FACT SHEET
(June 2010)

TRADEXCHANGE®

Background

TradeXchange® is a neutral and secure IT platform that enables the efficient exchange of information between parties in the trade and logistics community. Through this multi-party collaborative platform, companies can integrate their key trade and logistics IT systems, business processes, documents and data with their partners across the value chain.

Benefits

Businesses will enjoy operational efficiencies, clearer supply chain visibility, faster shipment turnaround and increased productivity due to more timely exchanges of information and documents through TradeXchange®.

IT Value Added Service Providers can leverage TradeXchange® to provide a more efficient end-to-end solution and expand their service offerings to their customers.

Programme Implementation Update

Since the implementation of the TradeXchange® platform in October 2007, traders have enjoyed lower trade declaration costs for B2G services (TradeNet® 4.0). Six B2B value-added services have also been launched for the benefit of shippers and logistics companies including electronic title services, RosettaNet services and overseas customs linkages.

To deepen the value of TradeXchange® as a multi-party collaborative platform, a Call-For-Collaboration (CFC) was awarded to four consortia involving 22 companies in the trade and logistics sector in February 2010. The consortia will integrate key business processes in marine cargo insurance, freight management and trade financing through TradeXchange®.

The consortia will develop open data and interface standards that will allow other trade and logistics companies to easily integrate their systems and processes through TradeXchange®. The TradeXchange® programme targets to implement up to seven such integrated processes by end 2011, benefiting more than 100 companies, impacting 20% of the four million annual export shipments.

Below are three integrated business process that will be implemented on TradeXchange®:

a) Marine cargo insurance integrated business process: logistics companies will be able to apply for insurance and generate insurance certificates after processes like the preparation of shipping documents and/or trade declaration by re-using

the information that was entered. This obviates the need for re-entry and reduces cycle time and data errors.

b) <u>Trade finance integrated business process</u>: Buyers and sellers on procurement systems will be able to directly apply for financing to Banks connected to TradeXchange®. The users will retrieve and submit procurement documents like purchase orders, delivery orders and invoices to Banks and receive electronic finance approval advices without the need for hardcopies reducing the effort needed by the banks to verify the authenticity of the business documents.

c) <u>Freight management integrated business process</u>: this is to integrate the IT systems used by freight forwarders (who manage the shipment and documentation of cargo) and their customers (eg: importers and exporters), via TradeXchange®. The integration will enable timely receipt of shipping instructions and facilitate data re-use by the freight forwarders' partners for downstream processing.
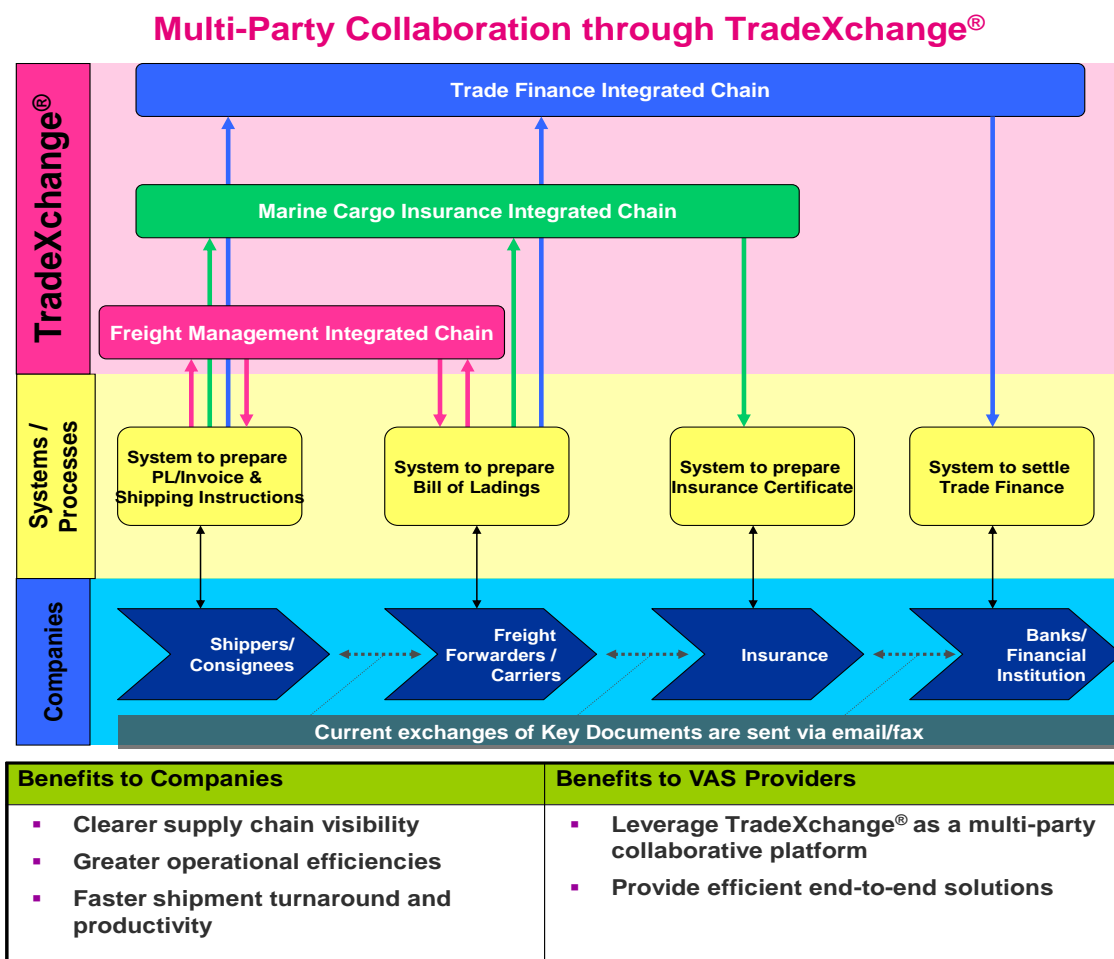

