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CEFACT

Report of the CEFACT Rapporteur for Asia

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Asian Region

1. There was no Asia EDIFACT Board meeting since the 16th Asia EDIFACT Board meeting held in Tehran, the Islamic Republic of Iran on July 4-8 1998. The ASEB has formally decided to reform the current organization into “the Asia Council for Facilitation of Procedures and Practices for Administration, Commerce and Transport” (AFACT in short) at its 16th meeting. For setting up new organisation structure and developing its new bylaws, the AFACT Management Team was established and will meet on April 22-23, 1999 in Singapore. The major change from the ASEB is to expand its membership to Pacific countries/economies and international/regional organisations from the Asia Pacific.
2. The new organisation of AFACT is composed of the Plenary meeting, EDICOM Conference and Exhibition for EDI/EDIFACT promotion in the region and Steering Committee (See the attached diagram). Further, existing twelve joint working groups of TAG, Financial, Awareness and Education, Customs, Purchasing, Security, Environment Protection, Legal, Electronic and Computing Purchasing, Transport, Air-transportation and Healthcare may continue or close their works in future under the AFACT organisation.
3. The Management Team is composed of the following members and will be terminated its role upon the AFACT Steering Committee started its function;
Chair: Current Chair, i.e. Head of Delegation of Iran
Secretaries: - EX-ASEB Secretariat with support from
 - Iran EDIFACT Committee’s Secretariat (current Host Secretariat)
 - Korea EC/EDI Board Secretariat (next Host Secretariat)
Members: CEFACR Rapporteur for Asia
 Previous Chair, i.e. Head of Delegation of Sri Lanka
 Chair elect, i.e. Head of Delegation of Korea
 Other Heads of Delegation (optional)
4. The ASEB Internet homepage is being updated by the Korea EC/EDI Board under the URL <http://aseb.keb.or.kr>. The meeting minutes, members' progress reports, the ASEB Bylaws and the organization structure are available on the homepage (The word of ASEB will be replaced by AFACT in near future).
5. The following were confirmed;
 - The present Working Groups will continue their present tasks until new decisions are made.
 - In order to migrate duties from ASEB to AFACT, a Management Team shall be established. The Management Team will commit itself to the tasks and duties of the Steering Committee through the migration period.
 - The secretariat of AFACT will be transferred to the next host member just after the Meeting.

- It was also confirmed that, just after this Meeting, the duties of ASEB Secretariat are transferred to the next host, Korea's Secretariat.
- It was confirmed that the first AFACT meeting, scheduled in Seoul, Korea in September 1999, should succeed the 16th ASEB Meeting to retain ASEB history. Therefore the next Meeting will be called the 17th AFACT Meeting.

6. Members Progress Updates

There are many EDI related projects going on in member countries and economies. Summaries of them are given as follows;

6.1 Chinese Taipei

6.1.1 In customs field, four systems have been launched successfully. **(i) Customs Cargo Clearance System** - Currently this system has 4,473 users including 2,615 customs brokers/freight forwarders, 134 shipping companies/Agents, 61 warehouses/bonded warehouses, 157 importer/exporters, 34 airlines, 33 banks, 17 government agencies and Customs. All of the cargo declarations are transmitted through the automated EDI system. And most of the documents based manual systems such as cargo manifest release notice are eliminated or streamlined. More than 52,000 Customs related EDI messages are processed by Trade-Van daily. **(ii) Air Cargo Community System (ACCS)** - This system has 234 users including 8 airlines and 226 freight forwarders. The main function of this system is to allow local freight forwarders to inquire their cargo shipping status. And a new service for spaces booking is considering to be created by the airlines via this system. **(iii) Sea Cargo Community System (SCCS)** - The main function of this system is to allow shipping companies, warehouses and forwarders to exchange documents such as shipping order(booking) and manifest for warehousing-purpose. Currently this system has 186 users including 120 shipping companies, 32 warehouses and 34 freight forwarders. **(iv) Express Handling Unit System (EHU)** - This system processes more than 100,000 declarations of express consignment which are submitted by Fedex, DHL, UPS, TNT, Airborn and the other on board couriers monthly.

6.1.2 In the area of commerce, the Nationwide Commercial EDI VAN System has 2,778 users by use of the messages such as ORDERS, ORDCHG, ORDRSP, INVOIC, STATAC and REMADV .

6.1.3 In the area of Financial, After the set-up of a Financial EDI Joint Center, Financial Information System Center (FISC) and major banks are able to provide enhanced and integrated Financial EDI banking services such as Customs payment, Corporate payment, multiple inter-bank funds transfer, and documentary credit processes. The FEDI Joint Center links buyer, sellers, retailers, Customs, Customs brokers, and their trading partners through their industry EDI VANs such as Nationwide Commercial EDI VAN and TRADE-VAN. Currently this system has 14 banks and 300 companies joined the Financial EDI service.

6.1.4 In the area of security control, currently there are two CA systems installed. One is operated by Trade-VAN to provide certification services to users of Customs EDI System. The other is operated by Financial Information Service Center (FISC) to provide certification services to users of Commercial EDI System and Financial EDI System.

Both systems provide on-line certificate management functions in which Trade-VAN follows KEYMAN standard and FISC follows Internet standard. Among the users of the above mentioned systems, totally 600 corporations and 17 banks have already installed the security systems. The more banks are now establishing and testing these security systems. Each month, more

6.1.5 23 million US dollars are transferred through these systems.

6.2 India

6.2.1 Awareness and Education Programs – (i) The EDICON'98 (A conference and exhibition on Electronic Commerce/Electronic Data Interchange) was organised during 28-30 May, 1998 at New Delhi. The theme of the event was 'Trade Facilitation thru Electronic Commerce' and it exposed the participants to the EC/EDI benefits, technologies, implementation strategies etc. The conference focused on the issues related with sectoral implementations and covered sessions on EC in Government regulatory agencies, EC - issues and case studies, Network infrastructure & Services, Reinventing the Government, Innovative banking on the Internet and Legal framework & security solutions for EC. Also a special interactive session was organised for the CEO's of the companies to emphasise on the urgent need of adoption of EC tools by Trade and Industry. The event was a great success in mobilising the industry support and creating education and awareness on EDI/EC. (ii) The Reserve Bank of India conducted a programme at its training college at Mumbai on the concept of EDI and its applications in the financial sector. (iii) The Indian bank Association conducted a workshop on financial EDI for its members.

6.2.2 EDI Project Updates

(i) **Directorate General of Foreign Trade** - Directorate General of Foreign Trade (DGFT) is a wing of Ministry of Commerce, engaged in formulation of export-import Policy of the country and its administer. All types of licenses required for export and import within the country are issued by this organisation. The interface with trade and industry is provided by the 32 offices of DGFT scattered through out the country. EDI implementation stipulates day to day interface with trade and industry and related organisation and filing of the application in the EDI environment. All the major offices have been made EDI capable. The facility aims transparent, user friendly and efficient system for Trade and Industry. The user interface for applying licenses was started through a service centre. A web based EDI solution targeting small and Medium enterprises is also under implementation. The project is likely to be completed in all the Regional offices and Headquarters during 1998. (ii) **Indian Customs EDI System (ICES)** - ICES is a customs clearance system providing paperless transactions in the Customs House. The system is integrated with users and Bank. Clearance messages are transmitted over NICNET EDI VAN to the Custom House Agents (CHAs) and trading community. At Delhi customs the import and the export modules are operational for the last few years. The implementations at other ports are at different level. It is targeted for completion during the year. (iii) **Port EDI system** - The Port wise broad status are given

