Raoul Tan Port of Rotterdam International

"WILE

Port of Rotterdam: Blockchain in de praktijk

Imagine a port...

bigital infrastructure needed to enable

PONU0408148

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aforementioned developments?

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PROJECT

(How) should we answer as port and logistics community?



CT Building 42

AVAILABLE

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DREDGE PLANNED

19,8m

ROUTE O

What we are seeing: old and new contenders vying for digital supply chain dominance, unclear role for ports

Digital platforms

models

investing in supply chain

i.e. IBM, Google among Aliba others are increasingly othe

Platform retailers

Alibaba, Amazon, JD among others are building their own end to end systems, set to open them up to others

Supply chain players

Maersk (i.e. via Tradelens) is exploring various models to become leading in the digital supplychain

Startups and scaleups

Companies like Flexport and Forto are able to raising growing levels of funding, set to digitally disrupt existing hierarchies in supply chain

Google



TRADE LENS





52

"How are port authorities going to play a meaningful role in the dawn of the digital supply chain if we are not working together?"





Neutral, Secure and Paperless

Naviporta Propels Seamless Global Trade



Naviporta - Propelling seamless global trade



FINANCE SUPPLIES DOCUME

Open and neutral platform underpinned by blockchain

We have a vision of a world where shippers and logistic service providers are empowered to make every (container) shipment easier, more efficient and more sustainable than the one before. Not an easy ambition to accomplish – however we're not here for easy. We're here for the better.



Interoperability Ensuring an interoperable and user-friendly platform. Connect once, use many.



Neutrality is at the core of Naviporta: Set to scale through a global consortium of leading port authorities



Eliminate all waste in the global supply chain.

Waste by any means, is not sustainable in a business environment

Recap: why & what Naviporta

- Naviporta is a neutral and interoperable digital infrastructure, underpinned by blockchain technology, that facilitates secure exchange of data. ('a trusted digital highway')
- Naviporta enables digital services that optimize document and financial processes of supply chains. (f.e. trade finance, regulatory complian ce, proof of provenance, document management)
- Naviporta's first launching service is Quay Connect which automates custom clearances saving exporters to the UK up to 40 euros per custom clearance



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Analogy: iOS/Android, the digital highway for apps. Example: iOS/Android facilitates the secure infra for 'Tikkie' to offer secure money transfer service to various end users and banks.

(Value Adding) Services

By 3rd party service providers



Connects: Industry & representatives, Logistic service providers, Port Community Systems, Trade finance parties, Governments



Digital Title Transfer of eBL (TradeTrust): Singapore – Rotterdam



Necessity of eBL

- Paper-based transfers of ownership is prone to errors and far from secure.
- More than more than \$4 billion can be saved per year if just 50 percent eBL adoption is achieved (DCSA)
- A container takes approximately 36 hours to physically get from Singapore to Jakarta (Indonesia), while information and financial settlement can take up to 7 days.
- With eBLs there is no additional costs to hold cargo as goods are less likely to arrive at their port of destination before document processing is complete

Reasons to work with Naviporta

- Enables **trusted interoperability** of digital trade documents (with or without blockchain technology)
- Less fraud sensitive: Provides proof of authenticity and provenance of documents and offers title transfers through open-source software
- TradeTrust comprises set of globally-accepted standards and frameworks
- Save costs with cutting out silo integrations



OLEY CONCE

Your solution for automated custom clearance into the United Kingdom

naviporta

QUAY CONNECT

Propelling frictionless trade between the UK & The Netherlands

Save time and costs with a fully digital and automated customs clearance.





Turning challenge into opportunity...

What would a fully digitized and automated custom clearance into the UK mean to exporters of fresh produce?



Pilot ABC Logistics - Partners



Naviporta

Naviporta is a neutral and open platform that uses blockchain technology to make the flow of goods, information, and finance more efficient. It allows users to verify and share documents quickly, easily and in confidence.



