

uTradeHub, Success story; Necessary Environment



Korea International Trade Association

Introduction to KITA

Korea's National paperless Trade platform case

Korea's Recent Development

Korea's Global Cooperation

Lessons learned





Introduction to KITA

Introduction to KITA

Korea International Trade Association



Foundation

- Established in 1946
- For the interests of Korea's international traders

Status

- Korea's largest business association with 65,000 member firms
- Supporter for Korea's business community

Goals

- Supporting domestic companies to expand their business on a global scale
- Fostering partnerships between domestic and overseas enterprises

Korea International Trade Association

Major activities

- **Improving the trade environment**
 - Building global trade ties
 - Promotion of FTAs,
 - Cooperation with Partners Organizations
- **Research & Education**
 - Researching the global economy
 - training trade experts
- **International Networking**
 - Networking with foreign traders and investors
 - Marketing through the Internet
 - Exhibitions and Conventions
- **Global electronic business**
 - Providing trade-related information & statistics
 - **Paperless trading service**
- **WTCS, an access to one-stop business**
 - the best location for business
 - leisure and consumer facilities; shopping, dining, entertainment , etc.

Subsidiaries of KITA





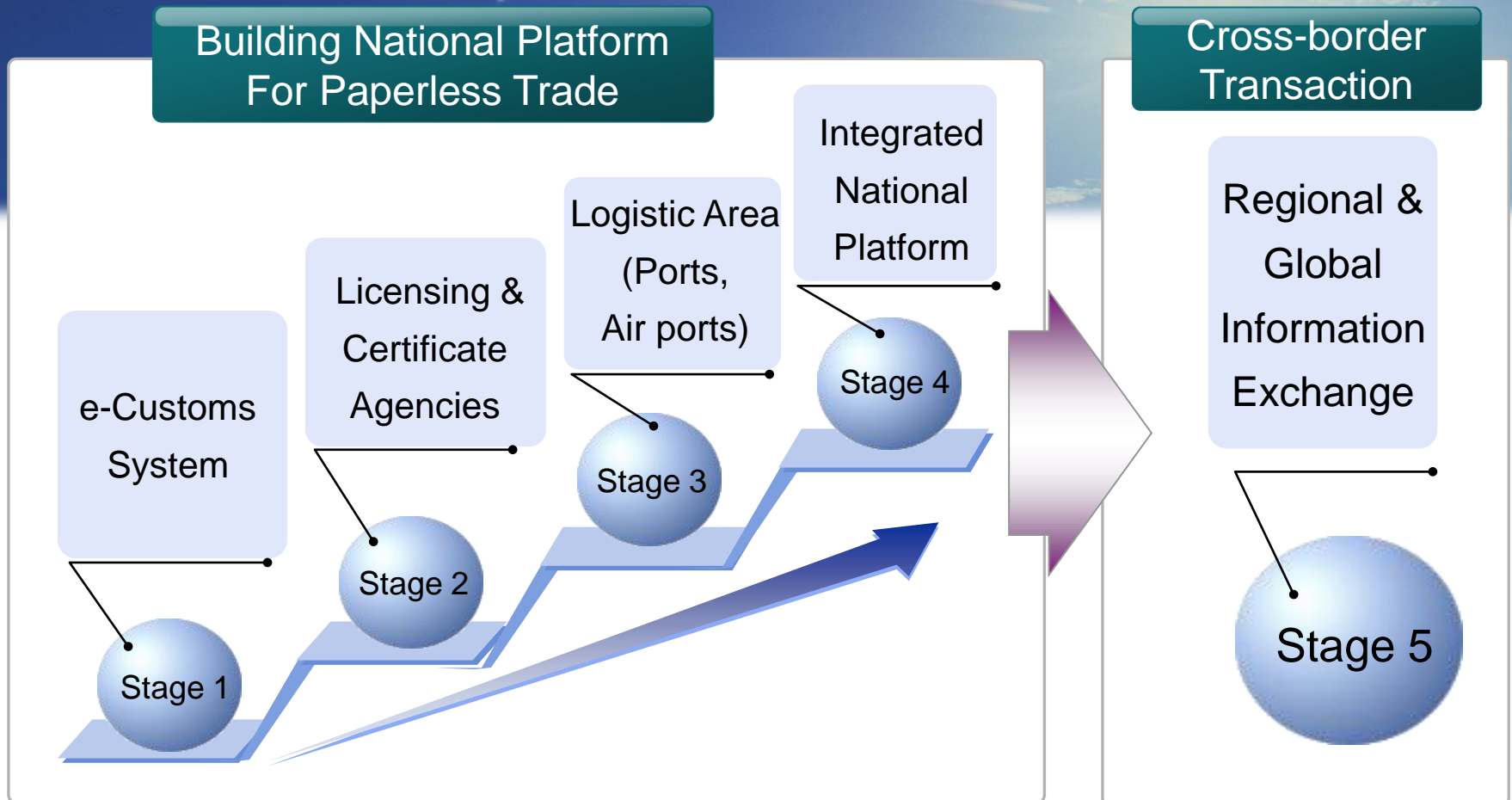
Korea's National paperless Trade platform case

