

UOB assisting all bunker finance clients to go digital with SGTraDex

Platform allows for rapid transmission of trade data and documents to multiple parties in the bunker supply chain, enhancing efficiency and data security

Singapore, 1 June 2022 – UOB aims to bring all its bunker finance clients onto the Singapore Trade Data Exchange (SGTraDex) digital platform by June 2023, so that these companies can enhance their efficiency and data security.

The bank started onboarding its bunker finance clients after SGTraDex’s soft launch on 29 April 2022. With ‘live’ operations starting today, trades are being processed digitally and more clients will be onboarded in the coming months.

UOB is the largest financier of local bunker suppliers and it provides more than 50 per cent of the financing required by these companies. The bank is a founding member of SGTraDex, which is an open, secure and interoperable digital data exchange set up by the public and private sectors. SGTraDex allows for the digitalisation and rapid transmission of documents in the bunker supply chain to multiple parties, thus enhancing security and efficiency for bunker suppliers, bunker buyers, and banks.

Ms So Lay Hua, Head of Group Transaction Banking, UOB, said: “We are pleased to be the financing partner of choice for our local bunker suppliers to drive the digitalisation of their trade fulfilment and financing. This is key to enabling and supporting the development of Singapore as a more process-efficient and deal-transparent bunkering hub.”

Ms So added that SGTraDex allows clients and service providers to interact with UOB through a single data highway, which facilitates the compilation of trade documents and ensures secure submission to the bank. In addition, the bank can verify the authenticity of underlying transactions through digital Bunker Delivery Notes.

Mr Antoine Cadoux, CEO, SGTraDex, said: “We are grateful to UOB for being an active participant in helping us develop our use case for the bunkering industry. Our success in signing up more than a quarter of all licensed bunker suppliers even before our official launch today, is a testament to their hard work and

dedication in helping us succeed. We urge other bunker suppliers who are still undecided to take advantage of our first year no-fee usage to digitalise their processes as soon as possible.”

Traditionally, there has been heavy reliance on physical paper instructions and supporting documents, which are susceptible to fabrication and manipulation. With SGTraDex, local bunker suppliers are transforming their processes. They can now submit digital documents such as commercial invoices and sales contract confirmations electronically to their banks for financing, as well as to their buyers as confirmations of contracts and deliveries. The digital Bunker Delivery Note, a digital version of the Bunker Delivery Note, can also be automatically generated by technology service providers and transmitted to multiple parties through SGTraDex.

The end result is a fully digitalised end-to-end workflow that enhances efficiency by eliminating manual data entry, and by automating the transmission of verified bunker transaction data to buyers and financing banks. Greater transparency can also be achieved in the financing process, with digital Bunker Delivery Notes enabling banks to verify the genuineness of the underlying bunker transactions.

Mr Eric Lian, Head of Group Commercial Banking, UOB, said: “Digitalisation is important in creating more transparency in the bunkering industry. It will enable UOB, the largest financier of local bunker suppliers, to better serve our clients. Leveraging the connectivity brought about by SGTraDex, we are confident that UOB can support our local bunker suppliers to drive greater efficiency and enable better control of their business through the digitalisation of their transactions.

Bunker suppliers save time and cost

Bunker suppliers who have been onboarded to SGTraDex say they are benefitting from increased efficiency, cost and time savings, and improved data security.

Equatorial Marine Fuel has equipped one-third of its vessels to digitally capture bunker flow data, for the issuance of digital Bunker Delivery Notes. With the full digitalisation of the bunkering process, it expects quicker access to financing and the streamlining of operational processes. Equatorial has also automated the exchange of other commercial data – such as sales invoices and orders – on SGTraDex, creating end-

to-end digital connectivity with counterparties. These changes, when fully implemented across Equatorial's entire fleet, are expected to enable the company to save at least 55,000 man-hours per year.

Mr Choong Kien Siong, President, Equatorial, said: "UOB's partnership and active engagement have accelerated Equatorial's digitalisation journey. Equatorial is honoured to be one of the early participants of SGTraDex and at the forefront of the bunker digitalisation initiative. Through this, we hope to further raise transparency in the industry, and enhance Singapore's position as a major bunkering hub."

Consort Bunkers has integrated its Enterprise Resource Planning (ERP) system with SGTraDex. This has helped it to automate its processes and eliminate paper-intensive workflows.

Mr Yeo Siok Keak, Chairman and Founder, Consort Bunkers, said: "While digitalisation is essential to enhance supply chain resilience, a data infrastructure which facilitates interoperability and a trusted and secure data exchange are equally important. We are happy to work with SGTraDex and UOB in this regard. Consort Bunkers is committed to supporting Singapore's role as a maritime and financing hub and contributing the experience from our unique network to help accelerate Singapore's digital journey."

Golden Island was onboarded to SGTradex at end of May and it has been enabled to conduct bunker trades digitally since then. Golden Island expects the new digital process to halve the amount of time needed for documentation and information transmission.

Mr Johnny Tan Chin Tian, Director, Golden Island, said: "The future of supply chain sustainability is a digital one – built on trusted, secure and easy-to-use data-sharing infrastructure that's accessible to all industry players. Golden Island is committed to supporting Singapore's goal of building a trusted international digital supply chain ecosystem and we have embarked on the journey to achieve a fully digitalised workflow. We are very pleased to be able to work with UOB and contribute our global trade and innovation expertise to the development of SGTraDex."

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About UOB

United Overseas Bank Limited (UOB) is a leading bank in Asia with a global network of around 500 offices in 19 countries and territories in Asia Pacific, Europe and North America. Since its incorporation in 1935, UOB has grown organically and through a series of strategic acquisitions. UOB is rated among the world's top banks: Aa1 by Moody's Investors Service and AA- by both S&P Global Ratings and Fitch Ratings. In Asia, UOB operates through its head office in Singapore and banking subsidiaries in China, Indonesia, Malaysia, Thailand and Vietnam, as well as branches and representative offices across the region.

Over more than eight decades, generations of UOB employees have carried through the entrepreneurial spirit, the focus on long-term value creation and an unwavering commitment to do what is right for our customers and our colleagues.

We believe in being a responsible financial services provider and we are committed to making a difference in the lives of our stakeholders and in the communities in which we operate. Just as we are dedicated to helping our customers manage their finances wisely and to grow their businesses, UOB is steadfast in our support of social development, particularly in the areas of art, children and education.

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