

# THE IMPACT OF INTERNATIONAL HEALTH CRISIS ON LEGAL INFRASTRUCTURE FOR TRADE

Responses by Singapore to support international trade and enterprises

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# Singapore is a leading maritime and trade hub

**“Singapore tops international shipping centre index for 7<sup>th</sup> year running”**

*Baltic-Xinhua International Shipping Centre Development Index*



**“Singapore ranked world’s top maritime capital for 4<sup>th</sup> straight year”**

*DNV GL – Menon Economics “Leading Maritime Capitals of the World” Report*



**“Singapore named Best Seaport – Asia for the 32<sup>nd</sup> time”**



*2020 Asian Freight, Logistics and Supply Chain Awards*

## Maritime Singapore 2019 \*

CONTRIBUTES ABOUT **7%** OF OUR NATION'S GDP



ABOUT **170,000** EMPLOYEES



MORE THAN **5,000** MARITIME ESTABLISHMENTS



WORLD'S BUSIEST **CONTAINER TRANSSHIPMENT HUB**



**37.2** MILLION TEUs OF CONTAINER THROUGHPUT IN 2019



VESSEL ARRIVAL TONNAGE REACHED **2.85 BILLION** GT IN 2019



SUPPLIED **47.5** MILLION TONNES OF BUNKER IN 2019



APPROXIMATELY **1,000** SHIPS IN THE PORT OF SINGAPORE AT ANY ONE TIME



THE SINGAPORE REGISTRY OF SHIPS IS ONE OF THE **WORLD'S TOP QUALITY FLAGS**

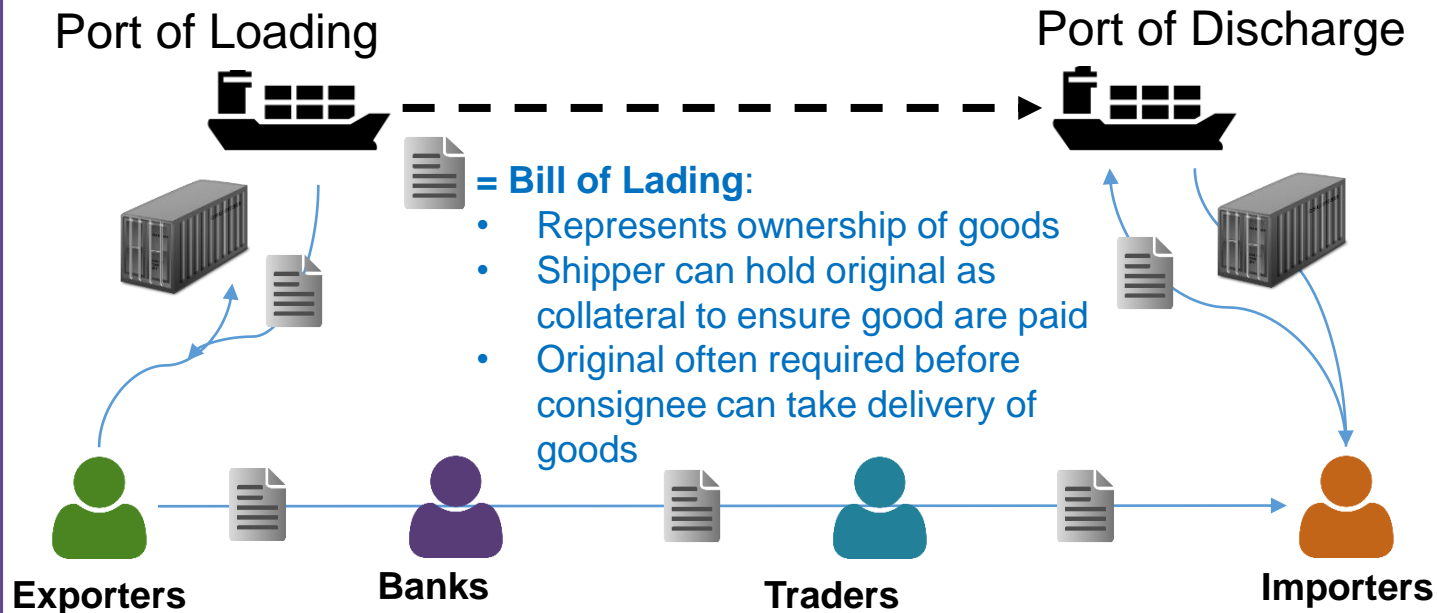


\* 2020 port statistics will be available mid-Jan 2021



# Digitalising Bills of lading can greatly improve efficiency

## A Bill of Lading a key document for international trade



Bills of Lading are largely paper based due to importance of the **possession of the original document**



Manual processing results in high costs

Documentation processing makes up ~ 20% of total shipping costs

*Maersk and IBM*

Save US\$6.5billion in direct costs, US\$15.5 billion indirect benefit to the shipping ecosystem

