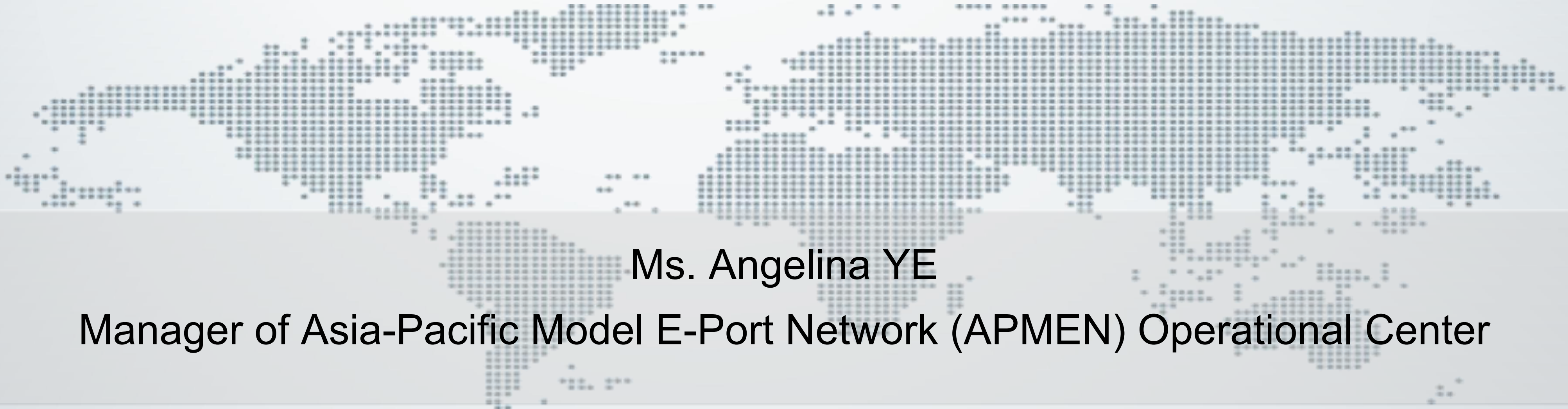# Promoting Supply Chain Connectivity and Integration by Cooperation of APEC Centers and APMEN Initiatives

Ms. Angelina YE

Manager of Asia-Pacific Model E-Port Network (APMEN) Operational Center

Establishment of APMEN

APEC CHINA 2014

📍 **May 2014   Qingdao, China**

APEC Ministers Responsible for Trade(MRT) noted that **successful E-port frameworks could be one of effective underlying solutions for helping our economies implement their Single Window programs** and endorsed the project proposal of *Promoting Supply Chain Connectivity through a Model E-Port Initiative.*

📍 **November 2014   Beijing, China**

The 22nd APEC Economic Leaders' Meeting(AELM) endorsed the establishment of Asia-Pacific Model E-port Network and APMEN Operational Center.

Terms of Reference of APMEN

Overarching goal: Promoting Trade Facilitation and Supply Chain Connectivity

- Making contributions to **Suggested Framework for Phase Two of the Supply Chain Connectivity Framework Action Plan 2017-2022** (SCFAP II)

- Making contributions to the **APEC Connectivity Blueprint** under the pillar of institutional connectivity

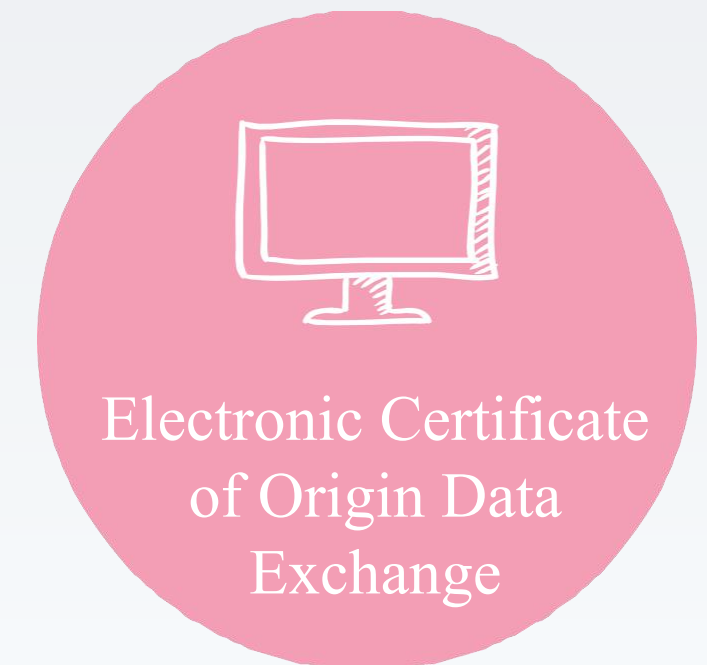- Making contributions to the implementation of WTO **Trade Facilitation Agreement**

APMEN Members

So far, a total of 22 ports and E-Ports from 12 APEC member economies have joined APMEN.

