategic Framework?	<p>Qualitative indicators:</p> <p>Stakeholders' qualitative assessment and evidence from desk research on:</p> <ul style="list-style-type: none"> <li>the degree to which current needs and expectations are adequately addressed by the CCMAA and the actions prioritised in the Strategic Framework</li> </ul>	<p>The CCMAA implementation and Strategic Framework have evolved to adequately address changing needs and expectations</p> <p>The CCMAA and SF adequately address the needs of stakeholders</p>	<ul style="list-style-type: none"> <li>Literature review</li> <li>Targeted consultations MS</li> <li>Targeted consultations EU businesses</li> <li>In-depth interviews</li> <li>PC</li> </ul>	<ul style="list-style-type: none"> <li>Descriptive statistics</li> <li>Qualitative Data Analysis</li> </ul>
	2.3. What were the most important factors behind the change in needs and expectations? e.g. <ul style="list-style-type: none"> <li>global and national economic situations;</li> <li>political developments;</li> <li>technological progress including in particular e-commerce</li> </ul>	<p>Qualitative indicators:</p> <ul style="list-style-type: none"> <li>Stakeholders' qualitative assessment and evidence from desk research on:</li> <li>the most important factors behind the change in needs and expectations</li> </ul>	The customs policy domain has changed and evolved due to internal/external factors	<ul style="list-style-type: none"> <li>Literature review</li> <li>In-depth interviews</li> <li>Targeted consultations MS</li> <li>Targeted consultations EU businesses</li> <li>PC</li> </ul>	<ul style="list-style-type: none"> <li>Qualitative Data Analysis</li> <li>Descriptive statistics</li> </ul>

Evaluation Questions	Operationalised Sub-questions	Indicators/Descriptors	Judgement criteria	Sources	Analysis tools/methods
	<p>2.4 Which key developments <i>within the EU</i> since 2005 have affected the relevance and fitness for purpose of the CCMAA and the Strategic Framework?</p> <ul style="list-style-type: none"> <li>Political developments</li> <li>Economic developments</li> <li>Technological developments including, in particular, e-commerce</li> </ul>	<p>Qualitative indicators:</p> <p>Stakeholders' qualitative assessment and evidence from desk research on:</p> <ul style="list-style-type: none"> <li>the key developments within the EU since 2005 that have affected the relevance and fitness for purpose of the CCMAA and Strategic Framework</li> </ul>	<p>The customs policy domain has changed and evolved due to internal/external factors</p>	<ul style="list-style-type: none"> <li>Literature review</li> <li>In-depth interviews</li> <li>Targeted consultations MS</li> <li>Targeted consultations EU businesses</li> <li>PC</li> </ul>	<ul style="list-style-type: none"> <li>Qualitative Data Analysis</li> <li>Descriptive statistics</li> </ul>
	<p>2.5 Which key developments <i>outside the EU</i> since 2005 affected the relevance and fitness for purpose of the CCMAA and the Strategic Framework?</p> <ul style="list-style-type: none"> <li>Political developments</li> <li>Economic developments</li> <li>Technological developments including, in particular, e-commerce</li> </ul>	<p>Qualitative indicators:</p> <p>Stakeholders' qualitative assessment and evidence from desk research on:</p> <ul style="list-style-type: none"> <li>the key developments outside the EU since 2005 that have affected the relevance and fitness for purpose of the CCMAA and Strategic Framework</li> </ul>	<p>The CCMAA implementation and Strategic Framework have evolved to adequately address changing needs and expectations</p> <p>The CCMAA and SF adequately address the needs of stakeholders</p>	<ul style="list-style-type: none"> <li>Literature review</li> <li>In-depth interviews</li> <li>Targeted consultations MS</li> <li>Targeted consultations EU businesses</li> <li>PC</li> </ul>	<ul style="list-style-type: none"> <li>Descriptive statistics</li> <li>Qualitative Data Analysis</li> </ul>
<b>Effectiveness</b>					
	<p>3.1 Has the implementation of the CCMAA and Strategic Framework contributed to reaching its objectives, notably:</p>	<p>Quantitative indicators (where data is readily available for all MS at the EU level, or to be gathered at the national level for a sample of MS through the interviews):</p>	<p>Implementation has progressed as planned, bringing expected results:</p>	<ul style="list-style-type: none"> <li>Literature review</li> <li>Targeted consultations MS</li> <li>Targeted consultations EU businesses</li> </ul>	<ul style="list-style-type: none"> <li>Descriptive statistics</li> <li>Qualitative Data Analysis</li> <li>Econometric analysis</li> </ul>

Evaluation Questions	Operationalised Sub-questions	Indicators/Descriptors	Judgement criteria	Sources	Analysis tools/methods
3. Are the CCMAA and Strategic Framework fit for purpose and do they contribute to reaching the objectives <sup>146</sup> ? What are the strengths/benefits and weaknesses in their implementation and application for each of the areas <sup>147</sup> ?	<ul style="list-style-type: none"> <li>Enhancing customs controls (general objective 1)</li> </ul>	<ul style="list-style-type: none"> <li>% increase of duty collection compared before and after the implementation of the CCMAA</li> <li>Duty collection trends over time (2005-2018)</li> <li>Number of personnel exchanged over the evaluation period               <ul style="list-style-type: none"> <li>Number of Chinese personnel sent to the EU</li> <li>Number of EU personnel sent to China</li> </ul> </li> <li>Number of trainings conducted to develop specialised skills of customs authorities of both parties over the evaluation period</li> <li>Number of meetings held to exchange know-how on techniques and improved methods of processing passengers and cargo</li> <li>Number of cooperation initiatives between EU and China that have been introduced since the introduction of the CCMAA and the Strategic Framework</li> <li>Number of requests for mutual assistance that have been submitted/received over the evaluation period</li> </ul>	<ul style="list-style-type: none"> <li>Increase in the number of personnel exchanged over time between EU and Chinese customs authorities</li> <li>Increase in the number of trainings conducted over time</li> <li>Increase in the number of meetings between the customs authorities to exchange know-how</li> <li>Share of requests for mutual assistance that have been effectively handled (both from the EU to China and vice-versa)</li> <li>Reduction in the number of interactions needed to handle requests</li> <li>Reduction in the time needed to handle requests</li> </ul>	<ul style="list-style-type: none"> <li>In-depth interviews</li> </ul>	

<sup>146</sup> Based on the Strategic Framework (2018-2020), “under the CCMAA the foremost objective is to have effective controls so as to ensure safety and security and to fight fraud, while providing facilitation for legitimate trade”.

<sup>147</sup> Areas identified “under Point 2 above”, TOR p. 5. The priority areas identified are those set out in the Strategic Framework (2018-2020): enhance supply chain security and facilitation for reliable traders; strengthen enforcement of IPR; fight against fraud; develop statistical cooperation; establish customs cooperation in cross-border e-commerce; Horizontal actions

Evaluation Questions	Operationalised Sub-questions	Indicators/Descriptors	Judgement criteria	Sources	Analysis tools/methods
		<ul style="list-style-type: none"> <li>- Number of requests submitted/received by relevant authorities in EU</li> <li>- Number of requests submitted/received by relevant authorities in China</li> <li>• Number of requests for mutual assistance which have been handled and solved over the evaluation period</li> <li>- Number of requests handled by relevant authorities in EU</li> <li>- Number of requests handled by relevant authorities in China</li> <li>• Number of interactions needed on average to handle a request to/from China</li> <li>• Average time required to handle a request to/from China</li> </ul> <p><b>Qualitative indicators:</b></p> <p><b>Stakeholders' qualitative assessment of and evidence from desk research on:</b></p> <ul style="list-style-type: none"> <li>• the degree to which the implementation of the CCMAA and Strategic Framework has contributed to enhancing cross-border cooperation between EU and China</li> <li>• the degree to which they find it easy (or not) to deal with their counterpart (national customs authorities)</li> </ul>			

Evaluation Questions	Operationalised Sub-questions	Indicators/Descriptors	Judgement criteria	Sources	Analysis tools/methods
	3.2 Has the implementation of the CCMAA and Strategic Framework contributed to reaching its objectives, notably: Legitimate business activities and exchanges between EU and China are enhanced (general objective 2)	<p><b>Quantitative indicators:</b></p> <ul style="list-style-type: none"> <li>• Monetary value of imports from China: trends over the evaluation period</li> <li>• Monetary value of exports to China: trends over the evaluation period</li> <li>• Monetary value of overall trade flows: trends over the evaluation period</li> </ul> <p><b>Qualitative indicators:</b></p> <p>Stakeholders' qualitative assessment of:</p> <ul style="list-style-type: none"> <li>• the degree to which the implementation of the CCMAA and Strategic Framework has contributed to fostering legitimate activities and exchanges between EU and China</li> <li>• the degree to which the implementation of the CCMAA and Strategic Framework has contributed to enhancing cross-border cooperation between EU and China</li> </ul>	<p>Implementation has progressed as planned, bringing expected results:</p> <ul style="list-style-type: none"> <li>• Increase in trade volumes with China</li> <li>• Increase of participants in the AEO programme and SSTL pilot project</li> </ul>	<ul style="list-style-type: none"> <li>• Literature review</li> <li>• Targeted consultations MS</li> <li>• Targeted consultations EU businesses</li> <li>• In-depth interviews</li> <li>• Data on EU-China trade relations, including (Comext and UN Comtrade databases)</li> </ul>	<ul style="list-style-type: none"> <li>• Descriptive statistics</li> <li>• Qualitative Data Analysis</li> </ul>
	3.3 Has the implementation of the CCMAA and Strategic Framework contributed to reaching its objectives, notably:	<p><b>Qualitative indicators:</b></p> <p>Stakeholders' qualitative assessment and evidence from desk research of:</p>	<p>Implementation has progressed as planned, bringing expected results:</p> <ul style="list-style-type: none"> <li>• Increased number of AEOs</li> <li>• Involvement of other governmental organisation to smooth customs controls for AEOs</li> </ul>	<ul style="list-style-type: none"> <li>• Literature review</li> <li>• Targeted consultations MS</li> <li>• Targeted consultations EU businesses</li> <li>• In-depth interviews</li> </ul>	<ul style="list-style-type: none"> <li>• Descriptive statistics</li> <li>• Qualitative Data Analysis</li> </ul>



Evaluation Questions	Operationalised Sub-questions	Indicators/Descriptors	Judgement criteria	Sources	Analysis tools/methods
	Enhance supply chain security and contributing to fair and open for reliable traders through a) cooperation on AEO mutual recognition (key priority 1)	<ul style="list-style-type: none"> <li>the degree to which the implementation of the CCMAA and Strategic Framework has contributed to enhancing supply chain security by streamlining operations for reliable traders (thereby incentivising participation in AEO programme)</li> <li>the extent to which the implementation of the CCMAA and the Strategic Framework has contributed to legitimate activities and exchanges between EU and China</li> </ul>	<ul style="list-style-type: none"> <li>Awareness campaign to highlight AEOs benefits</li> <li>Reduced time and costs spent on customs controls for AEOs</li> </ul>		
	3.4 Has the implementation of the CCMAA and Strategic Framework contributed to reaching its objectives, notably: Enhance supply chain security and contributing to fair and open trade for reliable traders through b) the implementation of Phase 3 of the SSTL pilot project (key priority 1)	<p>Quantitative indicators (where data is readily available for all MS at the EU level, or to be gathered at the national level for a sample of MS through the interviews):</p> <ul style="list-style-type: none"> <li>Number of transport modes covered by the SSTL pilot project over the evaluation period</li> <li>Number of goods – type and total amount – traded within the framework of the SSTL pilot project over the evaluation period</li> <li>Number of EU Member State administrations, ports and enterprises that joined the SSTL pilot project since its start</li> </ul> <p>Qualitative indicators:</p>	<p>Implementation has progressed as planned, bringing expected results:</p> <ul style="list-style-type: none"> <li>Increased number of participants to SSTL pilot project over the years</li> <li>Higher volume of goods traded within SSTL</li> <li>Increased number of transport modes covered under SSTL</li> </ul> <p>A majority of stakeholders are of the opinion that operations for reliable traders have been fostered</p>	<ul style="list-style-type: none"> <li>Literature review</li> <li>Targeted consultations MS</li> <li>Targeted consultations EU businesses</li> <li>In-depth interviews</li> </ul>	<ul style="list-style-type: none"> <li>Descriptive statistics</li> <li>Qualitative Data Analysis</li> </ul>

Evaluation Questions	Operationalised Sub-questions	Indicators/Descriptors	Judgement criteria	Sources	Analysis tools/methods
		<p>Stakeholders' qualitative assessment and evidence from desk research of:</p> <ul style="list-style-type: none"> <li>the degree to which the implementation of the CCMAA and Strategic Framework has contributed to enhancing supply chain security and fostered operations for reliable traders</li> <li>the degree to which the coverage of the SSTL pilot project – in terms of modes of transport, type and amount of goods traded – has increased</li> <li>the extent to which a stable exchange of data and risk-related information is in place between the EU and China (via the Customs Risk Management System (CRMS))</li> <li>the degree to which awareness has been spread about the benefits of possessing an SSTL certificate for economic operators</li> <li>the extent to which the SSTL pilot project has promoted the development of new skills for all its members</li> <li>the extent to which progress in the SSTL pilot project is regularly monitored and shared with its members</li> </ul>	<p>A majority of stakeholders are of the opinion that supply chain security has been enhanced since the introduction of the STTL project</p>		

Evaluation Questions	Operationalised Sub-questions	Indicators/Descriptors	Judgement criteria	Sources	Analysis tools/methods
	3.5 Has the implementation of the CCMAA and Strategic Framework contributed to reaching its objectives, notably: Strengthen IPR enforcement (key priority 2)	<p>Quantitative indicators (where data is readily available for all MS at the EU level, or to be gathered at the national level for a sample of MS through the interviews):</p> <ul style="list-style-type: none"> <li>• Number of goods/activities/persons/ means of transport involved in IPR breaches (before and after the implementation of the CCMAA)</li> <li>• Number of investigations opened on goods/activities/persons/ means of transport involved in IPR breaches (before and after the implementation of the CCMAA)</li> <li>• Number of investigations handled on goods/activities/persons/ means of transport involved in IPR breaches (before and after the implementation of the CCMAA)</li> <li>• Time required to handle joint IPR investigations over the evaluation period</li> <li>• Tax revenue losses attributed to IPR-infringing goods over the evaluation period</li> </ul> <p>Qualitative indicators:</p> <p>Stakeholders' qualitative assessment of:</p>	<p>Implementation has progressed as planned, bringing expected results:</p> <ul style="list-style-type: none"> <li>• The number of joint investigations on IPR-infringing goods has increased</li> </ul>	<ul style="list-style-type: none"> <li>• Literature review</li> <li>• Targeted consultations MS</li> <li>• Targeted consultations EU businesses</li> <li>• In-depth interviews</li> </ul>	<ul style="list-style-type: none"> <li>• Descriptive statistics</li> <li>• Qualitative Data Analysis</li> </ul>

Evaluation Questions	Operationalised Sub-questions	Indicators/Descriptors	Judgement criteria	Sources	Analysis tools/methods
		<ul style="list-style-type: none"> <li>the extent to which the identification of IPR-infringing goods is fostered by the exchange of information between China and the EU (both between authorities, and between authorities and the business community)</li> <li>the extent to which IPR enforcement policies and practices are commonly developed and regularly updated</li> </ul>			
	3.6 Has the implementation of the CCMAA and Strategic Framework contributed to reaching its objectives, notably: Fighting fraud, so that (a) financial interests are protected	<p>Quantitative indicators (where data is readily available for all MS at the EU level, or to be gathered at the national level for a sample of MS through the interviews):</p> <ul style="list-style-type: none"> <li>Number of joint investigations on fraud networks conducted over the evaluation period</li> <li>Number of common operational activities and dialogues in the fight against the smuggling of tobacco products over the evaluation period</li> <li>Number of seized goods at shipping/delivery points</li> <li>Share of seized goods in breach of customs legislation</li> </ul> <p>Qualitative indicators:</p> <ul style="list-style-type: none"> <li>Stakeholders' qualitative assessment of</li> </ul>	<p>Implementation has progressed as planned, bringing expected results:</p> <ul style="list-style-type: none"> <li>increased number of joint investigations</li> <li>Reduction in tax revenue losses</li> <li>Increases in joint operations to fight smuggling of tobacco products</li> </ul>	<ul style="list-style-type: none"> <li>Literature review</li> <li>Targeted consultations MS</li> <li>Targeted consultations EU businesses</li> <li>In-depth interviews</li> </ul>	<ul style="list-style-type: none"> <li>Descriptive statistics</li> <li>Qualitative Data Analysis</li> </ul>

Evaluation Questions	Operationalised Sub-questions	Indicators/Descriptors	Judgement criteria	Sources	Analysis tools/methods
		<ul style="list-style-type: none"> <li>the degree to which the implementation of the CCMAA and Strategic Framework has contributed to the establishment of effective controls to fight and prevent illicit activities</li> <li>the degree to which common strategies to enforce customs cooperation are regularly discussed, developed and updated</li> <li>the extent to which there is (or not) a mutual understanding on what constitutes corruption and how to avoid it</li> </ul>			
	3.7 Has the implementation of the CCMAA and Strategic Framework contributed to reaching its objectives, notably: Fighting fraud, so that (b) the environment is protected	<p><b>Quantitative indicators:</b></p> <ul style="list-style-type: none"> <li>Number of joint investigations on illicit trade of waste conducted before and after the introduction of CCMAA</li> <li>Amount of waste illicitly traded before and after the implementation of the CCMAA</li> </ul> <p><b>Qualitative indicators:</b></p> <p>stakeholders' qualitative assessment of:</p> <ul style="list-style-type: none"> <li>the degree to which the implementation of the CCMAA and Strategic Framework has contributed to the establishment of effective controls to fight and prevent illicit trade of waste</li> </ul>	<p>Implementation has progressed as planned, bringing expected results:</p> <ul style="list-style-type: none"> <li>identification of key trends in illicit trade of waste</li> <li>reduction in the amount of waste illicitly traded</li> </ul>	<ul style="list-style-type: none"> <li>Literature review</li> <li>Targeted consultations MS</li> <li>Targeted consultations EU businesses</li> <li>In-depth interviews</li> </ul>	<ul style="list-style-type: none"> <li>Descriptive statistics</li> <li>Qualitative Data Analysis</li> </ul>

Evaluation Questions	Operationalised Sub-questions	Indicators/Descriptors	Judgement criteria	Sources	Analysis tools/methods
		<ul style="list-style-type: none"> <li>the degree to which common strategies to reduce and avoid illicit trade of waste are regularly developed and updated</li> </ul>			
	3.8 Has the implementation of the CCMAA and Strategic Framework contributed to reaching its objectives, notably: develop statistical cooperation	<p>Quantitative indicators (where data is readily available for all MS at the EU level, or to be gathered at the national level for a sample of MS through the interviews):</p> <ul style="list-style-type: none"> <li>Number of instances in which inconsistencies in trade have been found</li> <li>Number of instances in which inconsistencies have been addressed</li> </ul> <p>Qualitative indicators:</p> <p>Stakeholders' qualitative assessment of:</p> <ul style="list-style-type: none"> <li>the degree to which the implementation of the CCMAA and Strategic Framework has contributed to the establishment of statistical cooperation between the EU and China</li> </ul>	<p>Implementation has progressed as planned, bringing expected results:</p> <ul style="list-style-type: none"> <li>the number of inconsistencies in trade data have been reduced</li> <li>reports have been prepared on how to deal with trade data inconsistencies</li> </ul> <p>A majority of stakeholders are of the opinion that the implementation of the CCMAA and Strategic Framework has contributed to the establishment of statistical cooperation between the EU and China</p>	<ul style="list-style-type: none"> <li>Literature review</li> <li>Targeted consultations MS</li> <li>Targeted consultations EU businesses</li> <li>In-depth interviews</li> </ul>	<ul style="list-style-type: none"> <li>Descriptive statistics</li> <li>Qualitative Data Analysis</li> </ul>
	3.9 Has the implementation of the CCMAA and Strategic Framework contributed to reaching its objectives, notably: establish customs cooperation in cross-border e-commerce	<p>Qualitative indicators:</p> <p>Stakeholders' qualitative assessment of</p>	<p>Implementation has progressed as planned, bringing expected results</p> <ul style="list-style-type: none"> <li>increased joint controls on e-commerce activities are established</li> </ul>	<ul style="list-style-type: none"> <li>Literature review</li> <li>Targeted consultations MS</li> <li>Targeted consultations EU businesses</li> <li>In-depth interviews</li> </ul>	<ul style="list-style-type: none"> <li>Descriptive statistics</li> <li>Qualitative Data Analysis</li> </ul>

Evaluation Questions	Operationalised Sub-questions	Indicators/Descriptors	Judgement criteria	Sources	Analysis tools/methods
		<ul style="list-style-type: none"> <li>the degree to which the implementation of the CCMAA and Strategic Framework has contributed to the establishment of effective customs cooperation in cross-border e-commerce</li> </ul>	<ul style="list-style-type: none"> <li>e-commerce is controlled and promoted in a way that is non-discriminatory to other modes of commerce</li> </ul> <p>A majority of stakeholders are of the opinion that the implementation of the CCMAA and Strategic Framework has contributed to the establishment of effective customs cooperation in cross-border e-Commerce</p>		
	3.10 Has the implementation of the CCMAA and Strategic Framework contributed to reaching its objectives, notably: Horizontal actions	<p>Qualitative indicators:</p> <p>Stakeholders' qualitative assessment of:</p> <ul style="list-style-type: none"> <li>the degree to which the implementation of the CCMAA and Strategic Framework has contributed to the development of horizontal actions (e.g.: enhanced policy exchange and cooperation) with China</li> </ul>	<p>Implementation has progressed as planned, bringing expected results:</p> <ul style="list-style-type: none"> <li>EU and China established stronger ties, including in international contexts</li> <li>EU and China developed common views on topics of mutual interest</li> </ul> <p>A majority of stakeholders are of the opinion that the implementation of the CCMAA and Strategic Framework has contributed to the establishment of horizontal actions between the EU and China</p>	<ul style="list-style-type: none"> <li>Literature review</li> <li>Targeted consultations MS</li> <li>Targeted consultations EU businesses</li> <li>In-depth interviews</li> </ul>	<ul style="list-style-type: none"> <li>Descriptive statistics</li> <li>Qualitative Data Analysis</li> </ul>



