RECENT DEVELOPMENTS IN UN/EDIFACT: REGIONAL REPORTS

Submitted by the UN/EDIFACT Rapporteurs*

SOURCE: UN/EDIFACT RAPPORTEURS
STATUS: RAPPORTEURS’ REPORT
ACTION: FOR INFORMATION, September 1996 GE.1 session
1. The 12th Asia EDIFACT Board meeting was held in Manila, Philippines on June 6-7, 1996. Representatives attended from Chinese Taipei, India, Iran, Japan, Korea, Malaysia, the Philippines, P.R.C., Singapore, Sri Lanka and Thailand and observers also attended from Australia, Hong Kong, Indonesia and member countries. Special observers from UN/ESCAP AND UN/ECE were welcomed and made a short presentation and report. Totally 200 members and observers participated in the meeting. The Board formally accepted the official application to join the Board submitted by the Islamic Republic of Iran and Iran was welcomed as a full member of the ASEB.

2. The nine AS/EB joint working groups (Financial, Awareness and Education, TAG, Transport, Customs, Purchasing, Security, Electronic and Computing, and Air-Transport) had one or two day meetings on June 4-5 just before the AS/EB meeting.

3. The 1st EDI Conference Manila was also held on June 3-7, 1996 in parallel with the Board meeting.

4. The Inter-network Implementation Committee (IIC) was held on June 3, 1996 and a number of important decisions were made to initiate networking activities among member countries.
   4.1 AS-CWG (AS joint Customs Working Group) shall proceed with the proposal, as presented by its Chairperson, for establishing inter-networking and exchanging EDI messages between Customs agencies in the region. After the successful Internet linkages initiated by IIC, it will focus on automation of customs clearance. It was decided that messages for imports/exports be implemented as a pilot, with the export CUSDEC to be the "initiation" message.
   4.2 That the representatives of the 6 interested member countries be formalized as a small discussion group (known as the Technical Sub-Working Group) within the AS-CWG to work on the technical details as well as the modus operandi of the Customs inter-networking project. Malaysia has proposed to host the 1st discussion group meeting, which may take from 5 to 6 days. In that regard, the participating member countries were requested to name their representatives during the AS-CWG meeting, and to confirm the names of the representatives to the Chairperson of the AS-CWG within 1 month. The AS-CWG secretariat was required to set the date for the meeting, which will be within 6 months, preferably before the next ASEB Meeting, to be held on October 28-30, 1996 in New Delhi, India. If the deadlines could be met, there is a good possibility that a pilot between any 2 interested member countries could be initiated within 6 months.
   4.3 The IIC Chairperson requested the Chairpersons of the other working groups to look into the possibilities of implementing similar inter-networking projects so as to enhance communication and cooperation between the ASEB member countries. Ms. Pearleen Chan of Singapore felt that simple messages pertaining to purchasing can be considered for implementation on a similar basis. The AS-TWG (AS joint Transport Working Group) also has plans to implement certain messages; the matter will be discussed further in the AS-TWG meeting.

5. The KEC (Korea EDIFACT Committee) presented a demo of the ASEB WWW Homepage. Basically the homepage contains the following:
a) UN/EDIFACT  
b) History of ASEB  
c) Bylaws of ASEB  
d) Structure of ASEB  
e) Policy Directions  
f) Inter-network Implementation Committee  
g) Members of ASEB  
h) Introduction of each Member Country  
i) Joint Working Groups of ASEB  
j) 11th ASEB Meeting Minutes  
k) The UN/EDIFACT Organization and linkage to UN/ECE, TraFIX, UN/ESCAP, UNICC homepage  
l) UN Draft Directories

The Chairman suggested to each member country to send updates on their respective country’s information in the ASEB homepage.

ASEB homepage's URL is http://www.ktnet.co.kr/aseb.

6. Chinese Taipei - In the Customs area, four systems have been launched successfully as follows; a **Customs Cargo Clearance System** which has 1,700 users including customs brokers/freight forwarders, shipping companies, warehouses/bonded warehouses, importers/exporters, airlines, control agencies and Customs. 99% of all cargo declarations are transmitted through the automated EDI system, and more than 50% of the declarations can be released automatically within 15 minutes. Currently **Trade-Van** can process more than 25,000 customs declarations per day.