Pilot projects
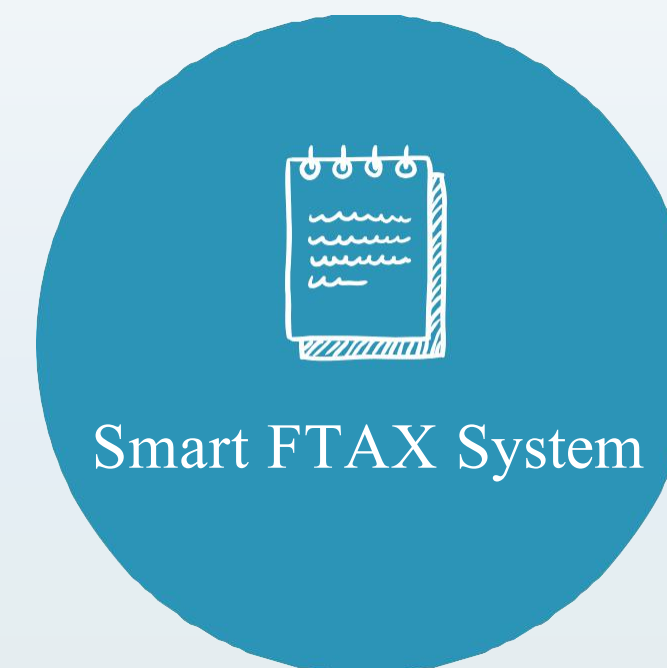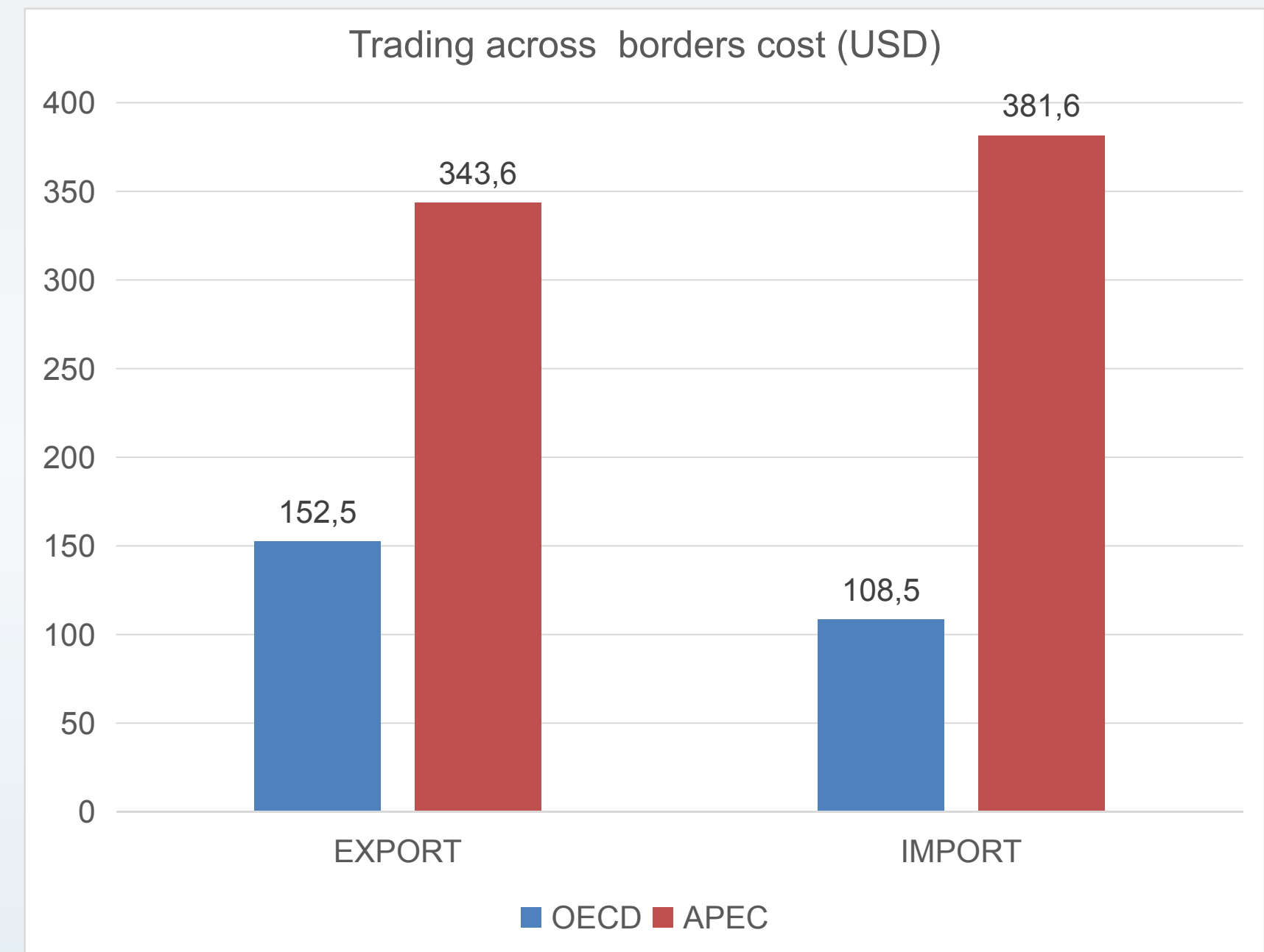
First Batch

Visualization of Sea Freight Logistics
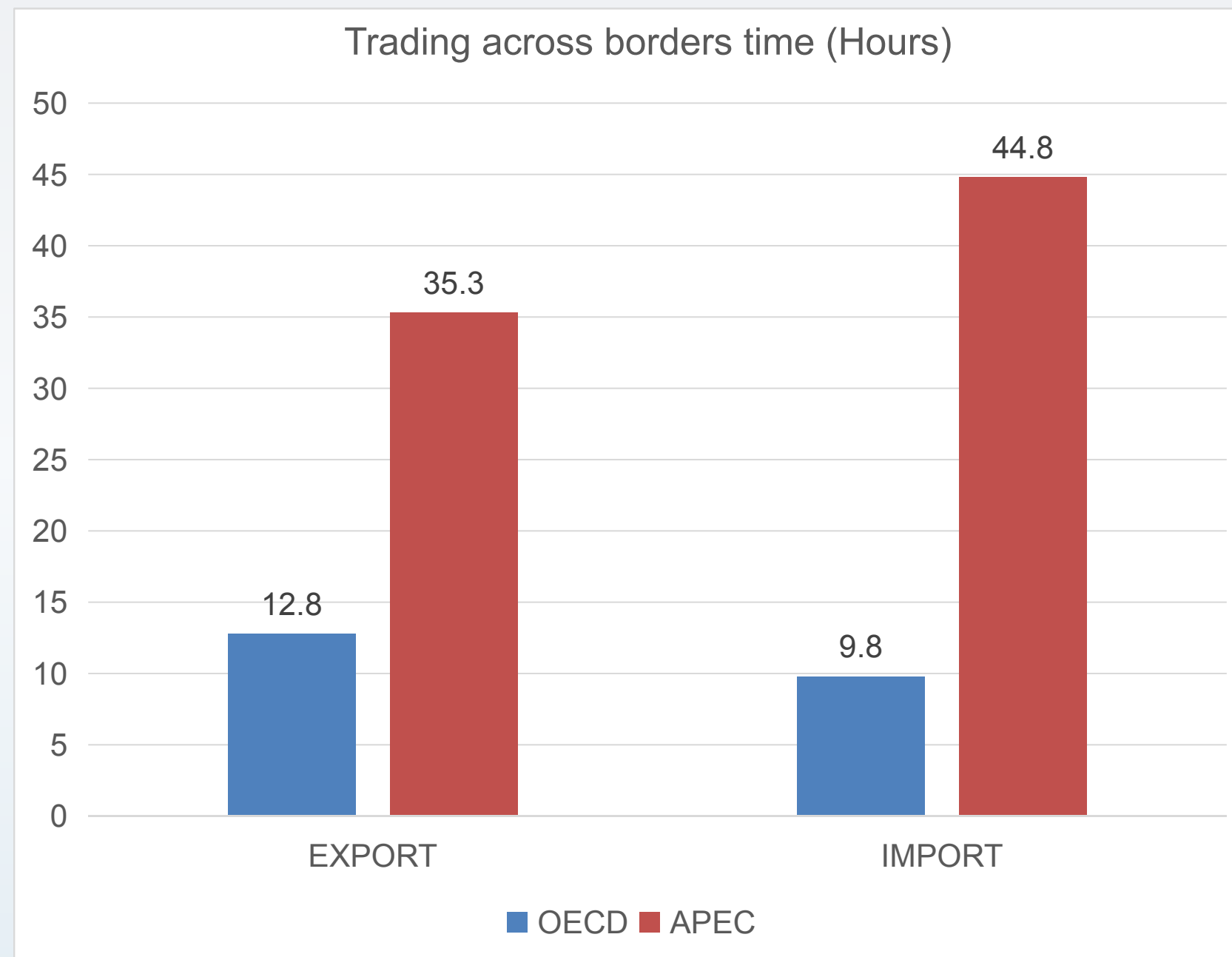
FTA

