

Take
the paper
OUT >>



IATA E-FREIGHT
SIMPLE > ELECTRONIC > PAPER FREE

IATA e-freight Local Adoption Meeting

21 July 2009
Hong Kong, CX City

What you need to know about IATA e-freight >>



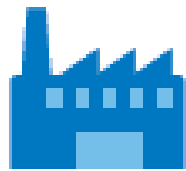


Today the air cargo industry still relies on paper-based processes to support the movement of freight. The average airfreight shipment generates up to 30 different paper documents – increasing the cost of airfreight and lengthening transport times.

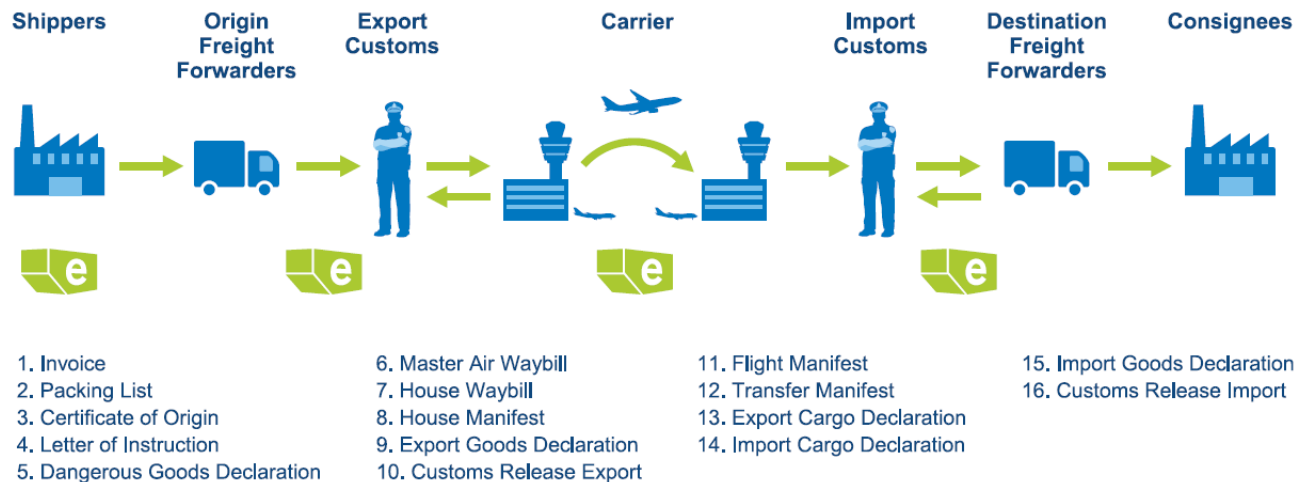
IATA e-freight is an initiative for the air cargo supply chain, by the air cargo supply chain. It involves carriers, freight forwarders, ground handlers, shippers, customs brokers and customs authorities. It replaces paper documents with electronic messages, reducing costs, improving transit times, accuracy and the competitiveness of airfreight.



IATA e-freight is taking a multimodal approach to its electronic messaging standards. Electronic messages that replace documents used in all types of transport – like the packing list, invoice or certificate of origin – work for air, sea and land shipments.



By the end of 2009, 16 paper documents will be replaced with electronic messages. Four more documents will be replaced in 2010, for a total of 20.



2009: 16 Documents in scope

2010: 20 documents in scope

These 20 documents account for 64% of the paper volume

IATA e-freight removes three types of documents:

III. Transport documents

Transport docs are replaced with IATA Cargo-IMP electronic messages (FWB, FHL, FFM, FSU), already in use by many airlines and forwarders (in future, XML equivalents will also be available)

Flight Manifest

Air Waybill

House Manifest

House Waybill



I. Customs docs/ declarations

Export and Import
Cargo Declaration
and Release

Export and Import
Goods
Declaration
and Release

EF is only implemented in locations where import and export declarations and release are already electronic and where customs agree they do not need original paper docs (invoice, packing list etc.)



