

Connecting Supply Chain in the Region

Practices and Perspectives from PAA

22 April 2014

Sung Heun HA (Rama)

Director

Korea Trade Network (KTNET)

I. What is PAA?

**II. PAA initiatives
on Cross-Border Paperless Trade**

III. Lessons Learned

IV. Our support on the Resolution 68/3

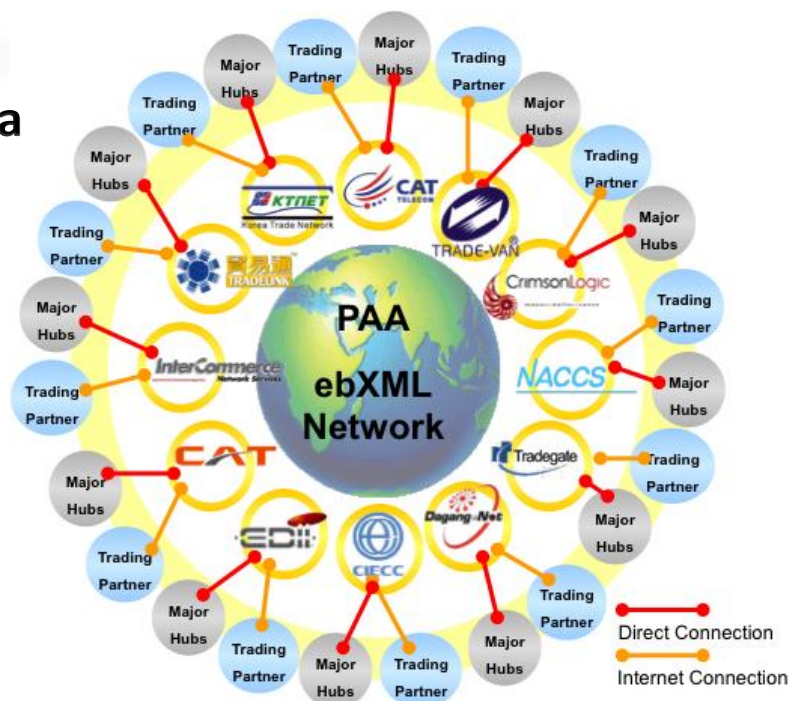
**V. Recommendations
on the Post-Agreement Actions**

I. What is PAA?

Asia Economies and PAA Members

I. What is PAA?

- | | |
|----------------------------|--------------------|
| 1. China | : CIECC |
| 2. Hongkong, China | : TradeLink |
| 3. Indonesia | : PT EDI Indonesia |
| 4. Japan | : NACCS |
| 5. Korea | : KTNET |
| 6. Macau | : TEDMEV |
| 7. Malaysia | : DagangNet |
| 8. Philippines | : InterCommerce |
| 9. Singapore | : CrimsonLogic |
| 10. Taiwan Province, China | : Trade-Van |
| 11. Thailand | : CAT Telecoms |



- To enable **secure** and **reliable transmission** of trade and logistics data and documents.
- To allow **inter-connection of network** services to provide e-Commerce transaction application services for the trade business community.
- To create a Pan-Asian portal to enable **global B2B connection** and communication.

