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Integrates Services for MSMEs in International Trade (ISMIT) Case Studies

Summary

Assisting Micro, Small and Medium Enterprises (MSMEs) to access international trade in a major aspect of leaving no one behind in the spirit of the United Nations 2030 Development Agenda. The United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) has developed a White Paper to help integrate MSMEs into international trade (document ECE/TRADE/C/CEFACT/2020/11). The project team wanted to present a number of use cases in order to demonstrate how the principles in this White Paper can actually be implemented.

Document ECE/TRADE/C/CEFACT/2020/INF.4 is submitted by the UN/CEFACT Bureau to the twenty-sixth UN/CEFACT Plenary for information.

I. Integrated Services for MSMEs in International Trade Case Studies

1.   The proposed White Paper on Integrated Services for Micro, Small and Medium sized Enterprises (MSMEs) in International Trade (ISMIT) (document ECE/TRADE/C/CEFACT/2020/11 has produced an annex of case studies to support its findings. Submissions for the case studies were open to all ISMIT portals that wished to contribute with the condition that they used the below template. Submissions are presented as is and were only checked for grammar and spelling.

2.   These use cases do not engage the United Nations or UN/CEFACT in any way and they do not constitute an endorsement of any kind.

II. Template for case study submissions

1. Background
2. Target Users of the ISMIT services
3. Countries/Economies covered by the ISMIT
4. Services provided directly by the ISMIT
5. Services offered by other providers through the ISMIT
6. Results of the ISMIT Platform
7. Is this ISMIT currently connected to a NSW or are there plans to do so in the future? Please list other regulatory bodies with whom the ISMIT exchanges information.
8. Challenges/Difficulties Ahead/Limitations
9. Contact Information for further information about CamelONE™

Annex I Case Studies: OneTouch

1.   Background

OneTouch, an initial ISMIT model in China, started around 2010 as an integrated supply chain involving services such as customs clearance, VAT refund and logistics. Leveraging the expertise of internet and big data technology, OneTouch has improved the competitiveness of tens of thousands of Micro, Small and Medium-sized Enterprises (MSMEs) in China (see Figure 1.1).
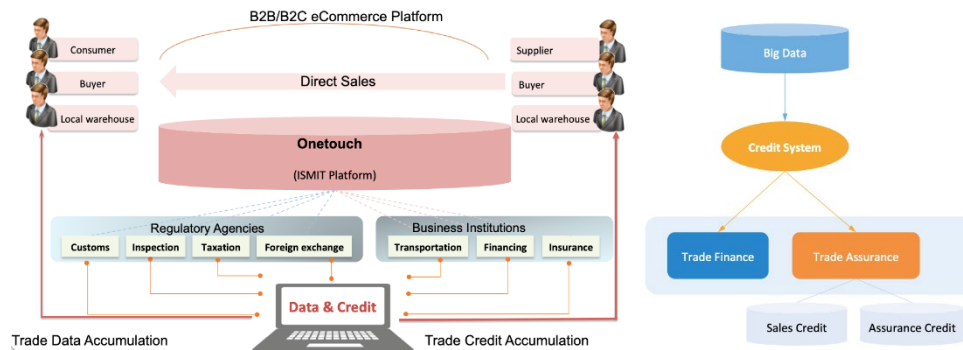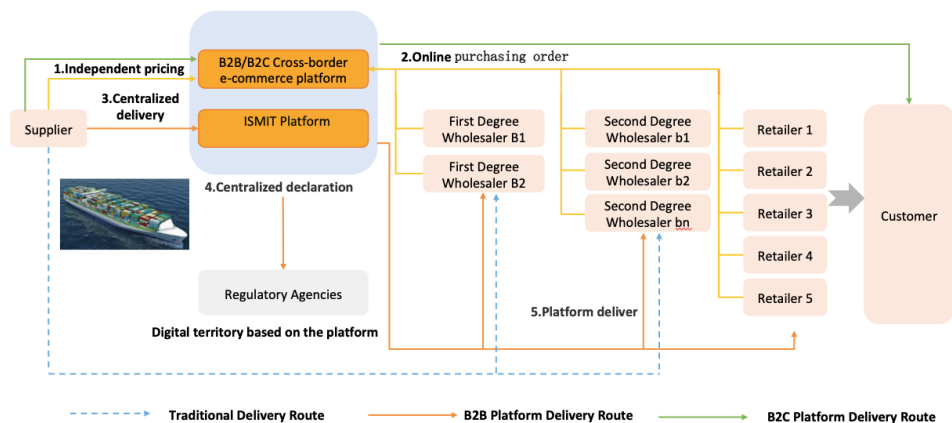
Figure 1.1: OneTouch model