below; (i) Calcutta Port Trust : COARRI, COPRAR, COPARN messages have been tested and COREOR, BAPLIE, IFTIAG are being taken up for implementation. (ii) Cochin Port Trust : COARRI, INVOIC, CVIA messages are being exchanged regularly and IGM, IFTIAG, Bill of lading are under development. (iii) JNPT : BAPLIE is regularly exchanged. (iv) Mumbai Port trust : COARR is exchanged. (v) Tuticorin port trust : COARRI is regularly exchanged, INVOIC is tested and under trial and PAYORD, CREADV, DEBADV are under development. (vi) Chennai Port trust : COARRI, INVOIC are regularly exchanged and IFTIAG, COPARN, CODECO, IGM COSTOR are in progress. **(iv) Auto Pilot Project** - An Auto pilot project by Association of Indian Automobile Manufacturers and Auto Component Manufacturers Association under Ministry of Commerce, for implementation of EDI and Bar-coding in Automobile Industry is under concluding phase of implementation. Uniform message formats for few messages like delivery schedules, Invoice etc. were finalised and trials have been conducted for interchange of documents between different VAN operators. This has given Industry Standard for entire Auto Industry. **(v) Indian Banks Association (IBA)** - A pilot project is being implemented and tested between Bombay and Delhi for financial EDI. Five banks are under implementation. The EDification of foreign exchange branches is being taken up. **(vi) ICICI Bank** - The ICICI Bank web site offers detailed information about the various investment options available to the NRI's and the intricate regulatory framework governing the investment. Also the users could use e-mail facility to seek further information. **Infinity - ICICI Internet Banking Service** The ICICI banks customer can access to account information such as balance summary, a downloadable statement of account, transaction tracking, secure e-mail, cheque book/stop payment request and other facilities. **(vii) Drawback & Duty Payment System** - Customs duty payments can be done electronically by having debit orders issued against exporters/importers bank accounts and crediting the Customs account automatically in the Punjab National Bank (PNB). Duty notices and advice of payments are integrated with Customs ICES system. The drawback payments to exporters have also been automated through ICES, directly advising the bank to credit the accounts of Cargo Handling Agents (CHA). At Delhi customs it is operational for the last few years. The implementation at other ports is targeted for completion during the year. **(viii) Container Corporation of India Ltd. (CONCOR)** - A pilot EDI system for document transfer between CONCOR - Customs and CONCOR - Port Trusts is under development. Document exchange between Delhi Customs and Tuglakabad depot has been established and train summary information is regularly transferred to Customs.. A direct link with Mumbai Port and JNPT is being established. Connectivity with Chennai Port is being looked into. Work on shipping bill transfer from customs to CONCOR is under process.

6.3 Indonesia

6.3.1 EDI Users - As of May 1998, there were 1283 companies/institutions actively implementing EDI to support their business. The users consist of 1,091 importers/traders, 160 banks, 25 shipping lines, 3 container terminals/depots and 4 retailers. Following the announcement of the fully implementation of **EDI Import Cargo Clearance System in Tanjung Piok Seaport and Jakarta Cengkareng Airport** since April 1st 1998, the numbers of EDI users has increased significantly. But it is seemingly slower down following the monetary and political crisis in May 1998.

6.3.2 EDI Projects (i) Tanjung Priok Container Terminals - A new modern container terminal in port of Tanjung Priok named KOJA Container Terminal was officially inaugurated in February 1998. In respect to smoothening of its service, the management of KOJA Terminal has announced its EDI link capability with all shipping lines since May 1998. The first step of EDI implementation in this terminal is the conveyance of import cargo documents from shipping lines to the terminal. This step will soon be followed by the implementation of EDI Delivery System which will be put into operation by the end of August 1998. **(ii) Customs Services** - The Directorate General of Customs & Excise has announced that starting from 1st April 1998 all customs declaration submitted by all importers to the Customs Offices in port of Tanjung Priok as well as in Jakarta Cengkareng airport must be transmitted electronically. A careful investigation is being undergone to see the possibility of fully implementation of the EDI Cargo Clearance System in Surabaya as well as in Bandung. If there is no remarkable obstacle found, the Directorate will then announce the same rule like what has been enforced in Jakarta as soon as possible. Other project which is now underway is EDI Export System. Among the objectives of this project is to speed up the flow as well as the process of export cargo documents. To date the status of the project is about 90 % finished and the trial-test is scheduled in September 1998. **(iii) Export Service to USA** - Another 2 (two) documents are being developed i.e. ESERPT and USREQ to fulfill the requirement of Sucofindo (The National State Owned Surveyor Company) who has successfully implemented 2 (two) standard messages i.e. CUSVIS and CUSVRS to US Customs since mid of 1996.

6.4 Iran

6.4.1 The formation of the Iran EDIFACT Committee (IrEC) in August 1996 and its subsequent accession to the Asia EDIFACT Board in the same year, led to the creation of not only a national forum but also produced a momentum for EDI and EC related activities in the Islamic Republic of Iran. As a result of the various measures adopted by the IrEC, including the implementation of its promotional programs, the concept of Electronic Commerce and its related aspects have become an integral part of the vocabulary of the trade community in this country. Pioneered by the Institute for Trade Studies and Research (ITSR) as part of the national trade facilitation programs of the country, including the design and launch of the Iran Trade Information Systems Network (ITIS) as the first national VAN operator, the establishment of EAN Iran and the admission of the latter to EAN International, becoming the first bar - coding organisation in West Asia to join this international organisation, the launch of the 1st phase of Iran Trade Point (in consultation with UNCTAD) and the successful accomplishment of the feasibility studies concerning the design and functioning of the Iran Integrated Trade Information Network. The most pressing issue in Iran's trade community is no longer about the imperatives of the adoption of EC - related technologies, but rather how to implement them in the most speedy and cost - effective ways.

6.4.2 Working Groups Update

The IrEC which serves as the representative of Iran in the ASEB was formed within the administrative framework of the ITSR in August 1996. The said Institute operates under the auspices of the Deputy Minister of Commerce for Planning and Information

Dissemination. ITSr, in taking this initiative enjoyed the cooperation and support of a number of Iranian Ministries and organisations such as, the Ministry of Roads and Transportation, the Ministry of Post, Telegraph and Telephone, the Customs Administration and the Central Bank of the Islamic Republic of Iran. Each of the aforementioned bodies bear the Chairmanship of one of the relevant Working Groups of IrEC. The IrEC has managed so far to organize eight out of the twelve working groups which already function within the framework of ASEB. Furthermore, consultations are underway with other relevant Ministries and entities from both the public and private sector, to secure the establishment of the remaining four working groups in the near future. The latest developments of each of the eight existing working groups of IrEC are as follows; (i) **Awareness and Education Working Group** - Preparatory measures for holding the "16th ASEB Meeting" and "EDICOM '98 Conference and the Exhibition on Electronic Commerce Software". Holding a seminar entitled "Electronic Commerce and its Application in Iran." In a seminar organized by the ITSr in February '98, experts and managers of public and private organisations and companies as well as Ministries who are the actual or potential users of EC related technologies took part. To evaluate the current situation regarding the market size of EC and EDI as a basis for the adoption and implementation of the future pilot projects was among the objectives for holding this seminar. Besides the various presentations, a number of informative printed materials on the objectives and functions of ASEB and IrEC as well as the present and future programs of the Business Training Center (affiliated to ITSr) on EC related issues and technologies, including EDI, were distributed among the participants. Moreover, this seminar was complemented by a round-table discussion in which the problems and obstacles concerning the application of EC related technologies in Iran were discussed. (ii) **Purchasing Working Group** - The PWG of IrEC whose chairmanship is assumed by the Managing Director of EAN Iran has had the following activities, since the 15th ASEB Meeting; a) Securing 27% growth in the membership of EAN Iran. Thus the number of manufacturing companies and the chain stores in Iran which are using bar codes for their products already amount to 1,580. b) Holding of 6 seminars on the topics related to the application of bar coding in different sectors, in Tehran and the provincial cities. c) Putting forward the EAN/UPC standard to the National Standards Council of Iran for the adoption of the said standard as the national standard in the purchasing sector. d) Translation and publication of a number of materials concerning the bar coding technology, including those related to the location number which is a pre-requisite for the usage of EANCOM standards. e) Promotional activities through participation in four national specialized exhibitions. Propelling an increase in the number of automated sales terminals through the production and distribution of 800 units of POS. f) Recruiting a number of other companies for the activities concerning the promotion of bar coding technology and UN/EDIFACT standard messages. g) Cooperation and related support in the course of design and implementation of a Pilot Project for the application of Order and Invoice messages between "Shahrvand" chain-stores and their suppliers, on the one side, and the distributor company, on the other. h) Design of the program concerning the application of Purchase Order (ORDERS) and Purchase Order Response (ORDRSP) to the transactions among "Sharvand" Chain Stores and two of the latter's suppliers. i) Taking the initiative to draft the program regarding the application of commercial standard messages to the transactions between "Refah" Chain Stores, on the one hand,

