The National Digital Trade Platform of Korea

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I. The National Digital Trade Platform: uTradeHub
1. Digital Trade Platform of Korea

Korea’s Rapid Growth in Trade Volume

Strong Trade Promotion and Facilitation Policy - for Sustainable Economic Growth

Source: Korea International Trade Association

< Unit : USD >

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1. Digital Trade Platform of Korea

Public and Private Partnership for Trade Facilitation

National e-Trade Committee

- Establishment of Private e-Trade Committee (2005)
- Korea e-Trade Facilitation Center to implement 33 tasks from ‘e-Trade Korea 2007 Plan’
1. Digital Trade Platform of Korea

uTradeHub Project

<table>
<thead>
<tr>
<th>Goal</th>
<th>To cope with Korea’s growing trade volume by upgrading the Electronic trading system into a digital trade platform</th>
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</thead>
<tbody>
<tr>
<td>Project Period</td>
<td>2005 ~ 2008</td>
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<tr>
<td>Project Cost</td>
<td>About USD 30 million</td>
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<tr>
<td>Leading Agencies</td>
<td>Ministry of Trade, Industry and Energy (MOTIE) Korea International Trade Association (KITA) Korea Trade Network (KTNET)</td>
</tr>
</tbody>
</table>

Year 1: Building Core Infrastructure (2005)

Year 2: Introducing e-Trade portal (2006)

Year 3: uTradeHub (2007)
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uTradeHub Project
1. Digital Trade Platform of Korea

uTradeHub 2.0 Project

**Goal**
To support increasing cross-border e-Commerce and preferential trade transactions utilizing the latest technologies

**Project Period**
2019 ~ 2021

**Project Cost**
About USD 8 million

**Leading Agencies**
Ministry of Trade, Industry and Energy (MOTIE)
Korea Trade Network (KTNET)
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uTradeHub 2.0 Project

- Cross-border e-Commerce
- Trade Data Portal
- uTradeHub 2.0 for Digital Trade
- Blockchain, AI, RPA and Bigdata
- Holistic and mobile-friendly
- Open collaboration
- TradeFlow
- FTA Origin Management

- uTradeHub
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uTradeHub Service

The uTradeHub service covers the entire cycle of trade and cross-border e-commerce processes, relaying 300 million electronic documents of 620 types per year.

- Global e-C/O exchange
- AMS, AFR and others
- PAA(Pan Asian e-commerce Alliance) Initiative

Cross Border Transaction
- Scheduling, Cargo booking, S/R, e-B/L
- Master/House Manifest Consolidation
- General Declaration
- Cargo Visibility
- Advanced Passenger Information and ACI

Data Warehouse
- e-Commerce/License & Certification

Service Application
- e-Document Repository

Trade Finance
- Cross-Border e-Commerce
- P/O, Invoice, P/L
- Certificates/License
- e-C/O, e-TaxInvoice
- Purchase Certificate of raw material

- e-L/C, e-Local L/C, e-L/G
- e-Negotiation
- Settlement

Logistics

Customs
- Export Clearance
- Import Clearance
- Duty Draw-back
1. Digital Trade Platform of Korea

uTradeHub and UNIPASS

ASPLine: Electronic licensing & Certification System developed and operated by KTNET

1. Trading Company
   - 620 types of e-Documents

Trade-Centric Digital Trade Platform

OGAs & Regulatory Authorities

3. Manage and issue the license & Certification in ASPLine

4. Notify the Result

5. Customs Declaration

6. G2G


Trading Communities
- Airlines
- Ocean Carriers
- Customs Brokers
- Forwarders
- Bonded Transportation
- Bonded Warehouse
- Banks
- Insurances

Global Service
- Trading Communities in overseas countries
- Port, Quarantines, NTS etc.

Successful Public-Private Partnership Model
II. Benefits of uTradeHub
2. Benefits of uTradeHub

uTradeHub: Trade Facilitation for MSMEs
Increase of uTradeHub MSME users by year, and by interface type

- Number of Digital Trade Platform users
- User Interface types

![Graph showing the increase of uTradeHub MSME users by year, and by interface type. The graph includes data points for different interface types such as Internet Portal, Stand alone Solution/ERP, OGA portal, Bank portal, uTH Open, E-Purchase Certificate, E-Local Letter of Credit (1), E-Local Letter of Credit (2), E-Commerce Export Declaration, and Export Declaration. The data is represented from 2006 to 2021.]
2. Benefits of uTradeHub

uTradeHub: Supply Chain Financing enabler for SMEs
Trade financing services available for indirect exporters

