What you need to know about IATA e-freight
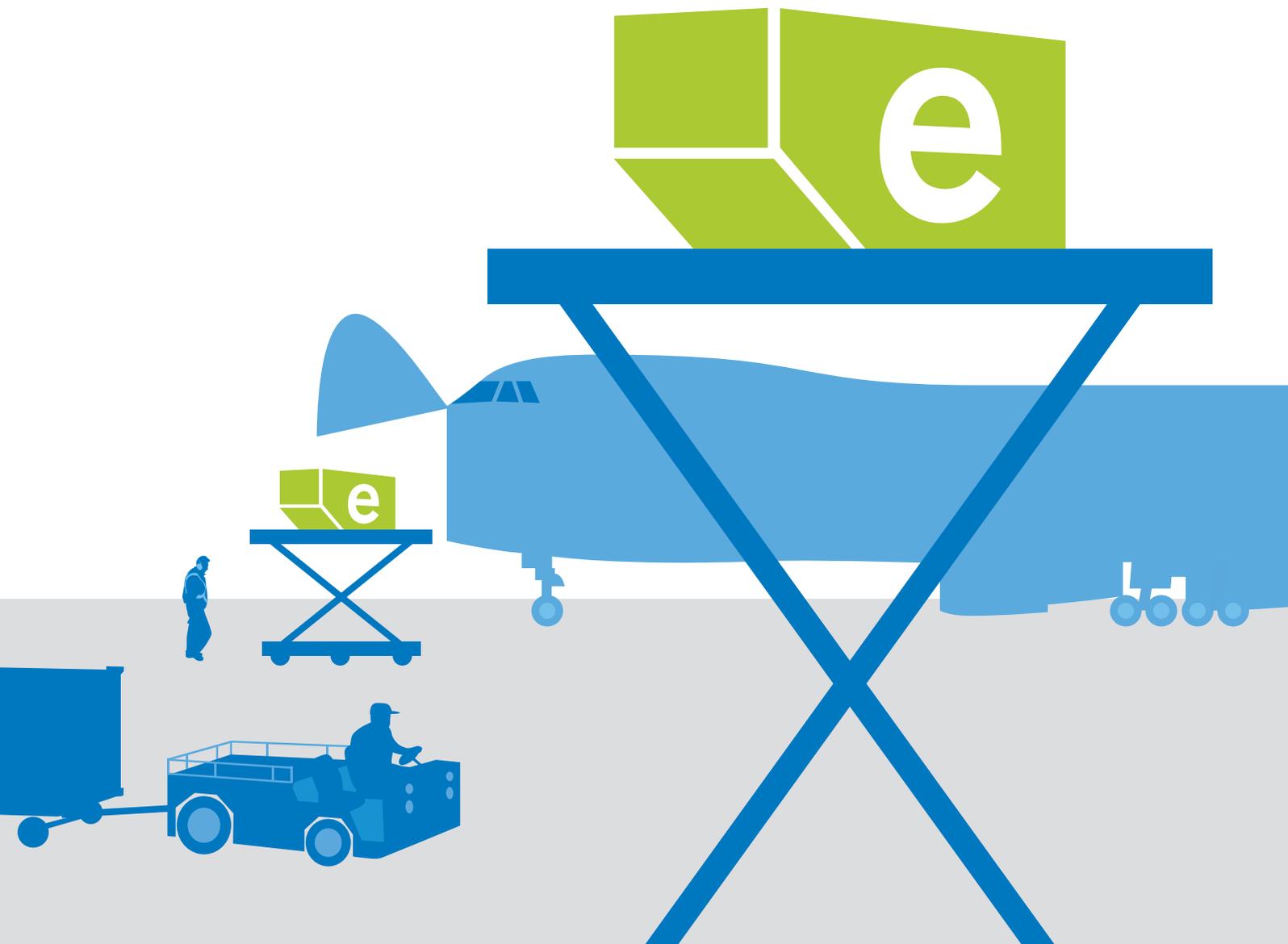
What is it?

The airfreight supply chain faces increasing challenges:

- Customers want faster transit times, lower costs and more reliability
- Regulators want more security and demand electronic information in advance
- Slow economic growth means less revenue

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. The remaining documents are not in scope, as they are not currently supported by international standards.

