

PIL and IBM collaborate to trial Lunar New Year delivery using IBM Blockchain Platform

Electronic Bill of Lading pilot reduces time to transfer shipment documents from seven days to one second

28 tons of fresh mandarin oranges, symbol of prosperity, arrive early for Lunar New Year

Singapore, January 31, 2019 – Pacific International Lines (“PIL”) has used an electronic Bill of Lading (e-BL) built on the IBM (NYSE: [IBM](#)) Blockchain Platform in a successful real-time pilot tracking shipment of mandarin oranges from China for the Lunar New Year celebrations.

With the use of IBM Blockchain powered e-BL, the trial has produced a significant reduction in the administrative process of transferring the title deed from five to seven days to just one second.

This is significant because the Bill of Lading is one of the most crucial documents used in international trade, typically issued by a shipping carrier to document the title or ownership of goods. It also functions as a receipt of goods and a contract of the shipment.

Combining e-BL with blockchain technology promises to help companies reduce their document processing times to almost zero, with an instantaneous digital transfer of the bill of lading for their cargo. Document handling is automated, and goods delivered more quickly and efficiently.

Hupco Pte Ltd (“Hupco”), a major importer in Singapore of mandarin oranges for the upcoming Lunar New Year, took part in the e-BL trial as the consignee of 3,000 cartons of mandarin oranges (approximately 108,000 mandarin oranges).

Mr Tay Khiam Back, Chairman and CEO of Hupco said: “We are delighted with the outcome of the trial. By using the e-BL, we have seen how the entire shipment process can be simplified and made more transparent with considerable cost savings.

Our customers can expect their orders in a more timely manner, and, importantly, with freshness assured.”

As a symbol of prosperity, mandarin oranges are a common – and welcome – sight during the Lunar New Year in Asia, with people exchanging them as greeting gifts and eating them during the festive celebrations.

Companies shipping perishable items like these mandarin oranges require faster document processing and expedited cargo clearing for delivery. This shortens the overall shipping time – reducing potential risks for retailers and providing fresher options to consumers.

For this trial, the consignee (Hupco) benefited from collecting their goods faster with the immediate receipt of the electronic Bill of Lading.

They also benefited from:

- Lower operating costs such as electricity costs (charging for refrigerated cargo containers at the port while waiting for collection), storage costs (at port) and cost savings from enhanced equipment utilization;
- Stronger provenance and real-time visibility of documents which is both traceable and tamper-proof;
- Greater security by helping prevent document fraud, which comprises 40% of all maritime fraud.

The live trial follows the e-BL Proof of Concept which was announced in October 2018.* PIL and IBM collaborated to digitize the lifecycle of negotiable and non-negotiable Bills of Lading on top of distributed ledger technology. The live trial is an important milestone because it validates how the system works in real-time conditions.

Lisa Teo, Executive Director of PIL, said: “We are pleased with the steady progress of our blockchain collaboration with IBM. To-date, we have received very positive feedback from the industry and authorities, and we are enthused by the possibilities of how our blockchain developments can transform and inject a much-needed boost in efficiency and innovation into the industry.”

Harriet Green, CEO and Chairman of IBM Asia Pacific, said: “A blockchain-based trade network will be a game-changer, and we have a great opportunity here with our partner PIL to revolutionize the documentation processes in a way that benefits the entire industry. Powered by blockchain, the e-BL developed by the IBM Research Singapore will be critical in helping to establish an extensible ecosystem for trade, thus expectedly enhancing trade efficiency and building trusted trade relationships among the industry players.”

The e-BL platform gives various ecosystem players the convenience to manage a Bill of Lading digitally with

accuracy and speed, including banks. A similar trial from Singapore to Brunei has taken place for negotiable e-BL with key stakeholders participating including Bank of China Limited Singapore Branch (BOC). The negotiable e-BL network establishes an extensible ecosystem which facilitates trade transactions and settlements, as the process of issuing Letter of Credit and Guarantee is enhanced.

Explanatory notes:

Compared to the current way of using paper bills of lading – a process that is often slowed down by lengthy paperwork and exposed to fraud and inefficiencies, using e-BL has proved how the process can be made more efficient and at the same time, provide a more secure, transparent and seamless documentation trail.

A Non-negotiable or Straight BL - This is a form of the bill of lading which is addressed or consigned directly to the buyer. The carrier will issue a set of three original BLs, one of which must be endorsed by the consignee and presented in order to obtain the goods at destination.

A Negotiable or To Order BL - This is a form of the bill of lading which is addressed "to order" and can be transferred to a third party. The carrier will deliver the shipment to whoever presents this bill of lading, as long as it is endorsed on the back. The holder of the to order bill of lading is assumed to be the owners of the goods.

* The PIL-IBM collaboration announced in October 2018 was supported by Maritime and Port Authority of Singapore, Singapore Shipping Association, Infocomm Media Development Authority, Singapore Customs (National TradePlatform), and Bank of China Limited Singapore Branch (BOC). More information [here](#).

About PIL

Pacific International Lines (PIL) is the world's 9th top containership operator and one of the largest shipowners in Southeast Asia. PIL owns and operates with a fleet of around 180 container and multi-purpose vessels, serving over 500 locations in 100 countries worldwide. The group has several business units such as container manufacturing, ship recycling, marine service, real estate, depot and logistics services. One of PIL's subsidiaries, Singamas Container Holdings Ltd, is one of the largest container manufacturers in the world, with 9 manufacturing facilities and 11 depots in the Asian-Pacific region.

About IBM Blockchain

IBM is recognized as the [leading enterprise blockchain provider](#). The company's research, technical and business experts have broken barriers in transaction processing speeds, developed the most advanced cryptography to secure transactions, and are contributing millions of lines of open source code to advance blockchain for businesses. IBM is the leader in open-source blockchain solutions built for the enterprise. Since 2016, IBM has worked with hundreds of clients across financial services, supply chain, government, retail, digital rights management and healthcare to implement blockchain applications, and operates a number of networks running live and in production. The cloud-based IBM Blockchain Platform delivers the end-to-end capabilities that clients need to quickly activate and successfully develop, operate, govern and secure their own business networks. IBM is an early member of Hyperledger, an open source collaborative effort created to advance cross-industry blockchain technologies. For more information about IBM Blockchain, visit <https://www.ibm.com/blockchain/> or follow us on Twitter at [@ibmblockchain](#).

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