



**Asia-Pacific
Economic Cooperation**

***«Capacity Building of Different Aspects in E-commerce of
Supply Chain Connectivity Implementation»***

Final Report



**Electronic Commerce Steering Group
APEC Committee on Trade and Investment**

**Moscow
July, 2012**

APEC PROJECT

«Capacity Building of Different Aspects in E-commerce of Supply Chain Connectivity Implementation»

CTI 03/2012T

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a) The Project background

This project directly corresponds to the APEC priorities of trade facilitation, including Bogor goals and Osaka Action Agenda goals (9. Cooperation. “Economical and technical cooperation contributing to liberalization and facilitation will be actively pursued”).

There is Supply Chain Connectivity Initiative across the APEC, which involves different APEC fora into Initiative implementation. In 2009 in Singapore at 21th Ministerial Meeting there was adopted APEC Supply Chain Connectivity Framework (SCCF). Under the Supply Chain Connectivity Framework there is an Supply Chain Connectivity Action Plan (endorsed In 2010, in Sendai, on the third Senior Officials Meeting), which underlines, that ECSG is coordinating forum for ease the burden of exporters/importers by simplifying customs documentation and other procedures, also for increase the understanding of customs procedures and other procedures among businesses by enhancing transparency and predictability (Chokepoint 5). Also the role of ECSG is participating in improvement of the efficiency of air, land and multi-modal connectivity in the region and to open up more options, enabling businesses to optimize supply-chain efficiency and operate across-the-border in the fastest, cheapest and most reliable way possible (Chokepoint 6).

Besides, in e-commerce area the second APEC Trade Facilitation Action Plan assigns the following: “Implementation of a work program to reduce trade transaction-related paper documentation, including documentation on customs clearance and financial settlement”.

The proposed project is follow-up of the previous one, «Supply Chain Connectivity: e-Commerce as a Main Driver and Integration Tool». The workshop was held in San-Francisco, in 2011, in the frames of SOM II, collected representatives of related APEC fora (CTI, SCSC), APEC economies, business communities and scientific institutions, specialized in e-commerce and supply chain. All the participants came to the conclusion about necessity of the further supply chain connectivity development, informational exchange and drafting the next activities in this field.

The Electronic Commerce Steering Group promotes the development and use of electronic commerce by creating legal, regulatory, and policy environments in the APEC region that are transparent, predictable, and consistent; and now is time to make the next step into Supply Chain Connectivity promotion across the APEC economies with involving all the related for the cross-fora discussion.

Besides, the project deeply corresponds with objectives of ECSG, endorsed by PTS and ECSG Chairs reports and group plans.

The project was implemented by overseeing of the Ministry of Telecom and Mass Communication of the Russian Federation, PO is Counsellor of Department of E-Government Development, Mr. Alexey Domrachev, the Project Leader is Ms. Anastasia Filichkina, Development Director of Borlas Security Systems, LTD.

b) The Project Objectives

The project «Capacity Building of Different Aspects in E-commerce of Supply Chain Connectivity Implementation» makes a contribution into the fulfillment of the Supply Chain Connectivity Framework and Action Plan. This project meets ECGS's priorities, and it is proofed by the following points:

According to the point 10 and 14 of the chair Summary report in Sendai, 2010, ECGS:

- In accordance with Chairs reports, which were made at 15th PTS meeting and 23th ECGS meeting in March, 2011, In both reports were indicated necessity to contribute to the new Supply Chain Initiative in particular and to TFAP II in general;
- CTI Chair noted on ECGS's leadership in Global Value Chains work and commended ECGS on taking the forward momentum to how this area will capture the attention with other fora.

The key objectives of the project were:

- to hold (in the framework of SOM II, Kazan', the Russian Federation) the APEC Workshop to discuss with experts different e-commerce methods and tools for different SCC aspects and their fulfillment;
- to determine the key SCC aspects, which maximize the implementation of SCCF, as well as select the most effective e-commerce methods and tools, which are used for these purposes;
- to propose the further potential activities of ECGS and other relevant fora for 2012 – 2015.

Considering that deadline for responsibility of ECGS in Supply Chain Action Plan is 2012, we have to blueprint the further activities for period 2012-2015.

All the objectives of the project were successfully achieved by the project executors.

c) Follow-up in APEC

Work on continuation of the Supply Chain Initiative (SCI) includes developing a focus group to further discuss on the work under the SCI. This focus group consists of APEC fora, related to SCI realization and there is a big importance and necessity in coordinating the efforts of these fora. In the frames of this project we will involve APEC member economies and relative international organizations to discuss the ways for improvement of supply chain connectivity with a help of e-commerce.

According to Supply Chain Initiative Action Plan, the Electronic Commerce Steering Group is responsible for: chokepoint 5 - Burdensome procedures for customs documentation and other procedures (including for preferential trade) and chokepoint 6 – underdeveloped multi-modal transport capabilities; inefficient air, land, and multimodal connectivity, together with other fora: CTI, SCCP, SCSC, MAG, TPTWG.

ECGS is coordinating forum for both these chokepoints overcoming. As a coordinating and involved forum our goal is to trace and coordinate activities of other for a in Action Plan implementation by shearing of experience, organization of meaningful events and developing of further plans and recommendations.

In this project we made our best to invite to the workshops representatives of all the fora, listed bellow as speakers with presentation about their current activities concerning Supply Chain Connectivity Action Plan implementation. Also we invited representatives of ABAC, UN/CEFACT, UNCITRAL and UN/ESCAP.

All the participants mentioned that it is necessary to implement projects with engaging not only representatives of APEC member economies within one group, and not just invite, but actively involve other related organization and communities. Considered activities, developed on the base of cooperatively considered organizations, will facilitate cross-border transactions, improving of supply chain connectivity, and will make a big contribution into its efficiency and greater productivity.

d) The Workshop Agenda

22, May, 2012

9.00– 09:30	Registration
09:30 – 9:45	<p style="text-align: center;">Welcome Remarks</p> <p style="text-align: center;">Moderator – Ms. Nataliya Makarycheva, Borlas Security Systems (BSS), Business Development Director</p> <p>Ms. Elizabeth Arguello Maya, on behalf of APEC Electronic Commerce Steering Group, Paperless Trading Subgroup Chair; Mr. Alexey Domrachev, Ministry of Telecom and Mass Communications of the Russian Federation, Department of State Policy and e-Government Development, Counselor; Mr. Natalya Makarycheva, International Cooperation Department, BSS; Ms. Anastasia Filichkina, Project Leader, BSS (Borlas Security Systems), Development Director; “Supply Chain Connectivity – form the “helicopter view” to the concrete aspects and fora responsibilities” - Mr. Anastasia Filichkina, Project Leader, BSS.</p>
9:45 – 10:30	<p style="text-align: center;">Supply Chain Connectivity Initiative and Action Plan – Activities and Achievements in APEC (presentations of economies).</p> <p style="text-align: center;">Moderator - Ms. Anastasia Filichkina, BSS, Russia</p> <ol style="list-style-type: none"> 1. “Integrated Outsourced Platform for Simplifying cross-border trade process: China's experience towards single-window”- Dr. Wang Jian, PhD and Professor of International Business and e-Business University of International Business and Economics (UIBE), China; 2. “Impact of E-commerce on Relationship in Supply Chains” - Gabriel Herrera, Advisor of the Digital Economy, Ministry of Economy, Development and Tourism; 3. “Enhancing Enterprises” Global SCM with Paperless Trade – Korean Case” - AHN, Byung Soo, Ph.D, Professor, Dept. of Logistics & Int'l Trade in Seoul Digital University, Korea
10:30 – 10:45	Coffee Break
10:45 - 12:00	<ol style="list-style-type: none"> 4. “Internet Technologies in the Service of Supply Chain Connectivity” Mr. Alexey Domrachev, Ministry of Telecom and Mass Communications of the Russian Federation, Department of State Policy and e-Government Development, Counselor/ Anastasia Filichkina, Project Leader, BSS;

	<p>5. “Supply Chain Connectivity in Mexico” – Ms. Angélica Rojas Enríquez Ministry of Economy, Mexico;</p> <p>6. “Malaysia's Experience in EPCO System and the Technical Initiatives”. Mr. Amran Sameon, Director of Trade Facilitation MITI, Ministry of International Trade & Industry (MITI), Malaysia</p>
12:00 – 13:30	Luncheon
13:30 – 14.30	<p>Supply Chain Connectivity – Regional Integration as a Main Purpose. Activities, Best Practices and Suggestions.</p> <p>Moderator - Ms. Anastasia Filichkina, BSS, Russia</p> <p>7. “Harmonization of Data and Informational Requirements in the Framework of Supply Chain Connectivity – Regional Challenges. Suggestions for the Further APEC Supply Chain Initiative Implementation” Mr. Sergey Kouzmin, UNECE, (UN/CEFACT);</p> <p>8. “Trade, Cargo and Cash: Seamless Supply Chain Connectivity” – Ms. Alicia Say, Pan-Asian E-commerce Alliance (PAA), Trade-Van Information Services Co, the Working Group Chair of PAA;</p> <p>9. “B2B Center – the Russian Experience of Supply Chain Connectivity” - Mr. Vadim Potrashkov, B2B Energy, Russia;</p> <p>10. «Maintenance of Qualified Values: European Union and Common Criteria experiences» - Dr. Igor Furgel, Head of Confirmation Body, Security & Data Privacy Evaluation, T-Systems International GmbH;</p>
14:30 – 14:45	Coffee Break
14:45 – 15:30	<p>APEC Cross-Fora Activities in Supply Chain Initiative.</p> <p>Moderator - Ms. Anastasia Filichkina BSS, Russia</p> <p>11. “Customs Trade Facilitation” – SCCP, Ms. Larisa Polyakova, Chief of Division of Cooperation with International Organizations, Federal Customs Service;</p> <p>12. “Supply Chain Visibility (SCV) Feasibility Study [Phase III] - Lessons Learned and Recommendations” - Mr. Takeshi Morikawa, METI Consultant, Japan, (Sub-Committee of Standards and Conformance (SCSC));</p> <p>13. “Russian priorities for 2012 in TPTWG” – Mr. Artur Karlov, Ministry of Transportation of the Russian Federation, Russian HoD to TPTWG;</p> <p>14. “ECSG as a coordinating for a in Supply Chain Connectivity Initiative” – Ms. Elizabeth Arguello Maya, ECSG, PTS Vice-Chair</p>

15:30 – 16:30	<i>Round Table Discussion on the Further Implementation of APEC Supply Chain Connectivity Initiative.</i>

e) Workshop Conclusions and Recommendations

The Workshop led to the following recommendations:

All the participants:

- 1) Agreed that understanding the mechanism of supply chain connectivity is essential for governments to establish SCs-friendly legal and business environment;
- 2) Noted the complexity of connectivity issue of supply chain connectivity and of its different components (legal, organizational, semantic, etc);
- 3) Provided examples of how automated platforms (for example, Single Window) could enhance supply chains. In this context the proposal done at the previous workshop, held in 2011 in San-Francisco for the exchange of Single Window experiences on Single Window was reiterated;
- 4) Noted with interest an UNECE project on information requirements for SCs and suggested to initiate an exchange of information on national supply chains fostering strategies with a challenge to prepare a benchmarking paper on connectivity;
- 5) Suggested to initiate pilot cross-fora projects (with academia and private sector) to demonstrate best practices in cross border trade;
- 6) Expressed an interest in the Russian “trusted internet” project on WEB 3.0 and invited delegations to submit their comments and questions to the proposers by the 1 July 2012 at the latest to enable Russian side to finalize its project proposal;
- 7) Called for further work on the supply chain connectivity in the APEC frame in various forms (workshops, studies, etc.) in cooperation with interested international organizations with a view to prepare a list of chokepoints in supply chain connectivity.
- 8) Suggested to continue an exchange of information and experiences on the following issues:

- Regulatory information requirements (documents, data) for supply chains and means of it facilitating;
- Traceability requirements in the supply chain context (including on social traceability);
- Authentication of data exchange (e-signature, mutual recognition of e-signatures and of other means of certifying information, etc.).

f) The Workshop Pictures





g) Annex 1






Electronic Commerce Steering Group (Paperless Trade Subgroup)
**Supply Chain Connectivity – From the “Helicopter View”
to the Concrete Aspects and Fora Responsibilities**
The Project Overview

The project leader
Ms. Anastasia Filichkina, BSS

The Russian Federation,
Kazan (Tatarstan), 22, May, 2012

 **Supply Chain Connectivity as an Initiative in APEC**

TFAP II
Supply Chain Initiative Action Plan
APEC Supply Chain Connectivity Framework


ECSG is coordinating forum for overcoming of Chokepoint 5 and 6.
Supply Chain Initiative Action Plan

ECSG is responsible for:


- Assessment of best practices in paperless trade
- Study of achieving of e-documents in paperless trade
APEC Supply Chain Connectivity Framework

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 **Tasks of the Project - I**

To hold the APEC Workshop to discuss with experts different e-commerce methods and tools for different Supply Chain Connectivity aspects and their fulfillment



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Tasks of the Project - II

To determine the key SCC aspects, which maximize the implementation of SCCF, as well as select the most effective e-commerce methods and tools, which are used for these purposes



Tasks of the Project - III

to propose the further potential activities of ECSG and other relevant fora for period 2012 – 2015



Russian Priorities in APEC

1. Liberalizing trade and investment and expanding regional economic integration;
2. **Establishing reliable supply chains;**
3. Fostering innovative growth.



Supply Chain Connectivity Framework

- To analyze existing chokepoints
- To determine new chokepoints - ?..
- To share responsibly - ?..

The Supply Chain Connectivity Framework reinforces the need for approaching supply chain connectivity holistically and conducting cross-cutting work on trade facilitation across APEC for a and sub-fora

APEC and ABAC – Cooperation with Business

Priority – establishing reliable supply chain
in Asia-Pacific region

*(APEC is home to best-in-the-world supply
chains; both within firms and at the economy-level)*



Suggestion of the Ministry of Telecom

Multiyear project:
“Chokepoints of ICT-infrastructure and Policies on the
Way Towards a Trusted Internet (Web 3.0)”



Project Background

Participants stressed that efficient supply chains constitute an essential element of integrating developing and transition economies into the global economy. It was suggested that countries will prepare a checklist of typical problems faced by companies in order to see how such problems can be solve;

It is necessary to coordinate activities of different APEC fora, involved into implementation of the Supply Chain Connectivity Initiative and responsible for different part Connectivity consists of;

It is necessary to foster the further joined projects, dedicated to Supply Chain Connectivity, in the frames of APEC and organize the special events, seminars and workshop for sharing experience, updating information and working out of the further steps in Supply Chain Connectivity.

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We Welcome on the Workshop

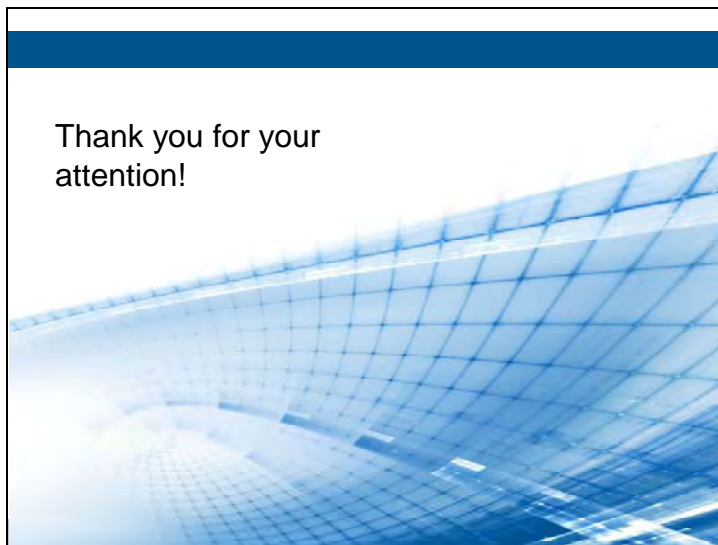
Discussions;
Opinion sharing;
Conclusions;
Recommendations.



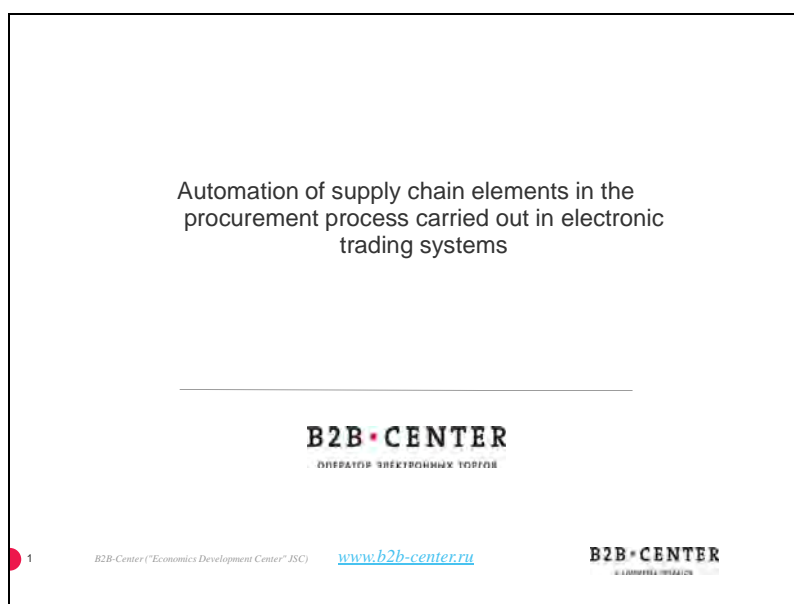
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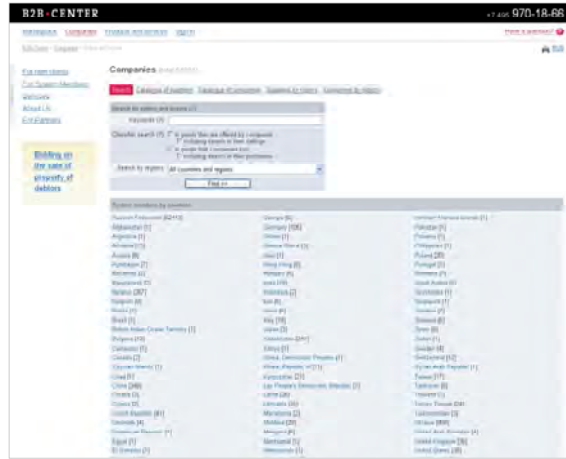
Thank you for your
attention!



h) Annex 2



Participants of the System

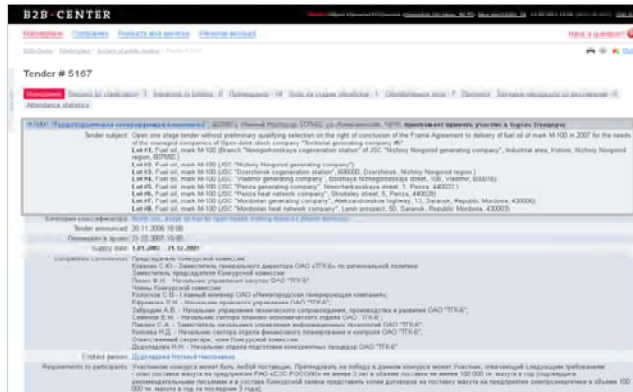


5

B2B-Center ("Economics Development Center" JSC)

B2B-CENTER
ECONOMICS DEVELOPMENT CENTER

Holding Company Procurement (Example)



6

B2B-Center ("Economics Development Center" JSC)

B2B-CENTER
ECONOMICS DEVELOPMENT CENTER

Stages of Procurement Process (Shortened Version)

- The affiliate initiates procurement (defines the demands);
- The affiliate management adjust and endorse the procurement;
- An order for the purchased products with detailed specifications is developed;
- Applications for the procurement are aggregated in the holding company;
- Procurement plan (integrated purchasing program) is drafted;
- The holding company allocates budget for the procurement;
- The type of purchasing procedure is chosen (tender, auction, etc.);
- The organizer of the procurement procedure is determined (internal subdivision or a specialized procurement agency)
- Procurement documentation is developed;
- Supplier and/or producer are chosen at the trades;
- The parties sign the agreement;
- Control over the execution of the contract is carried out.

