New Services on TradeXchange to Boost Business Productivity

At its International Customs Day celebrations on 9 February 2012, Singapore Customs showcased three new services on the TradeXchange platform that offer businesses the opportunity to reduce costs and increase efficiency in handling trade matters.

TradeXchange is a multi-party collaborative platform for the trade and logistics community, which includes importers, exporters, forwarders, carriers, insurers and financiers.

Developed in 2007 as a multi-agency initiative led by Singapore Customs, the Infocomm Development Authority of Singapore (IDA), the Economic Development Board, and SPRING Singapore, the TradeXchange platform is among the first of its kind in the world.

"TradeXchange can play a useful role to raise the productivity of the trade and logistics community. In essence, TradeXchange is about providing faster and more seamless connectivity and data exchange between the various players and stakeholders in the supply chain, including Customs," explained Mr Fong Yong Kian, Director-General of Singapore Customs.

Through TradeXchange, companies can easily integrate with their business partners to share and re-use data for faster and more efficient Business-to-Business and Business-to-Government transactions. Companies need only connect once to the TradeXchange platform to access multiple parties across the supply chain.

IDA’s Assistant Chief Executive Mr James Kang said: "By playing a facilitative role, IDA hopes the trade and logistics community can exploit the full potential of information technology to reap real benefits in terms of time and cost savings from a more efficient supply chain."

To date, more than 100 companies, including manufacturers, logistics companies, banks and insurance companies, have benefitted from TradeXchange. This number will continue to grow as more businesses avail themselves of the productivity gains and easy access to new partners through the platform.

The three new services enabled by TradeXchange were piloted in 2011. They cover trade permit processing, cargo insurance and trade financing. Companies using these services have enjoyed up to 50 per cent time savings in trade permit preparation, up to 90 per cent time savings in marine cargo insurance applications, and faster approval and lower costs in trade finance (factoring) applications.
TradeXchange aims to boost productivity within the trade and logistics community by bringing various players in the supply chain together on a common collaborative platform.

**SEAMLESS TRADE PERMIT DECLARATIONS**

While many shippers and logistics service providers manually enter shipment data into their system and re-enter it through TradeNet to obtain trade permits, such information can be transmitted seamlessly from the shipper’s system via a direct link to TradeXchange to autopopulate trade permit declaration forms.

This means that shipping data needs to be entered only once, reducing the chance for error and increasing staff productivity. The integration cuts preparation time for trade declarations by half to just a day or two.

*“From a trade permit declaration standpoint, we see significant gains in efficiency. Much of the information needed in the TradeNet system is actually available from the shipper’s own system. A link through TradeXchange eliminates the need for manual entries on our side,”* said Ms Lim Khoon Ling, Country Manager and Managing Director of Expeditors Singapore, a logistics service provider. *“As a result, we have seen significant improvements in turnaround time for permit preparation, as well as substantial improvement in data accuracy.”*

Added Mr Luke Teo, General Manager of APAC Distribution Centre for Hitachi Data Systems: *“The faster turnaround and higher accuracy of trade permit clearance has enabled us to increase our competitiveness in the marketplace.”*

**IMPROVING EFFICIENCY OF MARINE CARGO INSURANCE APPLICATIONS**

Through TradeXchange, forwarders can now re-use shipment information entered for regulatory compliance to autopopulate cargo insurance applications, offering reduced data entry times and preventing mismatched information across forms. Insurers can also directly view and approve the application documents on the platform, doing away with the need to enter data into their systems when insurance applications are received by email or fax. This results in faster approval for insurance applications.

In addition, by leveraging on TradeXchange, which has a ready base of users, forwarders and insurance companies alike can gain access to multiple business partners through a single connection.

*“Our clients can key in less information since there is already a central data warehouse, and this cuts down the time that is needed to process the policy. The entire process becomes more efficient and there are savings in both time and cost,”* said Mr Colin Lincoln, Regional Underwriter for QBE Insurance.
“We have received very positive feedback from our customers and the collaboration through TradeXchange has certainly been a plus point for us,” he added.

LOWERING COST IN TRADE FINANCE

For trade finance applications, TradeXchange enables finance documents such as invoices to be exchanged electronically and securely among suppliers, buyers and banks.

Banks can check trade finance applications and supporting documents quickly and easily, and verify whether the goods have been received through the platform. With TradeXchange, banks no longer need to manually match the invoice amounts with the application or use the phone or fax to track whether goods have arrived.

This cuts down the amount of manual processing, increases the visibility of documents needed for finance verification, lowers administrative costs and improves the overall turnaround time, resulting in faster approval of finance applications and more competitive financing services for suppliers.

By bringing suppliers, buyers and banks closer together, TradeXchange also enables banks to give suppliers credit based on the buyers’ credit risk, thereby allowing more suppliers to get access to trade finance.

Said Mr Vijay Vashist, Managing Director of Global Transaction Services at DBS Bank: “TradeXchange allows DBS to bank with multiple corporate clients through one single connection, rather than having to build one connection per client. This flexibility has generated administrative savings, and shortened the solutioning integration process with clients.”

For more information on these new services on TradeXchange, visit www.tradexchange.gov.sg