UN / CEFACT

Workshop on International Standards to Stimulate Paperless Trade

February 20-21 2006
Kuala Lumpur

E-DOCUMENTS

An Enabler for Extended Enterprise and The Foundation for Single Window

Dagang Net Technologies Sdn Bhd
20th Floor, HP Towers
Jalan Gelenggang, Bukit Damansara
50490 Kuala Lumpur, Malaysia
Tel: +60 3 2723 2723
Fax: +60 3 2723 2747
http://www.dagangnet.com

UEM GROUP ICT DIVISION

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The Cost of Trade Documentation

In a report by UNECE, it is estimated that the cost of trade documentation is approximately 5%-10% of the cost of goods produced.

- Time
- Processes
- Accuracy of Data
- Duplication of Work
- Efficiency and Effectiveness

Impact to Malaysian Economy

Malaysia's Total Trade for 2004 - RM880.8 billion

(Extracted from Ministry of International Trade and Industry's Report 2004)

5% or 10 % equates to as cost of Trade Documentation

RM44.0 - RM88.0 billion

The Need to Reduce Cost of Trade Documentation

The Revised Kyoto Convention, Standard 3.12, General Annex – Chapter 3

"Clearance and Customs formalities", stipulates "The Customs shall limit the data required in the Goods declaration to only such particulars as are deemed necessary for the assessment and collection of duties and taxes, the compilation of statistics and the application of Customs law".

The Recommendation No.18 of the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT)

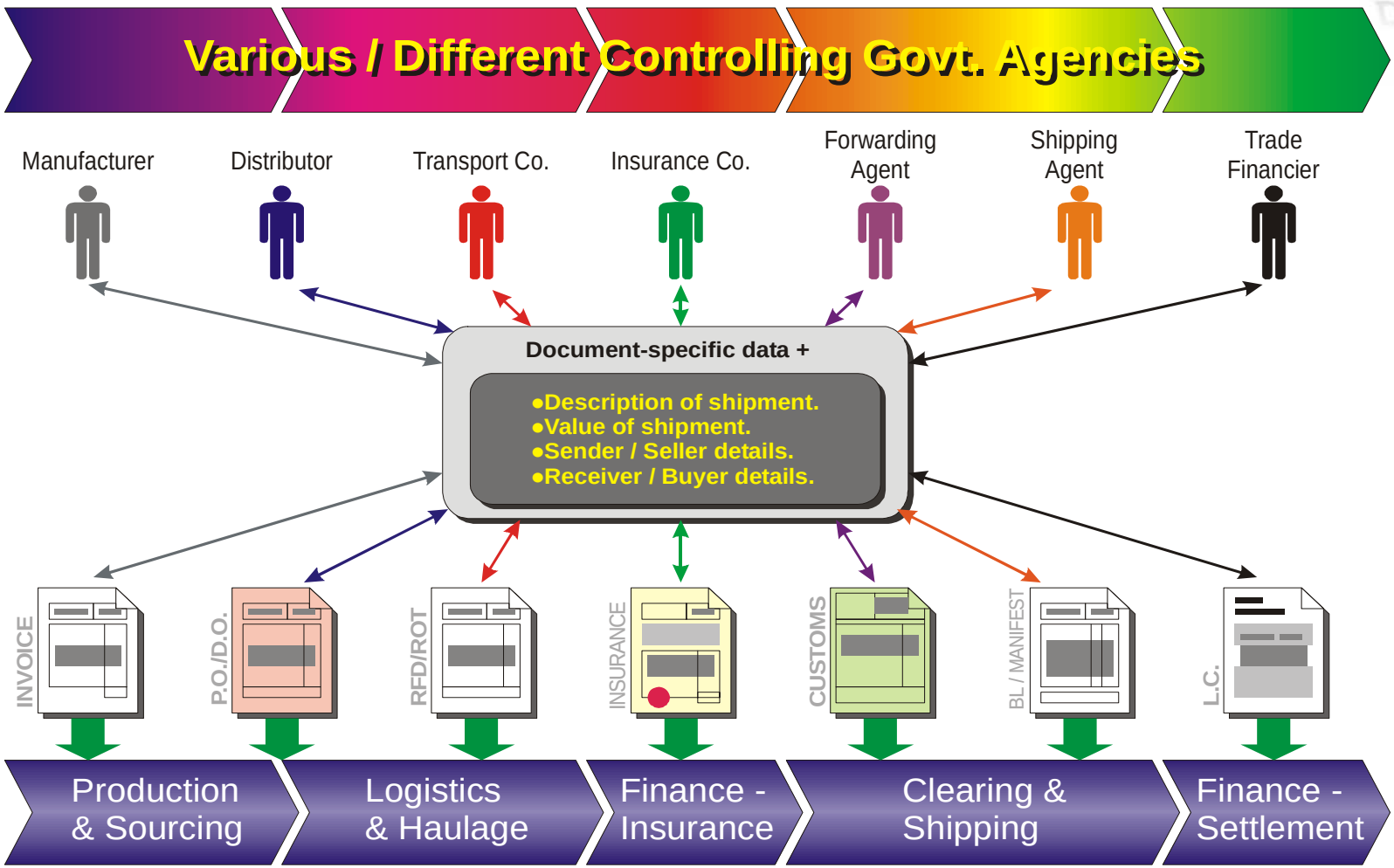
"Facilitation Measures Related to International Trade rocedures" recommends that sellers and buyers should align all relevant inhouse documents to the United Nations Layout Key for Trade Documents. It suggests that government authorities should require a minimum data and documents for control purposes and, where possible, utilize commercial information. It is proposed that Governments should request import and export data only once and should allow the submission of data to a single entity.

DEFINITION OF ASEAN SINGLE WINDOW

"**Definition of the ASEAN Single Window**: *For the purpose of the Agreement, the **ASEAN Single Window** is defined as the environment where national Single Windows operate and integrate. Functions and roles of a National Single Window are based on a single submission of data and information, of a single and synchronous processing of data and information and a single decision making for customs release and clearance. A single decision-making is uniformly interpreted as a single point of decision for the release of cargoes by the Customs on the basis of decisions taken by line ministries and communicated timely to the Customs*."

Extracted from the earlier draft version of the agreement signed by the ASEAN Economic Ministers in the 11th ASEAN Summit, Kuala Lumpur, December 2005

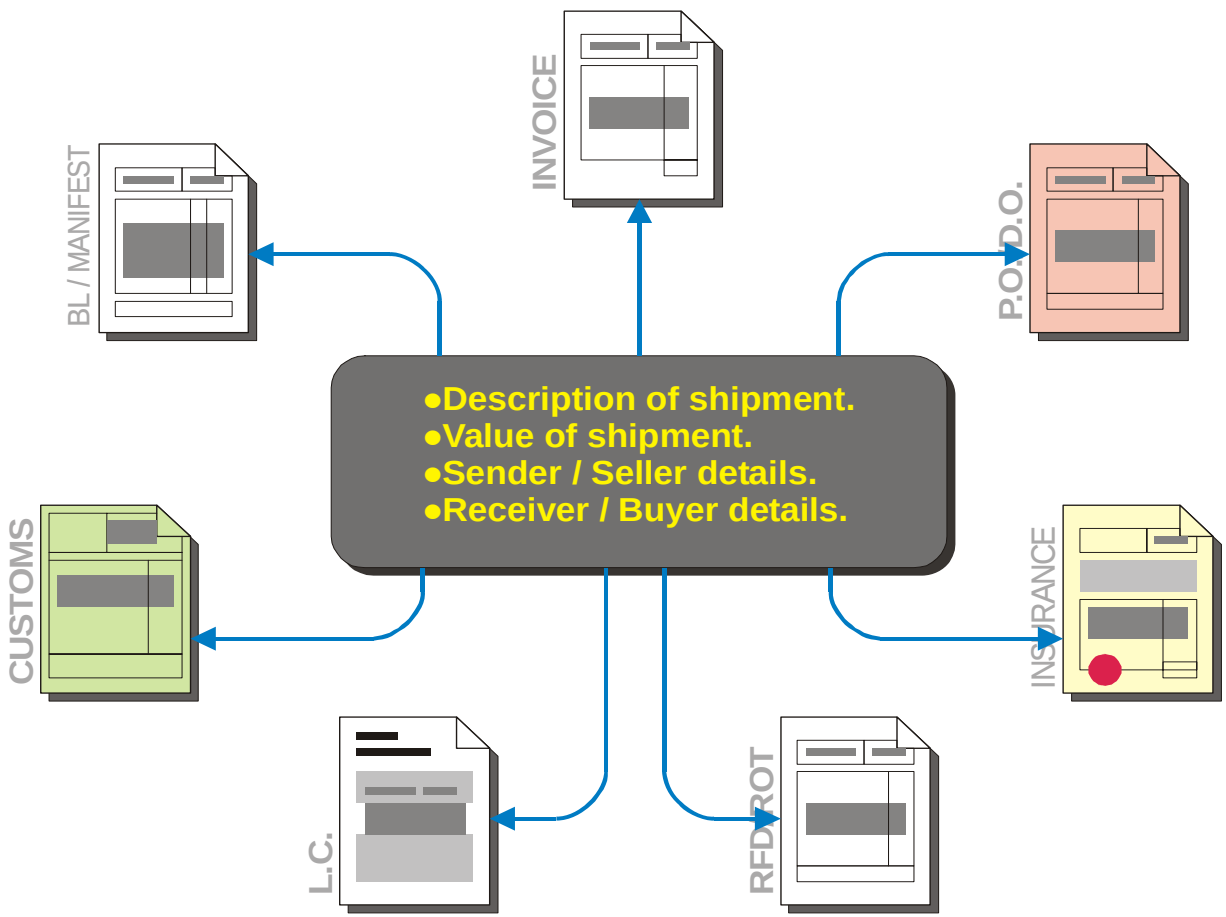
Lateral Data Flow Across Traditional Vertical Industry Cultures / Common Data Flowing Through A Segmented (Disjointed) Value Chain