7

B2B-Center ("Economics Development Center" JSC)

B2B-CENTER
ECONOMICS DEVELOPMENT CENTER

Participants of Procurement Process

Customer



The Customer acting for one's own benefit and for the benefit of the affiliates

8

B2B-Center ("Economics Development Center" JSC)

B2B-CENTER

Participants of Procurement Process

Consumers



Customer



Consumers are affiliates of the holding company

9

B2B-Center ("Economics Development Center" JSC)

B2B-CENTER

Participants of Procurement Process

Consumers



Customer



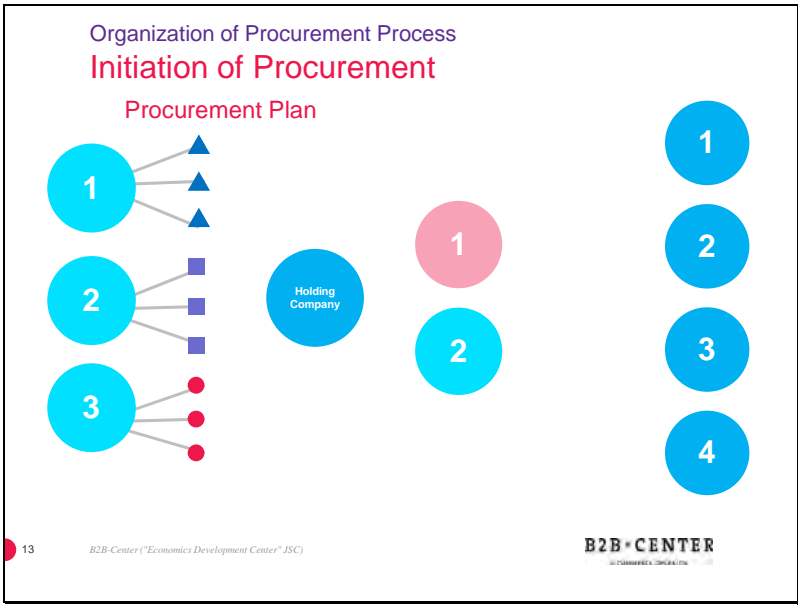
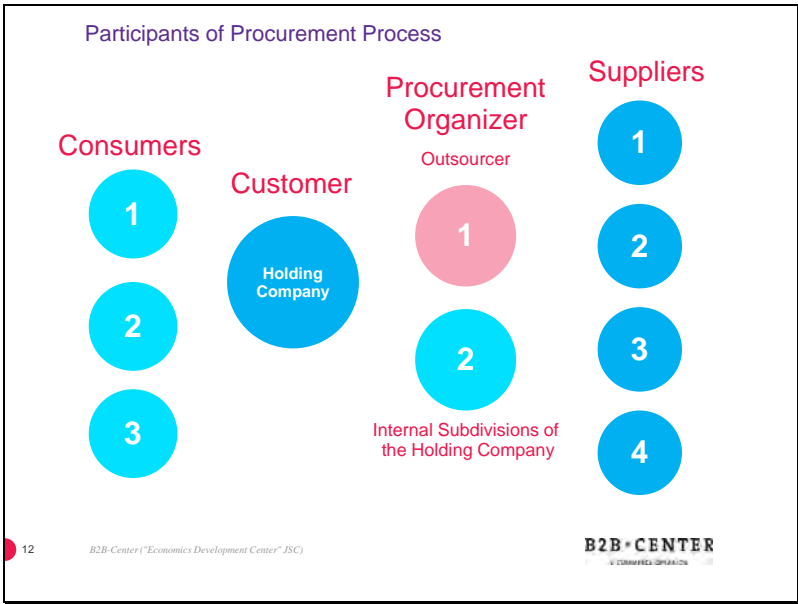
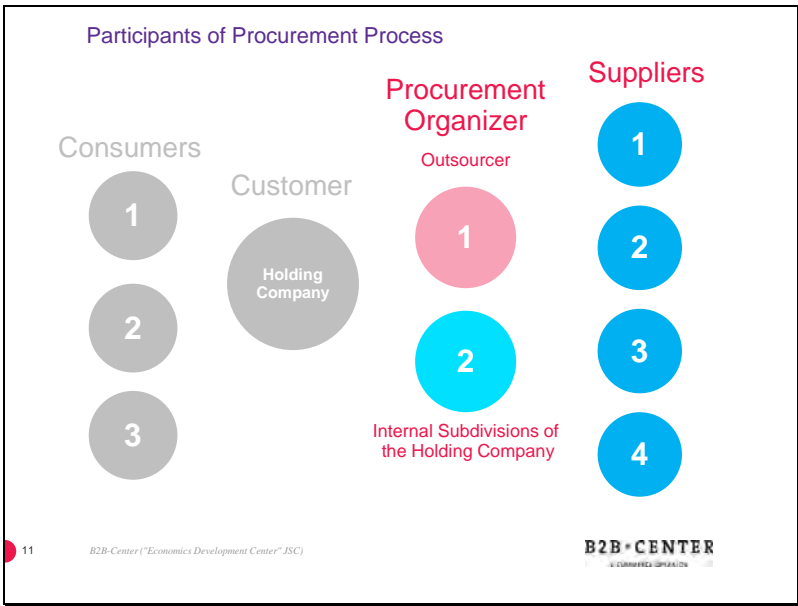
Suppliers



10

B2B-Center ("Economics Development Center" JSC)

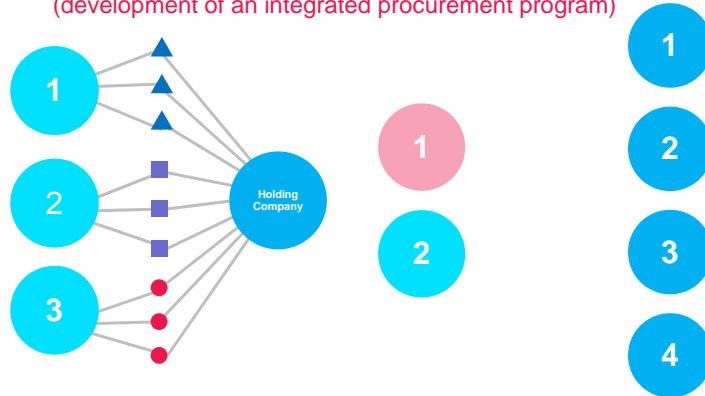
B2B-CENTER



Organization of Procurement Process

Aggregation

(development of an integrated procurement program)



The procurement plan is generated by the customer

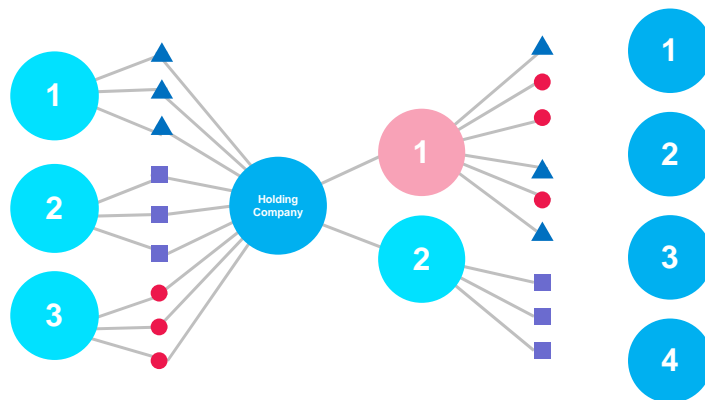
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B2B-Center ("Economics Development Center" JSC)

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ECONOMICS DEVELOPMENT CENTER

Organization of Procurement Process

Generation of Procurement Procedures



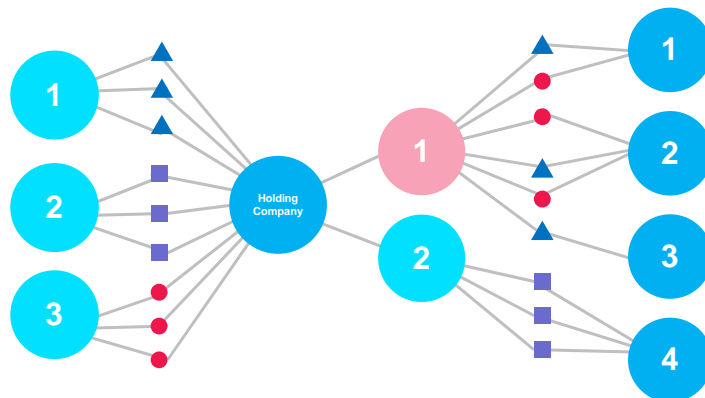
15

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B2B-CENTER
ECONOMICS DEVELOPMENT CENTER

Organization of Procurement Process

Ensuring Notification to the Suppliers



16

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ECONOMICS DEVELOPMENT CENTER

Automation of Procurement in the B2B-Center System Suppliers' Proposals

Поставщик	Примечание	Дата	Состояние документа	Принятый заказ
ООО "С-ПРО"		31.07.07 4:00:02	Участник 03.08.07 в 04:14	Отправлено 03.08.07 в 04:14
ООО "С-ПРО"		31.07.07 4:00:02	Участник 03.08.07 в 02:16	Отправлено 03.08.07 в 02:16
ООО "С-ПРО"		31.07.07 4:00:02	Участник 03.08.07 в 02:22	Отправлено 03.08.07 в 02:22
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Automation of Procurement in the B2B-Center System Choice of the Winner (Protocol)

Протокол заседания Конкурсной комиссии по оценке конкурсных заявок и выбору победителя конкурса № 13254

№ 4/07

Филиал ОАО "Тадрикс" - Завская ГЭС

Присутствовали:

Члены Конкурсной комиссии и организаторы конкурса:

- № 1. Член Конкурсной комиссии - Председатель комиссии - Завская ГЭС
- № 2. Член Конкурсной комиссии - Член Конкурсной комиссии - Завская ГЭС
- № 3. Член Конкурсной комиссии - Член Конкурсной комиссии - Завская ГЭС

Состав Конкурсной комиссии:

Члены Конкурсной комиссии от филиала № 4, 5, 6:

- Председатель Конкурсной комиссии - Завская ГЭС
- Член Конкурсной комиссии - Завская ГЭС
- Член Конкурсной комиссии - Завская ГЭС

Automation of Procurement in the B2B-Center System Conclusion of the Contract

Добавление договора с поставщиком

Данные договора:

Дата заключения: 01.08.07

№ договора: 01.08.07

Стороны: [Имя поставщика] - Заказчик: [Имя заказчика]

Дата заключения: 01.08.07

№ договора: 01.08.07

Контрагент: [Имя контрагента]

Остаток ЭСД: [Значение]

Кнопки: [Добавить] [Отмена]

Automation of Procurement in the B2B-Center System Control over Execution of the Contract



23

B2B-Center ("Economics Development Center" JSC)

B2B • CENTER
ELECTRONIC TRADING

Automation of production chain elements in the
procurement process carried out in electronic
trading systems

B2B • CENTER
ОПЕРАТОР ЭЛЕКТРОННОЙ ТОРГОВЫ

24

B2B-Center ("Economics Development Center" JSC)

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B2B • CENTER
ELECTRONIC TRADING

i) Annex 3



Asia-Pacific
Economic Cooperation

Integrated Outsourcing Platform for Simplifying Cross-border Trade Process: China's Experience Towards Single-window

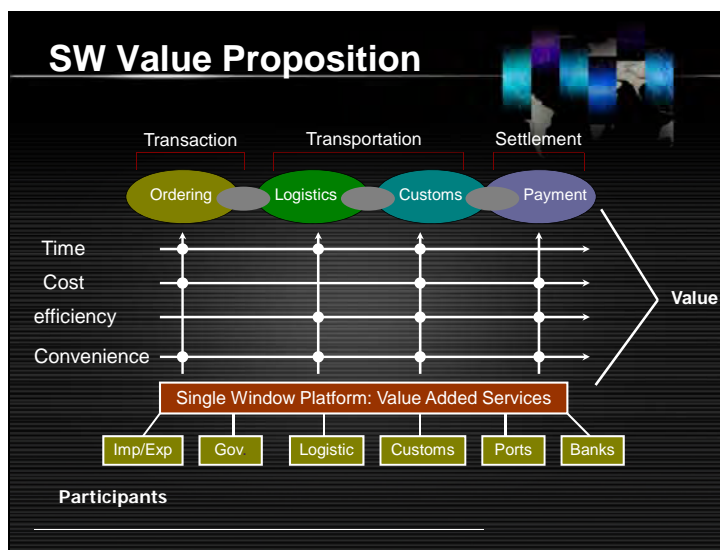
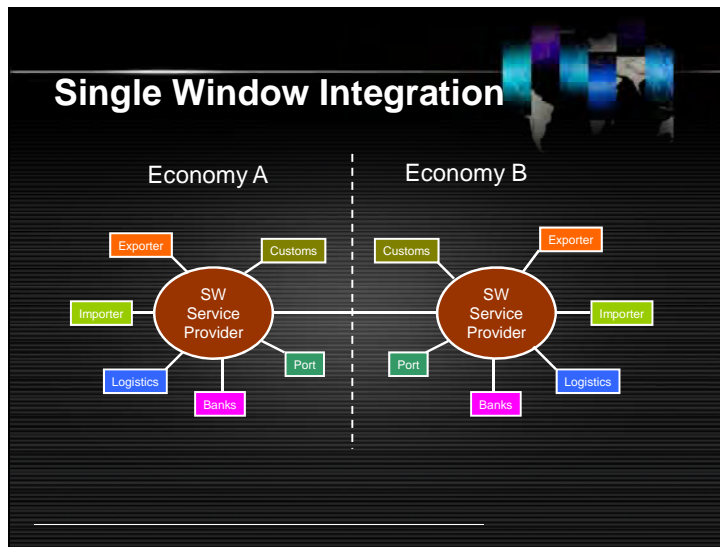
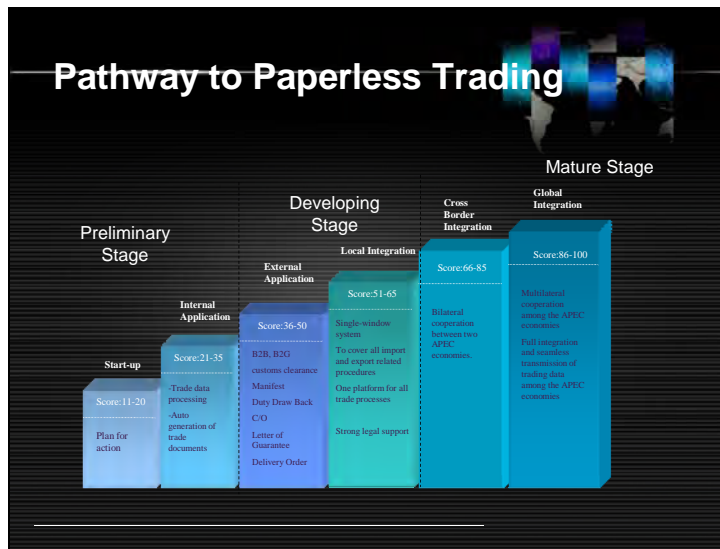
Jian Wang
Professor of University of International Business and Economics, Beijing China

22 May, 2012
Kazan, Russia

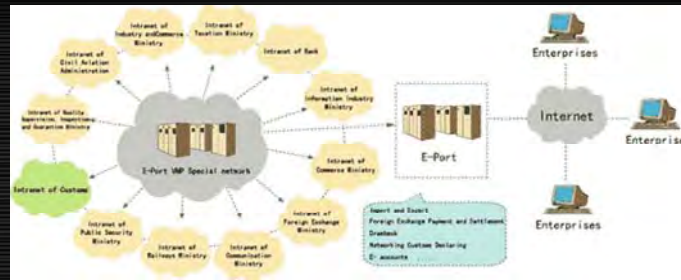
Agenda

- Single window model and value proposition
- China's E-port system as a single window project
- Limitations with China E-port system
- Case study: Immerging outsourcing platform for importers and exporters
- Enterprise-driven model towards single window
- What happen next?

