Brief for

LegCo Panel
on Commerce and Industry

12 February 2001

貿易通
TRADELINK™

TRADELINK'S BUSINESS

Paragraph 2.1 of the CETS Agreement:

"…..the business of the Company shall be the creation and development of CETS…..with a view to improving the facilitation of international trade for the Hong Kong Trading Community…..enhancing the economic interests of Hong Kong."

TRADELINK'S MISSION

- To help Hong Kong maintain its international competitiveness through the use of e-commerce

- To jump start Hong Kong's adoption of e-commerce

貿易通
TRADELINK

KEY FEATURES OF TRADELINK'S FRANCHISE

1. Exclusive provision of Government trade-related services

   - Restrained Textiles Export Licence (RTEL) - 1/97
   - Import and Export Declaration (TDEC) - 4/97
   - Production Notification (PN) - 7/99
   - Certificate of Origin (CO) - 8/99
   - Dutiable Commodities Permit (DCP) - 2Q 2001
   - Cargo Manifest (EMAN) - 4Q 2001

   Note: Only key documents listed

貿易通
TRADELINK™

KEY FEATURES OF TRADELINK'S FRANCHISE

2. Support Government's special requirements

- Facilitate the introduction of e-Government

- Pioneered the implementation of Public Key Infrastructure

- Pioneered the implementation of bilingual EDI

- On-going support to customers to meet changes in Government requirements

KEY FEATURES OF TRADELINK'S FRANCHISE

3. Electronic services for the entire trading community

- Mainly small and medium enterprises

- Community-wide promotion and education

- Customer training

- Customer support

- Solutions for different requirements
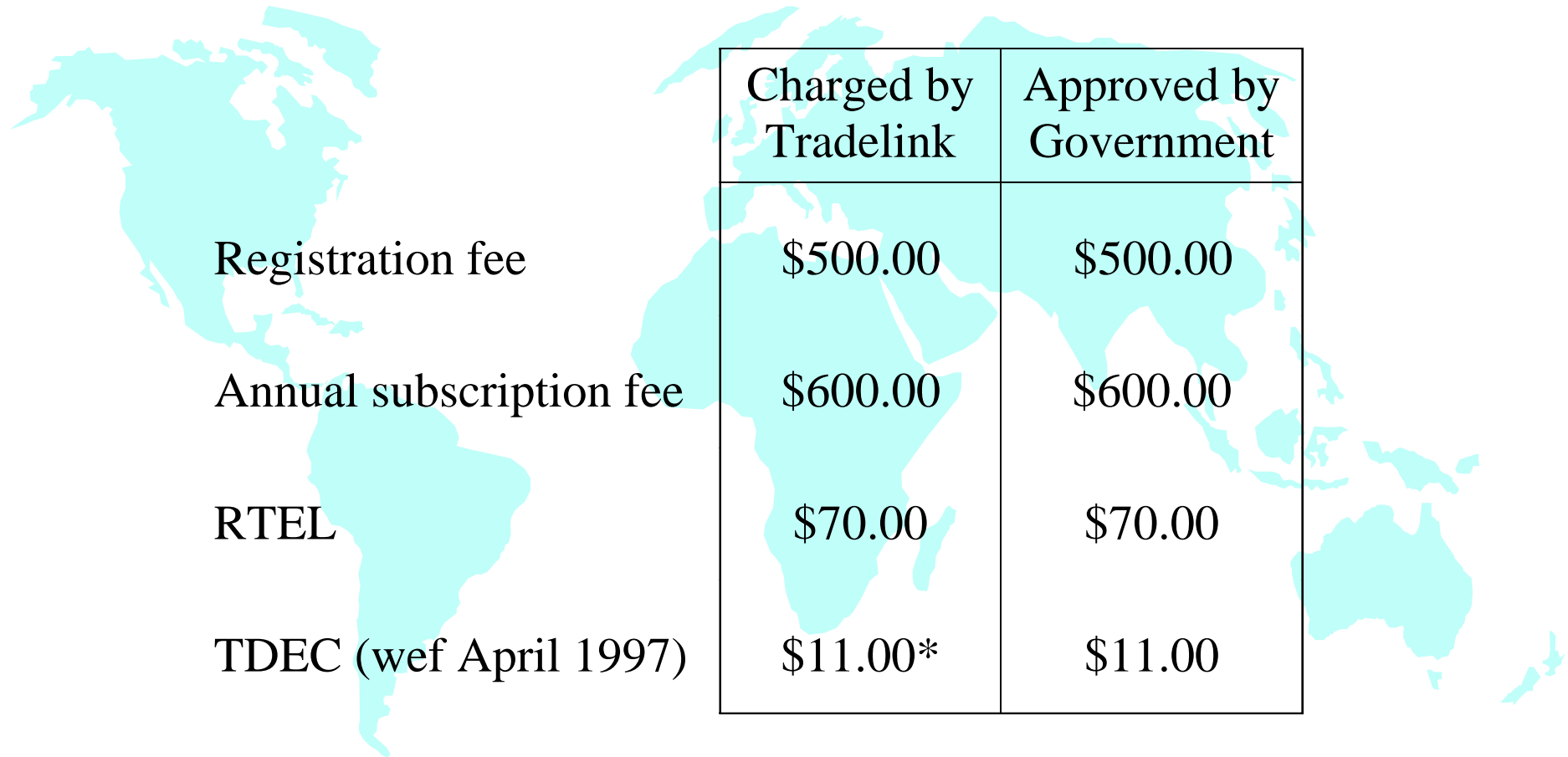
KEY FEATURES OF TRADELINK'S FRANCHISE