Evaluation Questions	Operationalised Sub-questions	Indicators/Descriptors	Judgement criteria	Sources	Analysis tools/methods
	3.11 What are the strengths/benefits and weaknesses in the implementation and application for each of the areas identified, notably: supply chain security	<p>Qualitative indicators:</p> <p>Stakeholders' qualitative assessment and evidence from desk research on:</p> <ul style="list-style-type: none"> <li>the strengths/benefits and weaknesses in the implementation and application of security of the supply chain</li> </ul>	Stakeholders identify strengths in the implementation and application processes in place to enhance supply chain security	<ul style="list-style-type: none"> <li>Literature review</li> <li>Targeted consultations MS</li> <li>Targeted consultations EU businesses</li> <li>In-depth interviews</li> </ul>	<ul style="list-style-type: none"> <li>Descriptive statistics</li> <li>Qualitative Data Analysis</li> </ul>
	3.12 What are the strengths/benefits and weaknesses in the implementation and application for each of the areas identified, notably: contribution to fair and open trade for reliable traders	<p>Qualitative indicators:</p> <p>Stakeholders' qualitative assessment and evidence from desk research on:</p> <ul style="list-style-type: none"> <li>the strengths/benefits and weaknesses in the implementation of the complete upgrade of the AEO mutual recognition foreseen by the SF</li> <li>the strengths/benefits and weaknesses in the implementation and application of the contribution to fair and open trade</li> </ul>	Stakeholders identify strengths in the implementation and application processes in place to contribute to fair and open trade for reliable operators	<ul style="list-style-type: none"> <li>Literature review</li> <li>Targeted consultations MS</li> <li>Targeted consultations EU businesses</li> <li>In-depth interviews</li> </ul>	<ul style="list-style-type: none"> <li>Descriptive statistics</li> <li>Qualitative Data Analysis</li> </ul>
	3.13 What are the strengths/benefits and weaknesses in the implementation and application for each of the areas identified, notably: IPR enforcement	<p>Qualitative indicators:</p> <p>Stakeholders' qualitative assessment and evidence from desk research on:</p> <ul style="list-style-type: none"> <li>the strengths/benefits and weaknesses in the implementation and application of IPR</li> </ul>	Stakeholders identify strengths of the implementation and application processes in place to enhance IPR enforcement	<ul style="list-style-type: none"> <li>Literature review</li> <li>Targeted consultations MS</li> <li>Targeted consultations EU businesses</li> <li>In-depth interviews</li> </ul>	<ul style="list-style-type: none"> <li>Descriptive statistics</li> <li>Qualitative Data Analysis</li> </ul>

Evaluation Questions	Operationalised Sub-questions	Indicators/Descriptors	Judgement criteria	Sources	Analysis tools/methods
		<ul style="list-style-type: none"> <li>the strengths/benefits and weaknesses in the implementation and application of IPR, based on findings from desk research</li> </ul>			
	3.14 What are the strengths/benefits and weaknesses in the implementation and application for each of the areas identified notably: Fighting fraud,	<p>Qualitative indicators:</p> <p>Stakeholders' qualitative assessment and evidence from desk research on:</p> <ul style="list-style-type: none"> <li>the strengths/benefits and weaknesses in the implementation and application of fighting fraud, mutual assistance in particular</li> </ul>	Stakeholders identify strengths of the implementation and application processes in place to enhance the protection of financial interests, through the fight against fraud	<ul style="list-style-type: none"> <li>Literature review</li> <li>Targeted consultations MS</li> <li>Targeted consultations EU businesses</li> <li>In-depth interviews</li> </ul>	<ul style="list-style-type: none"> <li>Descriptive statistics</li> <li>Qualitative Data Analysis</li> </ul>
	3.15 What are the strengths/benefits and weaknesses in the implementation and application for each of the areas identified notably: Statistical cooperation	<p>Qualitative indicators:</p> <p>Stakeholders' qualitative assessment and evidence from desk research on:</p> <ul style="list-style-type: none"> <li>the strengths/benefits and weaknesses in the implementation and application of statistics</li> </ul>	Stakeholders identify strengths of the implementation and application processes in place to tackle illicit trade in waste, through the fight against fraud	<ul style="list-style-type: none"> <li>Literature review</li> <li>Targeted consultations MS</li> <li>Targeted consultations EU businesses</li> <li>In-depth interviews</li> </ul>	<ul style="list-style-type: none"> <li>Descriptive statistics</li> <li>Qualitative Data Analysis</li> </ul>
	3.16 Are the CCMAA and Strategic Framework fit to respond to the current challenges of the sector?	<p>Qualitative indicators:</p> <p>Stakeholders qualitative assessment and evidence from desk research on:</p> <ul style="list-style-type: none"> <li>the degree to which the CCMAA and the Strategic Framework are fit to respond to the current challenges of the sector</li> </ul>	<p>The CCMAA implementation and Strategic Framework have evolved to adequately address new challenges</p> <ul style="list-style-type: none"> <li>The SF adapts to recent developments by adapting its priorities</li> </ul>	<ul style="list-style-type: none"> <li>Literature review</li> <li>In-depth interviews</li> <li>Targeted consultations MS</li> <li>Targeted consultations EU businesses</li> </ul>	<ul style="list-style-type: none"> <li>Descriptive statistics</li> <li>Qualitative Data Analysis</li> </ul>

Evaluation Questions	Operationalised Sub-questions	Indicators/Descriptors	Judgement criteria	Sources	Analysis tools/methods
	<b>3.17</b> Are the CCMAA and Strategic Framework flexible enough to adapt and respond to future challenges of the sector?	<p><b>Qualitative indicators:</b></p> <p>Stakeholders' qualitative assessment and evidence from desk research on:</p> <ul style="list-style-type: none"> <li>the degree to which the CCMAA and the Strategic Framework are flexible enough to respond to the future challenges of the sector</li> </ul>	<p>The CCMAA implementation and Strategic Framework can evolve to adequately address new challenges</p> <ul style="list-style-type: none"> <li>The SF adapts to recent developments by adapting its priorities</li> </ul>	<ul style="list-style-type: none"> <li>Literature review</li> <li>In-depth interviews</li> <li>Targeted consultations MS</li> <li>Targeted consultations EU businesses</li> </ul>	<ul style="list-style-type: none"> <li>Descriptive statistics</li> <li>Qualitative Data Analysis</li> </ul>
<b>Efficiency</b>					
	<p><b>4.1.</b> Have the implementation and application of the CCMAA and Strategic Framework imposed direct regulatory costs and burdens for EU businesses, the relevant national authorities and the EU as a whole?</p> <ul style="list-style-type: none"> <li>regulatory charges<sup>148</sup></li> <li>imposed substantive compliance costs<sup>149</sup></li> <li>administrative burdens<sup>150</sup></li> <li>hassle costs<sup>151</sup></li> </ul>	<p><b>Qualitative indicators:</b></p> <p>Stakeholders' qualitative assessment and evidence from desk research on:</p> <ul style="list-style-type: none"> <li>the degree to which the implementation and application of the CCMAA and Strategic Framework created direct regulatory costs, particularly an administrative burden for EU businesses, the relevant national authorities and the EU as a whole</li> </ul>	<ul style="list-style-type: none"> <li>Identification of cost categories</li> <li>Identification of stakeholders negatively affected by such costs</li> </ul>	<ul style="list-style-type: none"> <li>Literature review</li> <li>Targeted consultations MS</li> <li>Targeted consultations EU businesses</li> <li>In-depth interviews</li> </ul>	<ul style="list-style-type: none"> <li>Descriptive statistics</li> <li>Qualitative data analysis</li> </ul>

<sup>148</sup> Fees, levies, taxes for EU businesses, the relevant national authorities and the EU as a whole

<sup>149</sup> Investments and expenses faced by businesses and citizens to comply with substantive obligations of the CCMAA

<sup>150</sup> Costs borne by businesses, citizens, civil society organisations and public authorities as a result of administrative activities performed to comply with information obligations included in the CCMAA

<sup>151</sup> Costs for EU businesses and citizens, associated with waiting times and delay, redundant legal provisions, corruption etc.

Evaluation Questions	Operationalised Sub-questions	Indicators/Descriptors	Judgement criteria	Sources	Analysis tools/methods
4. Have the implementation and application of the CCMAA and Strategic Framework created regulatory costs for EU businesses, the relevant national authorities and the EU as a whole? What is the magnitude of these costs, and particularly of the administrative burdens (and other regulatory costs like compliance costs?), for the stakeholders and to what extent are they offset by the benefits brought?	4.2. Have the implementation and application of the CCMAA and Strategic Framework imposed enforcement costs <sup>152</sup> for relevant national authorities and the EU as a whole?	<p><b>Qualitative indicators:</b></p> <p>Stakeholders' qualitative assessment and evidence from desk research on:</p> <ul style="list-style-type: none"> <li>the degree to which the implementation and application of the CCMAA and Strategic Framework created enforcement costs for EU businesses, the relevant national authorities and the EU as a whole</li> </ul>	<ul style="list-style-type: none"> <li>Identification of cost categories</li> <li>Identification of stakeholders negatively affected by such costs</li> </ul>	<ul style="list-style-type: none"> <li>Literature review</li> <li>Targeted consultations MS</li> <li>Targeted consultations EU businesses</li> <li>In-depth interviews</li> </ul>	<ul style="list-style-type: none"> <li>Descriptive statistics</li> <li>Qualitative data analysis</li> </ul>
	4.3. Have the implementation and application of the CCMAA and Strategic Framework imposed indirect regulatory costs for EU businesses, relevant national authorities and the EU as a whole? <ul style="list-style-type: none"> <li>indirect compliance costs<sup>153</sup>?</li> <li>substitution costs<sup>154</sup>?</li> </ul>	<p><b>Qualitative indicators:</b></p> <p>Stakeholders' qualitative assessment and evidence from desk research on:</p> <ul style="list-style-type: none"> <li>the degree to which the implementation and application of the CCMAA and Strategic Framework created indirect regulatory costs for EU businesses, the relevant national authorities and the EU as a whole</li> </ul>	<ul style="list-style-type: none"> <li>Identification of cost categories</li> <li>Identification of stakeholders negatively affected by such costs</li> </ul>	<ul style="list-style-type: none"> <li>Literature review</li> <li>Targeted consultations MS</li> <li>Targeted consultations EU businesses</li> <li>In-depth interviews</li> </ul>	<ul style="list-style-type: none"> <li>Descriptive statistics</li> <li>Qualitative data analysis</li> </ul>

<sup>152</sup> Costs referring to the key phases of the CCMAA life, such as monitoring, enforcement and adjudication

<sup>153</sup> Compliance costs imposed for all stakeholders indirectly impacted by the CCMAA

<sup>154</sup> Costs imposed on EU businesses, relevant national authorities and the EU, associated with the need to find alternative channels/sources of supply

Evaluation Questions	Operationalised Sub-questions	Indicators/Descriptors	Judgement criteria	Sources	Analysis tools/methods
	<ul style="list-style-type: none"> <li>transaction costs and negative impacts on the market functioning<sup>155</sup>?</li> </ul>				
	<p>4.4. What is the magnitude of imposed direct regulatory costs and burdens for the stakeholders and to what extent are they offset by the benefits brought?</p> <ul style="list-style-type: none"> <li>regulatory charges</li> <li>compliance costs</li> <li>administrative burdens</li> <li>hassle costs</li> </ul>	<p>Contextual indicators</p> <p>Indication of magnitude of direct regulatory costs</p> <ul style="list-style-type: none"> <li>Indication of distribution of direct regulatory costs per stakeholder group</li> </ul> <p>Qualitative indicators:</p> <ul style="list-style-type: none"> <li>Stakeholders' qualitative assessment and evidence from desk research on:</li> <li>The extent to which the direct regulatory costs imposed are offset by the benefits brought</li> </ul>	<ul style="list-style-type: none"> <li>Identification of monetary value of cost categories identified</li> <li>Identification of benefits (qualitatively assessed)</li> <li>Qualitative comparison of costs and benefits</li> </ul>	<ul style="list-style-type: none"> <li>Literature review</li> <li>Targeted consultations MS</li> <li>Targeted consultations EU businesses</li> <li>In-depth interviews</li> </ul>	<ul style="list-style-type: none"> <li>Descriptive statistics</li> <li>Qualitative data analysis</li> </ul>
	<p>4.5. What is the magnitude of enforcement costs for the stakeholders and to what extent are they offset by the benefits brought?</p>	<p>Contextual indicators:</p> <ul style="list-style-type: none"> <li>Indication of magnitude of enforcement costs</li> <li>Indication of distribution of enforcement costs per stakeholder group</li> </ul> <p>Qualitative indicators:</p>	<ul style="list-style-type: none"> <li>Identification of monetary value of cost categories identified</li> <li>Identification of benefits (qualitatively assessed)</li> <li>Qualitative comparison of costs and benefits</li> </ul>	<ul style="list-style-type: none"> <li>Literature review</li> <li>Targeted consultations MS</li> <li>Targeted consultations EU businesses</li> <li>In-depth interviews</li> </ul>	<ul style="list-style-type: none"> <li>Descriptive statistics</li> <li>Qualitative data analysis</li> </ul>

<sup>155</sup> Costs imposed on EU businesses, relevant national authorities and the EU, including reduced competition or market access, reduced innovation or investment

Evaluation Questions	Operationalised Sub-questions	Indicators/Descriptors	Judgement criteria	Sources	Analysis tools/methods
		Stakeholders' qualitative assessment and evidence from desk research on: the extent to which the enforcement costs imposed are offset by the benefits brought			
	4.6. What is the magnitude of indirect regulatory costs for the stakeholders and to what extent are they offset by the benefits brought? <ul style="list-style-type: none"> <li>indirect compliance costs</li> <li>substitution costs</li> <li>transaction costs and negative impacts on the market functioning</li> </ul>	Contextual indicators:  Indication of magnitude of indirect regulatory costs <ul style="list-style-type: none"> <li>Indication of magnitude of indirect regulatory costs per stakeholder group</li> </ul> Qualitative indicators:  Stakeholders' qualitative assessment and evidence from desk research on: <ul style="list-style-type: none"> <li>The extent to which the indirect regulatory costs imposed are offset by the benefits brought</li> </ul>	<ul style="list-style-type: none"> <li>Identification of monetary value of cost categories identified</li> <li>Identification of benefits (qualitatively assessed)</li> <li>Qualitative comparison of costs and benefits</li> </ul>	<ul style="list-style-type: none"> <li>Literature review</li> <li>Targeted consultations MS</li> <li>Targeted consultations EU businesses</li> <li>In-depth interviews</li> </ul>	<ul style="list-style-type: none"> <li>Descriptive statistics</li> <li>Qualitative data analysis</li> </ul>
	4.7 Is there a potential for simplification of processes and burden reduction for any (or all) of the relevant stakeholders?	Qualitative indicators:  Stakeholders' qualitative assessment of: <ul style="list-style-type: none"> <li>the extent to which there is potential for simplification and burden reduction for any (or all) of the relevant stakeholders, with regard to: <ul style="list-style-type: none"> <li>Processes</li> <li>Direct/indirect regulatory costs</li> <li>Enforcement costs</li> </ul> </li> </ul>	Stakeholders assess simplification potential of the processes entailed by the CCMAA and SF.  Stakeholders identify means to reduce the burden imposed by different regulatory and/or enforcement costs.	<ul style="list-style-type: none"> <li>Literature review</li> <li>Targeted consultations MS</li> <li>Targeted consultations EU businesses</li> <li>In-depth interviews</li> </ul>	<ul style="list-style-type: none"> <li>Descriptive analysis of output and outcome indicators</li> <li>Qualitative Data Analysis</li> </ul>

Evaluation Questions	Operationalised Sub-questions	Indicators/Descriptors	Judgement criteria	Sources	Analysis tools/methods
<b>Effectiveness/Efficiency</b>					
5. Is there room for improvement in the implementation and application of the CCMAA and Strategic Framework within the context and constraints of the legislation currently in force? Are there any gaps that the two instruments leave uncovered in terms of actions that could should be taken under the policy areas currently covered and/or of new policy areas currently not included?	5.1. Where in the implementation and application process is there room for improvement? <ul style="list-style-type: none"> <li>• EU level</li> <li>• National administrations</li> <li>• EU businesses</li> </ul> What are the potential improvements available?	Qualitative indicators:  Stakeholders' qualitative assessment and evidence from desk research of: <ul style="list-style-type: none"> <li>• where in the implementation and application process there is room for improvement</li> <li>• what are the specific improvements the CCMAA and SF would benefit from</li> </ul>	Explorative question  Stakeholders perceive that the implementation process has been effective and there is no need for improvement	<ul style="list-style-type: none"> <li>• Literature review</li> <li>• Targeted consultations MS</li> <li>• In-depth interviews</li> </ul>	<ul style="list-style-type: none"> <li>• Descriptive analysis of output and outcome indicators</li> <li>• Qualitative Data Analysis</li> </ul>
	5.2. Are there any gaps that the two instruments leave uncovered in terms of actions that could/should be taken under the policy areas currently covered?	Qualitative indicators:  Stakeholders' qualitative assessment and evidence from desk research on: <ul style="list-style-type: none"> <li>• the degree to which the two instruments have gaps in terms of actions that could/should be taken, under the key priority areas currently covered in the SF</li> </ul>	Explorative question  Stakeholders perceive there are no gaps in terms of actions to be taken under the policy areas currently covered	<ul style="list-style-type: none"> <li>• Literature review</li> <li>• Targeted consultations MS</li> <li>• Targeted consultations EU businesses</li> <li>• In-depth interviews</li> </ul>	<ul style="list-style-type: none"> <li>• Descriptive analysis of action indicators</li> <li>• Qualitative Data Analysis</li> </ul>
	5.3. Are there any gaps that the two instruments leave uncovered in terms of actions that could/should be taken under new policy areas currently not included? e.g.: <ul style="list-style-type: none"> <li>• product safety;</li> <li>• drug precursors;</li> </ul>	Qualitative indicators:  Stakeholders' qualitative assessment and evidence from desk review on: <ul style="list-style-type: none"> <li>• the degree to which the two instruments have gaps in terms of actions that could/should be taken under new policy areas currently not included</li> </ul>	Explorative question  Stakeholders perceive there are no gaps in terms of actions to be taken under new policy areas currently not included	<ul style="list-style-type: none"> <li>• Literature review</li> <li>• Targeted consultations MS</li> <li>• Targeted consultations EU businesses</li> <li>• In-depth interviews</li> </ul>	<ul style="list-style-type: none"> <li>• Descriptive analysis of action indicators</li> <li>• Qualitative Data Analysis</li> </ul>

Evaluation Questions	Operationalised Sub-questions	Indicators/Descriptors	Judgement criteria	Sources	Analysis tools/methods
	<ul style="list-style-type: none"> <li>explosive precursors?</li> </ul>				
<b>Coherence</b>					
6. Are the CCMAA and Strategic Framework coherent internally and with one another, as well as with other policy areas of the EU, for example in international relations, trade, environmental protection (e.g.: Waste Shipment Regulation and Ship Recycling Regulation), safety and security, etc.?	6.1. Are there any contradictions between the CCMAA and the Strategic Framework?	<b>Qualitative indicators:</b>  Stakeholders' qualitative assessment and evidence from desk research on: <ul style="list-style-type: none"> <li>the degree to which there are any gaps/contradictions between the CCMAA and the Strategic Framework</li> </ul>	<b>Explorative question</b>  Stakeholders are of the opinion that the two instruments do not overlap with and/or contradict one another	<ul style="list-style-type: none"> <li>Literature review</li> <li>In-depth interviews</li> <li>Targeted consultations MS</li> </ul>	<ul style="list-style-type: none"> <li>Qualitative Data Analysis</li> </ul>
	6.2. Are there any contradictions and/or duplications between the CCMAA and the Strategic Framework on one hand, and the Regulation (EC) 1013/2006 on waste shipments on the other, regarding how they address the issue of illicit trade of waste?	<b>Qualitative indicators:</b>  Stakeholders' qualitative assessment and evidence from desk research on: <ul style="list-style-type: none"> <li>the degree to which there are any gaps/contradictions and/or duplications between the CCMAA and the Strategic Framework on one hand, and the Waste Shipment Regulation on the other</li> </ul>	<b>Explorative question</b>  Stakeholders are of the opinion that the two instruments do not overlap with and/or contradict the Regulation, regarding how they address the issue of illicit trade of waste	<ul style="list-style-type: none"> <li>Literature review</li> <li>In-depth interviews</li> </ul>	<ul style="list-style-type: none"> <li>Qualitative Data Analysis</li> </ul>
	6.3. Are there any contradictions and/or duplications between the CCMAA and the Strategic Framework on one hand, and Regulation (EU) No 1257/2013 on ship recycling, regarding how they address the issue of illicit trade of waste?	<b>Qualitative indicators:</b>  Stakeholders' qualitative assessment and evidence from desk research on: <ul style="list-style-type: none"> <li>the degree to which there are any gaps/contradictions and/or duplications between the CCMAA and the Strategic Framework on one hand, and Regulation (EU) No 1257/2013 on ship recycling</li> </ul>	<b>Explorative question</b>  Stakeholders are of the opinion that the two instruments do not overlap with and/or contradict the Regulation, regarding how they address the issue of illicit trade of waste	<ul style="list-style-type: none"> <li>Literature review</li> <li>In-depth interviews</li> </ul>	<ul style="list-style-type: none"> <li>Qualitative Data Analysis</li> </ul>



