



ISSUE 3

PAPERLESS EFFICIENCY

e-freight@Singapore is set on transforming Singapore into a leading global air cargo and logistics hub through improved connectivity, accuracy and sustainability.

In an effort to improve on industry capabilities and promote the adoption of paperless freight documentation, the Civil Aviation Authority of Singapore (CAAS) along with the Infocomm Development Authority of Singapore (IDA), International Air Transport Association (IATA), Singapore Air cargo Agents Association (SAAA), Singapore Logistics Association (SLA) and Singapore National Shipper's Council (SNSC) recently signed a Memorandum of Understanding (MOU) to implement the e-freight@Singapore programme.

The programme aims to integrate the air cargo and logistics supply chain by electronically linking stakeholders with each other to enhance the country's position as a leading air cargo and logistics hub. In addition, the programme will also enhance data accuracy by reducing repeated manual data entry and boosting supply chain visibility. On the sustainability front, the programme has impressive environmental benefits. It is capable of eliminating more than 7,800 tonnes of paper documents – the equivalent of 80 Boeing 747 freights filled with paper. There is no doubt that this initiative bodes well for Singapore and the industries involved. To get insider perspectives, we asked the MOU signatories and industry professionals for their opinions and expectations regarding the programme. Included in the roundtable discussion are Yap Ong Heng, Director-General, CAAS; Willy Boulter, Regional Vice President, Asia Pacific, IATA; RADM (NS) Ronnie Tay, Chief Executive Officer, IDA; Steven Lee, Chairman, SAAA; Low Chee Meng, First Vice-Chairman, SNSC; and Gerry Tan, Chairman, Air Cargo Committee, SLA.

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- 1. e-freight@Singapore is a fairly new initiative for the country. What preparations are needed for its successful implementation?**



2. Yap Ong Heng, CAAS: CAAS, together with agencies and industry players, will roll out several programmes. We will collaborate on pilot studies, development, promotion and adoption of new technology solutions, as well as hold forums, conferences, seminars and promotional activities. There will also be support for marketing, communication and promotion of these activities.

Ronnie Tay, IDA: For the IDA, we will continue to engage stakeholders in the air cargo and infocomm technology (ICT) sectors to identify issues and opportunities. Major air logistics companies have successfully implemented interconnected supply chains, and we seek to apply the lessons learnt and best practices for e-freight@Singapore.

Willy Boulter, IATA: e-freight@Singapore is built on the 2007 IATA e-freight framework that was launched with the local industry and included airlines, forwarders, ground handling agents and Singapore Customs. Moving forward, we will continue to communicate the e-freight process to potential participants to increase and speed up its adoption.

Steven Lee, SAAA: To participate in the e-freight programme, a location (country or territory) must pass a High Level Assessment (HLA) and a Detailed Level Assessment (DLA). Once passed, the location is certified as ready for e-freight and moves on to the implementation phase. During this period, local stakeholders – this includes ground handlers, airlines, freight forwarders, shippers and customs officials – define an e-freight operational procedure (e-FOP) for that location. Once the e-FOP is in place, the location is ready to go live.

Low Chee Meng, SNSC: In my opinion, I think there is a need for some training to familiarise people with the programme, but nothing too heavy. People are already hands-on with the Internet today and the sea cargo industry is already heading towards this direction.

Gerry Tan, SLA: I think preparation for this programme will be challenging because it involves quite a number of stakeholders. As far as training is concerned, there is a need for awareness in the industry to prepare the people's mindset. If they know that this programme is inevitable, then perhaps more people will come on board.

2. How ready is Singapore for this paperless process?



IDA: The Singapore air cargo sector is in a good position to implement a paperless air freight process. A large number of stakeholders in the airline, shipper and freight forwarder communities, along with government agencies, are already operating IT systems to support internal operations.

IATA: I agree. Singapore is definitely ready. Efficiency and productivity is the cornerstone of this thriving cargo hub. While we still have some

way to go before we convert all shippers to e-freight participants, we see great potential in Singapore.

CAAS: The air cargo industry is heavily reliant on paper-based processes to move freight, which typically results in an increase in cost and transport/processing time. e-freight@Singapore aims to address this issue by integrating the air cargo and logistics supply chain and electronically linking stakeholders in the supply chain. In doing so, the programme encourages the adoption of paperless freight documentation and help to improve industry efficiency.

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– Willy Boulter, Regional Vice President, Asia Pacific, IATA

3. What type of benefits is the programme capable of offering your organisation/industry?



SAAA: The programme can provide faster supply chain transit times, greater accuracy and tracking which comes from real-time status updates. In addition, it meets all international and local regulations that relate to the provision of electronic documents and data required by customs, civil aviation and other regulatory authorities.

SNSC: The e-freight programme can also offer wider service coverage for both shipping and aviation sectors. Since the SNSC works closely with neighbouring countries, the programme is capable of making operations more efficient – not just for air cargo, but for sea freight as well.

SLA: I also think that the introduction of the e-freight initiative will have an impact on the industry as a whole since logistics activities these days are integrated – it will definitely spill over to the other services such as sea or land operations.

4. Do you foresee any challenges the various industries involved might face once this programme is fully operational?



SAAA: Some challenges include the sustainability and continuity of the programme. In some aspects, the programme will require enhancement as well as constant support from users.

SLA: Another challenge I foresee is convincing traditional mindsets to come around, especially regarding information or data transfer. The security and integrity of how safe or secure the data base may be an issue as it involves

confidential information flowing from one hand to another electronically.

SNSC: I also have concerns that some of the forwarders might view e-freight@Singapore as something competitive since we try to organise sea cargo as an open platform. Once everything becomes transparent, they may feel more vulnerable.

CAAS is working to resolve issues raised by the industry, such as the need to upgrade infrastructure capabilities, changes in processes and maintaining dual process flows. It is also working out possible measures to mitigate these concerns such as showcasing and educating the industry on the value of adopting e-freight@Singapore through case studies and road shows.

– Yap Ong Heng, Director-General, CAAS

5. With regards to these obstacles, what measures would you propose to ensure the success of the e-freight@Singapore programme?



CAAS: CAAS is working to resolve issues raised by the industry, such as the need to upgrade infrastructure capabilities, changing traditional mindsets and processes, allaying industry fears and maintaining dual process flows. It is also working out possible measures to mitigate these concerns like getting constant support from users by showcasing and

educating the industry on the value of adopting e-freight@Singapore through case studies and road shows.

IDA: Regarding security and safety issues, government agencies are already operating IT systems to support activities in the air cargo sector, so this will not be unfamiliar ground. ICT providers will also be held to high levels of performance, ensuring minimum disruptions to business processes. For instance, as with the common practice in all good system implementations, providers are required to propose business continuity plans.

6. Aside from the air cargo, shipping and logistics industry, what other industries do you see benefitting from this programme?



IATA: The manufacturing industry and other industries that require timely delivery of goods (by eliminating the possibility of losing documents) will surely find this beneficial.

IDA: I think any industry that requires higher visibility for better performance and the collection of data for analytics can benefit from similar electronic interconnectivity applications. Within the aviation industry itself, there are opportunities to explore in the aerospace

engineering and airport operations sectors.

SAAA: Another industry that I see benefitting from it is the fashion and apparel industry. The e-freight programme can supplement this industry's purchase order management or vendor management.

SLA: I also believe that biotech industries, industries involved in research and running clinical trials and organisations that involve human organs will benefit from this programme. Since they're dealing with matters of life and death, the e-freight programme will surely help them save time.