

uTradeHub

: Korea's Strategy for Trade Facilitation

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Korea International Trade Association

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& Korea Paperless Trade Center**

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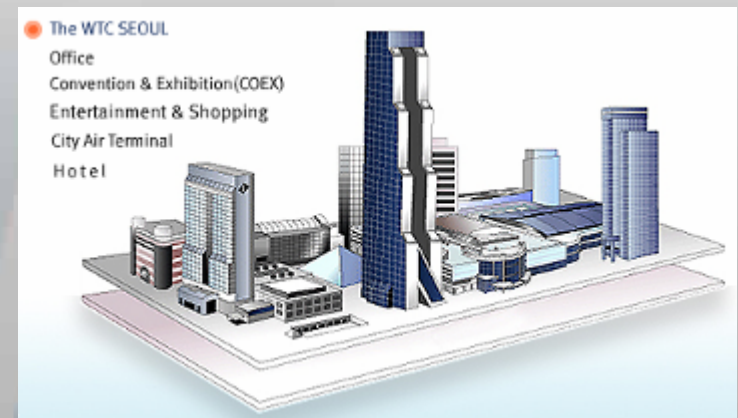
Benefits and Success points



About KITA & Korea Paperless Trade Center

About KITA

- Unique Identity
 - Over 66,000 trading companies as members
 - Function in close relations with MKE (MOCIE)
- History
 - Established in 1946
- Role
 - International Trade & Investment Promotion
 - Research in Korea's Trade policy & Strategy
 - Exhibition & Convention
 - e-Trade Promotion
 - IT/Trade Education
 - Hub of Northeast Asian Logistics



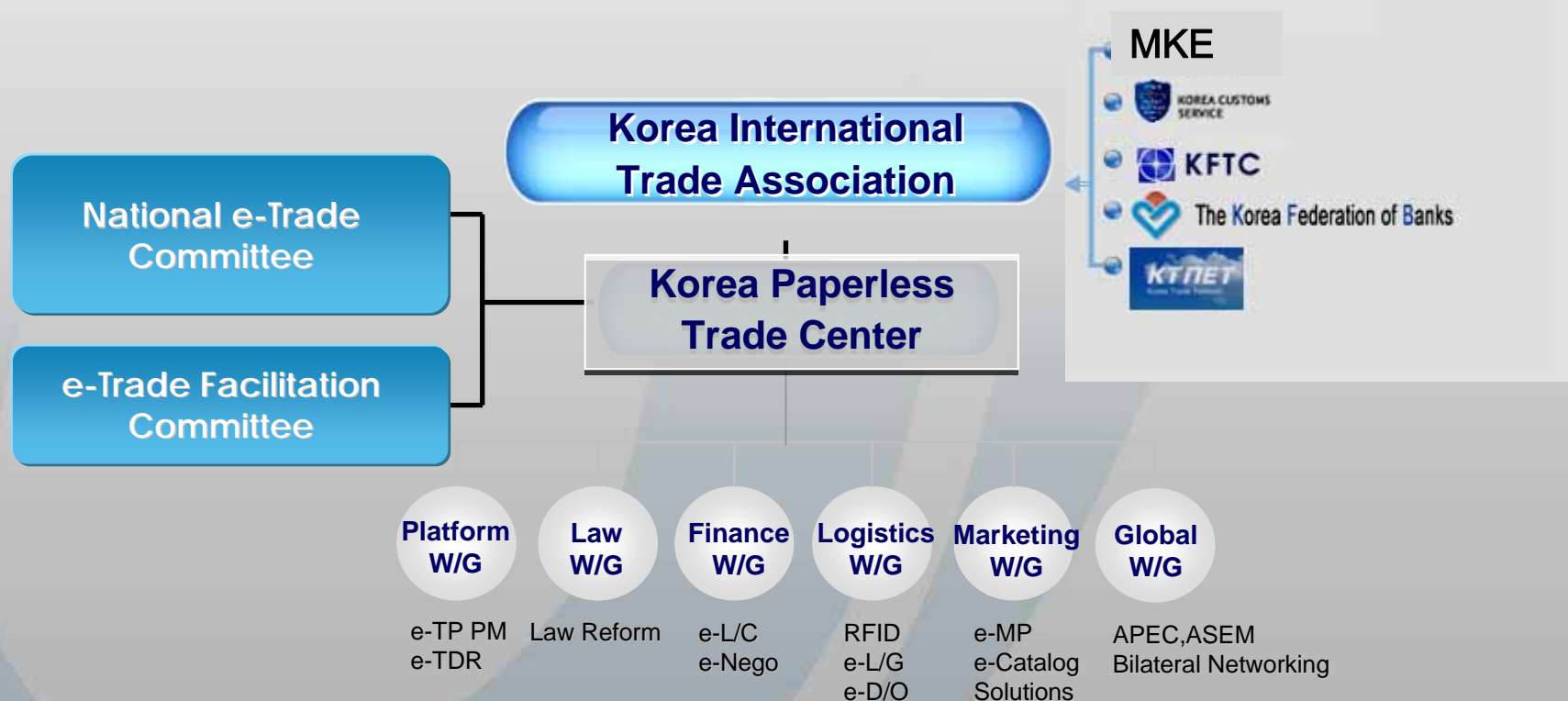
Korea Paperless Trade Center

- **Foundation**

- Founded in Jan. 2005 in KITA after the **BPR/ISP Project**(Jun. 2004)