Figure 1.2: OneTouch provides multiple trade modes in parallel for MSMEs

MSMEs locate and approach buyers on B2B/B2C eCommerce platforms. As shown in Figure 1.2, after a MSMEs enters into a deal with a buyer, they submit delivery orders though OneTouch, and OneTouch provides centralized delivery and centralized declaration services. MSMEs save time and cost by using the one-stop service provided by OneTouch.

2.   Target Users of the ISMIT services

MSMEs in China are the target users of OneTouch.

3.   Countries/Economies Covered by the ISMIT

OneTouch provide services for MSMEs in China.

4. Services Provided Directly by the ISMIT

As an enabler and builder of the eCommerce platform for integrated services, OneTouch provides integrated services solutions to MSMEs, which include:

- Customs clearance (e.g., maintains an internet-based system which allows MSMEs to input data for clearance, collects customs-clearance-related information from MSMEs, connects with the National Single Window (NSW) to submit electronic information, informs MSMEs of customs clearance status, etc.);

- VAT refund application;

- Foreign exchange services (e.g., global account opening, cross-border collection, import payment, foreign exchange conversion, foreign exchange market-risk mitigation, global regulatory reporting, etc.);

- Logistics services facilitation (e.g., online search for qualified logistics service providers, facilitation of lower cost logistics order and LCL (Less than Container Load) services, online tracking of logistics flows, etc.).

5. Services offered by other providers through ISMIT

- Customs clearance service provided by a customs broker through OneTouch;

- Logistics services provided by freight forwarders and logistics companies through OneTouch;

- Trade financing provided by banks through OneTouch.

There are also various trade finance services provided by banks, such as credit financing, stocking and purchasing financing, prepayment after delivering the goods, tax financing, etc.

6. Results of the ISMIT platform in China

There are more than 100 integrated supply chain service providers (e.g. OneTouch) operating as ISMIT platforms in China. These are mainly concentrated in the Yangtze River Delta and the Pearl River Delta coastal cities. The volume of business accounts for 8 to 15 per cent of China's general trade exports, and 2 to 5 per cent of China's general trade imports.

7. Is this ISMIT currently connected to an NSW or are there plans to do so in the future? Please list other regulatory bodies with whom the ISMIT exchanges information.

OneTouch is currently connected to the Chinese NSW to exchange information with State Administration of Customs, State Administration of Taxation and State Administration of Foreign Exchange.

8. Challenges/Difficulties Ahead/Limitations

- Services related trade-data harmonization (e.g., logistics data harmonization)

- Data sharing and data protection scheme between:

    - OneTouch and Single Window/government agencies
    e.g., sharing of government data (such as company blacklist and high-risk products list) to improve the risk control capability of the OneTouch platform, which can be considered a pre-risk control, and rules/education system for customs and other government authorities.

- OneTouch and cooperating service providers and partners
  e.g., sharing logistics data between ISMIT and the related logistics service providers to provide logistics visibility service to MSMEs.

9.   **Contact Information for further information about OneTouch**

Lin WANG, ISMIT project editor, zhenling.wl@alibaba-inc.com

Annex II Case Studies: ISMIT in Singapore

1. Background

Singapore's TradeXchange was established as a secure and neutral IT platform to enable exchanges of trade and logistics documents and data among private sector companies, as well as with the Government. Launched in 2007, it was the first IT-centric private-public partnership project in Singapore. TradeXchange can be considered as an early example of the ISMIT model.

