



August 19, 2016

ZIKA Virus Disease – Certificate Requirement in China

Dear Valued HMM Customer,

In response to the spread of the ZIKA virus by mosquitos and their larvae, China's General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) has implemented a policy under which China-bound cargo shipments originating in the United States, and many other countries, must be fumigated to kill mosquitos or larvae present in the cargo. While we understand that compliance with the AQSIQ fumigation requirements is the responsibility of cargo interests, there are many outstanding questions about the requirements, including:

- What are the anti-mosquito fumigation standards?
- What documentation/certification requirements apply to prove that a given shipment has been properly fumigated?
- Will fumigation be provided at discharge, by whom and for what cost? If not, how will non-fumigated cargo be handled when it arrives in a Chinese port?

It is HMM's understanding that the USDA and FCS agencies are actively working to learn more from the AQSIQ, but that very little information on the policy has become available thus far.

The following is what has been communicated at this time:

We have been advised of the recent announcement by the **Chinese Authorities**, *General Administration of Quality Supervision, Inspection and Quarantine* of the People's Republic of China (AQSIQ):

Effective immediately, in order to prevent the spread of the Zika virus, containers from all the involved countries shall be subject to effective anti-mosquito treatment. It is the Consignee's responsibility to inform Shipper (at origin) to provide a certificate of proof of treatment before loading. If no certificate is provided, the buyer must fumigate the cargo at arrival at port of destination. Please note that ocean carriers are not involved in this procedure and all relevant costs as a result of required measures by the authorities shall be borne by the cargo interest parties.

With the addition of the United States to the list of counties which requires a mosquito eradication certificate upon arrival in China ports, Hyundai Merchant Marine is providing the following information to help provide our customers a better understand of the situation and requirements based on what is known at this time.

Preliminary reports suggest that the policy is being implemented differently in different Chinese ports. Please also know information is subject to change.

Our understanding as received from the Chinese AQSIQ is that cargo must have valid mosquito eradication certificate, which can be present in English or Chinese language. The certificate must contain information concerning when and where the treatment took place, the related amount of containers treated, full information regarding the company who performed the eradication, the exporter and importer information, and other information such as effective ingredients, doses, and duration of anti-mosquito agents.

It was previously reported that according to the guideline from the AQSIQ, exporters shall provide proof of valid disinfection by a government-approved organization. Unfortunately, the AQSIQ has not identified what is considered to be government approved. HMM has been advised that an official government stamp is not required on the certificate.

In the event the fumigation or eradication certificate is not provided by consignee in China, inbound cargo from infected areas will be inspected first and then Quarantine Bureau officials will determine whether fumigation is necessary or not.

Question:	If shipper of US export chooses to fumigate prior to shipping to China, what certification or documentation should be submitted?
Answer:	Customer must provide valid fumigation certificate however the China Quarantine Bureau has not advised a standardized certificate format at this time. We have now learned that an official government stamp is not necessary on the mosquito eradication certificate.
Question:	How will shippers learn from local inspector that fumigation was necessary upon arrival at destination and what is the expected notification process?
Answer:	In N.China, after custom clearance, Quarantine Bureau will inform consignee whether cargo needs inspection and fumigation before they are able to pick up their cargo. See below.
Question:	What is the process and cost for fumigation?
Answer:	Generally speaking, the terminal will open the container door and spray disinsecting gas or liquid, based on the cargo situation, without cost. If it is determined that fumigation is required, that cost will be paid directly to the terminal or Quarantine Bureau by the consignee. Actual costs are not available at this time, but have been reported as \$30 per TEU.
Question:	Who is responsible for fumigation related fees at cargo destination/discharge port?
Answer:	Consignee will pay the cost direct to related parties such as terminal or Quarantine Bureau.

As noted, the application of the AQSIQ guideline is being applied differently at different ports in China. At this time, we do not have clear information about many of the South China ports. However, we do have the following information to share regarding Northern China ports.

SHANGHAI/NANJING:

Terminal will open the container door and spray pesticide gas or liquid based on cargo situation without cost. If fumigation is determined to be necessary, then consignee will be responsible for fumigation cost.

TAINJIN/NINGBO:

Fumigation will occur on every shipment and consignee will be responsible for fumigation cost.

QINGDAO:

After customs declaration, all containers shipped under one B/L will drayed to inspection area. Containers will be opened and pesticide will be spayed into containers. Consignee will be responsible for fumigation cost.

DALIAN:

The procedure is to spray gas without opening container. Container will then be opened to examine cargo after gas dissipates. If fumigation is determined to be necessary, consignee will be responsible for mosquito eradication charges, sweeping charges and fumigation charges.

Further information clarified on Thursday August 18th, 2016:

- All cargo containers shipped from the US to China are subject to AQSIQ regulations with the following exception;
 - Cargo which departed the US destined for China prior to August 5th is exempt from the AQSIQ requirements.
 - Commodities shipped and maintained at 15 degrees Celsius/59 degrees Fahrenheit or below are exempt from the AQSIQ requirements.
- If cargo is disinfected and a mosquito eradication certificate is issued, no fumigation is required. An official government stamp is not required on the certificate, but eradication certificate must complete before cargo departure to ensure validity.

Current list of involved countries/regions where Zika virus disease has been detected of infected areas:

Africa:

Cape Verde, Guinea Bissau

Americas:

Anguilla, Antigua and Barbuda, Argentina, Aruba, Belize, Barbados, Bolivia, Brazil, Bonaire, Cayman Islands, Columbia, Costa Rica, Cuba, Curacao, Dominic, Republic of Dominica, Ecuador, Salvatore, Grenada, French Guiana, Guadeloupe, Guatemala, Guyana, Haiti, Honduras, Jamaica, Martinique, Mexico, Nicaragua, Panama, Paraguay, Peru, Puerto Rico, Saint Barthelemy, St. Lucia, St Martins Island, Suriname, Saint Martin, Saint Vincent and the Grenadines Suriname, Trinidad and Tobago, Turks and Caicos Islands, the United States, the U.S. Virgin Islands, Republic of Venezuela Bolivar

Oceania/Pacific Islands:

American Samoa, Fiji, the Marshall Islands, the Federated States of Micronesia, Samoa, Tonga

Asia:

Indonesia, Thailand, Philippines, Vietnam

The list of origins indicated above is based on the latest notice issued by the Chinese authorities and subject to changes at the discretion of the local authorities. For more information, please visit the official website (<http://www.aqsiq.gov.cn/>)

HMM would like to thank you, our customers, for your continued business and support. HMM's intention is to continue to broadcast more information as it becomes available.

Respectfully,

Hyundai Merchant Marine Ltd.

Americas Headquarters – Irving, TX