Multi-Party Collaboration through TradeXchange®

Benefits to Companies	Benefits to VAS Providers
▪ Clearer supply chain visibility ▪ Greater operational efficiencies ▪ Faster shipment turnaround and productivity	▪ Leverage TradeXchange® as a multi-party collaborative platform ▪ Provide efficient end-to-end solutions

Figure 1: Integrating Trade and Logistics Processes through TradeXchange®

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Trade Finance Integrated Business Process

The CFC for Trade Finance Integrated Business Process was awarded to two consortia led by CrimsonLogic eTrade Services Pte Ltd and Sesami (Singapore) Pte Ltd.

Presently, users of eTrade's and SESAMi's procurement systems who apply for trade financing, (e.g., accounts receivable financing and factoring), need to submit hardcopies of documents like Purchase Order, Invoice, and Delivery Order to the banks after printing from their systems. On receipt of the documents, the banks re-enter the information into their own systems to generate finance approval advices which are emailed or printed and returned to the users.

eTrade and SESAMi proposes to enable its existing procurement users to electronically apply for trade finance to the banks by integrating to the banks' systems through TradeXchange®. The procurement users will be able to electronically retrieve and submit procurement documents like purchase orders, delivery orders and invoices to the banks and receive electronic finance approval advices without the need for hardcopies.

