PAPERLESS SOLUTION RAISES PRODUCTIVITY FOR AIR CARGO AND LOGISTICS SUPPLY CHAIN

Mrs Josephine Teo, Minister of State, Ministry of Finance and Ministry of Transport, viewing the e-freight@Singapore solutions at the launch event.

In an effort to increase productivity and enhance the competitiveness of the air cargo industry, the Civil Aviation Authority of Singapore (CAAS), in collaboration with major stakeholders which include the Infocomm Development Authority (IDA) and the International Air Transport Association (IATA) among others, moved to champion a new paperless programme, e-freight@Singapore. This programme provides a new model for achieving sectoral-level productivity transformation and significant cost savings to benefit all stakeholders – shippers, freight forwarders, ground handling agents and airlines, to ensure Singapore stays competitive as an international air hub and in turn empowers the industry to create added value.

All stakeholders to reap benefits
e-freight@Singapore takes the paper out of the air cargo documentation process. By electronically capturing data entered "at source" from the shippers, and transmitting the data electronically through the inter-connected supply chain for "re-use" by other stakeholders

downstream, the reliance on paper documents in the airfreight export process is significantly reduced. By reducing or eliminating misplacement of paper documentation and data entry errors, service is speeded up and shipment cycle time is also reduced. This helps air cargo and logistics companies reduce costs, raise productivity, shorten transport times as well as benefit from data reliability and accuracy. Companies can also easily track shipments via the electronic network for better supply chain visibility, as well as automating the exchange of cargo-related data for regulatory purposes.

Additionally, in an Air Freight Process Productivity Study (AFPPS) commissioned by CAAS in 2011, it was found that by implementing e-freight@Singapore, stakeholders will potentially see a 50% improvement in productivity (man-hours), up to 38% in cost savings and possibly improve national productivity by 1.7 million man-hours annually. As much as S$18.4 million could also be saved at national level.

A collaboration of minds
The e-freight@Singapore programme has reached a significant milestone after two and a half years, with Singapore becoming one of the first countries in the world to develop a set of national data standards for e-freight that can be used across different solution platforms, as well as the success of live e-freight solutions deployment for the three consortia that took the lead – Kewill Pte Ltd, Innosys Pte Ltd and vCargo Cloud Pte Ltd – each selected by CAAS and IDA in February 2012 through an industry call for collaboration.

Of the 37 companies committed to using e-freight@Singapore to date, 14 air cargo and logistics companies have become early adopters. The rest of the companies are expected to come on-board by early 2014.

A fourth consortium, led by Cargo Community Networks (CCN), was recently selected as an e-freight@Singapore solution provider. CCN pioneered the development of air cargo community systems, which are used by freight forwarders to book space and transact with cargo carriers.

End-to-end e-freight across borders
Apart from encouraging companies to adopt e-freight solutions available, CAAS is also actively exploring cross-border e-freight collaborations with e-freight-ready and active countries to facilitate cross-border end-to-end e-freight.

In November 2010, CAAS signed a three-party Memorandum of Understanding with Schiphol Nederland B. V. and Changi Airport Group to collaborate and promote e-freight between Amsterdam Airport Schiphol and Changi Airport.

CAAS has also been in discussions with e-freight champions from Hong Kong, Korea, Switzerland and Luxembourg to explore enabling end-to-end e-freight processes for all stakeholders in the supply chain across countries. These efforts are in line with the vision of

IATA as well as the Global Air Cargo Advisory Group, which is striving for e-freight to reach

80% of all global route networks by 2015.

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