

Paperless trading

E-COMMERCE-based trade now involves some 350 million Internet users and equals the size of many developed countries' economies, according to the World Trade Organisation, writes Mike Parker-Brown.

It has had a major effect on the way all organisations do business, particularly small to medium size enterprises (SMEs) that, with minimal marketing expenditure, can now compete globally.

As a result, Internet-based trade policies are continuously upgraded to reflect ensure exporters gain the full benefit of the technologies. This is particularly true in Australia and New Zealand, where both governments have recently introduced upgraded systems designed to further facilitate and optimise export opportunities.

However, it has not all been smooth sailing. There are issues.

One of the biggest is facilitating legitimate trade and ensuring trade security while complying with trading partner initiatives to combat the 'fight against terror'.

The United States' Customs and Border Patrol legislation, for example, has been described as draconian and time-consuming.

Australia and New Zealand face less criticism. Recently, New Zealand launched a 'document-free' Electronic Data Interchange (EDI) system, which requires all import and export entries to be lodged electronically with New Zealand Customs.

According to New Zealand Customs Cargo Clearance Manager South Island Debbie Whiteside, security issues aside, an obvious benefit of EDI has been to both streamline and speed up the overall system.

"EDI has replaced a partially manually operated system and sped things up considerably, especially from the standpoint of recently introduced security and cargo risk clearance requirements," she said.

"EDI also allows us to interface with any other country's systems - this is especially so with US and Australian Customs.

"The New Zealand export community has reacted well to EDI.

"At least 60 to 70 per cent of all New Zealand exporters were already using Internet-based technology to lodge documentation.

"Feedback received to date has been positive," she said.

Whiteside said EDI would be further enhanced when a new advanced compliance system featuring new electronic fact sheets, a new direct mail e-mail system and new information databases tailored to specific industry sectors was introduced.

It is a similar story in Australia, where Australian Customs electronically clears some four million import and export entries annually, generating in excess of 30 million electronic messages.

As of last year, the Australian Customs Service also turned to 'paperless' technology to launch its new, security-conscious Integrated Cargo Service (ICS).

As does its New Zealand counterpart, the ICS identifies high-risk shipments and enables speedier transition of export goods and related security issues.

Australian Customs Service director of communication and training Nicole Cottrell said

the implementation of the ICS represented one of the largest IT projects recently undertaken in the Southern Hemisphere and one of the biggest changes to the service since Federation.

"One of our key challenges was to make sure the Australian export community was prepared and we did this using a series of national education seminars two years ahead of the change..

"Unlike the GST, exporters needed to be ready to go the moment we launched the new system and they reacted well, with at least 90 per cent of business 'tooled' up in time for the start up.

"The successful implementation of ICS means we are now in a better position to meet growing security needs than most other countries - we are in fact years ahead of the US and several other countries are taking a very close look at what we have been able to achieve," she said.

PAPERLESS TRADING IN AUSTRALIA AND NEW ZEALAND — FACTS AND FIGURES

The 2004 Sensis E-business Report (Australia)

The Sensis 2004 E-business report examined the online experiences of 1800 small and medium sized enterprises (SMEs) and their attitudes to and utilisation of e-business tools. The report has been produced annually since 1998.

The 2004 report showed:

Email remains the primary driver for SMEs connecting to the Internet.

The greatest growth in SME participation was in Online Ordering — up 10 per cent; Online Payment — up 11 per cent and Receiving Payments Online — up 12 per cent.

In 2004, 86 per cent of small businesses were connected to the Internet, up from 81 per cent in 2003, 79 per cent in 2002, 75 per cent in 2001 and 60 per cent in 2000.

The number of small businesses (0-19 employees) with a website has also increased substantially to 45 per cent in 2004 from 36 per cent in 2003. Additionally, 13 per cent of small businesses say they will build a web site within 12 months.

Statistics New Zealand* Information Technology Use in New Zealand

Nearly 90 per cent of New Zealand private-sector enterprises regularly use a computer.

Four out of five businesses used the Internet, the same proportion used email, while just over a third operate a website.

All firms in the insurance industry use computers, and 97 percent of businesses in the accommodation industry operate a website.

Eighty percent of businesses use IT to complete their accounts and more than 60 percent use IT for business data processing.

The Internet is mostly used to communicate with customers and suppliers, as most firms use their websites to provide information about their business.

Only a small number of websites have the ability to undertake online payments but this continues to increase.

For those firms with access to the Internet, the most common use of other businesses' websites is to perform information searches on suppliers' homepages.

*Source: Statistics New Zealand