

貿易通TM
TRADELINK

EPCglobal 
Hong Kong



DIGITAL TRADE AND
TRANSPORTATION NETWORK

Add Value to Your Business with the
Digital Trade & Transportation Network
and the EPCglobal Network

13 April 2005



Agenda

- ◆ **Tradelink Highlights**
- ◆ **Digital Trade and Transportation Network (DTTN)**
 - *What is it?*
 - *Working with EPCGlobal*
 - *Costs and Benefits*
- ◆ **Status and Way Forward**



Tradelink Highlights



Tradelink's Shareholders



◆ The HKSAR Government	42.49%
◆ The Hongkong and Shanghai Banking Corporation Ltd (HSBC)	8.78%
◆ Pacific Century CyberWorks (PCCW)	8.78%
◆ China Resources (Holdings) Ltd	5.30%
◆ Hong Kong Air Cargo Terminals Ltd (HACTL)	5.30%
◆ Modern Terminals Ltd (MTL)	5.30%
◆ Swire Pacific Ltd	5.30%
◆ TAL Apparel Ltd (TAL)	4.73%
◆ Hongkong International Terminals Ltd (HIT)	4.69%
◆ The Hong Kong General Chamber of Commerce (HKGCC)	4.08%
◆ The Federation of Hong Kong Industries (FHKI)	3.48%
◆ Standard Chartered Bank	1.55%
◆ Hong Kong Association of Freight Forwarding and Logistics Ltd (HAFFA)	0.22%

Tradelink Highlights



- ❖ **Original 7 year franchise (1997 - 2003) for Government trade documents, extended as a license for 2004 - 2008**
 - **Over 53,000 company subscribers**
 - **17 million transactions/year**
 - **All documents digitally signed & encrypted for open network transmission, using Recognized Digi-Sign Certification Service's certificates**

- ❖ **Customer Hotline and Training**
 - **Three tier with 100 + staff**
 - **Dual call centres**
 - **Sophisticated Customer Relation Management System**
 - **Dedicated training centers**

Tradelink's Electronic Services

Trade Related Government Services as the Basic Building Block

All Traders

- ◆ Import & Export Declaration
- ◆ Certificate of Origin
- ◆ Dutiable Commodities Permit
- ◆ Shipping Order Service / AMS
- ◆ Trader Documentation Service for Regional/Global Trade
- ◆ China Processing Trade/Cross Border Documentation Service

Textile Traders & Manufacturers

- ◆ Production Notification
- ◆ Textile Trader Registration Scheme (TTRS) Notifications
- ◆ Certificate of Origin

Forwarders & Carriers

- ◆ Carrier Notification
- ◆ Shipping Order
- ◆ Manifest
- ◆ Textile Trader Registration Scheme Notifications