Evaluation Questions	Operationalised Sub-questions	Indicators/Descriptors	Judgement criteria	Sources	Analysis tools/methods
	Are there any contradictions and/or duplications between the CCMAA and the Strategic Framework on one hand, and Regulation (EU) No 111/2005 on the monitoring of trade between the Community and third countries in drug precursors on the other, regarding how they address the issue of supply chain security?	<p>Qualitative indicators:</p> <p>Stakeholders' qualitative assessment and evidence from desk research on:</p> <ul style="list-style-type: none"> <li>the degree to which there are any gaps/contradictions and/or duplications between the CCMAA and the Strategic Framework on one hand, and Regulation (EU) No 111/2005 on drug precursors on the other</li> </ul>	<p>Explorative question</p> <p>Stakeholders are of the opinion that the two instruments do not overlap with and/or contradict the Regulation, regarding how they address the issue of supply chain security</p>	<ul style="list-style-type: none"> <li>Literature review</li> <li>In-depth interviews</li> </ul>	<ul style="list-style-type: none"> <li>Qualitative Data Analysis</li> </ul>
	6.4. Are there any contradictions and/or duplications between the CCMAA and the Strategic Framework on one hand, and Regulation (EU) No 98/2013 on the marketing and use of explosives precursors on the other, regarding how they address the issue of supply chain security?	<p>Qualitative indicators:</p> <p>Stakeholders' qualitative assessment and evidence from desk research of:</p> <ul style="list-style-type: none"> <li>the degree to which there are any gaps/contradictions and/or duplications between the CCMAA and the Strategic Framework on one hand, and Regulation (EU) No 98/2013 on the marketing and use of explosives precursors on the other</li> </ul>	<p>Explorative question:</p> <p>Stakeholders are of the opinion that the two instruments do not overlap with and/or contradict the Regulation, regarding how they address the issue of supply chain security</p>	<ul style="list-style-type: none"> <li>Literature review</li> <li>In-depth interviews</li> </ul>	<ul style="list-style-type: none"> <li>Qualitative Data Analysis</li> </ul>

Evaluation Questions	Operationalised Sub-questions	Indicators/Descriptors	Judgement criteria	Sources	Analysis tools/methods
	6.5. Are there any contradictions and/or duplications between the CCMAA and the Strategic Framework on one hand, and the delegated Regulations (2017/214 <sup>156</sup> ; 2017/215 <sup>157</sup> ; 2017/216 <sup>158</sup> ) amending Regulation (EU) 98/2013 on the other, regarding how they address the issue of supply chain security?	Qualitative indicators:  Stakeholders' qualitative assessment and evidence from desk research on the degree to which there are any gaps/contradictions and/or duplications between the CCMAA and the Strategic Framework on one hand, and delegated Regulations (2017/214; 2017/215; 2017/216) amending Regulation (EU) 98/2013 on the other	Explorative question:  Stakeholders are of the opinion that the two instruments do not overlap with and/or contradict the Regulations, regarding how they address the issue of supply chain security	<ul style="list-style-type: none"> <li>Literature review</li> <li>In-depth interviews</li> </ul>	<ul style="list-style-type: none"> <li>Qualitative Data Analysis</li> </ul>
	6.6. Are there any contradictions and/or overlaps between the CCMAA and the Strategic Framework on one hand, and legislation on Customs security on the other, regarding how they deal with customs policy? <sup>159</sup>	Qualitative indicators:  <ul style="list-style-type: none"> <li>Stakeholders' qualitative assessment and evidence from desk research on the degree to which there are any gaps/contradictions and/or duplications between the CCMAA and the Strategic Framework on one hand, and legislation on Customs security on the other</li> </ul>	Explorative question:  Stakeholders are of the opinion that the two instruments do not overlap with and/or contradict the relevant legislation, regarding how they deal with customs policy	<ul style="list-style-type: none"> <li>Literature review</li> <li>In-depth interviews</li> </ul>	<ul style="list-style-type: none"> <li>Qualitative Data Analysis</li> </ul>
EU Added Value					

<sup>156</sup> as regards adding aluminium powder to the list of explosives precursors in Annex II

<sup>157</sup> as regards adding magnesium nitrate hexahydrate to the list of explosives precursors in Annex II

<sup>158</sup> as regards adding magnesium powder to the list of explosives precursors in Annex II

<sup>159</sup> Notably: Regulation 648/2005 establishing the Community Customs Code

Evaluation Questions	Operationalised Sub-questions	Indicators/Descriptors	Judgement criteria	Sources	Analysis tools/methods
7. Is the EU best placed to obtain the best results out of international cooperation in customs matters with China?		<b>Qualitative indicators:</b> <ul style="list-style-type: none"> <li>• Definition of EU added value in the CCMAA</li> <li>• composite indicator building upon answers to all evaluation criteria</li> <li>• Stakeholders' qualitative assessment of what constitutes EU added value in the field of international customs cooperation with China</li> </ul>	<b>Explorative question:</b> <p>The two instruments benefited the EU, over and above what could have been expected if the same actions were taken at the national, regional or international level</p>	<ul style="list-style-type: none"> <li>• Literature review</li> <li>• Targeted consultations EU businesses</li> <li>• In-depth interviews</li> <li>• PC</li> </ul>	<ul style="list-style-type: none"> <li>• Qualitative Data Analysis</li> </ul>
8. What constitutes "EU added value" in the customs cooperation agreements such as the CCMAA and Strategic Framework?	8.1. What are the key benefits of an EU-wide framework over any action exclusively at national level, considering the EU exclusive competence in the area?	<b>Qualitative indicators:</b> <ul style="list-style-type: none"> <li>• Stakeholders' qualitative assessment of what are the key benefits of an EU-wide framework over any action exclusively at national level, considering the EU exclusive competence in the area</li> </ul>	Stakeholders identify benefits directly resulting from acting at the EU level, against what would have been achieved by acting at the national, regional or international level	<ul style="list-style-type: none"> <li>• Literature review</li> <li>• Targeted consultations EU businesses</li> <li>• In-depth interviews</li> <li>• PC</li> </ul>	<ul style="list-style-type: none"> <li>• Qualitative Data Analysis</li> </ul>
	8.2. What are the feasible alternatives to such a framework?	<b>Qualitative indicators:</b> <ul style="list-style-type: none"> <li>• Stakeholders' qualitative assessment of feasible alternatives to the CCMAA and the Strategic Framework</li> </ul>	Feasible policy alternatives	<ul style="list-style-type: none"> <li>• Literature review</li> <li>• Targeted consultations MS</li> <li>• Targeted consultations EU businesses</li> <li>• In-depth interviews</li> <li>• PC</li> </ul>	<ul style="list-style-type: none"> <li>• Qualitative Data Analysis</li> </ul>

## ANNEX IV. OVERVIEW OF BENEFITS AND COSTS

As stakeholders were not able to provide quantitative assessments of the costs and benefits of the CCMAA, Strategic Framework, AEO and SSTL, the present section provides a high-level qualitative assessment.

The qualitative scoring grid shown below was adopted to assess the costs and benefits. Details of how this grid was populated is provided below.

If most respondents indicated that they did not know what the costs of a certain measure was, it is assumed that the costs have not changed significantly.

The qualitative assessment of benefits distinguished between benefits accruing directly to the stakeholder and broader societal benefits. As no information is available on the value of these benefits, the impact on the latter is assessed on the basis of the number of benefits for each measure reported by at least half of respondents (large impact). These potential benefits were provided as a multiple-choice question to survey participants. For example, five possible choices were presented to survey participants in the case of the potential impact of the AEO mutual recognition.

**Table 19. Cost-benefit analysis grid template**

Policy or program X	Large increase in costs or large reduction in direct or societal benefits	Small increase in costs or small reduction in direct or societal benefits	Neither increases nor decreases in costs or benefits	Small decrease in costs or small increase in direct benefits or number societal benefits	Large in costs or large increase in direct benefits or number of societal benefits
Costs					
Benefits - direct					
Benefits - societal					

### Cost and benefits for national customs administrations

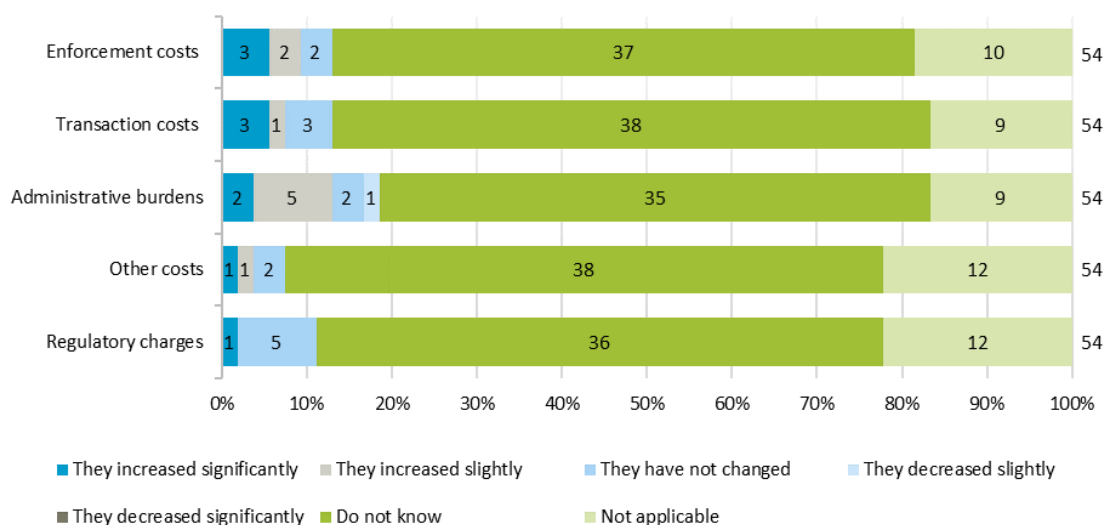
#### 1. Costs and benefits of the Customs Control and Contribution to Fair and Open Trade

The vast majority of respondents from national customs administrations do not know whether the implementation or administration costs of the CCMAA, Strategic Framework or the interaction costs with Chinese customs authorities have changed. In all but one case, less than a handful of respondents reported that costs have increased. No information is available on the potential benefits of the CCMAA or Strategic Framework.

**Table 20. Cost-benefit analysis – TTCF**

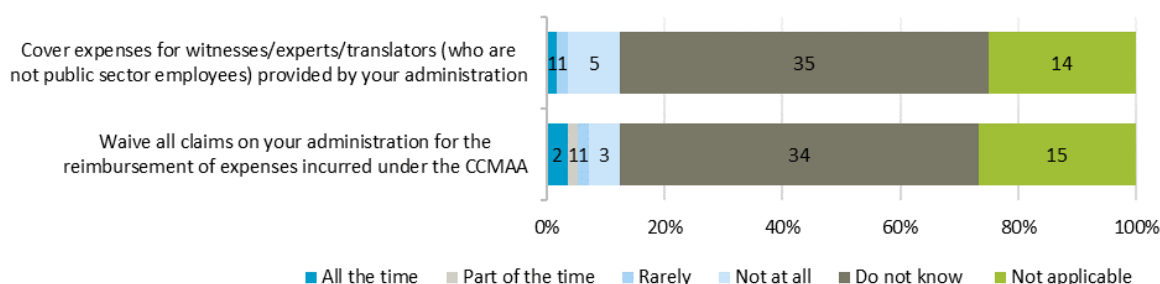
TTCF	Large increase in costs or large reduction in direct or societal benefits	Small increase in costs or small reduction in direct or societal benefits	Neither increases nor decreases in costs or benefits	Small decrease in costs or small increase in direct benefits or number of societal benefits	Large in costs or large increase in direct benefits or number of societal benefits
Costs			✓		
Benefits - direct	Information not available				
Benefits - societal	Information not available				

**Figure 13. National authorities' survey - When pursuing customs controls and contributing to fair and open trade , how (if at all) has the implementation and application of the CCMAA and the Strategic Framework had an impact on the following costs for your administration/department... [EQ 4.1, 4.3] (n=54)**



Source: Question 13, National authorities' survey

**Figure 14. National authorities' survey - To what extent has/does the Chinese administration... (N=60)**



Source: Question 12, National authorities' survey

## Costs and benefits of the AEO mutual recognition

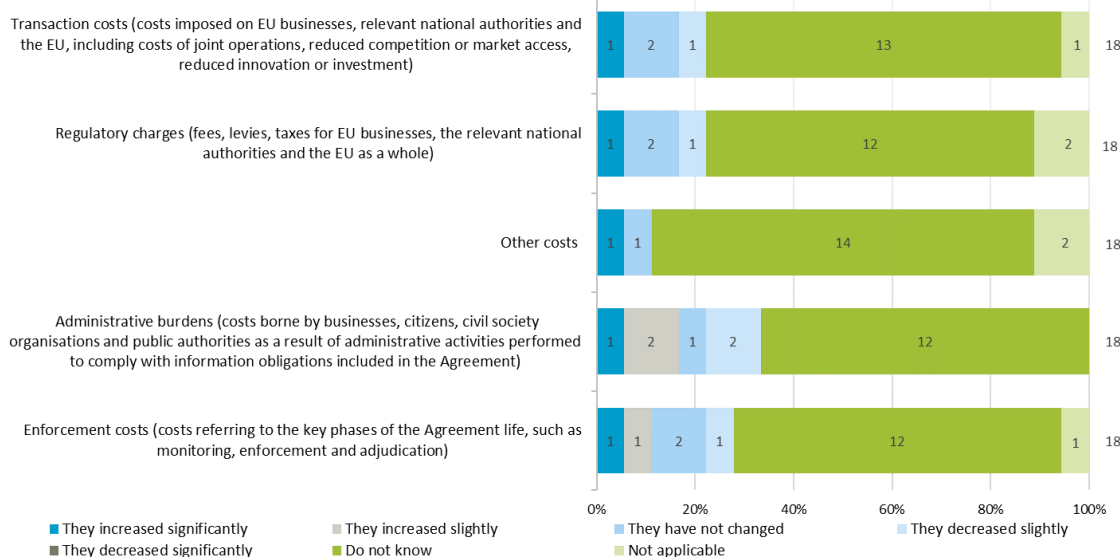
A majority of respondents do not know whether costs faced by their administration have changed as a result of the implementation of AEO mutual recognition with China and only one or two respondents report that costs have increased or decreased.

Although half or more than half of survey respondents (national authorities survey) do not know whether the AEO mutual recognition has brought about any direct or societal benefits, almost half report some benefits, especially in the case of customs operations (i.e. quicker customs clearance and Reduced customs intervention in the logistical processes) .

**Table 21. Cost-benefit analysis – AEO mutual recognitions**

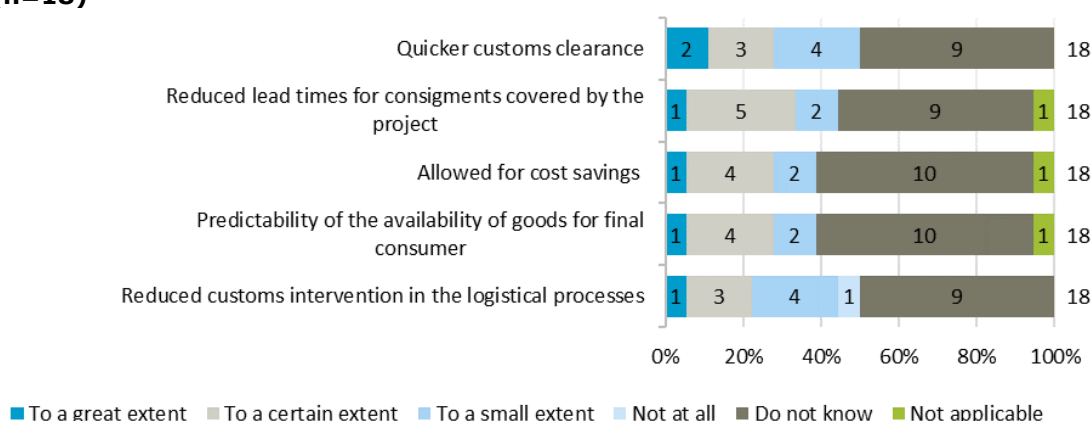
AOE mutual recognition		Large increase in costs or large reduction in direct or societal benefits	Small increase in costs or small reduction in direct or societal benefits	Neither increases nor decreases in costs or benefits	Small decrease in costs or small increase in direct benefits or number societal benefits	Large in costs or large increase in direct benefits or number of societal benefits
Costs				✓		
Benefits - direct					✓	
Benefits - societal					✓	

**Figure 15. National authorities' survey - How (if at all) has the implementation and application of the AEO mutual recognition through the CCMAA and the Strategic Framework had an impact on the following costs for your administration/department? [EQ 4.3, 4.4, 4.5] (n=18)**



Source: Question 16, National authorities' survey

**Figure 16. National authorities' survey - To what extent do you agree that the AEO mutual recognition under the CCMAA and its Strategic Framework achieved the following? [EQ 3.3] (n=18)**



Source: Question 17, National authorities' survey

### Costs and benefits of the SSTL programme

Again, a majority of respondents do not know whether costs faced by their administration have changed as a result of the implementation of the SSTL programme and only very few report that costs have increased or decreased.

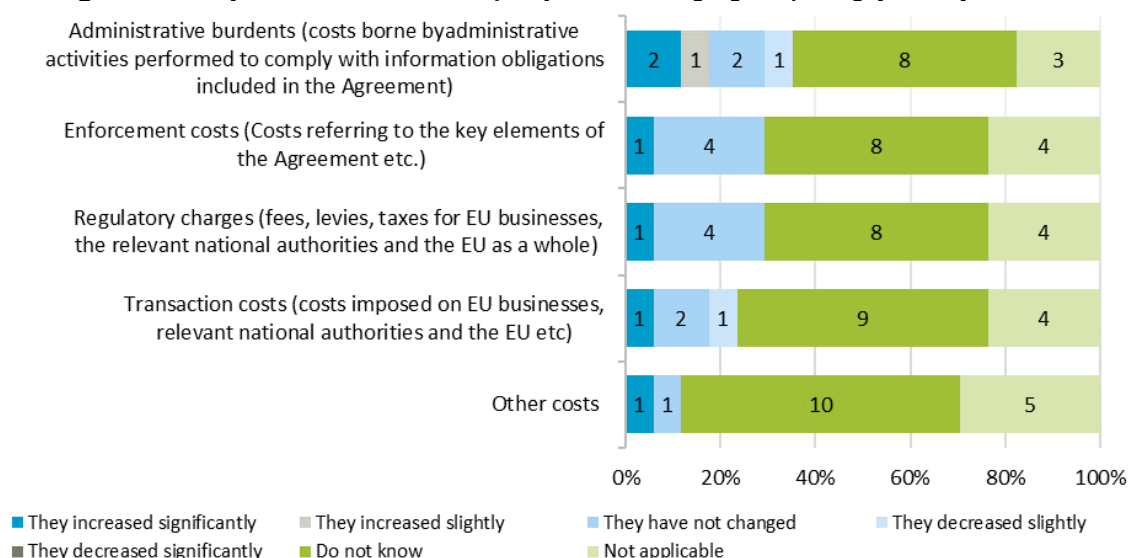
However, in contrast to the assessment of the benefits arising from the mutual recognition of the AEO programme, a majority (or almost a majority) of stakeholders report a number of positive direct and societal benefits:

- **positive direct benefits include;** enhanced active participation and communication between customs authorities, improved data exchange, increased my administration's interest in developing the rail transport mode, provision of data which can be used in practice,
- **positive societal benefits include;** reduced customs intervention in the logistical process and reduced lead times for consignments.

**Table 22. Cost-benefit analysis – SSTL programme**

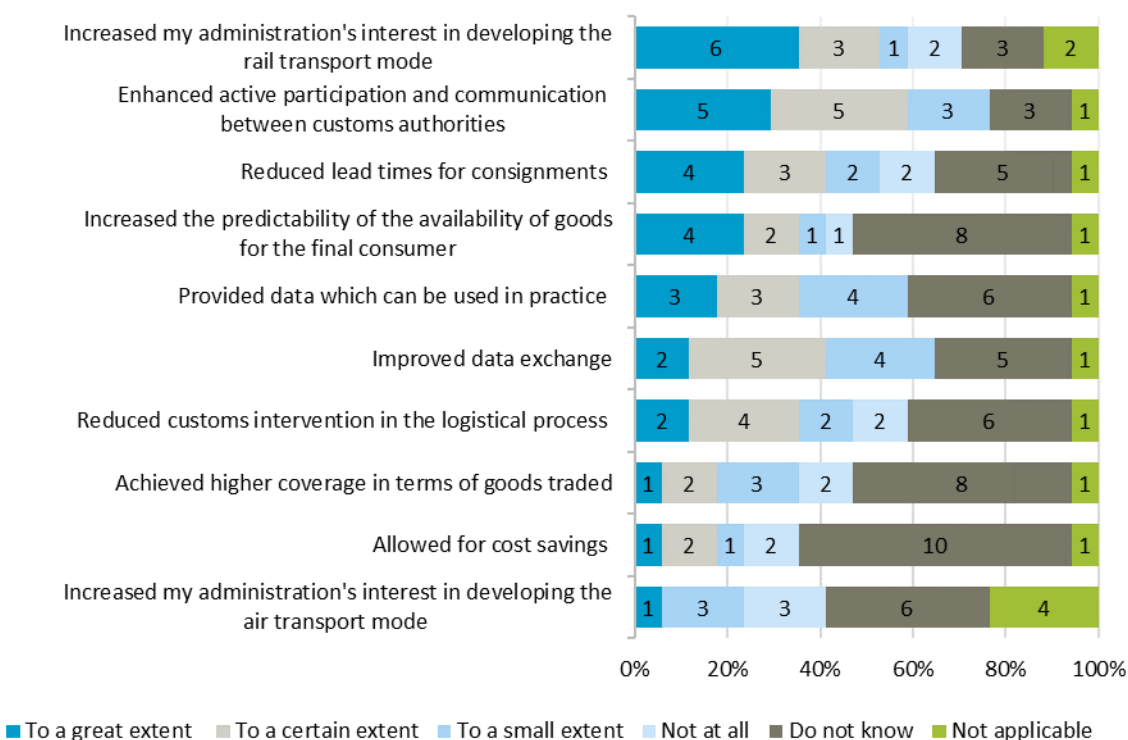
SSTL program	Large increase in costs or large reduction in direct or societal benefits	Small increase in costs or small reduction in direct or societal benefits	Neither increases nor decreases in costs or benefits	Small decrease in costs or small increase in direct benefits or number of societal benefits	Large in costs or large increase in direct benefits or number of societal benefits
Costs			✓		
Benefits - direct					✓
Benefits - societal					✓

**Figure 17. National authorities' survey - How (if at all) has the implementation/application of the SSTL pilot project through the CCMAA and the Strategic Framework had an impact on the following costs for your administration/department? [EQ 4.3, 4.4] (n=17)**



Source: Question 21, National authorities' survey

**Figure 18. National authorities' survey - What in particular have the CCMAA and its Strategic Framework achieved through the implementation of the SSTL pilot project? They have... [EQ 3.4] (n=17)**



Source: Question 22, National authorities' survey

### Costs and benefits of the IPR provisions of the Strategic Framework

As in the previous cases, a majority of respondents do not know whether the application of the IPR provisions of the Strategic Framework have resulted in changes in costs. However, slightly less than a quarter of respondents noted that enforcement costs and administrative burdens have increased slightly.

