Paper
Korea’s National Single Window Platform for paperless trade and e-logistics
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1. What is National Single Window?

Single Window Definition

- UN/CEFACT Recommendation 33

A facility that allows parties involved in trade and transport to lodge standardized information and documents with a single entry point to fulfill all import, export and transit-related regulatory requirements.

Contents

1. Definition of National Single Window Trade Platform
2. Why Do We Need It?
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4. e-Trade Korea 2007 Project
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The Conceptual Model of Single Window
Benefits of Single Window

• Process innovation
• Cost reduction
• Time saving/ No delay
• No worries of losing documents
• Prevention of counterfeit
• Transparency of procedures

Global Trends of Single Window

<table>
<thead>
<tr>
<th>Countries</th>
<th>Summary</th>
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</table>
| Singapore | • Organizer of global pathfinder projects (e-CIO)  
            • TradeXchange project launched in 2007 |
| HongKong  | • DTIN Project of Tradelink and HKISAR  
            • DTIN : Digital Trade and Transportation Network |
| Taiwan    | • Total trade service by TradeVan (VAS provider) covering cargo clearance, global logistics, e-Commerce and etc  
            • Efforts to integrate various services into SSO window |
| Japan     | • Connection Portal linking various service providers and government agencies for total and integrated trade services |

Trade - Korea’s Life Line

<table>
<thead>
<tr>
<th>Labor-intensive Products</th>
<th>Hi-tech Products</th>
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<tbody>
<tr>
<td>1961 (41M USD total)</td>
<td>2005 (284B USD total)</td>
</tr>
</tbody>
</table>
1. Iron Ores                      | 1. Semiconductor |
2. Tungsten                      | 2. Automobile    |
5. Cuttlefish                    | 5. Vessel        |
7. Graphite                      | 7. Synthetic Resin |
8. Plywood                       | 8. Steel Flat-rolled Products |
10. Swine Bristles               | 10. Automobile Parts |

2. Why Do We Need It?

International trade in Korea

Rapid growth of trade volume

CAGR 18% in trade volume

$600 billion in 2005

Bottleneck in trade process

Tons of trade documents

Delays in customs clearance
Problems of Paper Based Trade

**Enterprises**
- High transaction cost
- Long lead time
- Incorrect processing

**Government**
- Complex regulation
- Lack of transparency
- Difficulty in monitoring

National Competitiveness Decreased

3. Where Are We Now?

Korea’s Single Window Model (u Trade Hub)

IT Infrastructure of Korea

Korea’s Status in Paperless Trade

Legal Infrastructure
Milestones of Korea’s Paperless Trade

- In 1999, Korean government initiated ‘ Comprehensive Trade Automation Plan’
- In 1991, Korea enacted ‘Trade Automation Act’
- In 1991, Korea Trade Network (KINET) was established by KITA
- In 1992, Korea Customs Service designated KINET as sole customs automation service provider
- In 1996, KINET provided logistics service through MIFCS
- In 1999, a 100% electronic customs clearance system (VAN/EDI)
- In 2002, President R.H. Kim requested establishment of a trade information system by 2005
- In 2003, National e-Trade Committee was established (Chair : PM)
- In 2004, BPR/ISP for e-Trade Process Innovation
- In 2005, enacted ‘Trade Facilitation Act’
- In 2006, e-Trade Service Project, 2nd Stage
- In 2007, ‘uTradeHub™’ Launched

4. e-Trade Korea 2007 Project

- In 2003, National e-Trade Committee was established (Chair : Prime Minister)
- In 2004, BPR/ISP for e-Trade Process Innovation
- In 2005, enacted ‘Trade Facilitation Act’
- In 2006, e Trade Service Project, 2nd Stage
- In 2007, ‘uTradeHub™’ Launched

Principles of u Trade Hub

- Korea realized a 100% electronic customs clearance system (VAN/EDI)
- ‘e-LC service’ launched for the 1st time in the world
- Every company can trade in the most economic and efficient way via the internet
- Simplify the process, higher productivity, deregulation
- Economic effects: Cut trade cost by US$14.5 billion
- Increase exports by US$5.9 billion