IATA e-freight: Scope of Documents
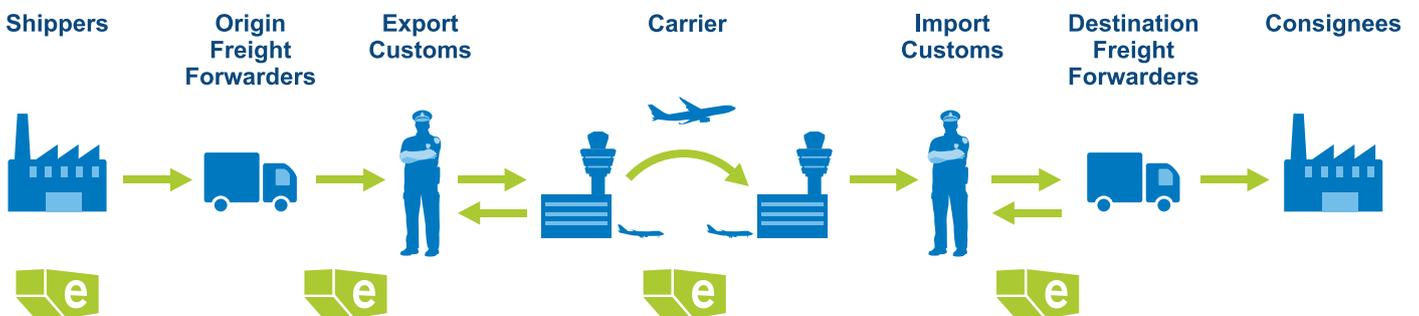
1. Invoice
2. Packing List
3. Certificate of Origin
4. Letter of Instruction
5. Dangerous Goods Declaration
6. Master Air Waybill
7. House Waybill
8. House Manifest
9. Export Goods Declaration
10. Customs Release Export
11. Flight Manifest
12. Transfer Manifest
13. Export Cargo Declaration
14. Import Cargo Declaration
15. Import Goods Declaration
16. Customs Release Import

**2009: 16 Documents in scope**

2010: 20 documents in scope

These 20 documents account for 64% of the paper volume

What it means for the airfreight supply chain

Lower costs

- Average annual net benefits of between US$3.1 billion and US$4.9 billion across the air cargo supply chain – depending on the level of adoption. The chart below indicates benefits of up to US$5.9 billion, less US$1 billion in operational costs of messaging and scanning documents.

Pie chart:
- US$1.7 Bn
- US$1.7 Bn
- US$1.7 Bn
- US$0.7 Bn

Legend:
- Document Processing Costs
- Improved Delivery Time
- Reduced Inventory
- Increased Market Share
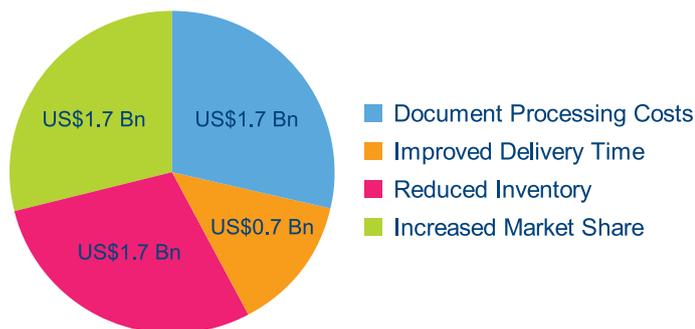
Better service

- **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.

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.

Where can I use IATA e-freight?

At the end of March 2009, IATA e-freight was live in 19 locations and 31 airports. Stakeholders can now use e-freight on more than 600 trade lanes. In 2009, four more locations and 13 more major airports will be added to the existing e-freight network below:

Australia	Luxembourg	Spain
Canada	Mauritius	Sweden
Denmark	Netherlands ★	Switzerland
Dubai	New Zealand	UK ★
France ★	Norway	USA ★
Germany ★	Singapore ★	
Hong Kong ★	South Korea ★	

★ Top 10 countries in terms of international cargo volumes. By the end of 2009, all the top 10 countries will be IATA e-freight capable.

How can I get involved?

- Visit www.iata.org/e-freight. It provides up-to-date information on the project vision, strategy, and the e-freight status of countries around the world. It also includes all the message standards and suggested operational procedures.

- Download the IATA e-freight handbook, available at no charge. The handbook is a comprehensive guide to implementation.

- Contact your supply chain partners that are already involved and start planning your implementation of e-freight on live trade lanes. A list of companies participating in each location is available on the project website.

- Attend an IATA e-freight local adoption meeting. A schedule of these meetings will be made available on the IATA e-freight website soon.

- Questions? Check out the IATA e-freight FAQs or email the project team at IATAe-freight@iata.org.

What the supply chain says about e-freight

"e-freight is very much relevant to battle the crisis and build the future"

Victor Mok, EVP Head of Global Air Freight,
DHL Global Forwarding

"As a carrier, we have no limitation on increasing our e-freight volumes. Processing an e-freight shipment is more efficient than processing a normal shipment."

Jan Vreeburg, Programme Director Infrastructure and Security, KLM

"To take full advantage of the benefits offered by e-freight, we need the willingness to change processes"

Felix Keck, Managing Director, Traxon