2. PAA Initiatives on Cross-Border Paperless Trade

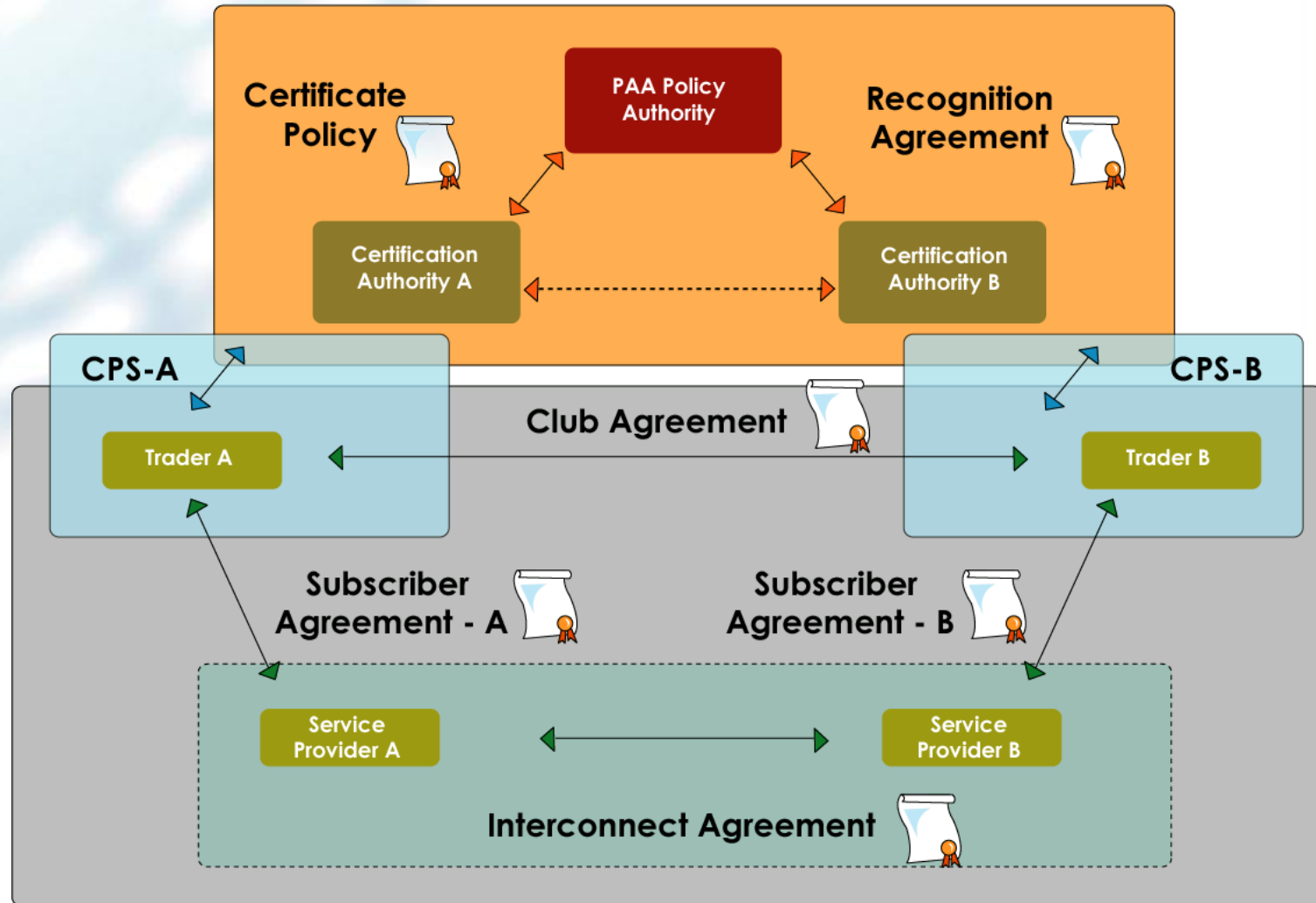
PKI Mutual
Recognition

Region A

Region B

CA Service

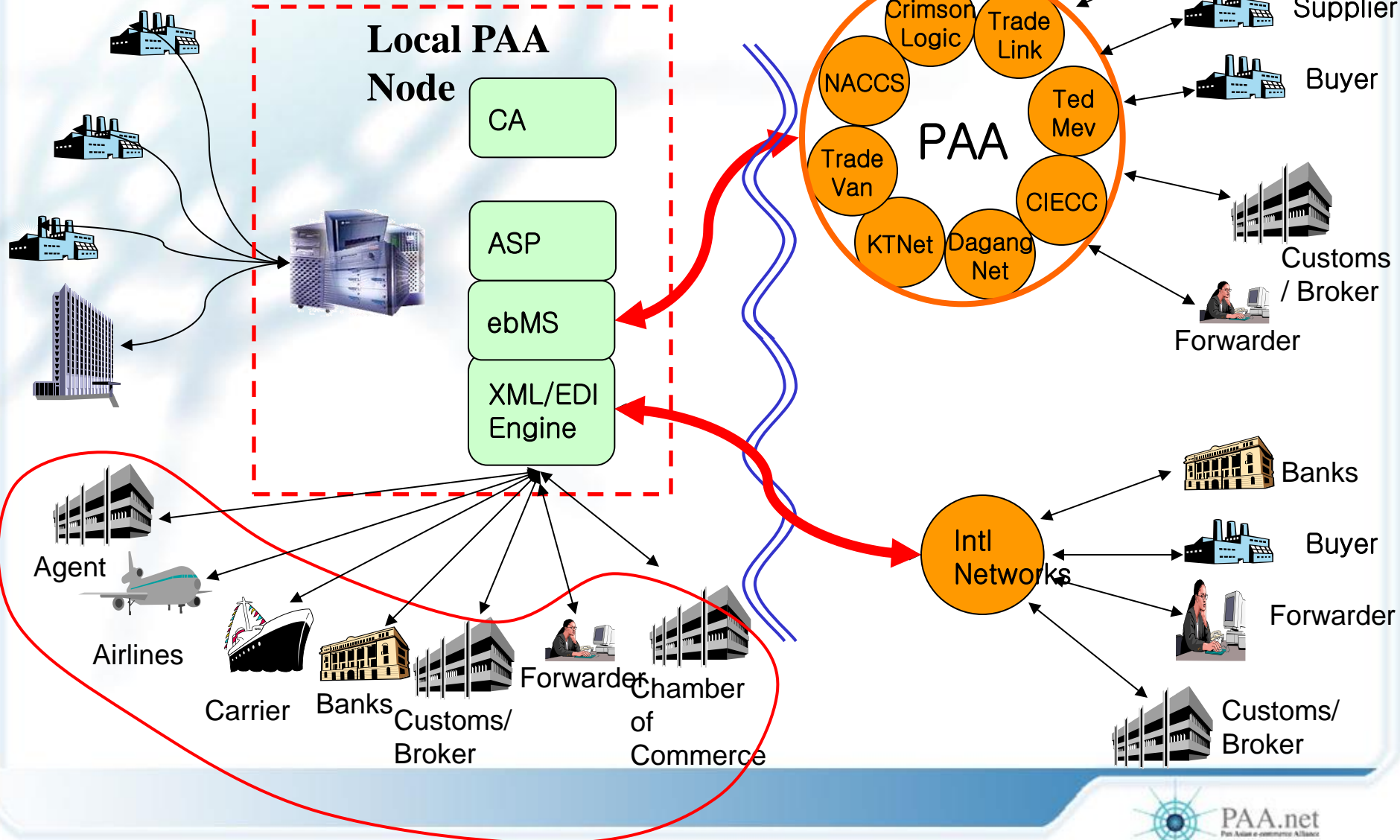
Secure
Cross-Border
Transaction
Services