However, a majority of respondents (of up to 78%) indicated that the IPR provisions yielded many direct and societal benefits:

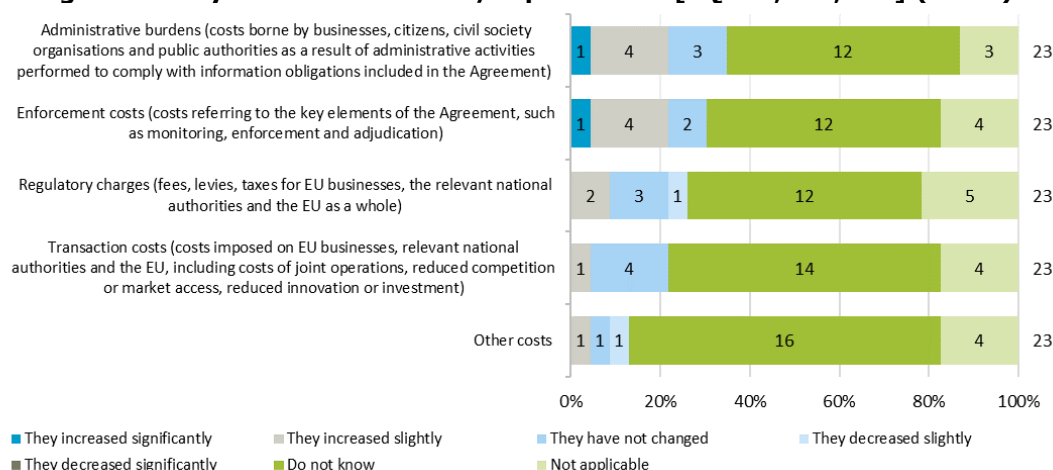


- **Direct benefits:** enabled the exchanges of knowledge and experiences of the IPR border enforcement policies and practices in China and the EU, allowed for the exchange and analysis of information on seizures, enabled the targeting of high-risk consignments in a network of key airports, seaports and other customs control points, Helped establish different levels of operational cooperation in cross-border IPR investigations
- **Societal benefits:** helped curtail trade in IPR-infringing goods

**Table 23. Cost-benefit analysis – IPR provisions of the Strategic Framework**

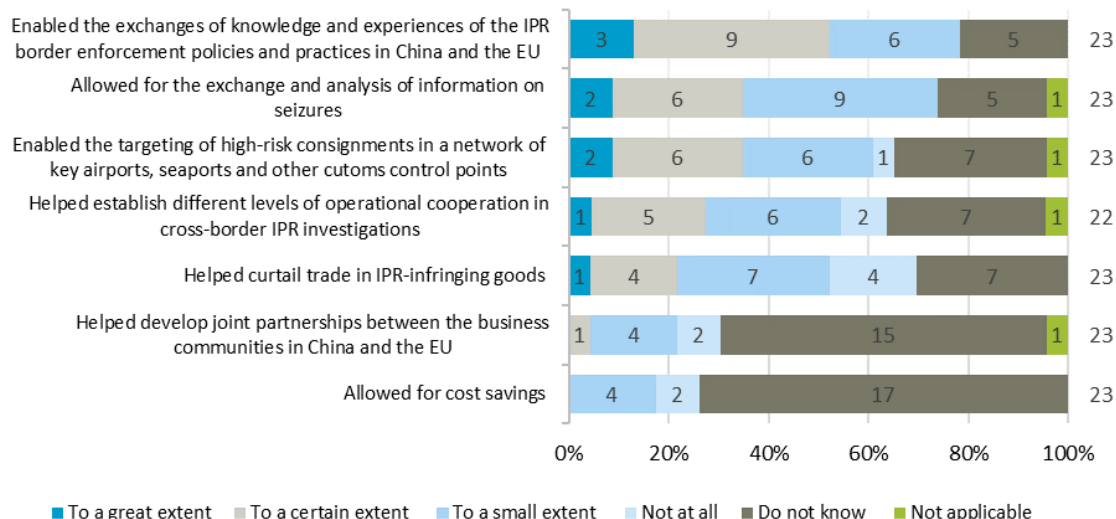
IPR provisions of the SF	Large increase in costs or large reduction in direct or societal benefits	Small increase in costs or small reduction in direct or societal benefits	Neither increases nor decreases in costs or benefits	Small decrease in costs or small increase in direct benefits or number societal benefits	Large in costs or large increase in direct benefits or number of societal benefits
Costs			✓		
Benefits - direct					✓
Benefits - societal					✓

**Figure 19. National authorities' survey - How (if at all) has the implementation and application of IPR enforcement through the CCMAA and the Strategic Framework had an impact on the following costs for your administration/department? [EQ 4.1, 4.2, 4.3] (n=23)**



Source: Question 27, National authorities' survey

**Figure 20. National authorities' survey - To what extent have the CCMAA and its Strategic Framework had the following impact on IPR enforcement? They have... [EQ 3.13] (n=23)**



Source: Question 28, National authorities' survey

### Cost and benefits of the FAF provisions of the Strategic Framework – Financial protection

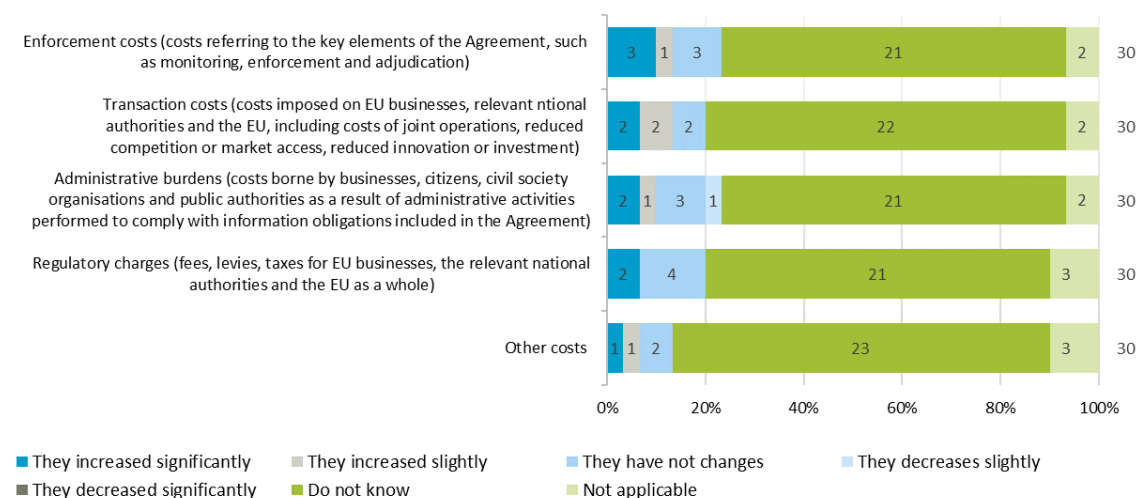
Again, a majority of respondents do not know whether the application of the Fight against Fraud (FAF) provisions of the Strategic Framework have resulted in changes in costs. Less than a handful of respondents noted that enforcement costs and administrative burdens have increased

With regard to the benefits, a majority (or slightly less of a majority) noted two major benefits, namely a direct benefit in terms of increases in the number of seized goods in breach of customs policies and a societal benefit of a reduction in the amount of tax revenue lost to fraud

**Table 24. Costs-benefit analysis – Fight against fraud provisions of the Strategic Framework (financial protection)**

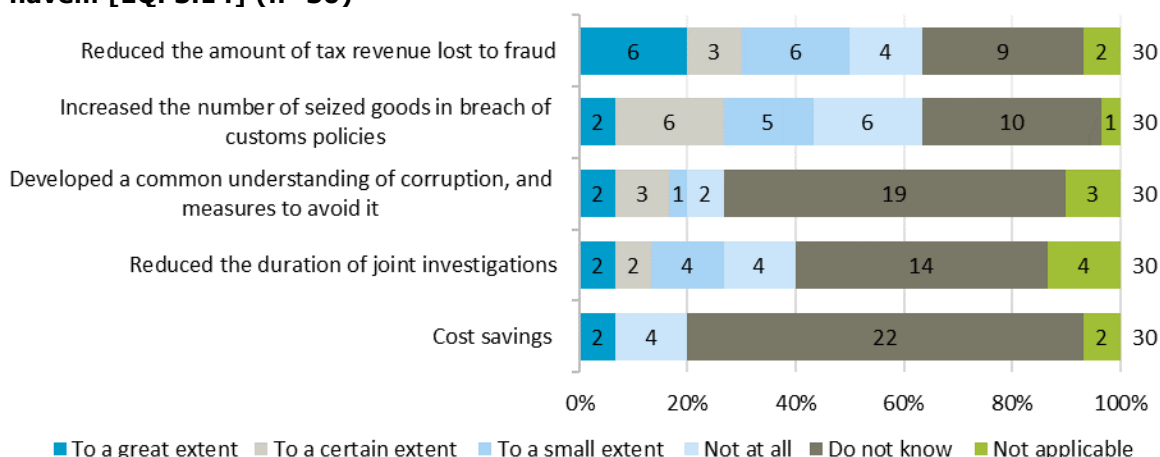
FAF provisions of the SF (financial protection)	Large increase in costs or large reduction in direct or societal benefits	Small increase in costs or small reduction in direct or societal benefits	Neither increases nor decreases in costs or benefits	Small decrease in costs or small increase in direct benefits or number of societal benefits	Large in costs or large increase in direct benefits or number of societal benefits
Costs			✓		
Benefits - direct					✓
Benefits - societal					✓

**Figure 21. National authorities' survey - How (if at all) has the CCMAA and the Strategic Framework in the area of fight against fraud to ensure financial protection (especially through mutual administrative assistance) had an impact on the following costs for your administration/department? [EQ. 4.1, 4.2, 4.3] (n=30)**



Source: Question 35, National authorities' survey

**Figure 22. National authorities' survey - What in particular have the CCMAA and its Strategic Framework achieved for the protection of financial interests in the fight against fraud? They have... [EQ. 3.14] (n=30)**



Source: Question 36, National authorities' survey

### Cost and benefits of the fight against fraud provisions of the Strategic Framework – environmental protection

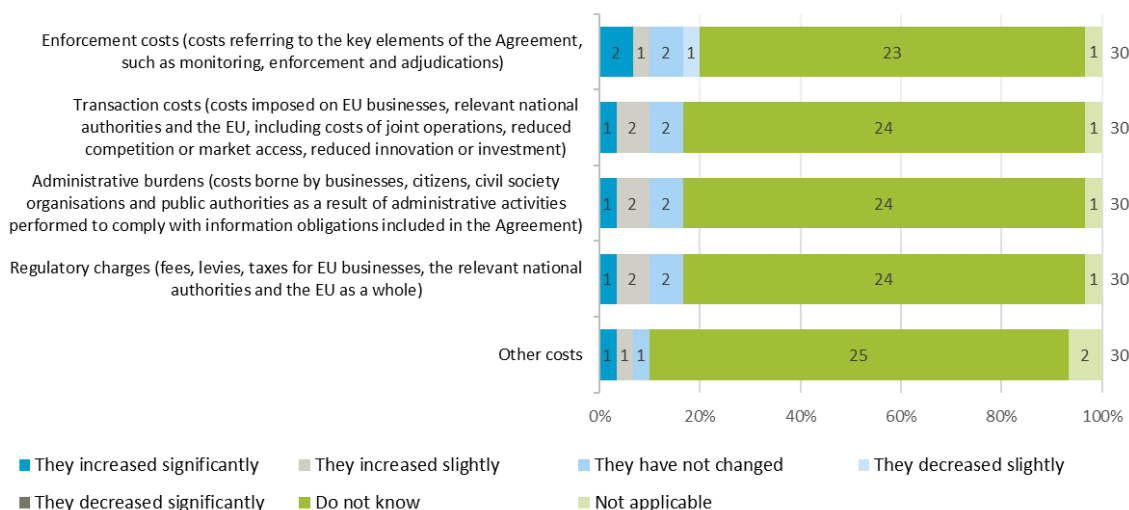
The vast majority of respondents do not know whether the provisions of the Strategic Framework focusing on the environment have had an impact on the costs faced by their administration or department. Only two or three respondents out of 30 reported an increase in costs.

Less than half of respondents were able to identify any environmental benefits arising from the fight against fraud. Among those respondents who noted one or several benefits, the most commonly cited were the societal benefit of increased awareness on the issue of illicit trade of waste and the direct benefits of the development of a common understanding of the issue, and measures to solve it and the identification of key trends in the illicit trade of waste.

**Table 25. Cost-benefit analysis – fight against fraud provisions of the Strategic Framework (environmental protection)**

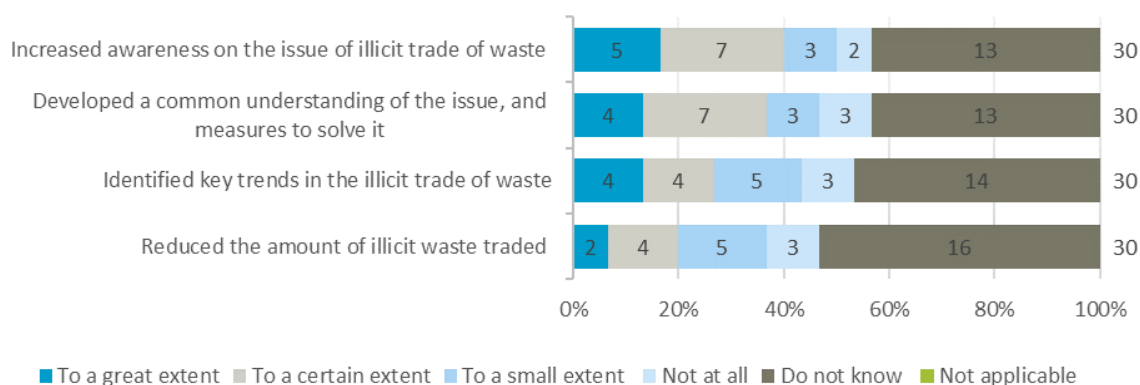
FAF provisions of the SF (environmental protection)	Large increase in costs or large reduction in direct or societal benefits	Small increase in costs or small reduction in direct or societal benefits	Neither increases nor decreases in costs or benefits	Small decrease in costs or small increase in direct benefits or number societal benefits	Large in costs or large increase in direct benefits or number of societal benefits
Costs			✓		
Benefits -direct					✓
Benefits - societal					✓

**Figure 23. National authorities' survey - How (if at all) has the CCMAA and its Strategic Framework in the area of fight against fraud to ensure environmental protection (especially through fighting illicit trade in waste), had an impact on the following costs for your administration/department? [EQ 4.1, 4.2, 4.3] (n=30)**



Source:  
Question 40, National authorities' survey

**Figure 24. National authorities' survey - What in particular have the CCMAA and the Strategic Framework achieved for the protection of the environment through the fight against fraud? [EQ 3.14] (n=30)**



### Costs and benefits of the statistical cooperation provisions of the Strategic Framework

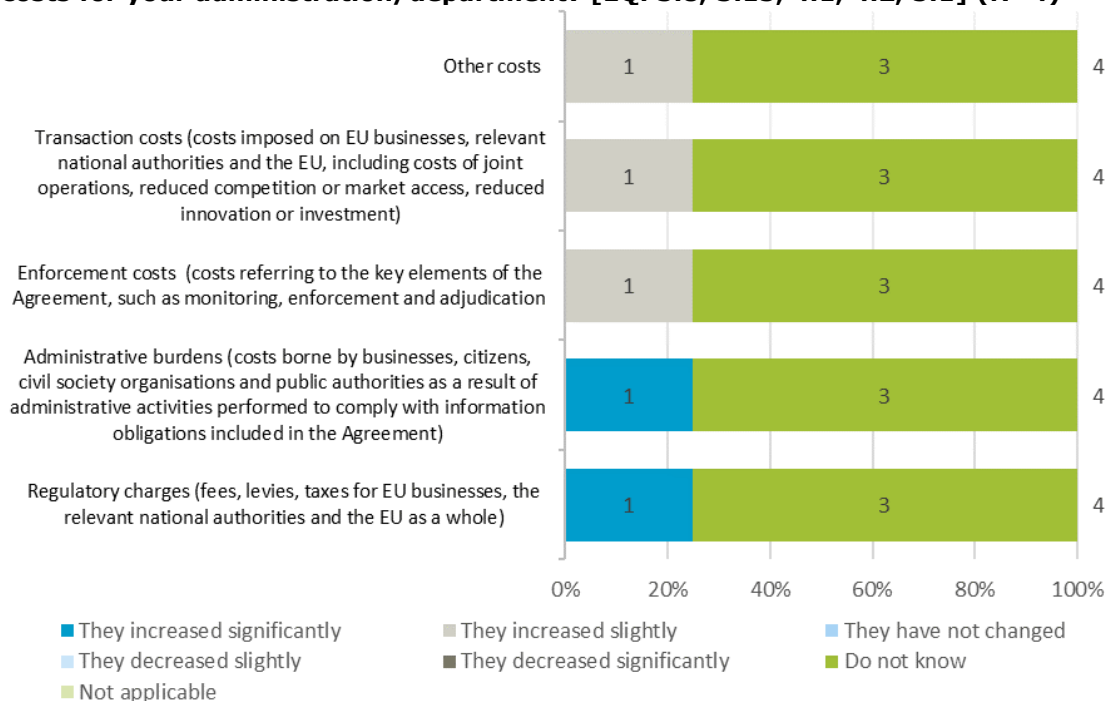
Of the four survey participants who responded to the question on the cost of the statistical cooperation provision of the Strategic Framework, only one noted an increase in costs. The other three respondents did not know whether there was any cost impact.

Two of the survey respondents indicated that the statistical cooperation has helped to reduce the inconveniences (e.g.: loss of time, reduced data accuracy and reliability) resulting from inconsistencies between the EU and China's external trade statistics and promoted enhanced understanding of each other's external trade data. These are two societal benefits.

**Table 26. Cost-benefit analysis – statistical cooperation provisions of the Strategic Framework**

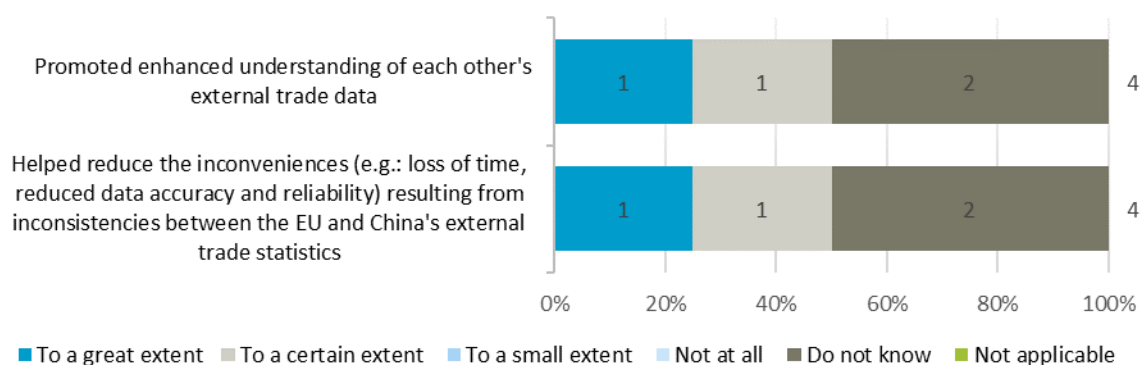
Statistical cooperation provisions of the SF	Large increase in costs or large reduction in direct or societal benefits	Small increase in costs or small reduction in direct or societal benefits	Neither increases nor decreases in costs or benefits	Small decrease in costs or small increase in direct benefits or number societal benefits	Large in costs or large increase in direct benefits or number of societal benefits
Costs			✓		
Benefits - direct	No information available				
Benefits - societal					✓

**Figure 25. National authorities' survey - How (if at all) has the enhancement of statistical cooperation as a result of the CCMAA and its Strategic Framework had an impact on the following costs for your administration/department? [EQ. 3.8, 3.15, 4.1, 4.2, 5.1] (N=4)**



Source: Question 45, National authorities' survey

**Figure 26. National authorities' survey - What in particular have the CCMAA and the Strategic Framework achieved in terms of statistical cooperation? They have... [EQ. 3.8, 3.15, 4.1, 4.2, 5.1] (N=4)**



Source: Question 46, National authorities' survey

### Cost and benefits of the e-commerce provisions of the Strategic Framework

Almost 90% of survey respondents do not know whether the e-commerce provisions of the Strategic Framework have had a cost impact or indicated that they were not in a position to provide an answer. However, two to three survey respondents noted increases in costs.

