

**Green IT Initiative
'e-Freight'**



Solution Paper

e-Freight Enablement

Industry is sinking in a sea of paperwork

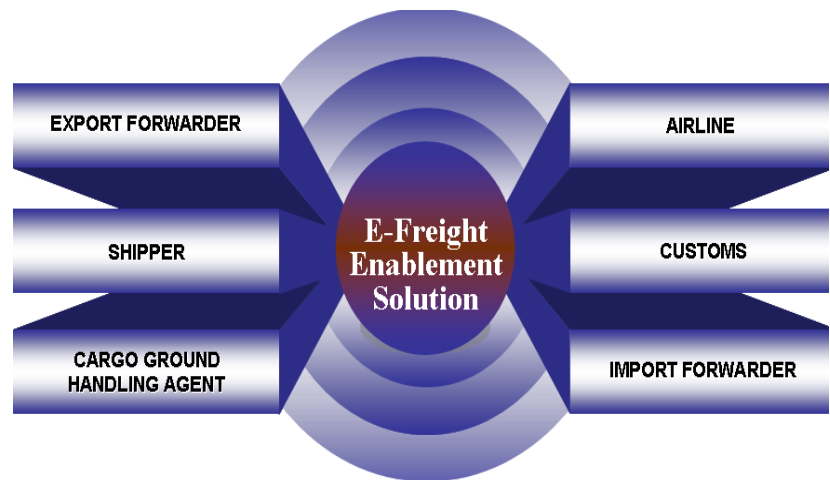
– *Giovanni Bisignani, Director General & CEO of IATA*

IATA e-freight is one of the initiatives of IATA 'simplifying the Business' (StB) program aimed at making the Air cargo industry paperless. Although the vision is paperless, the mandate for 2010 is paper free i.e. a paper free process whereby airfreight supply chain does not transport paper in parallel with the freight. So far 13 documents are brought under scope

- In 33 years the average time for an air cargo shipment has only been reduced from 6.5 days to 6 days – most of this time is spent on the ground by the shipment waiting to be loaded onto the aircraft. 6.0 days – 1 day to fly, 5 days to wait for the paper
- The manual creation and handling of paper documents, missing or incomplete documentation leads to slow down of process.
- The typical international air cargo shipment generates more than 30 documents need to be exchanged among the stakeholders at an estimated cost of US\$30 per shipment.
- Customs demands advanced electronic manifest information. Customs Penalty is another big problem faced by the industry because of incorrect data submission.

- ❖ The shipping industry has an inventory of 12% of its total stock to allow for the transit of goods. It is envisaged that this inventory will increase due to tightening of customs requirements by 5%. Of this buffer stock, 25% is maintained to allow for the unreliability of the transportation of the goods
- ❖ Industry has set a deadline of the end of 2010 for Global implementation of e-freight where viable and Air cargo industry paperless by 2020.
- ❖ The target date of ICS, ECS implementation for European Union's member states is Dec 2010

- ❖ The target date of ICS, ECS implementation for Republic of China is Jan 1, 2009



Fact and Figures

- **The air cargo industry could fill 39 Boeing 747 freighters each year with paper wasted on documentation**
- **Paperless cargo processing could save the industry \$1.2 billion each year and reduce shipping time by at least 25%**
- **At 35 million consignments, that's more than a billion-dollar savings annually in processing is being restrained**

"The launch of IATA e-freight in Dubai takes us into a new, more efficient era for air cargo. Emirates have been one of the key supporters of this initiative, as we see clear benefits in having paper-free operations – efficiency and direct contribution to the bottom-line. IATA e-freight is a revolution for a US\$55 billion business that generates 12% of airline revenues and has broad implications for e-trade and the global economy."