Overview of PAA connectivity

II. PAA Initiatives

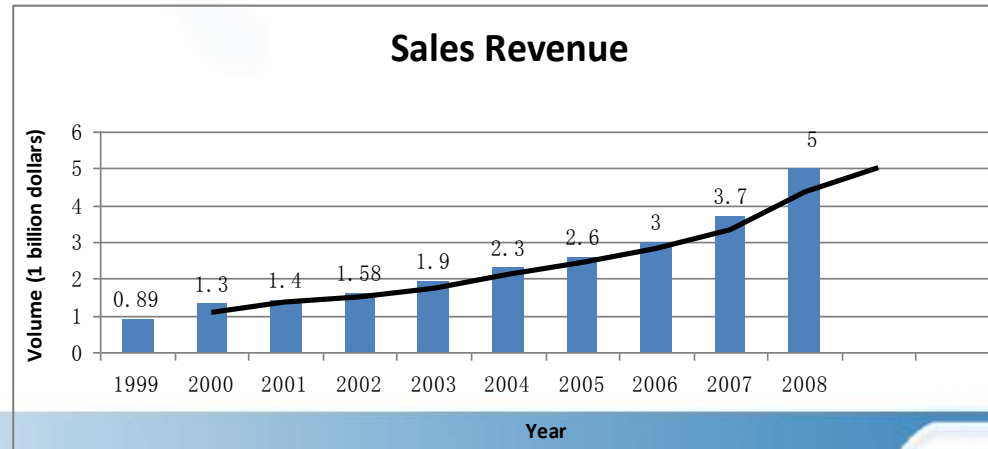
Single Window Service for Traders



● Case Study of Paperless Trade Service into ICS : H* Company

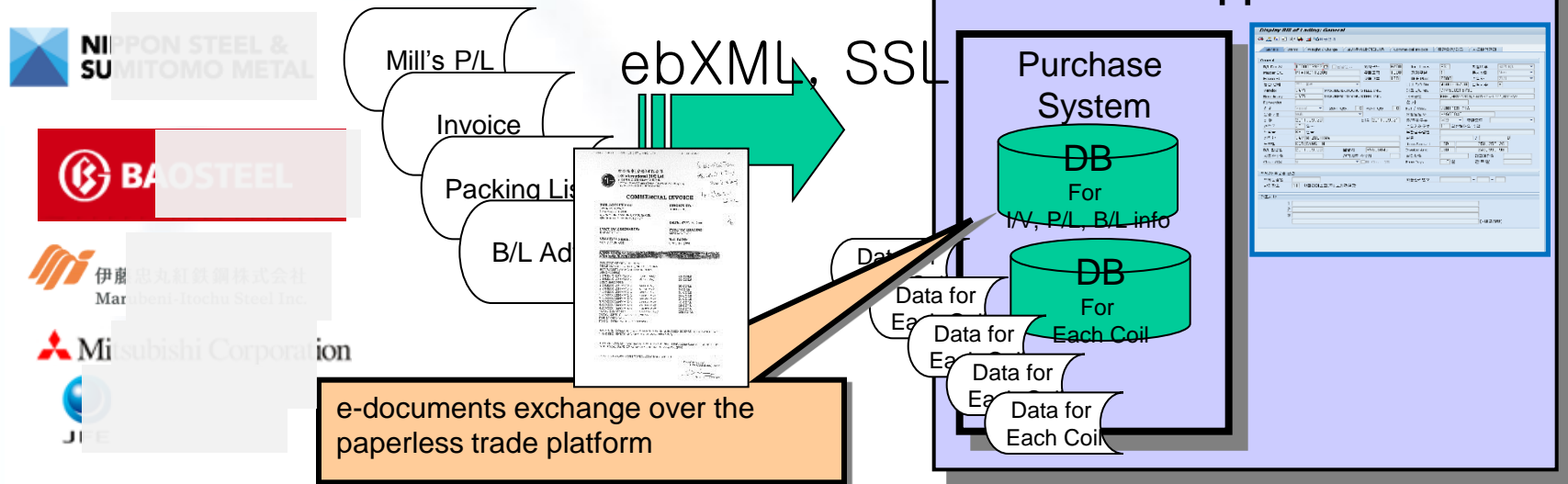
- Back Ground: Increasing inefficiencies in the trade business operation
- Steady growth of business (21%/y) but limited human resources ⇒ Increasing manual documentation works with more L/T (lead time) delay and lower data accuracy