What is the
**Digital Trade and
Transportation Network
(DTTN)?**

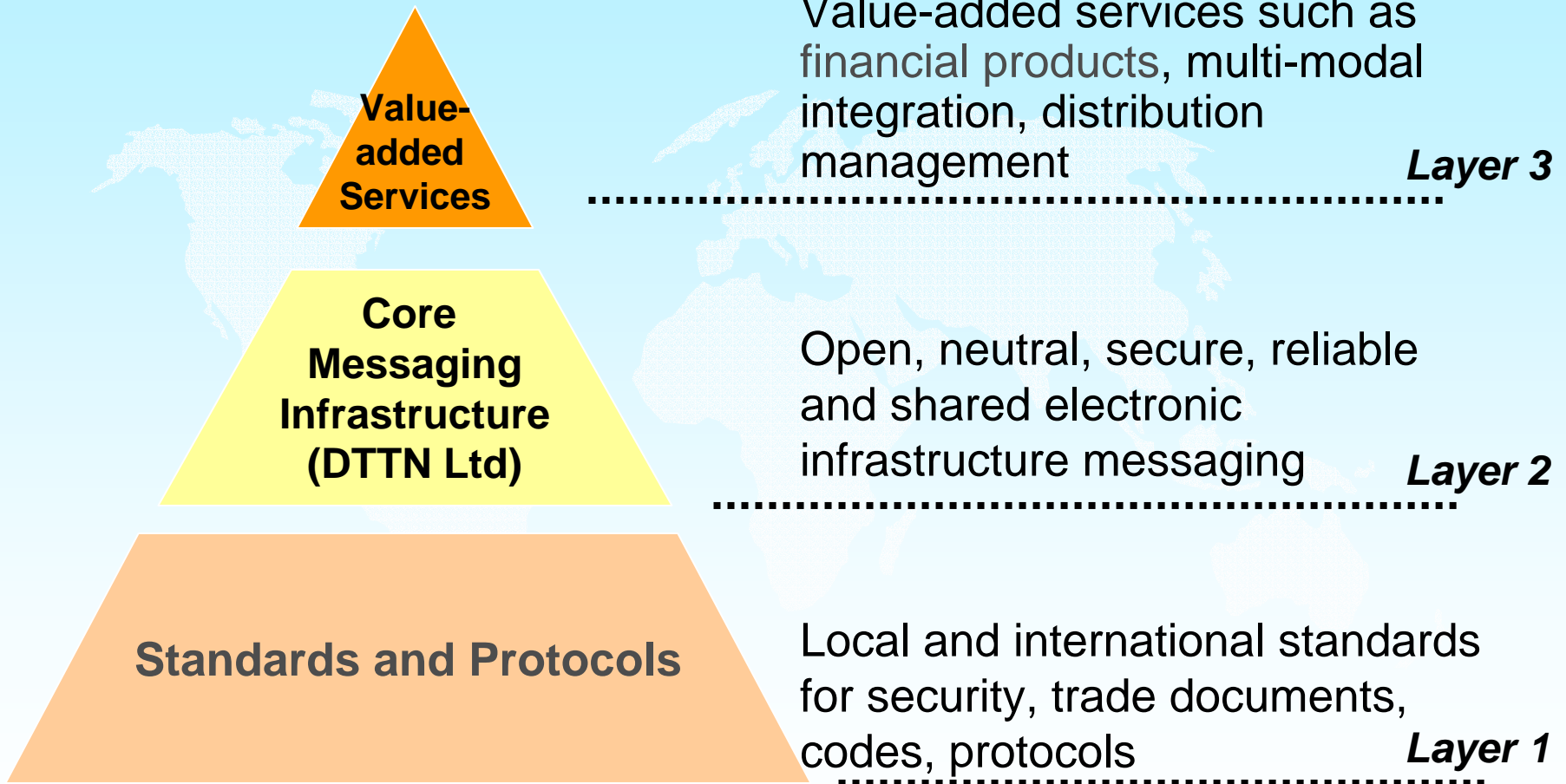


Guiding Principles for the DTTN

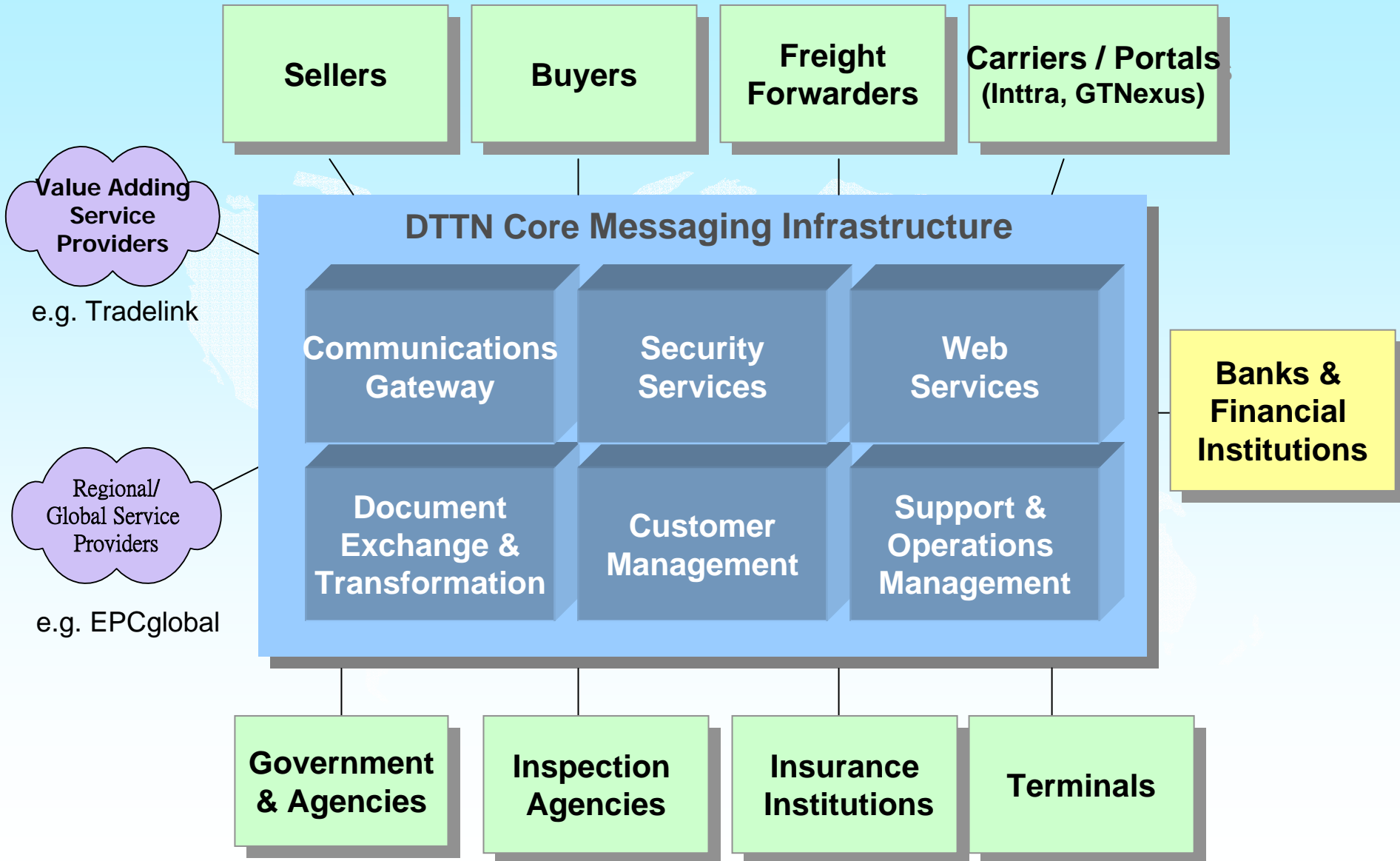
Public/private sector Logistics Development Council initiative to improve HK's competitiveness and to make HK the regional e-Logistics hub of choice

- Neutrality**
- Non-exclusivity**
- Transparent, accountable & responsible operations**
- Minimum intervention to any participant's business processes & relationships**
- Facilitate & respect market forces**
- Easy to access & use**

DTTN 3-Layer Model



Community Role of the DTTN



DTTN Services – Core Infrastructure

- ❑ **Reliable, secure transformation and delivery of legally recognized electronic documents**
 - **Reliable delivery – local, China, globally**
 - **Secure delivery - encryption & digital signatures**
 - **Immediate alerts and notifications to e-mail, mobile phones**
 - **Any-to-any protocol & document transformation**
 - **Documents stored on-line for 2 years, offline for 7 years**
- ❑ **Community interconnections** e.g. Tradelink's 53,000 traders & forwarders; 30+ major ocean carriers via INTTRA/GTNEXUS
- ❑ **Low Cost Single e-Channel** to all trading partners
- ❑ **Web Services and Single Sign-on Infrastructure** - to integrate with other networks and service providers

DTTN Document Exchange Services (1/2)

Supports *ten major trade & logistics processes* for *import/export* between *HK-PRD (truck, rail, river)* & overseas via *ocean/air*;