- **Role : Project Management Office**

- Implementation of 33 tasks from the '**e-Trade Korea 2007**' roadmap
- Secretariat of the National e-Trade Committee

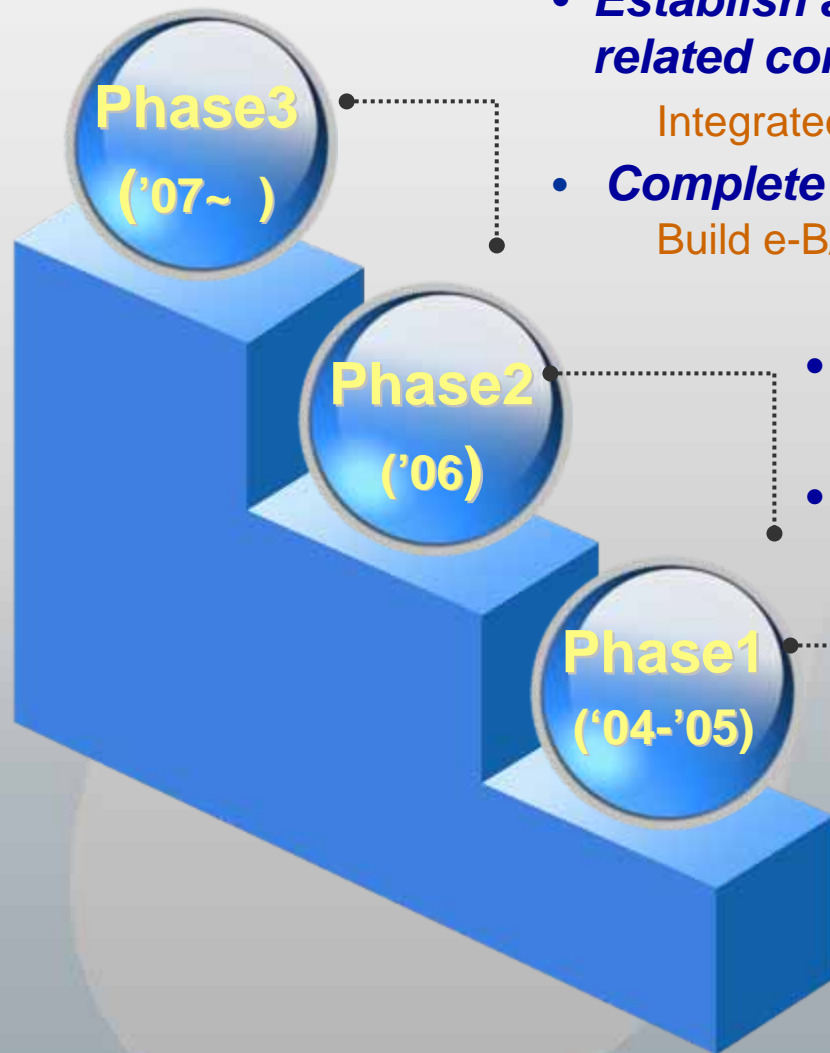


uTradeHub Project (2004-2008)

uTradeHub Project

Goal	To address Korea's growing trade volume by upgrading the Electronic trading system into a single window system
Duration	2004 ~ 2008
Estimated Cost	Over 25 million (USD)
Leading Agencies	Ministry of Knowledge Economy (MKE) Korea International Trade Association (KITA) Korea Trade Network (KTNET)