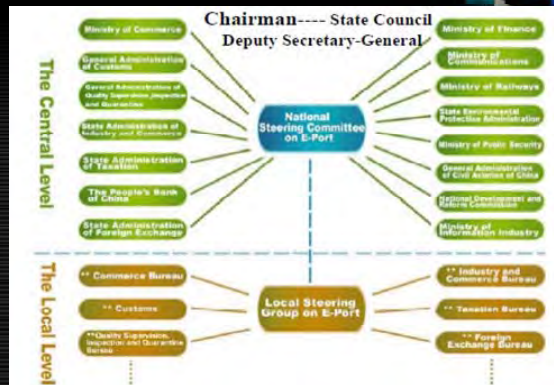




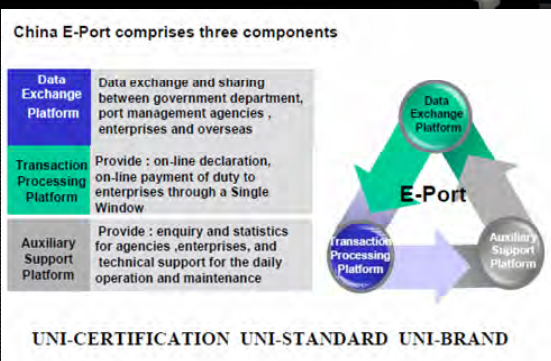
China's E-Port System



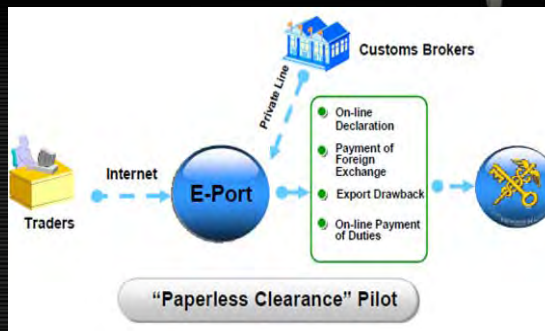
National vs. Regional Level SW



Architecture of E-port



Original E-port and Single Window Model and Concept



Window website for China E-port

The screenshot shows the China E-port website. The header includes the logo and 'China E-port'. The main content area features news articles, a 'Customer Service' section, and a 'Public Notice' section. The website is in Chinese and provides information about customs clearance and related procedures.

Limitations with China E-port

- China E-port is only for customs clearance and related procedures
- China E-port is a data checking system with foreign exchange authorities
- China E-port has online payment system for paying duty and tax
- China E-port runs independent from other import and export control authorities, e.g. Ministry of Commerce, Inspection and Quarantine Services, etc.

Window website of MFCOM

The screenshot shows the homepage of the China International Electronic Commerce Network (www.cc.com.cn). The header includes the logo and navigation links for 'Home', 'Global Economy', 'China Economy', 'Trade', 'Focus', 'Data', 'Special', 'BBS', 'Business Reports', 'EC Business Weekly', and 'About CIECC'. A search bar is located on the right. The main content area is divided into three sections: '加工贸易服务促进体系' (Processing Trade Service Promotion System) with links for online application, management, and production capacity; '登记备案系统' (Registration and Filing System) for foreign trade operators and international freight agents; and '许可证管理' (License Management) for online application, status inquiry, and certificate renewal.

Window website for China Inspection and Quarantine Service

The screenshot displays the China Inspection and Quarantine Service website (www.ciq.gov.cn). The header features the title '中国检验检疫电子业务网' and '电子政务' (E-Government). Navigation links include 'Home', 'User Service', 'Business Info', and 'News'. A '最新业务功能推荐' (New Business Function Recommendations) section highlights '生产许可证注册平台基础知识及常见问题' (Basic Knowledge and Common Questions of Production License Registration Platform) and '保税企业注册登记系统基础知识及常见问题' (Basic Knowledge and Common Questions of Bonded Enterprise Registration System). A '业务在线' (Business Online) section provides quick access to various services like license registration, customs clearance, and inspection certificates. A sidebar on the left lists services such as '数字证书业务办理指南' (Digital Certificate Service Guide) and '原产地证书注册平台' (Origin Certificate Registration Platform).

Case Study: Outsourcing service platform

The screenshot shows the OneTouch outsourcing service platform. The header includes the logos for Alibaba.com and OneTouch, along with navigation links for 'Home', 'About Us', 'Finance', 'Imp./Exp. Service', 'Cost Analysis', and 'Contact Us'. The main banner features the text 'Welcome to OneTouch' and 'IMP. & EXP. BPO SERVICE FOR SME'. A red box highlights the text 'Business process outsourcing' with a red arrow pointing to it. The background of the banner shows a person running on a field under a blue sky.

Imp. & Exp. BPO Service

Service Details

Customs Clearance → Transportation → Storage → Insurance
 Port → Foreign Exchange → Tax Reimbursement

All services to import and export trade.

Fastest Customs Clearance, Lowest Export Cost!

For Export-Oriented Clients

(General Taxpayers, such as Factories and Trading Companies)

1. Cargo
 2. Foreign Exchange
 3. Settlement of exchange in RMB
 4. VAT Invoice
 5. Corresponding Cargo Value for Tax Reimbursement

Client ↔ 1-TOUCH ↔ Overseas Buyer

Customs, Commodity Inspection and Testing Center, National Tax Bureau, Bank, Transportation Company

- The transportation company can be designated by the client.
- Foreign exchange can be received in advance before dispatching the cargo.
- Client VAT Invoice Amount = Foreign Exchange Amount + Tax Returned - Service Charge

Enterprise-driven model and value proposition

Transaction: Ordering (Transaction), Logistics (Transportation), Customs (Transportation), Payment (Settlement)

Time, Cost, efficiency, Convenience

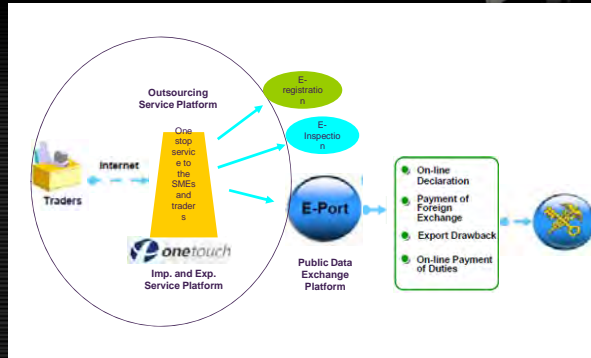
Public Data Exchange Platform

Participants: Gov, Logistic, Customs, Ports, Banks

Value-added platform, Imp/Exp

Value

One stop service: a single platform for importers and exporters



History of Onetouch Company

- 2001, established
- 2003, new IE+IT integrated service platform for import and export process outsourcing
- 2010, taken over by Alibaba Group
- 2011, 4,000 customers, and handles USD1.5 billion import and export
- 2012, expected 10,000 customers and 2.5 billion trade



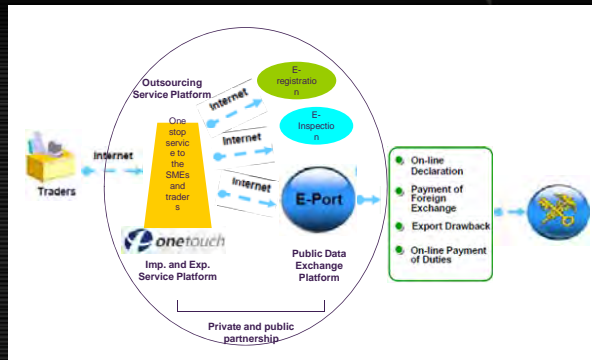
Cost Analysis

- Service fee: 1,000 RMB per transaction
- Handling fees:
 - Logistics handling fees: 0.1-2.0%
 - Trade financing fees: 0.2-1.5%
- Overall trade cost: -60%
- Customs clearance time: -70%
- Plus trade financing services



What happen next?

Immgering Model of Single Window: Integrated Outsourcing Service Platform



Thanks


Jian Wang ()

Advisor for CIECC and APEC E-commerce Alliance

Professor, University of International Business and Economics (UIBE),

wangjian@uibe.edu.cn

j) Annex 5



Ministerio de
Economía,
Fomento y
Turismo
Economía Digital
Gobierno de Chile

“Impact of E-commerce on Relationship in Supply Chains”

Gabriel Herrera Suazo
Advisor Digital Economy
Ministry of Economy
Chile

Prepared for Gabriel Herrera, Advisor Digital Economy, Ministry of Economy, Chile



Ministerio de
Economía,
Fomento y
Turismo
Economía Digital
Gobierno de Chile

SUPPLY CHAIN DEFINITION

“as three or more organizations directly linked by one or more of the flows of products, services, finances, and information from a source to a customer “. (Mentzer et al., 2001)

GOAL

The goal of supply chain management is for member organizations to work together in close, long-term relationships to increase the competitive advantage of the supply chain as a whole (Mentzer et al., 2001).

E-COMMERCE DEFINITION

the trade of goods and services that takes place electronically such as over the Internet (Dolber et al., 1998).

Prepared for Gabriel Herrera, Advisor Digital Economy, Ministry of Economy, Chile

Firms conducting business electronically face several differences in the e-commerce business environment that may have a significant impact on managing relationships in the supply chain.

Challenge: speed of business and the level of connectivity among supply chain organizations.

“we view e-commerce as a way to open and remove technology barriers among supply chain members and to bring everyone in the network closer. The Internet allows companies to communicate and share information across the supply chain.”

Prepared for Gabriel Herrera, Advisor Digital Economy, Ministry of Economy, Chile

Electronic Commerce change dramatically the relationship between players:

Focus: **consumer**

Prepared for Gabriel Herrera, Advisor Digital Economy, Ministry of Economy, Chile

E-commerce expand the possibilities of Supply Chain Management in several important aspects:

- ✓ Cost efficiency:
 - It permit exchange cargo documents electronically.
 - companies can reduce costs,
 - improve data accuracy,
 - streamline business processes,
 - accelerate business cycles,
 - and enhance customer service.

Prepared for Gabriel Herrera, Advisor Digital Economy, Ministry of Economy, Chile

- ✓ Improve the distribution system.
 - It will give businesses more flexibility in managing movement of products and information between businesses, their suppliers and customers.
 - It will close the link between customers and distribution centers.
 - Customers can manage the movement of products and information through the supply chain.
- ✓ Customer orientation:
 - It support of logistics and transportation services for both internal and external customers.
 - It will help companies deliver better services to their customers,
 - It accelerate the growth of the e-commerce initiatives
 - It lower their operating costs.

Prepared for Gabriel Herrera, Advisor Digital Economy, Ministry of Economy, Chile

- ✓ E-commerce improve conversation between customers and companies:
 - It provide a universal, self-service system for customers by means of web sites.
 - It permit on-line shipment tracking:
 - real-time information about cargo shipments. create and submit bills of lading,
 - place a cargo order,
 - analyze charges,
 - submit a freight claim,

Prepared for Gabriel Herrera, Advisor Digital Economy, Ministry of Economy, Chile

- ✓ Shipping notice:
 - It can help automate the receiving process by electronically transmitting a packing list ahead of the shipment.
 - It also allows companies to record the relevant details of each pallet, parcel, and item being shipped.
- ✓ Freight auditing:
 - reduced risk of overpayment.
 - elimination of countless hours of paperwork.
 - Elimination of a third-party auditing firm.
 - It permit the carrier comparison and assignment.

Prepared for Gabriel Herrera, Advisor Digital Economy, Ministry of Economy, Chile

- ✓ Shipping Documentation and Labeling:
Will be automatically produced:
 - standard bills of lading.
 - shipping labels.
 - carrier manifests.
 - specialized export documentation required for overseas shipments.
- ✓ Online Shipping Inquiry:
 - Instant shipping information.
 - Parcel shipments can be tracked and proof of delivery quickly confirmed.
 - A customer's transportation costs and performance can be analyzed.

Prepared for Gabriel Herrera, Advisor Digital Economy, Ministry of Economy, Chile

WHAT WE ARE DOING IN CHILE:

- ✓ RULES SIMPLIFICATION. (especially customs documents and the creation of new companies.)
- ✓ ELECTRONIC SIGNATURE. Actions oriented to fortify the electronic signature and it be used for commercial relations widely.
- ✓ MASS DISTRIBUTION OF ELECTRONIC SIGNATURE IN THE ID NATIONAL CARD AND TO SMALL AND MEDIUM SIZED COMPANIES.

Prepared for Gabriel Herrera, Advisor Digital Economy, Ministry of Economy, Chile

- ✓ ELECTRONIC PAYMENTS (Credit Card, and Debit Card, Mobile Payments, electronic money and others.)
 - ✓ Increase the competition in the electronic payments industry.
 - ✓ Financial inclusion.
 - ✓ Cross Border Electronic Payments.
- ✓ MARKET PLACE FOR SMALL AND MEDIUM SIZE COMPANIES IN ORDER TO BE ABLE TO DO CROSS BORDER COMMERCIAL OPERATIONS.
- ✓ IMPROVING DOMESTIC LOGISTIC SERVICES.

Prepared for Gabriel Herrera, Advisor Digital Economy, Ministry of Economy, Chile

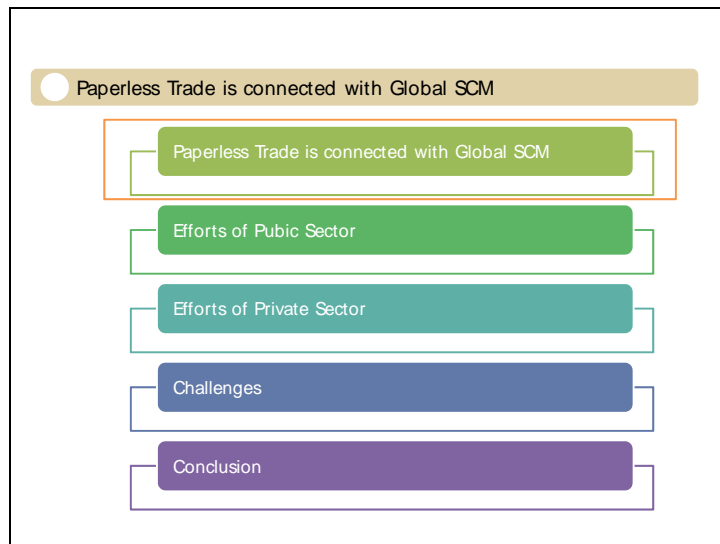
k) Annex 6

Enhancing Enterprises' Global SCM with
Paperless Trade – Korean Case

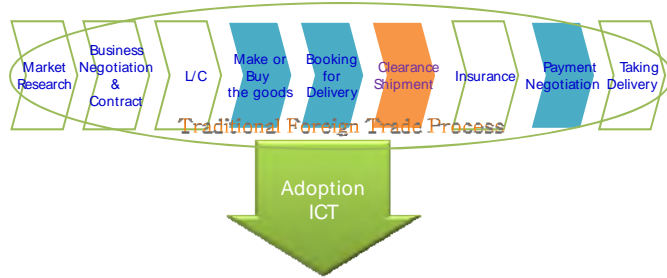


May 22, 2012

AHN, ByungSoo
Seoul Digital University (Seoul, Korea)



1 What is Paperless Trade(e-Trade)



A trade realized through electronic way like internet any of the whole trade processes

2 Why Paperless Trade?

Using EDI, it costs about \$2.50 to process a purchase order, compared to around \$50 to process a paper-based version, Internet-based EDI can lower the transaction cost still further, to less than \$1.25.¹



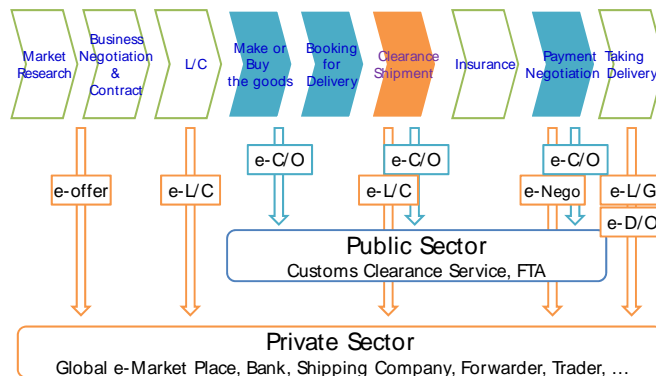
the cost of paper shipping documentation and related unnecessary costs is as high as 7% of all international trade (a cost therefore of US\$ 420 billion in 1996).²



the error rate in rekeying may be as high as 50% for some documents - that is half of all the documents circulating contain at least one error.³

Source: ¹ SITPRO Apr 2001; ² WTO/UN 1996; ³ McKinsey 2000

3 Paperless Trade improve efficiency of Global SCM



Efforts of Public Sector

Paperless Trade is connected with Global SCM

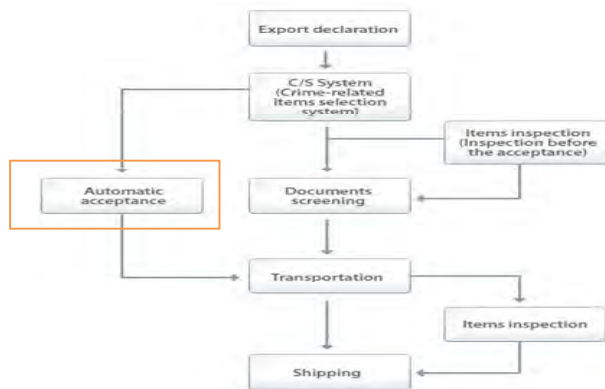
Efforts of Public Sector

Efforts of Private Sector

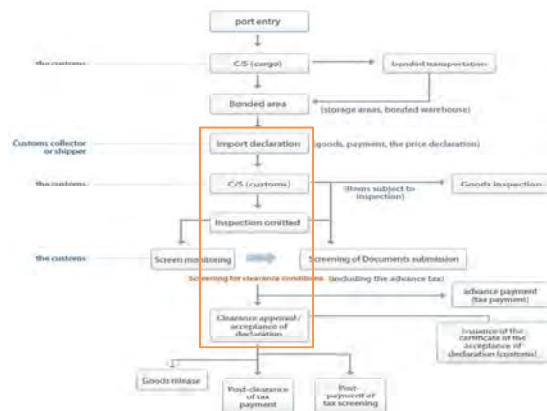
Challenges

Conclusion

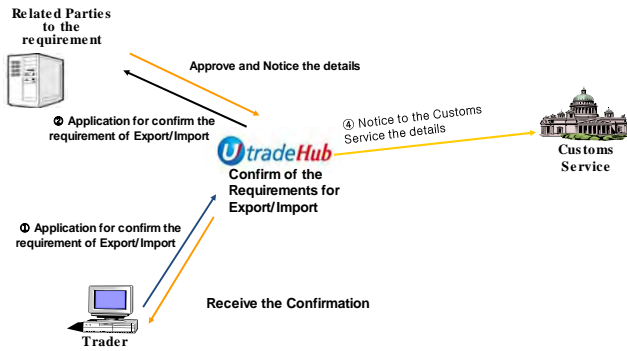
1 Export Clearance Automation



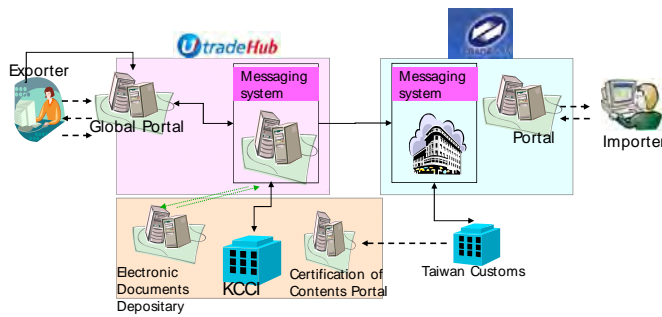
2 Import Clearance Automation



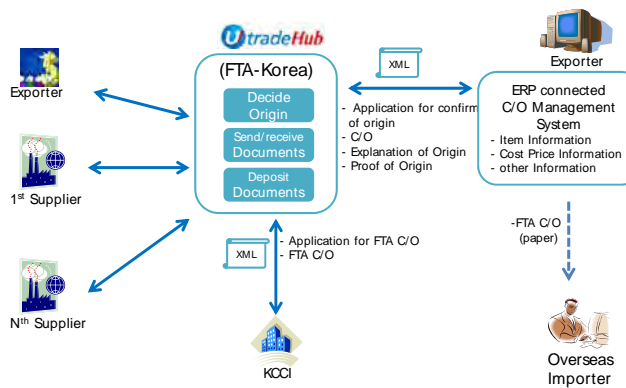
3 Confirm of the requirements for Export/Import