The integration of the trade finance process not only reduces the effort needed by the banks to verify the authenticity of the business documents, it also offers Trade Financing between the existing communities of users of eTrade, SESAMi and the banks.
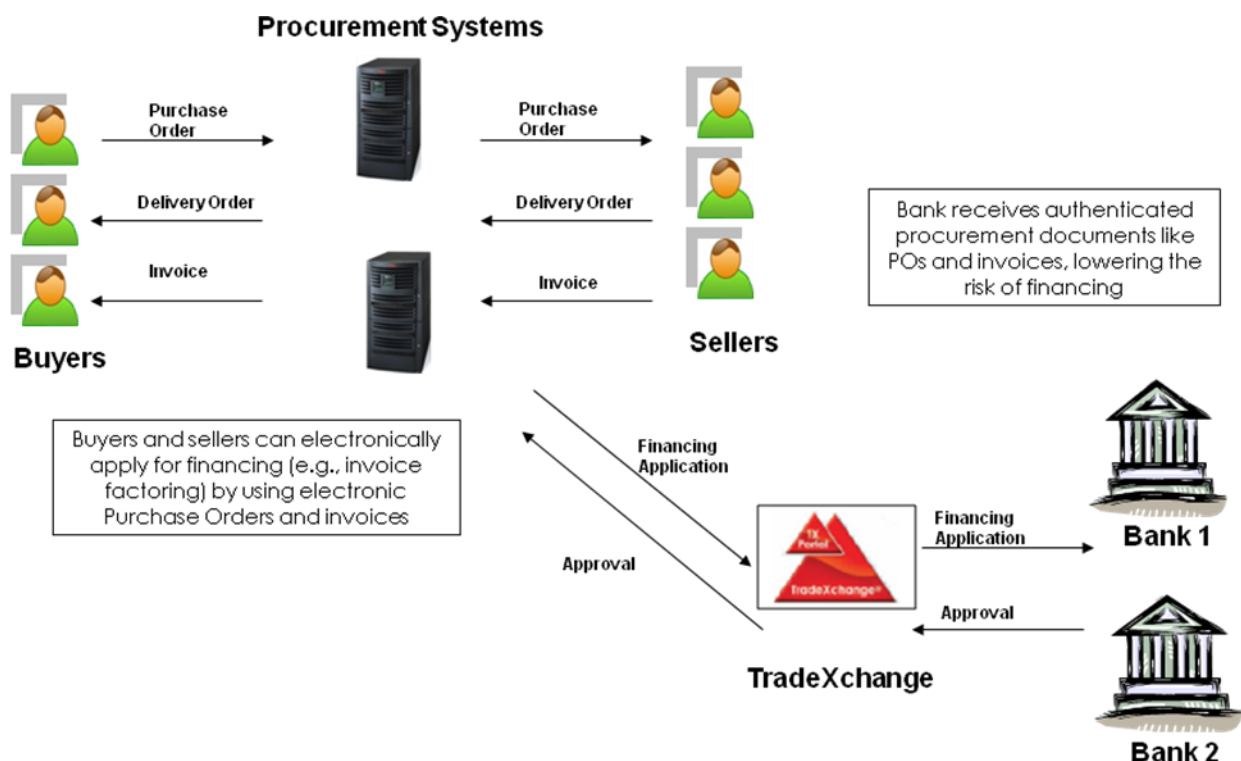

Figure 2: Example of trade finance integrated business process

Marine Cargo Insurance Integrated Business Process

The CFC for the Marine Cargo Insurance Business Process was awarded to two consortia led by CrimsonLogic eTrade Services Pte Ltd and e-Trek Solutions Pte Ltd.

Presently, after the preparation of shipping documents and trade declarations, shippers/consignees and their logistics providers, forwarders, apply for marine cargo insurance by re-entering shipment information into insurance systems to submit applications. Insurance companies, in turn, have to re-enter the information into their own insurance system in order to issue insurance certificates, typically under time pressure before vessel/plane departure.

In the proposed integrated business process, forwarders will be able to automatically apply for insurance and generate insurance certificates after the preparation of shipping documents or trade declaration by re-using the information that was entered and by integrating insurance companies' processing rules/system through TradeXchange®. This obviates the need for re-entry and reduces cycle time and data errors.
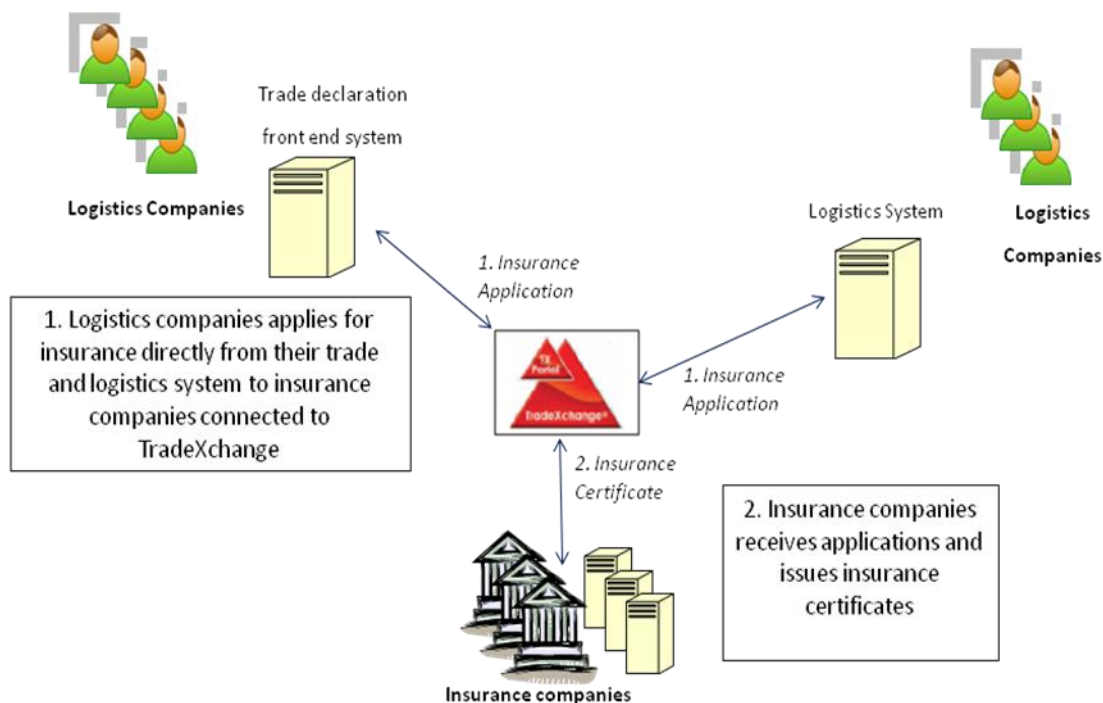