Course of Actions



- **Establish a single gateway portal for all the trade related communities**

Integrated portals and e-Trade solutions

- **Complete seamless trading proceedings**

Build e-B/L, e-Nego System

- **Build a trade portal for traders**

License/Certificate/Clearance support system

- **Standardize documents**

ebXML based document standardization

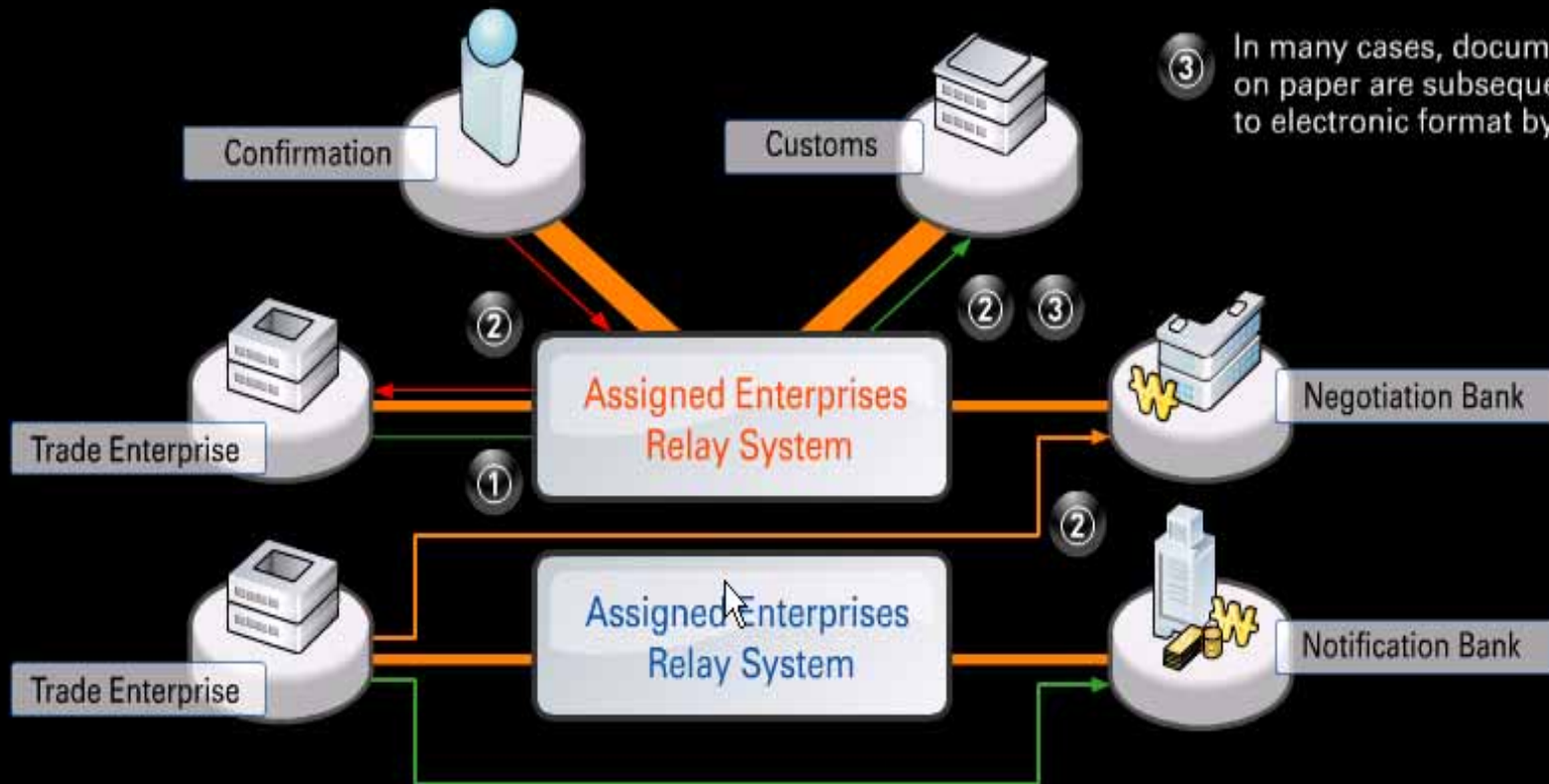
- **Build Core Infrastructure of e-Trade Platform**