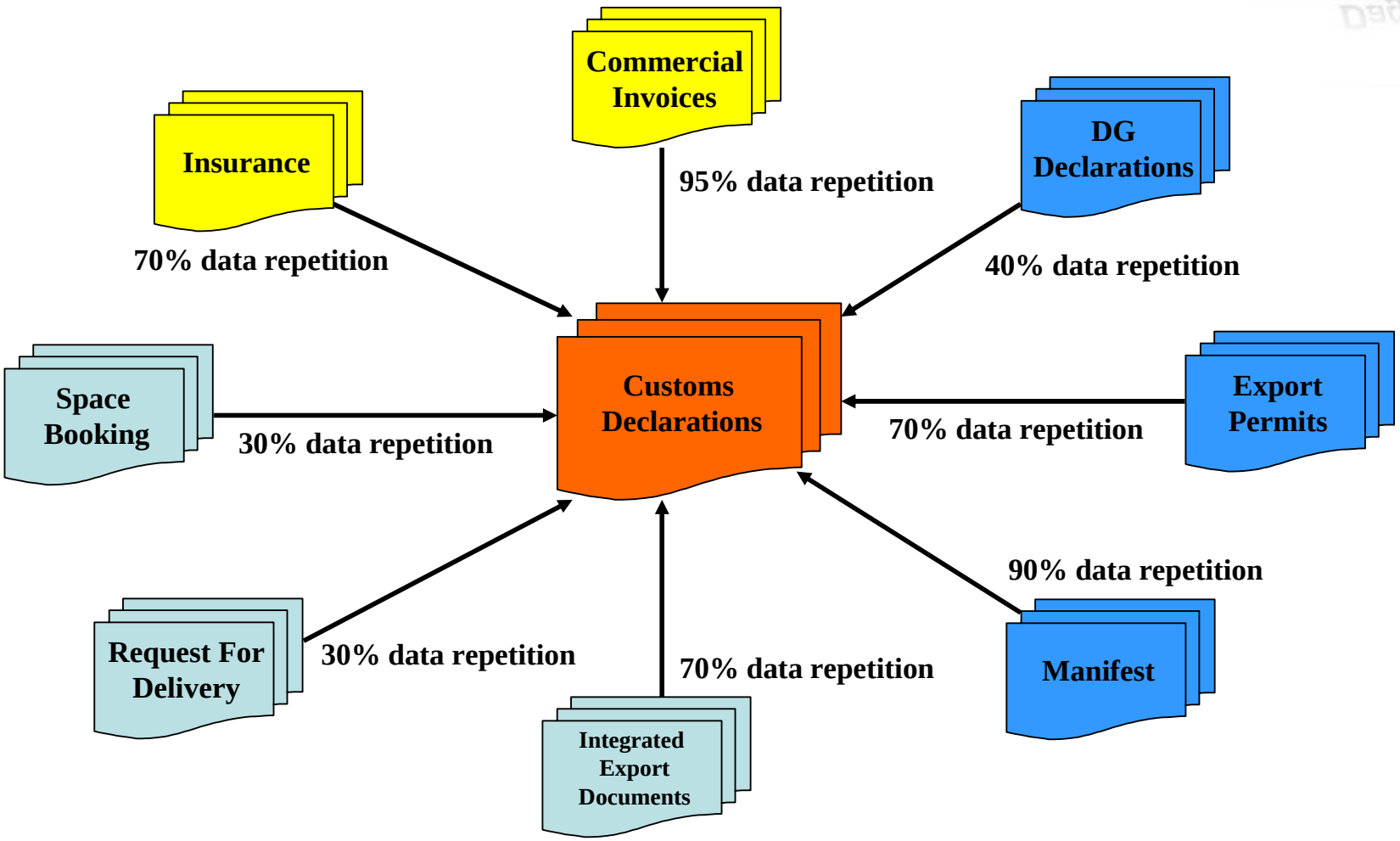
Common Data in Trade Value Chain

Data that is re-usable in documentation throughout the Trade Value Chain

Associating data for linking and aggregating all trade value chain documentation



Data Repetition in Trade Documentation



Information, Communication and Technology

The answer to reducing cost ?

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So we move to use computers....

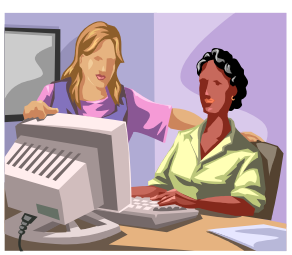
“Big Boy’s Approach”

- ERP
- SCM
- CRM
- etc etc...

Electronic Connectivity

MNC

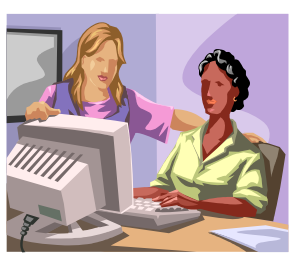
SME



Electronic Connectivity

SME

MNC



SAP, IBM, IFS.....

ebXML, UN/EDIFACT, Proprietary..

Dagang Net Group of Companies

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Overview of Dagang Net Group of Companies

- Dagang Net, the first, largest & foremost e-commerce service provider in Malaysia

- Established in 1989 to pioneer & spearhead initiatives aimed at creating paperless, electronic Customs-related services to ease the facilitation & streamlining of international trading processes for the import/export and trade & logistics industries

- The operations of the company was funded by a consortium led by Malaysia's National Chambers of Commerce and Industry with a paid up capital of RM54 Million

International Affiliations

- Member of Pan Asian eCommerce Alliance (PAA)
  - Other members include China, Hong Kong, Taiwan, Macau, Japan, Korea, Thailand, Indonesia & Singapore
- Member of the Malaysia EDIFACT Committee – Chairman of ebXML Implementation Committee
- Member of ebXML ASIA
- Member of AFACT
- Vice Chairman – UN/CEFACT Technical Business Group 2
- Member of the World Customs Organization – Implementation Section
- Secretary-General of WeASEAN.com - an e-ASEAN endorsed e-marketplace project.
- Collaboration and Consultation Partner to ASEAN Secretariat – Customs Initiatives on ASEAN Single Window.