4 e-C/O process between Korea and Taiwan



5 FTA Korea



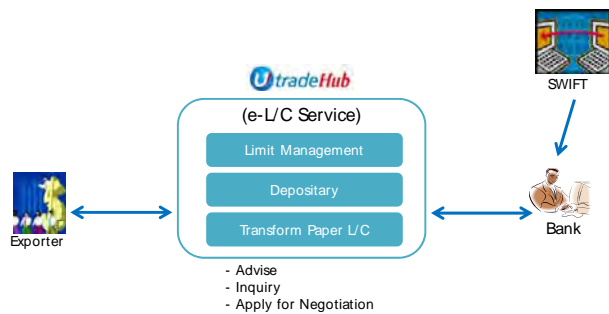
6 Contribution of the public sector's efforts to global SCM

- Save waiting time to clear the export/import clearance
- Easy process to clear the import/export clearance
- Rapid taking delivery without delay caused paper documents
- Reduction lead time from order to take the goods
- Improve transparency of the import/export administrative process
- Raise efficiency of the enterprises
- Save cost to perform the import/export clearance

Efforts of Private Sector

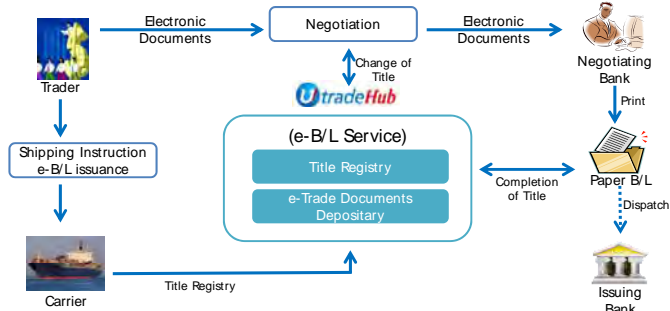


1 e-L/C Service



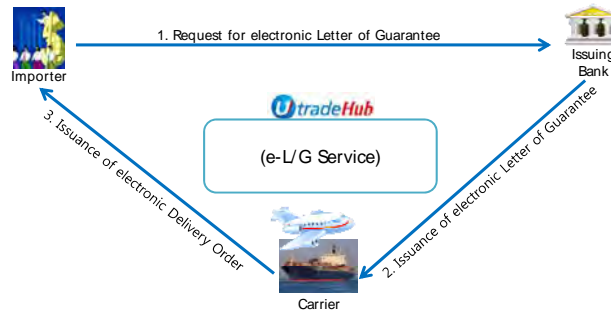
The e-L/C (electronic L/C) service, unlike the traditional paper-based L/C, is electronically managed. It electronically processes and systematically manages the entire processes from advise to negotiation.

2 e-B/L Service



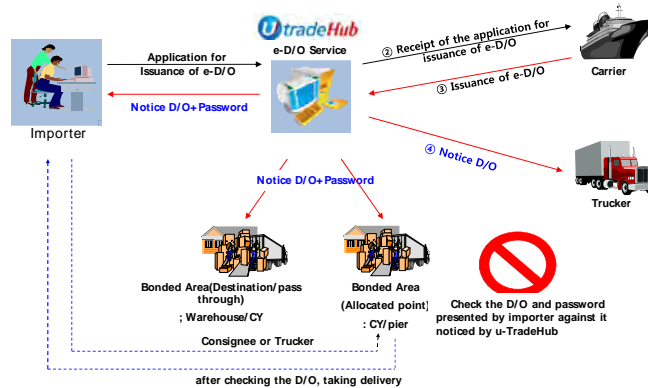
While shipping request has been partially processed electronically, the Bill of Lading has yet to be electronicized, hampering the promotion of paperless trade. The e-B/L service is a system to receive a B/L electronically from a carrier, register the title into Title Registry, and store the original copy at the electronic Trade Document Repository. The system provides a foundation for electronic circulation of B/Ls.

3 e-L/G Service

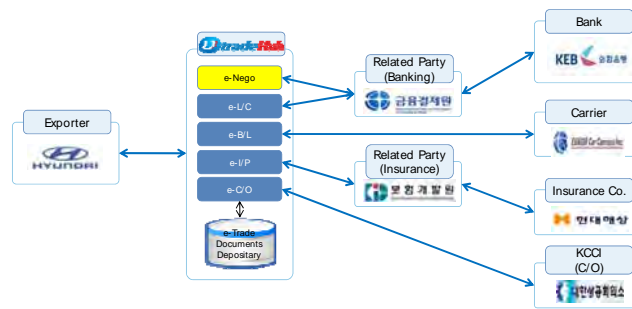


e-L/G implements online processing of issuance processes, including the issuance of letter of guarantee (L/G) needed for the delivery of maritime and airway imports.

4 e-D/O Service



5 e-Negotiation Service



The e-Nego System provides a one-stop service through digitally handling negotiation documents. It is designed to increase export competitiveness by enabling exporters to seamlessly conduct negotiation operations on the uTradeHub without having to actually visit offline institutions and banks.

6 Contribution of the private sector's efforts to global SCM

- Save waiting time to perform the delivery process
- Easy process to handle the goods showing the title by the e-documents
- Rapid taking delivery without delay caused paper documents
- Reduction lead time from order to take the goods
- Improve security of the process for import/export
- Raise efficiency of the enterprises, carrier, forwarder and bank
- Save cost to perform the import/export

Challenges



1 Challenges for global SCM related to paperless trade

Strengthening security for global supply chain after September 11, 2001

Inharmony of legal framework related to paperless trade

Existence of gap among overseas parties in paperless trade and global SCM

Conclusion

Paperless Trade is connected with Global SCM

Efforts of Pubic Sector

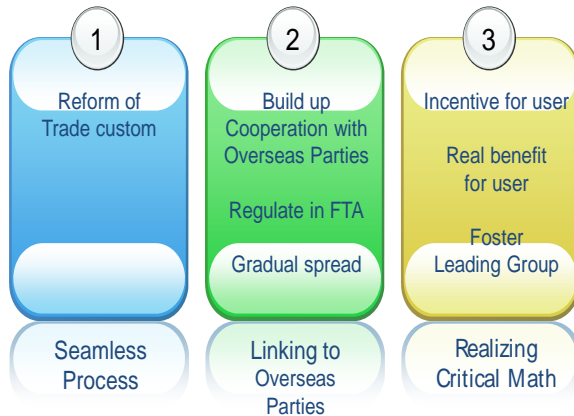
Efforts of Private Sector

Challenges

Conclusion

conclusion

Global SCM meet some challenges, however paperless trade can be helpful to overcome the challenges, directly or indirectly.



I) Annex 7

Second Senior Officials' Meeting (SOM2) and Related Meetings 
Asia-Pacific
Economic Cooperation

“ICT and global economy, a view from San Francisco, Kazan and other regions of the world”



22 MAY 2012,
KAZAN, RUSSIA
*Ministry of Telecom and Mass
Communications of the
Russian Federation*



 **ICT and global economy** 




San-Francisco 2011	Kazan 2012	Other ... 2017
-----------------------	---------------	-------------------

	issues of MYP	
promotion of cross-border data or information flows, and building of trust in the Internet;		
importance of developing secure and trusted cross-border data or information-exchange to promote a seamless Internet economy;		
information-exchange on policies, practices, experiences and opinions among APEC economies on a Trusted Internet;		
elaboration of guidelines on the development of e-commerce and on the construction of a Trusted Internet system in the APEC region;		
discussion on and sharing of best practices on standardization and web-technology utilization in the Internet with specialized international organizations, and with Asia-Pacific economies.		

	Trans-Border Space of Trust (Web 3.0)	
Global Value Chains, Supply Chain Management, Supply Chain Connectivity:		
<ul style="list-style-type: none"> - People flows - Commodity flows - Service flows - Financial flows 		
		
     		

	APEC Multi-Year Project (Web 3.0) – objectives:	
to shape common approaches towards building ICT-infrastructure to promote cross-border data/information flows, including the creation of trust in the Internet;		
to provide participants in the workshops with information on best global and national practices already adopted or under development, with a view to ensuring trust in the Internet;		
to improve understanding among businessmen and officials that ensuring quality of trust in the Internet is a multi-faceted issue, and that it is necessary to elaborate formalized criteria for implementing necessary ICT-infrastructures;		
to encourage APEC economies to introduce policies aimed at developing modern information and communication technologies and to minimise barriers in trade and investment, including within global value chains;		
to encourage business to develop trusted ICT-services and to attract a wide range of users, individuals and legal entities from different countries to use such services in order to reduce logistical and time costs (that are typical for paper-based cross-border circulation of documents);		
to expand communication opportunities provided by the Internet though the further development of existing trusted services, thus protecting the rights of users.		



**APEC Multi-Year Project
(Web 3.0)**


cross-cutting issue

- ECSG – providing cross-border trust space for e-commerce development as an important part of the GVC on the basis of paperless trading
- SCSC - standardization of technical regulation necessary for development of secure Internet economy
- APEC-TEL – optimization of ICT infrastructure to support global value chains
- CTI - compiling all the matters to provide global trusted e-economic for Asia-Pacific region.





international organizations

- Working Group IV of UNCITRAL – cross-border e-trade (2013)
- Working Group III of UNCITRAL – on-line dispute settlement (2014)
- UN/CEFACT – (United Nations/Centre for Trade Facilitation and Electronic Business) organization of “one window” for conducting control procedures at checkpoints for different modes of transport, including cars, trains, aircraft, sea craft etc. (2015)
- UNCTAD – (United Nations Committee on Trade and Development) using ICT for optimization of different administrative and business processes, including customs procedures (2016)
- International Chamber of Commerce and ABAC – self-regulation of the shaping of a cross-border space of trust on the basis of trade customs (2017)



schedule



- 2013:** cross-border e-trade, a seminar to discuss global value chains (GVC), the documents needed for each link of the chain, legal requirements for these documents and possible electronic infrastructure and technologies that could replace these documents, issues of secure access to electronic documents and services related to the circulation of e-documents
- 2014:** on-line dispute settlement, a seminar to discuss dispute resolution problems, arising from the use of e-documents in GVC, legal status of e-documents, online settlement of disputes and the legal entities involved, their identification and procedural issues involved in online dispute settlement
- 2015:** organization of “single window” for conducting control procedures at checkpoints for different modes of transport, including cars, trains, aircraft, sea craft etc, a seminar to discuss the single window procedures, their role in GVC, possibilities for optimization of single window procedures with the use of ICT and e-documentation, security issues arising from this, standardization of relevant ICT systems among domestic agencies and APEC economies, possibilities of large-scale universal single window schemes

schedule

2016 : using ICT for optimization of different administrative and business processes, including customs procedures, a seminar to discuss the usage of service-oriented architecture and relevant ICT systems for customs control in GVC, integration of border control infrastructure into service-oriented architecture and other relevant large information systems

2017 : self-regulation of the shaping of a cross-border space of trust on the basis of trade customs, a seminar to discuss trust in the Internet based on international regulations and self-regulating trade rules such as Incoterms, risk insurance and dispute settlement on the basis of trade rules and market practices for e-transactions in GVC, private specialized services in providing secure transactions, possibilities for public-private cooperation, evolution of the Internet, balance between self-regulation and entrepreneurship

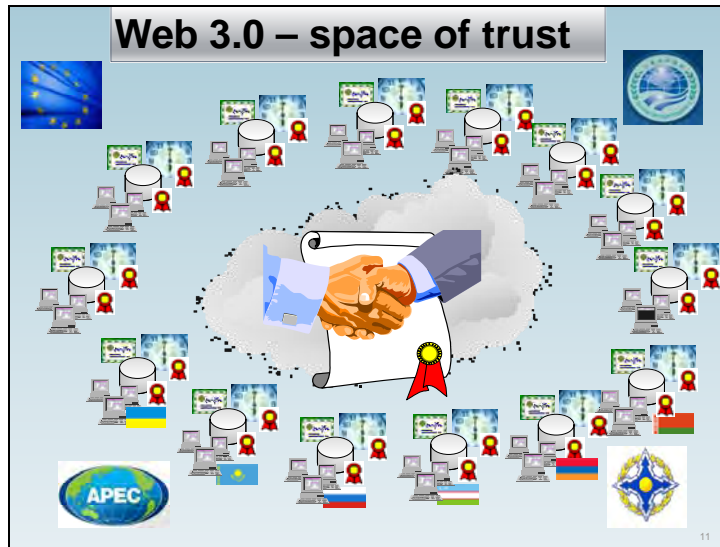



impetus

Officials from APEC economies and relevant international organizations will have the opportunity to exchange experiences in regulating the Internet economy to discuss establishing common ICT-infrastructures and pursuing coordinated policies in order to build trust in this medium.

Participating business organisations will have an opportunity to articulate their economic interest in newly-developed trusted services, and to provide trusted services to a wide range of customers in different economies. In addition, businesses could inform the national and international regulatory authorities about their position in order to prevent new barriers to trade and investment in the Internet economy through early communication and cooperation in regulatory approaches. Thus, they will be given the opportunity to influence the formation of standards, rules and regulations in this area.

Consumer groups will be able to convey the interest of individuals and legal entities under different jurisdictions in reducing logistical and time costs while using services remotely through the Internet economy, and in eliminating reliance on paper document flow, while still maintaining protection of their rights. The proposal is flexible as to participation, which may involve different groups of investors and beneficiaries (to make reports at workshops, prepare reviews and analytical papers, business plans etc.)



*Ministry of Telecom and Mass
Communication of Russian Federation*

Thanks for your attention!

Our contacts: dms_post@mincomsvyaz.ru
alekdomrachev@gmail.com

APEC
RUSSIA 2012

m) Annex 8





The slide features a black header, a blue and grey horizontal bar, the Mexican coat of arms, and a teal box with 'SE'. The main text is in teal and black, with contact information and event details at the bottom.

**Supply Chain Connectivity
in Mexico**
www.elogistica.economia.gob.mx






Angélica Rojas Enríquez
angelica.rojas@economia.gob.mx
Vice-Ministry of Industry and Commerce
MINISTRY OF ECONOMY, MEXICO

Kazan, Russia
May 22, 2012

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2) Projects of National Impact	
- DNA Portal	
- Reliable Logistics Processes - Certification	
3) Conclusions	

Subsecretaría de Industria y Comercio

MEXICO, Logistics Capabilities

Geographic location	Preferential access to foreign markets	Strong infrastructure	Trade facilitation	Increased value added
				
BORDER - 3 000 kms with the biggest market in the world. COASTLINE - 11 000 kms of coastlines in the Pacific and Atlantic Oceans	MARKET ACCESS - Trade agreements with 42 countries - Potential market of one billion consumers	- 76 Airports - 26 thousand kms of railways - 81 Intermodal freight terminals and 13 new intermodal corridors - 100,000 kms of highways - 116 Seaports	GOVERNMENT ACTIONS - Competitiveness Agenda in Logistics - Single Electronic Window for international trade	- Innovation strategy - Strengthening of human capital - Increased design activities

Subsecretaría de Industria y Comercio



ACL 08-12
Agenda de Competitividad en Logística

Mission

*To develop **world-class logistics services** in Mexico at national and international levels.*

Vision

For Mexico, to be recognized in 2020 as a country that maximized the use of its geographical advantage and trade negotiations; thus making logistics a pillar to boost its competitiveness.

Subsecretaría de Industria y Comercio

Strategies:

	Promote the creation of more and better logistics services
	Promote the implementation of better logistics practices in companies
	Position Mexico as a world-class logistics center
	Promote adaptations and changes in logistics operations and infrastructure to achieve trade facilitation
	Promote certification as logistics operators
	Promote an increased human capital trained in capabilities for logistics services
	Improve the coordination between the three levels of government and the private sector

Subsecretaría de Industria y Comercio



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2) Projects of National Impact	38
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- Certification in Reliable Logistics Processes	
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Subsecretaría de Industria y Comercio

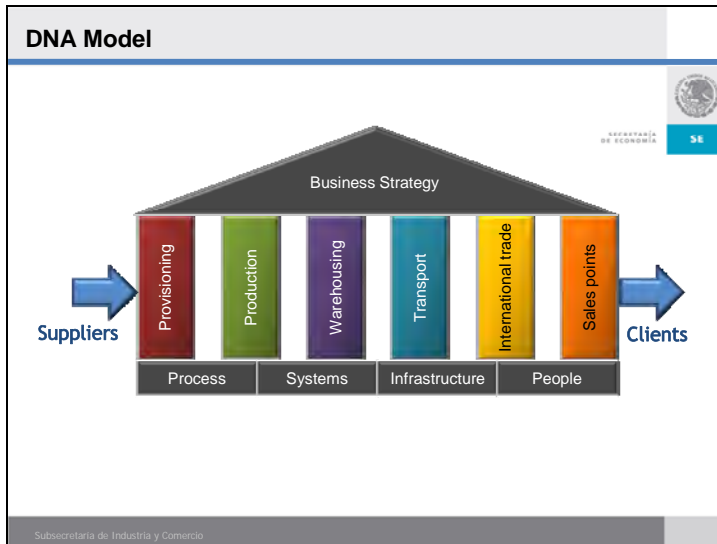
SECRETARÍA DE ECONOMÍA

Diagnóstico Net Anáhuac en LogístiK

The site that helps you to assess and improve your logistics. It brings experts, methods and tools closer to you.

www.dnalogistik.com

Subsecretaría de Industria y Comercio



Bienvenido
El portal que te ayuda evaluar tu logística y a desarrollar proyectos para mejorarla.

- ¿Qué funciones son relevantes para eficientar tu Cadena de Suministro?
- ¿Has evaluado la madurez de tus procesos logísticos?
- ¿Identificas los sistemas que te pueden ayudar a mejorar tu logística?
- ¿Qué opciones de infraestructura logística has valorado?
- ¿Tu gente tiene el conocimiento y competencias logísticas adecuadas?

