Streamlining Trade Processes Through Interoperable Trade Windows

Submitted by: TradeWindow

Utilizing Digital Technology in the Field of Trade Facilitation Under the Current COVID-19 Pandemic and Beyond: Best-Practices Sharing Workshop - Trade Facilitation Through Trade Platforms
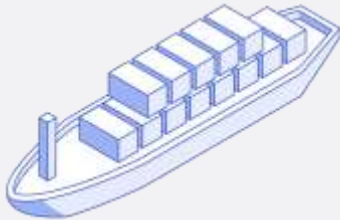**11 May 2021**

Bringing a pan industry APAC view

$34 billion
total value of
exported goods

Prodoc's digital documents
reach trades in
160+ economies

130,000+
Sets of shipping
documents per year

1,000,000+
Export documents
generated per year

We support the main productive sectors of our Australasian economies.

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- Produce 19%
- Meat 18%
- Timber 13%
- Building Products 11%
- Trader 10%
- Dairy 8%
- Seafood 7%
- Other* 14%
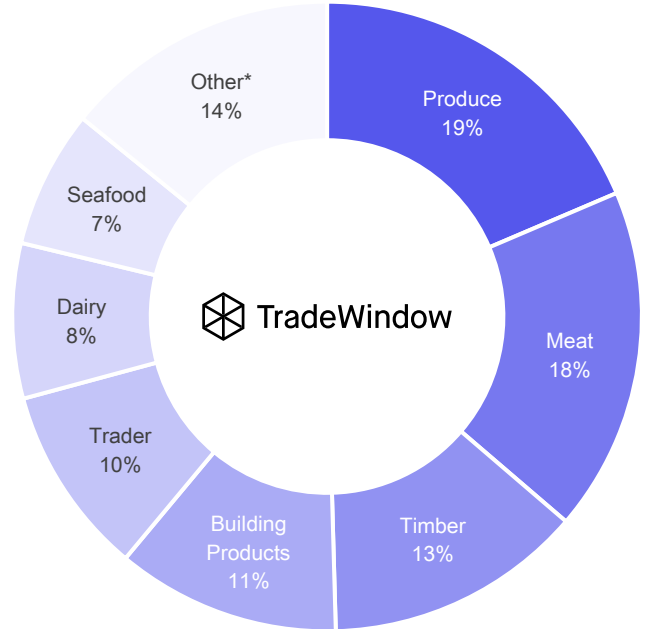
Three things we believe

Interoperability of
systems is key

Public and private
partnerships are
essential

Technology is not
the silver bullet

The opportunity – towards trade with less friction, waste and noise

"

"Global trade is underpinned by the flow of data, a single transaction often requires the interaction of more than 20 entities, and involves between 10 and 20 paper documents and 5,000 data field exchanges. Only 1% of these interactions create value, with 85 – 90% of the transactions consisting of ignore/transmit to the next party actions."

"

Boston Consulting Group

The solution

Digital trade orchestrated by a sector neutral data 'super-connector' that allows for seamless connectivity through the permissioned flow of information across the four data silos of global trade.

- Business-to-business (B2B)

- Business to government (B2G)