e-Trade document circulation system

e-L/C service system

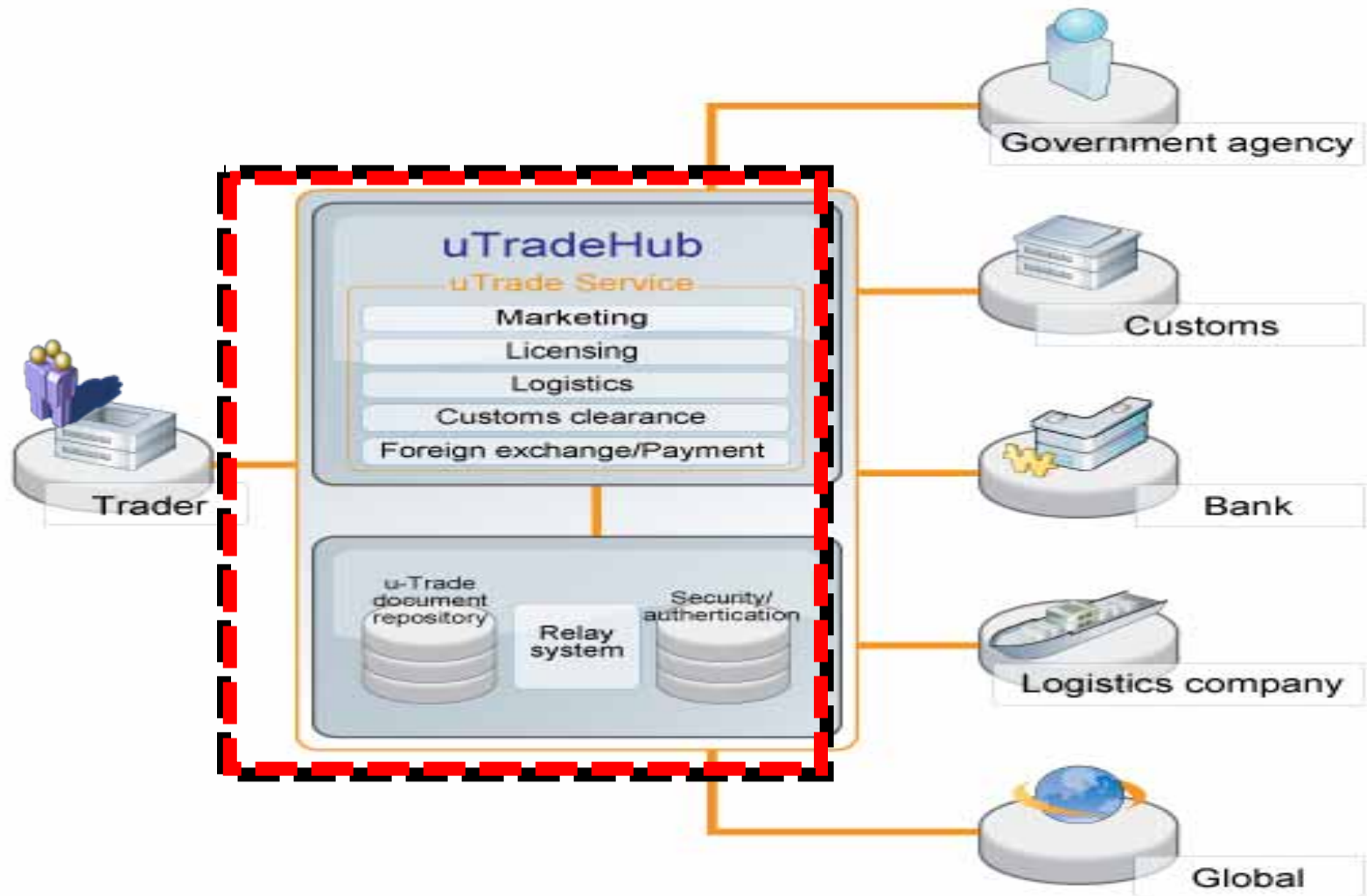
Before uTradeHub System

(Trade Automation Network)



- ① This network's sub-optimal processes are based on individual transactions
- ② The process is hindered by repetitive submission of paper documents to various organizations
- ③ In many cases, documents submitted on paper are subsequently converted to electronic format by the recipient