Trade platform case

Korea's National paperless

UNECE 5 stage roadmap for Paperless Trade

- UN suggested 5 stage action plan for seamless Paperless Trade
(Roadmap Towards Paperless Trade, '06)



uTradeHub project in Korea

- **Promotion by public needs**
 - **Consensus on online paperless trading system for easy access for work efficiency**
- **Project for building paperless trading system**
 - **Adoption as one of the e-Government projects**
 - **Aim : transferring VAN EDI-based trade automation system to Internet- based trading system**
- **National e-Trade Committee (established in 2003)**
 - **Chair person : 2003 ~ 2007 the prime minister
2008 ~ present the minister of MKE**
 - **The Supervisory committee of the national paperless trade system project**
- **Korea Paperless Trade Office (Established in 2005)**
 - **The secretariat and PMO(Project Management Office) of the National Electronic Trade Committee**
 - **Consolidation between public and private sectors**

uTradeHub project in Korea

Goal

To cope with Korea's growing trade volume by upgrading the Electronic trading system into a single window system

Project Duration

2004 ~ present

Project Cost

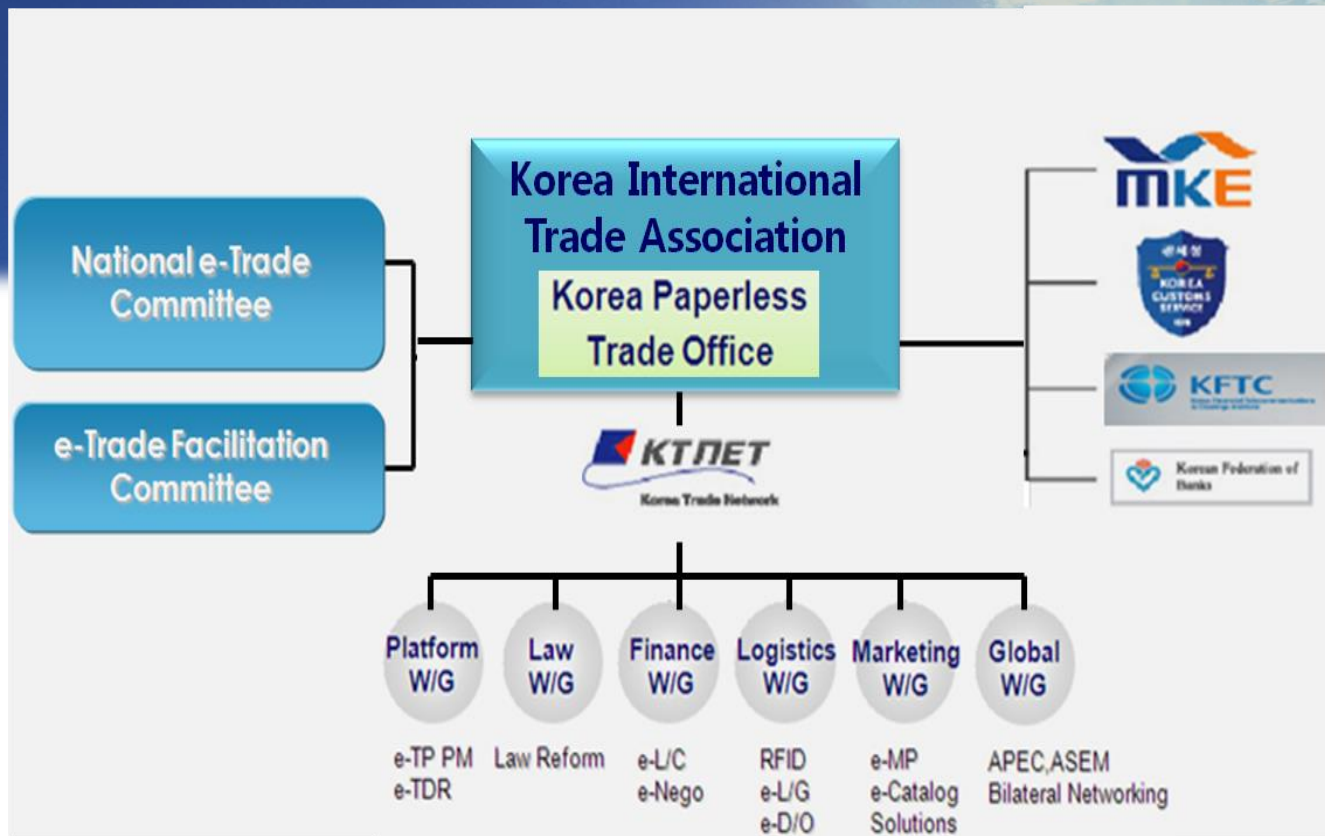
About 30 million (USD)