and one of the banks, on the other. **(iii) Technical Assessment Working Group** – In view of the pressing need felt by the Iranian enterprises, manufacturers/producers and suppliers to constantly increase the application of the UN/EDIFACT standard messages to their bilateral as well as multilateral transactions, TA Group of the IrEC has already paved the grounds to undertake the initiatives as follows; a) Assessment of the message structures used by the concerned parties in Iran to ensure their compliance with the UN/EDIFACT Standards. b) Resolution of discrepancies between the sets of messages, recommended for assessment by the concerned Iranian parties. c) Recommendation of the requested format/field additions/ deletions or changes to the current UN/EDIFACT message structure standards by the Iranian concerned parties to the appropriate bodies. d) Assessment of the sufficiency of the given sub-sets of the UN/EDIFACT messages for securing the necessary transactional activities between and among the involved parties in the country. **(iv) The Electronic and Computing Working Group** a) Securing association between the Iran Trade Point Network and the United Nations Global Trade Point Network through ensuring the former with the position of an Internet node. b) Arranging a one-day seminar for the major Iranian Software Development Companies, industrial companies, manufacturers as well as Iran's Telecommunications Company on: "Electronic Commerce and its application in Iran". c) Designing and launching of a special homepage for the 16th ASEB Meeting, EDICOM '98 and the Tehran EC Expo. d) Taking the initiative to adopt and implement all the required technical measures for the realization of a Paperless Meeting during the history of ASEB, in the latter's 16th Meeting in Tehran. e) Adopting the necessary measures in order to provide such complementary services for the efficient conduction of the afore - said Paperless Meeting in Tehran, such as the Internet Service Center and the Technical Help Center. The former provides the participants of the 16th ASEB Meeting with access to the Internet and the latter extends solutions to the technical problems which may occur in the Lap-tops used in the course of the Tehran Meeting. **(v) Customs Working Group** Launching of the pilot site of ASYCUDA ++ in Mehrabad International Airport ahead of its originally planned 18 month time considered for the full implementation of the project. This initial phase covers the exports procedure. a) Translation of ASYCUDA into Farsi language by the team of experts of the Customs Administration of Iran. Conversion from the Gregorian date into the Shamsi (Iranian) date in the server , by UNCTAD, and the client, by the Customs Administration of Iran. b) Paving the ground for the expansion of the system to cover the other customs regimes such as import, Manifest, Selectivity and the transit of goods. **(vi) Financial Working Group** The Central Bank of the Islamic Republic of Iran which is in charge of this Working Group of the IrEC, is a user of the SWIFT system. Moreover, through the establishment of connections between the Mainframe of the Central Bank with the network of the other banks in the country, data is now exchanged on-line. All the main data - systems of the Central Bank have been fully computerized. Initiatives are underway by this Working Group to introduce the relevant EDIFACT messages to the users in Iran. **(vii) Transport Working Group** The responsibility of this Working Group of the IrEC is assigned to the Ministry of Roads and Transportation. So as to secure a speedy and reliable flow of information among this Ministry and its subsidiaries, on the one hand, and between this Ministry and the other relevant public sector organizations as well as the major international networks, such as Internet, Compuserve, and Dialog, on the other, a fully computerized information

network titled as "MRT - NET" has been designed and implemented. **(viii) Legal Working Group** Having become fully active in March '98, the overall framework of the recent activities of the LWG, are as follows; a) Consideration of the legal bases of the contracts upon which EC is conducted. Moreover, verification of the legal bases of the contracts concluded through EC and compatibility issues with Iranian law. Development of verification procedures for the legal validity of documents exchanged through EC, especially within the context of Iranian rules and regulations. Applied legal studies on the implementation of EC in the trade related contexts, such as insurance, transportation and banking, as well as the other key sectors. Preparation of a model Interchange Agreement in conjunction with the Legal Department of one of the major chain stores.

6.5 Japan

6.5.1 There are about 50,000 EDI users in Japan on private telecommunication networks, such as the industrial sector's VANs, and Keiretsu networks (Keiretsu means a group led by a big company). The largest number of EDI users are in the distribution industry (70-80%), followed by manufacturing (10-15%), and then shipping and shipping related industries. Of these, EDI users following the CII Syntax Rules have been increasing since 1992, mainly in the manufacturing industries, and more than 4100 at the end of May 1998.

6.5.2 Message Development Activities

The following industries are actively concerned with EDIFACT Standards: **(i) Electronic Industries Association of Japan (EIAJ)** - The number of the companies using EIAJ EDI standards totals over 3200 (last year 2700). When considering the spread of EIAJ EDI standards, EIAJ EDI proves to be the largest-scale EDI in Japan. The EIAJ-EDI Standards version of 1997 was issued in April last year. This is the 5th version after published at first in 1987. It was translated in English and published in October last year. It is clear that EIAJ, EDIFICE, EIDX and EDIMAN want to strengthen their ties and need to exchange more information across borders. EIAJ has been developing the international cooperation since 1992 and has been exchanging information with other organizations by the Internet. EIAJ is planning to make the presentation "EDI promotion in Japan" at the next EWG, SWGP in Brussels (September 1998). The project "APEC Internet EDI system" lead by MITI has already finished and the guideline of this project was presented at APEC/TELE/ECWG in March '98. EIAJ played a positive role in promoting the project. You can get this guideline in English, if you want. If you want to know more about EIAJ/EDI, please contact EIAJ EDI Center Homepage:

<http://www.edi.eiaj.or.jp>

(ii) The Distribution Systems Research Institute (DSRI) - As the previous report mentioned, many projects for EDI in the Japanese distribution industry are now actively going on, like as DECC, QRS, ECR, EC and other EDI committees. In the year of 1997, EDI activity in Japanese distribution industry entered the stage of the introducing the new EDI standard system JEDICOS (EANCOM/EDIFACT) and the developing the new business application sectors such as the electronic commerce with image data EDI, or the logistic sectors. **(a) The promotion of JEDICOS system** - As the previous report mentioned, DSRI has developed the 18 standard EANCOM messages for Japan since 1993 to 1996 in DECC project. We named the messages JEDICOS(Japanese EDI Commerce Standards) as a nick- name for popularization. They are just EANCOM

standard messages with Japanese terms additionally within the new ISO 9735 spec. DECC (Distribution Electronic Commerce Committee) is the project by MITI and DSRI for developing and promoting EDI systems in Japanese distribution industry. Some of them have been utilized by some partners of QRS or ECR projects since 1996. While some international trading companies, especially in the home electronic/electric appliance industry, are using ENACOM EDI trading systems between retailers and wholesalers. Some partners of big retailers and big manufacturers, wholesalers introduced ERC/ASN or CRP systems with JEDICOS and barcode integrated systems. **(b) QRS in the textile and apparel industry** - QRS project in TIRA (Textile Industry Restructuring Agency) has developed many systems with new concept including EDI for textile and apparel industry. EDI standard messages of QRS consists of two standard types. One is according to EANCOM, and the other is according to CII (Center for the Informatization of Industry) for domestic and VICS/USA compatible. As CII type, 10 messages were developed in 1995. In 1996 more than 9 messages have being developed. Some partners of QRS project companies are now utilizing both types. **(c) ECR (Efficient Consumer Response)** - ECR is a new project supported by MITI for food and grocery industry including new business concept and EDI systems. Some of the group partner companies of this project have already developed EDI systems for ECR. For example, Data interchange system based on EDIFACT standard messages, Computer assisted ordering system and Continuous replenishment program for food and grocery, and Image data interchange system for shelf allocation in the store. **(d) Attending major EDI Committee** - ASEB, AS-PWG, Japan EDIFACT Committee, RIED, TC154, Researching Committee for making EDI JIS, QRS, EC, etc. **(e) CRP(Continuous Replenishment Program) actual experiment** - This year's ERC actual proof experiment project do automatic order and automatic supplement system's development between big supermarket, big chain stores, medium-small chain stores and product suppliers in addition with EDI experiment between companies. **(f) WEB EDI with image data** - DSRI is developing WEB EDI with image data for the electronic commerce. Some partners of retainers and whole-salers, manufacturers have negotiations with EDI electronic catalogues including product item picture data. **(g) Fine image data EDI message** - DSRI is developing the EDI messages and systems for the fine image data in this year.

(iii) Japanese Shippers' Council (JSC) - JSC, in an effort to make a timely response to significant changes in the international environment, has been actively involved in EDIFACT education and popularization activities. They have done this as a management body of the Japanese trading industry in response to the industry's expectations. Under the circumstances, in early 1992, JSC organized a working group to develop UNSMs subsets for INVOIC and ORDERS within trading companies, manufacturers and some trade related associations under the framework of JSC. The highlights of the working group's activities are as follows. (a) In Sept. 1992, the first subsets of INVOIC and ORDERS based on the standard directory 91.2 were developed. (b) In Mar. 1994, the new subsets of INVOIC and ORDERS based on the standard directory S.93A were developed in order to revise the above subsets' messages. (c) In Mar. 1995, "Implementation manual of international EDI" was published. (d) The working group published a report of "The examples of inter-national EDI" in March, 1996. Furthermore, the working group published a reference aspect "Some examples of EDI applications in

the Trading Sector.”

