



Award

United Nations Public Service Award 2010 - 2nd in the Category of "Improving transparency, accountability and responsiveness in the Public Service"

SaudiEDI

Integrated suite of eTrade services resulting in an automated, transparent and collaborative trading community

"CrimsonLogic has been a valuable partner in the development of our national initiative, SaudiEDI, designed to serve the kingdom's trading community. Through their strong knowledge and expertise in trade, we have great confidence that CrimsonLogic will continue to contribute positively to the Saudi Arabian community."

Dr Ibrahim Bin Abdulaziz Al-Assaf,
Minister of Finance,
Kingdom of Saudi Arabia

SUMMARY

Client: The Public Investment Fund (PIF), the investment arm of the Ministry of Finance, Kingdom of Saudi Arabia

Challenge: The trading community in Saudi Arabia was burdened with voluminous documentation and cumbersome processes. Managing system complexities entailed huge amount of resources while the manual data entry could potentially result in errors.

Solution: Employing a build-operate-transfer (BOT) project execution model, CrimsonLogic built the Saudi Electronic Data Interchange (EDI) system to streamline and automate its international trade documentation process. The solution allows parties engaged in trade clearance to collaborate seamlessly on a common and streamlined electronic platform.

Benefits: The eTrade programme significantly streamlined the trade cycle, resulting in significant savings in time, money and resources for governments and businesses. With increased efficiency in goods clearance, importers enjoyed more than 50% reduction in time needed to bring merchandise into Saudi Arabia. The overall efficiency and transfer of know-how has greatly enhanced the Kingdom's economic competitiveness.

BACKGROUND

Saudi Arabia's Public Investment Fund (PIF), under the ambit of the Ministry of Finance, wanted to promote its thriving business sector and enhance its international competitiveness. In pursuit of this objective, PIF needed to establish an integrated eTrade system that would facilitate a more efficient and transparent communication system between businesses and government (B2G) and among government agencies (G2G).

With a strong track record in developing world-first eGovernment solutions such as TradeNet, CrimsonLogic was selected by PIF to build the business and technology infrastructure in the Kingdom, as well as to operate the initial phase of its eTrade programme.

CHALLENGE

Prior to the implementation of the SaudiEDI, the huge flow of information between businesses and agencies slowed down the trade cycle. Businesses were required to transact with various government agencies, which in turn, needed to pass information and documents to each other. This resulted in wastage in time and financial resources due to the lack of documentation and classified standards and data.

Adding to the challenge was the initial skepticism among businesses over the government's capability to implement and sustain an efficient IT infrastructure and processes. The lack of faith was primarily rooted in the population's low IT appreciation and lack of large-scale G2B eGovernment initiatives from way back in 2001.



SOLUTION

The complexity of the SaudiEDI project called for a structured approach in delivering systems and processes that met local needs, while adhering to international standards and practices. Besides industry players, the Ports Authority, Customs Department, Coastal Guards, Statistics Department, Ministry of Health, Ministry of Commerce & Industry, and banks were engaged to participate in discussions, with the objective of providing a Single Electronic Window for trade.

Drawing on its experience in implementing nationwide projects, CrimsonLogic embarked on building the trading platform. It identified import declaration and manifest submission as core services to be offered in the first phase, which was subsequently expanded to a full range of services required to modernize the trade process. The need for high availability and the ability to manage high transactional volume was met by building thin client Java-based applications delivered on an optimised UNIX environment.

To ensure adoption of services, seminars tailored to the varied needs of shipping agents, customs brokers, port contractors were held in Jeddah, Dammam and Riyadh.

When the 9 key ports become operational, the solution will handle more than 85% of the total trade transaction volumes in the Kingdom.

BENEFITS

Measurable benefits to shipping agents, customs brokers and port contractors were seen after the initial phases of eTrade Services were implemented. In the first year after the system went live, cargo clearance processing times were cut by over 50% in 2006.

Government agencies have also seen savings and increased efficiencies with the new processes. The cost of maintaining data entry kiosks has been eradicated, and errors caused by re-entering data have been reduced. There is now better control with the consistent implementation of customs rules. Data sharing between agencies established a common communication channel between agencies.

The benefits enjoyed by the private and public sectors rippled to the economy. By aiding interactions and feedback between Government-to-Government and Government-to-Business, the added efficiency translated into overall enhanced competitiveness of the Saudi ports. According to World Bank's ranking for ease of doing business, the Kingdom of Saudi Arabia moved up by seventeen notches during the period from 2007 to 2008.



For more information on this case study, please contact us at sales@crimsonlogic.com

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www.crimsonlogic.com

31 Science Park Road, The Crimson, Singapore 117611