*2022 McKinsey Study*

# Aligning with international frameworks to facilitate the digitalisation of trade

Each country has its own body of commercial law

Diversity of commercial laws can lead to uncertainty and disputes in international trade

With international harmonisation, international trade becomes simpler and more certain for businesses



The United Nations Commission on International Trade Law (UNCITRAL)

- Core legal body of the UN in the field of international trade law
- Develops internationally harmonised legal frameworks
- Facilitates trade through legal harmonisation

ORIGINAL  
TITLE DOC

The Model Law on Electronic Transferable Records 2017 (MLETR)

- Enables the digitalisation of key trade documents where the original document is important
- Provides an internationally harmonised legal framework

**International harmonisation allows Singapore to be interoperable with the global trade ecosystem**

# Singapore has adopted UNCITRAL MLETR to enable digitalisation of trade

UNCITRAL UNITED NATIONS COMMISSION ON INTERNATIONAL TRADE LAW

UNCITRAL Model Law on  
Electronic Transferable Records



## Singapore – Among the first in the world to enact a legislative framework for Electronic Transferable Records (ETRs)

- Enables a shift towards a paperless trade environment, strengthening our digital economy ambitions

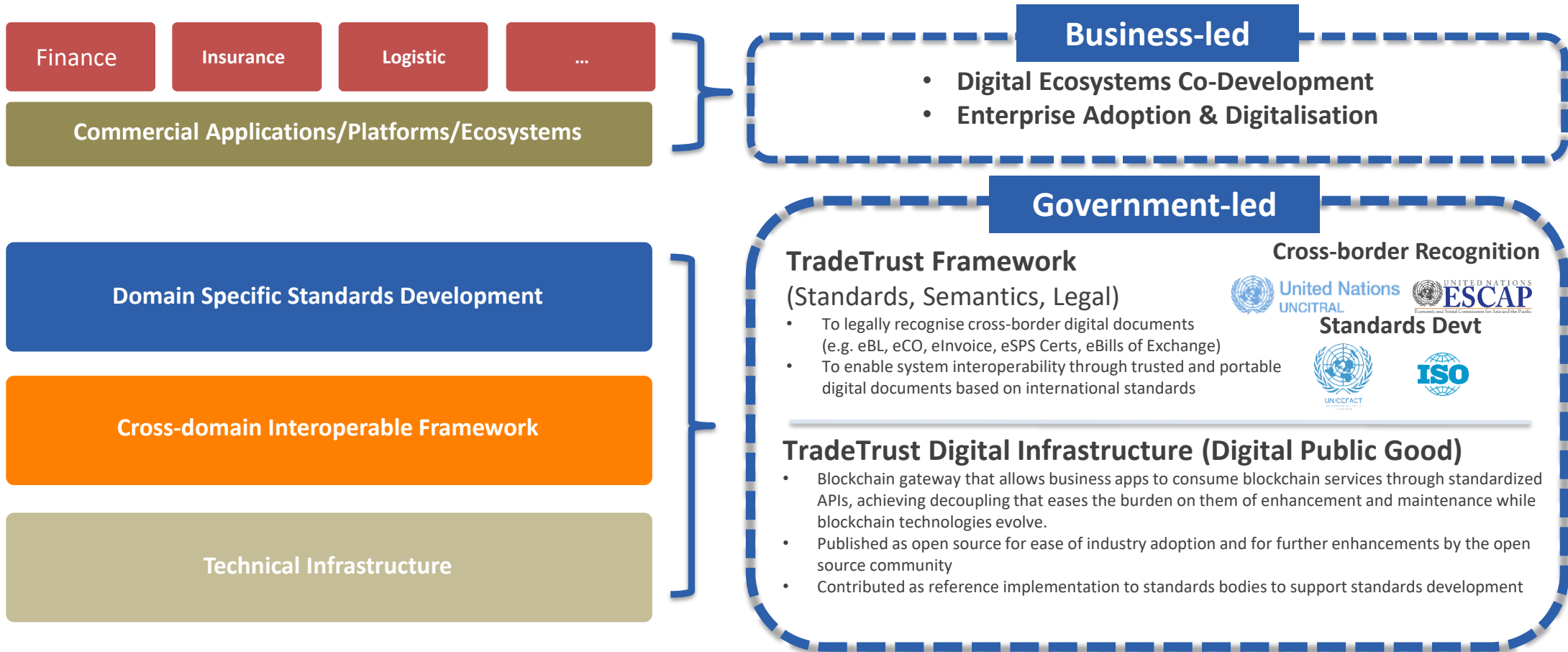


## Strong support from international and domestic stakeholders

- The International Chamber of Commerce (ICC) had urged governments to adopt the MLETR in Apr 2020
- Singapore Shipping Association (SSA), banks and traders (e.g. Trafigura)

