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'Electronic commerce lends competitive edge'

Our Special Correspondent
NEW DELHI, Oct. 30

THE Commerce Minister, Mr. B. B. Ramaiyah, today said that electronic commerce was a significant area of opportunity for Indian companies to boost their global competitiveness.

The high cost of finance and problems of communication, the twin disadvantages confronting exporters, could be significantly addressed by the introduction of electronic commerce, the Minister said while inaugurating EDICOM'96 - a global event of electronic data interchange (EDI) here.

He said small exporters in the country were complaining about the mountainous amount of paperwork needed to meet the statutory requirements of various agencies.

But electronic commerce or the method of paperless trading would address the problem head on, he said.

According to estimates, the cost of paper

work in global trade stood at about seven per cent of world trade, which in value terms amounted to \$140 billions.

Industry estimates for India showed that cost of paper work was substantially higher than the world average. As such, electronic commerce was a good proposition for Indian industry, he said.

Mr. Ramaiyah said the Government was committed to providing a milieu conducive to increasing competitiveness of Indian firms through economic reform policies and a framework for the growth and development of electronic commerce.

The Minister announced that the Directorate-General of Foreign Trade (DGFT), under his Ministry, had made all its major offices in India EDI-capable.

The Indian Customs EDI System (ICES) has been implemented at the Delhi Customs House by the National Informatics Centre (NIC) over NICNET.

Innovative and simplified procedures by the

Customs have been put in place and the ICES project would be extended to other Customs houses too.

He urged Indian companies to shift to electronic commerce in a big way as otherwise their competitiveness would be blunted.

Commending the theme of the conference 'From electronic data interchange to electronic commerce', the Minister said it captured the essence of what was happening in the global arena today.

He said shift to electronic commerce could address several thorny issues plaguing global trade.

The Commerce Secretary, Mr. Tejendra Khanna, who is also the Chairman of EDI Council of India and the Special Secretary and Director-General of NIC, were among those who addressed the inaugural session of the four-day EDICOM'96.

This is being jointly organised by the Commerce Ministry in association with the NIC under the aegis of the Asia EDIFACT board.

The EDI Council, set by the Government under the Chairmanship of the Commerce Secretary, has been effectively co-ordinating the introduction of EDI services being provided by NICNET, a satellite-based computer and communication network of the NIC and the Videsh Sanchar Nigam Ltd.

Besides India, Japan, Sri Lanka, Korea, Malaysia, China, Singapore, Thailand, Indonesia, the Philippines and Chinese Taipei are participating in the three major global EDI-related events being hosted by India for the first time.

DICOM'96 would focus on issues pertaining to adoption and implementation of electronic commerce in the Asian region as well as international developments in the field of EDI.

In addition to EDI, electronic commerce embraces all forms of electronic messaging, including Internet or the world wide web technology which is completely transforming the way products are ordered and business transactions conducted globally.

EDI takes off in '98

New Delhi: Beginning 1998, a full-fledged electronic data interchange (EDI) structure will be in operation in the country, according to a senior official of the National Informatics Centre (NIC). "Many government organisations are already EDI-capable, but the D-day for full-scale operation is January 1, 1998," the technical director of NIC, Mr T A Khan, said. He said all the related players have to move to a "paperless trading environment" to actually reap the gains of electronic commerce.

Govt to take to EDI by 1998

PTI

New Delhi

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"Many Government organisations are already EDI-capable, but the D-day for full scale operation is January 1, 1998," the NIC Technical Director, T A Khan, told PTI.

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players have to move to a paperless trading environment to actually reap the gains of electronic commerce.

Lauding the success of the pilot project at the Delhi customs, he said the Directorate-General of Foreign Trade (DGFT), the Apparel Export Promotion Council (AEPC) and various banks are already moving towards an EDI environment.

"The main advantage of EDI is time efficiency," Mr Khan, said adding that the magnitude of time-reduction is enormous.

"A transaction finalised in two

months today could be completed in two days or two hours with electronic transfers," Mr Khan said.

Emphasising that electronic commerce was "a fact of life" in India's major trading partners in the west, he said India had to move fast if it was not to lose out in the race for competitiveness.

The organisation of these events has helped in creating awareness among masses and the Indian government has successfully conveyed the message to the people, a Government release said here on Sunday.

Full-fledged EDI network soon

Press Trust of India
NEW DELHI, Nov. 4

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With a personal computer, a modem and a phone connection, all applications to and clearances from sundry Government organisations such as DGFT and banks, would be available, Mr. Khan said.

For electronic documents to be recognised

and honoured in court of law, however, changes are required in various acts which in the Evidence Act, the Banking Act and Custom Act.

The other issue which needed to be looked into was the security aspects of EDI, he said. Looking at the Indian scenario today, Mr. Khan said that EDI was not a technology issue but a managerial issue and the technology terms of hardware and software was all available. He also brushed aside investment concerns of an EDI switch.

"Since 50 per cent of activity is already computer-based, I do not foresee any major investment requirements" Mr. Khan said.

EDI is the computer-to-computer interchange of strictly formatted messages that do not resemble documents other than monetary instruments.