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Metals and mining groups line up for Bolero

By Andrea Felsted

Four leading metals and mining groups are to conduct trade using Bolero.net, the secure, electronic system for transmitting trade documents.

Bolero said Posco, the South Korean steel producer and Nippon Steel, Japan's largest steelmaker, as well as BHP Billiton and Hamersley Iron, part of Rio Tinto, had signed up to the system.

Peter Scott, commercial director, said the latest additions to the Bolero customer base took the number of companies using the system over 80, and gave Bolero a significant position in the steel industry.

He said the system - owned by Swift, which processes financial transfers for banks, and the TT Club, a mutual insurer for the through transport industry - was already used by eight out of 10 of the world's largest trade institutions and had established strong positions in the soft commodities, retail and technology industries.

"This is an extremely significant development for the metals and mining industry. Where previously a 'Tower of Babel' of incompatible standards existed, through Bolero.net, major competitors have agreed on a common way of doing business over the internet," he said.

Posco and Nippon Steel will use Bolero to transmit all documentation relating to the import of raw materials and the export of some steel products, while Hamersley Iron and BHP will transmit documents in relation to the export of raw materials.

Mr Scott said Bolero was in talks with other steel producers and raw material suppliers about signing up to the system, which was launched two years ago.

Bolero estimated that within the metals and mining industry, the average cost of clearing a purchase order was between \$50 (£35) and \$100. It said transmitting documents via the internet could reduce the cost to a fraction of this amount.

Bolero provides a common, open system through which businesses can exchange trade documents and data via the internet. It acts as a neutral third party to ensure secure delivery and receipt of information and has its own legal framework.

Last year it raised \$50m in first-round funding from venture capitalists, including \$30m from Apax Partners.