Regístrate ahora

Beneficios

- Conocer la naturaleza logística para priorizar esfuerzos
- Comparar tus procesos contra las mejores prácticas
- Obtener el mapa de sistemas logísticos que te agregan valor
- Reconocer las mejores opciones de infraestructura logística
- Capacitar a tu gente desarrollando proyectos logísticos

Subsecretaría de Industria y Comercio

Functions and Processes analyzed by DNA

Warehousing	<ul style="list-style-type: none"> Receiving Warehousing Inventory Control Loading range Added Value Service
Provisioning	<ul style="list-style-type: none"> Categorization and Product Selection Supplier Selection and Development Online testing and product upload Procurement and Supply Product discontinuance
International trade	<ul style="list-style-type: none"> International Trade Planning International Trade Execution International Trade Control
Production	<ul style="list-style-type: none"> Product Lines Supply Production Scheduling Production Execution Production Control Shipping Process Finished Goods to Customer
Transport	<ul style="list-style-type: none"> Shipment Planning Cargo Transport Selection and Documentation Monitoring Shipments Customer Delivery / Destination Freight Payment
Sales Points	<ul style="list-style-type: none"> Renew and order product Receipt of goods Storage and display Collection and delivery KPI's

Subsecretaría de Industria y Comercio

Benefits for users

Free self-diagnosis to facilitate:

- Knowledge of your logistical nature to prioritize efforts
- Compare against best practice processes
- Get options of logistics technology systems to add value
- Recognize best logistics infrastructure options



<http://www.dnalogistik.com>

Visits and Users

Logistics "X-Rays": 1,751

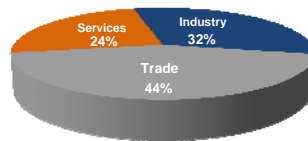
41,430 visits / 1,343 visits per month

8.05 minutes/visit.

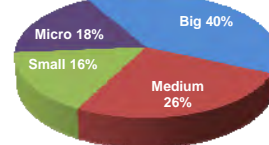
56% are new visits

44% recurrent visitors

By Composition



By business size



Index

1) Mexico & Logistics

2) Projects of National Impact

- Diagnóstico Net Anáhuac en LogístiK (DNA) Portal
- Certification in Reliable Logistics Processes

3) Conclusions



Objective:

Check, support and promote the improvement of logistics practices throughout the processes of supply chain and service levels offered by companies established in Mexico.

Range:

The main idea is for companies established in Mexico to have a verification model that benefits their logistics performance through:

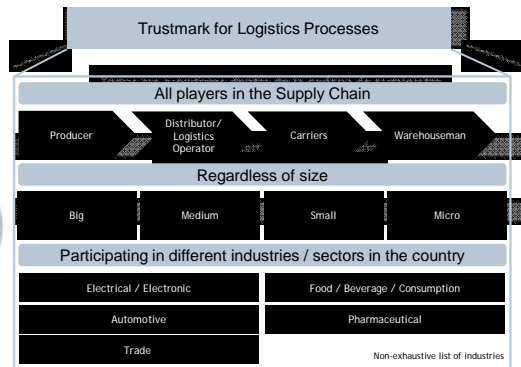
- 1) Diagnosis: through the identification of niches of opportunity for improvement when being evaluated
- 2) Implementation, through logistics improvement of support key activities
- 3) Continuous improvement: to design and implement the appropriate categories of the trustmark, according to the needs and requirements of the key activities.

What is it?

It is a distinction that will be given to companies in the country, which, after an assessment, prove they have the capabilities to perform complete and on time deliveries, providing better customer services, resulting in an increase in confidence of customers and suppliers.



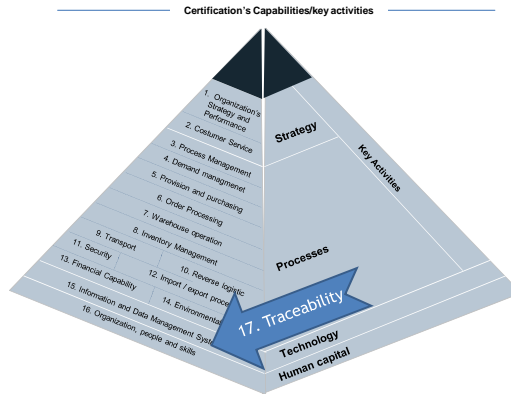
The scope is a general approach as it seeks to improve the quality of logistics services offered across the different supply chains in the country.



The Certification assessed companies according to:

Performance Indicators	Capabilities / Key activities	Maturity level
<ul style="list-style-type: none"> ✓ On time deliveries ✓ Complete deliveries ✓ Customer Service 	<p>According to the role of businesses in supply chain:</p> <ul style="list-style-type: none"> ✓ Key activities ✓ Support activities ✓ Criteria of capabilities 	<p>Classified practices:</p> <ul style="list-style-type: none"> ✓ Leader ✓ Advanced ✓ Common ✓ Outdated

The model assesses 16 capabilities. Soon Traceability will be developed



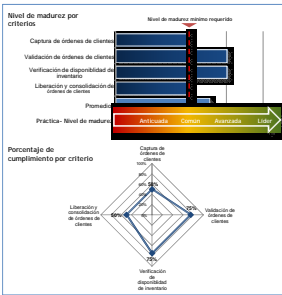
Note: capabilities must be evaluated/modified to keep up with best practices.

Key findings by capacity

Capability 6:
Orders processing

Capability's maturity level: 2.6
Percentage of compliance: 43.8%
Compliance with the minimum required maturity level: Yes

Results
Practices aimed at processing of orders are at a level of maturity between common and advanced. The criteria with a common practice are Capture of Customer Orders and Liberation and Consolidation of Client Orders.
In addition, advanced practice criteria are Validation of orders and Check Stock Availability.



Improvement Opportunities

- Enhance automation in receiving customer orders through a web interface in order to reduce manual intervention.
- Use a system that prioritizes the receipt of orders from key customers according to customer profitability and according to service levels.
- Upon receipt of customers orders, allowing the pool of available inventory automatically.
- Automatically generate promised delivery dates.
- Strengthen the facilitation of the automatic release of orders based on promised delivery dates and customer profitability.
- Automate the assignment of tasks to warehouse operators through a system that order lines automatically to optimize productivity.

Certification provides a specific diagnosis and identifies opportunities for improvement

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Operator Agency




GS1 México

Certifiers



Agencies involved

Certification in Reliable Logistic Processes Advances & Activities



Advances

2010-2011

- 1.- Completion of Phase II of the Certification in Reliable Logistics Processes. A pilot that helped refine the characteristics of the Certification and its implementation strategy, which includes defining:
 - the target population for a system test certification
 - criteria for the selection/creation of the certification's operator and
 - criteria for the selection of the certifier(s).
- 2.- Launch of the "National Call for Proposal of Candidates for Certifying Agencies and Operators of the Certification in Reliable Logistics Processes". Participants, SE and the Secretary of Economic Promotions of the State of Jalisco, business organizations and high profile companies in Mexico.

In Process


2012

Carry out the third phase of the Certification –launch continuity- consisting of:

- Traceability development
- The definition of the operation rules of the Certification,
- Training and start of the Operator Agency and Certifier Agencies,
- Certify the first companies,
- Commercial launch of the Certification in Reliable Logistics Processes.

Index

- 1) Mexico & Logistics
- 2) Projects of National Impact
 - Diagnóstico Net Anáhuac en LogístiK (DNA) Portal
 - Certification in Reliable Logistics Processes
- 3) Conclusions



SECRETARÍA DE ECONOMÍA

SE

Subsecretaría de Industria y Comercio

Conclusions

- Mexico has a strategic location with access to the largest markets in the world and it must exploit its potential to position itself as a platform for world-class logistics services.
- Mexican companies have to adopt better logistic practices in order to raise their competitiveness.
- The Ministry of Economy promotes the development of projects and tools that help companies improve their logistics.
- DNA Portal provides a self-diagnose for companies about their logistics performance so they can find areas of opportunity to improve..
- Certification in Reliable Logistics Processes will help raise the logistics service level, generating significant benefits for supply chains in Mexico.
- Traceability helps to establish reliable supply chains.
- The Ministry of Economy will continue to promote the management of logistics and supply chain.



SECRETARÍA DE ECONOMÍA

SE

Subsecretaría de Industria y Comercio

n) Annex 9

APEC Workshop

Malaysia's Experience in Electronic Cross-Border Initiatives

Initiatives with APEC Economies

By:
AMRAN SAMEON,
Director,
Trade Facilitation & Technology,
Ministry of International Trade and Industry (MITI), Malaysia.

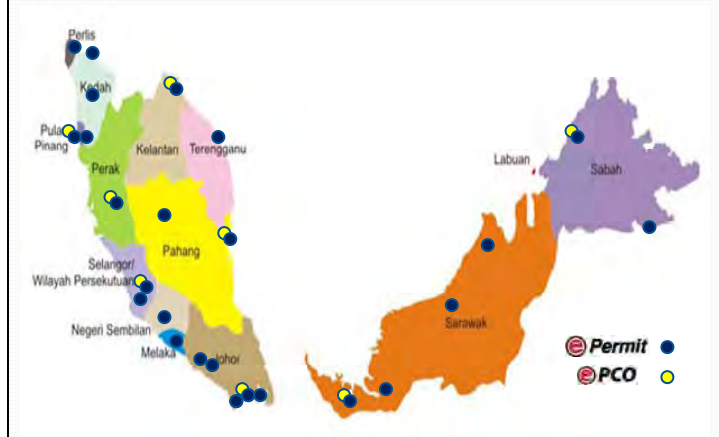
Overview

- Malaysia's National Single Window (NSW)
- Cross Border Initiatives:
 - Technical Feasibility Initiative between Malaysia-Indonesia-Philippines
 - Malaysia - Japan e-PCO Exchange Pilot Project

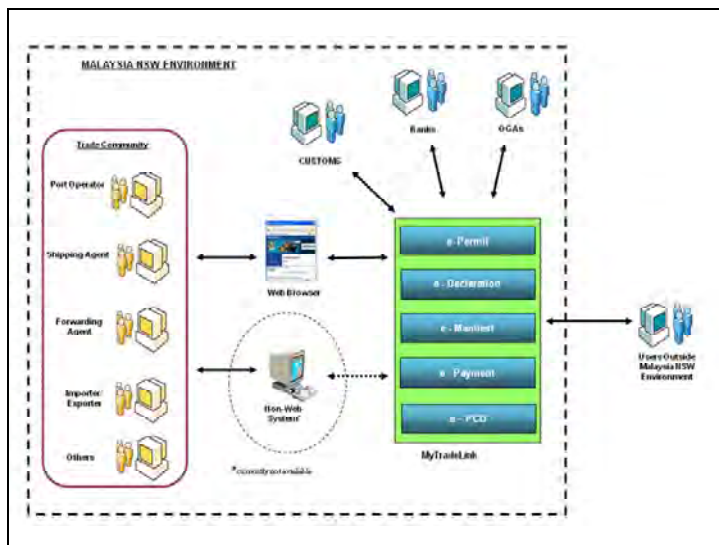
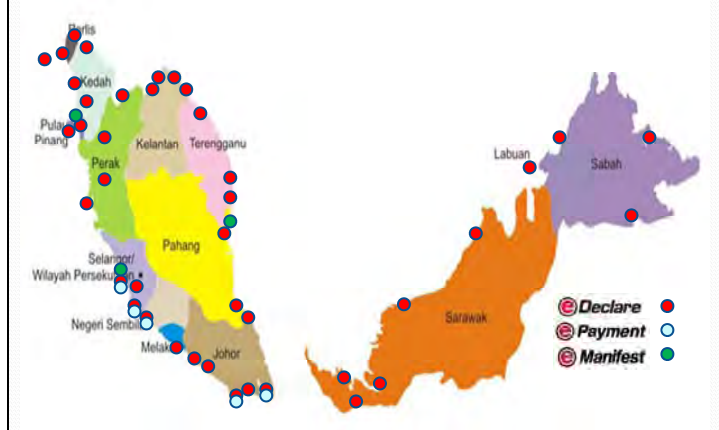
MALAYSIA'S NATIONAL SINGLE WINDOW (NSW)

- A single point of entry to expedite smooth flow of information of goods for import, export or transit.
- Operationalised since 19 November 2009.
- Under purview of Ministry of Finance.
- Available through MyTradelink online portal (<http://www.mytradelink.gov.my>).

IMPLEMENTATION COVERAGE OF MALAYSIA'S NSW



IMPLEMENTATION COVERAGE OF MALAYSIA'S NSW (cont.)



CROSS BORDER INITIATIVES

- Malaysia is involved in several cross border exchange initiatives among APEC member economies in relation to electronic exchange of Preferential Certificate of Origin.
- These initiatives are:
 - Technical Feasibility Initiative between Malaysia-Indonesia-Philippines
 - Malaysia - Japan e-PCO exchange Pilot Project

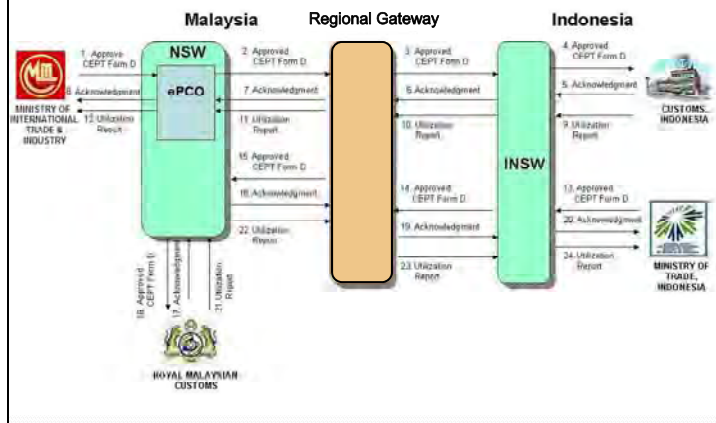
Technical Feasibility Initiative

- The Feasibility Testing Initiative by Indonesia and Malaysia was conceptualized in November 2007.
- Malaysia & Indonesia started the e-PCO pilot testing in July 2009
- Subsequently, pilot testing was joined by Philippines one month later.
- Live exchange of e-PCO between Malaysia and Indonesia officially began in Sept 2009
- Live exchange between Malaysia-Indonesia-Philippines began in October 2009

Benefit of Technical Feasibility Testing

- Test environment where 3 APEC economies NSWs integrate and operate simultaneously
- Enable seamless routing and communication between NSWs
- Expedited customs clearance and release of cargoes
- Reduce costs and time of doing business
- Standardized and harmonized data exchange
- Preparation for electronic readiness for future regional data exchange
- Discover potential errors/ shortfall
- Gaining experience from domain expertise of participating economies

Technical Feasibility Architecture



ATIGA Form D Exchange Malaysia - Indonesia

Transaction Period	No of Total Approved ATIGA Form D from Malaysia	No. of ATIGA Form D Transmitted Successfully from Malaysia	No of ATIGA Form D with Error in Transmission from Malaysia	No of ATIGA Received from Indonesia
2009 (July-Dec)	4,369	1,955	2,414	6,076
2010 (Jan-Dec)	14,176	9,666	4,510	24,472
2011 (Jan-Dec)	21,604	16,995	4,609	13,754
Total	40,149	28,616	11,533	44,302

Notes: ATIGA Form D Transaction (approved by MITI).

ATIGA Form D Exchange Malaysia - Philippines

Transaction Period	No of Total Approved ATIGA Form D from Malaysia	No. of ATIGA Form D Transmitted Successfully from Malaysia	No of ATIGA Form D with Error in Transmission from Malaysia	No of ATIGA Received from Philippines
2009 (July-Dec)	1,294	743	551	76
2010 (Jan-Dec)	7,015	4,757	2,258	28
2011 (Jan-Dec)	10,991	7,985	3,006	0
Total	19,300	13,485	5,815	104

Notes: ATIGA Form D Transaction (approved by MITI).

Latest updates

- Installation of the new ASEAN Single Window (ASW) Gateway that is at the Pilot testing environment gives way to migration of the Technical Feasibility Initiative to a regional level development.
- Malaysia has made the necessary hardware and software changes for the ASW Gateway installation.

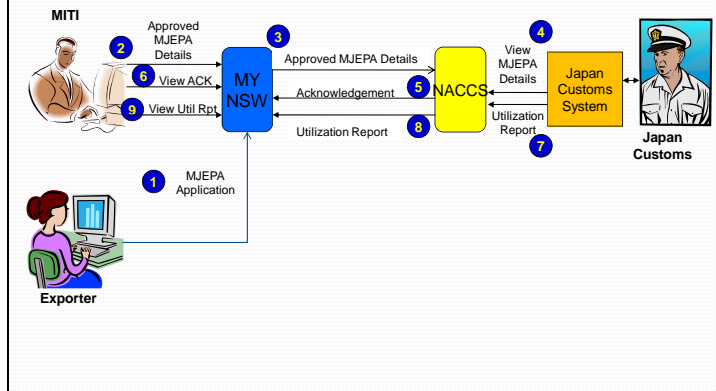
Malaysia-Japan e-PCO Exchange Pilot Project

- Japan Customs proposed in 2010 for pilot project to exchange e-PCO for Malaysia Japan Economic Partnership Agreement (MJEPA) between Malaysia and Japan.
- MJEPA Form is a certificate that is accepted as evidence of origin by the Japanese authority under MJEPA scheme to obtain preferential treatment .
- Malaysia and Japan Customs have agreed on the technical requirements and Memorandum of Understanding (MOU) for the e-PCO exchange pilot project.

MY-JP Exchange Project Scope

- Integrating ePCO with NACCS Japan
 - Nippon Automated Customs Clearance System (NACCS) is the service provider in Japan
- One way communication
 - MITI Malaysia send related e-PCO data to Japan Customs
- Enhanced Message
 - e-PCO message specification
 - Enhanced Acknowledge message specification
 - Enhanced CO Utilization Report message specification

MALAYSIA-JAPAN MJEPA EXCHANGE PROCESS FLOW



Status of Pilot Project

1. ePCO exchange Pilot Testing is being carried out between Malaysian Exporters and Japan Importers;
2. Next step - Live roll out;
3. Proposed paperless once project go live and Malaysia and Japan to sign the MOU;
4. Both Japan and Malaysia are working on the simplification of the Utilisation Report;
5. Selected exporters have agreed to join the pilot project;
6. During the pilot period, manual & electronic process will run in parallel.