While more than half of survey participants did not know whether the provisions yielded any benefits or were not in a position to provide an answer, about 1/3 of survey participants reported direct benefits:

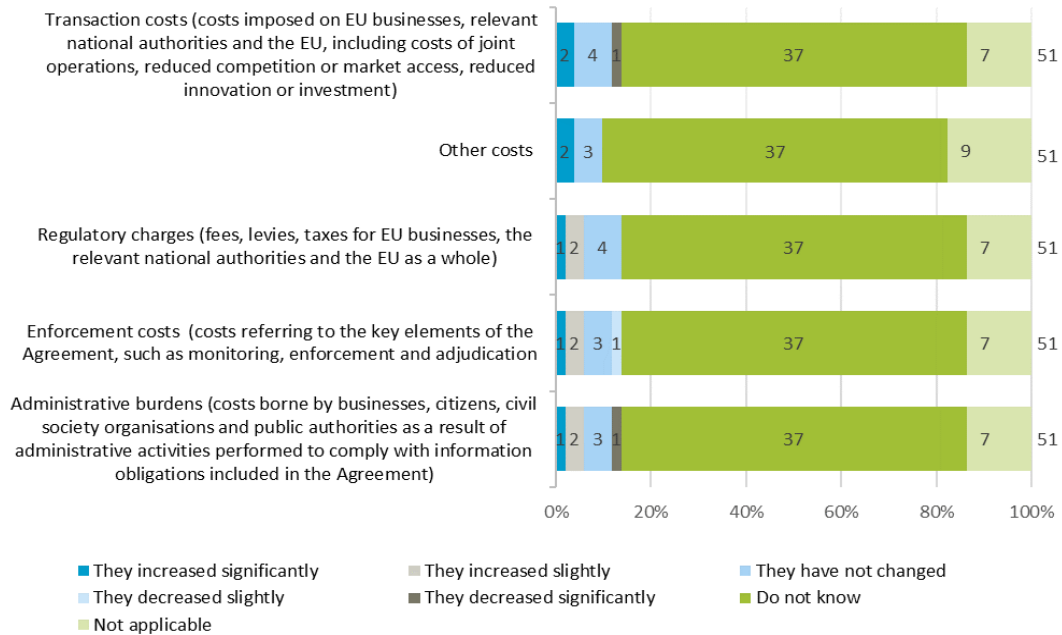
the provisions favoured **cooperation in the World Trade Organisation (WTO)** and in the **World Customs Organisation (WCO)** e-commerce Working Group which ensured efficient controls including:

- on security, safety and IPR, whilst contributing to legitimate e-commerce in a manner that is non-discriminatory towards other trade modes, promoted the sharing of in-depth knowledge and best practices, e.g. case studies and recommendations on customs supervision and enhanced risk management cooperation in cross-border e-commerce

**Table 27. Cost-benefit analysis – cross-border e-commerce provisions of the Strategic Framework**

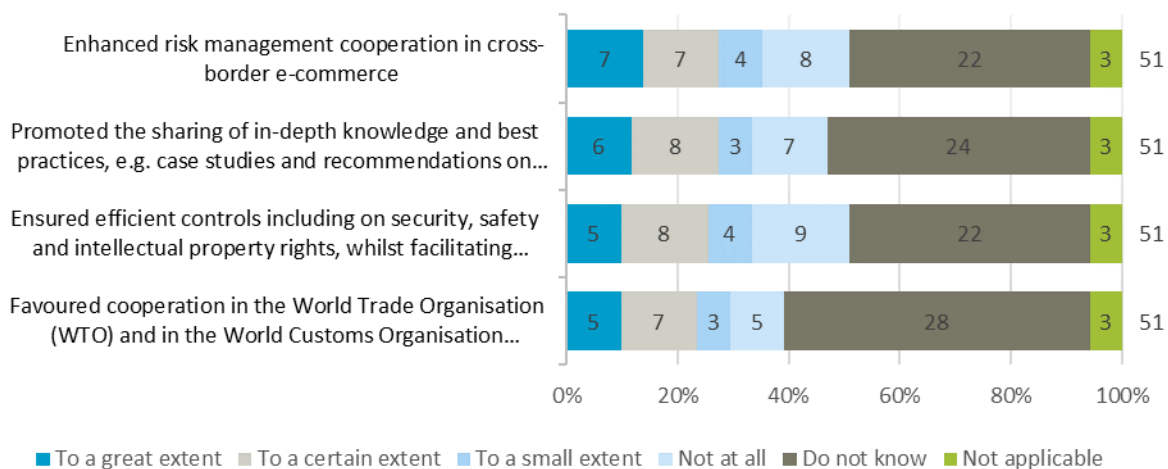
Cross-border e-commerce provisions of the SF	Large increase in costs or large reduction in direct or societal benefits	Small increase in costs or small reduction in direct or societal benefits	Neither increases nor decreases in costs or benefits	Small decrease in costs or small increase in direct benefits or number societal benefits	Large in costs or large increase in direct benefits or number of societal benefits
Costs			✓		
Benefits direct	-				✓
Benefits societal	-				

**Figure 27. National authorities' survey - How (if at all) has the establishment of cross-border e-commerce cooperation as a result of the CCMAA and its Strategic Framework had an impact on the following costs for your administration/department? [EQ 4.1, 4.2, 4.3] (N=51)**



Source: Question 49, National authorities' survey

**Figure 28. National authorities' survey - What in particular have the CCMAA and the Strategic Framework achieved by establishing customs cooperation in cross-border e-commerce? They have... [EQ. 3.9] (n=51)**



Source: Question 50, National authorities' survey

### Overall qualitative assessment of costs and benefits for the national customs administrations

The CCMAA, the various provisions of the Strategic Framework, the mutual recognition of the AEO status and the SSTL do not appear to have resulted in marked increases in costs for national customs administrations. Most of the respondents did not know whether costs had changed or were not in a position to provide information, and only a few respondents reported cost increases.

By contrast, in general, survey participants reported a number of positive direct and societal impacts of the CCMAA, the various provisions of the Strategic Framework, the mutual recognition of the AEO status and the SSTL.

Thus, overall, it can be cautiously concluded that, for the national customs administrations, the benefits (directs and societal) of the CCMAA, the various provisions of the Strategic Framework, the mutual recognition of the AEO status and the SSTL outweigh the costs of implementing the various measures and programs.

### Costs and benefits for economic operators

The analysis of the costs and benefits of the CCMAA, Strategic Framework, mutual recognition of AEOs and the SSTL program draws on the results of the interviews with the TCG stakeholders and the survey of economic operators.

It is important to note that, among these businesses from the two groups, only one was SSTL registered. Therefore, any findings about the costs and benefits reported below should be viewed with a great deal of caution.

#### 1. Costs and benefits of China-EU customs cooperation

The interviews and survey did not gather any information on the overall costs or direct benefits to businesses of the CCMAA and Strategic Framework overall as the two relate mainly to various aspects of the operations of the customs authorities.

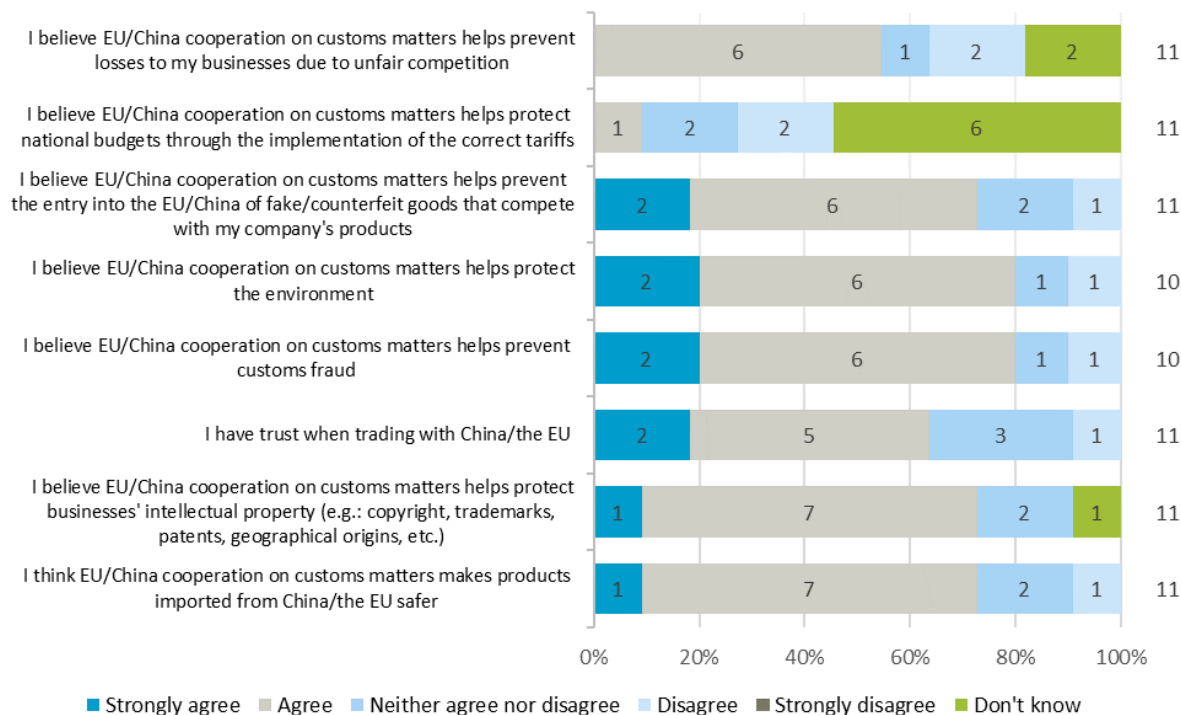
However, as shown in, in all but one case, a clear majority of the economic operators having participated in the phone survey are of the opinion that EU-China cooperation on customs matter yields benefits. However only one economic operator is of the opinion that EU/China cooperation on customs matters helps protect national budgets through the implementation of the correct tariffs. Moreover, a small majority reports increased trust in the relevant customs authorities .

**Table 28. Cost-benefit analysis – China-EU customs cooperation**

AEO mutual recognition	Large increase in costs or large reduction in direct or societal benefits	Small increase in costs or small reduction in direct or societal benefits	Neither increases nor decreases in costs or benefits	Small decrease in costs or small increase in direct benefits or number societal benefits	Large in costs or large increase in direct benefits or number of societal benefits
Costs					
Benefits -direct					
Benefits - societal					✓

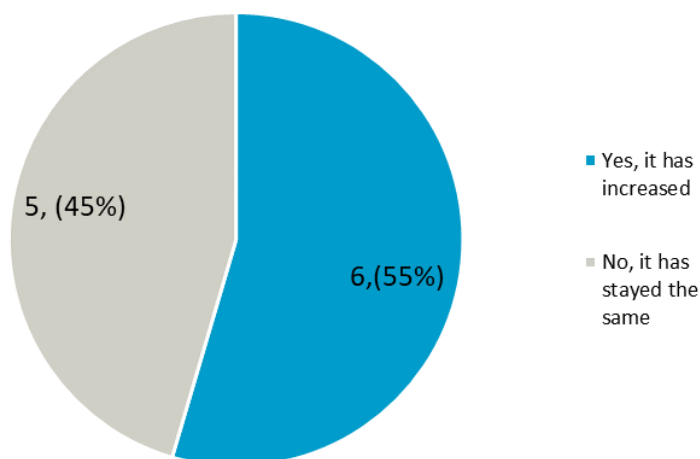


**Figure 29. Phone Survey with economic operators - To what extent do you agree with the following statements regarding EU cooperation with China on customs matters? (N=variable)**



Source: Question 10, Economic Operators Phone Survey

**Figure 30. Phone Survey with economic operators - Has this level of trust in the relevant authorities evolved since the implementation of formal customs cooperation between the EU and China in 2005? (N=11)**



Source: Question 18, Economic Operators Phone Survey

## 2. The AEO mutual recognition

All the Trade Contact Group (TCG) stakeholders interviewed as part of the study and 8 out of 11 economic operators having participated in the phone survey were an AEO. In the case of the latter, all economic operators declare in the customs declaration that they are an AEO.

Although only one economic operator (out of the eight having participated in the phone survey) reported that the AEO status led them to export more or import more from China, the mutual recognition of the AEO status is viewed as beneficial by a majority of respondents from the business community survey and by a majority of the economic operators to yield other benefits such as cost savings, reduced customs intervention in the logistical process, quicker customs clearance, etc. (

Among the small sample of TCG interview participants, a majority were of the opinion that participation in the AEO mutual recognition have resulted in some higher costs such as:

**Administrative burdens** (costs borne by businesses, citizens, civil society organisations and public authorities as a result of administrative activities performed to comply with information obligations included in the CCMAA),

**Substantive compliance costs** (Investments and expenses faced by businesses and citizens to comply with substantive obligations of the CCMAA),

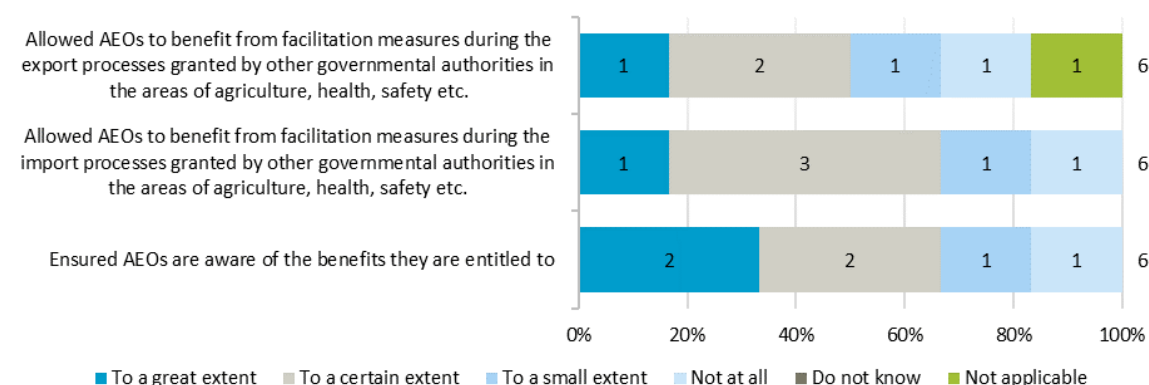
**Substitution Costs** (costs imposed on EU businesses, relevant national authorities and the EU, associated with the need to find alternatives).

This latter finding appears to contradict the finding from the survey of economic operators that the AEO mutual recognition reduced costs. However, it is important to note that the sample of respondents in both cases is very small, therefore, strong conclusions from this apparent contradiction should not be drawn.

**Table 29. Cost-benefit analysis –AEO mutual recognition**

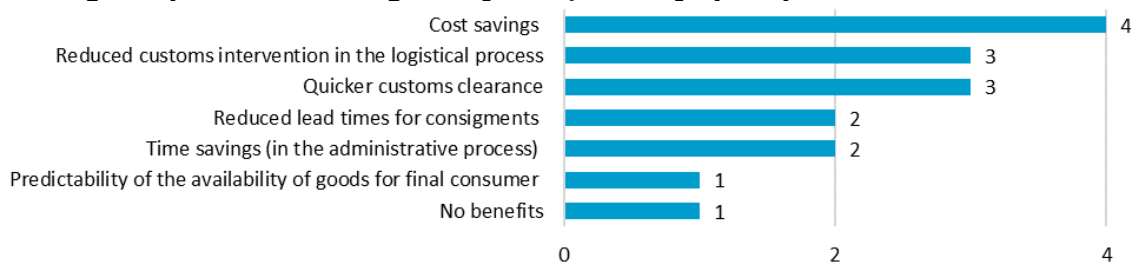
AEO mutual recognition	Large increase in costs or large reduction in direct or societal benefits	Small increase in costs or small reduction in direct or societal benefits	Neither increases nor decreases in costs or benefits	Small decrease in costs or small increase in direct benefits or number societal benefits	Large in costs or large increase in direct benefits or number of societal benefits
Costs		?		?	
Benefits -direct					✓
Benefits -societal					✓

**Figure 31. Business community survey - What in particular has the CCMAA and its Strategic Framework done to enhance trade for legitimate operators through the AEO mutual recognition agreement? (N=6)**



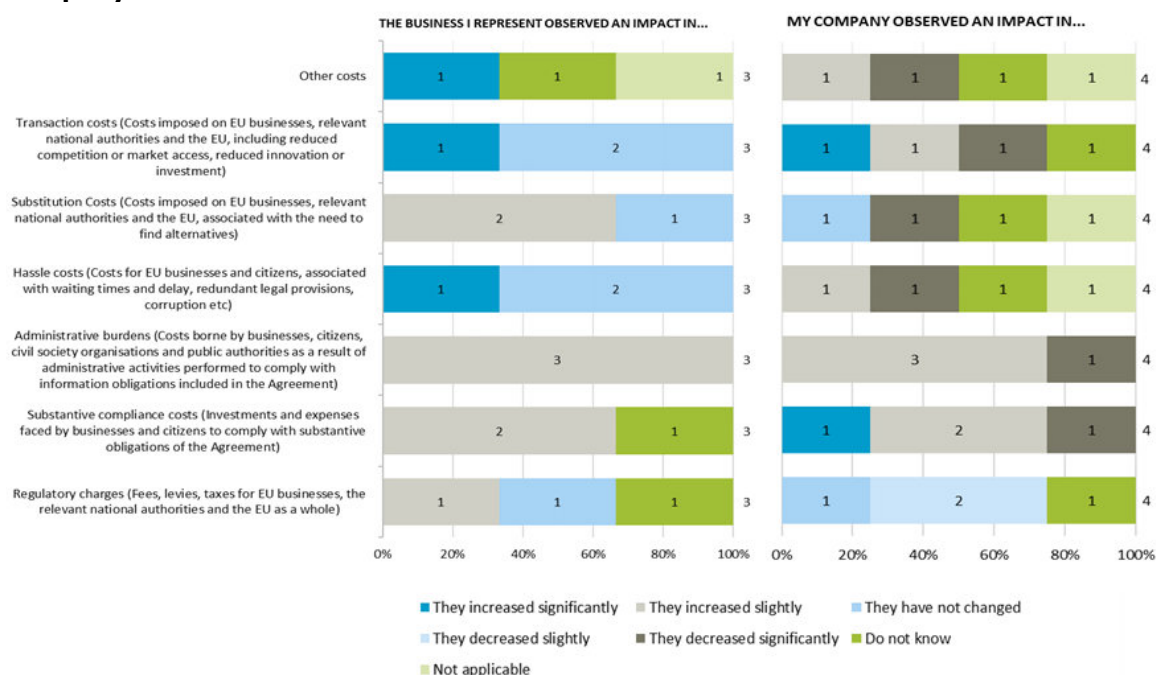
Source: Question 19, Business Community Survey

**Figure 32. *Business community survey* - What benefits, if any, has the recognition of the AEO status given you when trading with [China/the EU]? (N=4)**



Source: Question 11, Business Community Survey

**Figure 33. *Business community survey* - How (if at all) has the participation in the AEO mutual recognition had an impact on the following costs for the businesses you represent/your company**



Source: Question 17, Business Community Survey

### 3. The SSTL programme

As only one business in the TCG interviews and the economic operator survey indicated that they were SSTL registered no analysis of costs and benefits are undertaken for this aspect of the Strategic Framework.

### 4. Overall cost-benefit assessment for businesses of the CMAA and the AEO mutual recognition

Due to the limited data available, conclusions related to costs and benefits should be viewed as being largely speculative at this stage. However, they suggest that benefits outweigh the costs.

## Data collection tools

Tool	Targeted respondents	Thematic scope	Evaluation criteria covered
<b>Phone survey</b>	Economic operators dealing with China, ideally involved in either or both AEO MR programme and SSTL pilot project	<ul style="list-style-type: none"> <li>Costs and benefits for economic operators</li> <li>AEO Mutual Recognition</li> <li>SSTL pilot project</li> </ul>	Efficiency
<b>Online survey 1</b>	Member States' customs administrations and other national authorities	<ul style="list-style-type: none"> <li>Challenges encountered by national administrations in implementing the CCMAA</li> </ul>	All
<b>Online survey 2</b>	Trade Contact Group (TCG) and EU Chamber of Commerce in China	<ul style="list-style-type: none"> <li>Challenges encountered by TCG and their members in implementing the CCMAA</li> </ul>	All
<b>In-depth interview guide 1</b>	EU-level stakeholders	<ul style="list-style-type: none"> <li>Challenges encountered at the EU level in implementing the CCMAA</li> <li>Areas for improvement</li> <li>Factors that affected the implementation of the CCMAA</li> </ul>	All
<b>In-depth interview guide 2</b>	National level stakeholders	<ul style="list-style-type: none"> <li>Challenges encountered at the national level in implementing the CCMAA</li> <li>Areas for improvement</li> </ul>	All

		<ul style="list-style-type: none"> <li>Factors that affected the implementation of the CCMAA</li> </ul>	
<b>Public consultation</b>	General public	<ul style="list-style-type: none"> <li>Perceived importance of maintaining close collaboration with China</li> </ul>	Relevance Added value

**1 Enhancement of supply chain security and contribution to fair and open trade for reliable traders**

Fostering trade is increasingly important for economic operators. The shorter the shipment and consignment times, the more clients can be reached, and the higher their levels of satisfaction. However, trade should not be enhanced to the cost of less security. To cover both these aspects, two major tools were developed under the CCMAA and Strategic Framework in the EU-China customs cooperation: the Smart and Secure Trade Lanes (SSTL) pilot project and the Authorised Economic Operations Mutual Recognition (AEO MR) programme.

*1.a Smart and Secure Trade Lanes (SSTL)*

In June 2005, the World Customs Organisation Council adopted the World Customs Organisation SAFE Framework of Standards to Secure and Facilitate Global Trade (in short the ‘SAFE Framework’). The objective of the SAFE Framework is to deter international terrorism, secure revenue collections and promote also fair and open trade worldwide.

In line with the SAFE Framework, a pilot project between the EU and China was launched in 2006 to increase the supply chain security of the trade between the two parties. It is called ‘Smart and Secure Trade Lanes’ (SSTL) and allows the testing of end-to-end supply chain security instruments and mechanisms.

SSTL allowed to test notably specific safety and security related recommendations of the SAFE Framework between the EU and China. The SSTL programme tested SAFE Framework recommendations related to issues such as: security measures applied to containers, fostering of ‘Customs-to-Customs’ data exchange, risk management cooperation and the mutual recognition of customs controls and trade partnership programmes.

A second phase of SSTL started in 2010. The aim was to expand the project. More complex lanes were selected and there was an expansion of risk management cooperation.

SSTL also played an important role on security policy areas in the context of contributions to the concept of World Customs Organisation unique consignment reference numbers (UCR) and to address temporary admission issues for container security devices (CSDs).

The third phase of SSTL was launched in 2016. The aim was to offer traders joining the SSTL pilot project quicker customs clearance with enhanced logistical processes. This would allow an overall predictability of the availability of goods for final consumers. On top it was extended from goods entering via maritime transport to air and rail transport. For the expansion of SSTL in this third phase, the development of a complex data exchange mechanism was needed.

SSTL has grown into a project that currently operates approximately 120 trade lanes involving 200 economic operators between 16 maritime ports. Messages and information are exchanged via the

World Customs Organisation CENComm platform.<sup>160</sup> As it remains a pilot project, not all EU Member States participate.<sup>161</sup>

### *1.b Authorised Economic Operators*

In 2007, the SAFE Framework was supplemented with a World Customs Organisation flagship programme related to a partnership between customs and business, the programme on ‘Authorised Economic Operator’.

Both EU and China implemented this World Customs Organisation SAFE flagship programme related to partnerships between customs and business within their own customs territories. The traders and companies joining this programme in their respective territories became privileged operators for customs as certified safe traders. In the EU, this programme is also indicated by the title of ‘Authorised Economic Operator’ (AEO) and in China this programme is called the ‘Measures on Classified Management of Enterprises’ (MCME).

The EU and China signed a decision on the ‘Mutual Recognition’ (MR) of their respective customs programmes in this area in 2014. This ‘Mutual Recognition’ was established to enhance the supply chain security and to contribute to fair and open trade and customs clearance for reliable traders. In the EU, only holders of AEO authorisations with the safety and security component (AEOS) are eligible to participate in the AEO Mutual Recognition (MR) with China.