II. Trade documents

Trade docs are sent electronically by origin shippers and/or forwarders to destination either using agreed EDI standards (XML) or simple pdf docs – often done in ‘pre-alerts’ already today

Invoice

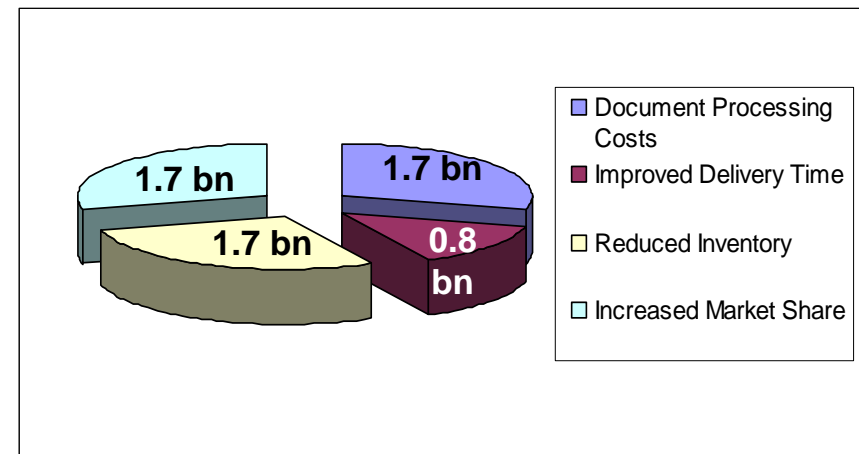
Packing List

Certificate of Origin
(where legally feasible)

Others in future

IATA e-freight BUSINESS CASE >>

- Up to **US\$4.9 billion** annual net benefits across the supply chain
- Total benefits US\$5.9 billion, less US\$1 billion in operational costs of messaging and scanning electronic documents
- Conservative estimate: US\$3.1 billion in benefits, based on 80% e-freight capability and penetration across the industry



IATA e-freight **BENEFITS** >>



Better service

➤ **Faster supply chain transit times:** the ability to send shipment documentation before the cargo itself can reduce the industry cycle time by an average of 24 hours.

➤ **Greater accuracy:** electronic document auto population – allowing one time electronic data entry at point of origin – reduces delays to shipments due to inaccurate or inconsistent data entry. Electronic documents are less likely to be misplaced, so shipments will no longer be delayed because of missing documentation.

➤ **Better tracking:** data entered electronically gives organisations the opportunity to track shipments en route – allowing for real-time status updates.

➤ **Better for the environment:** IATA e-freight will eliminate more than 7,800 tonnes of paper documents, the equivalent of 80 Boeing 747 freighters.

IATA e-freight **BENEFITS** >>



Regulatory compliance

➤ IATA e-freight meets all international and local regulations relating to the provision of electronic documents and data required by customs, civil aviation and other regulatory authorities.

Increased security

➤ Electronic documents are only made available to parties who require them for the completion of a shipment.

IATA e-freight Implementation **SCORECARD** >>

As of July 2009, IATA e-freight was live in 21 locations and more than 70 airports. Over 100 live Stakeholders (airlines and freight forwarders) can now use e-freight on more than 2000 trade lanes.

IATA e-freight

Live Countries as of July 2009 >>



IATA e-freight Implementation SCORECARD >>

Live airports include:

- Aalborg
- Auckland Int'l
- Amsterdam-Schiphol
- Arlanda
- Charles De Gaulle
- Copenhagen Airport
- Dubai
- Frankfurt
- Gotenburg
- Hong Kong
- Incheon
- JFK
- Heathrow
- Luxembourg
- Madrid
- Malmo
- Mauritius
- Chicago
- Oslo
- Singapore
- Stansted
- Sydney
- Vancouver
- Toronto
- Zurich ZRH

IATA e-freight Implementation **SCORECARD** >>

Airlines participating:

- Air Canada
- Air France
- Air Mauritius
- American Airlines
- Asiana
- British Airways
- Cargolux Airlines
- Cathay Pacific
- Emirates
- Iberia
- Japan Airlines
- KLM
- Korean Air Cargo
- Lufthansa
- Malaysia Airlines
- Martinair
- Qantas
- Swiss World Cargo
- SAS
- Singapore Airlines
- United Airlines

**IATA e-freight
Implementation
SCORECARD >>**

International forwarders including:

- DGF
- Keuhne Nagel
- Schenker
- TNT
- Geodis/Wilson

**IATA e-freight
Implementation
Hong Kong e-
freight team >>**

Comprises of:

- Cathay Pacific (lead)
- HK Customs
- AFCD
- Hong Kong Shipper's Council
- DGF
- Schenker
- Kuehne and Nagel
- HAFFA
- Air Canada
- Air France/KLM
- British Airways
- SAS
- Singapore Airlines
- HACTL
- AAT
- JASG
- GLSHK

IATA e-freight

Targeted Countries for 2010 >>



IATA e-freight

CHALLENGES >>

- In a recent survey, 25% of participating airlines and forwarders say they are already seeing benefits from the programme
- However, volumes need to increase in order for the supply chain to realise full benefits of e-freight
- Therefore the forwarders and airlines provided their key priorities of what needs to be done to allow an increase in volumes
- This means IATA and the current participants are already tackling the issues, paving the way for newcomers



IATA e-freight

How to get started >>



IATA e-freight

The six implementation
steps for

NEW PARTICIPANTS >>

1. Assess your technical readiness and identify your gaps if any
2. Decide how you will conduct e-freight in your operation, and write your internal e-freight operating procedures (e-FOP)
3. Close your gaps in readiness (if any)
4. Decide with what partners and on what trade lanes you want to start
5. Get ready to start
6. Start!



1. Assess your readiness via the self-assessment questionnaire and identify gaps if any
 - IATA has created an easy questionnaire to assess your technological readiness and identify your gaps (if any)
 - Specific to the type of stakeholders (airlines, freight forwarders, shippers)
 - Encompasses the various ways to do e-freight (full EDI, portal, partial EDI complemented by scanning, etc.)
 - Available online: <http://www.iata.org/e-freight>

➤ **If you are...**

1. Able to send IATA **Cargo-IMP messages** (EDI), specifically FWB, FHL to airlines, and able to receive FSU messages back from airlines.
2. Able to send **advanced shipment information** to your destination branch, or forwarder partner at destinations (equivalent to 'pre-alert' process).
3. Able to do **electronic goods declaration** (normally the case by definition in locations where e-freight is implemented).

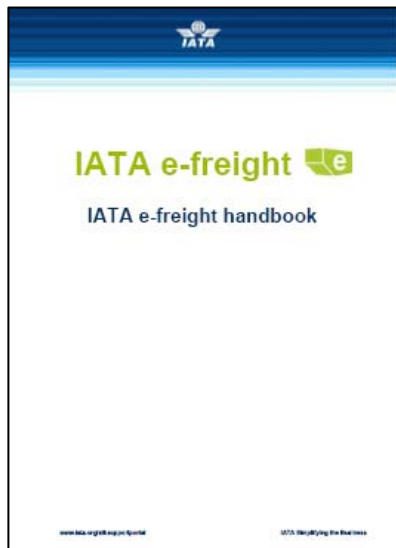
**Then you are READY
to do IATA e-freight!**



Implementing IATA e-freight

NEW

PARTICIPANTS >>



2. Decide how you will conduct e-freight in your operation
 - Using the IATA e-freight Handbook as your guideline
 - The EF handbook provides information on what IATA e-freight is (*chapter 1*) and how to implement it (*chapter 2*)
 - It provides explanations, guidelines, and best practices regarding the business process & standards (*chapter 3*), technology (*chapter 4*) supporting IATA e-freight
 - Can be downloaded at www.iata.org/stb/efreight/materials