Conclusion

- Malaysia is actively exploring new initiatives in implementing APEC cross border electronic initiatives:
 - Initiating Self-certification electronic exchange initiative between Malaysia-Singapore-Brunei Darussalam-Thailand (currently in paper-based);
 - Electronic Non-Preferential Certificate of Origin bilateral initiative (integrating and harmonising electronic systems of 71 Chambers of Commerce authorised to issue CO in Malaysia).

TERIMA KASIH
(THANK YOU)

o) Annex 10

 United Nations Economic Commission for Europe
UNECE

**Supply Chain Connectivity:
Harmonization of Data and of
Informational Requirements –
Regional Challenges and APEC Supply
Chain Initiative**

Serguei Kouzmine
UNECE (UN/CEFACT programme)
Kazan, Russia, 22 May 2012

 United Nations Economic Commission for Europe
UNECE

UNECE member states

- Western Europe
- Eastern Europe
- South-eastern Europe
- Central Europe
- Caucasus
- Central Asia
- Turkey, Israel
- USA and Canada



UNECE main areas of activities

- Development of trade (standards, trade facilitation, e-trade, etc.),
- Economic integration, entrepreneurship
- Forests and Timber,
- Transport,
- Ecology,
- Statistics,
- Housing,
- Sustainable Energy, etc.



UNLK: Layout Key for Trade Documents



Home About UNECE Main areas of work Information resources

UNECE Trade Areas of Work UN Centre for Trade Facilitation and E-business (UNCEFACT) Outputs List of Trade Facilitation Recommendations Single Window Repository

Trade

- UNCEFACT home
- About us
- Projects
- Outlets
- List of Trade Facilitation Recommendations**
 - Standards
 - Technical Specifications
 - Meetings and Events
 - Publications
 - Policies, Procedures and Terms of Reference
 - National Trade Facilitation Issues and TFWC Repository
 - Contact us

Single Window Repository

Following the release of the *Recommendation and Guidelines on Establishing a Single Window*, numerous countries approached UNECE with requests for information and support in planning and implementing their Single Window initiatives. The Repository of Single Window implementation was established in response to these requests.

The Repository offers case studies from countries that have already operational, or soon to be operational, Single Windows. When it was launched in 2007, the Repository contained case studies from 12 countries. In 2009-2010, the majority of these studies were updated and also new studies have been added.

Such countries' experiences are presented below and reproduced in the form in which they were received by the Secretariat.

New (2011) [Serbia](#), [Philippines](#), [Sumatra of Indonesia](#)

Updated/New (2010) [Singapore](#) and [Republic of Korea \(Customs\)](#)

New (2009) [Colombia](#), [The former Yugoslav Republic of Macedonia](#) and [Republic of Korea](#)

Updated in 2009 [Finland](#), [Germany](#), [Ghana](#), [Hong Kong SAR](#), [Malaysia](#), [Mauritius](#), [Senegal](#), [Sweden](#), and the [United States of America](#)

Studies from 2007 [Guatemala](#), [Japan](#)

Supply on the use of electronic documents at SW facilities in selected countries: [Bahrain](#), [Brazil](#), [Cuba](#), [Czech Republic](#), [India](#), [Indonesia](#), [Japan](#) and [Sumatra of Indonesia](#)

UNECE hopes that the information provided here will be beneficial to the reader and invites other operators to help expand our Repository by contacting the secretariat and sharing their experiences of a Single Window.

For further information please contact:
Serguei Kouzmine
Head, Trade Facilitation Unit
United Nations Economic Commission for Europe
Tel: +41 (0) 22 917 2771
Fax: +41 (0) 22 917 06 29
E-mail: Serguei.Kouzmine@unece.org



Strengthening the capacity of Developing and Transition Economies to link to Global Supply Chains through the reduction of Trade Obstacles

Executing Agencies:

UNECE in partnership with the other four Regional Commissions (, UNECA, UNECLAC, UNESCAP UNESCWA) and in collaboration with UNDP

Countries:

Selected countries from all five regional areas

Beneficiaries:

Ministries of Trade, Economy, Transport & Finance; Customs & Control Authorities; Trading Companies; Chambers of Commerce, Industrial, Trade & Logistics Associations; Trade & Customs Training Centers

Duration:

December 2011 – December 2013



Connectivity and Interoperability Components of Supply Chains

- Legal
- Organizational
- Semantic
- Technical
-



Requirements for Business to enter SCs

- Good quality product at a competitive price
- Ability to work on «just in time delivery» basis
- Transport infrastructure
- Conducive business environment
- Information flow and documentary requirements
- Other requirements (i.e. traceability: safety and may be social, etc.)
-



Russia – as seen from “outside”

- «ICT development index»- Russia – 48th place (Sweden -1; Germany -13; France -18; Belarus - 55; Kazakhstan - 69; ..)
- « Logistics Performance Index » - Russia – 95th place (Singapore -1; Germany- 4; Japan - 8; USA- -9; Kazakhstan - 86; Belarus - 91; ..)
- « Doing business » - Russia – 120th place (Singapore – 1; USA – 4; Germany – 25; France – 31; Belarus - 58; Kazakhstan – 63; ...)



Regulatory regime for business - latest developments at USA

- Executive Order 12866 of September 30, 1993 (Regulatory Planning and Review),
- Executive Order 13563 of January 18, 2011 (Improving Regulation and Regulatory Review)
- Executive Order 13610 of 10 May 2012 (Identifying and Reducing Regulatory Burdens)

regulatory action should be proportionate to the risks it sets out to mitigate.



Information flow at SCs depends on :

- Cohesive Government Policies, requirements on trade, compliance and integration
- Information exchange in global supply chains for intelligence based supply chain strategies and risk mitigation
- Automated platforms for the management of integrated business processes
- Track and tracing needs for efficiency and security of the supply chains



Conducive Role of Governments at SCs

“Pro-business” measures will enhance and open the opportunities for :

- Harmonized (simplified) data requirements
- Improved exports and competitiveness
- Integration and automation of business processes and intelligence.
- Enabling electronic information exchange
- Development and application of international standards and best practice



Documents and information requirements – how to simplify and harmonize

- Segment data/information at SCs and documentation
 - minimum / baseline documentation for domestic trade;
 - documentation required for intra-regional trade;
 - documentation required for inter-regional movements.
- Summarise the key regulatory documents (data) used in inter-regional SCs (e.g. licences, permits and other regulatory clearance documents) with a particular focus on documents (data) and information exchanged between various parties in the supply chain



Impact of new technologies on SCs

- evolution of differential supply chain models based on the presence or application of new technologies
- emergence of “leaders” and “laggers”
 - (“leaders” - countries and businesses with developed and applied integrated technologies to benefit from faster and more efficient movement of goods ; and “laggers” - those who fall behind with slower more costly supply chains)

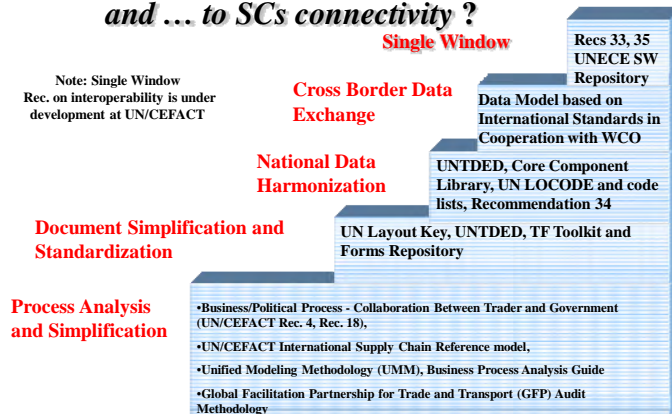


Possible areas to address at APEC ?

- Map the system supports, platforms and enabling technologies available to manage the international supply chain (including Single Windows, Trade Facilitation Systems, Web Portals, Port Community Systems, RFID, EDI, etc.)
- Consider the importance of interoperability between these systems (constraints)
- Identify possible future developments in the supply chain's information needs and processing
- Assess the impact of the future developments in terms of how they enable or constrain the current supply chain process

“Step by Step Approach” to Single Window and Paperless Trade and ... to SCs connectivity ?

Note: Single Window Rec. on interoperability is under development at UN/CEFACT



Connectivity and interoperability – checklist of problem areas and best practice

- Trade Facilitation and Supply Chains
- National / Regional Supply Chains Fostering Strategies – Benchmarking on connectivity (Legal / organizational/semantic/technical,...)
- Single Window and Supply Chains
- Data Harmonization and Supply Chains
- Cross Border Data Exchange and SCs
- TF Security and Security of Supply Chains



Connectivity and Supply Chains

- **Need in common, shared, and agreed approach to connectivity**

Contact:


Serguei Kouzmine
UNECE Global Trade Solutions Section
serguei.kouzmine@unece.org
www.unece.org/trade

p) Annex 11

We Bring You To The World. We Bring The World To You.

Trade, Cargo and Cash: Seamless Supply Chain Connectivity

Presenter: Alicia Say
Working Group Chair, PAA (Pan Asian E-Commerce Alliance)
Trade-Van Information Services Co., Chinese Taipei
May 22, 2012
For APEC Workshop on "Capacity Building of Different Aspects in E-Commerce of
Supply Chain Connectivity Implementation"

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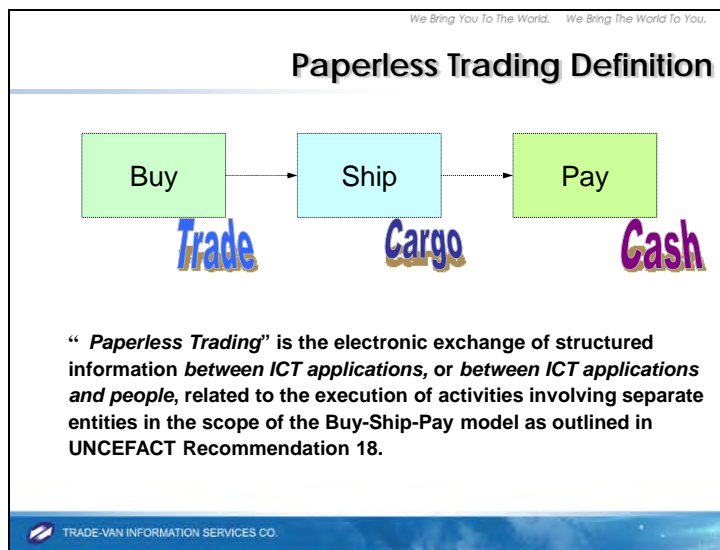
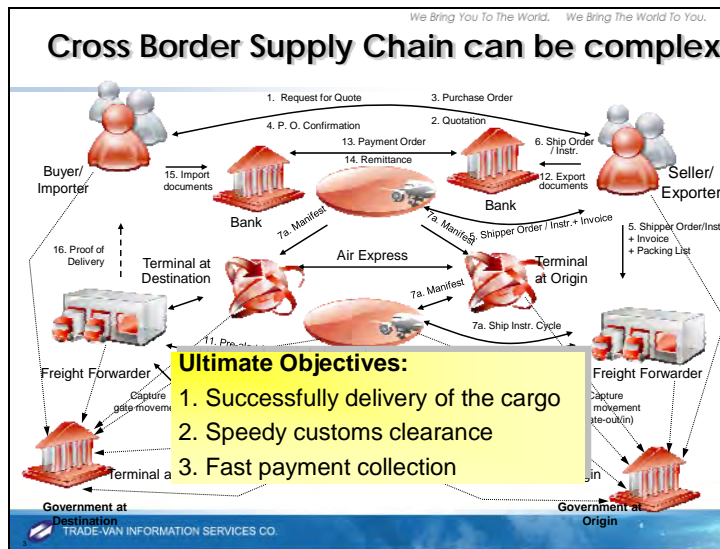
We Bring You To The World. We Bring The World To You.

Contents

- Cross Border Supply Chain
- Case Studies of Pan Asian E-Commerce Alliance
- From Trade to Cash
- Conclusion



 TRADE-VAN INFORMATION SERVICES CO. 1



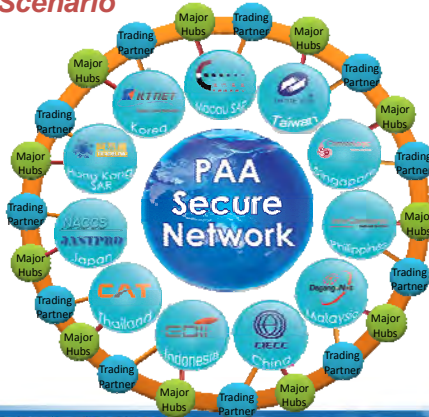
The Pan Asian eCommerce Alliance Charter

- To enable **secure** and **reliable transmission** of trade and logistics documents.
- To allow **inter-connection of network** services to provide e-Commerce transaction application services for the business community.
- To create a Pan-Asian portal to enable **global B2B connection** and communication.



Single Window, Asian Connection

PAA Scenario



To promote and provide secure, trusted, reliable and value-adding IT infrastructure and facilities to enhance seamless trade globally

Trade-Van - Full Cooperation Between Government and Private Sectors

► **Establishment:** Established in 1990 as a 'customs clearance automation' task force under Ministry Of Finance, Chinese Taipei

► **Privatization:** Established Trade-Van Information Services Co. in 1996, **IPO in 2011**

► **Achievement:** Completed air cargo clearance system in 1992 and sea cargo clearance system in 1994

Capital and Shareholders:
Paid up capital- NT\$1.5 Billion

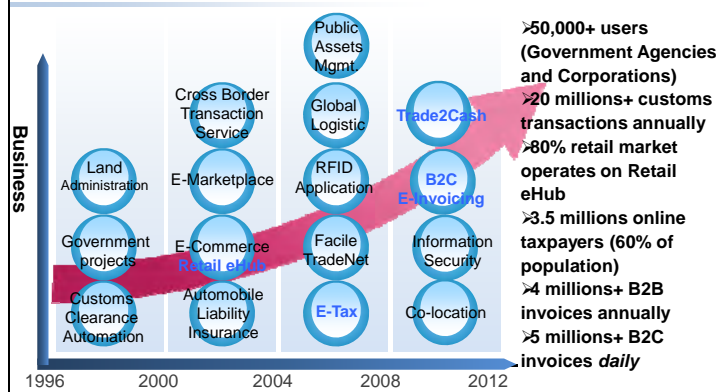
Government owns 36%-M.O.F.



Private sectors owns 64%

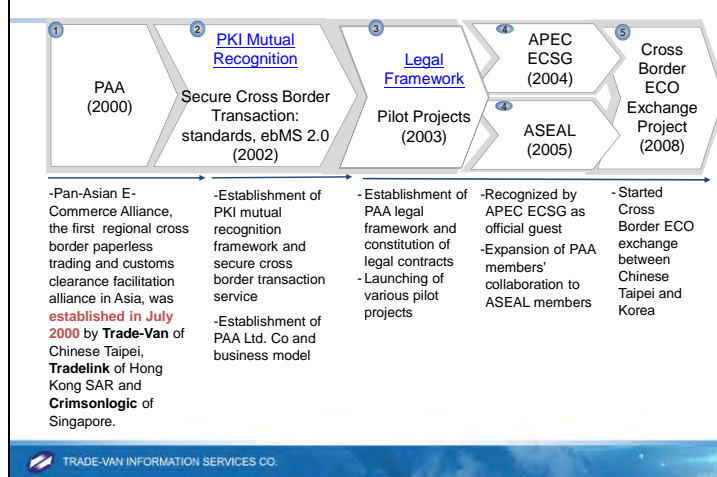
Government (M.O.F) owns 36%
Taiwan Land Investment Ltd
Eva Airways
China wa Fong Co. Ltd.
Hsu, Wen-Chi (Ming An Co. Ltd.)

Development Blueprint of Trade-Van



>50,000+ users
 (Government Agencies
 and Corporations)
 >20 millions+ customs
 transactions annually
 >80% retail market
 operates on Retail
 eHub
 >3.5 millions online
 taxpayers (60% of
 population)
 >4 millions+ B2B
 invoices annually
 >5 millions+ B2C
 invoices daily

PAA Milestone



Our Value Proposition

- **Help companies compete through secure electronic cross border trading services**
 - **Connect directly to trading partners and logistic providers**
 - Reduce administrative costs, purchasing costs, courier cost
 - Speed up transactions
 - Potential for "better" operations/inventory management
 - Potential for higher sales volumes/revenues
 - **Backed by comprehensive legal framework**
 - ◆ Accept electronic documents
 - ◆ Accept digital signatures
 - ◆ Dispute resolution process

e.g. electronic P.O. confirmed and signed by Chinese Taipei buyer legally binding in HK and vice versa.

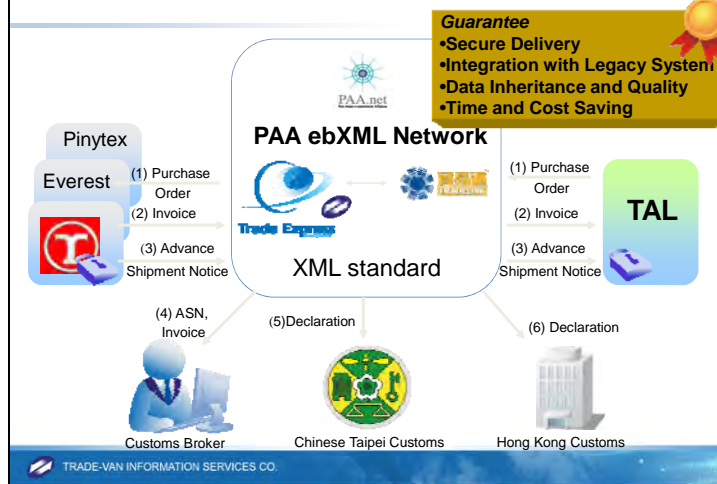


Case Study 1: Facilitating Trade

TAL

Major textile manufacturer in Hong Kong

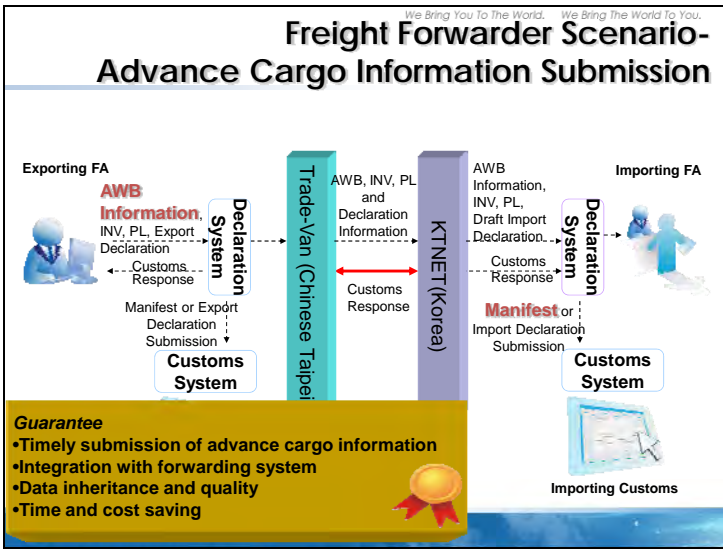
TAL – Tai Yuen Cross Border Pilot via PAA



Case Study 2: Facilitation & Risk Control at the border

Freight Forwarder

A new logistics management model



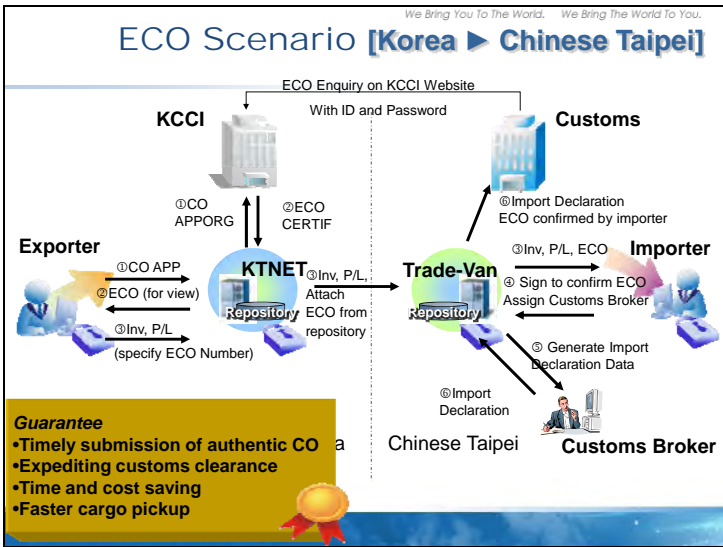
We Bring You To The World. We Bring The World To You.