- Government to government (G2G)
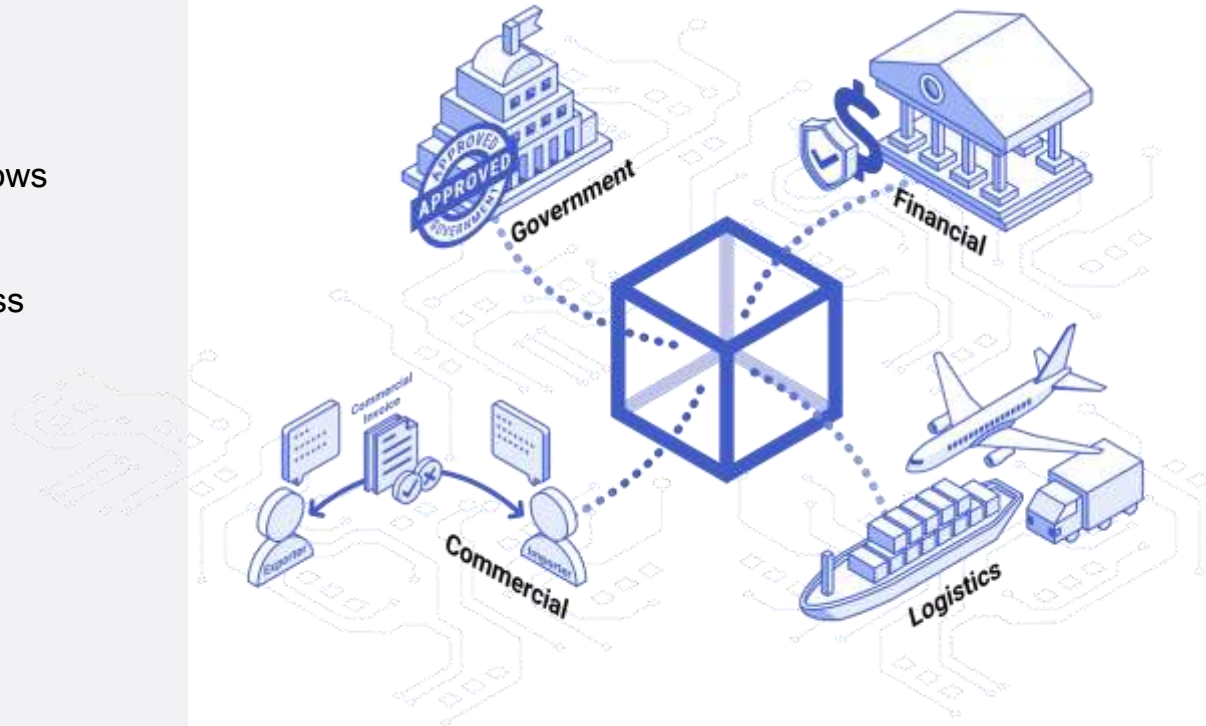
What are the enablers?

Three inter-linked enablers are needed to create a super-connective ecosystem.