Track Records

An **unmatched track record in pioneering e-government projects** that equip Malaysia with a clear competitive edge in trade :

1994 --	Port Klang Community System (PKCS)
1996 --	Subang Airport Community System (SACS)
1997 –	Electronic Funds Transfer (EFT) for Customs Duty Payment
1998 --	Kuala Lumpur International Airport Community System (KLIACS)
	Port Klang Free Commercial Zone System
1999 --	Electronic Dangerous Goods System
	Electronic Excise System (EES)
2001 --	Johor (Port of Tanjung Pelepas)
2002 –	Johor (Senai Airport, Pasir Gudang, Linkedua)
	East Coast (Pahang & Terengganu)
2003 --	Causeway (Johor), Penang
	East Coast (Kemanan, Kuantan)
2004 --	East Malaysia and the other ports

Awards & Recognition

- 2005 - Winner of MSC-APICTA Award 2005 (Best of E-Government)
- 2004 - Most Valuable Partner Award by Royal Customs Malaysia (Johor)
- 2003 - RosettaNet ASP Interoperability Fest Award
- 1999 - Asia Pacific MSC IT & Telecommunications Award (APMITTA)

  For Best of Electronic Government Applications
- 1998 - Informix Made in Malaysia Award
- 1998 - Malaysian Administrative Modernisation and Management Planning Unit (MAMPU) Public-Private Sector Joint-Research Innovation Award
- 1996 - GE Information Services Outstanding Performance as a Service Provider
- 1994 - Computer Industry Association of Malaysia (PIKOM) –Computimes IT Organisation of the Year
- 1994 - Sun Microsystems Customer Innovation Services

e-Trade Facilitation

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What is e-Trade Facilitation ?

e-Commerce, e-Business…they all have similar meanings…where one party “sells” and one party “buys”….

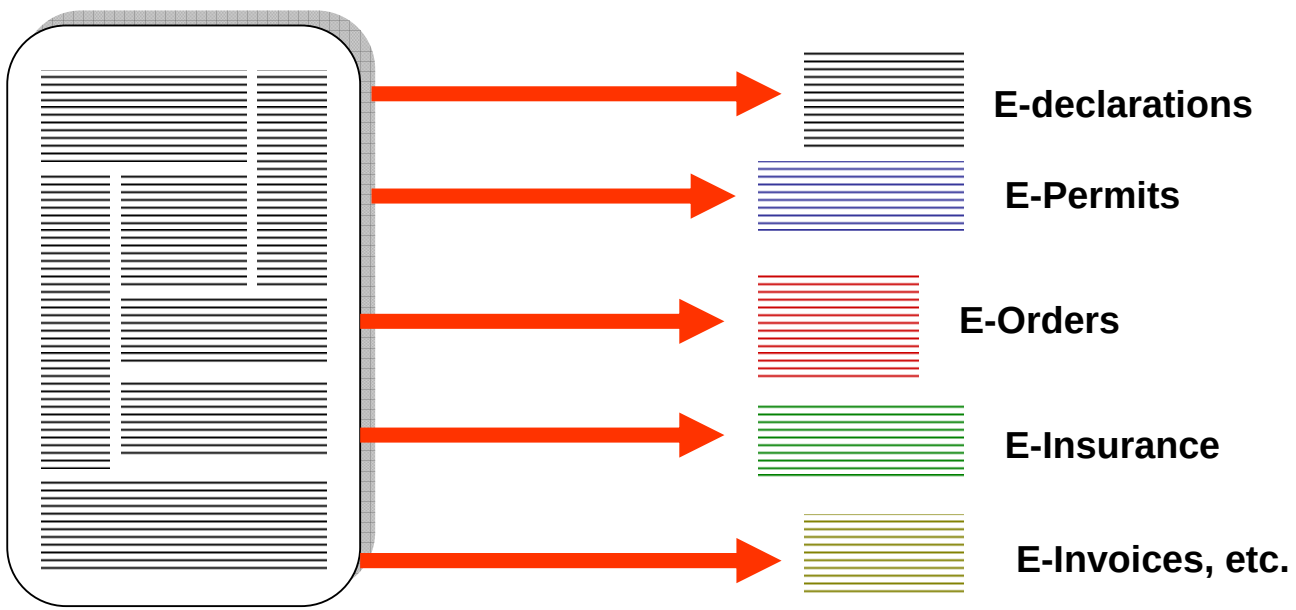
Trade Facilitation is a chain of activities where it involves the processes of applications and declarations pertaining to the movement of goods from “seller” to “buyer” and ultimately concluding with a payment transaction.

e-Trade Facilitation is the re-engineering and simplification of traditional and conventional trade facilitation chains of activities with the usage of computing and communications technology, whilst improving the efficient and effectiveness of the process & protecting the integrity and accuracy of data.

Breach the Barriers set up by Industries (who else can do it?)

Think outside the box

Break free from the restrictive boundaries of the printed page



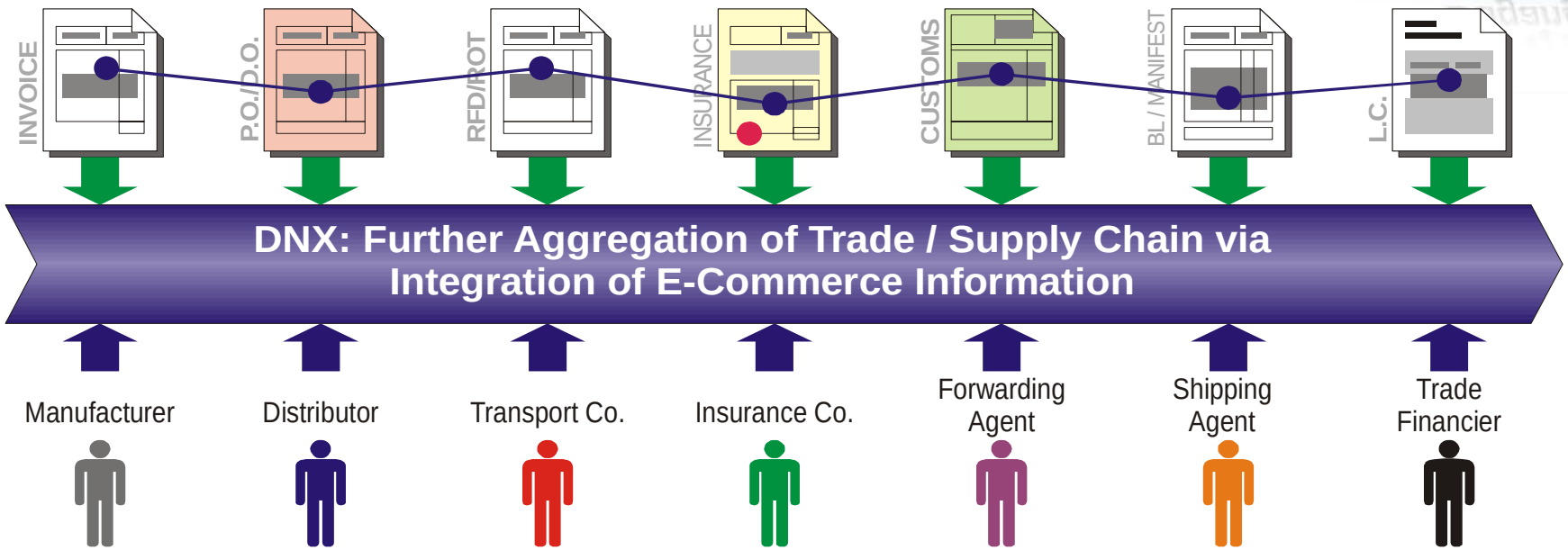
Trade transaction related data in Dagang Net's systems

Innovate, Innovate, Innovate, Deliver Value!