This AEO MR decision commits both the EU and China to recognise each other's certified safe traders. As such, both the EU and China allow companies participating in the respective programmes to benefit from faster controls and reduced administration for customs clearance.

The SSTL pilot project and the experience gained on SSTL collaboration between the EU and China, played an important role in the establishment and implementation of AEO MR cooperation between the EU and China.

Several actions were foreseen for the implementation of the AEO MR. A first goal was reached by the development of awareness-raising campaigns. The AEO MR second implementation goal was to bring other governmental authorities into the domain of AEO MR. The idea behind was that benefits of AEO MR during the import and export processes can be granted by other governmental agencies as well. Based on the survey conducted within the evaluation, most national authorities indicated having collaborated with other governmental agencies (e.g.: agriculture; health and safety authorities) to ensure that AEOs benefit from measures that contribute to fair and open trade during import/export processes. The third implementation goal concerned the establishment of a monitoring mechanism for the implementation of AEO mutual recognition. Less than half of the respondents in the national authorities’ survey indicated that they had established a monitoring system for the implementation of

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<sup>160</sup> [https://ec.europa.eu/taxation\\_customs/general-information-customs/customs-security/smart-secure-trade-lanes-pilot-sstl\\_en](https://ec.europa.eu/taxation_customs/general-information-customs/customs-security/smart-secure-trade-lanes-pilot-sstl_en)

<sup>161</sup> Eight EU Member States that are participating in the SSTL pilot project are: Belgium, France, Germany, Hungary, Italy, Netherlands, Poland and Spain. Six additional Member States, notably Czech, Greece, Lithuania, Portugal, Romania, Slovakia, as well as the World Customs Organisation, take part as observers.

AEO Mutual Recognition. While the respondents might not have been representative enough to draw hard conclusions, the monitoring of AEO MR has probably not been fully implemented.

## **2 Intellectual Property Rights (IPR)**

IPR are at the heart of each economy. IPR protect investments made in R&D and ensure that an economy remains innovative due to the protection of these innovations. The infringements of IPR should therefore be correctly addressed and tackled to make sure that the heart of economies keeps ticking.

Trade in goods that infringe IPR stifles investment and innovation, and hinders economic growth. It also reduces business and government revenues and brings risks to consumers.

As a consequence of globalisation and a stark increase of global trade in the last decades, the trade in goods that infringe IPR has amplified as well. As the EU is an important and global trading partner for many nations around the globe, the risk for goods entering the EU market that infringe IPR is also increasing.

Trade in IPR-infringing goods is a particular problem between EU and China. As shown in the latest publicly available report on the EU customs enforcement of IPR<sup>162</sup>, China is the first country in terms of number and value of IPR-infringing goods entering the EU. Tackling trade in goods that infringe IPR is therefore one of the key elements in the Strategic Framework and a long-standing area of customs cooperation.

The Strategic Framework provides the possibility to cooperate more in depth on certain subjects through the creation of a specific ‘Action Plan’ established under the JCCC. The 1st Action Plan concerning EU-China Customs Cooperation on IPR was signed in Brussels on 30 January 2009 with the aim of strengthening customs enforcement to combat counterfeiting and piracy in the trade between the parties. In this context, both sides have taken concrete steps to develop close cooperation. The cooperation was extended in consecutive Action Plans in December 2012, May 2014 and June 2018. The Action Plan covering the period 2021-2024 was adopted by the Commission on 4 November 2021.

Under the Action Plans on IPR and in order to fight the trade in goods that infringe IPR between the EU and China, the EU established in Beijing the China IPR Small and Medium-sized Enterprises (SMEs) Helpdesk project<sup>163</sup>. The Helpdesk supports EU Small and Medium-sized Enterprises (SMEs), through the provision of free information and services, to protect and also enforce their IPR in or relating to the People’s Republic of China, Hong Kong, Macao and Taiwan.

The EU also sponsors the IP Key project in China. The objective of the project is, amongst others, to increase transparency and improve the implementation of the intellectual property and intellectual property enforcement system in China. IP Key China has as one of its major aims to raise awareness on the importance of IPR in China.

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<sup>162</sup> [https://ec.europa.eu/taxation\\_customs/sites/taxation/files/2019-ipr-report.pdf](https://ec.europa.eu/taxation_customs/sites/taxation/files/2019-ipr-report.pdf)

<sup>163</sup> <https://www.china-iprhelpdesk.eu/>

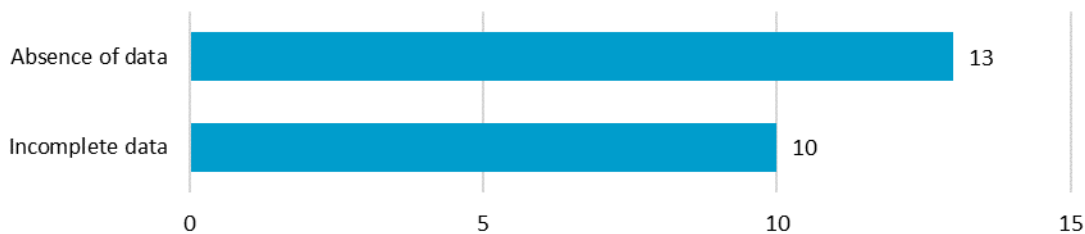


On the basis of the above, one can conclude that the EU took a lot of action on IPR customs cooperation with China. However, showing results for all those actions is not easy.

While acknowledging GACC's efforts, the EU regularly pointed out that China is still by far the primary country of origin of IPR-infringing goods imported into the EU, with no reduction of the phenomenon.<sup>164</sup>

As reported by interviewees during the evaluation, there are two main obstacles to reaching better results on IPR goals. First, the limited exchange of information (referrals) on IPR-infringing consignments as well as incomplete data on IPR legal cases between GACC and EU Member States. This is also reflected in the responses to the National authorities' survey where the primary factors indicated as having impacted the implementation of IPR policies are the absence of data, followed by the incompleteness of data.

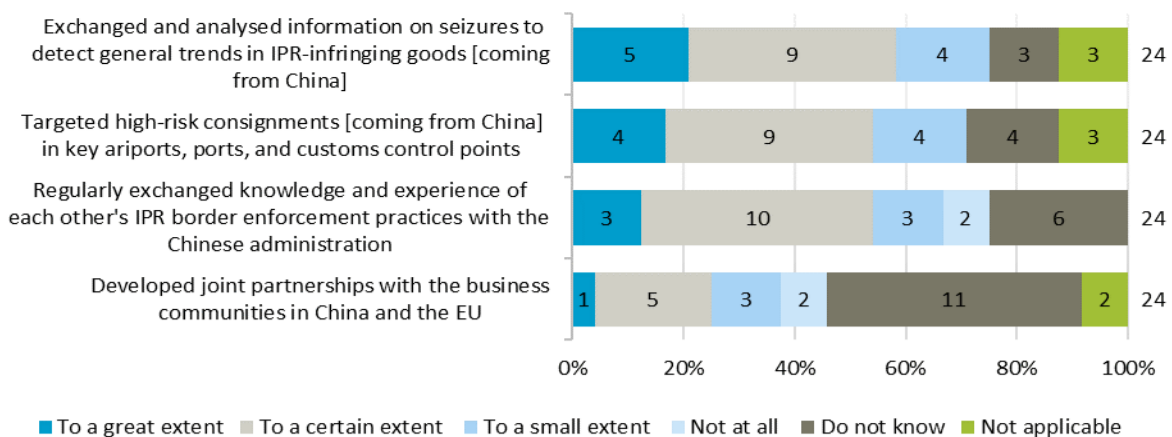
**Figure 34. National customs authorities' survey - What factors (if any) have impacted on the implementation of IPR through the CCMAA and its Strategic Framework?**



Source: Question 20, National authorities' survey

While the EU has been more active than China, the results in the figure below show that also EU Member States themselves could improve their efforts to increase the level of IPR cooperation with China.

**Figure 35. National authorities' survey - To what extent has your administration done the following to strengthen the enforcement of IPR? My administration has... (n=24)**



Source: Question 25, National authorities' survey

<sup>164</sup> According to the OECD/EUIPO study on Trends in Trade in Counterfeit and Pirated Goods (2019), imports of counterfeit and pirated products into the EU amounted to as much as EUR 19 billion which represents up to 5.8% of EU imports, totalling € 85 billion/year, against 5% of EU imports in 2013.

Overall, one could conclude that both the EU and China encountered several challenges while trying to ensure IPR enforcement and implementation. Addressing the absence of data or its partial incompleteness plays a crucial role for increasing the positive results on the IPR enforcement activities. The fact that GACC does not share data with the EU has impacted negatively the motivation of participating Member States. At the same time, while many agree IPR enforcement is key, it is also true that limited human resources<sup>165</sup> are put to this task both in China and in the EU and its Member States which has also its impact on the results.

### **3 Fight against Fraud**

Bilateral cooperation in the area of the fight against fraud is primarily implemented through the ‘Strategic Administrative Cooperation Arrangement in Combatting Customs Fraud’ (SACA) between the OLAF and GACC.

OLAF plays a crucial role in developing anti-fraud policy for the EU. The EU legislation specifically related to the fight against fraud to the EU’s financial interests (the PIF Directive<sup>166</sup>) was established in 2017. It has the aim to achieve convergence towards an effective and equivalent level of protection of the EU budget, in particular against cross-border fraud.

The main types of fiscal customs fraud are: 1) the wrong declaration of tariff classification, 2) the wrong declaration of value (undervaluation), and 3) the wrong declaration of origin (preferential or non-preferential).

There is also fiscal customs fraud related to VAT. One of the main types of customs-related VAT fraud relates to the abuse of customs ‘procedure 42’. Customs ‘procedure 42’ refers to a mechanism that an EU importer uses in order to obtain a VAT exemption when goods imported from outside the EU into one Member State will be transported to another Member State.<sup>167</sup> The other main types of customs-related VAT fraud relate to under-valuation, to non-declaration and to export.

In the context of the EU-China Strategic Framework, the two key objectives of the fight against customs fraud are to protect both the financial interests of the parties involved and also to protect the environment.

#### *3.a Protecting the Union’s financial interests*

The fight against customs fraud between EU and China to protect financial interests faces many challenges. These challenges develop every day as it has to take into account new and upcoming trends and technologies in the trading system. As such digitalisation, connectedness, the internet of things, data analytics, artificial intelligence and block-chain technology are all among the current realities and will only increase in the near and more distant future.

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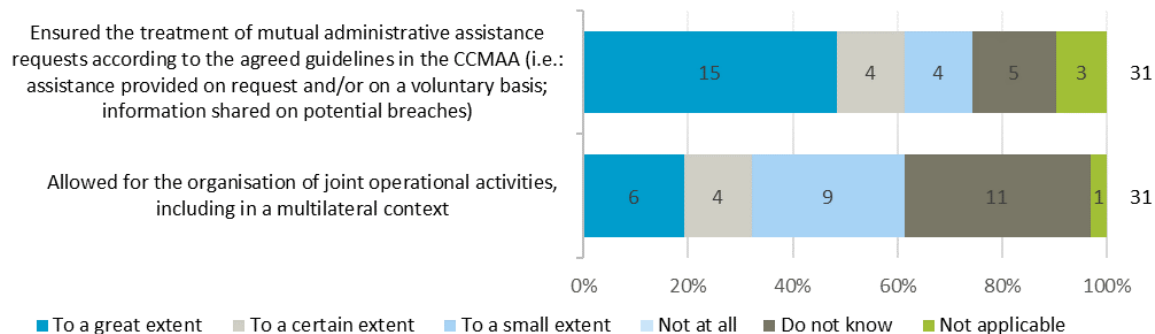
<sup>165</sup> One colleague or at most a handful colleagues are in charge in either China and/or the EU and its member States.

<sup>166</sup> Directive (EU) 2017/1371 of The European Parliament and of The Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law. Available here: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017L1371&from=EN>

<sup>167</sup> More info at: [https://anti-fraud.ec.europa.eu/media-corner/news/catch-them-while-you-can-joint-customs-operation-orion-led-olaf-and-hellenic-customs-stops-2016-12-22\\_en](https://anti-fraud.ec.europa.eu/media-corner/news/catch-them-while-you-can-joint-customs-operation-orion-led-olaf-and-hellenic-customs-stops-2016-12-22_en)

More than half of the respondents to the national authorities' survey indicated that to enforce the fight against fraud, customs administrations had engaged in the organisation of joint operational activities, including in a multilateral context.

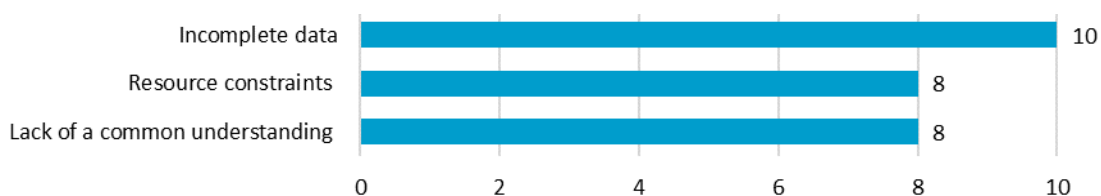
**Figure 36. National authorities' survey - To what extent has your administration done the following to protect the financial interests of the EU through the fight against fraud? [EQ. 3.6] (n=31)**



Source: Question 31. National authorities' survey

The key factors identified in the survey of authorities as having impacted the challenging implementation of the fight against fraud include incomplete/absence of data, resource constraints and lack of a common understanding between the two parties in the CCMAA. The absence of data in the actions on fight against fraud are clearly linked to sub-optimal results of the implementation of the MAA pillar on exchange of information.

**Figure 37. National authorities' survey - What factors (if any), have impacted on the implementation of the CCMAA and its Strategic Framework in the area of fight against fraud to ensure financial protection? [EQ. 3.14] (n=31)**



Source: Question 34. National authorities' survey

### 3.b Protecting the environment

The protection of the environment is a key issue for the EU and increased in importance through the Von der Leyen Commission's priority objectives as laid down in EU's Green Deal. The EU strives to make its economic activities increasingly sustainable and emissions neutral.

Customs plays an increasing role in the control of goods entering the EU that need to comply with a number of safety, health and environmental rules to protect consumers and our planet. These rules have been laid down in several acts of EU legislation which all fall under the remit and philosophy of protecting the environment while fighting against fraud.<sup>168</sup>

<sup>168</sup> This legislation include Regulation (EC) No 1013/2006 of the European Parliament and of the Council on shipments of waste (EU WSR) which lays down requirements for shipments of waste and Regulation (EEC) No 2658/87 which

The EU and China have also cooperated to foster the protection of the environment through the continuous fight against customs fraud.<sup>169</sup>

Protecting the environment concerns mainly the import and export of solid waste: to combat this practice a Waste Working Group has been created under the Strategic Framework and other initiatives have been launched together with OLAF and GACC.

The Waste Working Group carried out a mapping exercise in 2015, whereby data on EU-China waste flows were collected and, consequently, joint recommendations provided. The mapping exercise allowed to obtain an indicative picture of illicit flows of waste between the EU and China. It is reported by all consulted stakeholders during the evaluation that the working group activities under the CCMAA and the Strategic Framework improved the quality (and therefore also the comparability) of the statistics exchanged between the EU and China.

Moreover, minutes of official meetings and interviewees at the EU level positively judged the work of the Waste Working Group under the CCMAA and Strategic Framework. They believed the activities carried out by the Waste Working Group contributed to reducing the illegal trade of waste from the EU to China.

Nevertheless, while implementation in this field has been reported to be satisfactory, there seems to be room for improvement: the Waste Working Group was successful in cooperating with private entities and raising awareness about regulations on the issue, as well as creating the single network of focal contact points; problems around information exchange remain. The quality and comparability of the data exchanged between the EU and China has certainly progressed due to the (common) actions taken, while for instance the setting-up of an illegal import information exchange system for solid waste would probably have further abated waste smuggling flows.

#### **4 Statistical Cooperation**

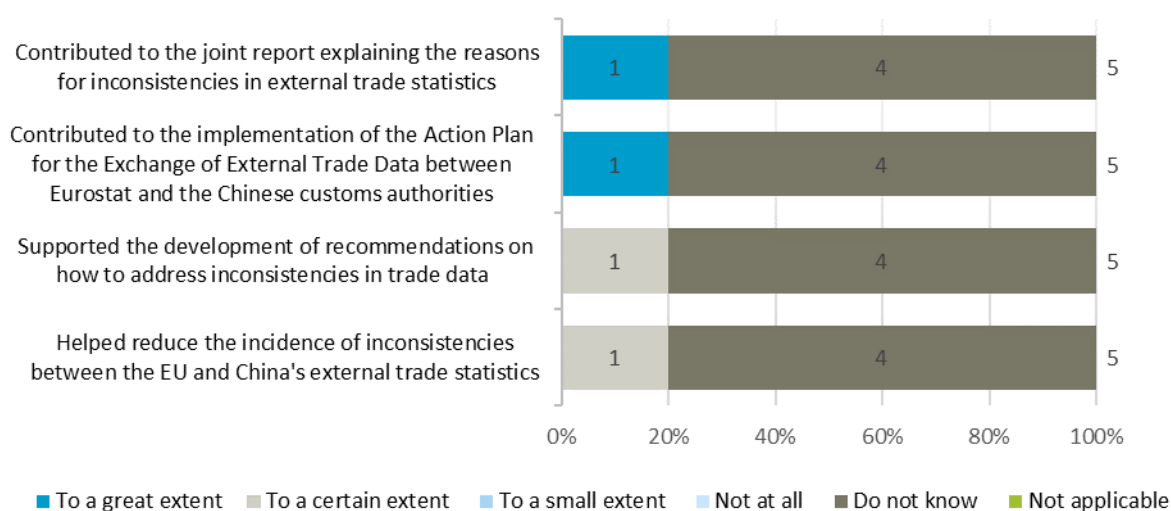
In an environment with changing and increasingly digitalised business, having accurate and timely data is essential. Therefore, statistical cooperation under the CCMAA and the Strategic Framework foresees a strengthening of the statistical collaboration through the implementation of an Action Plan on the Exchange of External Trade Data between Eurostat and the Chinese customs authorities. Most of the sources and the stakeholders consulted during the evaluation could provide little to no information on the extent to which statistical cooperation between the EU and China has been achieved through the CCMAA. The area of statistical cooperation is very sectoral and, as such, not many people have a holistic overview of the situation. This is confirmed by the responses from the national authorities' survey.

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lists waste in Annexes III, IV and V to the EU WSR. There is also Regulation (EU) No 1257/2013 of the European Parliament and of the Council of 20 November 2013 on ship recycling and amending Regulation (EC) No 1013/2006 and Directive 2009/16/EC.

<sup>169</sup> The Strategic Framework for 2018-2020 aims to protect the environment through fighting against fraud via five key areas: 1) to intensify exchange of data and further improve the quality of data exchanged on licit and illicit trade in waste; 2) to carry out recurrent data collection and analysis exercise on licit and illicit trade in waste; 3) to ensure effective cooperation between customs and the other competent authorities in their daily practice; 4) to upgrade cooperation with private stakeholders while also increasing the visibility of applicable rules for private business and clarify respective responsibilities; and 5) to establish one single network of focal contact points for operational actions against illegal shipments.

**Figure 38. National authorities' survey - To what extent has your administration done the following to develop statistical cooperation? My administration has... (n=5)**



Source: Question 43, National authorities' survey

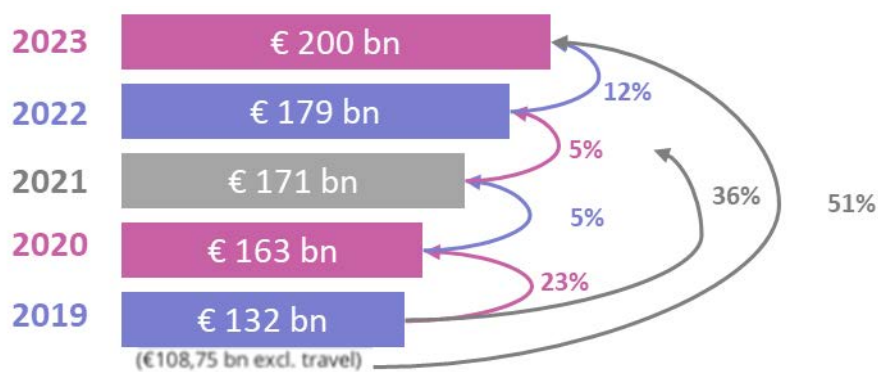
Nevertheless, the CCMAA allowed Eurostat to receive monthly trade data (sent on an annual basis) from China, which was not previously the case. In line with this, in the 7th JCCC Steering Group (March 2019) meeting, EU and Chinese officials defined cooperation on statistics as fruitful. Statistical cooperation between the two parties resulted in a joint mirror study<sup>170</sup> on discrepancies in EU and Chinese trade statistics showing a decrease in discrepancies despite growing trade. Interviewees at the EU level stressed that this experience would be worth repeating at regular intervals to keep track of the discrepancies between the datasets.

## 5 Cross-border E-commerce

Since the CCMA entered into force in 2005, trade and customs between EU and China have developed substantially. Besides the substantial and continuing exponential increase in trade in terms of value, the way trade has taken place has also evolved. Cross-border e-commerce has exponentially grown, especially in the most recent years.

Indeed, cross-border e-commerce is increasingly dominating the way trade occurs between the EU and China and it is likely to increase even further in the future. The figure below provides impressive growth figures for business to customers cross-border e-commerce. The Corona-crisis with many physical shops closed for several weeks and sometimes months in the EU is estimated to have given the growing e-commerce trend an extra boost.

