

# Focus on China

## Lending to and borrowing from Chinese museums

Henry Tang

### Complicated Custom procedure

There are two customs authorities in China: Exhibition Customs and Airport Customs. For all exhibition shipments, Customs needs to be cleared by both authorities.

For all incoming or outgoing fine art exhibitions, exhibition licenses are required. There are two types of exhibition license, one is issued by the State Administration of Cultural Relics; and the other is issued by the Ministry of Culture. Both are required for an exhibition.

For import, the local Chinese museum who is borrowing the exhibition from an overseas museum needs to apply for the Exhibition License: the Chinese museum applies to the Local Administration of Cultural Relics, who applies to the State Administration of Cultural Relics, who applies to the Ministry of Culture; this process takes approximately ninety days.

Once the Exhibition License is obtained, the shipping agent can start customs pre-filing at Exhibition Customs. This must be at least twenty days prior to the date of the exhibition opening as stated on the Exhibition License. For the customs pre-filing to occur, the following documents must be presented: the exhibition license, the exhibition list (including a picture, detailed description, value and dimensions of each item) in both Chinese and English, and a customs deposit, which is normally ten percent of the total declared value.

Once this is finished, final customs clearance will be completed at Airport Customs on the day the shipment arrives. Once Airport Customs releases the shipment, the shipping agent can load and deliver the exhibition (please note trucks must be sealed by Airport Customs Officer). A customs inspection will be executed at the museum later. For export it is the same procedure, but in reverse.

The accuracy of shipping information, particularly the actual weight and dimensions, is very important for customs clearance. Once the shipping agent pre-files the actual weight

and dimensions to Exhibition Customs in China, it cannot be revised or amended. If the actual weight showing on the Airway Bill is different from that submitted by the agent, the final Airport Customs at Beijing Airport cannot be cleared.

When shipping out of China all shipments must be delivered to the airport 24 hours prior to departure of the flight, except if shipping to the USA when the shipment must be delivered 48 hours in advance.

### Limited Situation for specialist logistics

The majority of the warehouses in China are general cargo warehouses; they are not equipped with climate control systems or a centralized surveillance camera. Occasionally it is possible to find a warehouse with an air conditioning system, however these warehouses are used for perishable goods. In either situation, Chinese warehouses have a very limited working space, and most warehouse staff are not trained to handle fine arts or exhibition goods. Therefore it is strongly recommended to employ a supervisor from a specialized fine art shipper.

At the airport, be prepared for complicated documentation, and bureaucracy with long waiting times for clearances. Equipment at airports is limited and man power is mainly used to handle goods.

If trucking within China, it is important to be aware that the majority of the interstate freeways in China only have two lanes on each side of the road, and one lane is always occupied by heavy duty vehicles. As a result of this, there can be heavy traffic jams resulting in long delays. If couriership, note that no western fast food is served at gas stations so it may be advisable to take a snack bar and a drink with you

Trucking may be the preferred option in China as cargo freighter services run only between major cities such as Beijing and Shanghai. If using these services, be mindful that delays or last-minute cancellations can occur, so always consider a back-up plan.

### Cultural difference

If you have not worked in China before, familiarize yourself with the cultural and communication differences so that you are able to do business in a way that is understood.

### Choosing the right partner

It is important to use a specialized fine art shipping agent for logistics in China when shipping museum exhibitions and loans. Unlike the U.S. or European countries, where the majority of general cargo freight forwarders try to avoid handling art/museum shipments, in China there are numerous different types of shipping companies trying to get involved with the fine art market. However most are not professional, even for general cargo, not to mention dealing with fine art shipping. Meanwhile, Chinese museums are looking into price more than service. Thus incoming exhibitions to China can be handled by an unprofessional general cargo forwarder, which will result in unexpected problems. Therefore, if you are planning to borrow or lend exhibitions or loans to Chinese museums you should clearly negotiate that a specialized freight forwarder is used to handle the logistics.

**Henry Tang is International Sales Manager for Huaxie International Fine Art Freight Services, China**