TRANSFORMATION OF COMMERCIAL DOCUMENTS

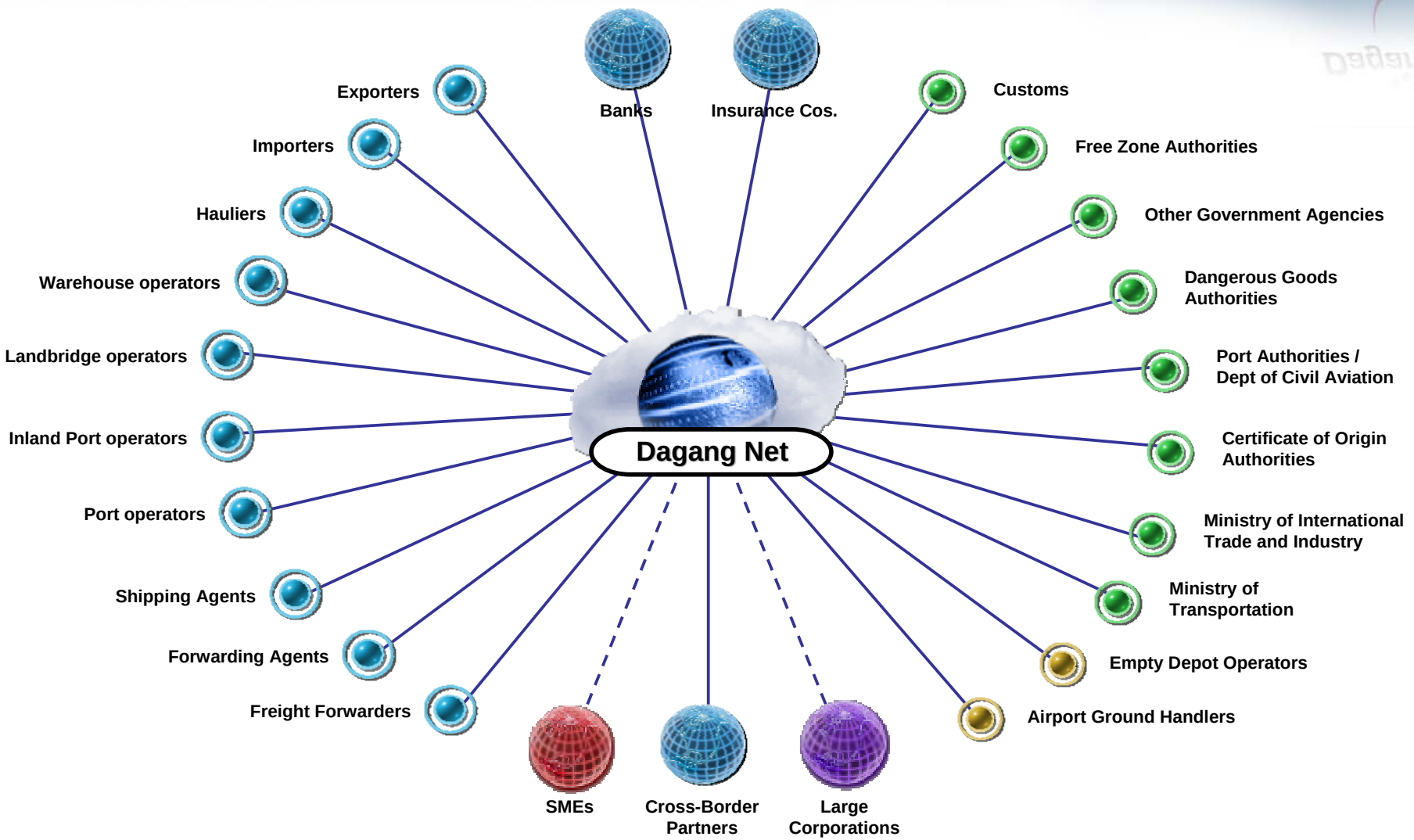
COMMERCIAL DOCUMENTS	TRADE / LOGISTICS DOCUMENTS	RECEPIENT
Purchase Order	Packing List	Forwarding Agents Customs Administration (Supporting Documents)
Delivery Order	Request for Delivery / Request for Transport	Hauliers
Invoice	Customs Declaration Certificate of Origin	Forwarding Agents Customs Administration Issuing Authority Forwarding Agents
Payment Order	Payment Order	Banks

Dagang Net Exchange's role in Trade / Supply Chain Aggregation

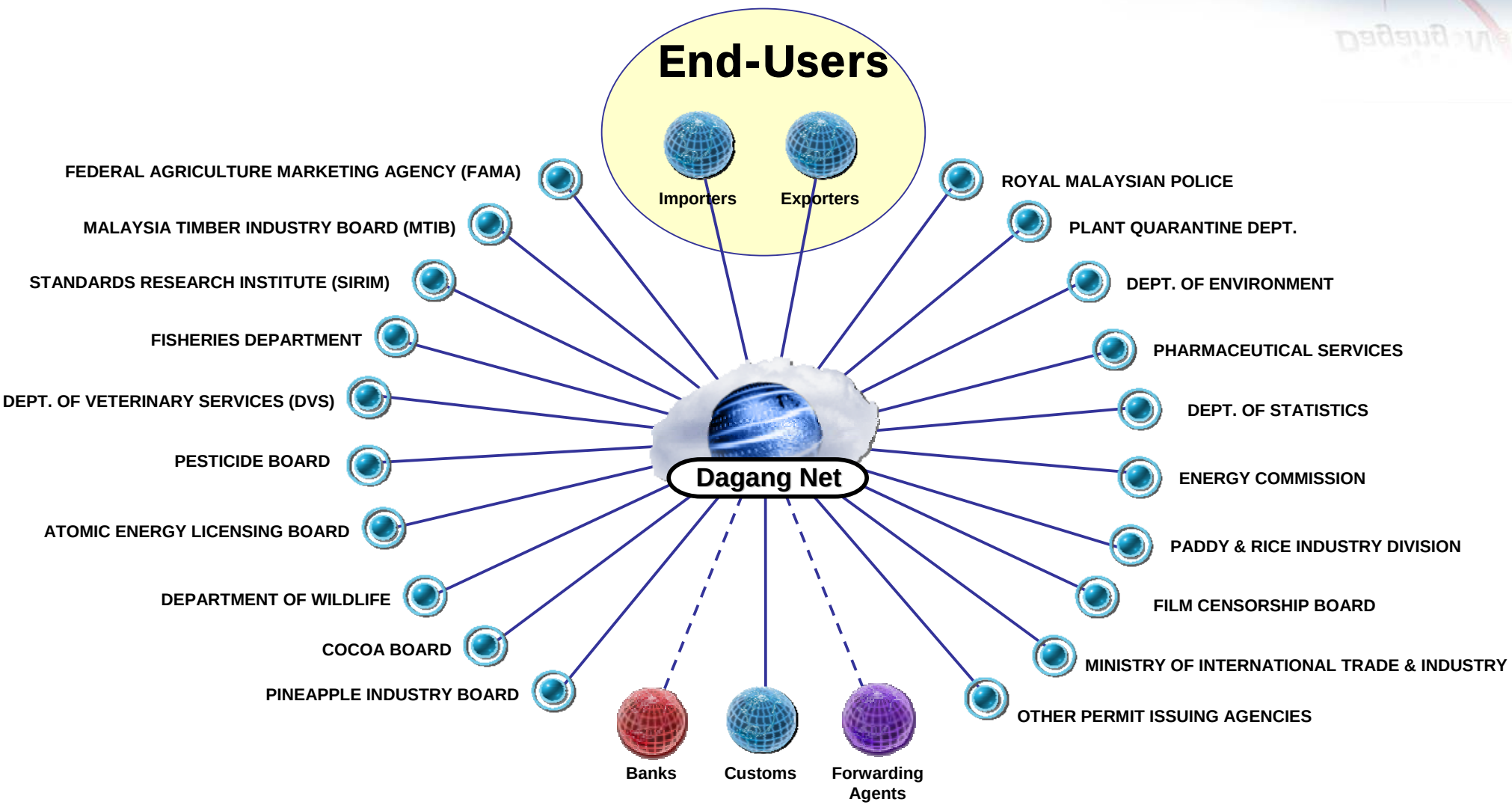


- Extended Data Re-use
- Accuracy
- Efficiency
- Speed
- Single point-of-reference
- Cost Savings