Figure 3: Example of marine cargo insurance integrated business process

Freight Management Integrated Business Process

The CFC for the Freight Management Integrated Business Process was awarded SESAMi (Singapore) Pte Ltd.

In the proposed business process, the SESAMi consortium will integrate the IT systems used by freight forwarders (who manage the shipment and documentation of cargo) and their customers (e.g. importers and exporters) through TradeXchange®, to enable timely receipt of shipping instructions and facilitate data to be re-used by the freight forwarders' partners for downstream processing. This timely exchange of information and documents will lead to an improvement in operational efficiency, supply chain visibility, faster turnaround time and enhanced productivity.
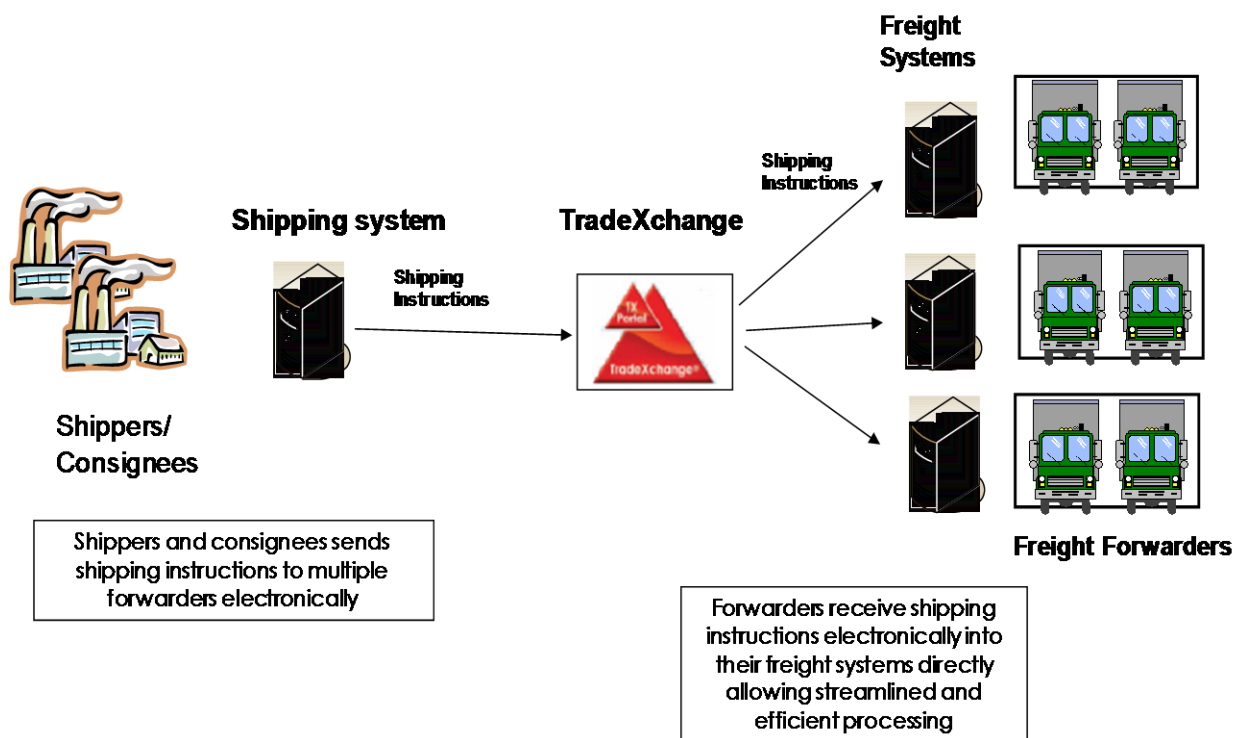

Figure 4: Example of freight management integrated business process