- ❑ **Purchase Process** (*Purchase / Sales Order; Order Confirmation*)
- ❑ **Get products ready for delivery** (*Packing List / ASN; Commercial Invoice; Inspection Certificate; Insurance*)
- ❑ **Local and overseas transportation** (*Booking; Shipping order; arrival notices; transport documents - Master / house waybill - sea / air; cargo receipt; transport set; EIR; delivery / release order*)

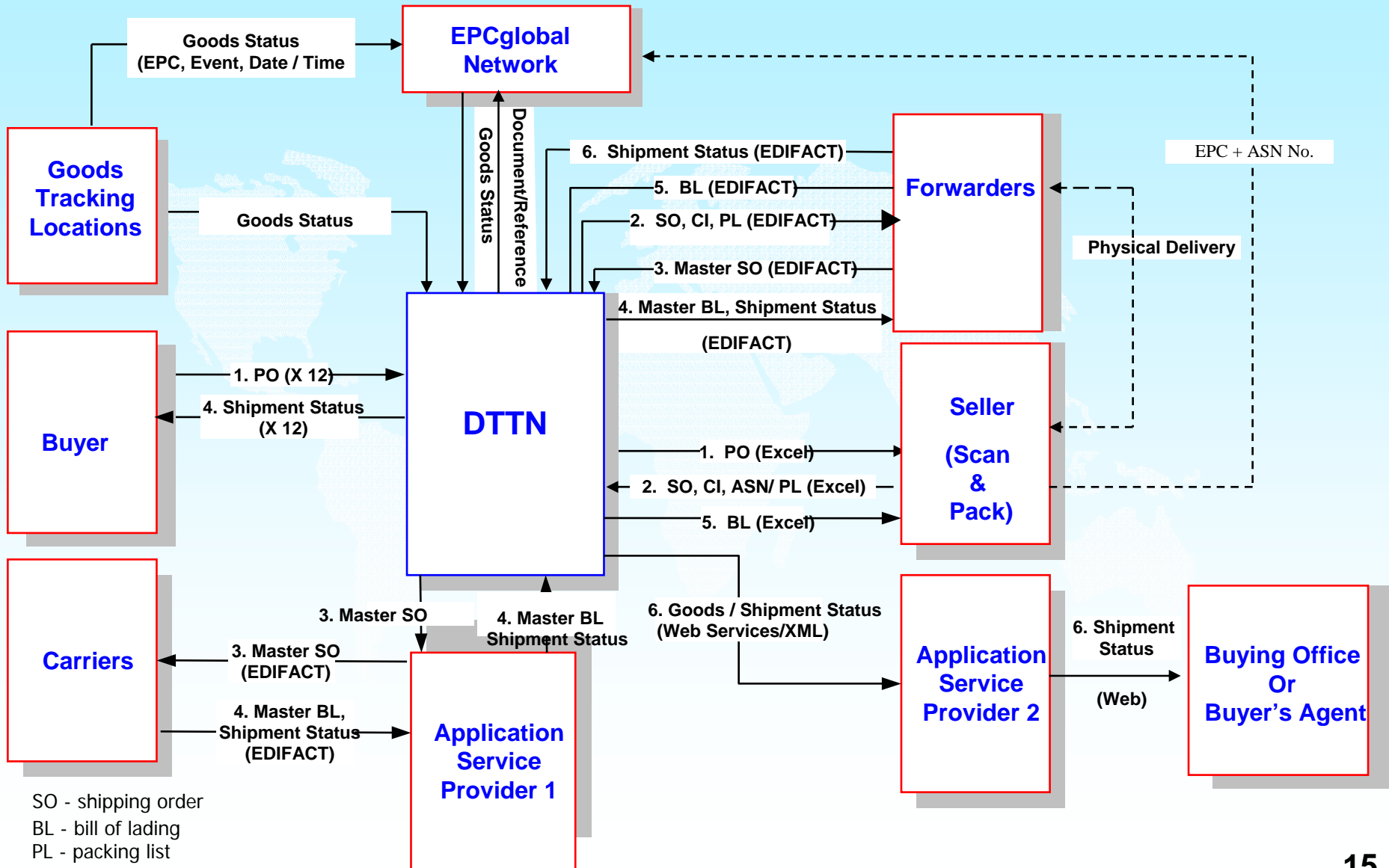
DTTN Document Exchange Services (2/2)