Dagang Net's Market Reach



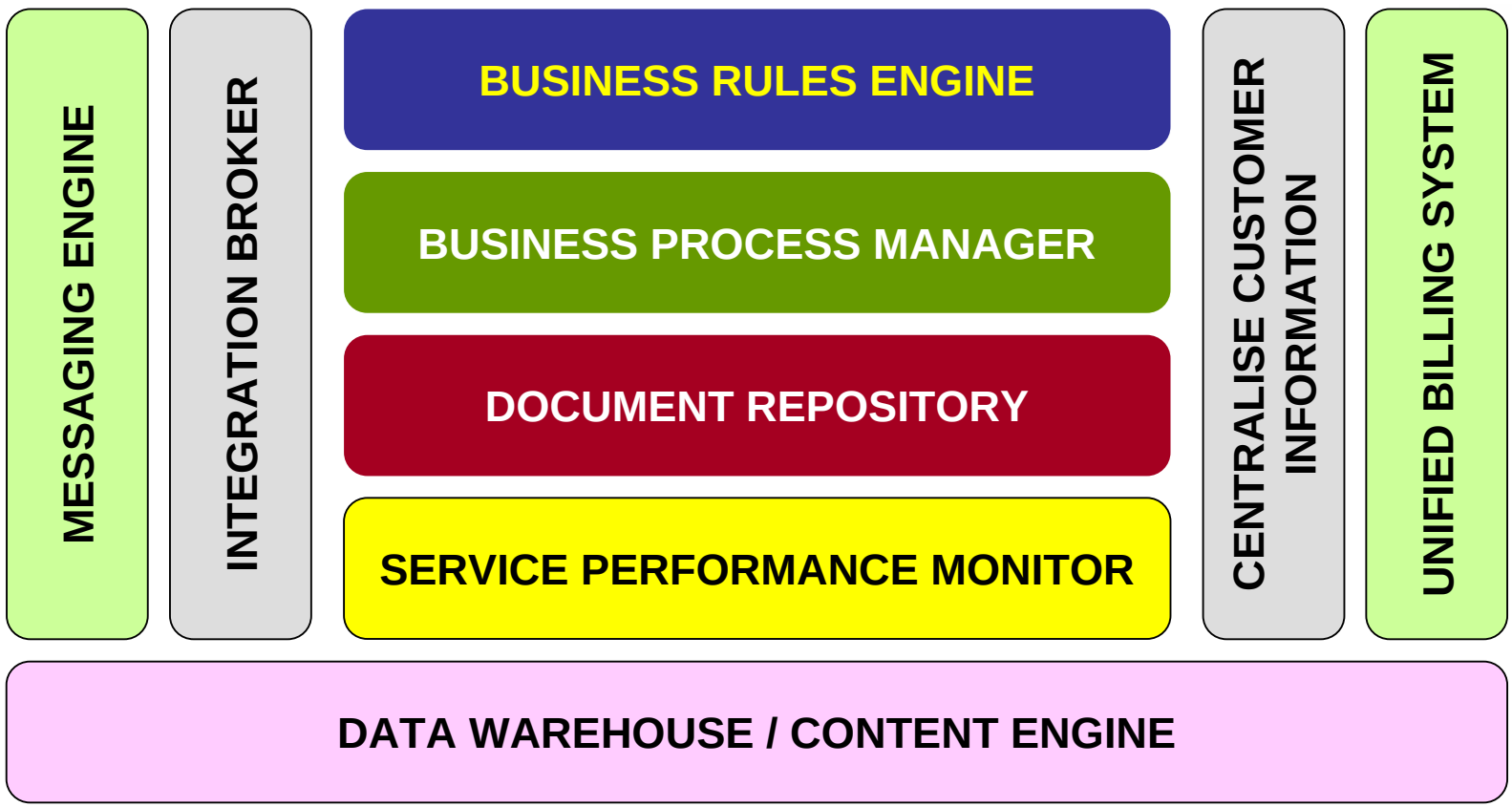
ePermit's Web of "Single Window"

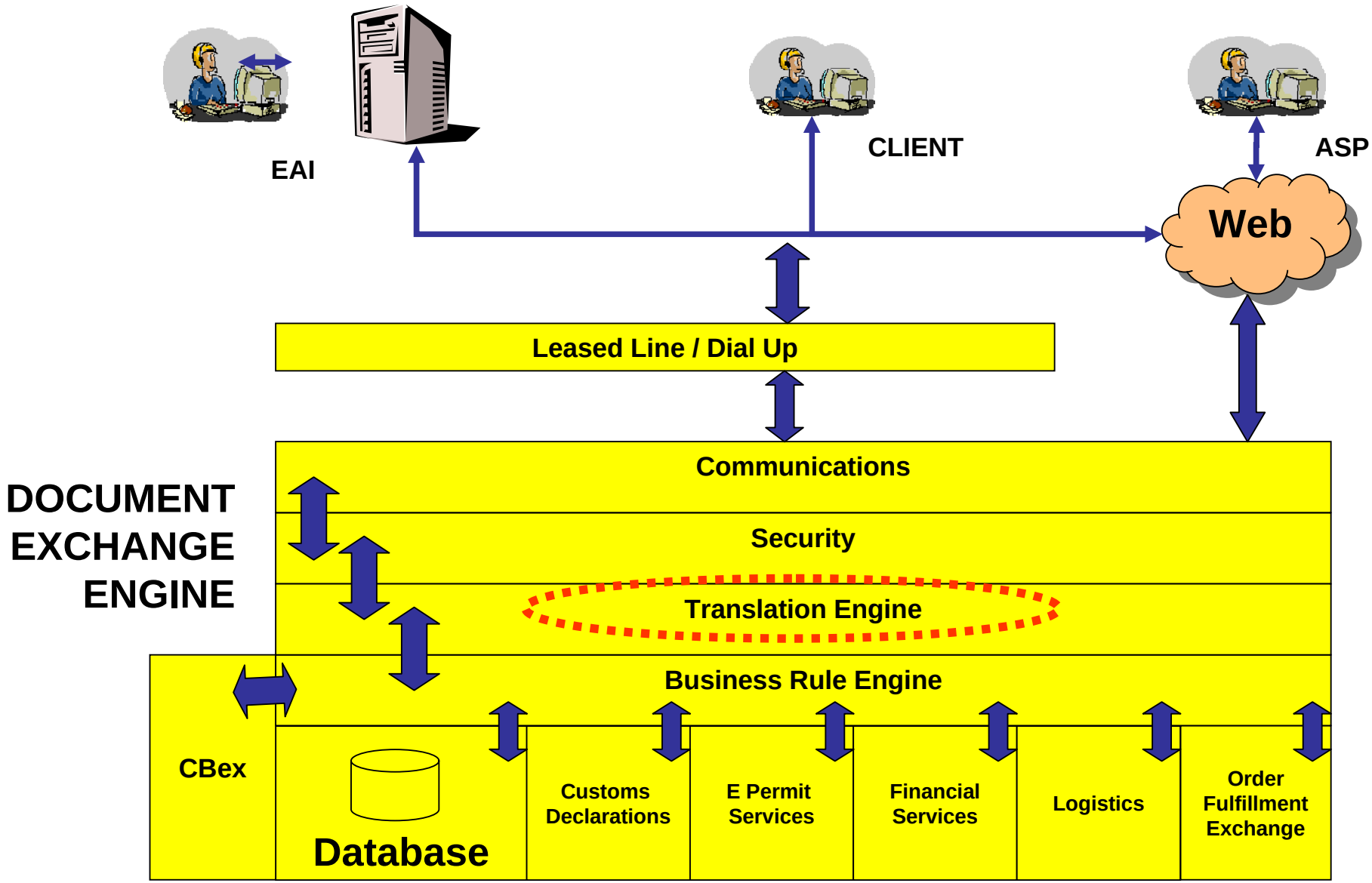


Data Reusability

Part of a Larger, Sophisticated Architecture

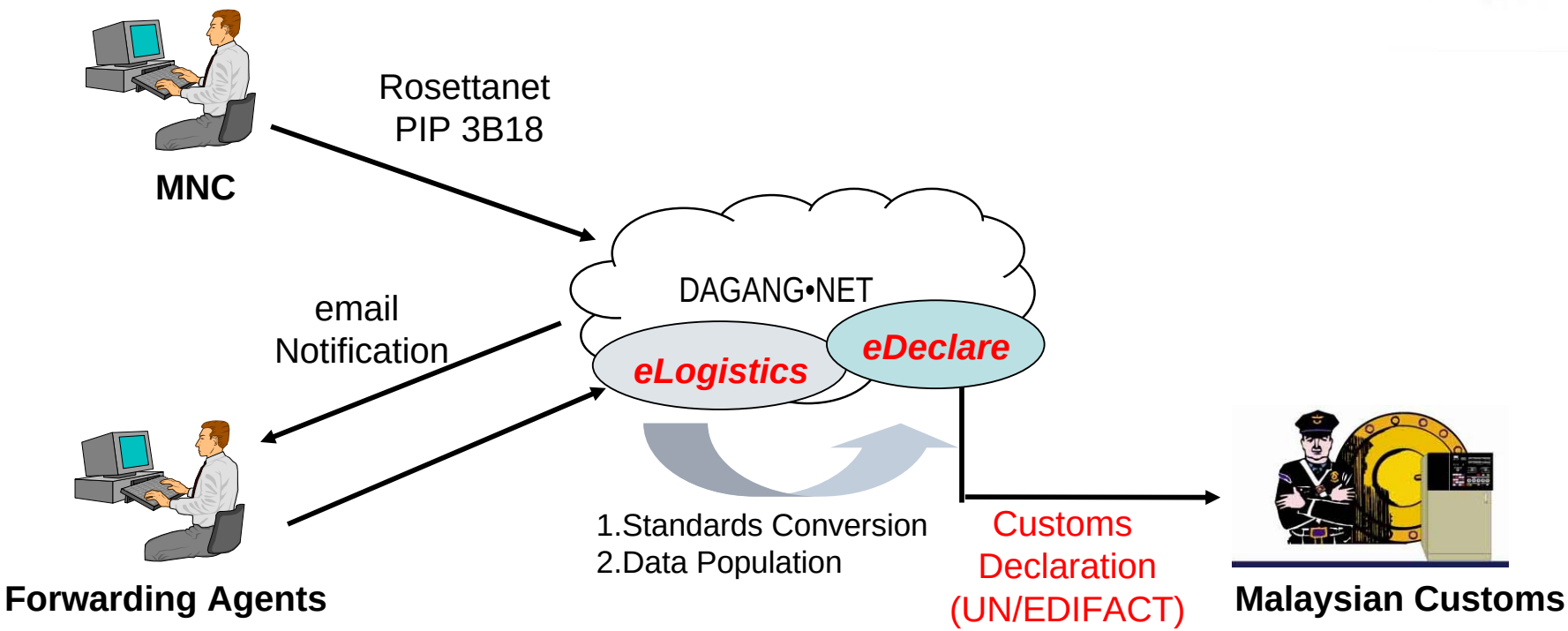
The Document Engine of Dagang Net Exchange (DNX)