Digitalization of Air Freight Logistics

Electronic Certificate of Origin Data Exchange

Second Batch

Product Traceability System

Smart FTAX System

Main Issue

Main Issue: Lack of coordinated border management among economies

Trading across borders time (Hours)

	EXPORT	IMPORT
OECD	12.8	9.8
APEC	35.3	44.8

Trading across borders cost (USD)

	EXPORT	IMPORT
OECD	152,5	108,5
APEC	343,6	381,6

Source: Doing Business World Bank 2018-Time and Cost For Border Compliance

APMEN Implementation Measures for SCFAP II

The 24th APEC Economic Leaders' Meeting (AELM) adopted the Suggested Framework for Phase Two of the Supply Chain Connectivity Framework Action Plan 2017-2022, which aims to refocus and to deepen work in chokepoints where additional improvements can be made on time, cost, and uncertainty.

☆ 5 chokepoints in SCFAP II

Chokepoint 1: Lack of coordinated border management and underdeveloped border clearance and procedures

Chokepoint 2: Inadequate quality and lack of access to transportation infrastructure and services

Chokepoint 3: Unreliable logistics services and high logistical costs

Chokepoint 4: Limited regulatory cooperation and best practices

Chokepoint 5: Underdeveloped policy and regulatory infrastructure for e-commerce.
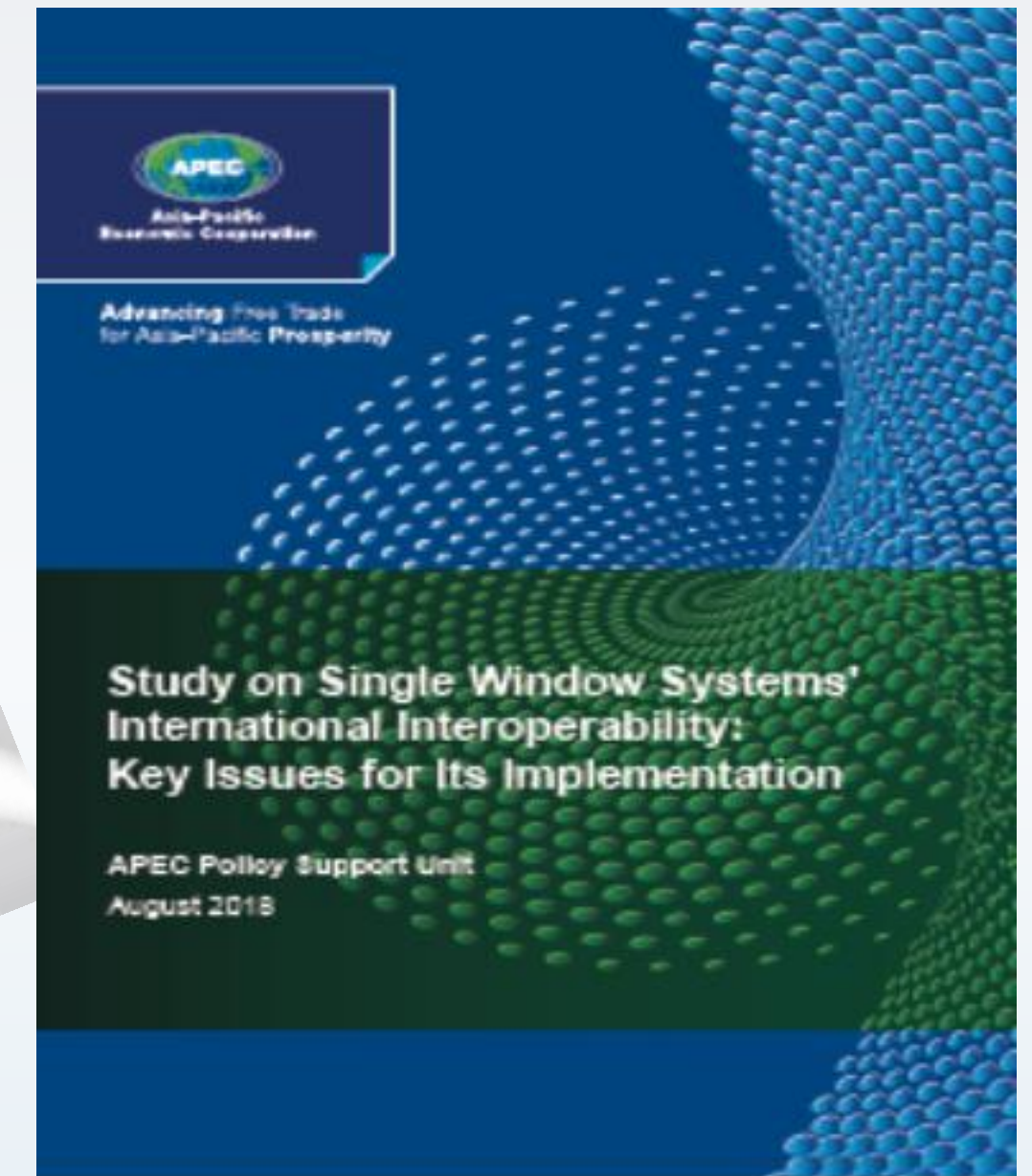
APMEN has put forward the *APMEN Implementation Measures for SCFAP II,* which provides solutions to the first, second and fourth chokepoints of the SCFAP II. APMEN Implementation Measures for SCFAP II has been endorsed by APEC CTI in 2017.

Development of domestic SW

Examples of interoperability of SW

Recommendation of the limited pilot of the Study on SW Interoperability from APEC Policy Support Unit 2018

Cooperation Proposal

Open for Cooperation - Supply Chain Integration and Connectivity

- *Supply Chain Integration 4.0 through APEC Single Window Interoperability Action Plan* proposed by Chile, China and Peru was officially endorsed by APEC CTI in July, 2019 with APMEN's example and contribution.

