

**Private – Public Partnership
Initiatives of KTNET
for Cross-Border Paperless Trade**

October, 2012

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KTNET (Korea Trade Network)

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2. Initiatives for Bilateral Private-Public Cooperation

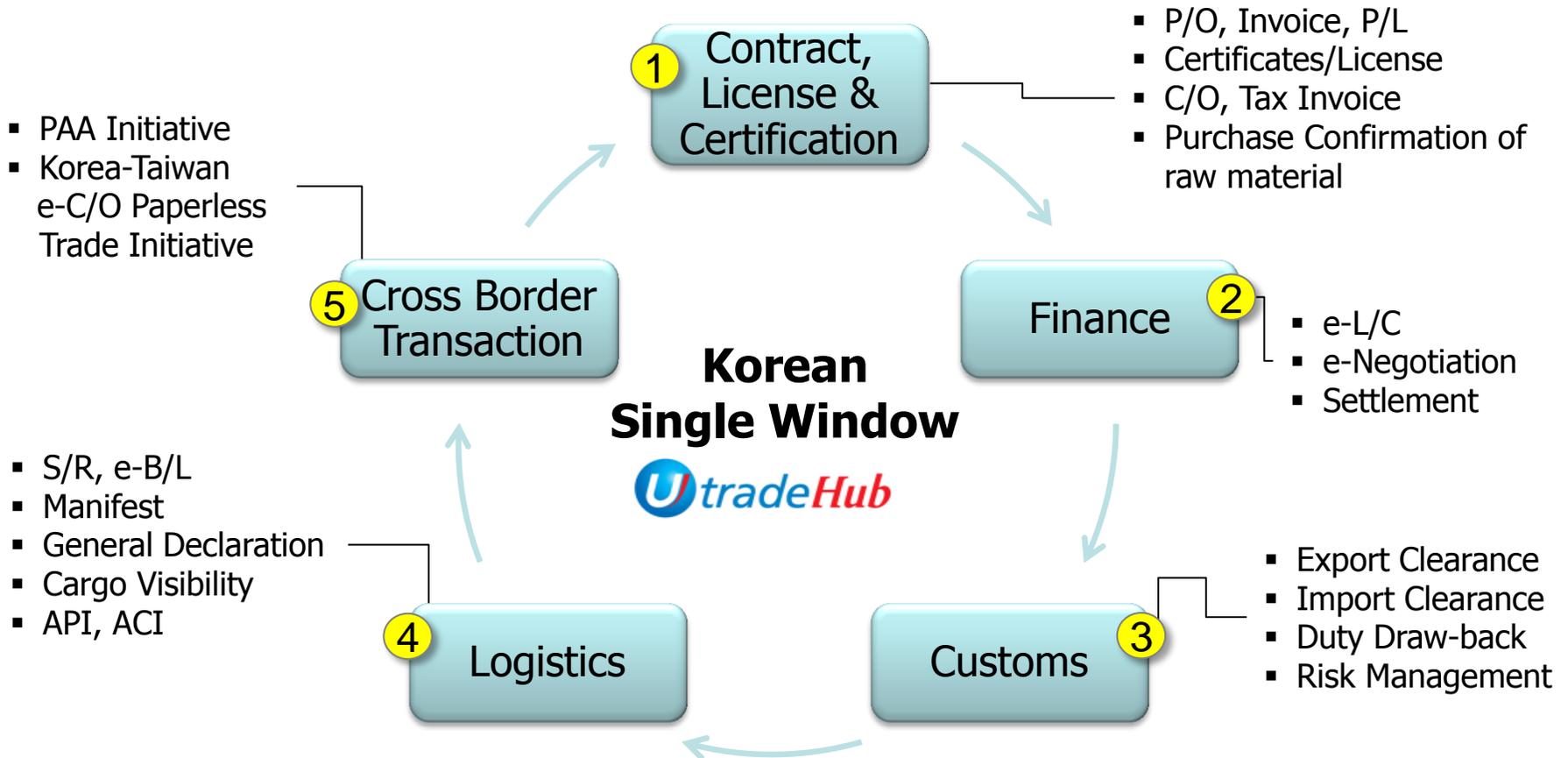
3. Success Points and Recommendations

1-1. Who we are?

