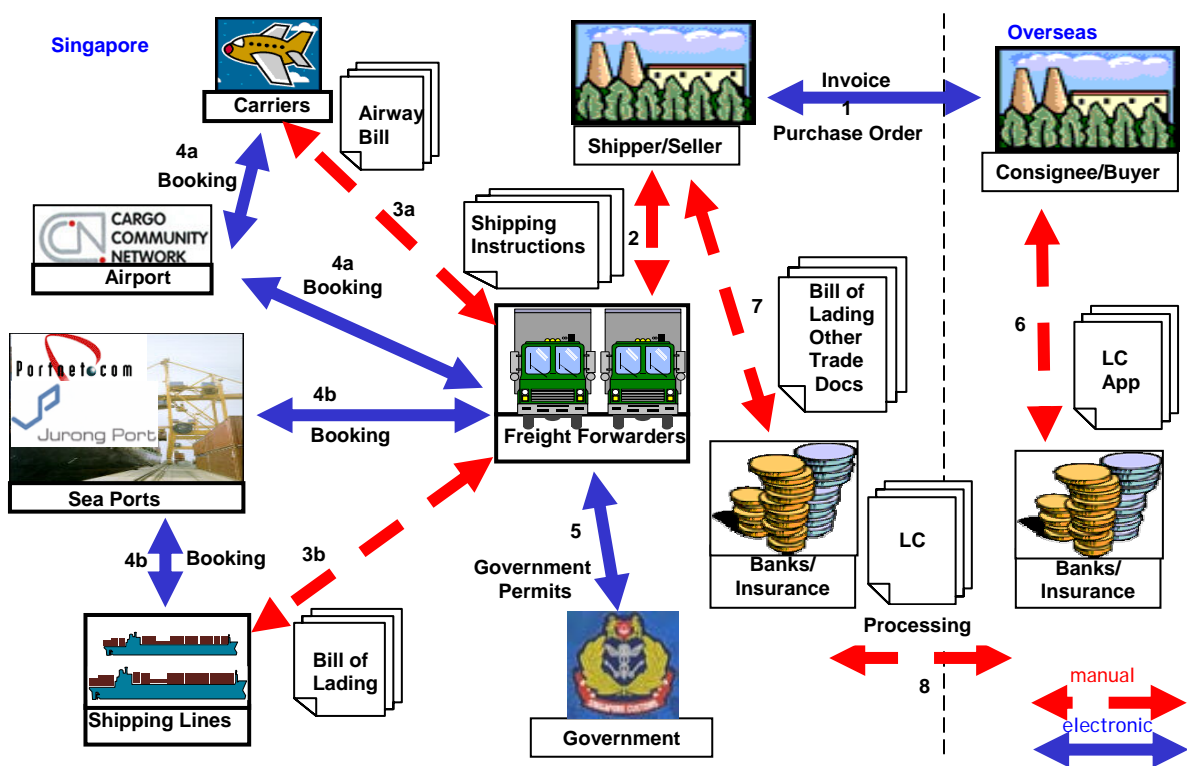


ABOUT THE INTEGRATED TRADE & LOGISTICS IT PLATFORM

1. An Integrated IT platform for the Trade & Logistics community will be developed to help manage the flow of commercial and regulatory information between shippers, freight forwarders, carriers and financial institutions to facilitate the flow of goods within, through and out of Singapore.
2. This Integrated Trade & Logistics IT platform will consist of the following three components:
 - (i) A **core IT system** that facilitates the exchange of commercial and regulatory documentation necessary for trade.
 - (ii) **Value-Added Services** which leverage the core IT system to help create new capabilities and derive greater value to the trade and logistics community. Examples include Trade Finance Processing and Track and Trace services.
 - (iii) An **adoption strategy** to drive industry adoption to realise the benefits of the Integrated IT platform.