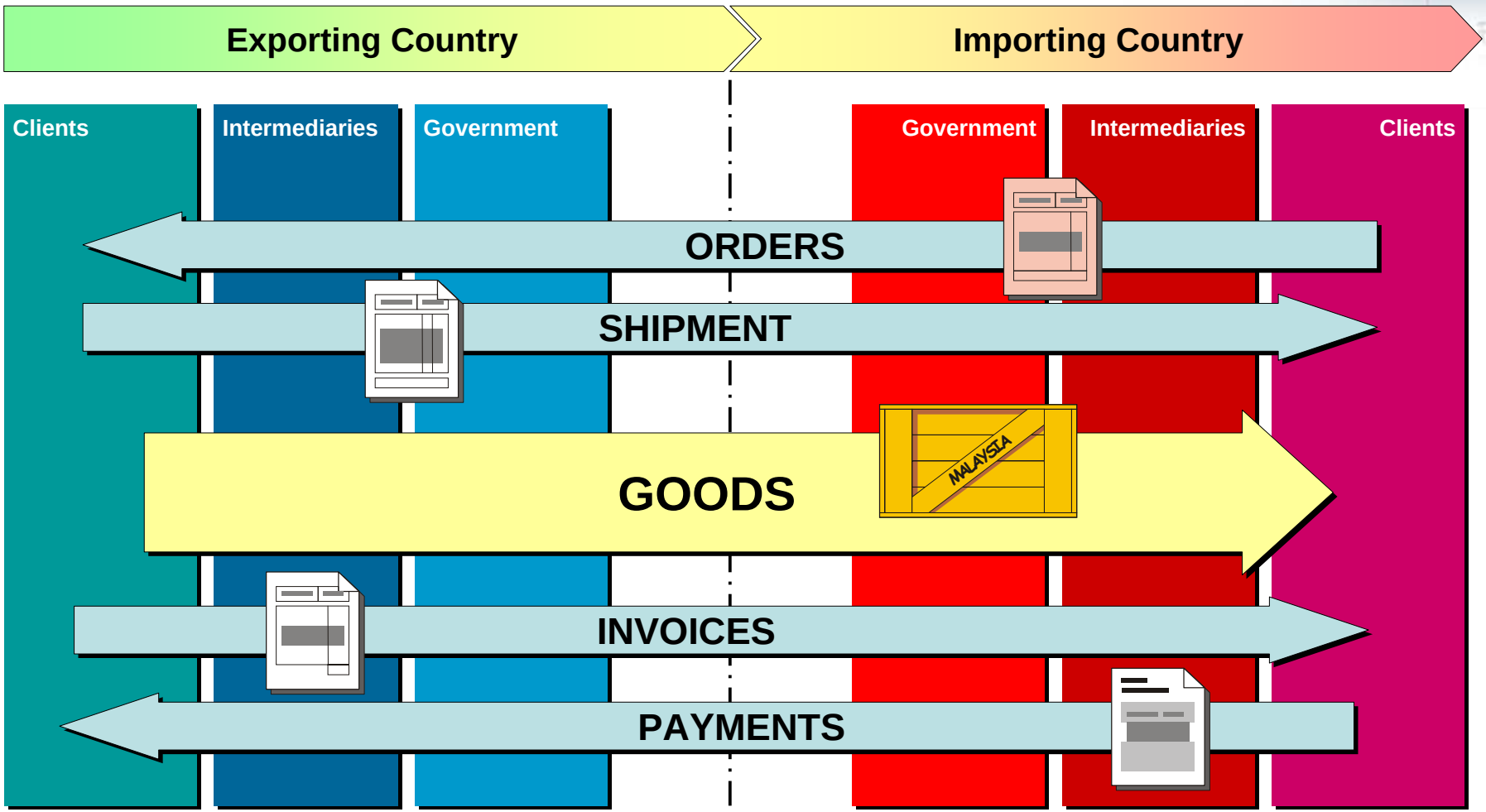


Document Exchange Engine

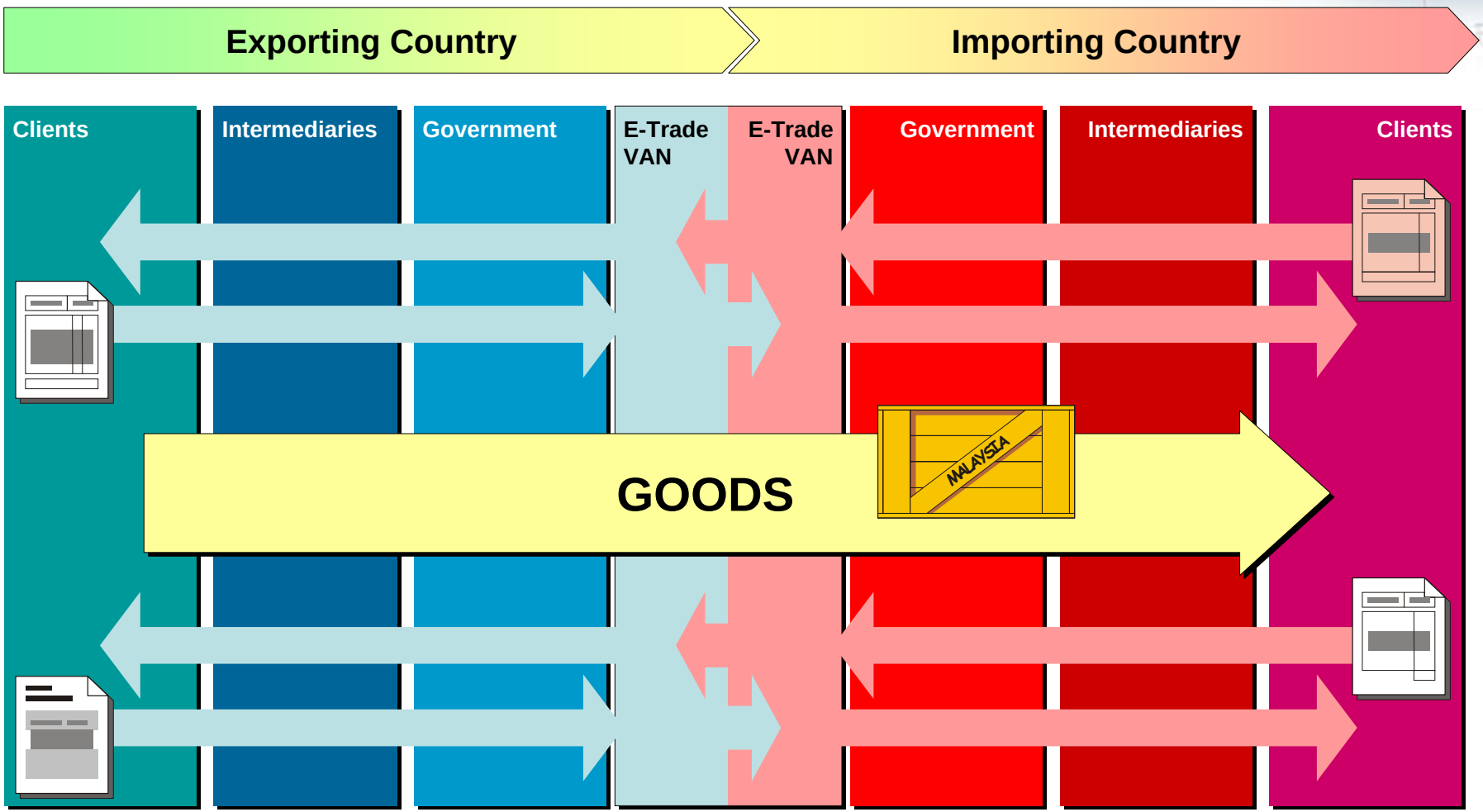
Dagang Net's Implementation - eLogistics Service