☞ Implementation of PCI Project ⇒ Process Change & Innovation



● Paperless trade embedded e-SCM system

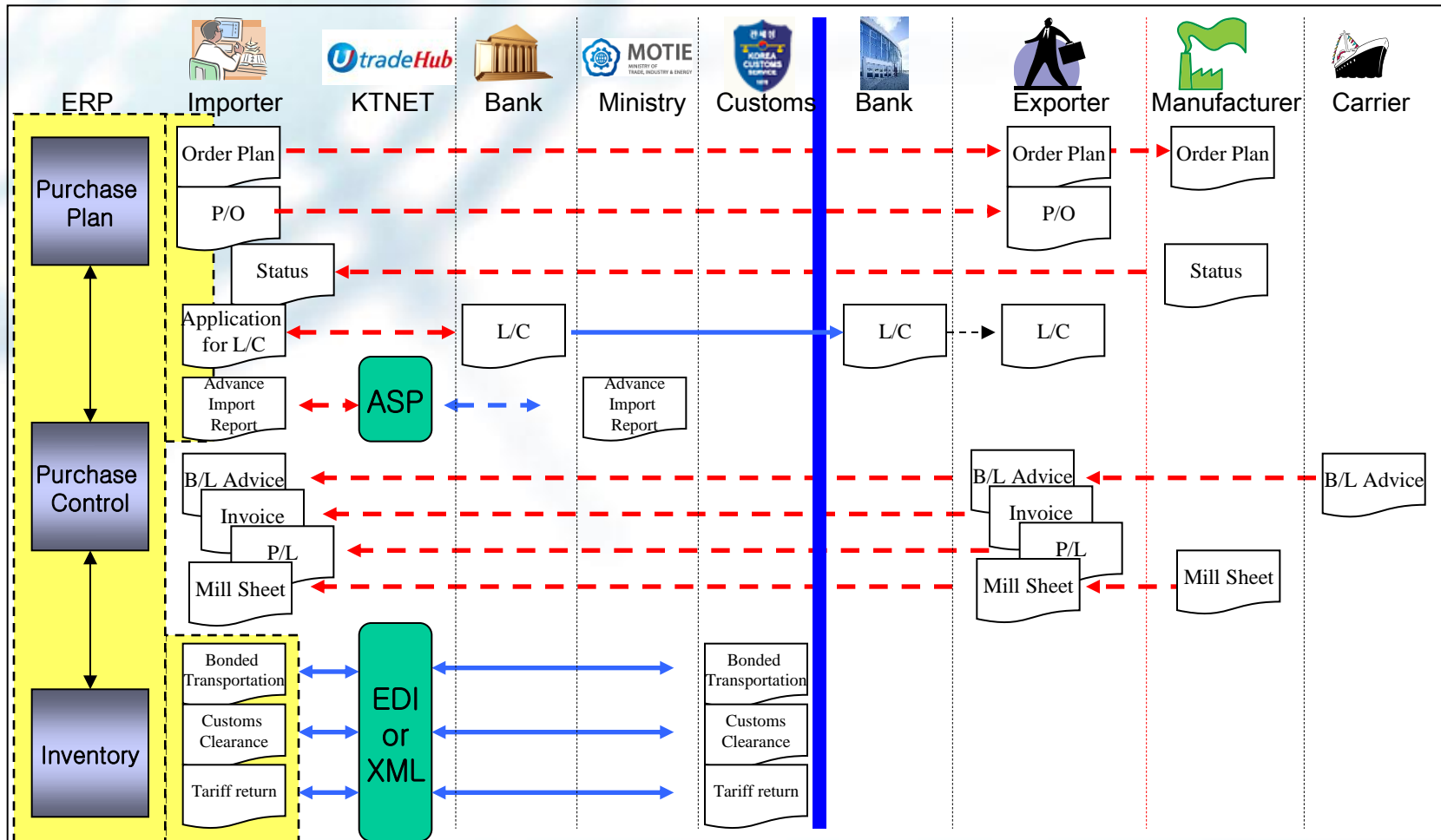
- By integrating the paperless trade services into the H's Supply Chain Management System, all trade related documents and information are sent to and received from partners into the system automatically
- L/C and other trade documents: 4,800/year, Mill Sheet and others: 2,400/year