- APMEN propose to work closely with APEC Technology Transfer Center to promote the implementation of the *Supply Chain Integration 4.0 through APEC Single Window Interoperability Action Plan* with the application of advanced technology

Smart Border   **Smart Logistics**   **Smart Trade**

Tracking   **Traceability**   **Trade Finance**

Supply Chain Integration 4.0
3S & 3T

Tracking

- The tracking service can help shippers and logistics operators be aware of the events and incidents taking place in the end-to-end logistics

- The international interoperability of single windows could potentially be an instrument to offer cross-border track and trace services.

Tracking - Visualization of Sea Freight Logistics

The project aims at enhancing the visibility, integrity and transparency of the maritime supply chain data exchange with APMEN members exchange port-to-port information on cargo location and container status.

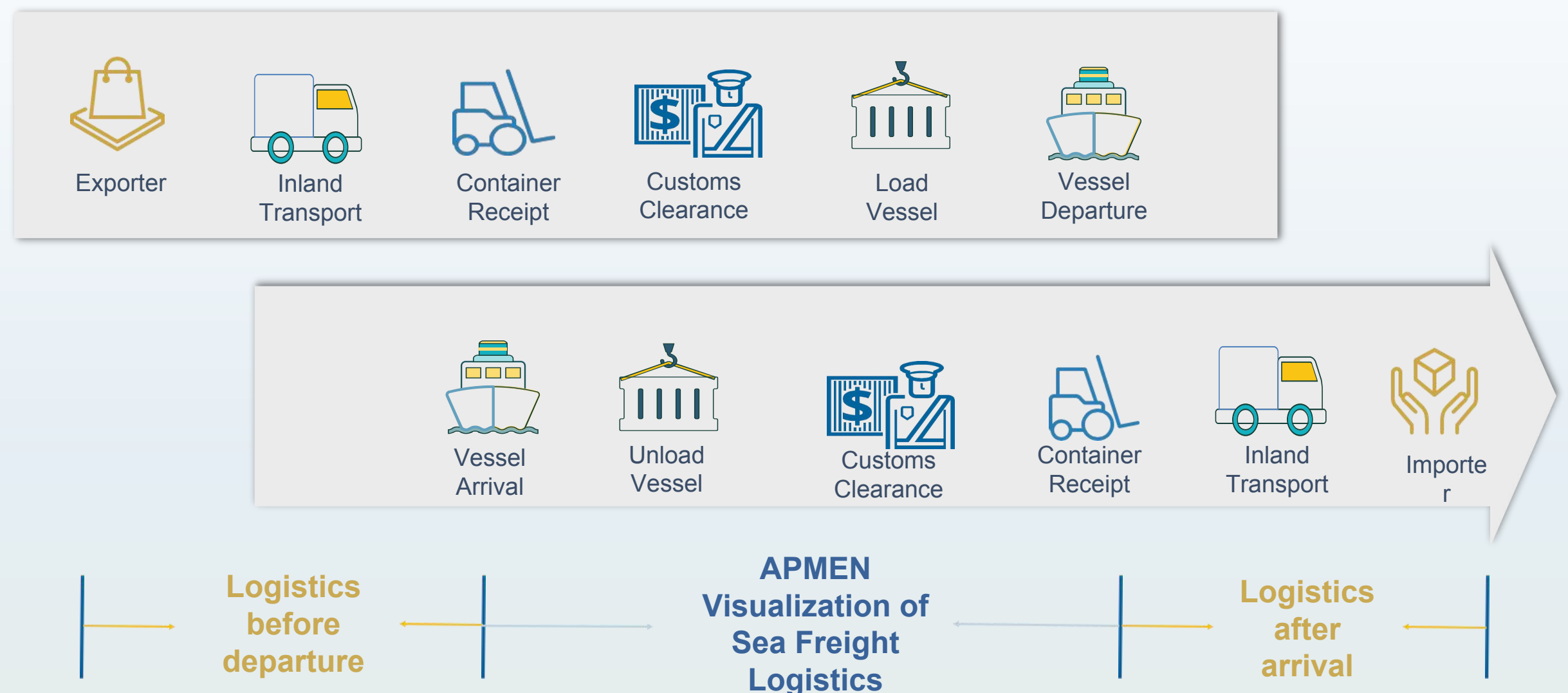**Visualization of Sea Freight Logistics Phase I Report**

- Project Phase I defined 8 common events and has been successfully completed with the participation of NSW Port, Shanghai E-port and Xiamen E-port.
- The project was selected in the *Case Studies on Addressing Connectivity Challenges in APEC Economies* published by APEC PSU.
- Project Phase II aims to implement automated data exchange among different systems among more APMEN members and related stakeholders.

| Exporter | Inland Transport | Container Receipt | Customs Clearance | Load Vessel | Vessel Departure |

| Vessel Arrival | Unload Vessel | Customs Clearance | Container Receipt | Inland Transport | Importer |

Logistics before departure — **APMEN Visualization of Sea Freight Logistics** — Logistics after arrival

Tracking - Digitalization of Air Freight Logistics

The project is aimed at building an end-to-end paperless pre-clearance process for air cargo by replacing paper documents with digital information transmission. It renovates the traditional process by enabling digital transmission of electronic air waybills(e-AWB) among airlines, airport ground handling agency and Single Windows.

1 Airlines transmit AWB data to "Single Window" (SW)

2 SW provides AWB data by email to Freight Forwarders (FFs) and Customs Brokers

3 FFs and Customs Brokers proceed Customs Pre-declaration

4 Information query and alert on visualized updated status

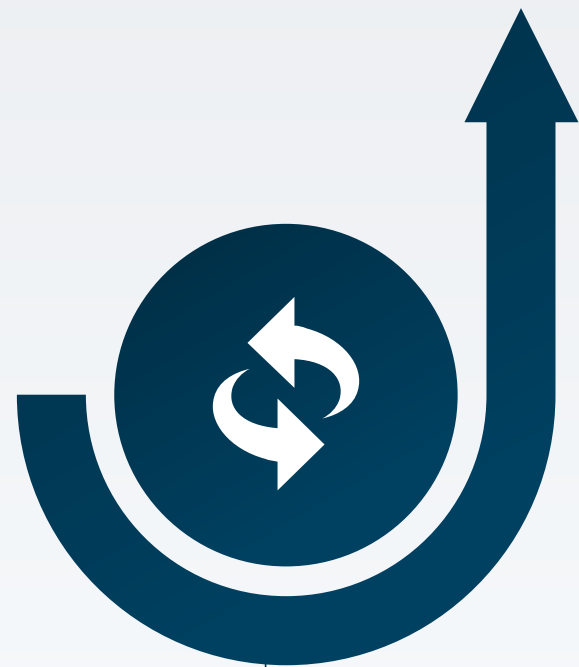**5** Customs release and cargo delivery

Highlights：
1. e-AWB implementation
2. IATA message standard
3. End to end Paperless transportation
4. Streamline operation procedure
5. Enhance Customs Clearance Efficiency