Benefits for traders

Traders are exempted from submitting documentary proof (Local L/C or Purchase Certificate) for ‘Duty drawback’ and ‘Local Tax Exemption’ by ACT on VAT

Data/information is reused among agencies (Beneficiary, Tax Authority, Customs, Insurance Company)

Local L/C and Purchase Certificate can be certified as an export record (history) for a trade financing service for SMEs

Benefits for bankers

Identification of indirect exporters especially small and medium-sized for trade finance services

More business opportunities for financing services using lower interest rate from the policy loan of the Bank of Korea

Strengthen Risk Control in Trade Finance Service
– Control of loan ceiling and Prevention of fraud and double loan applications to other different banks

Reuse of data and less human resources & cost for trade finance service
2. Benefits of uTradeHub

uTradeHub: Cross-border e-Commerce enabler
One stop services for e-Commerce exporters

Benefits for e-Commerce exporters

Integrated Delivery Request management of different couriers and EMS
→ e.g.: time-saving of 100 delivery cases with four different couriers: from 3 hours to 45 minutes

Automated creation of documents for proof of foreign exchange transaction
→ e.g.: Application for foreign currency deposit of $80,000 with 600 transactions: from 5 hours to 30 minutes

Automated Simplified Export Declaration
→ e.g.: 1,000 transactions: from 500 minutes to 15 minutes

Automated creation of Purchase Certificate
→ e.g.: 900 purchase transactions: from 30 minutes to 1 minute
III. ODA of Korea to support the implementation of WTO TFA
### ODA projects for the implementation of WTO TFA

Korea has been actively supporting WTO members in implementing WTO TFA.

<table>
<thead>
<tr>
<th>Project Description</th>
<th>组织实施</th>
<th>Duration</th>
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<tbody>
<tr>
<td>“Cargo Management &amp; Risk Management Systems” for Tanzania Revenue Authority</td>
<td>TRA</td>
<td>2011 ~ 2013</td>
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<tr>
<td>by Korea International Cooperation Agency</td>
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<tr>
<td>“Unified Customs Single Window” for Uzbekistan Customs</td>
<td>KIOCA</td>
<td>2013 ~ 2017</td>
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<tr>
<td>by Korea International Cooperation Agency</td>
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<tr>
<td>WCO SAFE Framework and AI based “Risk Management System” for Tajikistan Customs</td>
<td>KAOS</td>
<td>2018 ~ 2022</td>
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<tr>
<td>by Korea Customs Service</td>
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<tr>
<td>“Customs Modernization Master Plan” and “Cargo Management &amp; Risk Management Systems” for Paraguay Customs</td>
<td>KIOCA</td>
<td>2020 ~ 2024</td>
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<tr>
<td>Realization of “the Trade Single Window System” for Algeria Customs</td>
<td>Aduana</td>
<td>2021~2025</td>
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III. ODA of Korea: to support the implementation of WTO TFA

ODA project for the implementation of WTO TFA (2)

(Korea Customs Services) Business Process Reengineering and Master Plan for Customs

(2012) Tanzania, Cambodia and Myanmar
(2013) Uzbekistan, Peru, Columbia and Bolivia
(2014) Cameroon, Ethiopia, Nicaragua and Guatemala
(2015) Ghana, Paraguay and Honduras
(2016) Sri Lanka, Laos and Kyrgyzstan
(2017) Tajikistan, Kazakhstan, El Salvador and Costa Rica
(2018) Algeria, Jordan and Fiji
(2019) Nigeria, Mongolia, Servia, Mauritius and Sudan
(2020) Gabon, North Makedonia, Jamaica and Tunisia
(2021) Guiana, Bosnia, Sierra Leone and Uganda
(2022 – in progress) Botswana, Azerbaijan and Georgia
IV. Lessons learned
IV. Lessons learned

• A Single Window and a Digital Trade Platform can play a key role in providing various trade related value-added services for MSMEs. Consider Single Window Open-Data and Open-Innovation policy.

• A trade facilitation system should be designed based on international standards and guidelines, and reform of the country's laws, regulations and procedures is a prerequisite for a successful implementation.

• A trade facilitation system requires continuous improvement of services. For a sustainable operation, maintenance and upgrades, technical assistance for a capacity building of stakeholders in developing countries is crucial.
Thank you

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