4. Prices regulated by Government

- ExCo approval after clearing TAB, TEXTAB and LegCo Panel (1st Government approval in Q4 1996)

- Paragraph 9.1 of the CETS Agreement:

  "The prices charged by the Company…..to ensure that the Shareholders shall…..recover their investment….. together with an internal rate of return on such investment of no more than eighteen per cent (18%)."

- For electronic submission, customers can expect to pay a combined Government and Tradelink charge that is no more than the Government charge for paper submission.

貿易通
TRADELINK

PRICE APPROVED BY GOVERNMENT NOT CHARGED IN FULL

- slowdown in trading during the past few years

- special discounts to encourage SMEs to start using electronic submission

- revenue foregone from 1997 to 2000

  (a) not charging prices in full $30.8 million

  (b) discounts offered $38.3 million

      $69.1 million

- current IRR forecast for the entire franchise period is in single digit

贸易通 TRADELINK

KEY TRADELINK PRICES - 1997

	Charged by Tradelink	Approved by Government
Registration fee	$500.00	$500.00
Annual subscription fee	$600.00	$600.00
RTEL	$70.00	$70.00
TDEC (wef April 1997)	$11.00*	$11.00

*Special price of $5.50 for declarations
with a consignment value of $20,000 or below

KEY TRADELINK PRICES - 1998
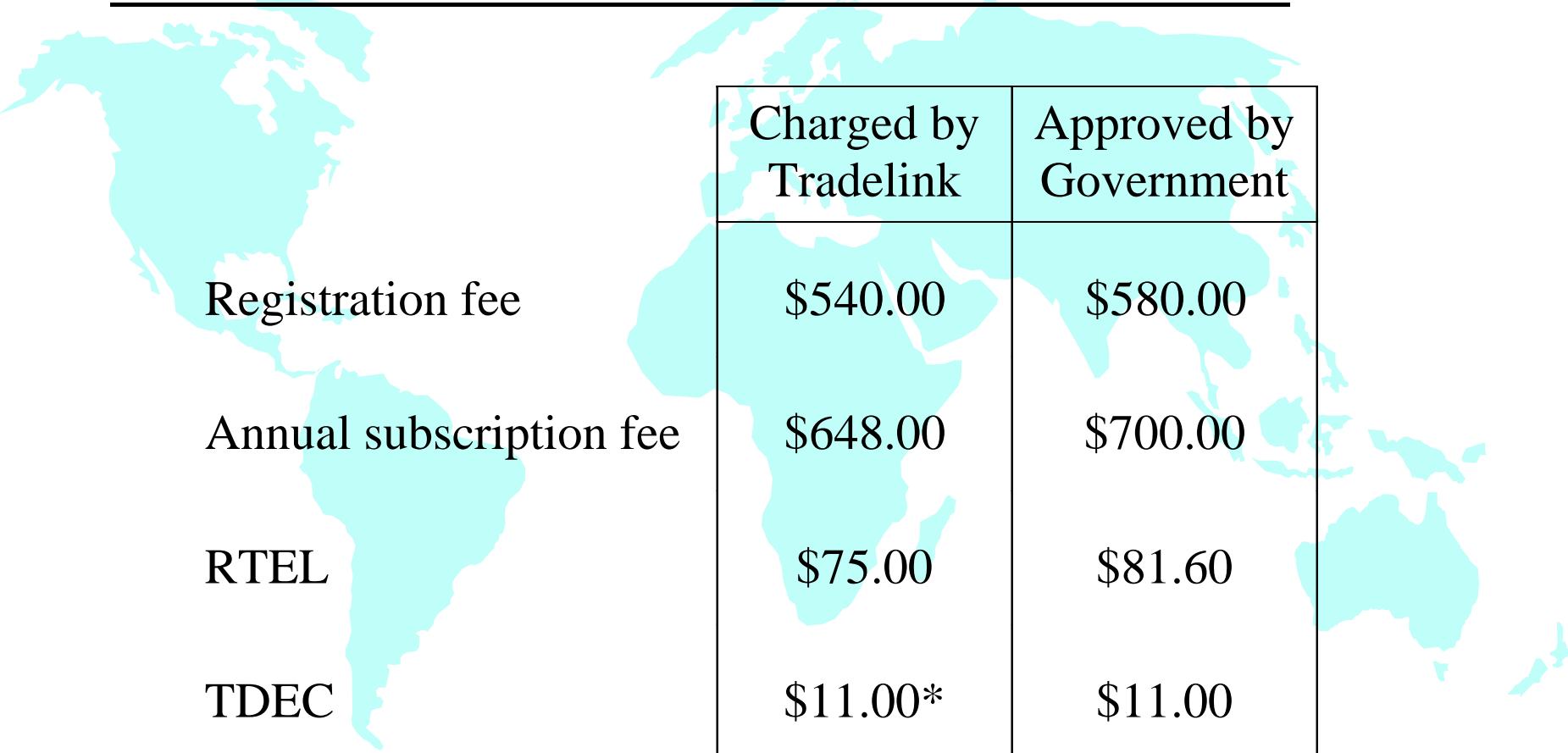
	Charged by Tradelink	Approved by Government
Registration fee	$540.00	$540.00
Annual subscription fee	$648.00	$650.00
RTEL	$75.00	$75.60
TDEC	$11.00*	$11.00

*Special price of $5.50 for declarations with a consignment value of $20,000 or below until June 1998. Special price of $2.50 for the first 100 declarations for weekend customers.