- Founded by KITA(Korea International Trade Association) in June 1, 1991
'Act on the Promotion of Trade Business Process Automation' legislated by MKE(Ministry of Knowledge Economy)
- Designated Infrastructure Service Provider
(Legal Support for 6 Business areas by the government)
 - Pursuing efficiency of trade process & national competitiveness
 - National Paperless Trade Infrastructure Provider (Electronic Trade Facilitation Act)
 - e-Customs Service Provider (Customs Act)
 - Electronic Bill of Lading (e-B/L) Title Registry (Commercial Act)
 - Purchase Confirmation of raw materials for Export Goods Service Agency (Foreign Trade Act)
 - Customer-Oriented Convergence Services
 - Accredited Certificate Authority (Digital Signature Act)
 - Certified e-Document Authority (Framework Act on Electronic Commerce)
 - B2B Cloud Service , Wi-Fi indoor RTLS and LBS

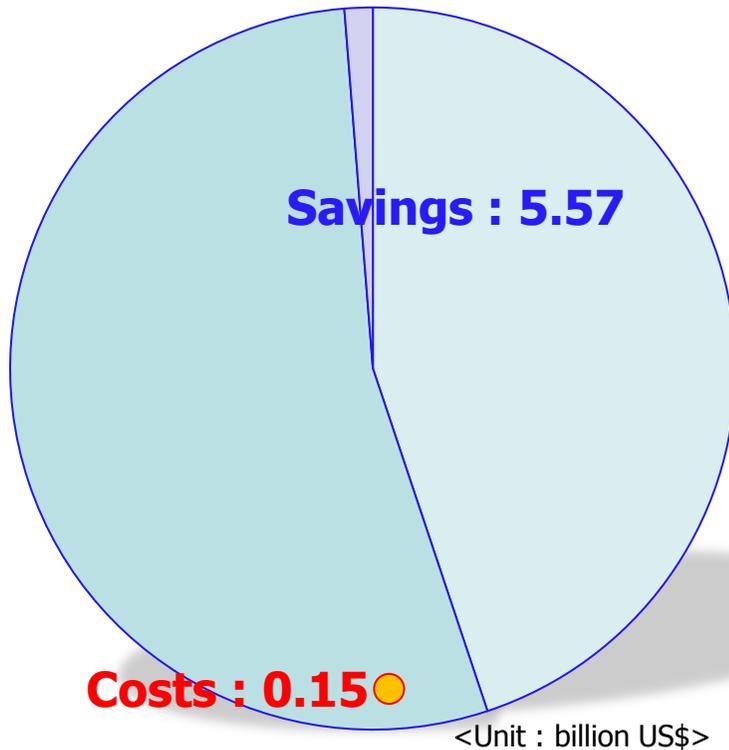
1-2. World Best Seamless Single Window

- KTNET provides internet based e-L/C, e-B/L and e-Nego services which support the **whole cycle of trade process** for the first time in the world.
- **585** different kinds of e-documents based on both domestic and Int'l standards and **289 Million** transactions in 2011.



1-3. Economic Effect

< Total Economic Effects in Korea >



■ Savings : US\$ 5.57 billion

- Direct Cost (2.5 billion) : Labor, Printing, Delivery
- Incidental Expense (3.0 billion) : Cargo, Clearance Storage Expenses, Tariff Refund
- Other Cost (0.07 billion) : Document management

■ Costs : US\$ 0.15 billion

- Paperless Trade Service Fee (0.03 billion)
- System (0.12 billion) : Construction & Maintenance of H/W & S/W
- Public Sector (5 million) : Initial investment

■ Net Effects : US\$ 5.42 billion

* Reference

1. Trade Focus Vol.6, No.64, Institute for International Trade, KITA, Dec. 2010
2. Hyundai Research Institute, Feb. 2006

2-1. PAA: Private alliance for paperless trade

PAA, the first regional alliance of service providers facilitating paperless trade, customs and logistics