With uTradeHub System

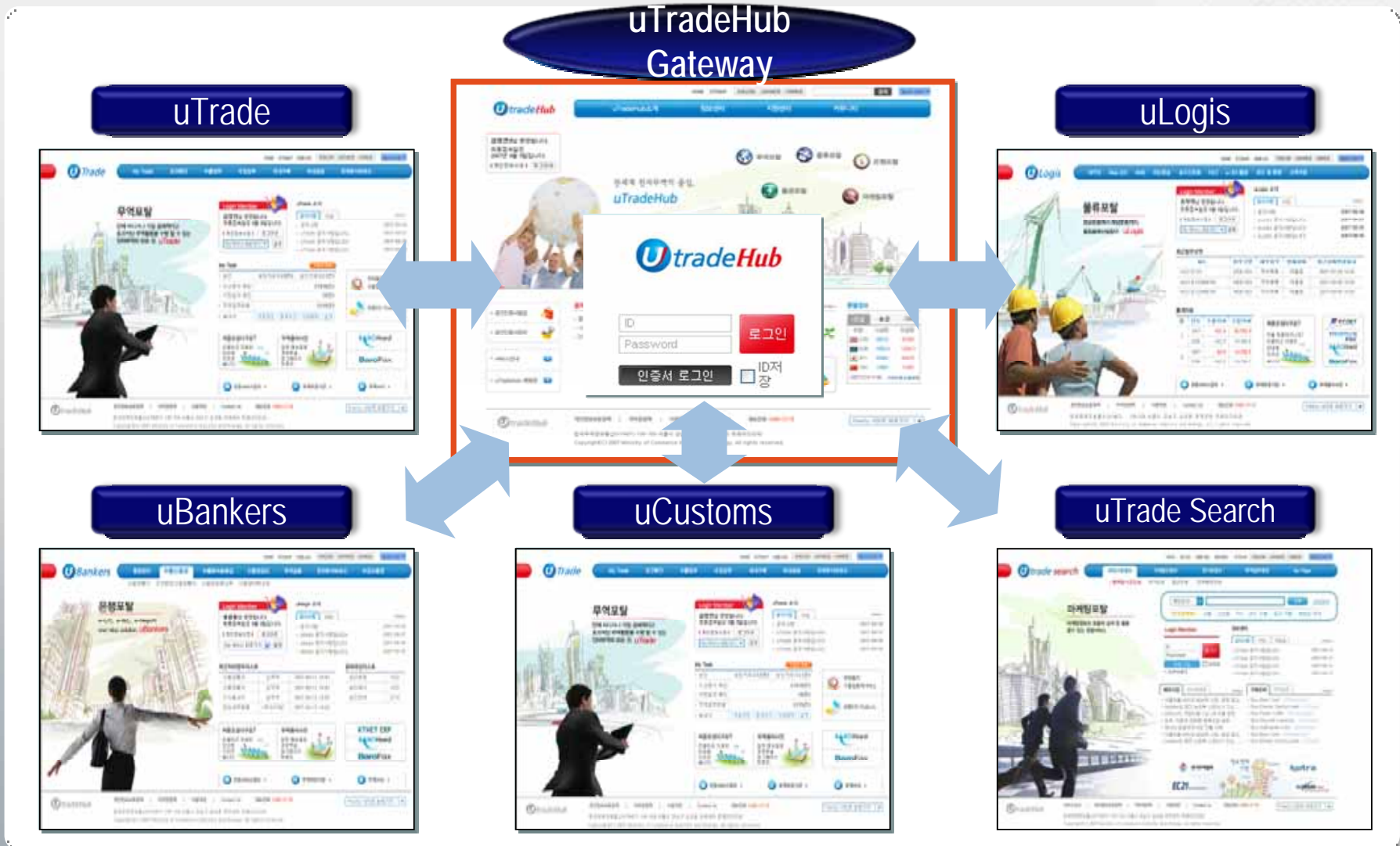


uTradeHub Services

uTradeHub as a Portal System



The Gateway system



Major Services

Insurance & Certificates

- Export & Cargo insurance
- Import requirement Certification
- Certificate of Origin (KCCI)

Customs Clearance

- Invoice / Packing List
- Request/reception of export clearance

Shipping

- Shipping booking/requests
- Request/Query/Transfer of B/L
- Request for D/O, Bonded delivery request

Financing/Settlement

- L/C arrival & transfer
- Application for negotiation

For Logistics Firms

물류포탈
항공운송에서 해상운송까지,
통합물류단일창구. **uLogis**

최근업무내역

NO.	업무구분	세부업무	현재상태	최근상태변경일시
HJSC6123	WEB-EDI	적하목록	제출중	2007-09-09 14:00
HJSC6123456789	WEB-EDI	적하목록	제출중	2007-09-09 14:00
HJSC6123456789	WEB-EDI	적하목록	제출중	2007-09-09 14:00

통계자료

월	년도	수출TEM	수입TEM
7	2007	432.9	30,255.9
	2006	432.9	10,256.5
9	2007	60.9	10,256.9
	2006	432.9	10,256.9

처음오셨다구요?
화물 방문하십니까?
컨테이너 조회
연내
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습니다.