CASE 1 : e-SCM

II. PAA Initiatives

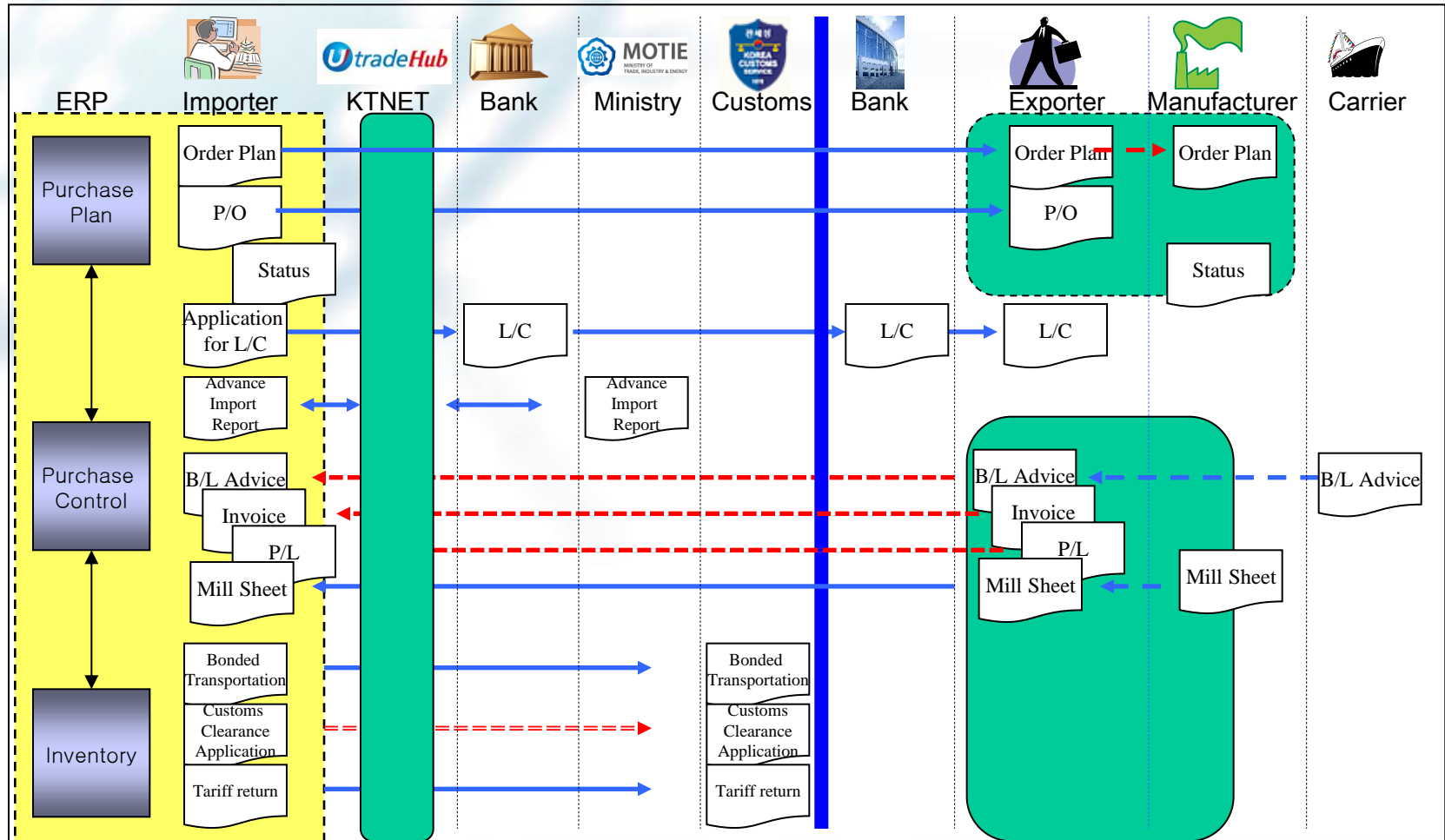
Before



CASE 1 : e-SCM

II. PAA Initiatives

● After



● Benefits for HYSCO and Trade Partners

Mutual growth with Partners through the Increased Efficiency in Trade Business and Strengthened Business Ties



Secure the Business with HYSCO

- Pre-order based production

High level customer service

- Extension of same service to other Korean Customers => Hyundai Motors, Hyundai Heavy Industry



Direct Cost Saving : \$ 1 Million / Y

Stable supply chain management

- Transparent work process from Planning to Production

Less Human Resource

- \$ 1 Bil./8 Staffs (2003)
⇒ \$ 5 Bil./4 Staffs (2012)