Implementing
IATA e-freight

NEW

PARTICIPANTS >>

3. Close your identified gaps in readiness (if any). Examples:
 - No capability to send FWB and FHL data to airline:
 - You can build the capability internally
 - Acquire the capability from an outside software provider
 - Or use an on-line portal
 - Unable to scan and send documents (Invoice, Packing List, etc.)
 - This should normally be readily accessible as standard technology where e-freight is live
 - Gaps in ability to do electronic customs declaration should not exist as by definition this is available in an e-freight live country

Implementing
IATA e-freight

NEW PARTICIPANTS >>



4. Decide with what partners and on what trade lanes you want to start
 - Use the information on the IATA web resources to find out who is doing e-freight where (public scorecards at <http://www.iata.org/e-freight>)
 - You can also use the information provided during Local Adoption Meetings (LAM)
 - Get in touch with your partners locally to inform them of your interest to conduct e-freight with them

Implementing IATA e-freight

RESOURCES – Public Website >>

Home » Simplifying the Business » IATA e-freight

IATA e-freight

The IATA e-freight project aims to take the paper out of air cargo. Facilitated by IATA, the project is an industry-wide initiative involving carriers, freight forwarders, ground handlers, shippers and customs authorities.

Each air cargo shipment carries with it as many as 30 paper documents – enough to fill 80 Boeing 747 freighters every year. IATA e-freight replaces 13 of these documents with electronic messages. That will increase to 16 in 2009, and 20 in 2010.

Key benefits include:

- ✔ Lower costs: industry savings of up to US\$4.9 billion annually
- ✔ Faster service: a reduced cycle time of an average of 24 hours
- ✔ Greater reliability and accuracy: one-time electronic data entry at point of origin
- ✔ Better visibility: electronic documentations allows for online track and trace functionality

Project information:

- ✔ [NEW - IATA e-freight Local Adoption Meetings \(LAMs\)](#)
- ✔ [About IATA e-freight](#)
- ✔ [IATA e-freight handbook & key materials](#): All about Business Process and Standards, Assessment and Implementation
- ✔ [Scorecards](#)
- ✔ [Message Improvement Programme](#)



Link to StB Interactive Maps, updated monthly



>>> Project status



Numbers of live countries / airports + live stakeholders + direct link to IATA e-freight scorecards, updated monthly

▶ CLICK HERE FOR MORE DETAILS



High-level description of the IATA e-freight project

Links to other pages to download materials, scorecards...

Implementing
IATA e-freight

NEW PARTICIPANTS >>



5. Get ready to start

- Brief, train and motivate your staff
- Address concerns they might have (fears, what to do in case of exception handling, etc.)
- Do wet runs (test shipments)
- Validate with your partners that your information and process steps work for them
- Make any corrections/adjustments as needed

Implementing
IATA e-freight

NEW PARTICIPANTS >>



6. Start!

- When fully ready, make your first live shipments with your partners
- In some countries, you may be requested to inform local customs or authorities that you are starting
- Monitor your success and push for growth with your staff and partners!
- ... and ENJOY!!

Legal notice to carriers and shippers participating in IATA e-freight - Shippers and carriers are reminded that IATA e-freight is a discretionary programme, and it is up to shippers and carriers alike, based on their internal legal analysis, to determine how they should ship and document cargo to and from any IATA endorsed e-Freight destination. IATA provides recommended tools for accomplishing e-Freight transactions such as Cargo-IMP messaging and model EDI Agreements, and through its endorsement of particular destinations, confirms that the governments of such destinations should accept the use of these tools at their borders. By ensuring that an endorsed location is a signatory to either MP4 or MC99, IATA can compel the acceptability of IATA e-freight tools, however, such endorsement does not affect in any way the pre-existing legal regime with regard to liability or the particular requirements that cargo insurance carriers may have when cargo is transported to and from those destinations. The determination how liability and insurance issues should be resolved continues to be the responsibility of the carriers and shippers.