Leading Agencies

Ministry of Knowledge Economy (MKE)
Korea International Trade Association (KITA)
Korea Trade Network (KTNET)

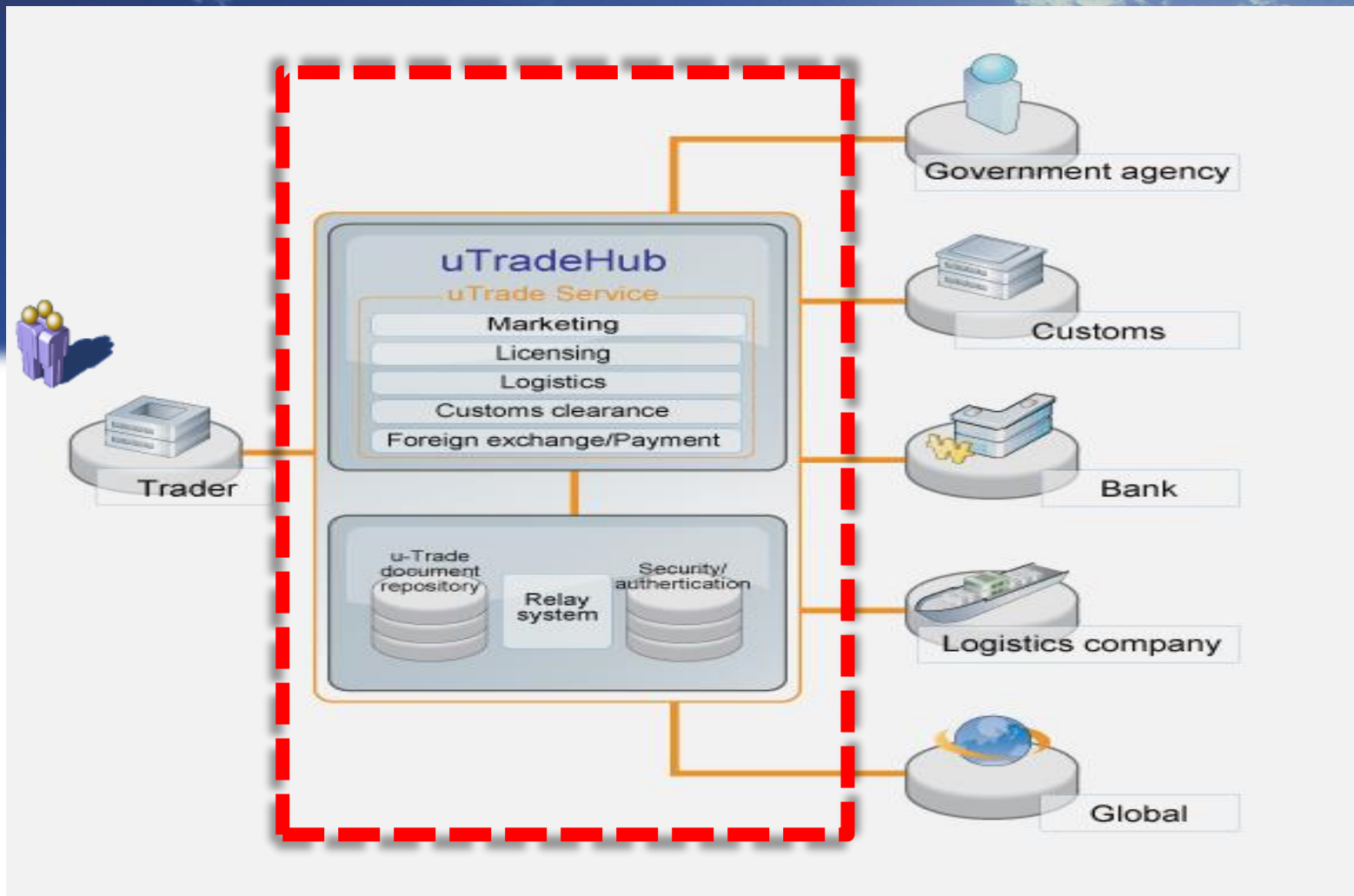
uTradeHub project in Korea

➔ Paperless Trade Governance in Korea



uTradeHub project in Korea

➔ Concept of uTradeHub

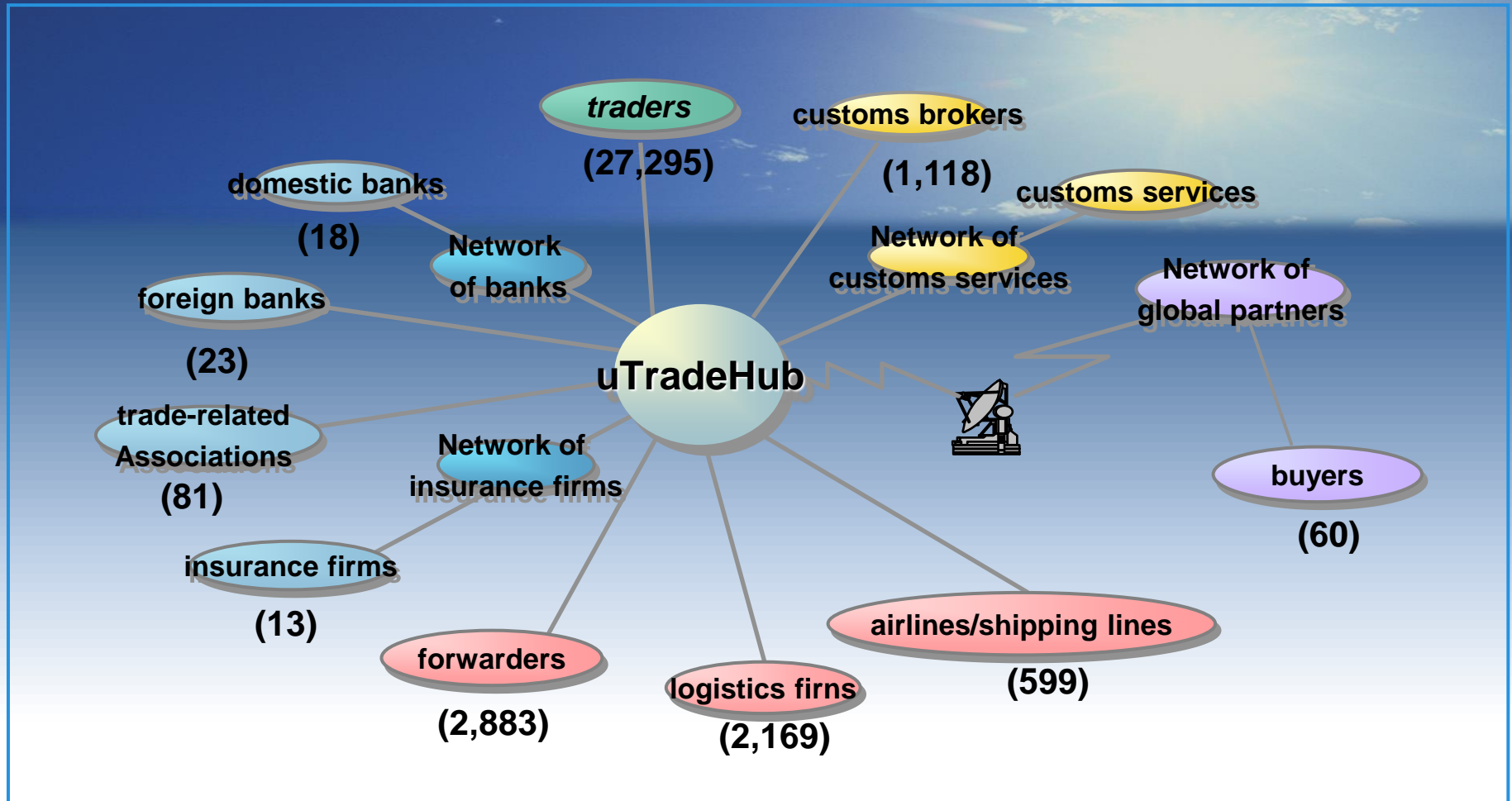


Major Acts for Paperless Trade in Korea

Act	Description
e-Trade Facilitation Act	<ul style="list-style-type: none">• Fundamental Act on Paperless Trade• Internet-based Infrastructure for Paperless Trade• Duty to use Paperless Trading infrastructure
Framework Act on Electronic Commerce	<ul style="list-style-type: none">• Legal validity on electronic documents• Policies on promoting electronic transactions