TradeXchange aimed to provide seamless interconnectivity among commercial and regulatory systems for the Singapore trade and logistics community. The vision that TradeXchange embodies is that of a wholly inclusive, neutral platform for the trading community to communicate, by way of exchanging and/or sharing documents; thus, moving toward an efficient, paperless trading environment.
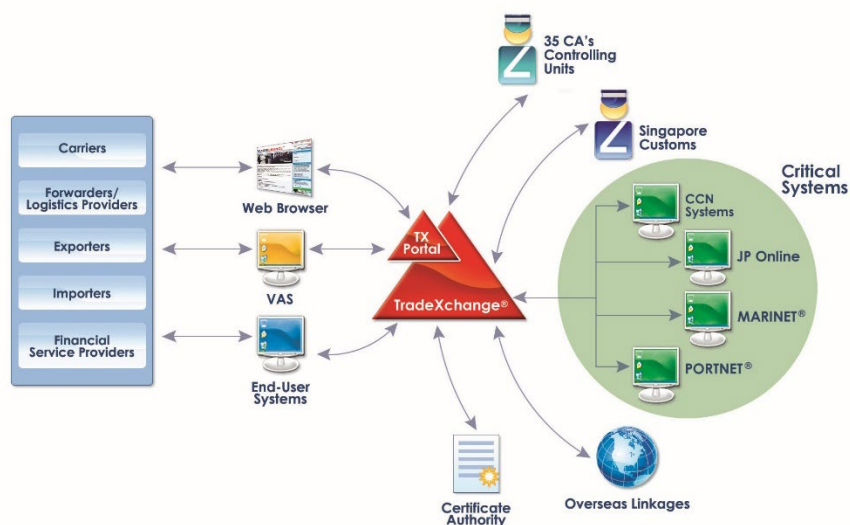

Figure 2.1: TradeXchange® overview

The TradeXchange platform encompasses various stakeholder groups within the trading community in Singapore. These include end users, enablers and facilitators. Singapore customs plays the role of governance facilitator, ensuring that the TradeXchange platform remains a level playing field for all stakeholder groups.

TradeXchange brought about a quantum leap in the Trade Facilitation process in Singapore and benefited the country in such a way that business costs were lowered, economic competitiveness was enhanced, and trade documentation process were improved. This was due to the simplified permit structure with less declaration fields and the single interface for users itself allowed users to also incorporate other 'end-to-end' services.

2. Target Users of the ISMIT services

The TradeXchange end-user groups are comprised of:

- Shippers (Importers/Exporters/Traders);

- Logistics Service Providers (Freight Forwarders/3PLs/carriers - includes of land, air and sea-freight services);

• Financial Institutions (Banks/Insurers).

3. Countries/Economies covered by the ISMIT

The TradeXchange provides services in Singapore.

4. Services provided directly by the ISMIT

Services provided in the TradeXchange platform are set out Figure 2.2 below.

Based on the visions and targeted values, TradeXchange launched 6 core service at the early stage of the operation.

Service	Intended functionality
Integrated Multimodal Solutions	Linkages to Cargo Community Network (CCN) and PortNet for air/sea schedule and cargo tracking
Shipping Line Linkages	Cargo space booking, enquiries and other relevant messages to be sent and received from the shipping lines electronically. Shipping lines include GT Nexus and INTTRA
Overseas Highway Manifest	Submission of advanced manifest data to the relevant regulatory authorities in Australia, Canada, the United States and more
Overseas Highway Customs	Enables trade declaration data to be reused and sent online conveniently for customs clearance in Australia, as well as the Pan-Asia Alliance (PAA) Network: China, Chinese Taipei, Hong Kong SAR, Indonesia, Japan, Korea, Macau SAR, Malaysia and Thailand
RosettaNet Automated	Connects industry players to their customers & suppliers for exchange of commercial documents (purchase order, packing list, invoice using the RAE framework)
Title Registry	Enables end users and VAS providers to have a secure creation, transfer, surrender and access of title of goods (Bill of Lading) electronically across various parties for Letter of Credit payment processing

Figure 2.2. TradeXchange core services

5. Services offered by other providers through the ISMIT

Value-added service (VAS) providers enabled connections between end-users and the services provided on the TradeXchange platform. Additionally, they provided related services (such as compliance screening, cargo tracking services and letter of credit payment related services). This maximized the benefits of the TradeXchange services that end-user groups subscribed to.

6. Results of the ISMIT Platform

• Increased MSME competitiveness and capabilities;

• Provided a low-cost community platform for trade and logistics;

• Facilitated logistics hubs for multinational corporations;

• Promoted a vibrant trade-software-provider industry.

7. Is this ISMIT currently connected to an NSW or are there plans to do so in the future? Please list other regulatory bodies with whom the ISMIT exchanges information.

Yes, TradeXchange was connected to the Singapore National Single Window "TradeNet."