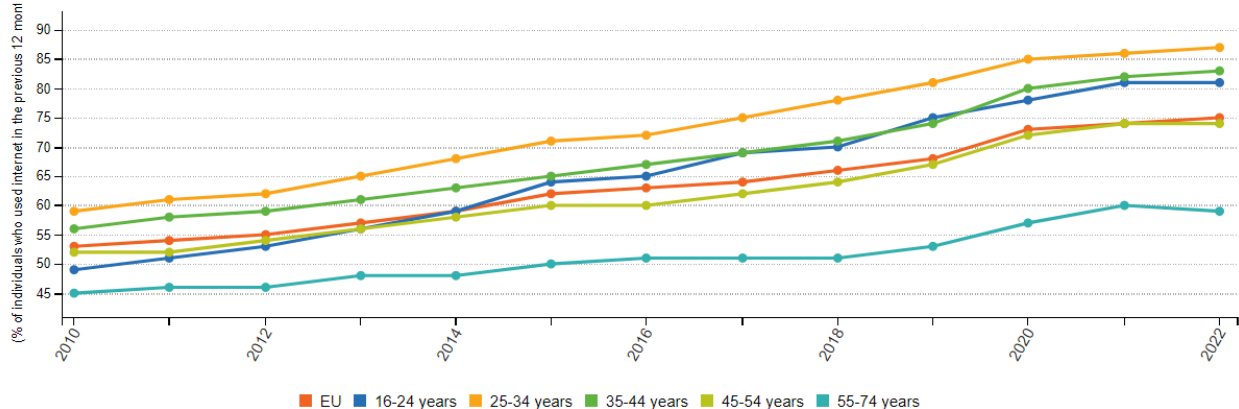
<sup>170</sup> Study on improving the comparability of EU China Trade in Goods Statistics, 2015 (EU-China Trade project)



Source: Data from Cross-Border Commerce Europe as cited in Ecommerce News Europe while Figure composed by DG TAXUD<sup>171</sup>

The figure below provides impressive growth figures for business to customers e-commerce in the last 12 years. The Corona-crisis with many physical shops closed for several weeks and sometimes months in the EU is estimated to have given the growing e-commerce trend an extra boost, especially for the elder population.

Internet users who bought or ordered goods or services for private use in the previous 12 months by age group, EU, 2010-2022



EU Break in time series in 2021

Source: Eurostat (online data code: isoc\_ec\_ibuy and isoc\_ec\_ib20)

eurostat

Looking at those developments, the customs cooperation between the EU and China could not stay behind on this new way of cross-border trading. Therefore, cross-border e-commerce was taken up as a separate issue in the Strategic Framework for 2018-2020, reflecting thereby the importance of cross-border e-commerce for both trade partners EU and China.

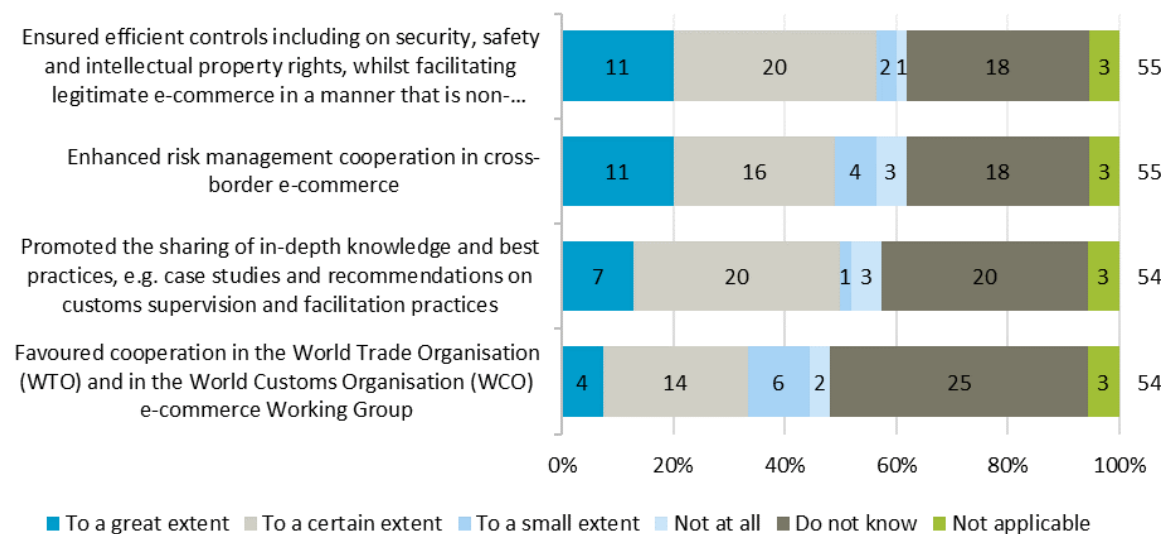
During the 7th Meeting of the EU-China JCCC Steering Group on 20th March 2019, China acknowledged that cross-border e-commerce is a new trade phenomenon, which customs should look

<sup>171</sup> <https://ecommercenews.eu/24-of-ecommerce-in-europe-is-cross-border/>  
<https://ecommercenews.eu/cross-border-ecommerce-worth-179-billion-euros/>

at, and that the volume of cross-border e-commerce increases the risk of smuggling and fraud. Therefore, China indicated its willingness to co-operate with the EU, including through information exchange, to strengthen controls and to make the cross-border e-commerce safer and more compliant.

The dramatic growth in cross-border e-commerce exchanges<sup>172</sup> added quite a layer of complexity to the customs cooperation between China and the EU. The majority of stakeholders consulted through the national authorities' survey indicated however having been engaged in activities directed at the promotion of customs cooperation in cross-border e-commerce. They also enhanced risk management cooperation in cross-border e-commerce and promoted the sharing of in-depth knowledge and best practices.

**Figure 39. National authorities' survey - To what extent has your administration done the following to promote customs cooperation in cross-border e-commerce? (n= 54-55)**



Source: Question 47. National authorities' survey

Until now cooperation on cross-border e-commerce between the EU and China under the Strategic Framework has concentrated mostly on exchanges of information within the JCCC Steering Group on the Parties' respective systems of cross-border e-commerce and on cooperating closely on the international scene. The newest Strategic Framework 2021-2024 – implemented since the end of 2022 – foresees to even increase this cooperation.

The EU and China also successfully cooperated on cross-border e-commerce in the last years at the multilateral level of the World Customs Organisation in the context of the adoption of the 'Cross-Border E-Commerce Framework of Standards'. Within the framework of the World Customs Organisation, China also presented an initiative to combat third-party smuggling by increasing the

<sup>172</sup> E-commerce sales in Europe have experienced a steady turnover growth over recent years with a European B2C e-commerce turnover forecasted to grow at around 13%, reaching EUR 621 billion euros in 2019. In particular, a growth of 5% was seen from 2010 to 2019 in the percentage of enterprises with e-commerce sales across the EU Member States. For China, in 2018 the value of cross-border e-commerce trade in goods was around 134.7 billion RMB, of which 78.58 billion RMB was from imports alone. Subsequently, cross-border e-commerce in China is growing at an estimated annual rate of 20-30%. It is estimated that by 2020, the revenue of China's cross-border e-commerce transactions will reach 12 trillion RMB, accounting for 37.6% of total import and export (Data from China e-Commerce Research Center).

connectivity of customs. The initiative aims at efficient exchange of information on goods transhipped and undervalued in a third country.



## ANNEX VII. EVALUATION QUESTIONS

Effectiveness was assessed through two main questions<sup>173</sup>: 1) Are the CCMAA and Strategic Framework fit for purpose and do they contribute to reaching the objectives? 2) What are the strengths/benefits and weaknesses in the implementation and application for each of the areas identified?

Efficiency is basically a cost-benefit analysis and was assessed through the following two questions<sup>174</sup>: 1) Has the implementation and application of the CCMAA and Strategic Framework created regulatory costs for EU businesses, the relevant national authorities, and the EU as a whole? 2) What is the magnitude of these costs, and particularly of the administrative burdens (and other regulatory costs like compliance costs?) for the stakeholders and to what extent are they offset by the benefits brought?

Checking coherence means analysing how various components of the same EU intervention operate together to achieve its objectives as well as the extent to which it is consistent with other EU measures. The coherence has been evaluated upon the following question: are the CCMAA and Strategic Framework coherent internally and with one another, as well as with other policy areas of the EU, for example in international relations, trade, environmental protection (e.g. Waste Shipment Regulation and Ship Recycling Regulation), safety and security, etc.

The EU has exclusive competence on customs matters. Nevertheless, the evaluation looked at whether equal or better results could have been accomplished at other levels. The EU's added value was evaluated via desk research and stakeholders interviews through the following evaluation questions<sup>175</sup>: Is the EU best placed to obtain the best results out of international cooperation in customs matters with China? What are the key benefits of an EU-wide framework over any action at national level? What are the feasible alternatives to such a framework? What constitutes "EU added value" in the customs cooperation agreements such as the CCMAA and Strategic Framework? Last but not least, what constitutes "EU added value" in the customs cooperation agreements such as the CCMAA and Strategic Framework?

The relevance has been assessed through the following evaluation questions<sup>176</sup>: To what extent are the CCMAA and Strategic Framework still relevant, adequate and sufficient to meet the needs of the stakeholders in a customs environment that has changed considerably over the years? How have the needs changed over time and what were the most important factors behind the change (e.g.: global

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<sup>173</sup> All evaluation questions can be found in Annex III.

<sup>174</sup> All evaluation questions can be found in Annex III.

<sup>175</sup> All evaluation questions can be found in Annex III.

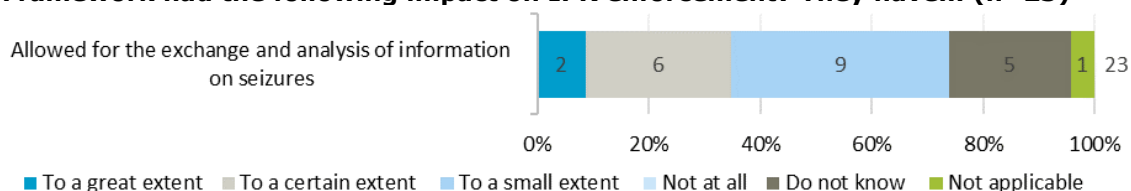
<sup>176</sup> All evaluation questions can be found in Annex III.

and national economic situations, political developments, technological progress including in particular cross-border e-commerce, etc.?)

In the context of evaluating the relevance of the CCMAA and the Strategic Framework, it is important to look at the possible gaps. The following two questions were evaluated in the gap analysis: 1) Is there room for improvement in the implementation and application of the CCMAA and Strategic Framework within the context and constraints of the legislation currently in force? 2) Are there any gaps that the two instruments leave uncovered in terms of actions that could/should be taken under the policy areas currently covered and/or of new policy areas currently not included (e.g.: product safety, drug precursors)?

## Key Action 1

**Figure 40. National authorities' survey - To what extent have the CCMAA and its Strategic Framework had the following impact on IPR enforcement? They have... (n=23)**

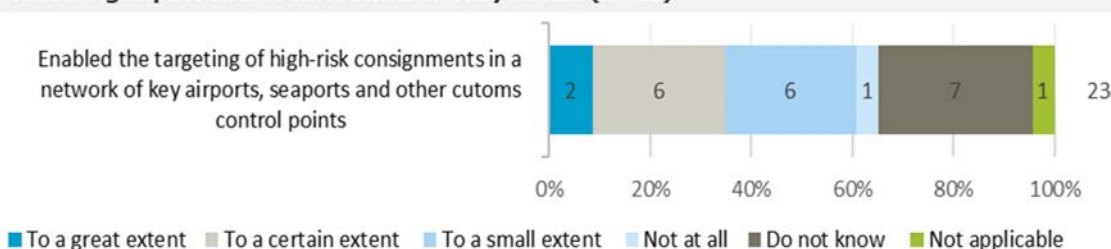


Source: Question 28, National authorities' survey

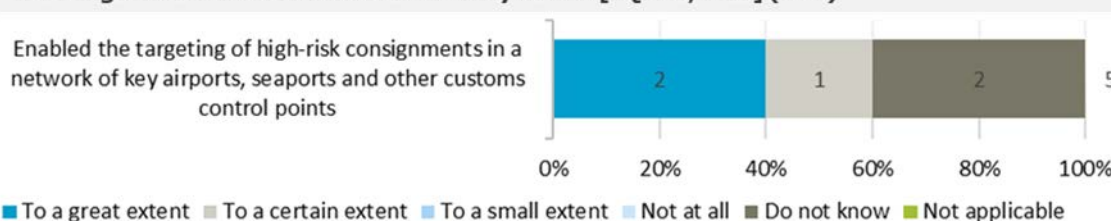
## Key Action 2

**Figures 41-. Impact on IPR in enabling the targeting of high risk consignments from the National Authorities, Business Community and Phone Surveys**

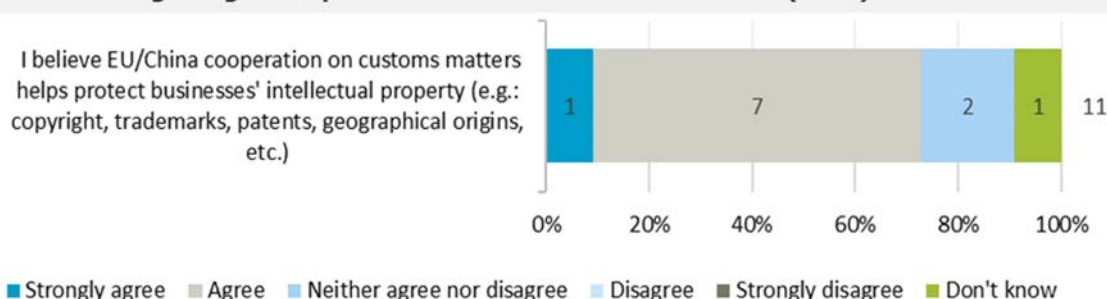
**National authorities' survey - To what extent have the CCMAA and its Strategic Framework had the following impact on IPR enforcement? They have... (n=23)**



**Business community survey - What in particular have the CCMAA and its Strategic Framework done to strengthen the enforcement of IPR? They have... [EQ. 3.5, 3.13] (n=5)**



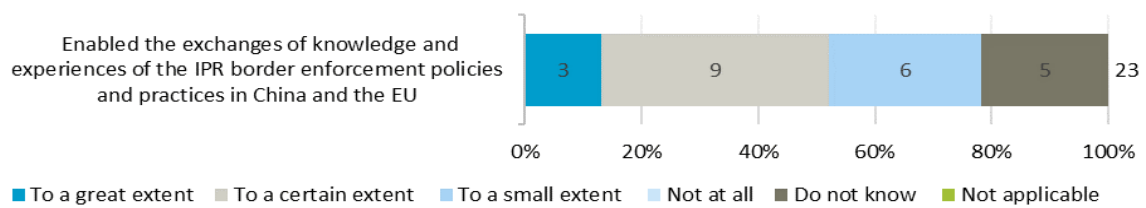
**Phone survey with economic operators -To what extent do you agree with the following statements regarding EU cooperation with China on customs matters? (n=10)**



Source: Question 28, National authorities' survey ,Question 26, Business Community Survey, Question 10, Phone survey with economic operator

## Key Action 3

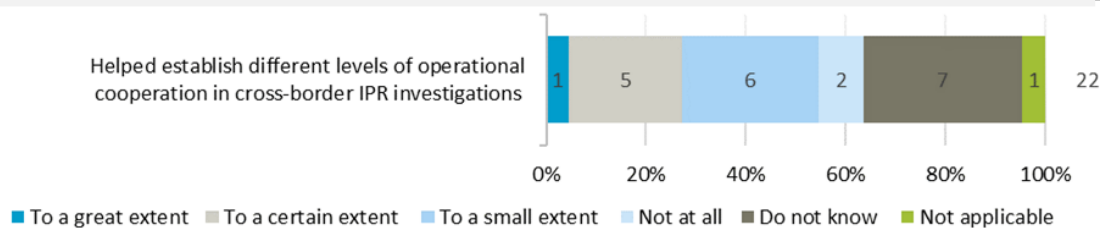
**Figure 42. National authorities' survey - To what extent have the CCMAA and its Strategic Framework had the following impact on IPR enforcement? They have... (n=23)**



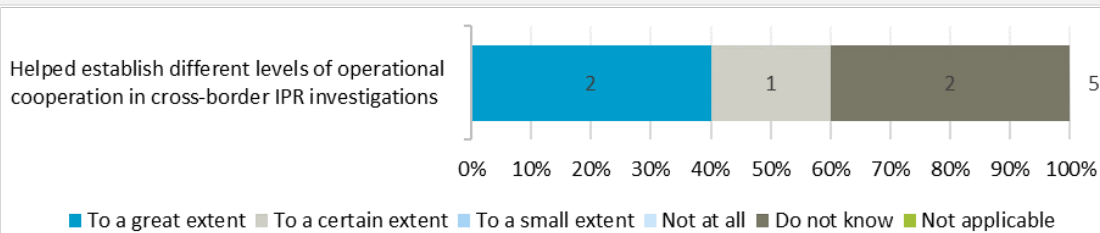
Source:  
Question 28, National authorities' survey

**Figure 43. Impact of IPR on establishing different levels of operational cooperation from National Authorities and Business community surveys**

**National authorities' survey - To what extent have the CCMAA and its Strategic Framework had the following impact on IPR enforcement? They have... (n=23)**



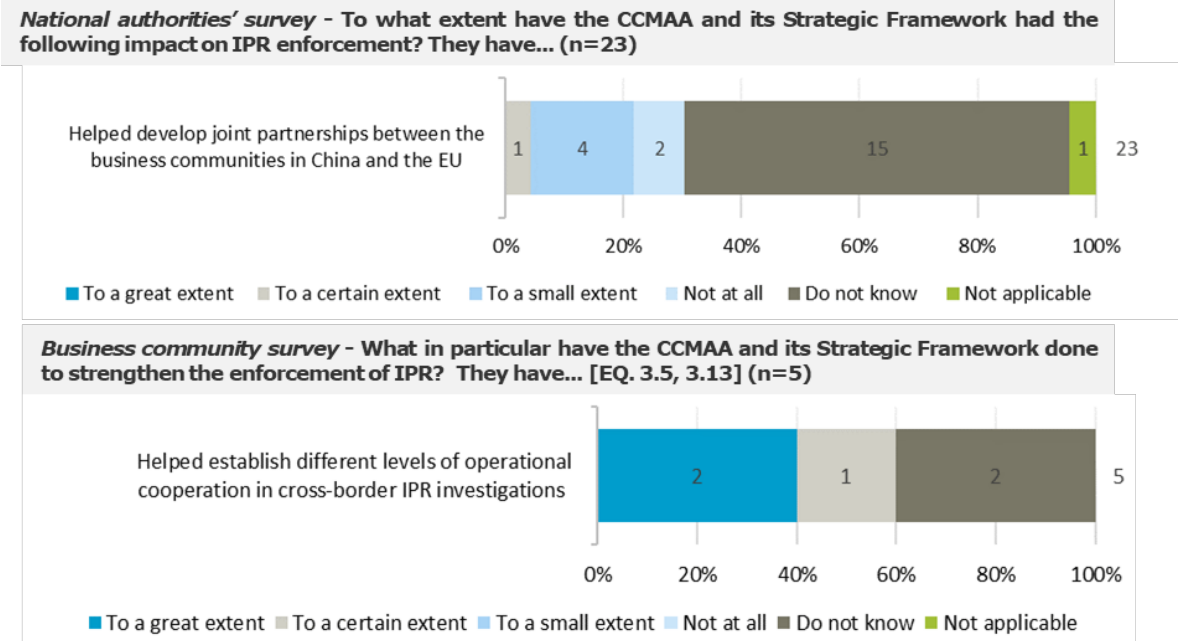
**Business community survey - What in particular have the CCMAA and its Strategic Framework done to strengthen the enforcement of IPR? They have... [EQ. 3.5, 3.13] (n=5)**



Source: Question 28, National Authorities survey, Question 26, Business Community Survey

# Key Action 4

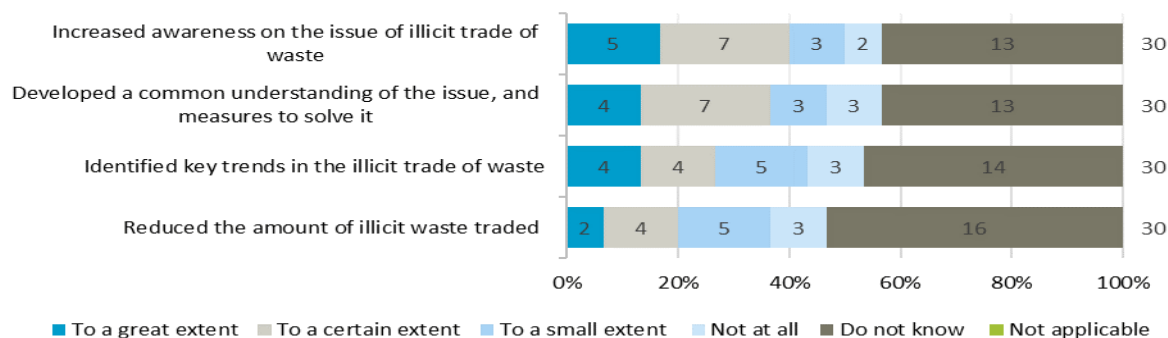
**Figure 44. Impact of IPR enforcement on helping to develop joint partnerships from National Authorities and Business community surveys**



Source: Question 29 National authorities survey, Question 26, Business Community Survey

## ANNEX IX. FIGHT AGAINST FRAUD IN AREA OF ENVIRONMENT

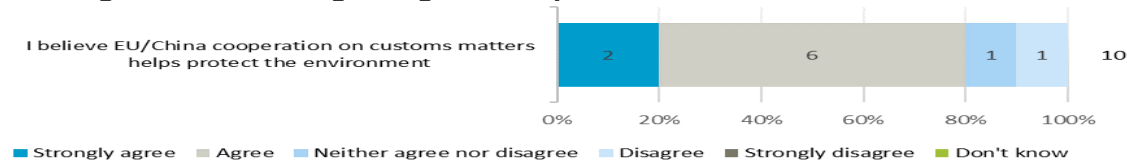
**Figure 45. National authorities' survey - What in particular have the CCMAA and the Strategic Framework achieved for the protection of environment through the fight against fraud? (n=30)**



Source:

Question 41, National authorities' survey

**Figure 46. Phone survey with economic operators -To what extent do you agree with the following statements regarding EU cooperation with China on customs matters? (n=10)**



Source: Question 10, Phone survey with economic operators

**Table 31. Illicit waste flows from EU to China, 2014**

Indicator	Illicit flows <sup>177</sup>
Export seizure statistics – total: volume – outside EU 28	As an estimation (in kg): <b>27 446 716</b>
Export seizure statistics: main destination countries	<b>China</b> , India, Nigeria, Hong Kong <sup>178</sup>
Export seizure statistics: share of China (volume)	As an estimation (in kg): <b>4 193 942 kg (15.28%)</b>
Export seizure statistics: share of Hong Kong (volume)	As an estimation (in kg): <b>1 379 012 kg (5.02%)</b>
Export seizure statistics: main destination ports in China	<b>Guangzhou, Shanghai, Ningbo, Qingdao, and Tianjin</b> are the most frequent destination ports reported by MS. <sup>179</sup>

<sup>177</sup> Regarding illicit flow data, 14 Member States (out of 28) provided data with 11 Member States providing workable data.