Digital Signature Act	<ul style="list-style-type: none">• Definition and legal validity of electronic documents and digital signature• Guideline for operating public certification authority
Act on Promotion of Information and-Communications Network Utilization and Information Protection	<ul style="list-style-type: none">• Guideline for building and using information network• Guideline for data privacy
Provision on electronic Bill of Lading in the Commercial Law	<ul style="list-style-type: none">• Legal validity on B/L• Logical basis for circulating electronic documents overseas (e.g. e-B/L)• Guideline for operating e-B/L registration authority

uTradeHub project in Korea

- Traditional Off-line process of trading has been transformed into On-line process fully or partly
- The Total Number of Users for Trade Automation Service : 34,318 (ID base)



Current e-Trading Using condition (2009)

(unit : thousands)

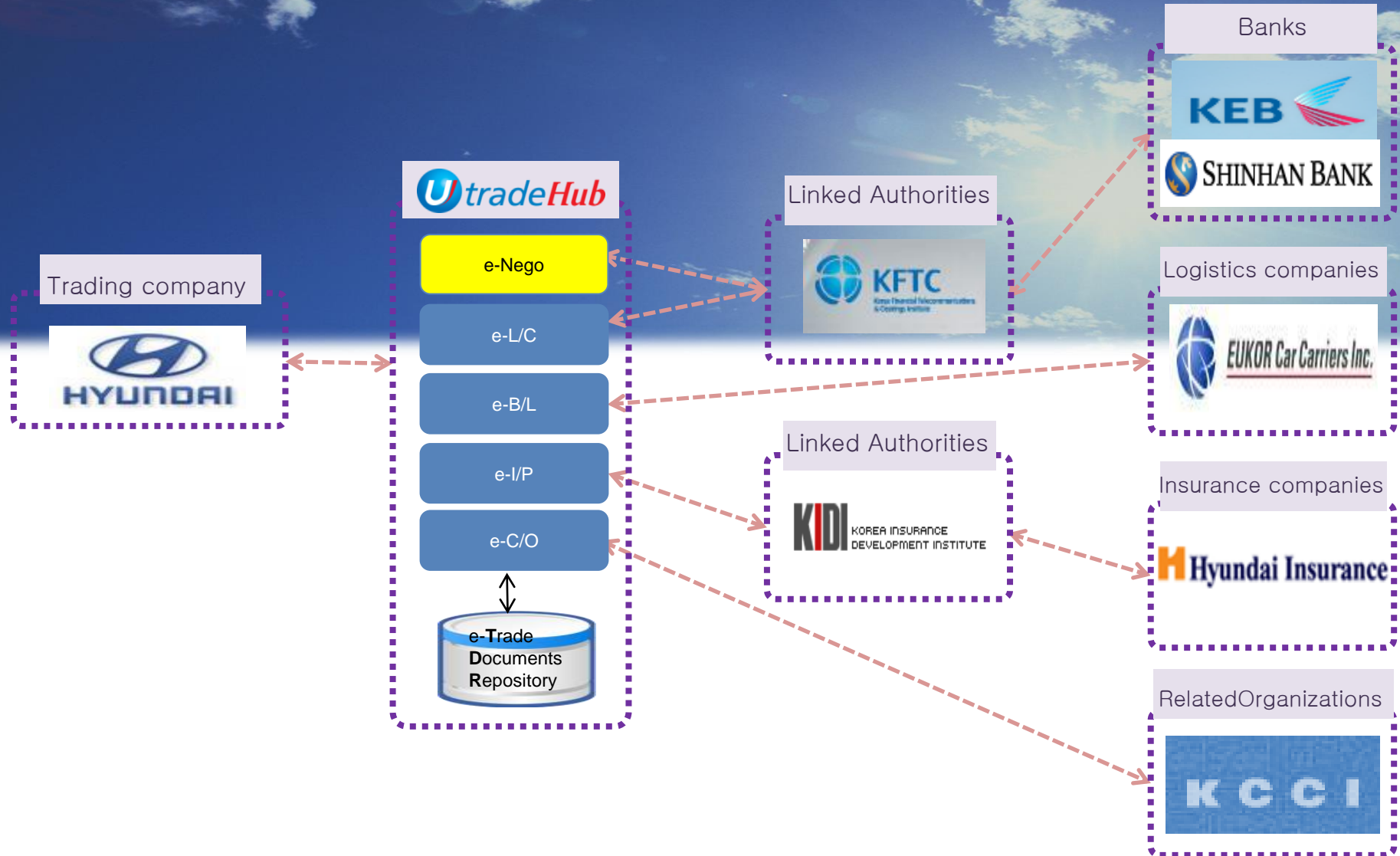
	Service	total case number (a)	handling number by e-trading (b)	using ratio (b/a)	the planned goal (2015)
Export	Export L/C notification	400	88	22%	90%
	Purchase confirmation	930	523	56%	100%
	Local L/C notification	240	100	42%	90%
	Insurance Policy	1,530	609	40%	60%
	Certification of Orgin	700	700	100%	100%
	Master L/C Nego	400	-	-	30%
	Open Account Nego	1,500	757	50%	60%
	Local L/C Nego	240	20	8%	30%
Import	Import L/C Opening	350	156	45%	60%
	Licensing & Certification	2,180	1,760	67%	90%
	Letter of Guarantee	75	18	24%	50%
	Delivery of Order	1,400	660	47%	90%
Average				45%	75%