8.   **Challenges/Difficulties Ahead/Limitations**

9.   **Contact Information for further information about the ISMIT in Singapore**

Neelima Pamulapati, neelima@globaltrade.services

Annex III Case Studies: CALISTA™

1. Background

GeTS is a subsidiary of CrimsonLogic with more than 30 years of experience working with Governments to put in place mission-critical facilitation platforms. We are the party responsible for the concept of Single Window in trade facilitation, which has been adopted by world customs organizations. With a background and deep know-how in trade and compliance, CALISTA is a global digital platform that facilitate and connects G2B and B2B.

CALISTA™, an acronym for **CA**rgo **L**ogistics, **I**nventory **S**treamlining & **T**rade **A**ggregation, is an open, trusted and interoperable platform that enables global supply chain orchestration by integrating physical, financial and regulatory flows across the ecosystem. It connects the vibrant ecosystem of shippers, freight forwarders, carriers, NVOCC, Ports, customs brokers, haulage service providers, financial institutions and customs connectivity on a single digital platform, thus boosting efficiency.

It streamlines processes and facilitates the exchange of documents and data in the flow of goods within and between countries and regions. Stakeholders also benefit from the reduction of data duplication, enjoy automated handshakes across customs nodes and improved authenticity of data flows and have access to accurate and up-to-date status visibility.

It is a true model of ISMIT which enables MSMEs to facilitate cross-border trade, integrating physical logistics, compliance and finance though digital connectivity on a single platform. The platform is underpinned by blockchain, AI and Robotic Process Automation technologies.

2. Target Users of the ISMIT services

- Shippers (Brand Owners, Importers and Exporters)
- Freight Forwarders
- Truckers
- Carriers / NVOCC (Multi-modal)
- Customs Brokers
- Financial Institutions

3. Countries/Economies covered by the ISMIT

Asia Pacific, North America, Latin America, and soon Europe

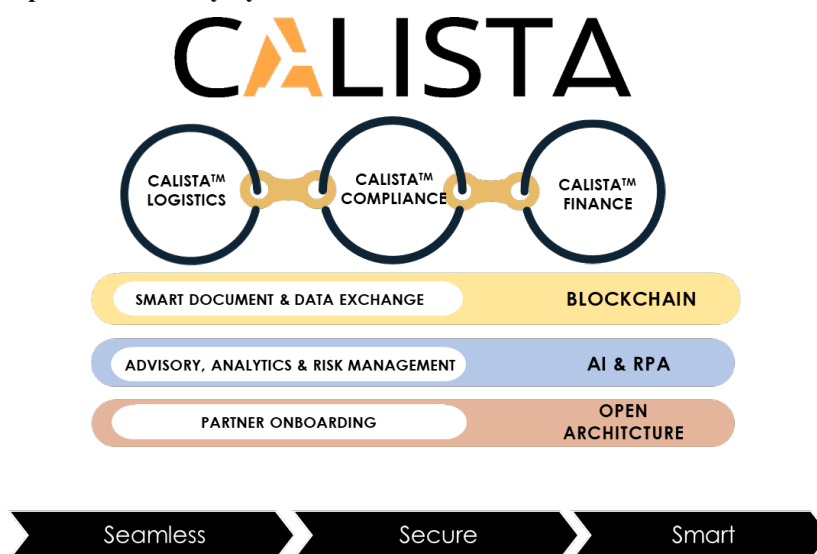### 4.   Services provided directly by the ISMIT

Figure 3.1: CALISTA™ Platform

CALISTA offers 3 key pivots – Logistics, Compliance and Finance:

CALISTA™ **LOGISTICS** allows users to interact with one another for Freight Booking, submission of shipping instructions, preview of draft Bill of Lading (B/L), and to access complementary port solutions offered by PSA.

CALISTA™ **COMPLIANCE** facilitates trade declarations and import and export permit applications by managing, exchanging and transforming trade data and documents from disparate systems. It provides seamless B2B and G2B connectivity by leveraging customs nodes connectivity.

CALISTA™ **FINANCE** Beneficiary cargo owners and freight forwarders will now be able to apply for account receivable financing after furnishing the final Bill of Lading information via CALISTA™. In addition, users can get coverage against risks of physical loss or damage to freight during shipment through cargo insurance.