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Major Services

MFCS Service

- Consolidation/Submission of cargo manifest

Maritime/Air AMS

- submit cargo reports to US Customs

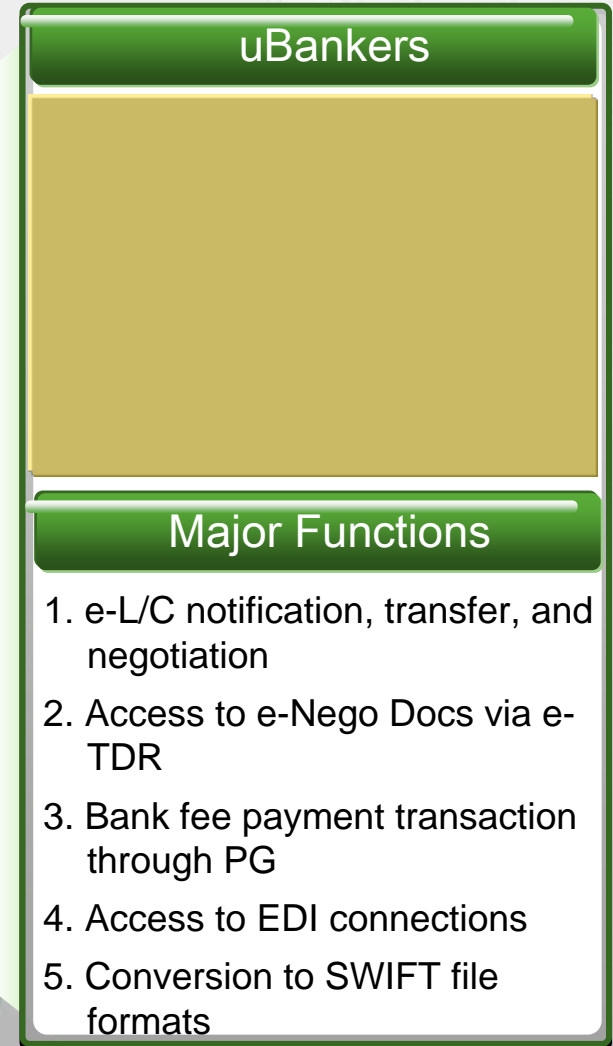
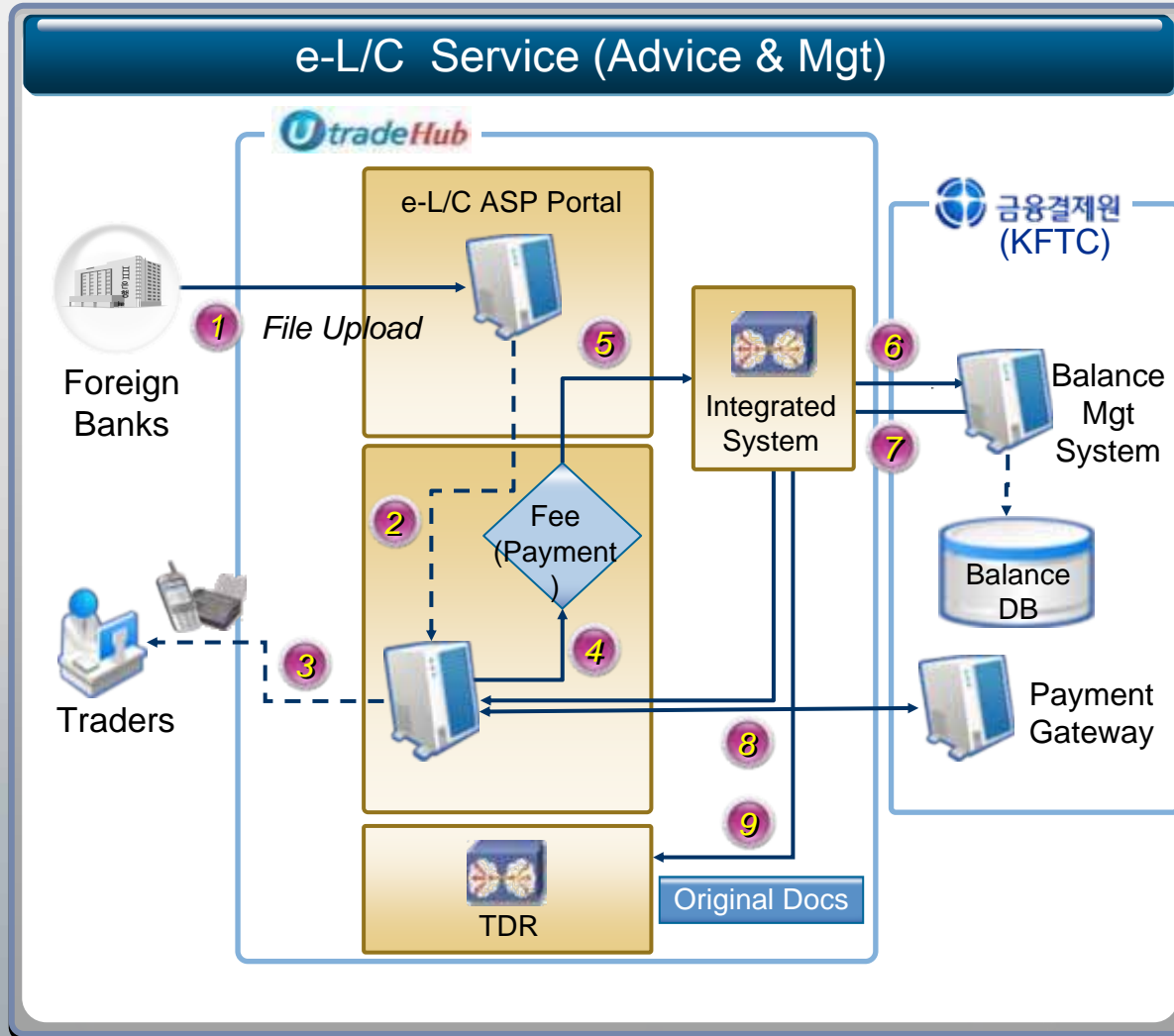
e-DO/e-BL