Enhance work efficiency

- Less mistakes from documents handling
- Lower work load from more work volume

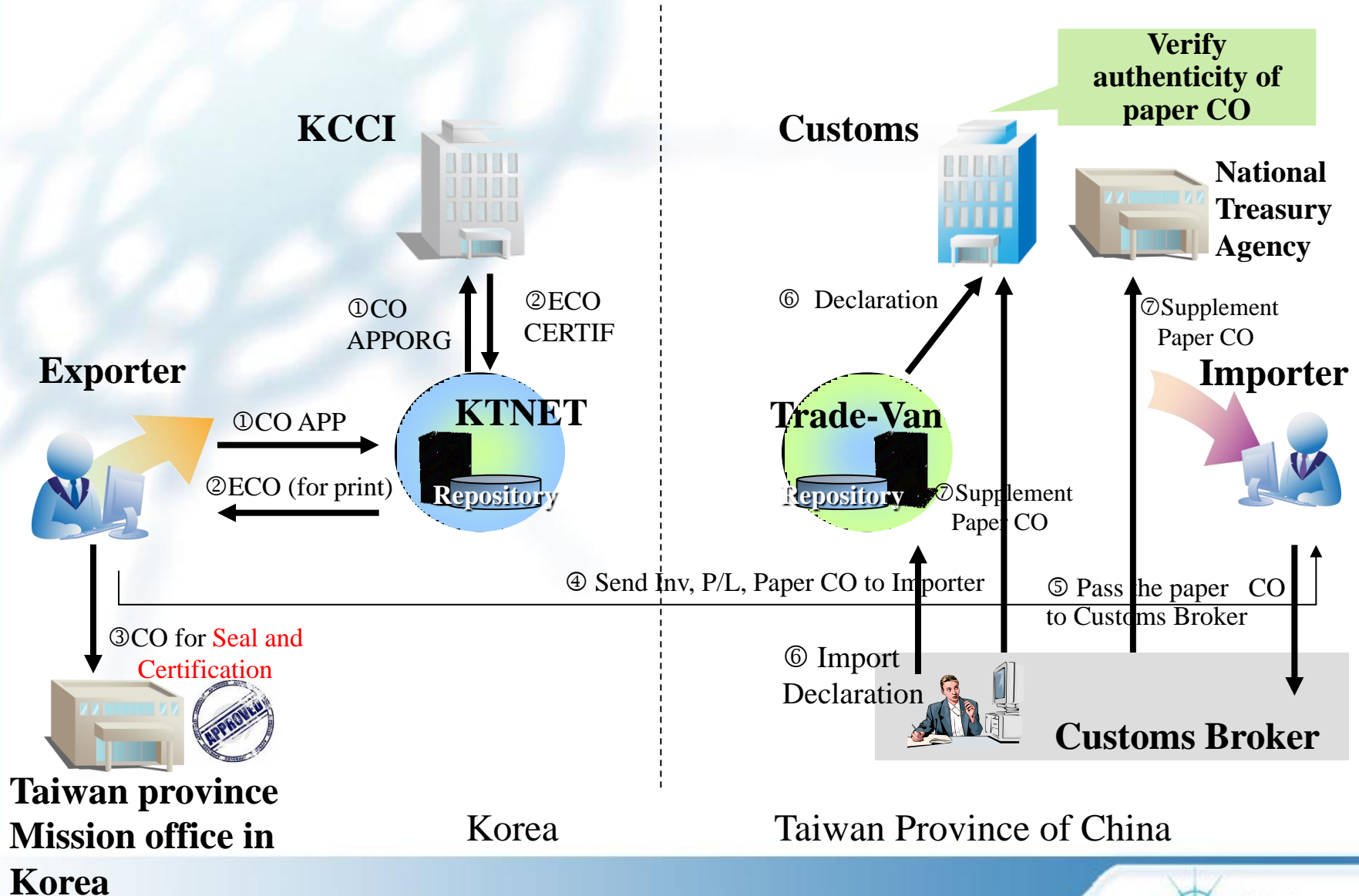
Less System Development and Management Cost