Case Study 3: Expediting Clearance

APEC Pathfinder Project Electronic Certificate of Origin Exchange Project

A public and private partnership model

TRADE-VAN INFORMATION SERVICES CO.



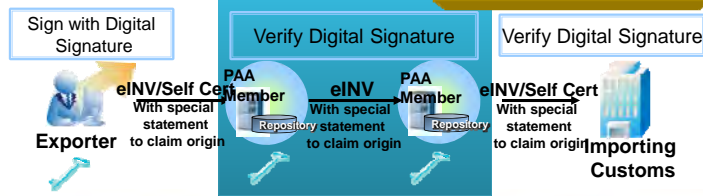
Self Certification (PAA Scenario)

Key Factors:

- Certificates for exporters and importers
- Trust list of service providers
- PAA PKI mutual recognition

Guarantee

- Exporters' Identity
- Expediting customs clearance
- Time and cost saving
- Faster cargo pickup

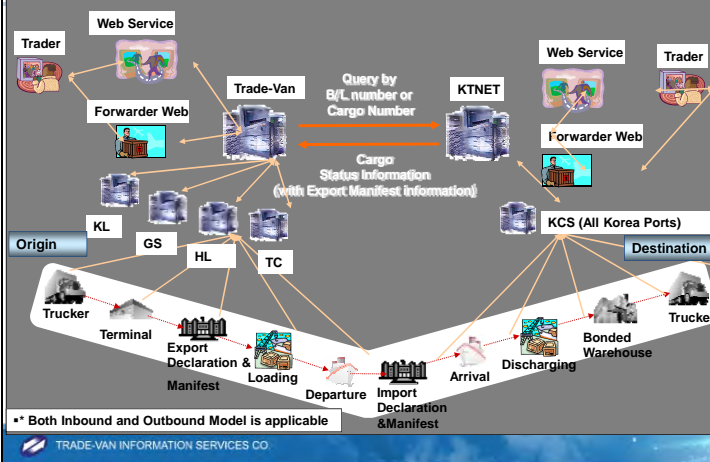


Case Study 4: Cargo Control

Cargo Visibility

PAA Cargo Visibility Service

Example of Chinese Taipei-Korea Cargo Tracking



The PAA Value Proposition

- EFFICIENT OPERATIONS – Trade **data can be reused** resulting in time savings in documents preparation
- REGULATORY INTEGRATION -**Integrated with Government services** (e.g. Trade Declarations) provided by PAA member
- ERROR FREE OPERATIONS – Automated reuse of trade data transmitted from trading partners result in **reduction of errors** caused by multiple data re-entry
- SECURITY - Secure electronic transaction with overseas trading partners – **no additional development** works or data mapping
- NEUTRAL RELIABLE PLATFORM – Common or **neutral** e-platform for **reliable** and **secure** document delivery
- STRONG PAA LEGAL FRAMEWORK - Backed by comprehensive contractual arrangement



Contents

- Cross Border Supply Chain
- Case Studies of Pan Asian E-Commerce Alliance
- From Trade to Cash
- Conclusion



APEC's Focus on SCI

Chokepoint #5

Burdensome procedures for customs documentation and other procedures (including for preferential trade)

- eCO Pathfinder
- Self Certification (for ASEAN FTA)
- Advance Cargo Information Submission

Chokepoint #6

Underdeveloped multi-modal transport capabilities; inefficient air, land and multi-modal connectivity

- Cargo Visibility Service

What about payment collection?

- Increasing use of Open Account as payment method
- Long payment collection period for SMEs (30 days – 270 days)
- Buyers' risk

Case Study 5: Payment Collection

Trade Finance Solution for SMEs

Operated by Trade-Van



Current Problem in Trade Finance

Challenge of SME Traders:



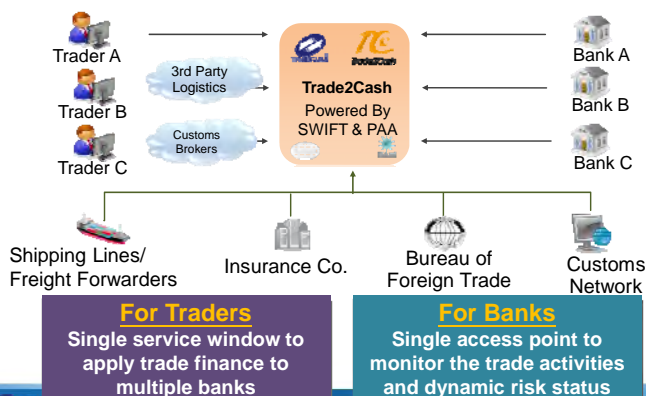
- Low level of disclosure of financial data makes SME difficult to get finance from banks
- Banks are lacking of credit rating and risk assessment tools to provide trade finance
- Abundance of documents involved in int'l trade require multiple entries of single data
- Lacking of IT investment to streamline the int'l trading process

Challenge of Banks:



- Lacking of transparency in the trading information prevents banks to provide trade finance to SMEs, hence losing SME customers
- Higher risk to provide financing to SMEs
- Difficulties to obtain first-hand trading infor. cause problems to banks in verifying the authenticity of the transaction

Trade2Cash: Single Window for Trade Finance



Value Proposition for Traders

Exporter

- Single service point for trade and financing
- Automatic compliance check
- Avoid data mistake from duplicate key in
- Improve operation efficiency, reduce trading document preparation time
- Improve existing open account payment method, increase financing opportunities
- Integration with corporate legacy system, improve data quality and consistency

Importer

- Increase supply chain efficiency, helping suppliers to obtain bank financing
- Automatic compliance check, guarantee data consistency
- Integration with trading and logistic system, increase data quality
- Real time monitoring of cargo visibility

Conclusion

- PAA, the first regional alliance of service providers facilitating paperless trade, customs and logistics
- PAA is serving 260,000 organizations, representing almost all active trading enterprises in the Asian market
- PAA Service Model is a decentralized model with all service providers (PAA members) complying to same communication and security standards
- PAA's PKI Mutual Recognition Framework is the key success factor to cross border supply chain connectivity
- Welcome to visit us at www.paa.net



Recommendation

- PAA is happy to share the PKI Mutual Recognition Framework with APEC
 - ASEAN has invited experts from PAA to share PAA Legal Framework for ASW
 - Recently in April 2012, CAREC (Central Asia Regional Economic Cooperation) invited experts from PAA to lead a workshop on PAA Legal Framework
 - Exploring the possibility to adopt PAA PKI Mutual Recognition Framework for CAREC SW Implementation
- Identify new chokepoint of Cross Border Payment Collection in the Supply Chain Connectivity
- Foster Cross Fora Collaboration -
 - SCCP to adopt the Cross Border eCO Exchange Model
 - TEL to work on the Cross Border PKI Mutual Recognition and Internet Security





Into Simplicity

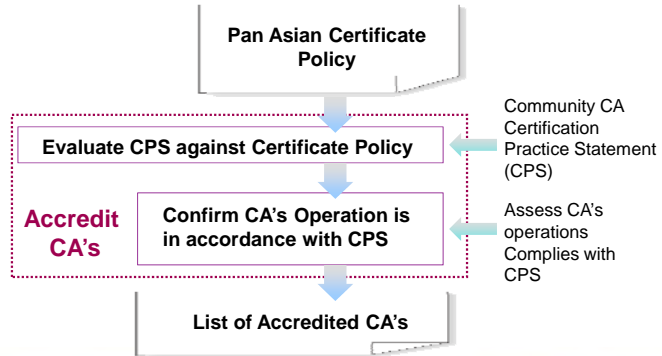


Thank You!

For further information, kindly contact alicia.say@tradevan.com.tw TEL: 886 2 3789 5762

PKI Mutual Recognition

Pan Asian Certificate Policy Authority



q) Annex 12



What are we speaking about?

- Motivation
- Experience of EU on cross-border using electronic signatures
 - Basics
 - Practice
 - E-procurement service and PEPPOL pilot project
 - What is to be done?
- Experience of Common Criteria
 - Maintenance of the legal virtue of CC certificates
 - Maintenance of the genuineness of goods and services
- Conclusion: Global Value Chains: How to encourage?

Motivation

Global demand and supply cause

that *consumers* and *suppliers*

know each other neither directly nor in according to their reputation

➤ Hence, verifying *crucial virtues* of

- goods,
- services,
- records and documents, etc.

before you make a decision has become very important.

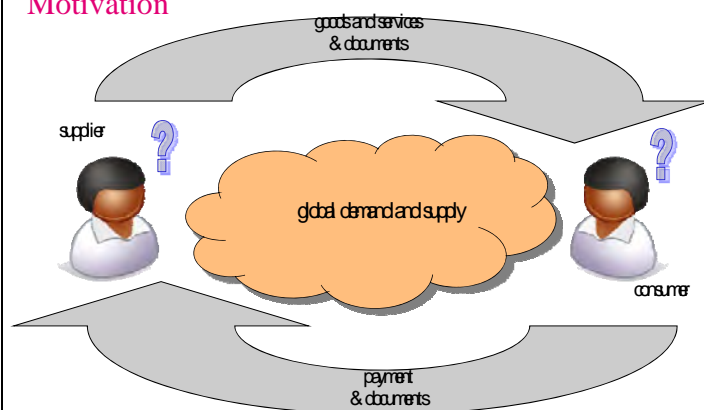
➤ Consumers are mostly interested in *genuineness* of goods and provided services,

➤ Suppliers - in *genuineness* of means of payment,

➤ Both of them – in *legal virtue* of records and documents (contracts, certificates, IDs, etc.)



Motivation



Experience of EU on Cross-Border Using electronic signatures: Basics

➤ The focus of this first part lies on the maintenance of the *legal virtue* of records and documents (contracts, certificates, IDs, etc.) within the European Union

➤ The foundation is the DIRECTIVE 1999/93/EC on a Community framework for electronic signatures with related documents

➤ The purpose is (Art. 1)

- to facilitate the use of electronic signatures and
- to contribute to their legal recognition.

➤ It establishes a legal framework for

- electronic signatures and
- certain certification services

to ensure the proper functioning of the internal market (Art. 1)



Experience of EU on Cross-Border Using electronic signatures: Basics

- The EU DIRECTIVE establishes principles for the certification service market (Art. 3, 4)
 - Each Member State shall apply the national provisions being pursuant to this Directive to certification service providers established on its territory. Member States may not restrict the provision of certification services originating in another Member State.
 - Member States shall ensure that Directive-compliant electronic-signature products are permitted to circulate freely.
- Other EU standards supplementing, but being not a part of the Directive 1999/93/EC:
 - ETSI TS 101 456 ,Policy requirements for certification authorities issuing qualified certificates’;
 - it served as an input for the APEC TEL eSTG ,Guidelines for schemes to issue certificates capable of being used in cross jurisdiction eCommerce’
 - ETSI TS 102 042 ,Policy requirements for certification authorities issuing public key certificates’



Asia-Pacific
Economic Cooperation

Maintenance of Qualified Values: EU and CC experiences
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SOM2, ECSSG, Capacity Building of Different Aspects in E-commerce of Supply Chain Connectivity Implementation
Kazan, 22nd May, 2012, page 6



Experience of EU on Cross-Border Using electronic signatures: Practice

- **And what does the practice show in the EU?**
 - It shows that e-signature-based systems work on national levels, but on the cross-border level within EU - do not (properly).
- **Why?**
 - The main reason is a lack of legal and technical cross-border interoperability, i.e. of common legal and technical requirements
 - Despite the Directive 1999/93/EC? - Yes!
 - A ‘generous’ framework of the Directive has led to national deviations in legal, procedural and technical conditions concerning e-signatures
 - European standardisation is not under the authority of the European Commission, but delegated to the Eur. Committee for Standardisation (CEN) and to the Eur. Telecommunications Standards Institute (ETSI)



Asia-Pacific
Economic Cooperation

Maintenance of Qualified Values: EU and CC experiences
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Kazan, 22nd May, 2012, page 7



Experience of EU on Cross-Border Using electronic signatures: Practice

- What is concretely different in legal, procedural and technical conditions concerning e-signatures being nationally recognised as valid for a type of service?
 - different types of e-signatures: simple, advanced, qualified;
 - different types (simple, qualified) and contents of e-signatures certificates;
 - different procedures for the *supervision* and *accreditation* of the certification service providers (CSPs)
- These discrepancies ground in national e-signature acts
 - being generally compliant to the EU Directive,
 - but deviating from each other in ‘such’ details and, hence, possibly conflicting there.



Asia-Pacific
Economic Cooperation

Maintenance of Qualified Values: EU and CC experiences
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SOM2, ECSSG, Capacity Building of Different Aspects in E-commerce of Supply Chain Connectivity Implementation
Kazan, 22nd May, 2012, page 8



Experience of EU on Cross-Border Using electronic signatures: e-procurement service

- Such deviations in important details between national e-signature acts were analysed for e-procurement service in a study by ifib (Bremen)
- E-signature types: in the contracting phase, only qualified signatures satisfy legal equivalency to handwritten signatures.

But, e.g. the French regulations

- allow the use of non-qualified certificates being not sufficient in a pan-European context;
- miss SSCDs and cause a lack of technical and organisational infrastructures for dealing with qualified signatures coming from abroad



Experience of EU on Cross-Border Using electronic signatures: e-procurement service

- Content of certificates concerning unequivocal identification of the signatory
 - e.g. Spain demands unique national person identifiers in qualified certificates, but
 - e.g. Germany do not.

This splits the Member States in two groups and creates significant barriers for cross-border use

- The requirements for an accreditation of CSPs
 - EU Directive defines a CSP accreditation as a voluntary one and makes issuing qualified certificates independent of such a predicate.
 - But, e.g. in France, contracting documents shall be furnished with electronic signatures based on certificates issued by a CSP achieved accreditation by the French Ministry of Finance.



Experience of EU on Cross-Border Using electronic signatures: e-procurement service: PEPPOL pilot

- The PEPPOL is an EC project facilitating EU-wide interoperability in public e-procurement aiming at setting up pan-European pilot solutions that conjointly exist with national infrastructures.
- PEPPOL enables businesses to communicate electronically and securely with public buyers
- It is possible - for any economic operator and contracting authority - to join the PEPPOL community and engage in electronic transactions (www.peppol.eu)
- **It works!**



Experience of EU on Cross-Border Using electronic signatures: What is to be done?

➤ Bridging diversity by trust

- the only opportunity to bridge (but not eliminate!) diversity is establishing a trust relationship between all the members of 'trusting club'
- it can be done by agreeing a 'club statute' foreseeing some trust-creating and trust-maintaining procedures like 'Member Registration' and 'Periodic Reassessment'

➤ Adaption of legislations

- international balancing the required types of e-signatures for different services
- elimination of discriminating clauses in Member States' laws



Experience of EU on Cross-Border Using electronic signatures: What is to be done?

➤ Technical and organisational interoperability

- Mutual recognition of e-signatures can be upheld by a common distributed validation platform
 - verifying the authenticity and integrity of a signature certificate,
 - interpreting the certificate' content correctly,
 - verifying the related electronic signature and
 - warranting the authenticity and integrity of the overall validation procedure.
- A harmonised usage of standardisation is here a prerequisite



Experience of Common Criteria: Maintenance of the legal virtue of CC certificates

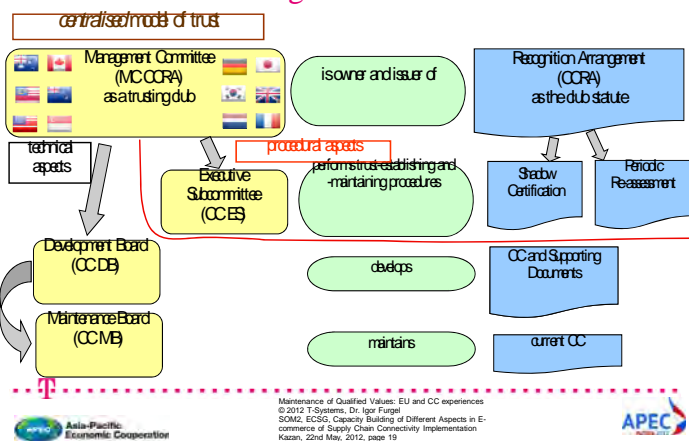
- The Common Criteria for Information Technology Security Evaluation (CC) are the technical basis for an international agreement - the Common Criteria Recognition Arrangement (CCRA, May 2000) - which ensures that:
 - Products can be evaluated by competent and independent licensed laboratories so as to determine the fulfilment of particular security properties, to a certain extent or assurance
 - The certification of the security properties of an evaluated product can be issued by a number of Certificate Authorizing Schemes :
 - this certification is based on the result of the evaluation
 - These certificates are mutually recognized by all the signatories of the CCRA.