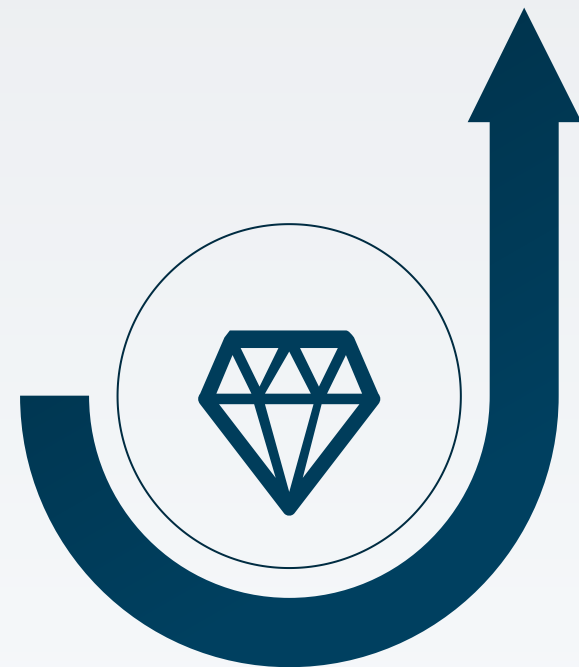# The Optimization of Air Freight Operation Procedure (Import)
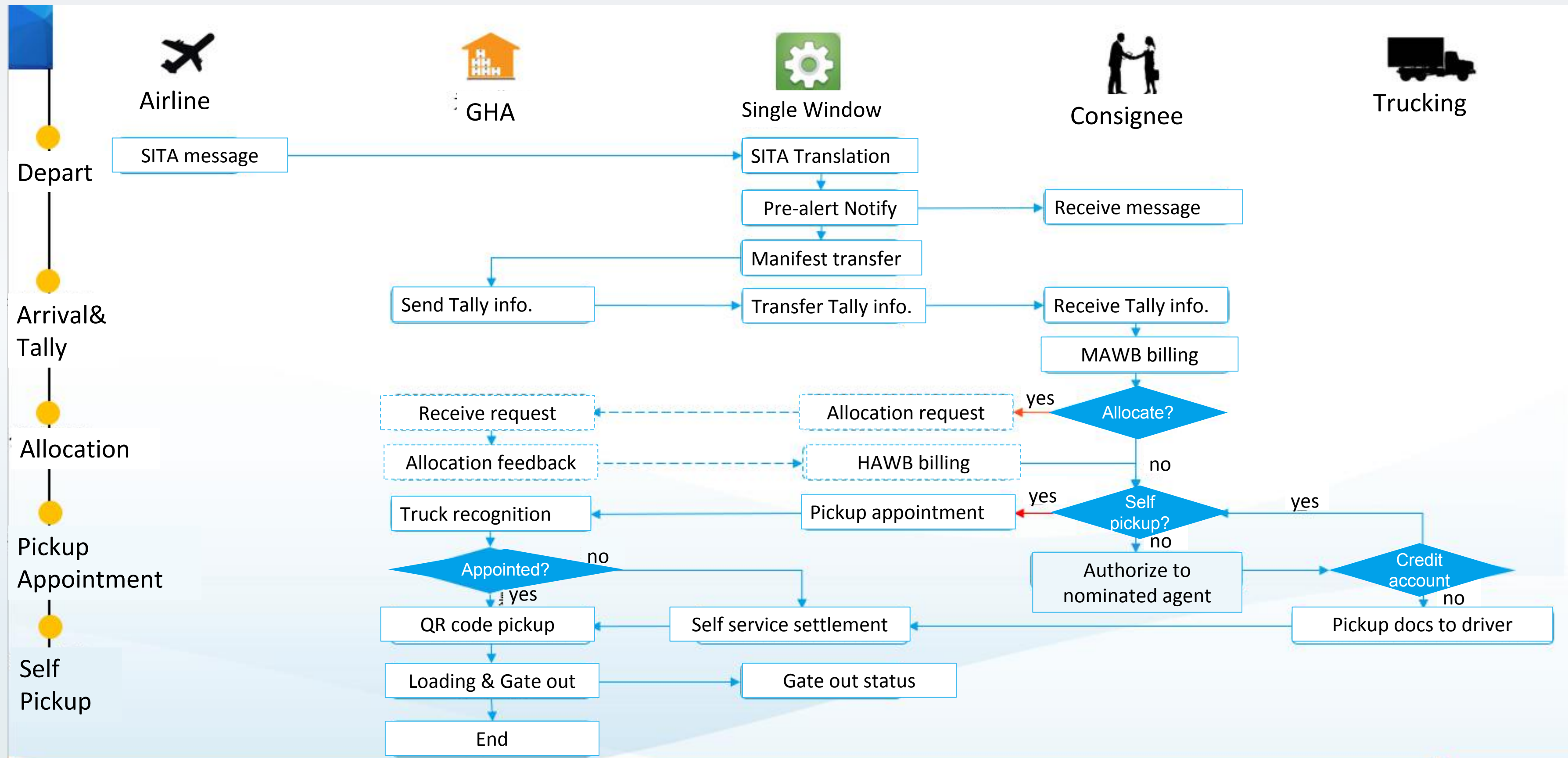
Significance of Smart Border and Digital Tracking

Pursue Sustainability
According to IATA report, the reduction in paper documents is expected to reach 7,800 tons per year through the realization of air and electronic cargo, effectively contributing to sustainable development

Reduce Costs
Lowering cost and improving efficiency by largely reducing the processing and filing costs
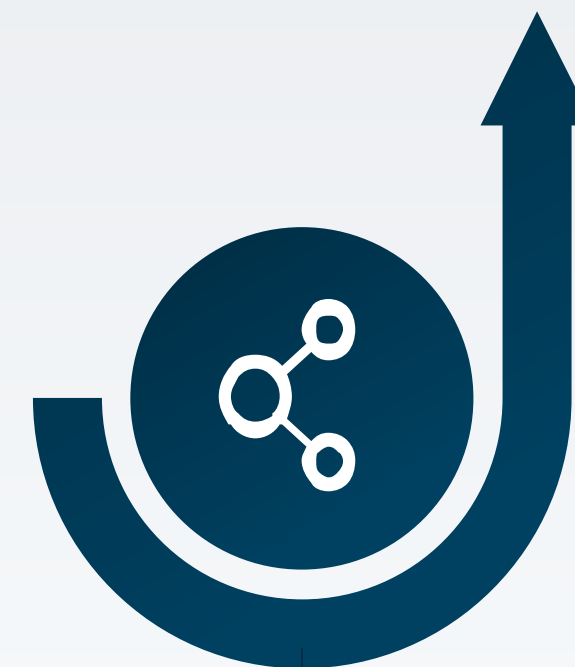
Improve Data Quality
Improve the quality and accuracy of data by setting up the automatic checks, specifying required fields, etc.