CALISTA™ reduces the need to repeatedly fill in data (in several forms) each time the cargo reaches a key milestone. It also circumvents the possibilities of information miscommunication. With higher visibility through P!ng Track and Trace, it can help users plan better and provides exclusive customized solutions that address users' unique business gaps. This is achieved through advanced alerts when shipments deviate; allowing for proactive planning and for seeking alternative solutions.

5.   Services offered by other providers through the ISMIT

As the supply chain orchestration platform, CALISTA provides integrated and seamless services for ease of trade, making it more accessible, predictable and faster. The services provided are cargo booking with shipping schedules, trade financing and invoicing, haulage services and customs brokerage.

6. **Results of the ISMIT Platform**

- Improved MSMEs competitiveness;

- Access to an integrated platform to fulfil all logistics, compliance and finance requirements;

- Access to new markets through a global network of freight forwarders and carriers;

- Reduced Risk of Compounded Cargo;

- Improved Inventory Management;

- Elimination of repetitive documentation;

- Integrated booking flow;

- End-to-end visibility;

- No capital investment, easy to use;

7. **Is this ISMIT currently connected to an NSW or are there plans to do so in the future? Please list other regulatory bodies with whom the ISMIT exchanges information**

USA – Traders can access Automated Broker Interface (ABI) via the Automated Commercial Environment (ACE)

Canada – Traders can access Integrated Import Declaration (IID) and Advance Commercial Information (ACI)

Japan – Traders can file Advance Filing Request through H2H NACCS

Singapore – TradeWeb is connected to TradeNet

8. **Challenges/Difficulties Ahead/Limitations**

Going digital is a challenge. We need to empower MSMEs with the capability to go digital and the needed infrastructure to support digitalization. We need to provide continual education about technology adoption and its advantages.

9. **Contact Information for further information about CALISTA**

Leong Seng Loo, SVP for CrimsonLogic and CTO for GeTS Global Pte Ltd, leongseng@globaletrade.services

Annex IV Case Studies: CamelONE™ Platform

1. Background

Based on the UN/CEFACT "Buy-Ship-Pay" Reference Model, vCargo Cloud's CamelONE™ Platform aims to simplify global trade for Small and Medium Enterprises (SMEs) by bringing together shippers, logistics service providers, government authorities, insurance companies and financial institutions though an integrated platform to facilitate procurement, compliance, logistics and financing for global trade.

CamelONE™ is a holistic platform that is designed to serve the following purposes:

- Marketplace – CamelONE™ is a marketplace that brings buyers and sellers together. The marketplace is not restricted to trading just physical products, such as seafood and electronics. It also includes services related to global trade, such as freight, trucking, warehousing, cargo insurance and financial services. For example, SME freight forwarders could offer their freight services over the platform where these services would then be discovered and procured by manufacturers/shippers sourcing logistics services online.

- Aggregator – The sharing economy works on the concept of aggregation to collate more demand for suppliers and service providers, and because of the aggregated demand, suppliers and providers can offer more competitive pricing to buyers and customers. CamelONE™ is, by design, an aggregator for the services provided on the platform and these aggregations will benefit both customers and suppliers—especially SMEs.

- Document/Information Exchange – CamelONE™ aims to eliminate paper document exchange between various parties by advocating that each party on the platform go digital. As an Information-Exchange Hub, CamelONE™ supports numerous data standards, including international standards such as IATA Cargo XML, UBL 2.1, and traditional standards such as UN/EDIFACT.

CamelONE™ categorizes its platform services into Buy, Ship and Pay Services. Under the category of Buy Services, CamelONE™ provides services covering commercial activities relating to the ordering of goods. It is offered either directly through a B2B Trade Platform, such as vCargo Cloud's SeafoodXchange (a B2B Trade Platform for the seafood industry), or integration with our business partners' trade platforms, such as RSTradeHouse.com, a Contract Manufacturing B2B Platform. These platforms allow buyers and sellers to conduct various commercial activities, such as requests for quotations, negotiation of price, confirmation of orders, and acceptance of agreements and contracts—including payment and delivery terms. These services are also integrated with CamelONE™ Ship and Pay Services for logistics and financial services that support the trade executed.