<sup>178</sup> This list is non-exhaustive; other illicit waste trade destination countries are: Malaysia, Madagascar, Brazil, Ghana, Libya, Syria, and Serbia.

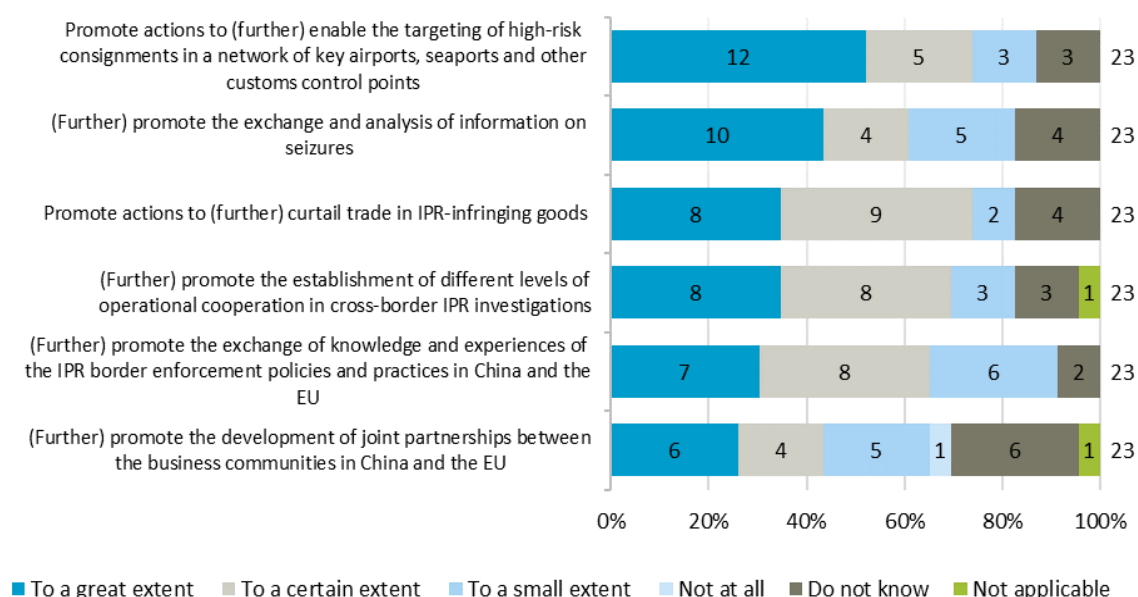
<sup>179</sup> This list is non-exhaustive; other destination ports in China are: Dalian, Baoding, Zhapu, Quanzhou, Haungpu, Shekou, Yantian, Guicheng, Nansha, Jiangmen, Zhanjiang, and Fujian.

Indicator	Illicit flows <sup>177</sup>
Types of waste seized at export and with declared destination China (waste declared vs waste found)	The most frequently reported types of wastes are: <b>Plastics; Waste of Electronical and Electrical Equipment (WEEE); Metals; Paper and household</b>
Types of waste seized at export and with declared destination Hong Kong (waste declared vs waste found)	The most frequently reported types of wastes are: <b>Plastics, WEEE; Paper and rubber.</b>
Points/Ports of seizure in the EU	The countries where most illicit waste shipments are seized are (by order): <b>NL, UK, BE, FR.</b>
Most common intended routes from EU to China	In some cases, the intended routes seem direct (for instance from Italian ports to CN) while in other cases <b>Rotterdam, Antwerp, and Hamburg</b> act as hubs to the transport of wastes produced in the UK, in IE, in AT or even in Portugal.
Nature of the infringements related to export seizures	Various infringements with WSR regulations have been reported: <ul style="list-style-type: none"> <li>1) the true recycling facility is not mentioned</li> <li>2) the shipment is not covered by a notification procedure;</li> <li>3) the shipment is banned according to Article 36 in (EC) No 1013/2006<sup>180</sup>;</li> <li>4) waste is not correctly classified (declared as green list while it is a hazardous waste by nature or because it has been contaminated)</li> </ul>
(Intended) transportation mode to China	No precise estimate is available. The most frequently reported transportation is sea container

<sup>180</sup> Regulation (EC) No 1013/2006 on shipments of waste <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32006R1013&from=EN>

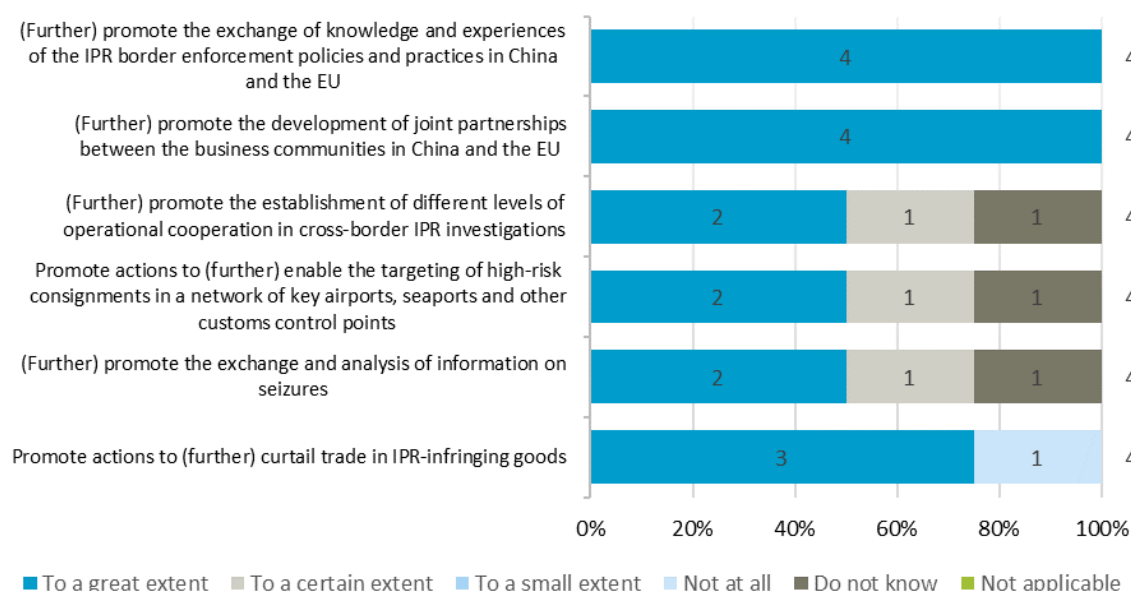
## ANNEX X. RESULTS OF THE DIFFERENT SURVEYS ON GAPS IN EXISTING CUSTOMS COOPERATION

**Figure 47. National authorities survey - What more should be done under the CCMAA and its Strategic Framework to strengthen the enforcement of IPR? (n=23)**



Source: Question 30, National authorities' survey

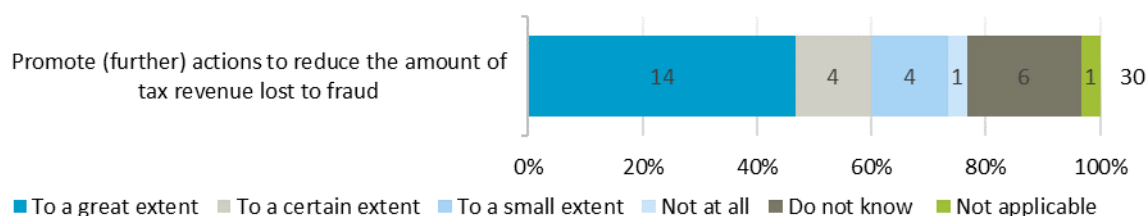
**Figure 48. Business Community Survey - What more should be done under the CCMAA and its Strategic Framework to strengthen the enforcement of IPR? (n=4)**



Source: Question 27, Business Community Survey

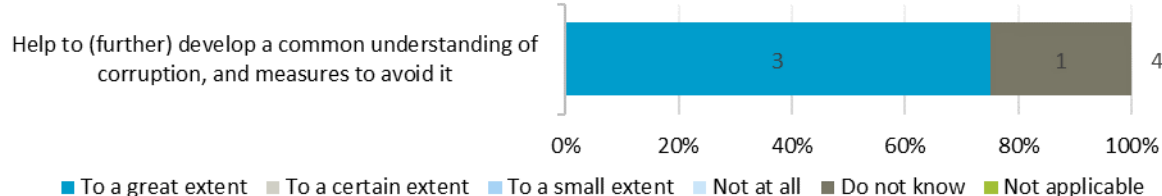
**Figure 49. National authorities survey - What more should be done under the CCMAA and its Strategic Frameworks to fight fraud focusing on the protection of financial interests?**





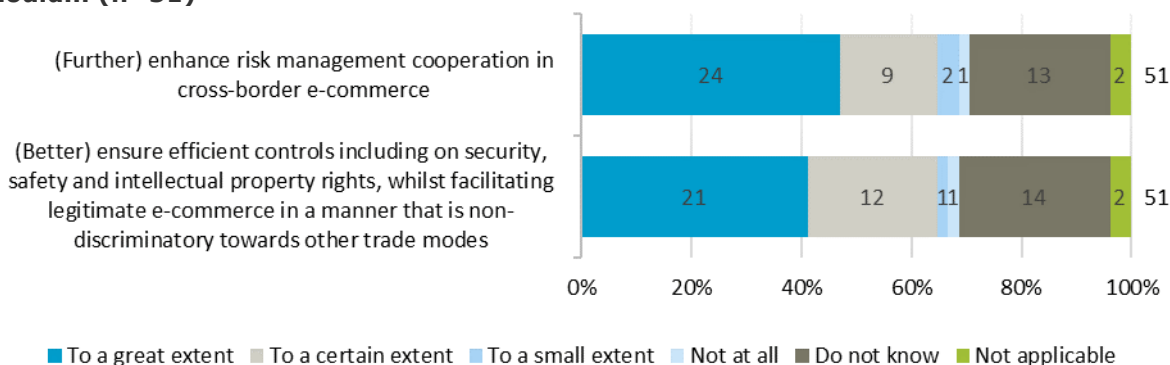
Source: Question 37, National authorities' survey

**Figure 50. Business Community Survey - What more should be done under the CCMAA and its Strategic Frameworks to fight fraud focusing on the protection of financial interests? (n=4)**



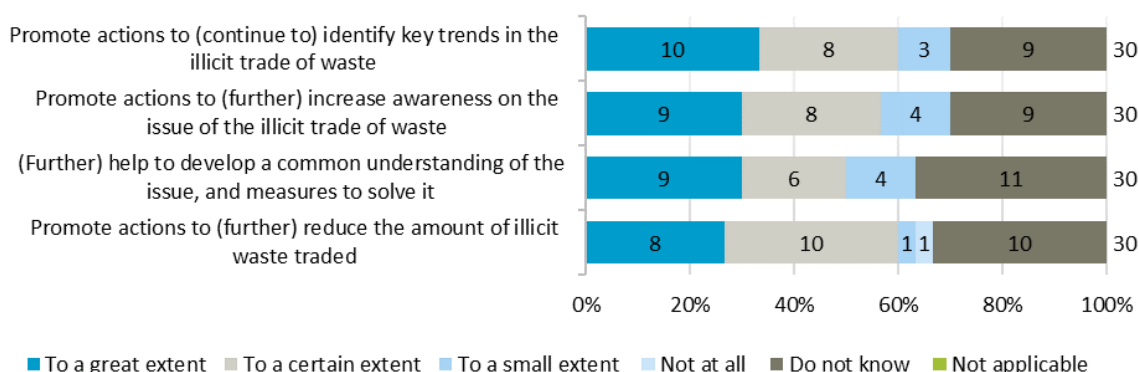
Source: Question 29, Business Community Survey

**Figure 51. National authorities survey - What more should be done under the CCMAA and its Strategic Framework to establish customs cooperation in cross-border e-commerce? They should... (n=51)**



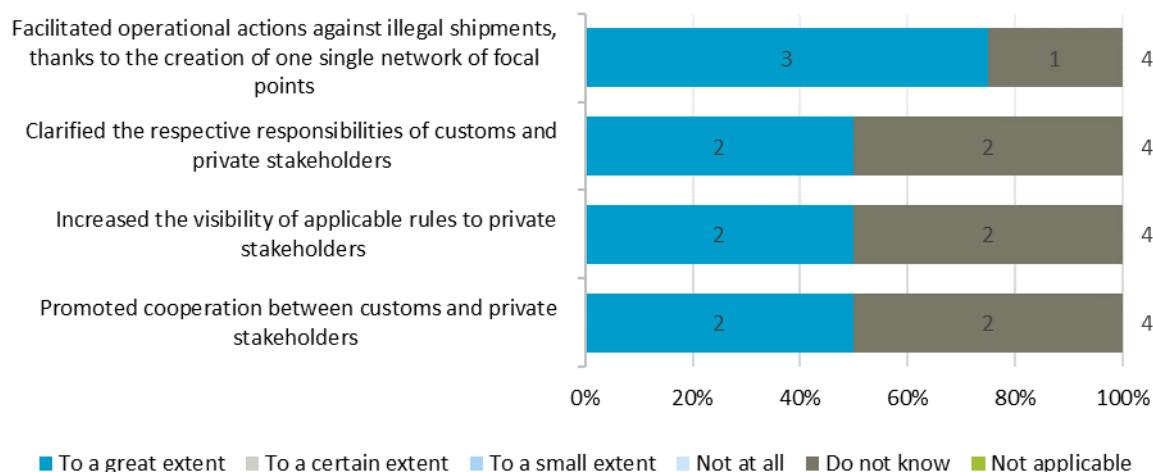
Source: Question 51, National authorities' survey

**Figure 52. National authorities survey - What more should be done under the CCMAA and its Strategic Framework to ensure the protection of the environment through the fight against fraud? They should... (n=30)**



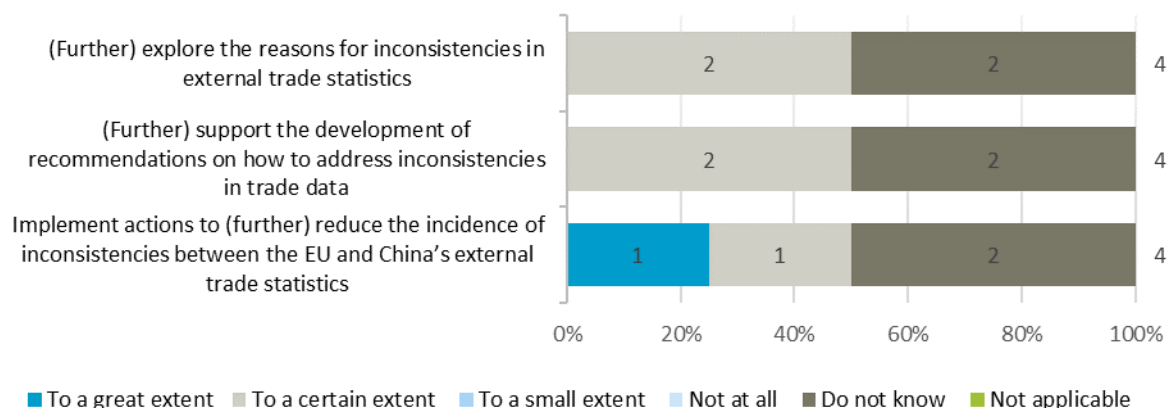
Source: Question 42, National authorities' survey

**Figure 53. Business Community Survey - What more should be done under the CCMAA and its Strategic Framework to combat illicit trade in waste? (n=4)**



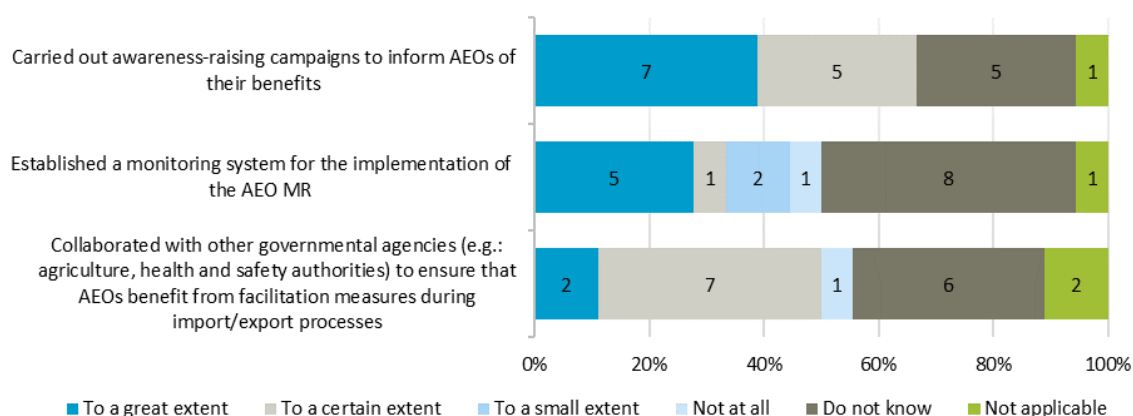
Source:  
Question 30, Business Community Survey

**Figure 54. National authorities survey - What more should be done under the CCMAA and its Strategic Framework to further develop statistical cooperation?**



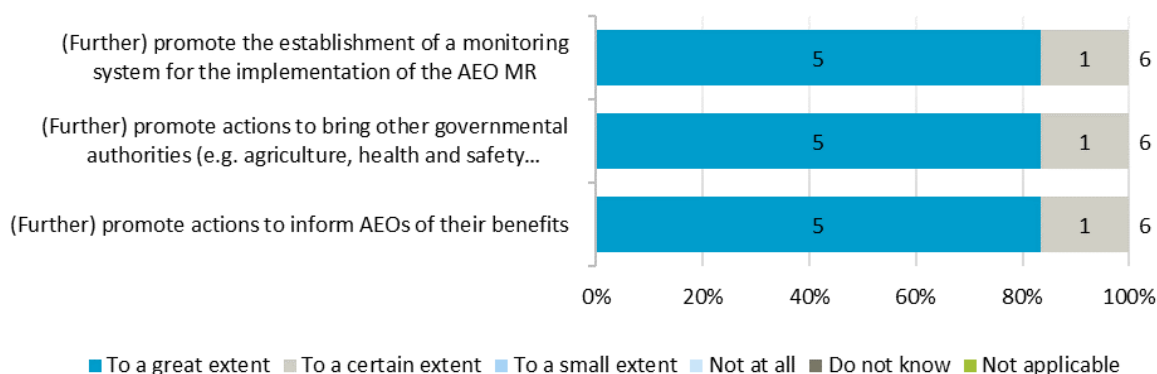
Source: Question 46, National authorities' survey

**Figure 55. National authorities survey - What more should be done under the CCMAA and its Strategic Framework to enhance supply chain security and contribute to fair and open trade through the AEO MR? (n=18)**



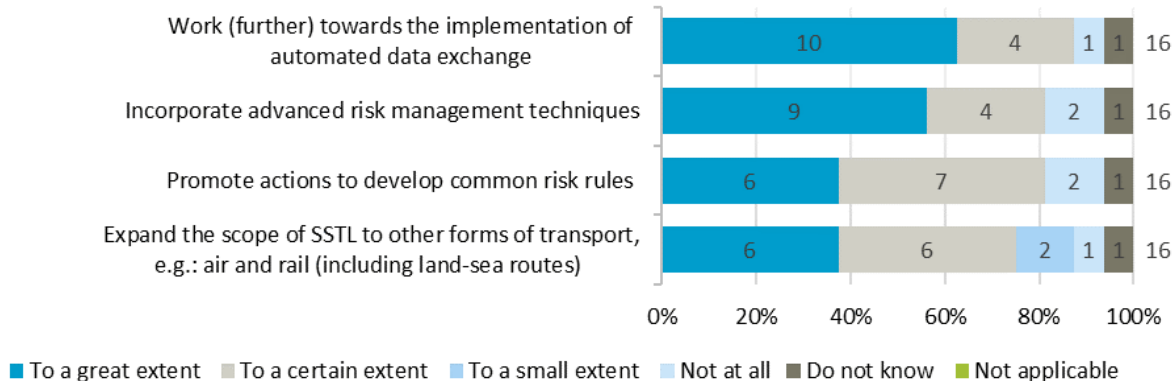
Source:  
Question 14, National authorities' survey

**Figure 56. Business Community survey - What more should be done under the CCMAA and its Strategic Framework to enhance supply chain security and open and fair trade through the AEO MR? (n=6)**



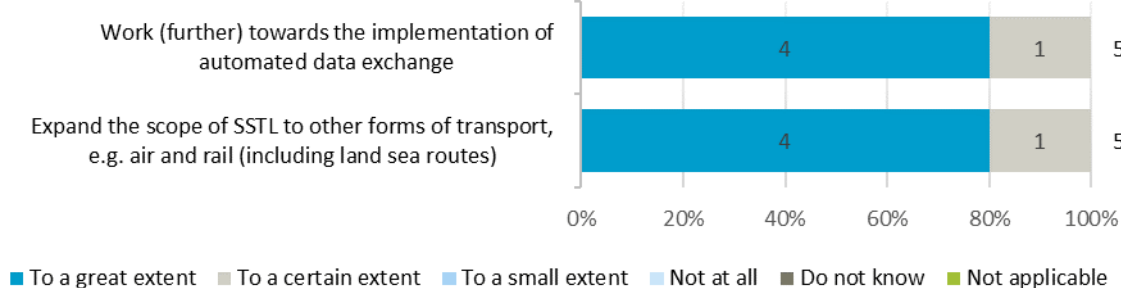
Source: Question 6, Business Community Survey

**Figure 57. National authorities survey - What more should be done under the CCMAA and its Strategic Framework to enhance supply chain security and contribute to open and fair trade through the implementation of the SSTL pilot project? [EQ 3.11] (n=16)**



Source: Question 23, National authorities' survey

**Figure 58. Business Community Survey - What more should be done under the CCMAA and its Strategic Framework to enhance supply chain security and fair and open tradethrough the implementation of the SSTL pilot project? [EQ 5.1, 5.2] (n=5)**



Source: Question 25, Business Community Survey