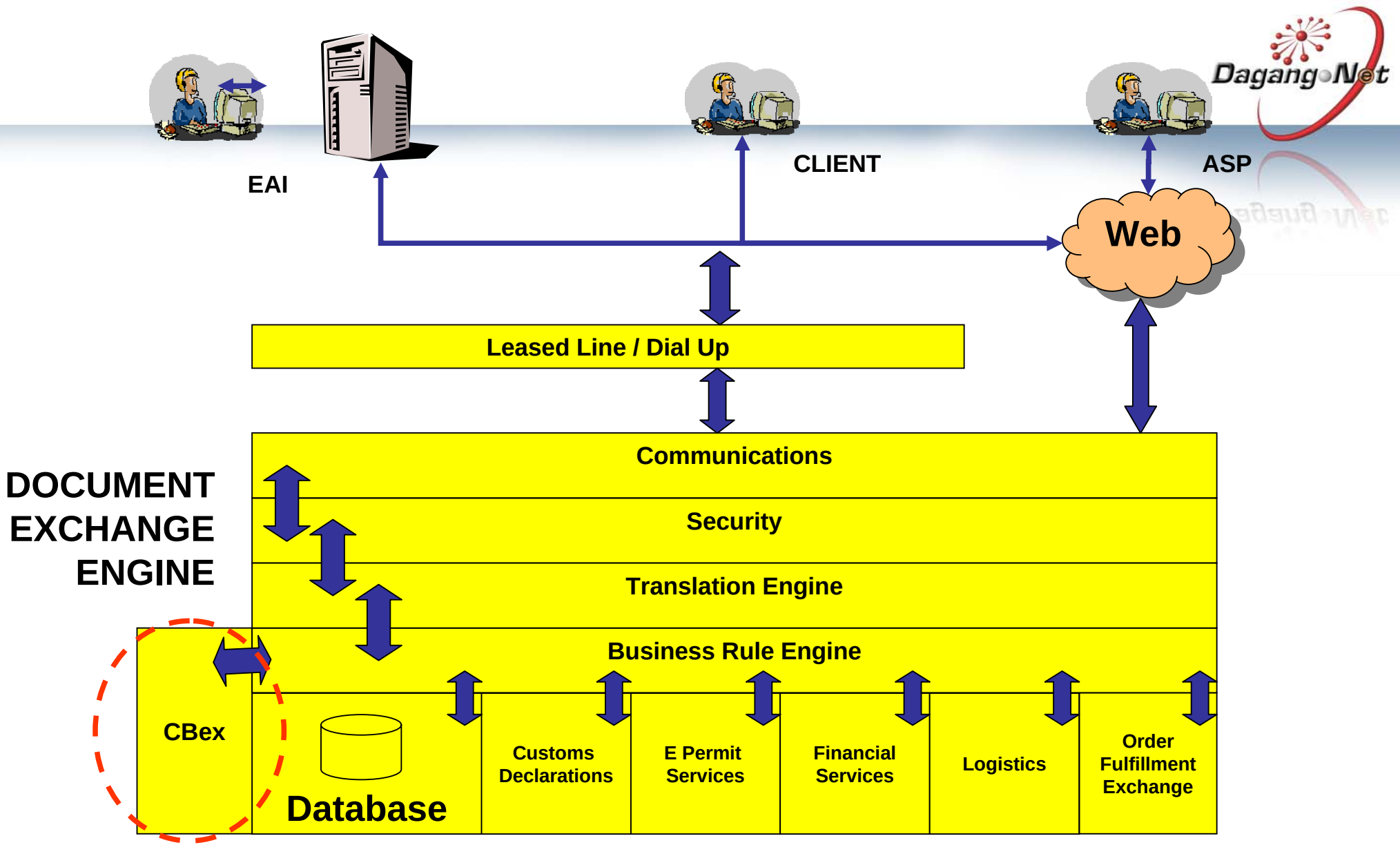


Overview of Cross-Border Trade Flow

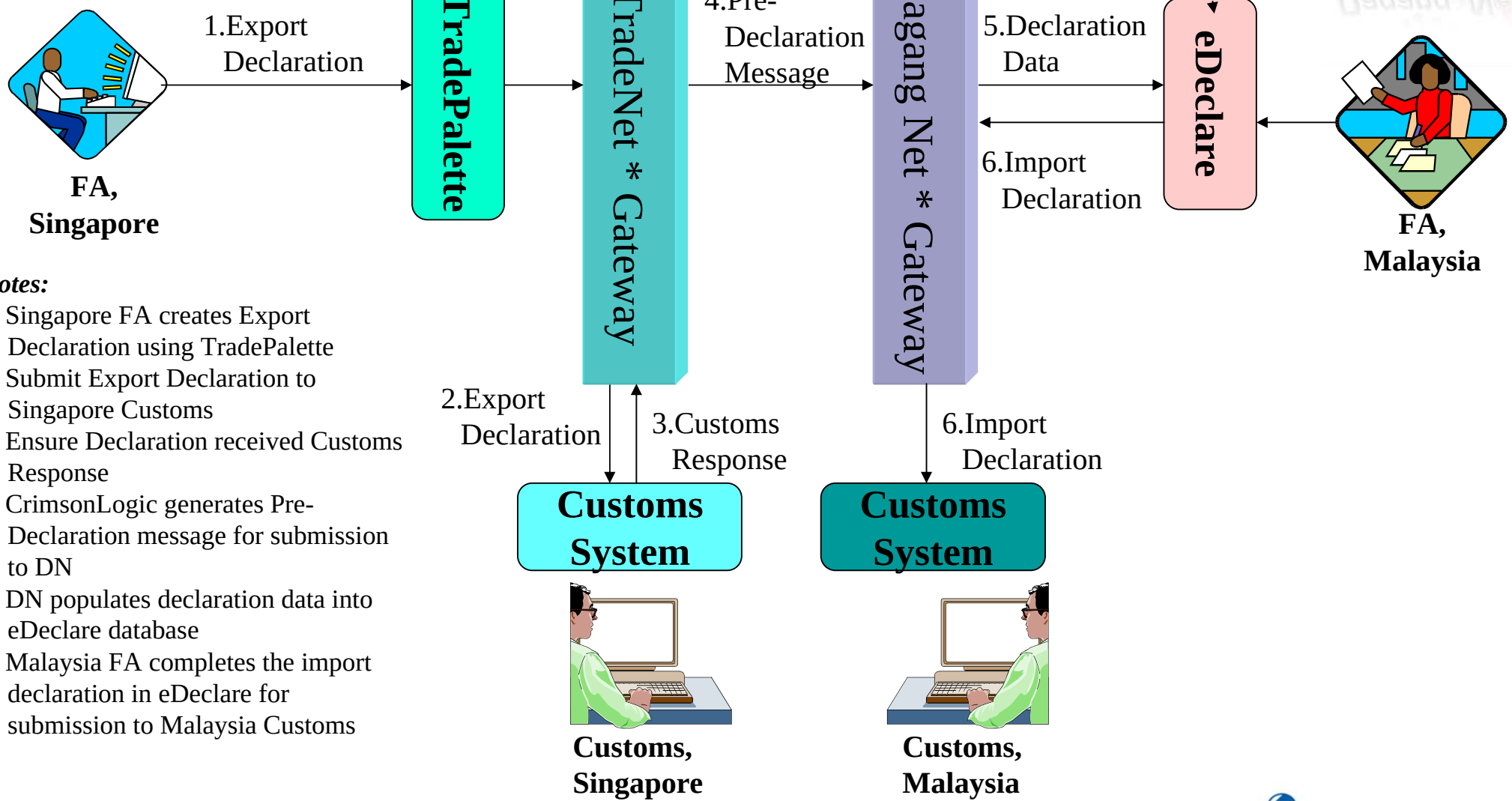


Cross-Border Information Collaboration: Aggregating the Chain Across Borders




EAI
CLIENT
ASP
Web
Leased Line / Dial Up
DOCUMENT EXCHANGE ENGINE
Communications
Security
Translation Engine
Business Rule Engine
CBex
Database
Customs Declarations
E Permit Services
Financial Services
Logistics
Order Fulfillment Exchange