- ❑ **Integration with Government Trade document providers - GETS** (*TDEC, TTRS*)
- ❑ **Settlement Process** (*Letter of Credit; Company Guarantee; Bill of Exchange; L/C collection letter; document arrival notice*) [Depends on Bank participation]
- ❑ **Key document ownership transfer & “print right” with local on-line payments** (*transport documents e.g EIR; local trade services invoice; payment instruction / confirmation*)

DTTN Services – Front end Interface

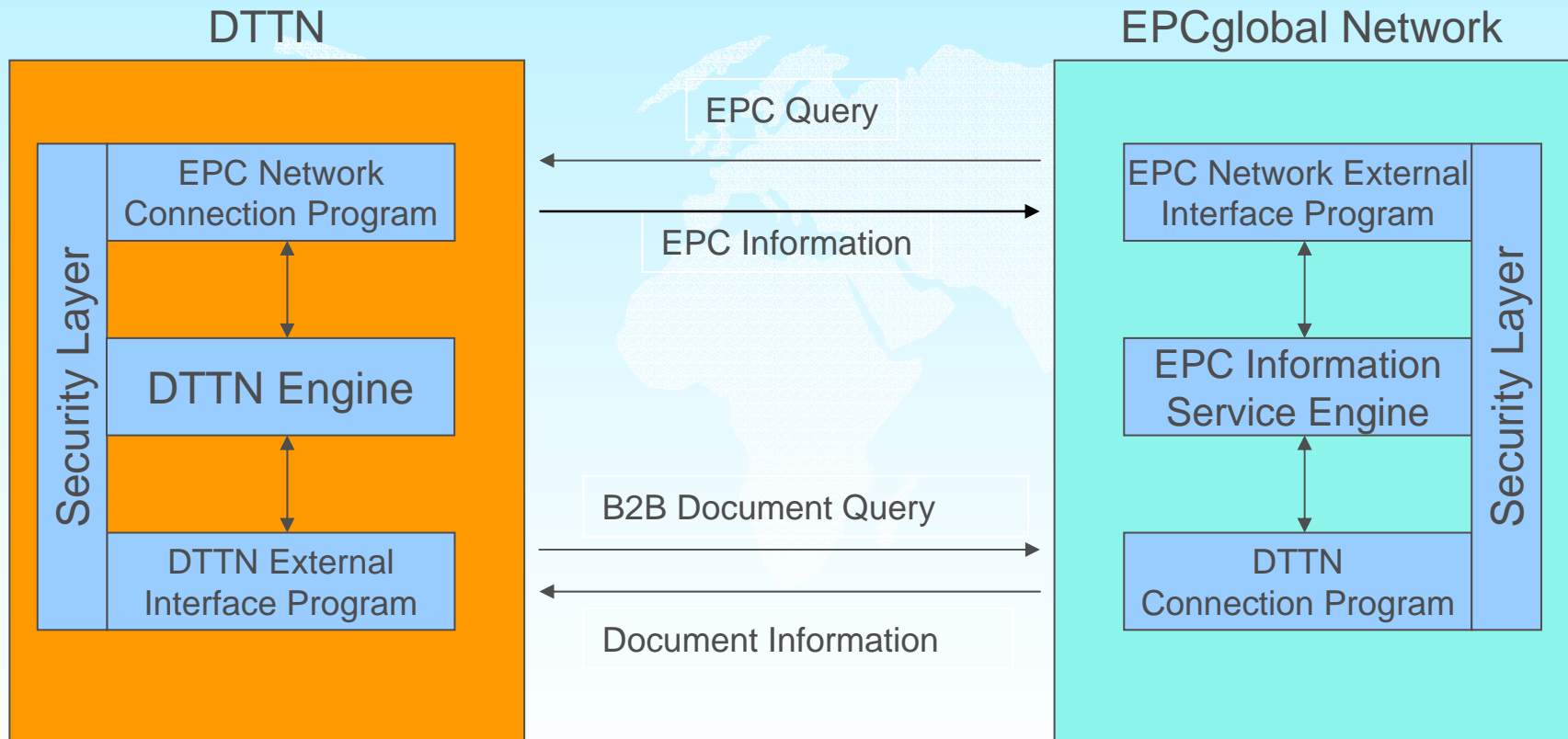
- ❑ **DTTN Web-based enquiries**, reports and downloads of messages, audit trails, related documents e.g. complete shipments
- ❑ **Excel spreadsheets** for standard documents accepted by DTTN via e-mail
- ❑ **Web Single Sign-On via DTTN** to Trade and Transportation related Services & Service Providers
- ❑ Use current or new **Application Service Provider; ERP / FMS Package Software**
- ❑ DTTN will work with ASP's; in-house IT Departments & software providers to DTTN-enable their offerings – e.g.
 - single sign-on;
 - data inheritance;
 - interconnections for document and event
(e.g. RFID) exchange