Technology solutions

Policy and legal

Data standardisation
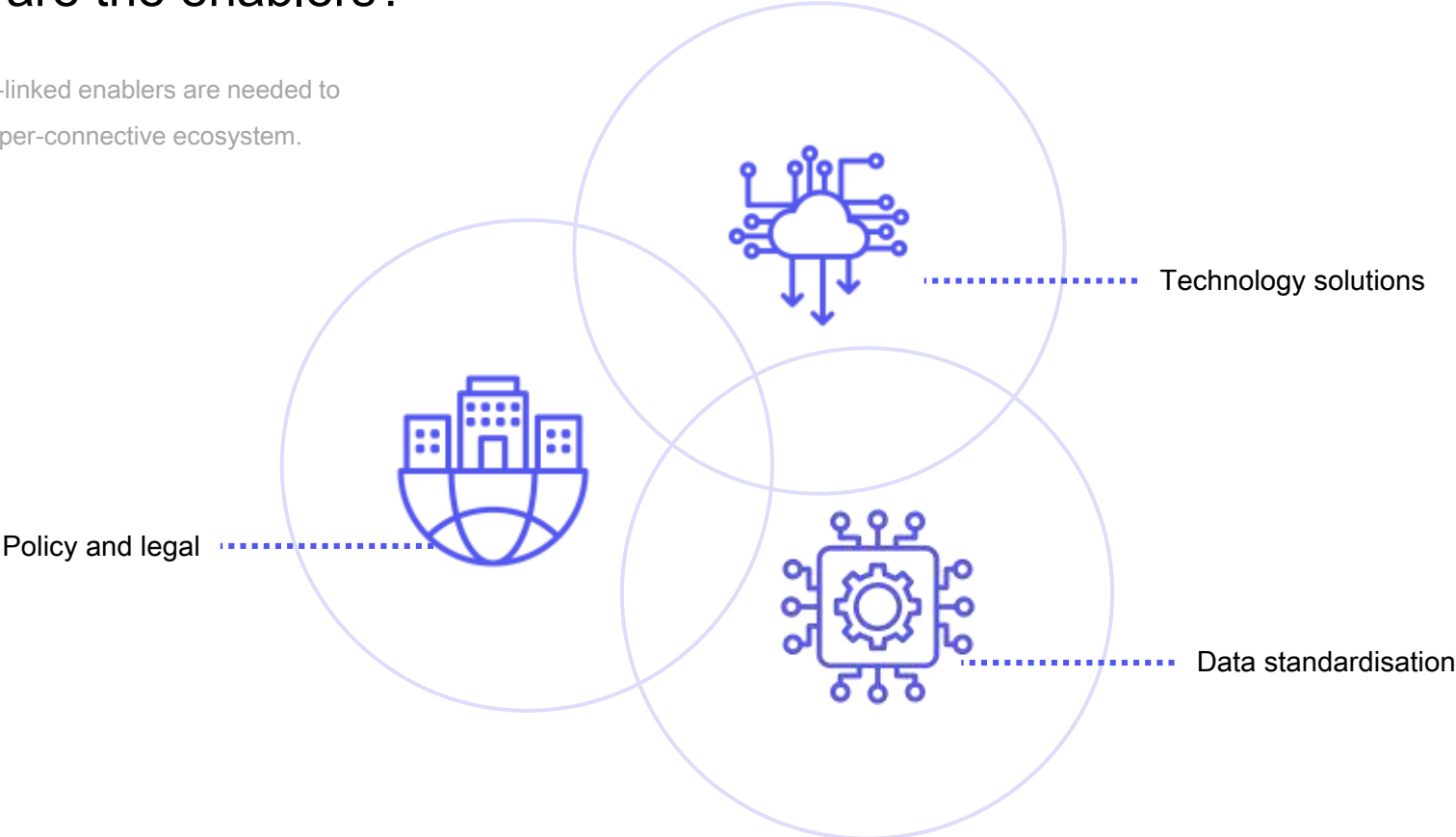
The technology is already here