3 Phases Plan

- Phase 1: Building Core Infrastructure (2005)
- Phase 2: Enhancing Infrastructure (2006)
The uTradeHub Portal Site

eLogistics Service > Concept

- Web-based import/export related logistics management system
- Electronic data submission/sharing among traders, Customs, government agencies, transportation companies, warehouses and forwarders

Ex) Export Contract Menu

Managing the Order of Export Contract Process

- Task already done
- Task urgent, need to handle
- Task for the next step
- Task no need to process

eLogistics Service > Services Offered

- e-Logistics Services
  - e-Bill of Lading system provides electronic title registry service for traders/banks/logistics companies
  - e-Delivery Order system enables shippers to pick up cargo from bonded cargo warehouse with the shipping company’s electronic issue of DOs
  - e-Letter of Guarantee system electronically processes application/issuance of banks’ letter of guarantee and the authentication of its origination
  - Automated Manifest Service helps shippers to conveniently send AMS data to the US Customs
  - Manifest Consolidation System consolidates and submits manifests of the cargoes to Customs for comprehensive management of all cargoes entering Korea

5. Korea’s e-Logistics Services

- Manifest Consolidation System (MFCS) collects manifest information from air lines/ocean carriers/forwarders to consolidate and submit data to the Customs.
  - Functions: automatic collection of manifest information, conversion of data into EDI documents, automating cargo allocation operation, offering cargo tracking/arrival notice(APIS (Advanced Passenger Information System))
  - Benefits:
    - Reducing cost of managing/distributing documents related to arrival and departure of ships, loading/unloading of cargo
    - Increasing effectiveness/accuracy of cargo related information
**eLogistics Service - e-DO/e-LG**

- e-DO and e-LG service provide traders with time and cost savings in pick-up imported cargo.

- **Benefits**
  - Saving time and cost by electronic application/issuance/notification of LG and DO
  - Safe and transparent transactions free from forgery documents

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**eLogistics Service - e-BL (Cont’d)**

- Steps to Implement e-Bill of Lading System

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**eLogistics Service - e-BL**

- e-Bill of Lading System will be a final step of paperless trade and logistics services.
- It will pave the way for e-Negotiation.

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**Projected Benefits of Paperless Trade**

- **International Trade based on Paper Documents**
- By electronicizing trade process

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**Critical Success Factors**

- Legal Framework readiness
- Strong leadership by government
- Public & Private cooperation
  - Covers not only B2B but B2G, G2G
- Enough Budget
- IT Infrastructure (Network, Hardware, Software)
- Adopting international standards and trends
- User-friendly system (Easy, Simple and Intuitive interface)
  - eMyTrade™ at uTradeHub™
- Adopting State-of-the-Art Technology
  - BPM (Business Process Management)
  - Trusted Platform of reinforced security technology
  - Supporting industry SCM with Global visibility and RFID
6. Challenges Ahead
- Global Proliferation

Connectivity to the global trade

- Best Practices & International Standard
  - ebXML
  - the UN Trade Data Elements Directory (UNTDDE)
  - UN EDIFACT
  - WCO Data Model etc.
- Hub to Hub connection among National SWs
  - Mutual Authentication
  - Pilot Projects for e-C/O, e-B/L etc
- Multilateral cooperation
  - APEC, UN, ASEAN
  - Public and Private Cooperation

Korea’s Initiatives as e-Trade Leader

On-Going Agenda
- e-C/O Pathfinder Project
  - Korea-Chinese Taipei
  - Korea-Singapore Customs

Upcoming Issues
- e-B/L Project
  - Connecting national SWs for title documents
  - APEC Initiative by Korea
  - Singapore’s TradeXchange as a potential partner
  - Projected to share experience and system with CIECC
- E-Nego Project
  - China-Korea cooperation project to realize paperless trade

Thank you!
Q&A