- PAA Standard e-documents and Web ASP service

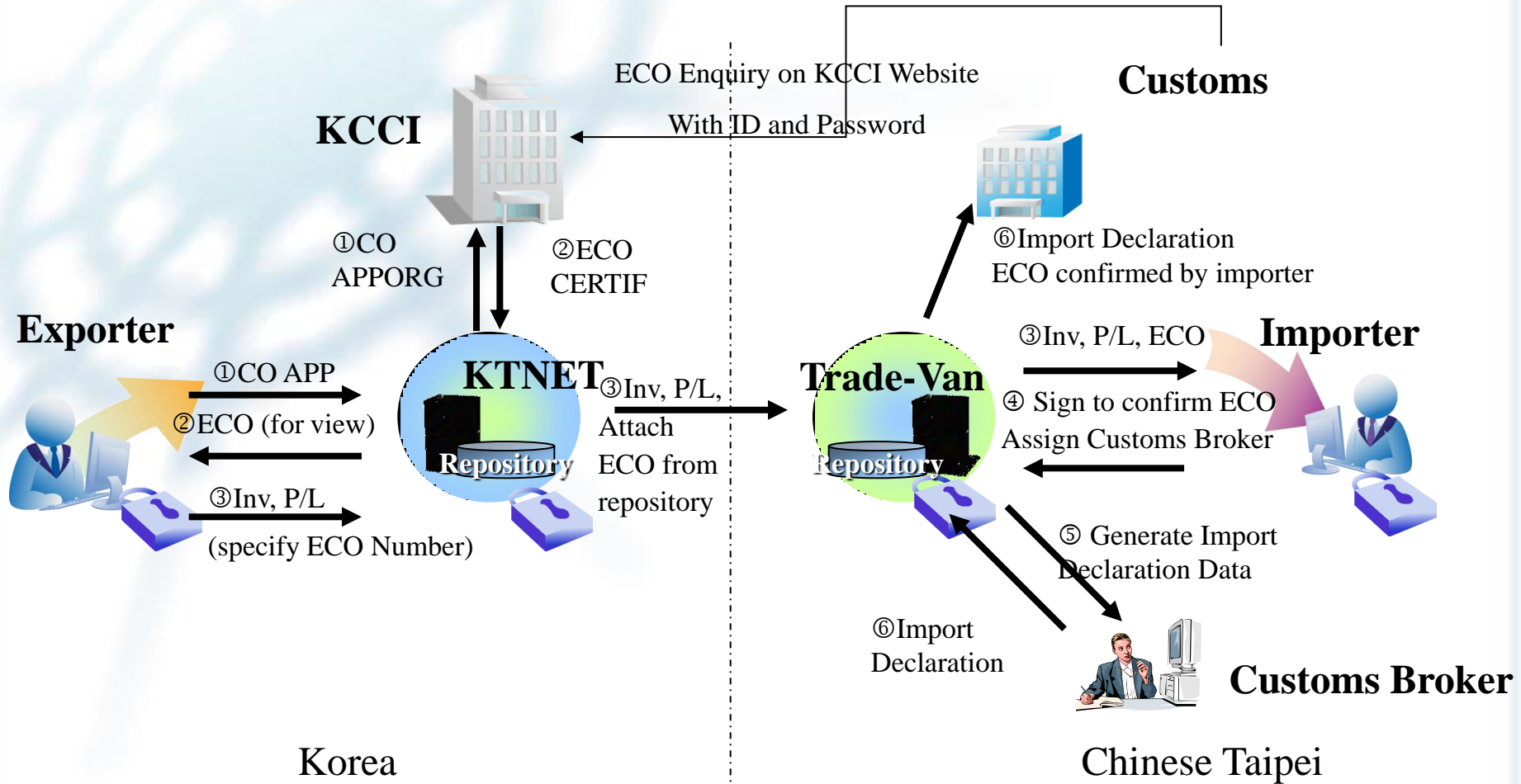


- **E-C/O: APEC ECSG Pathfinder Project**
- **Dec. 2004, preliminary-meeting between MOTIE (public sector), KITA and KTNET(private sector) of Korea and BOFT (public sector) and Trade-Van (private sector) of Taiwan province of China**
- **April 2005** and **May 2006**, the 1st and 2nd bilateral meeting
 - Mutual agreement on the implementation of the cross border ECO exchange project using PAA framework
- **Nov 2008, the 3rd bilateral meeting**
 - Signing of MOU for cross border ECO service
- **March 2010**, official launch of ECO service

Paper CO Scenario [Korea ▶ Taiwan, China]



ECO Scenario [Korea ▶ Taiwan, China]



III. Lessons Learned

Benefits of cross-border paperless trade

III. Lessons Learned

● Huge Time and Cost Saving of a company – H* company

Direct Cost Saving : \$ 1 Million / Y

Less Human Resource

• \$ 1 Bil./8 Staffs (2003) ⇒ \$ 5 Bil./4 Staffs (2012)

● Benefits of using e-C/O

	Korean Exporter	Taiwan Importer
Total cost saving	USD 274 (Direct saving USD 143.5)	USD 397 (Director Saving USD 147)
Total time saving	2~3 days	3 days

**Cross Border
Paperless
Trading**

□ In cross border paperless trading, there're commercial documents (**B2B**) and regulatory-required documents(**B2G**);

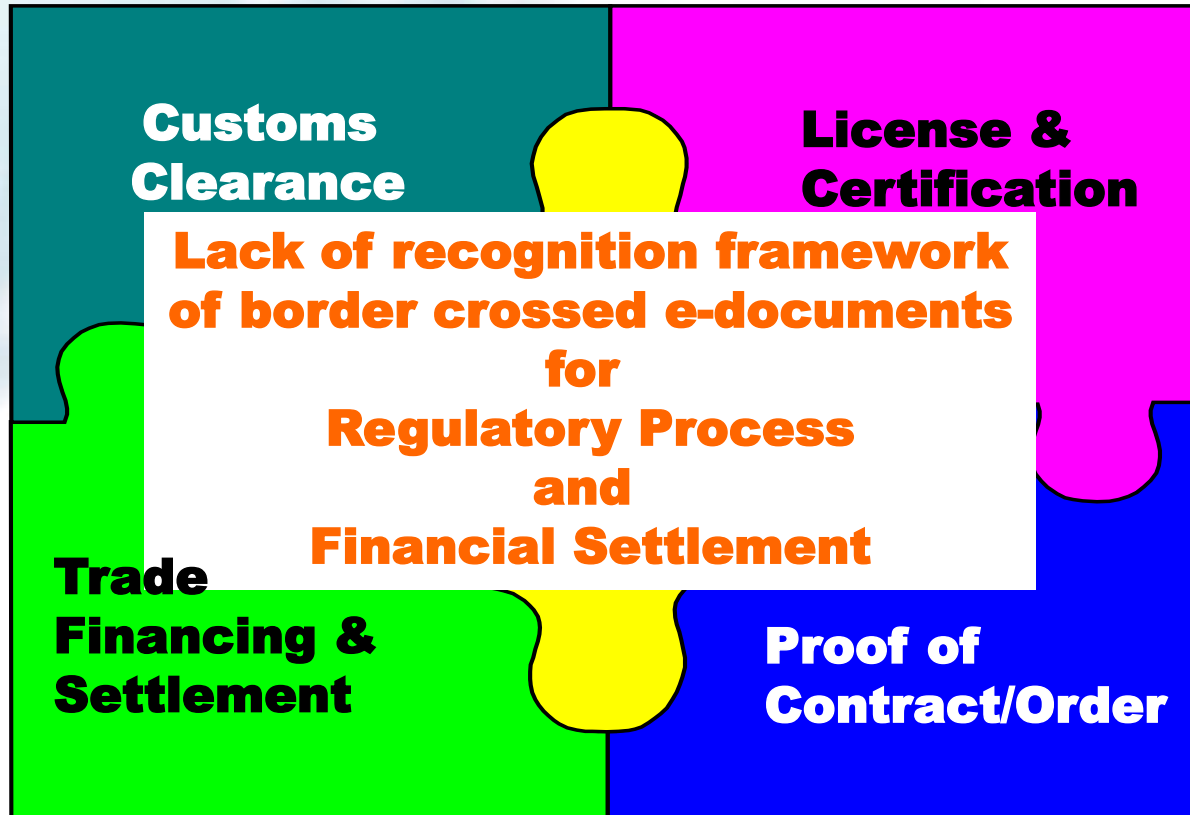
eSPS

✓ Korea and Taiwan province of China are in discussion to include e-INV, e-PL and e-SPS to the program