Cross-Border Declaration Exchange Project
Phase 1 : Export Singapore, Import Malaysia

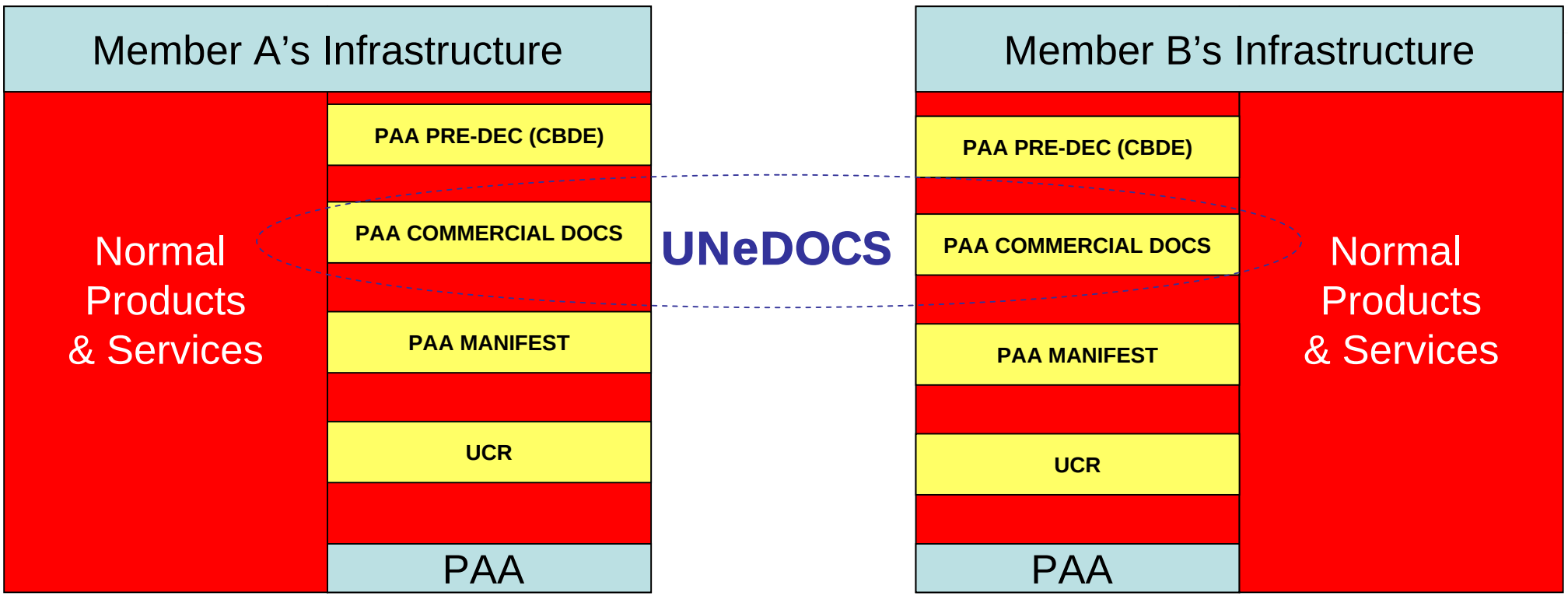


Notes:

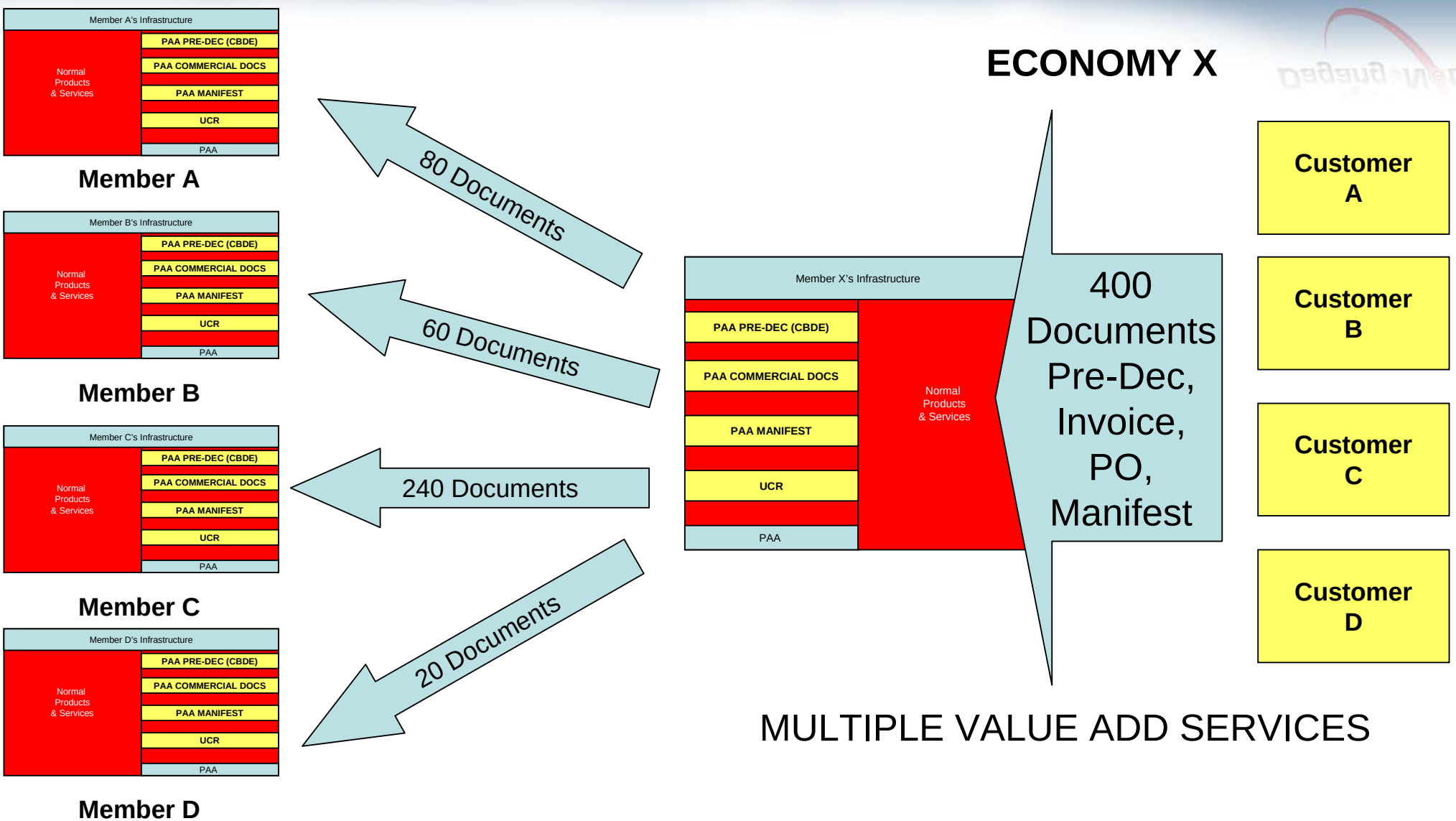
1. Singapore FA creates Export Declaration using TradePalette
2. Submit Export Declaration to Singapore Customs
3. Ensure Declaration received Customs Response
4. CrimsonLogic generates Pre-Declaration message for submission to DN
5. DN populates declaration data into eDeclare database
6. Malaysia FA completes the import declaration in eDeclare for submission to Malaysia Customs

Pan Asia eCommerce Alliance (PAA)

Standardized Format for Documents



Feasibility and Resources



Thank You

Dr. Alvin C K Mah เอลวิน
Director – Trade Facilitation
eMail : alvin@dagangnet.com

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