DTTN Interconnection Example (Purchase to Delivery)



SO - shipping order
 BL - bill of lading
 PL - packing list
 CI - commercial invoice

EPCglobal Network and DTTN



Costs and Benefits of the

**Digital Trade and
Transportation Network
(DTTN)**



What are the Costs to Use DTTN?

- ❑ **Low Cost Community Infrastructure**
- ❑ **Final pricing details to be determined by DTTN Ltd Board closer to launch**
- ❑ **Charges based on each successfully transformed and delivered document -*indicative charge of HK\$2.50***
- ❑ **Initial connectivity, annual & customisation fees will apply**
- ❑ **Special Incentives for Pilot Users**
 - **Waive document charges for the duration of the pilot, waive initial connectivity charges**
 - **Rebates may accrue for each document transacted during the pilot**
 - **Be a part of the DTTN marketing program**

What are the Benefits of the DTTN

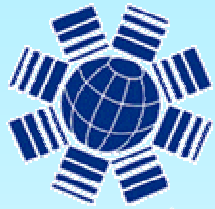
- ❑ **Cut** operation costs through reduced delays, double handling / data entry & minimized errors
- ❑ **Save time** and **cost** for document delivery *e.g. EIR, HWB*
- ❑ **Better financial management** *e.g. credit, cash flow*
- ❑ **Easy, cheap & fast** to interconnect with trading partners
 - any-to-any protocol & document transformation
- ❑ **Retain existing business** against competition
 - *more timely, accurate and value-add services*
- ❑ **Significant business and efficiency opportunities**
 - *“Just in time” supply chain management;*
 - *e-access to more trading partners*

Status

- ❑ Government accepted LogsCouncil 's recommendation to award the development and operation of the **non-exclusive DTTN** to Tradelink in July 2003
- ❑ Development started in September 2004
- ❑ Established **DTTN Standards Advisory Group** – Nov 2004
- ❑ Letter of intent signed in February 2005 with Government to “freeze” Operating Agreement - designed to assure a **neutral** and **community focused** DTTN operating framework
- ❑ Tradelink has set up a subsidiary “Digital Trade and Transportation Network Limited”, which will be owned:
 - 51% by Tradelink
 - 21% by Government
 - 28% by industry associations

The Way Forward

- ❑ **Target to launch the DTTN pilot in 2005**
- ❑ **Now recruiting pilot customers**
- ❑ **Working with GS1 on interoperation between DTTN and the EPCGlobal Network**
- ❑ **Use pilot showcase as a platform to launch a “critical mass” marketing program**



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DIGITAL TRADE AND
TRANSPORTATION NETWORK

Spearheading Hong Kong's Development of **Electronic Commerce**