**B2B
(INV, PL,
PO)**

✓ Korean Government is in discussion with other countries such as Philippines and Thailand to exchange e-C/O and e-SPS

ECO



IV. Our Support on the Resolution 68/3

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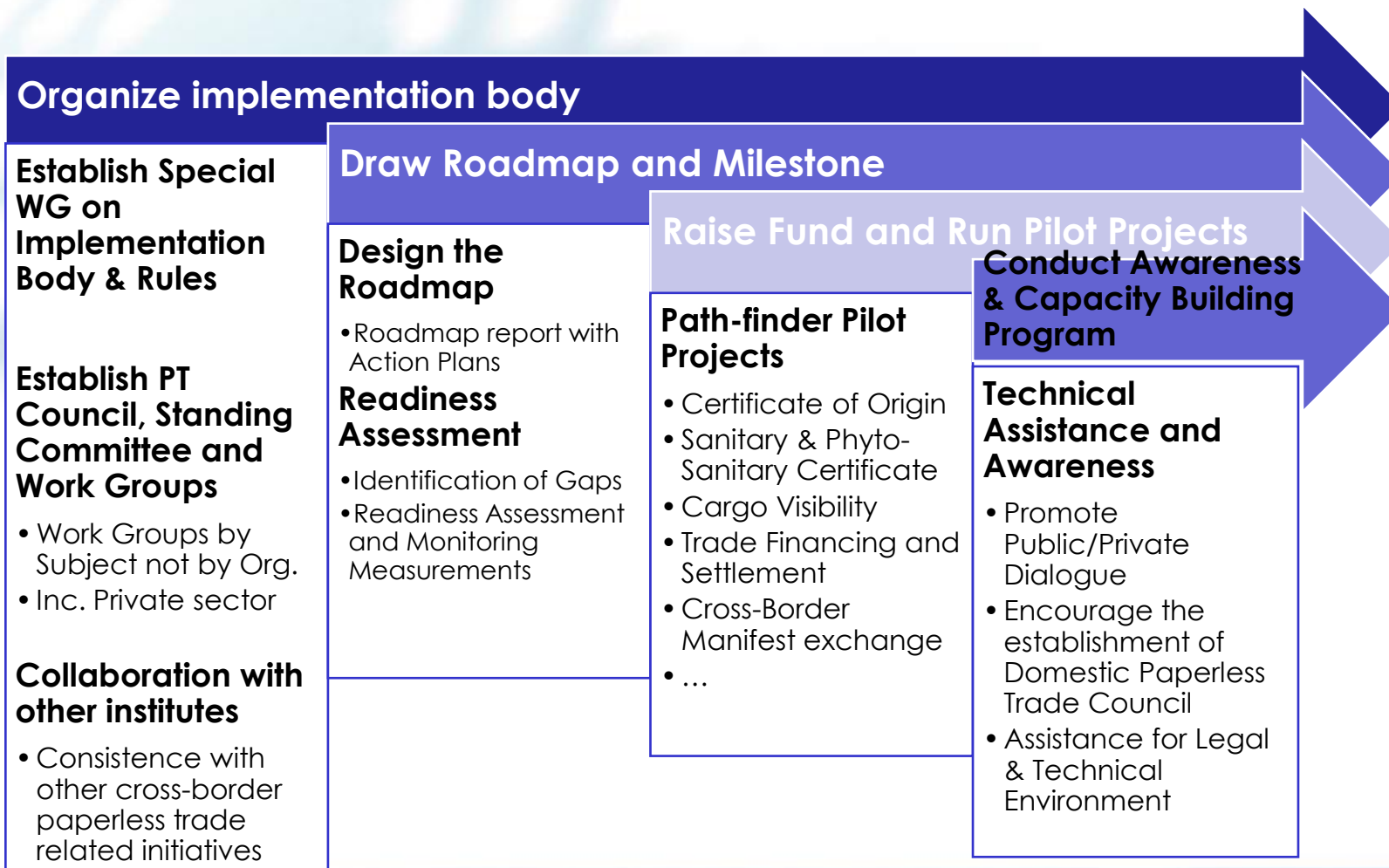
During the 45th meeting of PAA Steering Committee in Manila, Philippines, the PAA had the opportunity to discuss the proposed Regional Agreement/Framework Agreement on Facilitation of Cross-border Paperless Trade for the Asia Pacific Region by UNESCAP and are **encouraged by the renewed engagement by UNESCAP members on paperless trade.**

The PAA has been involved in a broad range of trade-related cross-border exchange of electronic data and documents. **We would like to express our strong collective commitment to support the Regional Agreement/Framework Agreement on Facilitation of Cross-border Paperless Trade for sustainable intraregional trade facilitation.**

V. Recommendations on the Post-Agreement Actions

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V. Recommendations



Thank You!!!