(iv) Nippon Automated Cargo Clearance Systems (NACCS) – (a) Current Systems - Japan has the two automated customs clearance systems named "the Nippon Automated Cargo Clearance Systems for sea-cargo (Sea-NACCS) and air-cargo (Air-NACCS).

These systems are operated by NACCS Operations Organization established by the Government and private joint funding. Now we process more than 90 per cent of all import and export customs declaration by using these systems. **(b) Next Sea-NACCS -**

The Study Group for next Sea-NACCS : These systems are normally developed every 8 years. The next sea-system will be scheduled to be operated from the year 1999. "The Study Group for next Sea-NACCS" was introduced in April 1995 in order to discuss how to create the next Sea-NACCS System. Recommendations by the Study Group : In

November 1995, the Study Group recommended that: The next system should be designed as an integrated customs computer system, which will enable the processing of a series of customs procedures through report of arrival to the release of a cargo for import, delivery to bonded area to report of exit for export and to achieve maximum benefits for its participant and The next system should promote EDI and adopt and introduce UN/EDIFACT implementation on the international distribution system. At the almost same time of the recommendations by the Study Group, APEC member economies stated the adoption and support of UN/EDIFACT standard by 1999 among their economies at the meeting held in Osaka in November 1995. **(c) Sea-NACCS**

Upgraded Promotion Council - In order to adopt the Recommendations by the Study Group, "the Sea-NACCS Upgraded Promotion Council" was organized by the next users of the system in March 1996. **(d) Detail Design of the Next Sea-NACCS -** The detail design of the next Sea-NACCS was published in December 1997 by the Sea-NACCS Upgraded Promotion Council which consists of the represents of Ministry of

Finance(Customs), Ship owners, Customs brokers, Warehouses, Banks and System operator (NACCS Operations Organization) in order to introduce the system in 1999. **(e) Next Air-NACCS -** The next air-system will be scheduled to be operated from the year 2001. We have set up the "Air-NACCS Upgraded Sub-meeting" in March 1998.

(v) Financial EDI in Japan - The commercial banks have continued to make every effort to increase the use of "financial EDI service with matching key" by its corporate customers. This service, introduced in December 1996, has been offered through the "Zengin System", a nation-wide electronic fund transfer (EFT) network. By the use of 20 digits "matching key" representing invoice and payment data attached to ordinary EFT data, corporate customers are enabled to associate each EFT data of received money with corresponding invoice or payment data. Government assistance has been given to expand the use of this new service. Groups of major electronic manufacturers and transportation companies, in close cooperation with large commercial banks, have continued to conduct pilot projects from January 1997, utilizing public financial aid. The aim of these projects is to explore a smarter way to carry out corporate accounting procedures by utilizing the above financial EDI service.

(vi) Trade Finance EDI - In the field of trade financial EDI or EDI for the dematerialization of trade documents, strong initiatives have also been found. Two study groups, set up under the auspices of JASTPRO and the Center for Financial Industry Information Systems (FISC, Japan), recently released reports on the necessity and feasibility of such scheme in Japan. Pilot projects in this field are also planned. Many

banks and companies seem interested in participating in EDI projects of this kind, such as "Project EDEN" planned mainly by Japanese-based companies, and the "Bolero" promoted internationally by S.W.I.F.T. and TTClub.

(vii) EDI implementation on port. IN/OUT procedures - To facilitate the reporting/filing procedure of vessel's calling to Port Authority and Harbor Master, Japanese major Port Authorities and Japan Marine Safety Agency (JMSA) will jointly launch new pilot project, so called "Port EDI" in next year 1999. This system will use UN/EDIFACT messages and UN/LOCODE. Its pre-study was done by joint working group set-up by MOT and JMSA last year. They cooperated with sub-group members of BERMAN and members of PROTECT so as to develop a new message and harmonized MIG of IFTDGN/APERAK. It will be implemented following UN/EDIFACT messages to facilitate international/domestic ocean carriers' current paper-base procedures.

- a) BERMAN (for port in/out procedure);
- b) IFTDGN (for dangerous cargo loading/discharge application);
- c) PAXTLST (for crew numbers onboard);
- d) CUSCUR (for cargo statistics);
- e) APERAK (for acknowledgment/approval to notification/application)

MIG's will be developed by ITIGG "P & R" documents and cooperate with the parties concerned from now on.

6.6 Korea

6.6.1 EDI Market - There has been great difficulty in developing an effective plan for the proliferation of EDI due to a lack of data of business demand data. To tackle this problem, a lot of research has been performed and, as a result, invaluable information and materials are now available. According to "A Report on the Current Situation of EDI in Korea" published by the Association of Information and Communication Promotion, the domestic EDI market has exploded by over 51% every year since 1991 because of a drastic increase in users in the fields of trade automation, logistics automation, distribution and healthcare EDI. In addition, the EDI service market increased to over 15 million US dollars in 1997.

6.6.2 VAN Operators - **(i) KTNET** -The Trade Automation Network provided by KTNET has now formed a very large VAN service market with 8,500 users as of May 1998. In addition, KTNET is moving forward to provide other services, including an EDI system for a vegetable and fishery distribution company named Seoul Fruits, Inc. It has also concluded a contract to construct a complex information center for the Seoul Metropolitan Rapid Transport Corporation. **(ii) KL-Net** - About 1,500 users are participating in the Logistics Automation Network provided by KL-Net. Moreover, Logistics will become one of the most prolific and important areas after the year 2000 when a complex logistics information network, initiated jointly by the Ministry of Construction & Transportation and the Ministry of Information & Communications, will be established. **(iii) VAN Interconnection** - An Agreement of interconnection between KTNET and KL-Net was made on May 13, 1998. This agreement is expected to benefit companies which are involved in both logistics and trade by instituting one-stop service comprising trade, customs clearance and PORT-MIS. This agreement of VAN connection is being implemented under the government initiative designed to interconnect all the

public networks. **(iv) Korea Telecom** - Korea Telecom, whose healthcare EDI service was restricted to Seoul and its suburbs, has enlarged its service to the whole country. With this service enlargement, users of KT EDI service, now about 3,200, is expected to increase up to 15,000 by the end of this year. KT predicts that its service will reduce the US \$ 143 million administration costs in the healthcare insurance industry. Korea Telecom received international certification of its EDI system in communications standard of X.435. The certification was granted by DISA-JITC(Defense Information System Agency-Joint Interoperability Test Command) based on a test by the National Computing Center of Britain. **(v) DACOM** - Currently, DACOM's EDI network is used by 18,000 users mainly in the distribution industry. In addition, DACOM has begun logistics VAN service by participating in the construction of Yangyang Cargo Incorporation's EDI system connecting 100 branches. This system is designed to manage the dispatch and arrival of cargoes, shippers, etc. and thereby automate the procedure of collecting cargo information, calculating freightage and evaluating results. Furthermore, DACOM is planning to resume its Trade Automation service, aimed at providing one-stop service via an interconnection with KTNET. **(vi) POSDATA** - Currently, about 1,700 companies are using the POSDATA mainly in the field of steel industry. POSDATA is attempting to expand its service to trade and distribution area for steel industry.

6.6.3 EDI Standard Development

(i) Message Development Activities - The Korea EDIFACT Committee (KEC) approved 55 messages and 2 KEDifact directories in December, 1997 and revised guidelines in accordance with the new standard message status (Message in Development and Korea Standard Message) and specification on security measures regarding message and electronic signature. The newly approved messages were from the finance (3), customs clearance (15), trade (11), insurance (2), distribution (3), steel (10) and healthcare (11) industries. The total number of Korea Standard Messages is now 138. The Technical Assessment Group under the KEC audited 20 newly registered messages last February, and these messages are to be submitted to next KEC meeting for approval. Each message development group (MD) is active in developing new messages, as well. MD1 (Trade) developed 5, MD3 (Customs) 12, MD4 (Land Transportation) 5, MD6 (Marine Transportation) 6 messages. In addition, it is expected that new message development groups will be established in the fields of construction and taxation this year. A new version of the Korea Standard Code Directory was published this year. This directory updates the 1995 version by adding all the new codes in UN/EDIFACT and KEDifact. Furthermore, its appendix contains ISO country codes, measure unit codes and the domestic part of UN/LOCODE.