KEY TRADELINK PRICES - 1999
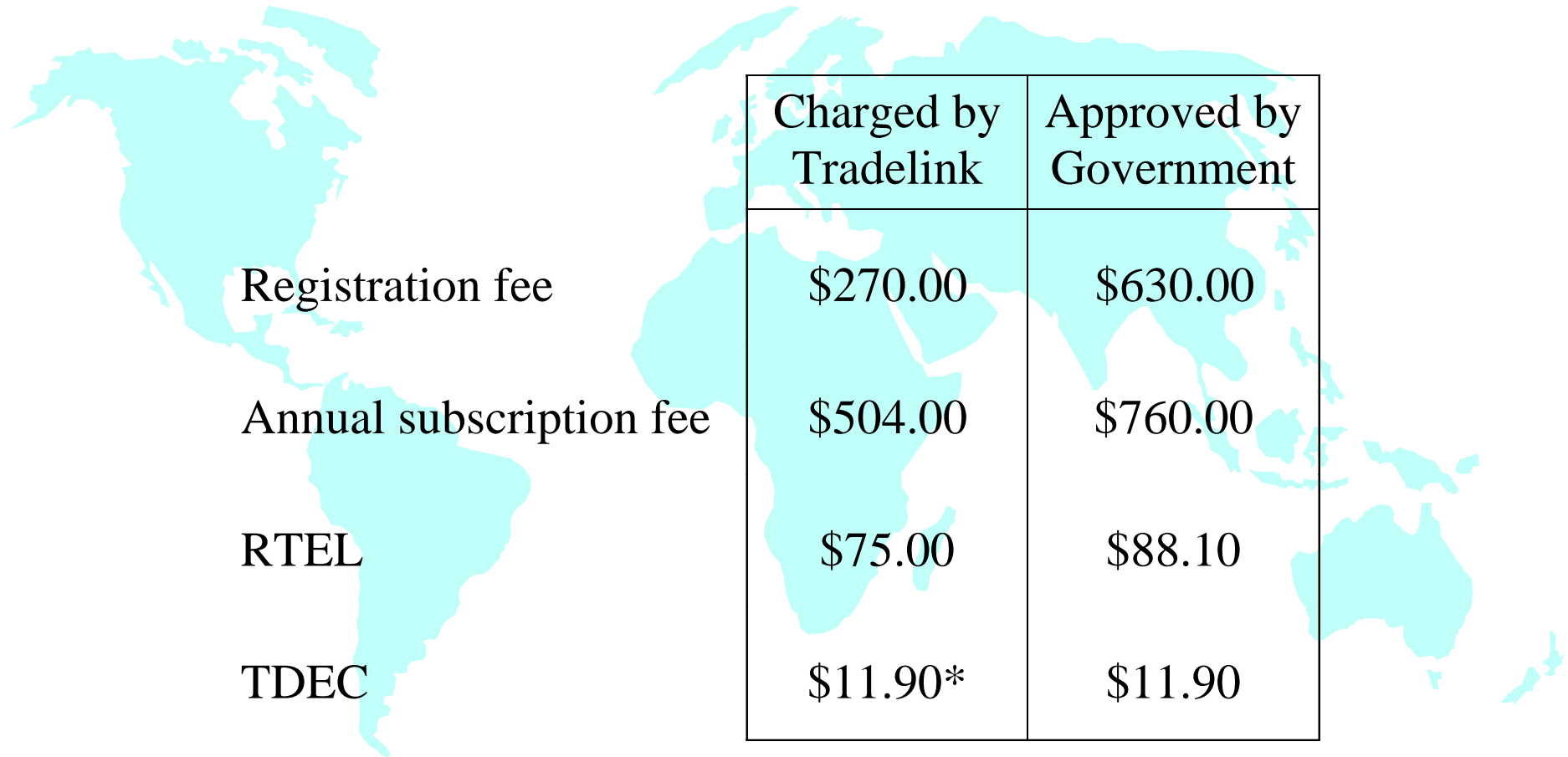
	Charged by Tradelink	Approved by Government
Registration fee	$540.00	$580.00
Annual subscription fee	$648.00	$700.00
RTEL	$75.00	$81.60
TDEC	$11.00*	$11.00

*Special price of $2.50 for the first 100 declarations
  for weekend customers

KEY TRADELINK PRICES - 2000

	Charged by Tradelink	Approved by Government
Registration fee	$270.00	$630.00
Annual subscription fee	$504.00	$760.00
RTEL	$75.00	$88.10
TDEC	$11.90*	$11.90

*Special price of $2.50 for the first 100 declarations
 for weekend customers until March 2000.
 Price revised to $8.00 wef 1 April 2000.

KEY TRADELINK PRICES - 2001

	To be charged by Tradelink	Approved by Government
Registration fee	$0.00	$670.00
Annual subscription fee	$468.00	$810.00
RTEL	$75.00	$94.30
TDEC	$12.90	$12.90