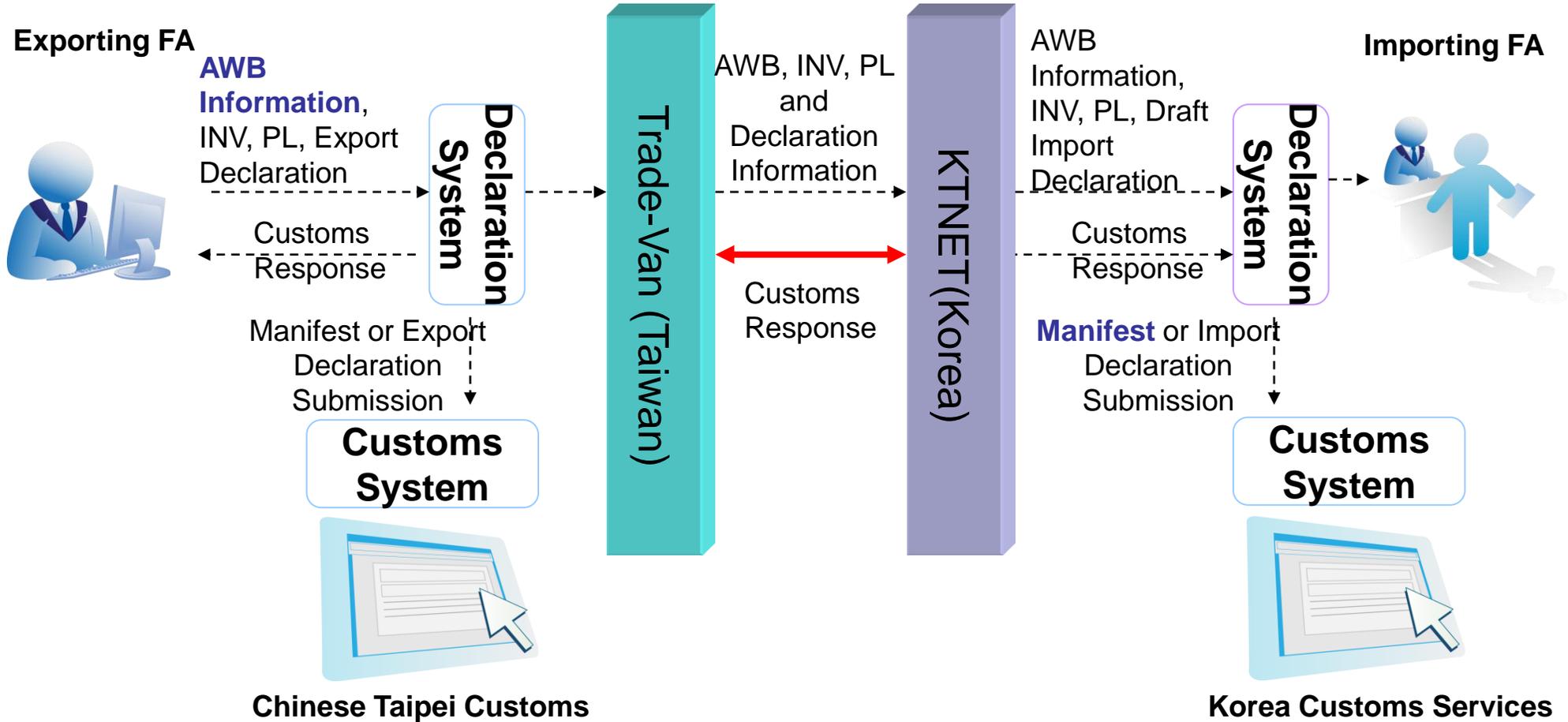
- PAA was established to promote and provide secure, trusted, reliable and value-adding IT infrastructure and facilities to enhance seamless trade globally
- PAA is serving 260,000 organizations, representing almost all active trading enterprises in the Asian market

PAA 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.



2-1. PAA: Case of Business Model



Monthly 3,000-4,000 live transactions!

2-1. PAA – Value proposition and limitations

■ Value proposition of PAA

- 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 – Trusted 3rd Party e-platform for reliable and secure document delivery

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https://www.yunbaogao.cn/report/index/report?reportId=5_7349