Experience of Common Criteria: Maintenance of the legal virtue of CC certificates

- What is the legal virtue of a security certificate?
=> **It is its property to be valid**
- The certificate property 'to be valid' is awarded (created) by the issuing Certification Body
- Certificate validity shall be maintained in time (expiration of validity) and space (cross-border mutual recognition of validity)
- How does it work within the CC community?

Experience of Common Criteria: Maintenance of the legal virtue of CC certificates



Experience of Common Criteria: Maintenance of the legal virtue of CC certificates

- Procedural aspects:
 - CC Recognition Arrangement itself as the root of trust
 - Shadow Certification procedure
 - Periodic Re-assessment procedure
 establish a trust relationship between all the CCRA members
- **This trust relationship is finally the anchor of trust enabling the maintenance of certificate validity as the legal virtue**
- This legal virtue of a CC certificate is used
 - directly by the final consumers of certified products as well as
 - indirectly by product manufacturers in the context of the composite evaluation according to CCDB-2007-09-01

Experience of Common Criteria: Maintenance of the genuineness of goods / services

- What is about property *genuineness* and its maintenance?

A goods or a service retains genuine, if

- it is sourced from an *authentic* goods manufacturer or service provider and
 - its *integrity* is maintained during the entire life cycle (excepting recycling)
- Both of these generic security properties –
- authenticity and
 - integrity

of a product (and its single components) during its conveying from the items manufacturer(s) to the final consumer(s) – are in the scope of CC, namely of the assurance class ALC.



Experience of Common Criteria: Maintenance of the genuineness of goods / services

- The assurance class ALC covers technical and organisational measures maintaining the *authenticity* and *integrity* of a product
- Trust in technical measures (like secrets sharing, etc.) can only ground in trustworthy procedural measures.
- Hence, the interacting parties involved in the product delivery chain shall establish trust relationships between each other.
- In the IT products world, they usually do this by using the decentralised model of trust:

the trust relationships are established by bilateral agreements.

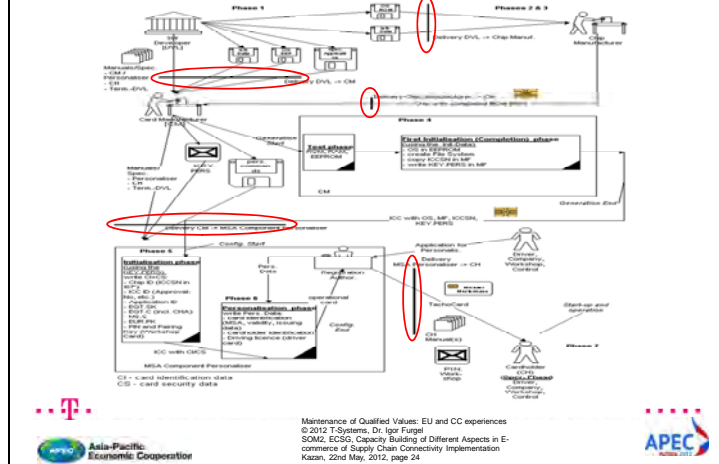


Experience of Common Criteria: Maintenance of the genuineness of goods / services

- If there are many contracting parties, it may be sensible to establish a *centralised* trusted model:
 - It reduces the number of bilateral relationships
 - ~ N for the centralised, but
 - ~ N² for the decentralised model,whereby N is the number of interacting parties



Experience of Common Criteria: Maintenance of the genuineness of goods / services: Smartcards



Global Value Chains: How to encourage?

- Bridging diversity by trust (centrally, decentrally)
 - Adapting legislations
 - Technical and organisational interoperability
- All these aspects are not confined
- to a single legal and technical domain (= national level) or
 - to a single cluster of domains (= e.g. the EU level)
- They are of general validity for the entire Earth Community and, hence, should also be considered on this level

Let us encourage it!

r) Annex 14



**Ministry of Transport
of the Russian Federation**

**Russian Priorities for 2012
Chairmanship Activities within APEC
Transportation Working Group**

Arthur Karlov
Russian HoD to TPTWG



**Establishment of Reliable Supply Chains
as APEC Priority for 2012**

Making commodities less costly and enhancing the reliability of their movement along the entire logistic chain, from producer to consumer, is a key factor in international trade.

This involves forming economically viable and secure commodity supply chains, coordinating various types of transport, providing transport hubs and corridors with state-of-the-art information technology and satellite navigation systems, and harmonizing transportation security standards.

2



- Two key initiatives currently presented by Russia in TPTWG

Diversification of Global Supply Chain Routes

Development of Intelligent Supply Chains



Major Global Supply Chain Routes in Eurasian Transportation



Intelligent Supply Chains – what are they?

Supply Chain should be seen as a single modern mechanism equipped with the latest “intelligent” technologies to sustain the interests of producers and consumers, ensure the quality and speed of delivery, provide visibility and control over transportation of any type of cargo.

Priority should be given to optimizing supply chains via equipping them with modern technology such as ITS, GNSS-based monitoring devices, transport management centres, etc. enhancing overall efficiency of supply chains, preferably, in its weakest links.



ISC Initiative – Tasks to Undertake

1. To bring more attention to the need of enhancing the supply chains with GNSS-based tracking and monitoring technologies in order to achieve supply chain visibility;
2. To prepare framework for studies aimed at exploring the possible positive impact of equipping major transportation hubs in the Asia-Pacific with ITS and GNSS systems;
3. To enhance interaction between space agencies of participating economies in order to intensify the information exchange between GNSS platforms for supply chains security and safety;




ISC Initiative – Tasks to Undertake

4. To coordinate efforts on establishing transport flows management centres and ITS implementation – share expertise and know-how;
5. To initiate discussions on how to jump from outdated technologies in transport to next-gen bypassing the current tech;
6. To standardize early warning technologies (in case of emergencies in cross-border transportation of dangerous cargoes).



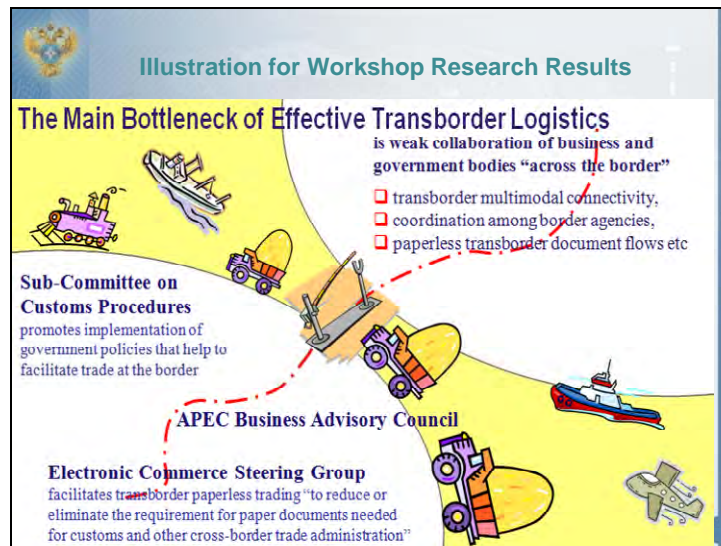
TPT 06/2010 Project Transborder Control and Optimal Transborder Logistics

- The project objective was to determine APEC principles of transborder logistics services optimization, covering government and industry transactions. The full scope of regulatory issues affecting logistics as well as matching of government border control and transport flows was examined.
- Workshop held as part of TPTWG activities in Vladivostok, Russia on 3-4th of October, 2012 together with “GNSS application for Seamless Transport Supply Chain Connectivity in APEC” organized by the Ministry of Transport and Federal Space Agency.
- Preliminary studies performed with the help of TPTWG members and specifically – members of Intermodal and ITS Experts Sub-Group.



**Transborder Control and Optimal Transborder Logistics:
Outcomes**

- Fifty-five participants from 10 APEC economies and a guest from UNESCAP.
- Participants included representatives from transport departments (aviation, road, rail, sea/river, port authorities), customs services, shippers and logistics operators.
- Fruitful discussions held during the workshop and in TPTWG.
- The project contributed to further development of Supply Chain Connectivity Initiative.
- The project stimulated cross-fora collaboration (TPTWG+SCCP).



- ### Workshop Conclusions in Brief
- Consensus was reached on the following key aspects of transborder logistic optimization:
- the main obstacle of supply chain transborder connectivity is lack of collaboration of business and government bodies inside each APEC Member economy as well as "across the border",
 - the main driver is broader usage of new technologies (ICT in first place) in transactions of intermodal transborder cargo movement.
 - APEC principles of transborder logistics optimization were adopted (available at TPTWG website – www.apec-tptwg.org.cn)

- ### Project Results
- The principles aim at overcoming Chokepoints 1, 4, and 6 of APEC Supply Chain Framework Action Plan.*
- APEC economies will be guided by the following principles to optimize transborder logistics:
- Transparency
 - Consistency
 - Simplicity
 - Efficiency
 - Harmonization
 - Standardization
 - Interagency coordination
 - Cooperation
- Case studies of 21 APEC Economies performed*
-



Recommendations Adopted

The Workshop made the following recommendations to APEC Member economies:

1. to promote better transborder logistics optimization legal environment in APEC Member economies, including of ratification of major international conventions, e.g. The Montreal Convention of 1999,
2. to reap the full benefits of the new technologies usage in facilitation of international road transport necessary changes in the legislation, rules, instructions governing the procedures for international trade and transport needs to be undertaken by the APEC Member economies,
3. to make use and integrate of new logistic technologies, such as Radio Frequency Identification (RFID), satellite positioning, etc.,



Recommendations Adopted

4. to implement the Single Window in transborder transactions according to Rec. 33 of UNCEFACT,
5. to enhance the involvement of private business in transborder logistics optimization
6. to implement paperless transactions and work-flow for transborder cargo movement, incl. transactions with government bodies,
7. to foster effective subregional and bilateral agreements and facilitate supply chain transborder connectivity,
8. to enforce capacity-building activities in the APEC region,
9. to promote risk management system which is a core principle of the WCO Revised Kyoto Convention (RKC) supplemented by recent work on the WCO Customs Risk Management Compendium.

**THANK YOU
FOR YOUR
ATTENTION**

s) Annex 15



Federal Customs Service

Main primary goals of the FCS Russia within APEC:

Unification of information systems of customs services in Asia-Pacific region which will let customs services of APEC economies and of Russia:

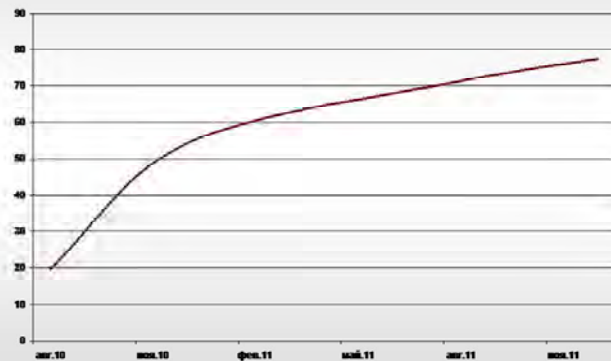
- promote effectively further development of foreign trade in APEC region especially reduce of cost and duration of goods delivery, increase of safety of global trade and attractiveness of Russia for foreign investors;
- reveal areas of economic violations on the basis of risk management which entail non-receipt of customs duties and taxes to budget;
- fully implement the potential of foreign trade regulation as a tool of facilitation of competitiveness of Russian producers;
- maintain customs administration in the APEC region with the help of unification of information standards and technologies, set up close cooperation between customs administrations of APEC economies as well as between their business communities.

Moreover for establishment of Single Customs Information Space within the APEC the FCS Russia offers to set up exchange of information on contents of Register of IPR objects between customs administrations and on IPR violations in foreign trade revealed by customs.

3

Federal Customs Service

Growth of percentage of electronic declarations issued by customs authorities in 2010-2011



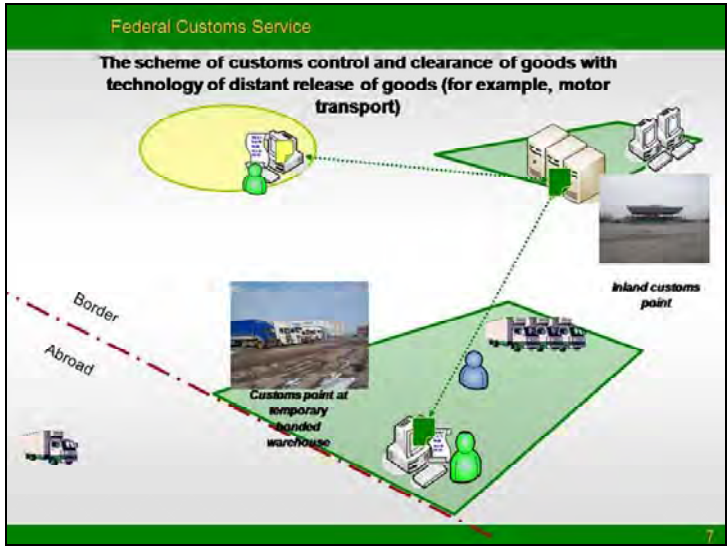
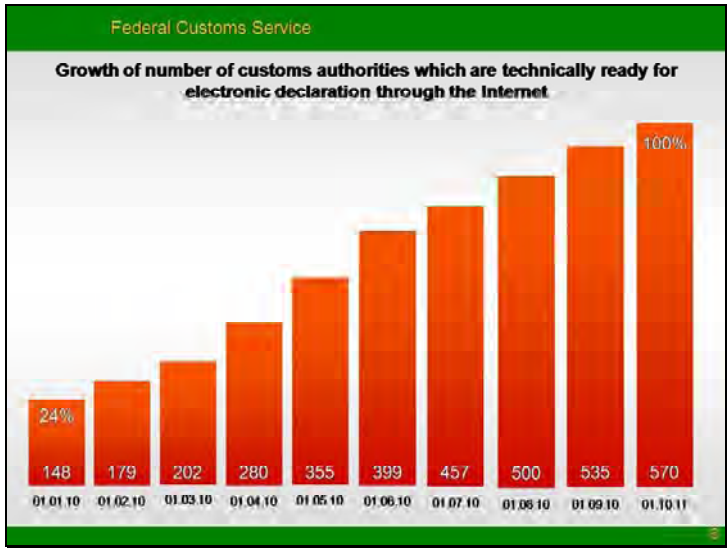
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Federal Customs Service

Number of filed messages with preliminary information in 2011, including messages received through the Portal FCS Russia «EUS» (Electronic users' system)

Vehicles	155 093	450 544	605 637
Railways	98	69 765	69 863

5



Federal Customs Service

Specified customs points - Electronic declaration centres

Far East Customs Department	Vladivostok Customs Point (Electronic declaration centre) of Vladivostok Customs
	Amur River Customs Point (Electronic declaration centre) of Khabarovsk Customs
The Volga River Customs Department	Bashkortostan Customs Point (Electronic declaration centre) of Bashkortostan Customs
North-Western Customs Department	Novgorod Customs Point (Electronic declaration centre) of Novgorod Customs
Siberia Customs Department	Irkutsk Customs Point (Electronic declaration centre) of Irkutsk Customs
	Novosibirsk Customs Point (Electronic declaration centre) of Novosibirsk Customs
Central Customs Department	Vladimir Customs Point (Electronic Declaration Centre) of Vladimir Customs
	Moscow Customs Point (Electronic Declaration Centre) of Moscow Customs
	Tver Customs Point (Electronic Declaration Centre) of Tver Customs
Ural Customs Department	Ekaterinburg Customs Point (Electronic Declaration Centre) of Ekaterinburg Customs
	South-Ural Customs Point (Electronic Declaration Centre) of Chelyabinsk Customs
Southern Customs Department	Krasnodar Customs Point (Electronic Declaration Centre) of Krasnodar Customs
	Roslov-on-Don Customs Point (Electronic Declaration Centre) of Roslov Customs

Federal Customs Service

Drafts of regulations adjusting electronic declaration of goods



Draft Procedure of interaction between persons declaring goods and customs authorities during electronic declaration procedure

- Fixation of moment when EDG is considered to be submitted for the customs purposes;
- Possibility of examination of EDG is foreseen, including a request of additional documents prior to registration;
- Cases of submission of documents and information to customs (electronic and paper) are determined;
- Electronic declaration of goods procedure through temporary periodical declaration of goods is specified;
- Details on data adjustment (changes) declaring in EDG is described;
- Time schedule of release of electronically declared goods is brought into compliance with the Customs Code of the Customs Union;
- Procedure of execution of several operations after release of goods is defined.

Federal Customs Service



New draft regulation of customs officials actions in case of electronic declaration

Regulates customs officials' actions while the electronic declaration of goods (EDG) which are not clearly regulated at this time, such as:

- Making decision on request of additional documents prior to registration EDG;
- Forwarding of EDG to the functional units for making a decision;
- Collaboration of information submitted in the electronic declaration with the data available to the customs (Document Registration Database, System of Interagency Electronic Collaboration);
- Application of various forms of customs control within the Operationalizing Risk Management;
- Making the decision by Head of the customs point;
- Operational procedures of customs officials

Federal Customs Service

Russian proposal on Possible Measures to Harmonize Approaches to Customs Administration in APEC economies

In 2012 we would like to draw the attention of the APEC Sub-Committee on Customs Procedures to the important issues of cooperation and harmonization in the area of regulation highlighted by Leaders at the 2011 Honolulu Meeting.

In order to facilitate and harmonize customs administration in APEC economies, to promote trade as one of the main key ways of establishing a free and open area of trade and investment in the region, including to make operations in the APEC region more predictable and clear for stakeholders of foreign economic activity, we suggest that the Sub-committee on Customs Procedures should:

1. *Make a compendium of documents in electronic form, which will contain all the necessary information and examples of documents with instructions of their completion (first of all Export Declarations) for participants of foreign trade activity (use one of APEC related web-sites which will contain customs statistics provided by APEC economies on a voluntary basis).*
2. *Exchange customs statistics data (use one of APEC related web-sites which will contain customs statistics provided by APEC economies on a voluntary basis).*
3. *Establish a mechanism of collaboration between customs academies in APEC economies by holding international workshops, exchange of experience and best practices (i.e., on common procedure of formalizing customs documents; organizing and managing the electronic systems of submitting customs declaration within the framework of a Single Window system; accreditation process for authorized economic operators) and joint trainings on customs administration for specialists from APEC economies.*

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Federal Customs Service

June, 13th-15th, 2012, Hotel Hyunday, Vladivostok, International Conference on Prospective Customs Technologies

Main topics to be discussed:

1. **Customs Administration of Authorized Economic Operator**
2. **Electronic Declaration and Preliminary Informing**
3. **Risk Analyze and Management in Customs**
4. **Applying of Customs Control Technical Tools**

Your presentations to our Conference are welcomed!

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Thank you for attention!