An Illustration of a Typical Trade Transaction



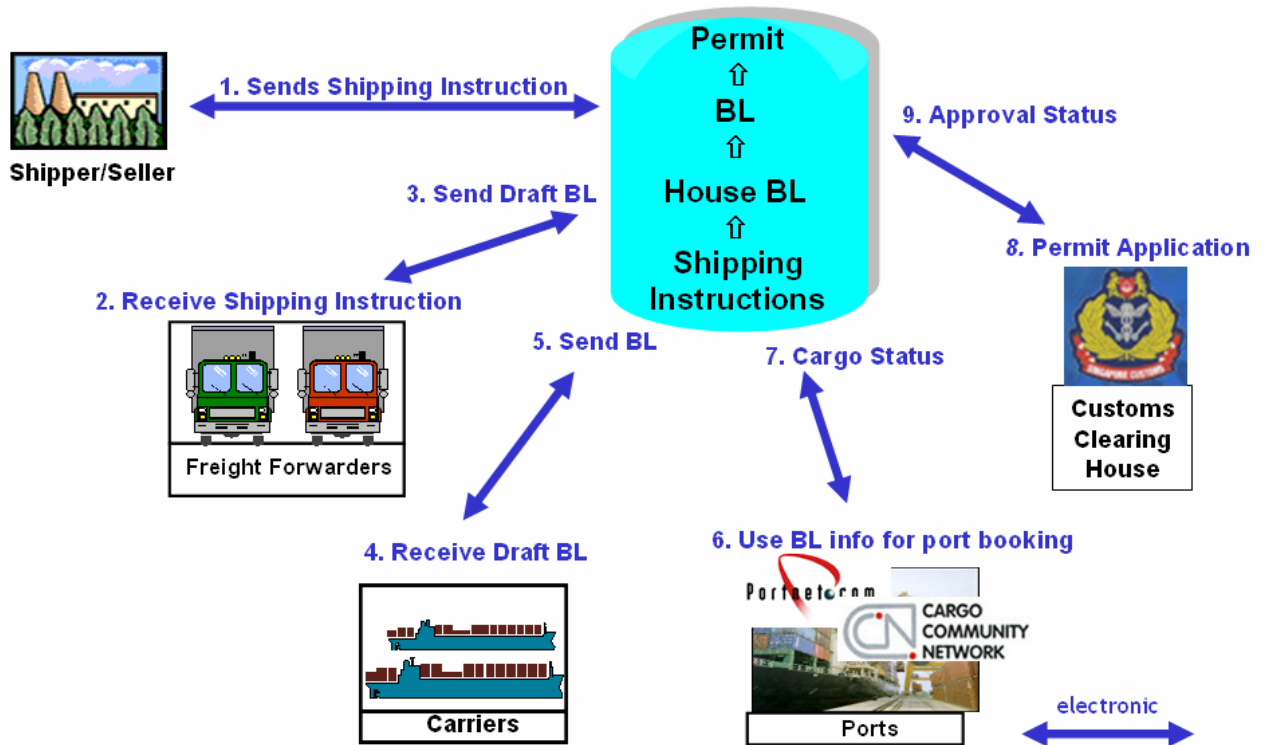
A typical trade process involves the shipment of goods between countries and the management of information and business processes required to complete the shipments. It also involves a complex network of trade participants, namely shippers/exporters, forwarders, carriers, consignee/buyer, banks and customs and regulatory agencies, sometimes as many as 25 different parties and 30-40 different trade documents. Various documents and types of information are exchanged at each step of the process. The information sharing is critical to ensure a smooth, secure and optimized transaction. From a government or regulator's point of view, the information exchanged at each step of the process ensures proper control and audit trails in the supply chain.

In this entire trade cycle, numerous stakeholders are involved, each with specific interest and fulfilling a certain task in the trade value chain:

1. An overseas **buyer** sends a purchase order to buy from a local shipper and the shipper acknowledges with an invoice. This information exchange can be electronic, using proprietary systems.
2. The **shipper** then faxes a shipping instruction to his **freight forwarder**, who is responsible for moving his goods to the buyer. There are usually several exchanges using phone and fax to confirm the shipping instruction between both parties. The freight forwarder also needs to coordinate and manage the information between his warehouse and many other players and systems.
3. The **freight forwarder** then re-keys in the shipping instruction from the shipper to prepare an airway bill and faxes it to the carrier for air freight and does the same for a bill of lading and faxes it to the shipping lines for sea freight. This process is repeated, until both freight forwarder and carriers/shipping lines get the right information.
4. Then, either the **freight forwarders** or the **carriers/shipping lines** will then re-key in the same shipment information from the shipper to the Cargo Community Network (CCN) for airport bookings and does the same to Portnet or Jurong Port Online for sea port bookings.
5. The **freight forwarder** then again, re-key in bill of lading or airwaybill information, coupled with other information from port bookings and invoice information from shippers to prepare for government permits through TradeNet.
6. Where the **buyer** (importing country) requires trade finance, he would apply to their local bank for an Letter of Credit and the shipper (and sometimes the freight forwarder) would have to coordinate and courier all supporting documents (e.g. bill of lading, Certificate of Origin, insurance certificates, inspection certificates, etc) to the advising bank, which then check and pay the seller.

The above illustrates the current issues. According to a United Nations study, up to 60-70% of the data is re-keyed at least once. Players also need to go through multiple systems and data entry steps. As a result, there is lack of information and supply chain visibility.

An Example of one Usage Scenario:



With the Integrated IT Platform in place, companies no longer need to access multiple systems and do data re-entry to re-generate the same documents. The ability to capture information early in the supply chain will lead to reduced data duplication and errors. This will also reduce trade turnaround time. Players will enjoy cost reduction from reduced data entry and re-entry, courier costs and turnaround time. The above illustration shows an example of one usage scenario for the creation of one sea trade document and export permit application.

1. The **shipper** (manufacturer/exporter) now sends the shipping instruction through the integrated IT platform. The platform will capture the shipping instruction data.
2. The **freight forwarder** then retrieves the shipping instruction and prepares the bill of lading, entering only the additional fields.
3. The freight forwarder then works with the **carriers**, through the core platform, to prepare the final bill of lading, populating the additional data required for export permit.
4. The **carrier** can then use the same information prepared for the Bill of Lading to make **port** bookings.
5. The **freight forwarder** can use the bill of lading information to populate the remaining data for export permits.