6.7 Malaysia

6.7.1 EDI Users - The number of user participation in EDI related projects has certainly increased over the years. This is reflected from the involvement of players from several sectors compared to merely in the international trade related sector in the early years. To date, sectors like service, manufacturing, retailing, financial and the government has been adopting the EDI approach in carrying out their functions, with the government fast becoming the front-runner in championing EDI and electronic government in the country.

Currently, there are more than 3,000 EDI users in Malaysia and more than 50% are from the trade related sector.

6.7.2 VAN Operators

There are only two VAN operators who are actively involved in EDI related projects, EDI Malaysia and VADS. Both operators are privately owned companies.

6.7.3 Standards Development

6.7.3.1 Message Development Activities – (i) **IFTDGN** : This dangerous goods notification message has been developed to be used in the implementation of Dangerous Goods Handling System by the Port Klang Authority. It was adopted from the UN/EDIFACT Standard Directory D.97A. (ii) **IFTMIN** : This instruction message was developed for the implementation of the system for the hauliers. It will be used by the Forwarding Agents as a request for delivery instruction to the hauliers. Adopted from the UN/EDIFACT Standard Directory D.97A. (iii) Under phase two of the SMK-Dagang*Net Interface project, **Customs Working Group (CWG)** will be working on several new UN/EDIFACT messages: **SANCRT** (International Movement of Goods Governmental Regulatory Message) (Customs UNSM): This message is for interfacing with all Other Government Agencies (OGA) that issue permits/licenses for all imports and exports. **Out-bound CUSDEC** (Customs UNSM): This message is to enable data/information from the approved import and export declarations to be transmitted electronically to other interested parties such as the Department of Statistics and other relevant OGA. **FUNACK/CONTRL** (Control Messages) – control messages **PAYMUL, CREMUL, DEBMUL** (Financial UNSM): The SMK- Dagang*Net Interface Project in phase one has implemented the PAYORD, DEBADV and CREADV messages for the payment of Customs duties via the Electronic Funds Transfer facility. There have been requests from the trading community for multiple payment messages to be implemented in order to reduce transmission costs.

6.7.3.2 EDI Project Updates –

(i) Asia Region Customs EDI Project : (i) **Background** This project is under the framework of the Inter-networking Implementation Committee (IIC) of the Asia EDIFACT Board. The long-term objective of the project is to enable the exchange of Customs EDI messages between the various Customs Administrations in Asia, thereby helping in both the trade facilitation and enforcement work of the administrations. Currently, six countries have agreed to take part in the pilot, namely Malaysia, Korea, Philippines, Chinese Taipei, the Peoples Republic of China (PRC) and India. (b) **Status of Development** - The inter-VAN connection testing and the development work of the regional message specifications are still in progress. The last testing between Dagang*Net and KTNET was in January 1998. The connectivity testing between Dagang*Net and NICNet has not started yet since there has not been any response from India on NICNet system details. Testing between Dagang*Net and TRADE-VAN was last done in May 1997 and since then, there has been problem connecting to TRADE-VAN. As for testing between Dagang*Net and EDINet, there has not been any word from Philippines on the status of their network infrastructure. Thus, generally inter-VAN connection testing is far behind schedule due to slow or basically no response from the rest of the participating countries. As for EDIFACT specifications and Regional Mapping Guide, work is still progressing in the three areas – UN/EDIFACT Standard Version, Code Sets and Unique Reference Identifier.

(ii) Port Klang Community System (PKCS) - Port Klang Community System, the EDI-based port community system is in the 4th year of operation. As of to date, this system process on average of 25,000 messages per day. The system provides the 500 port users with facilities to prepare documents such as manifest, customs declarations, Ship Arrival notice, Payment Order and submitting them electronically to the relevant parties in an EDI using post-box & mailbox concept. At the same time, beginning April 1998, the users can access the system database over Internet where information such as vessel arrival and consignment status can be retrieved. Amongst the current users are the Customs, Banks, Port Authorities, Port Operators, Shipping Lines, Forwarding Agents and the Shipping Agents. Some of the latest development in PKCS was the extension of the system to service the importers/ exporters, Free Zone Authority and the warehouse operators. The services will enable the importers/exporters to make duty payments on their consignments to the customs, directly from their offices using Electronic Fund Transfer (EFT) . Currently, 95% of customs duty are paid via EFT through PKCS. With the system, the Free Zone Authority will be able to 'connect' to the users and receive documents such as declarations and dangerous goods list, electronically. The warehouse operators can also enjoy the benefits of automating their inventories for all the consignments meant for their warehouses, through PKCS. Soon, PKCS will have the complete cycle in the import and export process by the participation of the hauliers. When this is implemented, the Forwarding Agents will have the facilities to make a request for delivery and receive confirmation on the delivery, electronically. Another service offered is the Intranet based PKCS On-line. Many players in the PKCS have subscribed to this service which allows the subscriber to utilize a Web Browser to retrieve information which is updated every hour. Information includes declaration status, ships calling into Port Klang and customer's EDI traffic billing status.

(iii) Subang Airport Community System - The Subang Airport Community System (SACS) is a replication of the PKCS for the airport communities. It has been in operation for more than 3 years. SACS provides the users with functions such as manifest submission, customs declaration and payment of customs duty via EFT. It has about 200 users, which comprise the customs, airlines, consolidators, banks, forwarding agents and the airport authority. Currently the system is in the process of upgrading. This is in tandem with the switch over of the operations in Subang Airport to a new airport. Kuala Lumpur International Airport (KLIA) will be in operation in July 1998 and with this new airport, a different approach to this community system has been put forward and developed. When it is completed, the system will have functions such as: (a) Free Zone declaration messages processing; (b) Manifest registration/balancing; (c) Router/distribution functions; and (d) Electronic Fund Transfer.

(iv) The SMK- Dagang*Net Interface Project (National EDI Project) – (a)

Background - SMK is the Customs Information System. Implementation of the Import and Export Clearance System started in October 1995. The messages implemented are CUSREP, CUSCAR, CUSDEC, CUSRES, PAYORD, DEBADV and CREADV. **(b)**

Status of Development - Phase I – the system has stabilized whereby all the shipping and forwarding agents are submitting electronically. The Customs Department is now processing an average of 99% of all declarations electronically. Phase II – The SMK-Dagang*Net Interface Phase II Project will see the expansion of the scope to include: new UN/EDIFACT messages; paperless environment; integration of Smart Card

Technology/Auto Gate System with EDI; EDI for Road Mode (sea and air modes already operational). A contract with the vendor to develop the system was signed in early June 1998 and the project is expected to be completed in two years.

(v) Financial EDI - Financial EDI is fast becoming the business tool in creating the market niche amongst the larger corporate in the country. The highly competitive market with the faster and streamlined business cycles in internal and external trade, addresses the needs of electronic financial transactions for all sectors in the country. It has, therefore been recognised as another strong driving force for the widespread adoption of EDI and will act as the catalyst for the attainment of critical mass of EDI users in Malaysia. Retailers, importers, exporters, banks and the government agencies are the main players in this service. Some of the related projects being implemented include: **(a) SMK-Dagang*Net Interface Project – Duty Payment Via EFT** : The payment of customs duty using Electronic Fund Transfer (EFT) was started on February 1996. With this system, all the agents must pay customs duty by issuing a Payment Order to their Bank and through this Bank the custom will received the Credit Advice for the specific consignment before the SMK system release the goods. Efforts are underway to introduce the PAYMUL message to cater for the needs to make one single payment of duty for the release of multiple consignment. **(b) EDI Payroll Program**: The EDI Payroll Program based community system was developed to facilitate the electronic crediting of employees' salaries. Among others, the service will enable electronic submissions for payments and details of deductions to the government agencies. **(c) TIME Supplier*Net Program**: The Supplier*Net Program is an EDI based community system which enables business partners to transmit business documents electronically. The system links Purchasers and Suppliers. It enables the ordering goods and invoicing, as well as payment electronically, through the Corporate Payment Service of EDI Service of EDI Malaysia. **(d) Retail Community System**: Retail Community System introduces the concept of "electronic commerce" among the big retailers in Malaysia. It enables electronic transmission of commercial documents such as Purchase Order, Invoices and Payments Instructions between the trading partners involved. The main players are Banks and big Retailers. **(e) CIMA (Cement Industries of Malaysia)** : Launched in July 1996, phase one of the project involves the use of EDI messages for Purchase Orders and delivery Orders between the manufacturers and buyers.