At the core of the Ship Services is the CamelONE™ eCargo Markeplace. CamelONE™ eCargo Markeplace is a Digital Logistics Platform for logistics service providers (including freight forwarders, trucking companies, warehouse operators, customs brokers, cargo insurance companies, carriers and container depots) to offer their services and manage their operations. Service providers could receive quotation requests, bookings and digital exchange of documents through the platform. With the Trade Compliance modules in CamelONE™, the platform is also connected to the National Single Windows of several countries to facilitate cross-border compliance, including Singapore (through Singapore's Networked Trade Platform (NTP), China, Mauritius, and Indonesia. For trades where vCargo Cloud operates in both the origin country and destination country, the platform not only enables the exchange of documents with the respective National Single Windows, it also

allows the export customs declaration from the origin country to be exchanged and converted into the import customs declaration in the destination country.

Trade Finance is an integral part of the entire global trade ecosystem. vCargo Cloud's CamelONE™ Trade Finance facilitates the provision of financial services under its Pay Services. The CamelONE™ Trade Finance portal, which will be offered on Singapore's Networked Trade Platform (NTP) in early 2020, is a solution supported by NTP, MAS (Monetary Authority of Singapore) and 9 commercial banks, that will provide a one-stop multi-bank portals' integration to simplify trade finance applications through a single interface. The platform optimizes the ease and speed of filling in multiple applications with the use of a standard application form across multiple banks, while at the same time leveraging the secured data reusability offered via NTP.
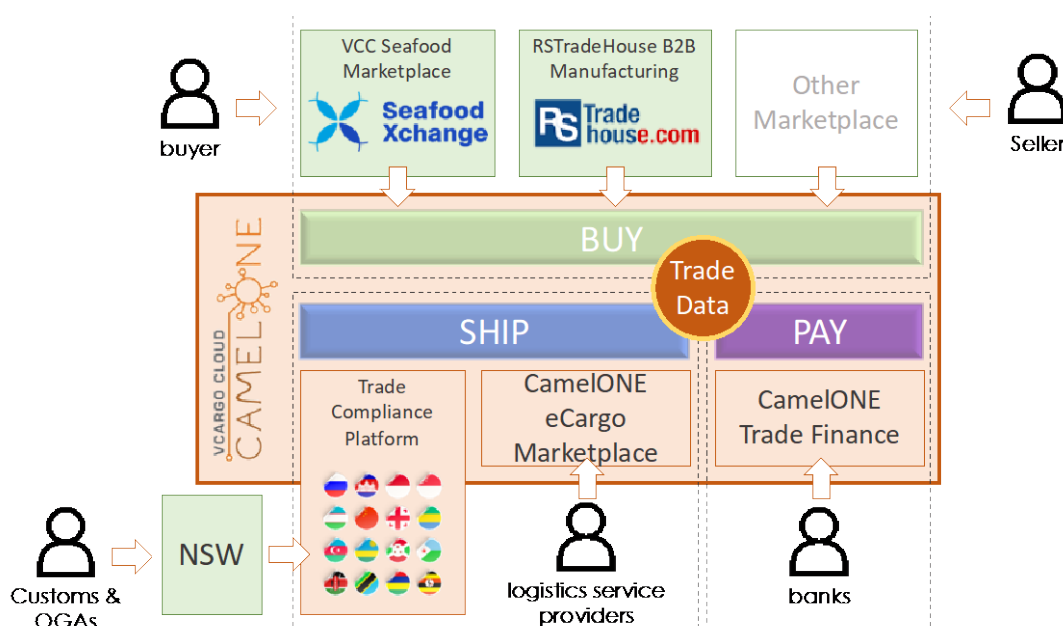

Figure 4.1: CamelONE™ Platform Ecosystem

While CamelONE™ is privately owned by vCargo Cloud Pte Ltd, the development of the different parts of the platform receives strong support from the Singapore Government through various programmes. One of the key programmes that made a significant impact and has helped to shape the CamelONE™ platform was the Logistics Industry Digital Plan (IDP) for SMEs, which was co-developed by the Infocomm Media Development Authority of Singapore (IMDA) and Enterprise Singapore (ESG) in consultation with the industry. One of the services on the platform—CamelONE™ eCargo Marketplace, launched on 01 August 2018—was the fruit of the partnership between IMDA, ESG, vCargo Cloud and various logistics & insurance service providers in Singapore through this IDP programme.