BT

- Strategic partner company on the UK side.
- Champion of UK government of digital network and infrastructure
- Cargo Service Provider and runs the CCS-UK network



ABC Logistics

 The company plays a key role as a logistics service provider for agri-food companies. Since 2010, ABC Logistics distinguishes itself in the AGF industry by flexibility, reliability and specialization.



Fresh Produce Centre

 Fresh Produce Centre represents the interests of businesses involved in the sale and marketing of fruit and vegetables and is a source of knowledge and inspiration. Its members account for over 80% of total sales of fruit and vegetables in the Netherlands, which are worth around €15 billion



Portbase

 Portbase is the digital connection to smart Dutch ports. PCS has national coverage and is available for all port sectors: containers, general cargo, dry bulk and liquid bulk. Everyone in the logistics chain can exchange information via PCS easily and efficiently.



Supply-chain centric solution for custom

Current situation Post Brexit era causes delays, additional manual actions and uncertainties in trade to- and from the UK



What is Quay Connect?

- Connects individual business systems with the required governmental and regulatory bodies into one automated, accurate workflow
 - This solution puts the exporter in control, giving them the assurance that their supply chain improves reliability and efficiency.
 - **RESULT:** Creating a fast lane for export to the UK while saving time and money.

Reasons to work with Quay Connect

- Provides proof of integrity, origin and ownership of the products
- Single sign-on to various supporting services such as Portbase and e-CMR (Transfollow)
- Greater certainty: shorter lead times and improved predictability allowing lower cost and business opportunities
- Integration with regulatory bodies: worry free and seamless workflow



Marcel van Bruggen ABC Logistics

so we can export to England.

Proven benefits & key takeaways

- Increased ease of doing business between UK and The Netherlands
- Net efficiency gain; 30 60 % cost saving
- Fully digitalized process; all documents are stored and shared through secured platform
- One system which interacts with multiple regulatory bodies and eliminates manual and cumbersome processes
- Visibility on the whereabouts of the exported cargo, improved customer service

Key takeaways

- Start with clear problem statement
- Involve (right) parties & partners from the start
- Think big, start small, act now





A glance at use cases for blockchain

tackling the pain points in logistics with the highest potential (source: Boston Consulting Group)

- 1. Inefficient data & document management
- 2. Complex regulatory compliance
- 3. Trade-based money laundering & fraud
- 4. Sub optimal equipment utilization
- 5. Costly & cumbersome letter-of-credit process
- 6. Non transparent pricing & booking
- 7. Complex claims & changes in ownership
- 8. Limited traceability
- 9. Complex process in reverse logistics

Source: Resolving the Blockchain Paradox in Transportation and Logistics (bcg.com)

Which are priority for your organization?







Stating & saving the obvious



\$

Save 20% in costs

The cost of the documentation required to process and administer goods represents 20% of the costs of the physical transport of a container

Major impact on the total supply chain and global trade

- "In total, 4 billion documents move across the trade ecosystem at any given time, creating inefficiencies that slow trade down and hamper growth and innovation"
- "A typical trade transaction involves up to 27 documents, nine of which relate to the transfer of possession,"
- Trade across the G7 could increase by an eye-watering US\$9th in the next five years if the industry reaches full digitalisation, according to a new report by the International Chamber of Commerce.
- According to calculations by the Digital Container Shipping Association (DCSA), if eBL adoption rates are only 50%, the maritime industry could save about \$4 billion per year. Currently 0.1% of bills-of-lading are issued electronically.
- Rejection rates for trade finance hit new heights during the Covid-19 pandemic in 2020, according to research by the Asian Development Bank (ADB), with the gap between demand and supply now standing at a towering US\$1.7tn – a 15% increase over the previous estimate of US\$1.5tn in 2018

Sources: <u>G7 Countries Must Follow UK Lead on Digital Trade and "Put a Rocket" u - ICC United Kingdom (iccwbo.uk)</u> DSCA, Maersk, ADB