Increase Efficiency
Improve the operational efficiency of the logistics supply chain by reducing end-to-end processing time and significantly reducing the time of goods to the station

Promote Innovation
Both Standardization and digitization are important drivers of the development of new and innovative services and solutions. E-cargo will help optimize the air logistics supply chain processes and further discover the new values

Ensure Compliance
Promote compliance with international and national regulations by participants in the logistics chain (e.g. to promote compliance with applicable requirements by advance electronic information(AEI)
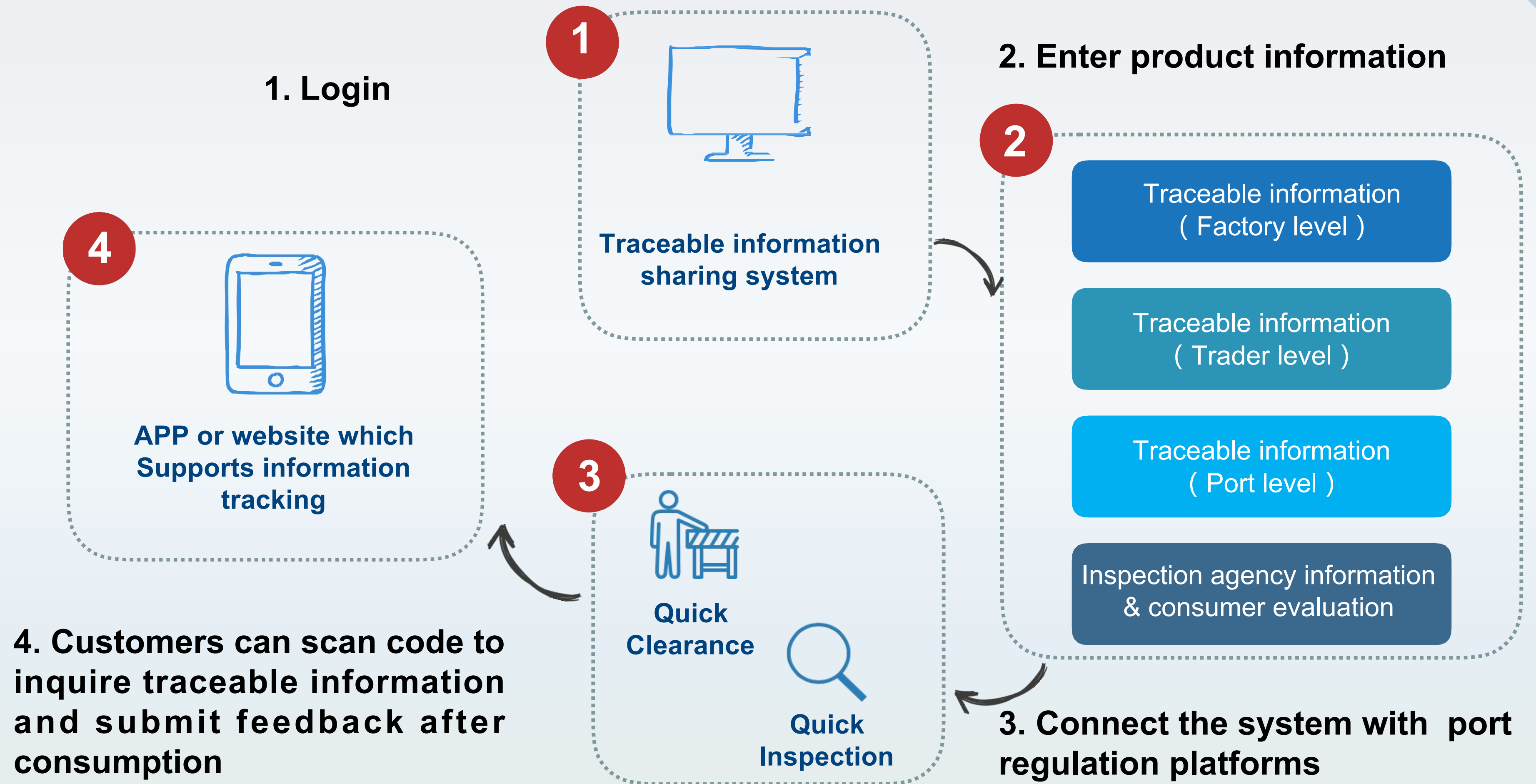
Tracebility

- The traceability service can provide product traceability from manufacturer end to consumer end and help prevent counterfeit.

- Pilots have already been conducted to explore how Global Data Standards (GDS) can be applied in the Traceability service.

Product Traceability System

1. Login

① Traceable information sharing system

2. Enter product information

②
- Traceable information（Factory level）
- Traceable information（Trader level）
- Traceable information（Port level）
- Inspection agency information & consumer evaluation