- Large scale commercial development

- Built to enterprise standard

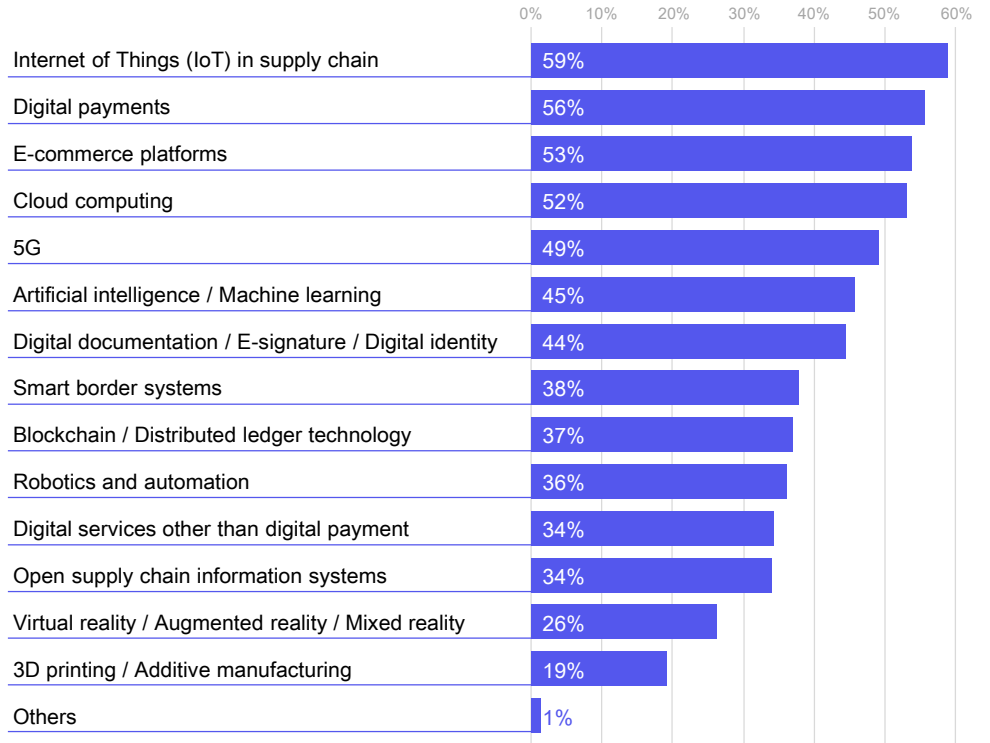- Ubiquitous broadband infrastructure

- Enterprise grade security

- Low capex/low risk rapid deployment

- Integration with legacy solutions

Most transformational technologies for trade

Technology	Percentage
Internet of Things (IoT) in supply chain	59%
Digital payments	56%
E-commerce platforms	53%
Cloud computing	52%
5G	49%
Artificial intelligence / Machine learning	45%
Digital documentation / E-signature / Digital identity	44%
Smart border systems	38%
Blockchain / Distributed ledger technology	37%
Robotics and automation	36%
Digital services other than digital payment	34%
Open supply chain information systems	34%
Virtual reality / Augmented reality / Mixed reality	26%
3D printing / Additive manufacturing	19%
Others	1%

Source: World Economic Forum 2020 global survey on TradeTech

Policy and legal is making progress

▪ Recent FTA upgrades conflict with legacy legislation and policy.

▪ There is a need for standardised policy to ensure no unfair advantage.

Digital trade depends on the Model Law below to be ratified:

▪ Electronic commerce

▪ Electronic signatures

▪ Electronic transferable records

Learnings from COVID-19

Of the 21 APEC economies, last year 21 were able to use electronic rather than paper-based certificates, now only seven are using electronic. – *Ministry of Foreign Affairs and Trade (New Zealand)*

UNCITRAL Model Law for:

X = ratification, accession or enactment
● = ongoing work

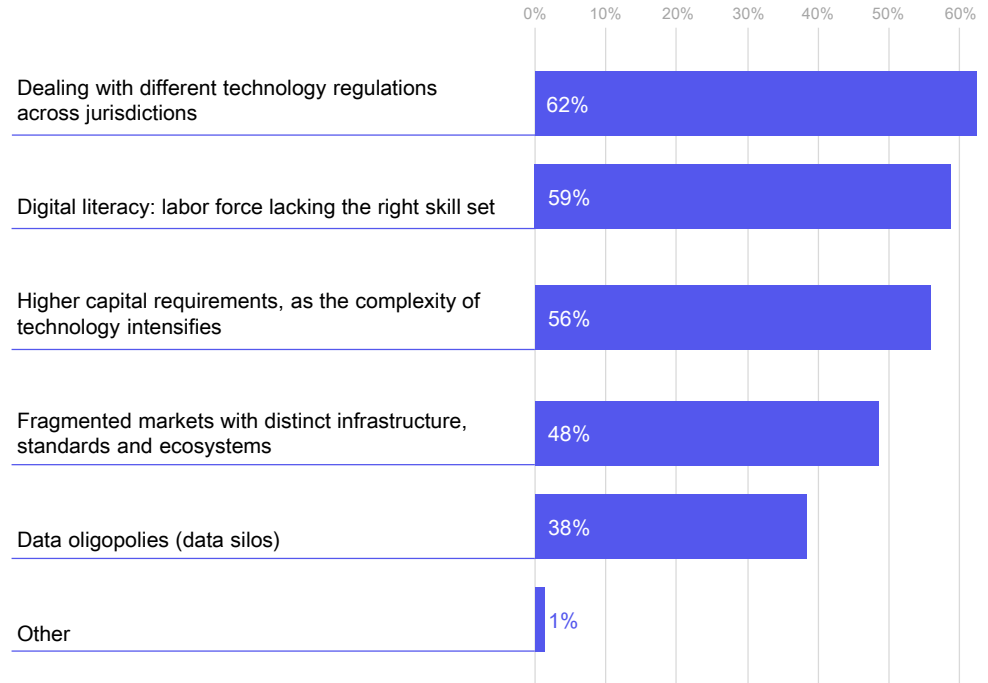| APEC economies	Electronic Commerce	Electronic Signatures	Electronic Transferable Records
Australia	X		
Brunei Darussalam	X		
Canada	X [3]		
Chile			
People's Republic of China	X	X	
Hong Kong, China			
Indonesia			
Japan			
Republic of Korea	X		
Malaysia	X		
Mexico	X	X	
New Zealand	X		
Papua New Guinea			
Peru		X	●
The Philippines	X		
The Russian Federation			
Singapore	X		X
Chinese Taipei			
Thailand	X	X	
United States of America	X [3]		●
Vietnam	X	X	