# The TradeTrust Framework

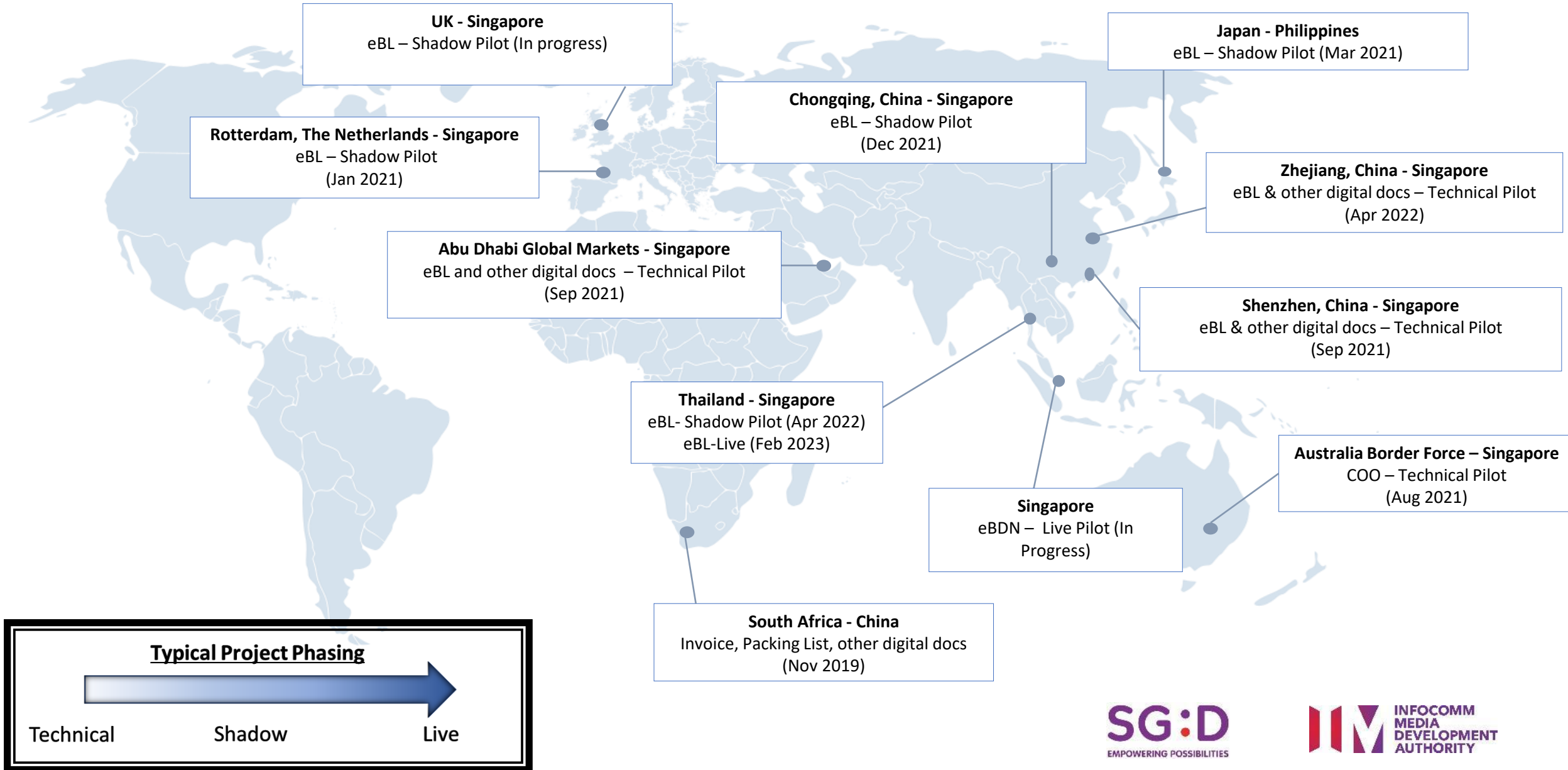
The Framework SUPPORTS Platforms and Systems to achieve 3 functionalities\* ACROSS Platforms and Systems. The technical methods are implemented in open-source software that has been made available free to the international community



\*The 3 Functionalities are:

- 1) Assurance of Authenticity
- 2) Assurance of Source
- 3) Transfers of Performance Obligation

# Supports and complements Government's trade digitalisation initiatives





# Reaping the benefits of digitalising international trade

Present

## Paper



Manual processing and high cost



Fragmented systems



Risk of fraud  
e.g. forgeries

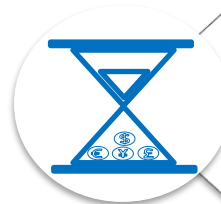


Tomorrow

## Digital



Legal certainty for  
ETRs, e.g. eBL



Efficiency gains, faster  
processing and lower  
cost



Lower risk of fraud



Interoperable systems  
and faster trade  
financing



New Service Offerings  
leading to innovative  
business models and  
new jobs

**Achieving cross-border paperless trade**



THANK YOU



**INFOCOMM  
MEDIA  
DEVELOPMENT  
AUTHORITY**