- issuance of D/O
- issuance of e-B/L

Air APIS/ Air GD

- submit passenger/crew lists
- Submit arrival/departure reports

For Foreign banks in Korea



For marketing

One-Stop Marketing Info Search System

Trader



uTradeHub

uTrade

uBankers

uLogis

uTradeSearch

Linkages

 K I T A

 kotra

 EC21 Global B2B Marketplace

 ecplaza Global
More Trade Choices for You

Overseas
market
Info

Biz
Match
Info

Exhibition
Info

Trade
Practices
Info

uTradeSearch

Plan for Further Linkages

Corporate Credit Info

Overseas Buyers Info

Export/Import Insurance Info



Present and Future



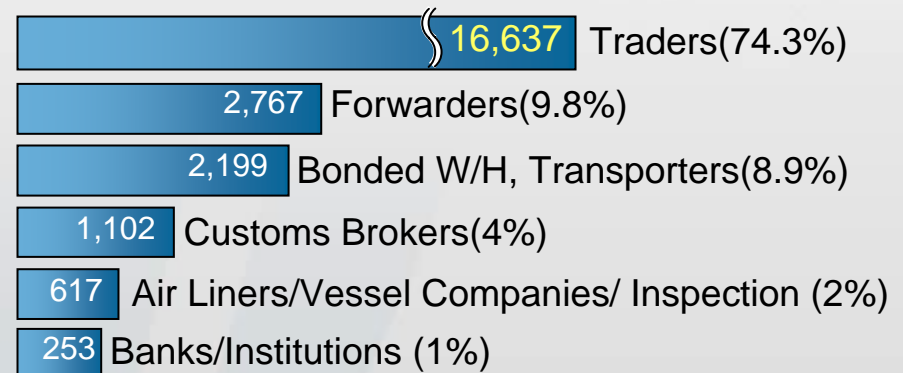
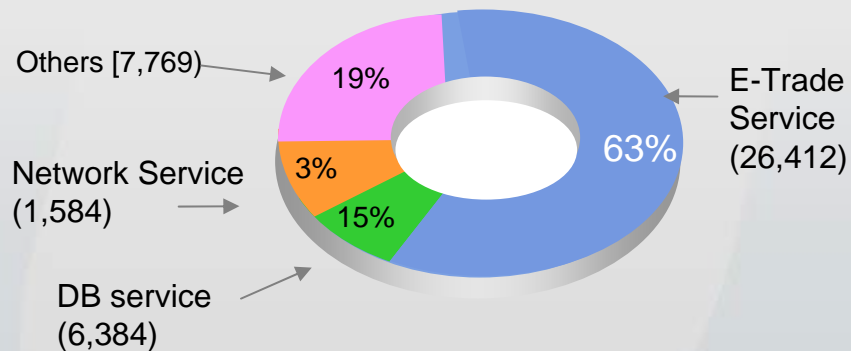
Paperless Trade user status

- Total Number of Users for Trade Automation Service

: 42,149 (ID base, as of July '09)

- e-Trade Service Users : 26,412 (63%)

[uTradeHub: 12,381, migration is processing]



※ July, 2009

Today's main work (e-Negotiation)

e-Docs Processing for each Business Area

Subject (Jan '09 - July '09)	License	Finance	Customs	Logistics	Total
	Licenses/ Certificates	L/C, Purchases	Clearance/ Tax returns	Bonded W/H, Manifest	
e-Document Processing	860,000		1,433,000	5,011,000	48,106,000

- 24hr, 365 day a year service for VAN/EDI and ebXML transaction

Today's main work (e-Negotiation)



Korean
Seller Bank



Electronic presentation of
e-documents for negotiation
(settlement of export proceeds)

▪ Functions

- Access a variety of negotiation documents from the e-Trade Document Repository of the uTradeHub (e.g. invoice, P/L, C/O, B/L, insurance etc) and delivery to Korean banks
- Banks can examine the e-docs and if all the documents are properly presented, can then pay the export proceeds to the exporters

▪ Benefits

- Reduced time/cost to visit banks
- Speedy processing of negotiations

Pilot Project for e-Negotiation

- Jan 2009: Start the e-Nego pilot project in Korea
 - Korea's foremost automobile maker, Hyundai Motors, is now leading the e-Nego pilot project

 **HYUNDAI** **HANJIN SHIPPING****KEB**  외환은행
SHINHAN**pantos**
LOGISTICS 

- November 2009: Complete the first e-Nego pilot service
 - Pilot project with volunteers to be completed by November this year
 - The pilot project will showcase the functionality and efficiency of the uTradeHub e-Nego service

Global e-Negotiation service

Korea-China-Japan Global e-Trade Service Pilot Project Group

- Participating Members : KITA, KEB, SWIFT, CIECC, CCB, BTMU
- Inviting traders/shipping lines/banks





Benefits and Success Points



Economic Benefits

Economic benefits
from Paperless Trade
about 3 billion USD

Productivity increase [554.3million USD]
+ Reduction of extra fees [2.11billion USD]
+ Reduction of redundant investment in the IT sector [318million USD]

Productivity Increase

Reduction of labor costs (263.3million USD)

Reduction of printing costs (19.1million USD)

Reduction of circulation and storage costs(271.9million USD)

Reduction of extra fees

Reduction of warehouseing costs (1.36billion USD)

Reduction of inventory management costs (750million USD)

Reduction of redundant investment in the IT sector (318million USD)

Cost saving cases

LG ELECTRONICS	Reduced Labor costs, documents handling charges, etc. by 30mil USD for a year
SAMSUNG ELECTRONICS.	Reduced labor for the customs clearance department by 50% : 89 persons → 43 persons Shortening of working hours and process simplification : 25days → 5days, 53steps → 17steps
INTERFLEX	Reduction of extra fees for trading : 29,000 USD → 9,160 USD Shortening of the time required : 12hours → 30mins
DAEWOO ELECTRONICS	Shortening of handling hours for shipping requests : 22mins per → 6mins per

Success Points (Social Cooperation)