(vi) Permit Issuing Agencies (PIA) Project - The PIA project is an independent EDI based system designed to cater the needs of various government agencies in the automation of permit issuing via EDI. The users, either the exporter or an importer of any particular goods which requires permit can obtain the permit from these government agencies by transmitting permit application messages (CUSDEC) from their system to the respective government agencies. Currently, the main permit issuing agencies that are very much involved in this project are: (a) Department of Telecommunications (JTM), (b) Ministry of International Trade & Industries (MITI), (c) Department of Veterinary Services (DVS), and (d) Malaysian Timber Industry Board (MTIB). The Department of Telecommunications (JTM) will extend its services throughout the country by July 1998. This will enable all its branches to process permit applications submitted by the importers, electronically. For MITI, an electronic linkage to the US Customs system (ELVIS) has been established. Beginning 1st April 1997, the exporter of the textile product to US, with their own EDI based software, will able to apply permit and visa

directly from MITI system and at the same time their approved Visa will be simultaneously transmitted to the US customs. By 1999, all these Agencies, JTM, MITI, DVS and several others will have EDI interface with the Customs system through the possible use of the SANCRT message.

(vii) Other EDI Initiatives – (a) EC*Link : EC*Link has passed its third year of operation. Each month, almost a quarter of a million employee records are processed by EC*Link to be passed to the EPF or to SOCSO. Last October, a Web-based version of EC*Link was announced and endorsed by both EPF and SOCSO. The service will run on a VADS managed Intranet service. This service will be superior to the current PC version of the software in that it has more graphical and interactive features. It will allow the hub agency to broadcast information to their clients via a FAQ section or special notice boards. The web-based version of EC*Link is expected to gain more acceptance because of its better network performance and more user-friendly interface. As of June 1998, more than 25% of the EC*Link users have migrated over to the Web-version. **(b) Parkson*Link :** Parkson*Link is a service that links Parkson Corporation, the largest retail chain outlet in Malaysia, to its stores around Malaysia, and to its suppliers. To date the services has linked Parkson Corporation HQ to about 50 of its stores and branches around the country and about 10 suppliers. Parkson plans to bring all their largest suppliers into the EDI service. **(c) Jaya Jusco :** This project encompasses all suppliers to the Jusco retail stores in the country numbering 200, connected through Dagang*Net. The first phase has been completed with the electronic exchange of Purchase Orders and the second phase will incorporate Electronic Payments. This project is done in conjunction with the global IT Company, EDS. There are plans to migrate this project to a completely web-based environment by June 1999.

6.8 Philippines

6.8.1 EDI Users - The number of EDI users has increased to about 800 companies as of June 1998. Of this number, 500 are companies who are remitting the monthly contribution to the Social Security System using EDI. The rest are in the retail and distribution as well as in the government licensing.

6.8.2 EDI VAN Operators - With the establishment of the Customs EDI Gateway, there are four (4) VANs participating in this EDI project. These are the Intercommerce Network Services (formerly Global Teleprocessing Services), EDINet Philippines, Data Stream, and Kargobayan.

6.8.3 EDIFACT Standard Message Development – (i) EDI Messages: The Philippine Article Numbering Council is currently working on integrating EANCOM messages to the existing programs of trading partners. To achieve this end, subsets of the following EANCOM messages have been agreed on: PRICAT, ORDERS, ORDRSP, INVOIC, RETANN, RETINS, REMADV, DESADV. Currently, the messages being used and piloted are ORDERS and PRICAT. **(ii) Other Developments – (a) EDI Projects** In addition to existing EDI systems operating in the country, the latest project is the Bureau of Customs EDI Gateway Project. The Philippine Bureau of Customs has successfully conducted parallel runs on the electronic lodgement of Import Entry/Declaration, as an initial phase in integrating EDI into the Automated Customs Operating System (ACOS)

and ASYCUDA. During its Centennial Celebration on June 10, 1998, Customs formally launched the EDI Lodgement of Import Entries with live data to Customs ACOS and the corresponding Assessment Notices were received within minutes. With the launching, Customs is opening the facility to importers, brokers and forwarders, shipping lines and airlines, banks, as well as other VANs. Customs has also initiated discussions with the SGS Pre-Shipment Inspection Reports and the electronic payment of taxes and duties. This would bring the Philippine Customs to be at par with world class Customs Administration standards, promoting trade facilitation with paperless, cashless and queueless practice, and at the same time, providing the facility to closely monitor the flow of goods and to generate revenues for the government.

6.9 P.R.C.

As China could not participate in the 16th ASEB meeting in Tehran, the following progress reports are as of the 15th ASEB meeting in November 1997 in Sri Lanka.

6.9.1 EDIFACT Standards Development - The Business & Information Modeling Framework for UN/EDIFACT (UN/ECE/Trade/WP.4 /R.1212) has been formulated as national standards to guide EDI message developers and EDI users.

6.9.2 EDI Application Progress - (i) EDI Application Progress in China Aviation Business - Most airlines and agents in China have been using CAAC's CRS(Computer Reservation System). CAAC has established their WAN network covering most large and middle cities, which is the biggest one in China. By now, the main project of CAAC is to establish Global Distribute System (GDS) for most information services addition. For cargo system (FAST4), hotels in Hong Kong and Macao want to be interconnected with CAAC's network system. The Computer Center of CAAC is testing several implementation methods, such as hotel database interconnection with the database of the Computer Center of CAAC, agents remote accessing hotel database and CAAC's RES (Passenger Reservation System), and interchange data with hotels through UN/EDIFACT messages, etc. The final method will be selected depending on the testing result, network condition, and the users' requirements. CCS (Cargo Communication System) as message switch including UN/EDIFACT message will be carried out in 1998. For CAAC's network established mainly by Unisys products, agents can only use UTS40 terminal and can do nothing but booking. If Open Network Architecture will be established, agents can use PC and adopt TCP/IP instead of UDLC. The agents will have a very wide choice on access methods, and this is also the basic condition for agent's EDI usage. 1998 and 1999 will be very important years for the center of CAAC to develop the CABDT (Civil Aviation Business Data Transport) Network. There are many problems needed to solve, such as authorization, security and network management. CAAC put EDI implementation at a very important position in Project development. **(ii) EDI Application Progress in Transport** - The International Container Transport Electronic Information Transmission System and Demonstration Project has got great success. Five EDI Centers have been set up at COSCO, Shanghai, Tianjin, Qingdao and Ningbo in May of 1997 respectively and opened to users. By now, five EDI centers and the whole EDI system is running very well. The EDI Technology and Application Service Center of the Ministry of Communications has been set up. The center has held four training courses on AMTrix

EDI software and UN/EDIFACT. More than 80 engineers from the five bases have passed the courses. The 21 EDIFACT messages have been translated into Chinese and published as user's manual. According to the documents of the container transportation of China, the 21 standard platform files designed in compliance with UN/EDIFACT 95A, and 95B has been finished. Other messages such as COSCO-form messages and self-defined messages are also in use at the same time. For example, Ningbo Port provides users COSCO-form messages BAY(V1.2) and DOC(V3.1) and self-defined messages BAPLIE, IFTSUM, COSTCO, CUSCAR, CUSRES. All of the five EDI centers have the following management and service function systems: a) user/business management system, b) fee collection system c) daily record management system and d) safety and security systems. Up to now, some application services have been provided through Web. For example, Ningbo Center provides following services through Web: a) shipping schedule announcement, b) message transmission inquirement and c) gate-in/gate-out inquirement. **Tianjin Center** provides following services though Web: a) shipping schedule announcement, b) shipping performance and c) container information. Users of the EDI center include ship's agency, forwarding agency, shipping company, dock, tally company, container yard, port bureau, Customs, health and quarantine office, animal or plant quarantine office, commodity inspection office. There are 34 users connecting with the Qingdao EDI Center, 12 users with the Ningbo EDI Center and 50 users with the Tianjin EDI Center. By using EDI, all the users have shorted their operation time and improved their services greatly. According to Qingdao Port, the use of BAPLIE has made APL get the message in 4-72 hours before the arrival of ships. But in the past, the company had to wait 3 hours to get the paper documents after ships arrive. Now, the group is summarizing the demonstration project and preparing for the appraisal and acceptance of the government.