2. Target Users of the ISMIT services

The target users of CamelONE™ are very broad and extensive. They consist of almost every stakeholder involved in the global trade process. The list of stakeholders includes the following:

- Shippers (Importers, Exporters, Manufacturers, Wholesalers, Distributors, Traders);

- Logistics Service Providers (Freight Forwarders, Customs Brokers, Trucking Companies, Warehouse Operators, Carriers, Ground Handlers, Stevedores, Port Operators, Container Depots);

- Cargo Insurance Companies;

- Financial Institutions;

- Chambers of Commerce;

- Government authorities (through National Single Window integration).

3. Countries/Economies covered by the ISMIT

The different services on CamelONE™ have been deployed and are currently operational in various countries. The following table lists the deployed services and the corresponding countries in which they are deployed.

Service	Countries
Buy Services via Seafood Xchange	Singapore, China, Indonesia, Vietnam, Cambodia, Japan
Buy Services via RSTradeHouse	Singapore, Russia
Ship Services via CamelONE™ eCargo Marketplace	Singapore, Indonesia, China, Russia
Pay Services via CamelONE™ Trade Finance	Singapore (*operational in early 2020*)

4. Services provided directly by the ISMIT

CamelONE™ is a platform with a mission to enable marketplaces in procurement of various services & products including the related services in settlement and fulfilment (e.g., provision and consolidation of freight services by the freight forwarders for the logistics sector; preferential premium insurance by marine cargo insurance companies for the logistics sector; and enabling online application for financing to banks). By itself, CamelONE™ enables these digital transactions but does not provide any of these services directly.

5. Services offered by other providers through the ISMIT

See above.

6. Results of the ISMIT Platform

CamelONE™ was created with a vision to simplify global trade, especially for small and medium enterprises. Hence, the platform aims to deliver the following outcomes for its users:

- Reduced logistics costs by 10 to 15 per cent for SME shippers;

- Increased productivity and reduced reliance on manpower for logistics service providers through aggregation of demand, and digitalization of documents and customer service;

- Help SME businesses (currently only for those in seafood and contract manufacturing industries) to expand their market access and sell their products and services to overseas markets that are currently limited in reach and visibility;

- Facilitated access to trade finance facilities that SME businesses would otherwise not have access to or be eligible for financing;

- Improved efficiency and data accuracy in global supply chain integration through a paperless platform.

vCargo Cloud also heeds the call for a sustainable future and through CamelONE™, supports the following Sustainable Development Goals:

SDG 8 - Decent Work and Economic Growth

CamelONE™ has digitalized conventional logistics using the latest technologies. This has simplified processes, hence improving productivity and efficiency at work. This would spur economic growth in the long run.

SDG 9 - Industry, Innovation and Infrastructure

Through the digitalization of trade documentation, CamelONE™ initiated a business transformation for the logistics sector.

SDG 13 – Climate Action

CamelONE™ significantly reduces the use of paper through digitalization processes. This will help to better manage the climate change that is affecting the world today.

SDG 14 – Life Below Water

Through vCargo Cloud's trade portal, SeafoodXchange, CamelONE™ aims to increase transparency and reduce wastage in seafood trades.

7. **Is this ISMIT currently connected to a NSW or are there plans to do so in the future? Please list other regulatory bodies with whom the ISMIT exchanges information.**

CamelONE™ is currently connected to several National Single Windows (NSWs) internationally, including Singapore, China, Indonesia and Mauritius. vCargo Cloud is working on plans to connect to several other NSWs, including the NSW of other governments that vCargo Cloud is in the process of implementing.

Apart from Other Government Agencies (OGAs) that are connected on NSWs, CamelONE™ is also connected to Chambers of Commerce for the exchange of electronic Certificate of Origin.

8. **Challenges/Difficulties Ahead/Limitations**

Onboarding users onto platforms is always a major challenge, especially SMEs. Be it seafood traders on SeafoodXchange, or freight forwarders on eCargo Marketplace, these companies in the brick and mortar business require a lot of education, guidance and convincing before they feel comfortable enough to embark on their digital journey. However, once they are able to realize and appreciate the value of such platforms, they will form an important part of the whole ecosystem.

9. **Contact Information for further information about CamelONE™**

Desmond Tay, CEO, vCargo Cloud Pte Ltd, desmond.tay@vcargocloud.com

Allen Chan, Deputy CEO, vCargo Cloud Pte Ltd, allen.chan@vcargocloud.com

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