TRADING COMMUNITY NOW
e-BUSINESS READY

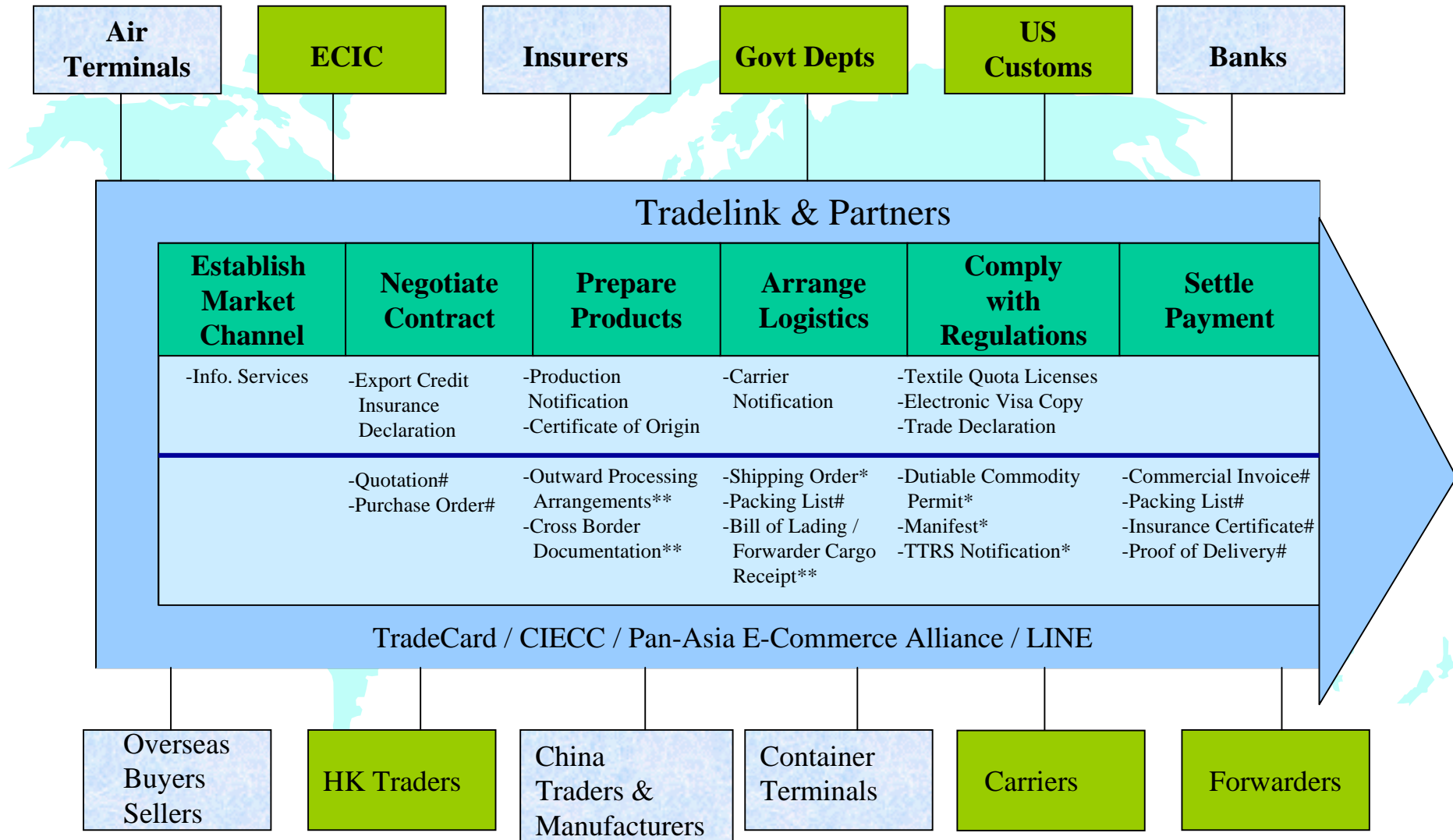- over 50,000 registered customers submitting in December 2000

  95% of RTEL

  89% of TDEC

  90% of PN

  90% of CO

- service centres only play a minor role

貿易通
TRADELINK

TRADELINK'S ROLE AS E-COMMERCE MAGNET

Air Terminals	ECIC	Insurers	Govt Depts	US Customs	Banks

Tradelink & Partners

Establish Market Channel	Negotiate Contract	Prepare Products	Arrange Logistics	Comply with Regulations	Settle Payment
-Info. Services	-Export Credit Insurance Declaration	-Production Notification -Certificate of Origin	-Carrier Notification	-Textile Quota Licenses -Electronic Visa Copy -Trade Declaration	
	-Quotation# -Purchase Order#	-Outward Processing Arrangements** -Cross Border Documentation**	-Shipping Order* -Packing List# -Bill of Lading / Forwarder Cargo Receipt**	-Dutiable Commodity Permit* -Manifest* -TTRS Notification*	-Commercial Invoice# -Packing List# -Insurance Certificate# -Proof of Delivery#

TradeCard / CIECC / Pan-Asia E-Commerce Alliance / LINE

Overseas Buyers Sellers	HK Traders	China Traders & Manufacturers	Container Terminals	Carriers	Forwarders

* Confirmed development schedule (with Government / other service providers)
** Under scoping / consideration
# TradeCard Services

贸易通
TRADELINK