(iii) EDI Application Progress in Customs – (a) Setting up Customs EDI Service Center: In consideration of network's security and for the purpose of providing information services to trading business community, the network architecture China Customs will adopt consists of two parts, intranet and extranet with fire-wall between them. The extranet of China Customs will be run by Customs EDI Service Center and controlled by China Customs. The Customs EDI Service Center will adopt open policy in inter-network connection and is willing to connect to other VAN providers. Up to now, the general scheme of the Customs EDI Service Center has been finalized, the system platform has already been determined, and the formalities for setting up the Customs EDI Service Center is under way. Shanghai Customs, as the first pilot site of the project, has finished the EDI system installation and testing, and is ready to connect with other 3 local EDI service centers. According to the plan of the project, Custom EDI sub-centers will be set up in 5 coastal central cities and 1 inland central city by the end of this year.

(b) EDI Duty Payment System: By the end of September, the Beijing Customs has processed through EDI duty paying system over 200 transactions with total value up to 20,000,000 RMB, and the number of firms participating in EFT has reached to 10. The Shanghai Customs, another local customs, is also ready to use EDI duty paying system and two firms will be involved in the pilot.

(c) Co-operation with other departments: In Guangzhou, a central city in south China, a EDI Center which is set up and managed by both local government and Customs has expanded its service to entry declaration of import and export, applications for import and export license and

certificate of country of origin, recordation of business contracts for processing trade. The total amount of message the center processed has reached to 200,000.

(iv) EDI Application Progress in Foreign Trade – (a) EDI platform has been set up, applications on it has begun step by step: EDI application is the primary item on CIETNet (Networks of China International Electronic Trade). CIETNet is invested by MOFTEC, covering every field of foreign trade, such as Customs, Bank, Commodity Inspect, Transportation, Administrator of Foreign Trade Enterprises of Import & Export, etc. Following the development of CIETNet in national domain, electronic documents exchange over CIETNet have covered the whole country. Up to now, CIETNet has set up 11 physical nodes in some big cities, and it will be over 30 nodes in 1998. From September 1997, "Apply for the license of China import & export quota permission" has been running in Beijing, Tianjin, Guangzhou, and Zhuhai. From October 1997, "Apply for Origin License" begin testing and running in the Commodity Inspect Bureau of Shandong Province. **(b) Standardization of foreign trade document:** Three national electronic document standards i.e. Invoice, license of import permission, license of export permission, and the incoming national standards are Packing List and ETO (Electronic Trade Opportunity) have been developed. **(c) EDI standard service over CIETNet:** To promote EDIFACT more spreading, one station named "EDIFACT Services Station" has been established on CIETNet. URL of CIETNet is <http://is.moftec.gov.cn>

6.10 Singapore

6.10.1 User Base/EDI Market Size - To date, there are more 21,400 EDI users in Singapore. Over the last few months, several new EDI initiatives were launched. (Details are given in Section II). With these implementations, we are anticipating a steady increase in the EDI market size for both the private sector as well as the public sector.

6.10.2 EDI Project Update (i) TradeNet (Internet-enabled) -The TradeNet system has been implemented since 1989 to allow the trading community to exchange documents with the various government authorities which include the Singapore Customs and Excise Department, the Singapore Trade Development Board and the various government controlling agencies. In early 1998, the TradeNet system was enhanced to allow the trading community to gain access to the system via the Internet. **(ii) EDITrans -** EDITrans is an Internet-enabled system designed for the transportation industry to allow the various parties such as the shippers, cargo agents and freight forwarders, to exchange documents electronically. The documents supported by the system include: Arrival Notice, Bill of Lading, Commercial Invoice, Freight Invoice, Manifest, Packing List, Transport Instruction and Transport Instruction Response. This system is in operation since January 1998. **(iii) ProcureNet -** ProcureNet is an Internet-enabled system designed for the manufacturing industry to allow buyers to exchange procurement documents with their suppliers. The procurement documents exchanged include: Purchase Order, Purchase Order Response, Purchase Order Change, Delivery Forecast and Delivery Just-in-Time. Buyers who are using the system today include Adaptec, Aiwa, AMP Manufacturing, Asahi, Baxter Healthcare, Hewlett Packard, Maxtor, Mesa, Pioneer and Singapore Tobacco. In operation since March 1998. **(iv) FactorNet -** FactorNet is a system designed for the factor houses to exchange documents with their clients electronically. The documents presently supported by the system include the Invoice and

the Credit Note Listing. In pilot run with DBS Factors (Development Bank of Singapore) since June 1998.

6.10.3 EDIFACT Standards Development – (i) Singapore EDIFACT Committee Members Update - There is no update to the Singapore EDI Committee structure. It remains as follows: Singapore EDI Committee, Technical Assessment Group, Education and Awareness Group, Message Development Group, Consumer Goods, Government and Procurement, Manufacturing and Sea Transport. **(ii) Work Plans/Program Updates – (a) Technical Assessment Group:** The Inter-Networking Committee for TradeNet Plus has submitted 6 messages for review. The Singapore Trade Development Board and the Singapore Customs and Excise Department are in the process of submitting two messages to the AS-TAG Group for consideration under UN/EDIFACT Standards. **(b) Education and Awareness Group:** Since the last report in October 1997, beginning this year, Singapore Network Services had conducted a total of more than 110 training courses on EDI/EDIFACT for almost 1000 participants. The Singapore Article Number Council also conducted a series of seminars. All these events were conducted with the aim of promoting and encouraging the use of EDI in Singapore. **(c) Message Development Group: Sea Transport Message Development Group** Singapore is now working with Malaysia and Indonesia on the technical design in the exchange of STRAITREP information. The STRAITREP will utilise the available communication infrastructure of the Internet to transmit information on the participating countries. When vessel reports to the STRAITREP station, vessel information will be extracted and transferred to the database. A communication program would periodically transfer these information to the participating countries via the Internet.

6.11 Sri Lanka

6.11.1 EDI Projects - (i) Sri Lanka Ports Authority - All Shipping Agents involved in the Container Handling Activities numbering approximately 30, are connected electronically with the Sri Lanka Ports' Authority (SLPA) computer through the MARINET system. The MARINET facility provides access for inquiry and provides facilities to download the Terminal Departure report and the Bay Plan. The main facilities available can be listed as follows: Container Data Inquiry, Stacking Status Inquiry (Vessel Code), Stacking Status Inquiry (SLPA Reference), Container History Inquiry (Up to one month), Container History Inquiry (up to three months), Destuffed Container Inquiry, Ship Schedule Inquiry, Monthly Ship Schedule, Re-stow Container Inquiry, Ship Master Data Inquiry, Ship Bay wise Data Inquiry, and Code Table. It is the intention of the SLPA to link up all document clearing agencies electronically including freight forwarders, banks, exchange control, import control, insurance companies etc. to provide an efficient service. The supplier of the container handling software has been contacted with respect to the implementation of the following message formats: BAPLIE, CALINF, COARRI, CODOR, COPARN, COPINO, CORPOR and COREOR.

(ii) Sri Lanka EDI Network Services (Pvt) Ltd. - Sri Lanka EDI Network Services (Private) Limited (SLENS) which was formed in 1997 to establish an EDI switch for Sri Lanka, is now evaluating the offers received to select a strategic partner.

(iii) PWG Activities - The Chair of the Purchasing Working Group (PWG) which functions under the National EDI Committee, and the members of the PWG, held several meetings with the Sri Lanka Apparel Exporters Association with regard to the use of EDI in international trade transactions with their buyers and suppliers of raw material. The PWG also discussed matters related to EDI with the Exporters' Association of Sri Lanka and the Colombo Rubber Traders' Association, with the objective of upgrading their knowledge in using EDI. The PWG is reviewing the Export Procedure of Sri Lanka, with the objective of rationalizing it prior to the introduction of EDI.

6.12 Thailand

6.12.1 EDI Users - No update in retail sector. Since the custom department implemented the EDI for export system, there are 30 companies registered to use EDI for customs transaction. It's anticipated that the volume of transactions will increase later.

6.12.2 EDIFACT Standard Development – (i) Message Development Activities – (a) Customs EDI Message: With the plan to adopt UN/EDIFACT 95B Directory for Customs EDI message, The Export Cargo Clearance System at Bangkok International Airport. Customs working group had developed messages of CUSCAR: Airway Bill Message (ABIL), Air Cargo Manifest (AMAN), Invoice (INVOIC), General Customs Declaration Message on Export (GDEX), Customs Report Message (CUSREP), Vessel/Flight Schedule Message (VSED) and Customs Response Message (CUSRES). They are now under status 2. There are 30 users registered to use this system. **(ii) Other Developments** – **(a) Electronic Visa Information System (ELVIS)** Textile Division, Department of Foreign Trade, Ministry of Commerce has operated "Electronic Visa Information System (ELVIS)" since 1st January 1998. All transaction of textile-export certificate has been exchanged to U.S. customs. UNEDIFACT 96 A was adopted for this system by using IGN (IBM Global Network). **(b) Ministry of Commerce: E-Commerce for Export Purpose** M.O.C. has a pilot project "Internet E-commerce" to encourage business activities on the net. The objectives of this project are to study problems which will occurred and to set models of e-commerce.