- Ram Menen, Divisional Senior Vice President

Cargo, Emirates

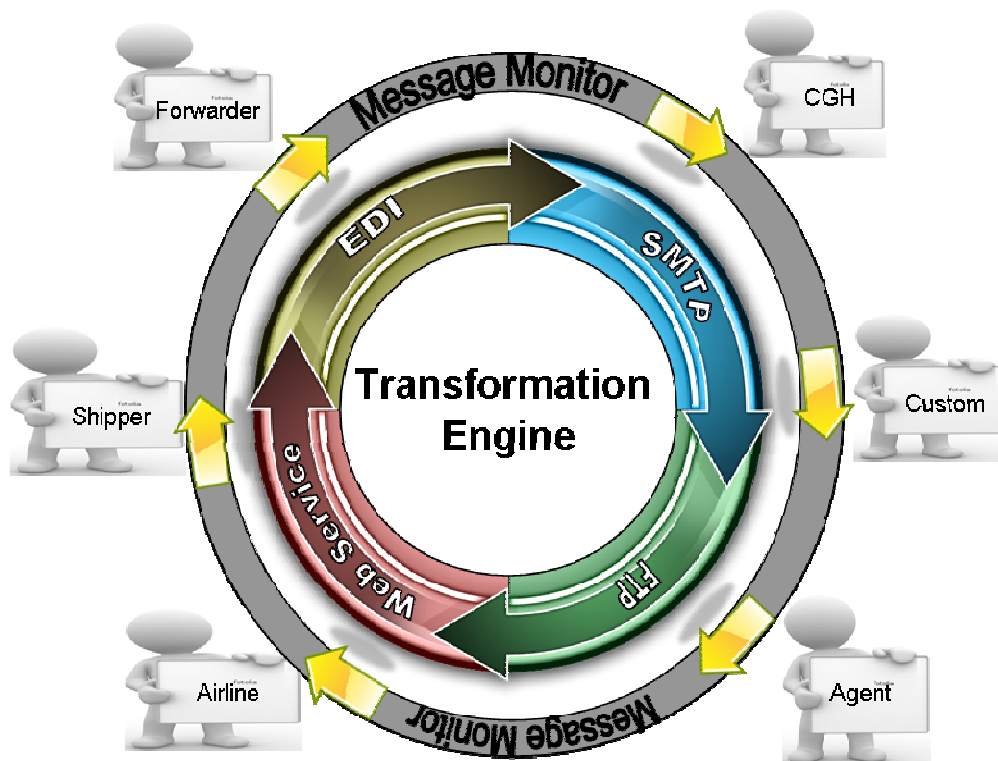
Source: www.just4airlines.com

Solution Description

NIIT Technologies as a part of the IATA strategic partnership programme, supporting IATA E-freight business process and standard is providing E-freight Enablement solution which caters to the requirements of all the participants involved in air cargo business processes. There are both direct and indirect benefits which can be achieved by our solution. Our solution aims to provide e-freight enablement to the existing IT system of the client. The solution will provide a seamless communication among all the participants with accurate and timely information without the use of physical documents making airfreight supply chain a paper less process.

Features

- ❖ Component based model
- ❖ EDI messaging
- ❖ Multi hardware platform support
- ❖ Scalable, reliable and flexibility
- ❖ Reduce time to deliver
- ❖ Ease of integration
- ❖ Ease of future enhancements
- ❖ Lower cost of ownership
- ❖ Supports Multi-data format (Eg: XML, EDI)
- ❖ Monitors and manage message quality and performance through Message monitor



NTL has showcased this new approach to enable the existing system as E-freight enablement

Business Benefit

- ❖ Improved Process efficiencies
- ❖ Simplified Processes
- ❖ Reduction in direct costs associated with paper processing
- ❖ Reliability and Visibility
- ❖ Improved Planning and measurement
- ❖ Relief dependency on paper

Operational Benefit

- ❖ Reduction in cost associated with paper processing
- ❖ Advance information can improve warehouse utilization and reduce warehouse storage/time costs
- ❖ Increase in quantity and quality of data
- ❖ Reduce Delay in freight acceptance through receipt of

correct data leads to improved customer service

- ❖ Reduction in custom fine charged due to incorrect FWB/FHL data
- ❖ Eliminates the requirement to enter data multiple times from several documents into several systems
- ❖ Eliminates the requirement to check data against documents
- ❖ Remove the requirement to provide paper documents as well as paper electronic information to customs
- ❖ Reduce errors in creation of data from paper documents
- ❖ Shipment data from a single source eliminates discrepancies between systems and document and in turn provides consistency and accuracy

References:

<http://www.iata.org/stbsupportportal/efreight/materials/e-freightglossary.htm>

<http://www.iata.org/sp/stbpartners.htm>

<http://www.iata.org/stbsupportportal/efreight/index.htm>

<http://www.iata.org/stbsupportportal>

Related Offerings:

- Cargo Ground Handling Solution
- Cargo Web Portal
- Warehouse Management System

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NIIT Technologies Ltd. is an ISO 9001:2000, CMM Level 5; ISO 27001 certified global IT Solution major, providing services to customers in North America, Europe, Asia and Australia. It provides services in Application Development and Management, Enterprise Solutions including Managed Services and Business Process Outsourcing to enterprises in the Banking, Financial Services & Insurance, Travel & Transportation and Retail & Manufacturing sectors.

NIIT Technologies has gained extensive competency and experience in the TTL (Travel & Transportation) business by working with leading airlines, airports, travel distribution, logistics companies. We work with our clients to provide them next-generation solutions on diverse platforms. Our technology expertise and business understanding ensure efficient, scalable, secure and robust solutions that are tailored to the needs of clients. In cargo ground handling domain, we have successfully implemented solutions for leading airports of the world. Besides building and hosting the solution, we are also experts in managing the solution over its lifecycle.

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