④ APP or website which Supports information tracking

③ Quick Clearance / Quick Inspection

4. Customers can scan code to inquire traceable information and submit feedback after consumption

3. Connect the system with port regulation platforms
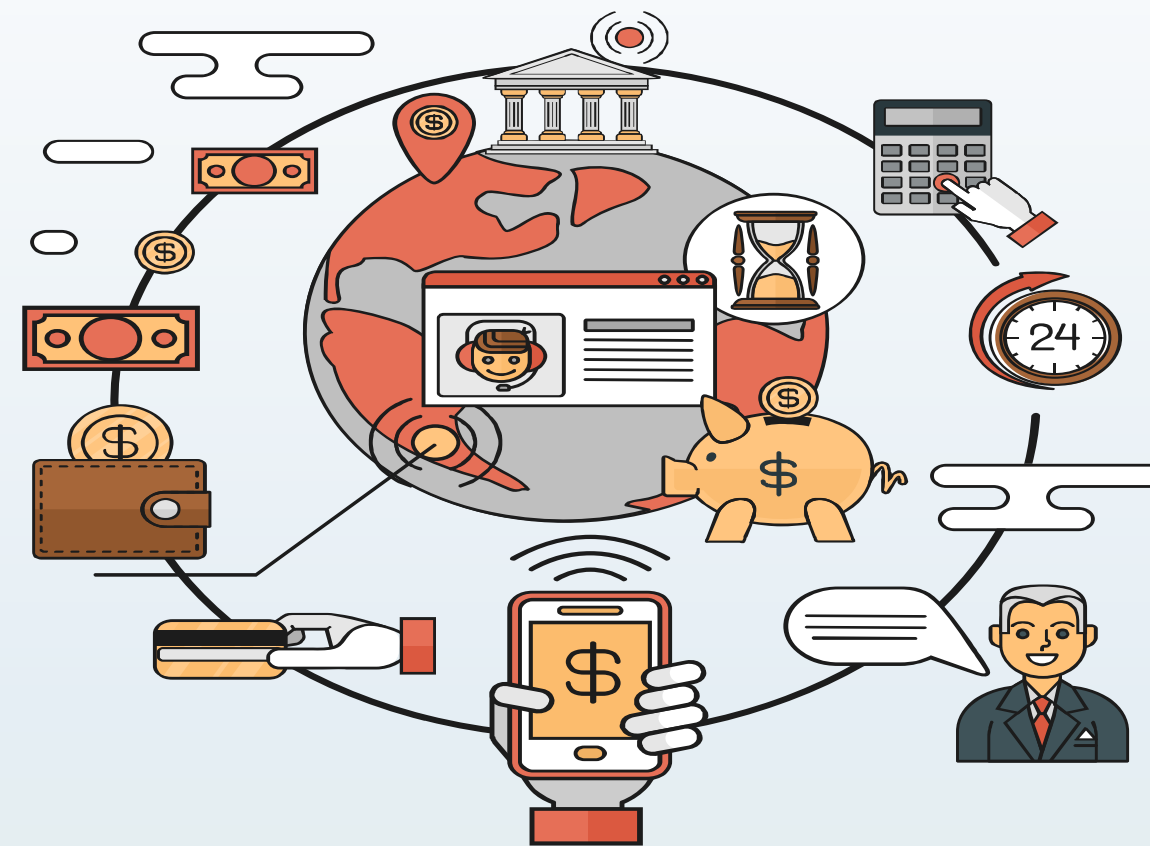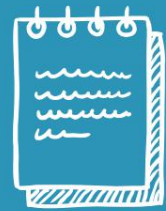
Trade Finance

- A trade finance platform can be developed to integrate and digitalize logistics, product and payment information. The status of financing, goods delivery, and payment can be tracked and become accessible to participants on the trade finance platform.

Smart FTAX System

Smart FTAX System

- Smart FTAX provides enterprises with one-stop platorm to search for the FTA tariff rates and all sets of rules of origin, which effectively solves the two biggest challenges.