Korea's Recent development

Korea's Recent development

e- Nego project Concept



Recent Development e- Nego project

**March 2010 : Complete to build e-Nego system
in uTradeHub**

**Mar~Oct 2010 : Commercializing e-Nego service
by HMC partially**

- **Success story**

- **19 Export case, 7 million euro, 300 vehicle unit**
- **Export Destination : Europe (sweden, Denmark)**

**Oct ~2011 : Disseminating e-Nego service to another
major trading company**













Korea's Global Cooperation

Korea's Global Cooperation

Overview : Sharing Korean Experience

- These are some representative cases that KTNET has shared its experience on Paperless Trade and e-Customs with Overseas Governments basis on mutual benefit

	Mongolian e-Customs System Implementation; 2008 ~ 2010	
	Kazakhstan “BPR/ISP Consulting on Customs Modernization” ; 2005	
	Uzbekistan “F/S for Building up Paperless Trade Platform”; 2008	
	Romania “F/S on Romanian Paperless Trade System”; 2009	
	Libyan Single Window Implementation Project 2009	

- Exports based on format / development level

format	nation	Project scope based on UNECE 5 step roadmap	Duration	Financial resources
Electronic customs clearance system building project	Mongolia	Stage 1	2008.6 ~ 2010.2	<ul style="list-style-type: none"> • KOICA : about \$ 2billion • ADB : about \$ 3million • to expand paperless trading Single Window project
Paperless trading system building project	Libya	Stage 2+ Stage 3	2009.12 ~ 2011.11	<ul style="list-style-type: none"> • Libya government's budget : \$ 9million • next project (about \$ 10million) after the completion of the project
Consulting project	Kyrgyzstan	Stage 1	2008.3 ~ 2009.7	<ul style="list-style-type: none"> • loan from ADB \$ 420 thousand • consulting for supervision
	Kazakhstan	Stage 1	2005.10 ~ 2006.3	<ul style="list-style-type: none"> • Kazakhstan government budget : \$ 320thousand • BPR/ISP consulting
	Romania	Stage 4	2009.7 ~ 2009.9	<ul style="list-style-type: none"> • NIPA \$ 123million • feasibility study
	Uzbekistan	Stage 4	2008.9 ~ 2008.12	<ul style="list-style-type: none"> • NIPA \$ 123million • feasibility study



Lessons learned

Lessons learned

Lessons learned

How to find unexplored synergies in Paperless Trade

1. It is fundamental to make efficient policy-making system of government and collaborate with private sectors.
2. Information system needs to be set up for realizing Paperless Trading Process
3. Legislation of laws should be implemented for the validity of electronic document to be issued and circulated as the essential step.
4. It is necessary for stakeholders to embrace the change.

Q & A

Thank you~*