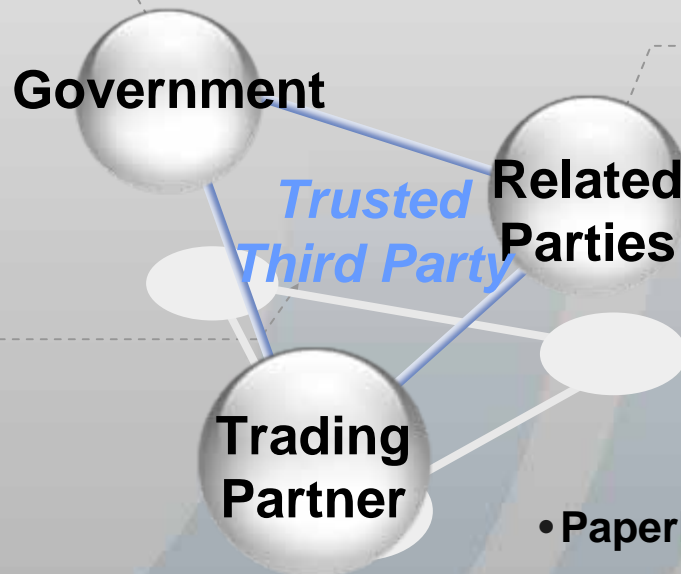
Strong leadership from the government & Public-Private Cooperation

- **Policy & Law**
- **Funding & Execution Roadmap**
- **Project Leadership & Ownership**

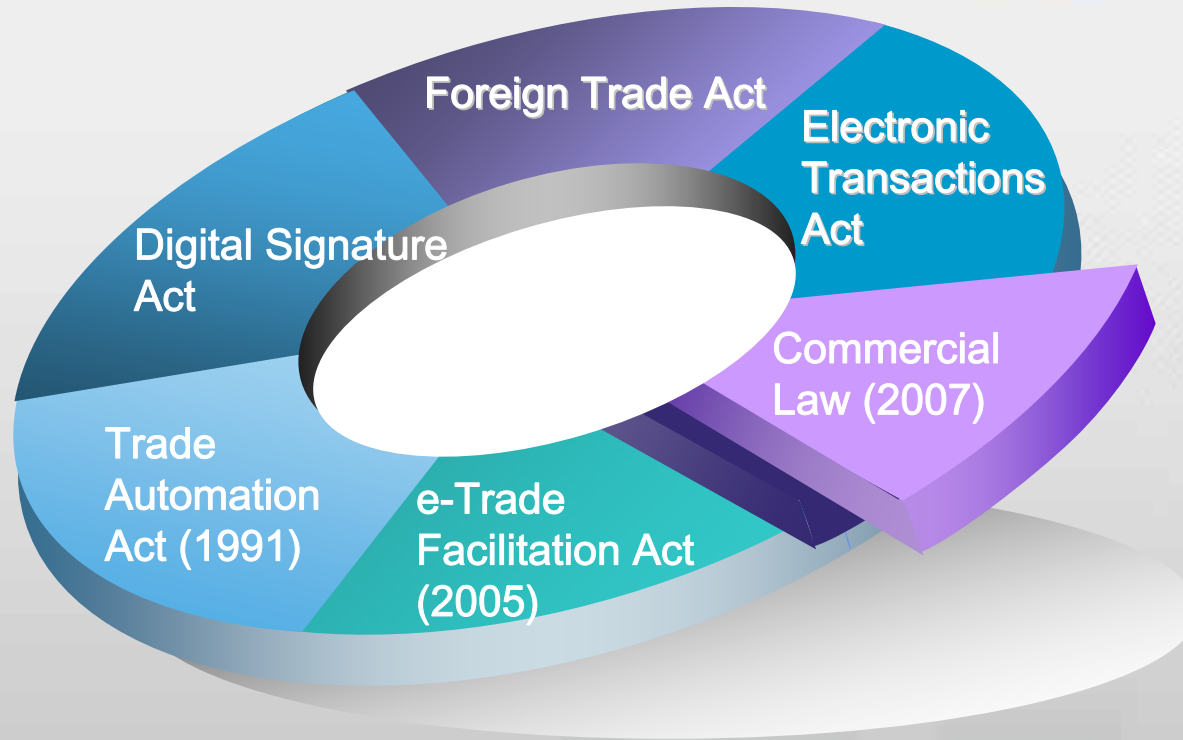
- **Integration**
- **Standardization Body**
- **Process Innovation**

- **Service Development**
- **Platform Operation**
- **Global Network**

- Paperless Trading
- Enterprise IT Systems



Success Points (Legal Infrastructure)



- **Enacted Trade Automation Act (1991)**
- **Revised the Act into the 'e-Trade Facilitation Act' (2005)**
 - Established a legal basis for circulation of e-Trade documents
 - Defined a role for service providers specializing in e-Trade
- **Revised Commercial Law (2007)**
 - Introduced electronic bills of lading and specified operating rules, including title registry



Thank you