6.13 Hong Kong

6.13.1 Market Conditions - It is estimated that up to 12,000 local businesses are now using EDI to some degree. The popularity of Internet services continues to grow in line with global trends. There are currently about Internet service providers in Hong Kong and it is estimated that there are now around 30,000 business Internet users.

6.13.2 EDI Project Updates - (i) Traxon - Traxon Asia is the regional arm of a global logistics network established by a consortium of Asian and international airlines, and in Hong Kong provides a service primarily to the air cargo industry, offering cargo space enquiries and reservations, shipment status tracking, air waybill data transmission and related transactions. The system is closely integrated with the COSAC facility operated by Hong Kong Air Cargo Terminals Ltd (HACTL), one of several logistics systems now being substantially upgraded as part of the move of Hong Kong's airport operations to Chek Lap Kok in July 1998. Discussions are currently under way between Traxon and

Tradelink with a view to integrating the Carrier Notification process of approved textile export licences (see Section 4.4) into this service. **(ii) CargoNet** - CargoNet is a consortium of primarily transport-related organisations, spearheaded by container terminal operator Hong Kong International Terminals (HIT). During 1997 Electronic Data Systems (EDS) of the US also acquired a stake. The company has been providing EDI services for the freight forwarding and transportation sector in Hong Kong since September 1995, and currently claims around 100 core customers, who access its services through direct gateways, Extranet or Web browser. The service is UN/EDIFACT based but also supports ANSI X.12 and proprietary standards through translation facilities. CargoNet is now making efforts to offer an integrated EDI service through interconnections in the areas of trade, trade finance, insurance and government transactions, and is in active discussions with other service providers in each of these areas. It is expected that a collaboration announcement will be made during the 3rd Quarter of 1998 and that up to 18 transactions will be available by the end of the year, from purchase order to certificate of insurance and trade declaration. **(iii) EZ*TRADE** - EZ*TRADE is a community EDI service offered by the Hong Kong Article Numbering Association (HKANA), an organisation formed under the auspices of the Hong Kong General Chamber of Commerce. It provides services primarily to the retail sector and its supply chain under a co-operation agreement with IBM. Currently EZ*Trade has around 2,000 customers, 70% of which are classified as SMEs. Larger customers include Hong Kong's two major supermarket chains, Park 'n' Shop and Wellcome. Messages already implemented include Purchase Order, Invoice, Remittance Advice and Despatch Advice. At the end of April 1998 HKANA announced the addition of a Web-based EDI service in collaboration with Internet service provider Hong Kong Telecom IMS, offering similar messages. Customers are also offered a complimentary home page on HKANA's Web site, through which they can promote their products and services worldwide. An associated software application called Trends Plus enables both Web-based and fixed network EDI transactions to be supported through the same system, and will provide the linkage for future interconnections with other EDI service providers. **(iv) Tradelink** - Tradelink, a joint public and private sector venture in which the Hong Kong SAR Government holds a 44% stake, has made substantial progress during the past year. Under the Community Electronic Trading Service (CETS) agreement with Government, the company has a 7-year exclusive franchise to provide a range of electronic Government transactions including textile export license applications, trade declarations, certificates of origin, dutiable commodities permits and the submission of manifest information. During its first year of commercial operations in 1997, Tradelink registered more than 7,000 customers and this number has since risen to more than 10,000. The majority of these customers are using the service to lodge Import or Export Declarations, which is the only trade transaction mandatory in Hong Kong. The Government has committed to moving all trade declarations from paper to electronic lodgement by the end of March 2000. The other major service currently provided by Tradelink is the Restrained Textiles Export License, or Quota License application. Since the launch of the service in January 1997, textiles traders and manufacturers have a two year period to migrate to the use of this service. By end of 1999, use of this electronic Quota License application service will become mandatory. To help smaller traders who cannot meet the migration deadlines, the first Tradelink Service Center was opened in January 1998, providing a

paper-to-EDI conversion facility. During the 3rd Quarter of 1998 Tradelink plans to introduce a number of additional services and enhancements. EC-DEC will allow exporters to submit their export credit insurance declarations to the Hong Kong Export Credit Insurance Corporation (ECIC) electronically, providing cover for consignments shipped on credit terms. Carrier Notification will extend the textile licensing process to the transportation industry, enabling Government to send the carrier copy of an approved license, without which quota-controlled goods cannot be removed from Hong Kong, direct to the chosen air or sea carrier upon the instruction of the exporter or freight forwarder concerned. Tradelink will also introduce its first Chinese language EDI service before the end of the year, enabling trade declarations to be lodged partially in Chinese, as permitted by the Government. Tradelink has developed its own software for this service to run on the Chinese Windows platform. To make its service further accessible to smaller traders, who form the backbone of Hong Kong's 70,000-strong trading community, Tradelink is in the process of developing a Secure Internet Gateway facility which will allow trade declarations to be lodged through browser access to Tradelink's Web site. This will include the use of Tradelink's existing public/private key electronic signature system which is a requirement for all Government transactions.

7. Meeting Schedule

The Management Team meeting	April 22-23	Singapore
The 17 th AFACT (+ EDICOM 1999)	Sept. 1999	Seoul, Korea
The 18 th AFACT (+ EDICOM 2000)	Oct/Nov 2000	Chinese Taipei

Annex 1

Re-engineering Proposal for ASEB

(1) Mission Statement

The Asia Council for the Facilitation of Procedures and Practices for Administration, Commerce and Transport (AFACT) supports in the Asia Pacific region policies and activities dedicated to guide, stimulate, improve and promote the ability of business, trade and administrative organizations from members, to exchange products and relevant services effectively.

Its principal focus is to facilitate international transactions, through the simplification and harmonization of procedures and information flows, and so contributes to the growth of global commerce.

(2) Terms of Reference

The principles of the mission statements are to be achieved by:

Analyzing and understanding the key elements of international transactions and working for the elimination of constraints;

Developing methods to facilitate transactions, including the relevant use of information technologies such as UN/EDIFACT and Electronic Commerce.

Promoting both the use of these methods, and associated best practices, through channels such as government, industry and service associations;

Coordinating its work with CEFACT and other relevant international, regional and non-governmental organizations.

Enhancing the cooperation among the AFACT members and promoting the objectives of the mission statement in the Asia Pacific region.

(3) Proposed Name

Asia Council for Facilitation of Procedures and Practices in Administration, Commerce and Transport (AFACT)

(4) Organisation Structure

Membership

Existing members and associate members in the present ASEB shall automatically be recognised as full members in the AFACT.

All members shall have a focal point to promote, disseminate and stimulate AFACT work.

Any national focal point or any relevant international and regional organizations from the Asia Pacific is eligible to apply for membership under the AFACT, subject to approval by the Plenary.

Secretariat

The hosting member shall serve as the Secretariat for the given year, after the Meeting.

Chairman

The hosting member shall also assume the Chairmanship for the given year, after the Meeting.

Steering Committee

The Steering Committee shall comprise:

UN/CEFACT Rapporteur for Asia

Chair

Previous Chair

Chair Elect

All Chairs of Working Groups

Meeting Frequency

The AFACT shall meet at least once a year.

Working Group

The name and the number of Working Groups shall be decided by the Plenary.

The Members of each Working Group shall appoint their own Chair for the Working Group.

The appointed Chair for the Working Group shall be responsible for organizing their Working Group Meetings and undertake the secretariat function for that Working Group.

Each Working Group shall submit their own Terms of Reference for approval by the Steering Committee.

(5) Transition Scheme

At the 16th ASEB Meeting in Tehran, Iran in July 1998, the ASEB resolves to evolve into the new AFACT structure.

At the 17th ASEB Meeting (in Seoul, Korea in September 1999), the ASEB shall be superseded by the AFACT.

(6) Bylaws

All members are invited to review the current ASEB Bylaws and furnish their proposed amendments to the Bylaws which is adopted for the AFACT at the next meeting.

AFACT ORGANISATION DIAGRAM