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Data standards are lagging

Still struggling to break down data silos between economies and across sectors such as:

- Business-to-business (B2B)
- Business to government (B2G)
- Government to government (G2G)

Emerging challenges associated with TradeTech

	0%	10%	20%	30%	40%	50%	60%

Dealing with different technology regulations across jurisdictions — **62%**

Digital literacy: labor force lacking the right skill set — **59%**

Higher capital requirements, as the complexity of technology intensifies — **56%**

Fragmented markets with distinct infrastructure, standards and ecosystems — **48%**

Data oligopolies (data silos) — **38%**
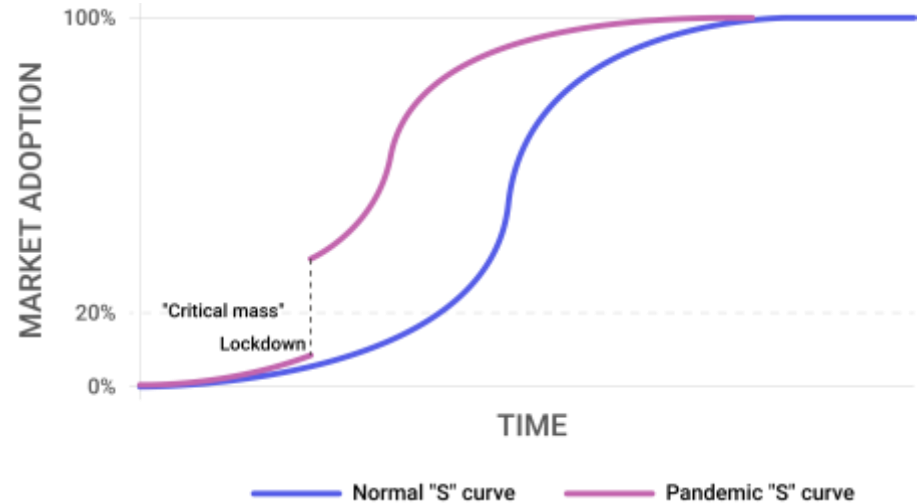
Other — **1%**

Source: World Economic Forum 2020 global survey on TradeTech

What are the reasons for optimism?

- Model law is gaining ground – January 2021

- Economic partnership agreements e.g. DEPA

- Digital trade is called out in FTAs

- WCO is driving customs standardisation

- Digital Container Shipping Assn. – eBills of Lading

- ICC – work on standardisation

- WTO – driving awareness on digital trade

- PAA – connecting ecosystems throughout APAC

Effect of social distancing and lockdowns on idealized digital technology adoption curves

(Source: Moody's Investor Services)

https://www.daytrading.com/coronavirus-business-fintech-s-curve

Why do public and private need to keep working together?

Business and public sectors need each other to enable digital trade.

Public sector brings:

- Regulatory support
- Governmental relationships
- Existing physical infrastructure

Private sector brings:

- Appetite for risk
- Cutting edge technology
- Cross sector connectivity
- Trade relationships and trade volumes

Thank you

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