One-Stop FTA Preferential Tariff Application System

Search for the Best FTA Tariffs

Calculate and Simulate Tariff Savings

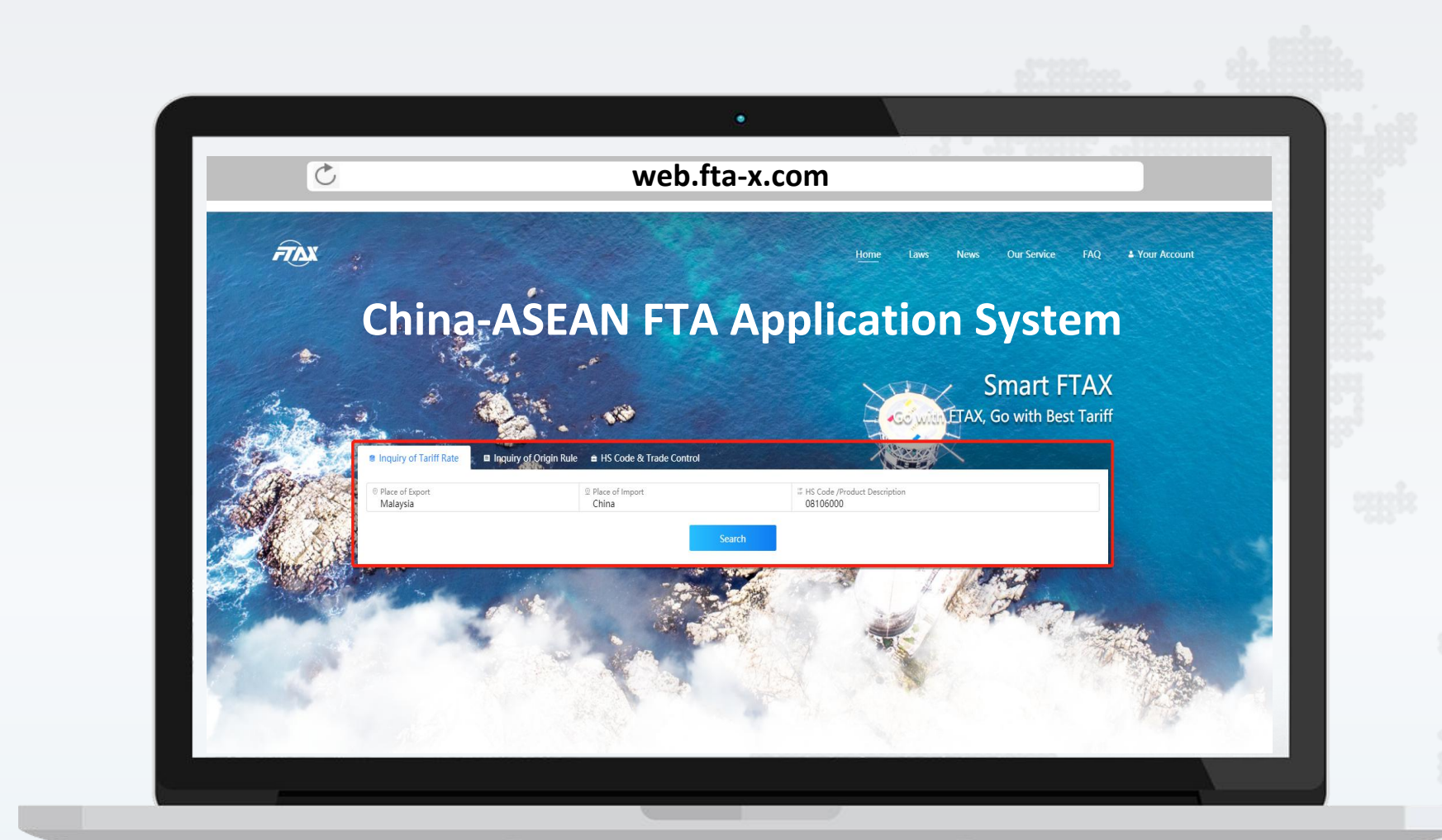Check Comprehensive Rules of Origin

Comply with the Required Documents

Acquire the Latest Laws and Policies

Smart FTAX System: EN https://web.fta-x.com   CN https://fta-x.com

One-Stop Tariff Inquiry for Optimal FTA Solutions
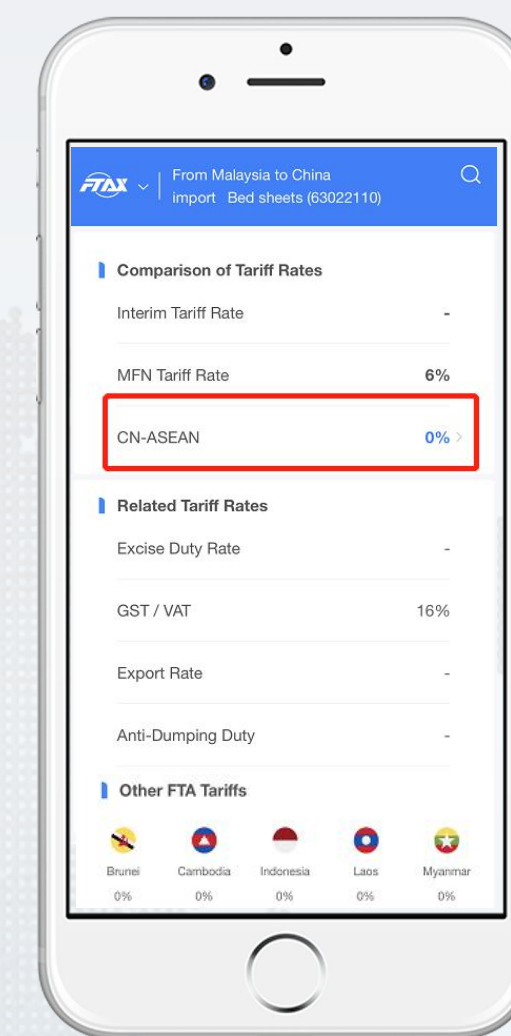
Easy Access from PC and Phone

Go with FTAX, Go with Best Tariff

Smart FTAX Market Coverage and Global Impact

Positive Market Feedback

01.Cumulative Qeries Number

$>$3,970,000

02. Active User Number

$>$50,000

03. Accessible City Number

$>$100

Source：Smart FTAX *By October, 2019

● **August, 2018**

Launch on China(Shanghai) Internatinal Trade Single Window

● **September, 2018**

Launch on China(Xiamen) Internatinal Trade Single Window

● **November, 2018**

Launch on DNeX Malaysian National Single Window

● **2019**

Launch in Tianjin, Shenzhen, etc,

Electronic Certificate of Origin

The project aims to promote the interconnection, interchange and mutual recognition of ECO

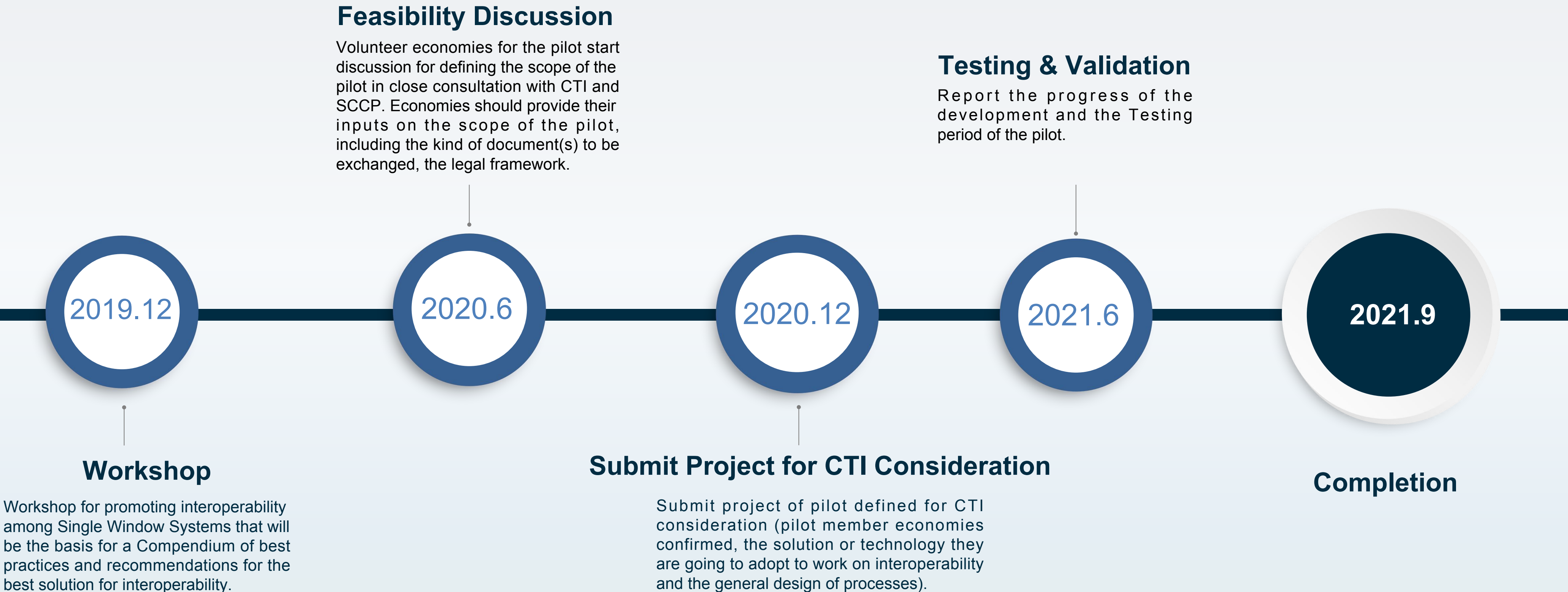**Step 1**

Cross Border

Information

Sharing

Step 2

Feedback on

the Use of CO

Step 3

Data Interchange

and Mutual

Recognition

Timeline

Feasibility Discussion

Volunteer economies for the pilot start discussion for defining the scope of the pilot in close consultation with CTI and SCCP. Economies should provide their inputs on the scope of the pilot, including the kind of document(s) to be exchanged, the legal framework.

Testing & Validation

Report the progress of the development and the Testing period of the pilot.

2019.12

2020.6

2020.12

2021.6

2021.9

Workshop

Workshop for promoting interoperability among Single Window Systems that will be the basis for a Compendium of best practices and recommendations for the best solution for interoperability.

Submit Project for CTI Consideration

Submit project of pilot defined for CTI consideration (pilot member economies confirmed, the solution or technology they are going to adopt to work on interoperability and the general design of processes).

Completion

THANKS!

APMEN website
www.apmenet.org

APMEN
Wechat Account