Other systems in the Customs area are **Financial EDI System for duty payment, an Air-cargo Community System for exchanging air-cargo booking, tracing and AWB messages and an Express Handling Unit System for international express courier**. Security control for the Customs Duty Payment System, designed by Trade-Van, is up and running now. The control module includes a Security Header/Trailer, and the AUTACK and KEYMAN messages.

7. **India** - On the basis of the recommendations reported in the study, "Feasibility of EDI implementation in India,” presented by the Regional Advisor on Trade Facilitation, UN/ESCAP and Singapore Network Services, and keeping in view the problems being faced by different organisations in EDI implementation, a detailed paper was presented to the EDI Council of India. The EDI Council has selected fifteen organisations for coordinated implementation of EDI in India. All organisations have to develop and submit a phased plan for EDI implementation. A Central Coordinating Committee will be formulating an integrated national plan based on the plans submitted by the individual organisations. The plan will take into account the various processes/services in which the organisation is involved and the phasing of implementation, the current state
of computerisation and the need to re-engineer the various processes before implementing EDI.

8. **Korea** - Use of the trade automation network is rapidly increasing. The number of messages exchanged so far this year is over 9 million, a sharp increase compared with the traffic of 1,000 messages in January of 1995, the first year of the service. As for the updates in the insurance area, **KTNET** commenced its service in the area of insurance premium applications and issuance starting from March 1995. It was the result of cooperation between Samsung Insurance and Samsung Electronics. **Finance EDI** services in trade areas such as Payment Order, Credit Advice, and Debit Advice are scheduled to commence in August 1996.

Being encouraged by the successful implementation of **Customs Export Clearance System**, Korea Customs Service has developed an import clearance system. It is being implemented across the nation with full automation of customs clearance.

The port of Pusan launched its function as a third generation port in the March 15, 1996, by beginning to manage container flow and documentation through an EDI service. After its pilot operation period, the port of Pusan is completely prepared to use its EDI system for the processing of "Port List", "Bay Plan" and all other container export-import information and gate automation business. The rapid progress generated by **KL-Net** goes abreast with the government's economic policy which has strongly focused on the expansion of social overhead capital including the development of logistics software like EDI for the maximization of social infrastructure functions.

In the medical area, Korea Telecom opened **Medinet** service in December 1995, linking 100 hospitals. Medinet is based on the pure local technology of Korea Telecom and it enables the medical community to exchange 11 messages including claims for the treatment, notifications of test results, etc. Soon, after this pilot project is successfully completed, a substantial commercial service will be started.

9. **Malaysia** - **Port Klang Community System (PKCS)** as implemented in phases, beginning with the electronic submission of customs import and export declarations forms involving Customs and forwarding agents. This includes the declaration of goods for import and export, applications for permits to transport goods within the federation, and applications for permits to tranship/remove goods and for approval to release dutiable goods.

**Subang Airport Community System (SACS)** a replication of the PKCS for the airport communities. Initiated in mid-1995, it has currently about 149 users including shipping agents, forwarding agents, freight forwarders, airport operators and airport authorities.

In addition to the projects mentioned above, there are other EDI projects such as **The SMK - Dagang*Net Interface Project**, **Import/Export Processing for Air-cargo**, **Ringgit*Net** (financial EDI), and the **Permit Issuing Agencies Project** already implemented or under development.
10. **P.R.C.** - Pilot implementation of the Commerce EDI Application System is taking place in Shenzhen, Guangdong province. Two retailers and their 50 suppliers are taking part in the project. It will be completed by the end of June 1997.

**Integrated System for Customs and Port Community (IMSCAP)** is a computer system integrating port management and Customs administration. Trial operation at Shekou Terminal was finalized in March 1995 and expanded to all port areas in August 1995.

11. **Philippines - OSEDCNet** The Export Development Council has contracted EDINet to design, develop and implement an automated export documentation system, with the GTEBNet as a model for five other export clearance agencies, and the electronic submission of the export declaration to the Bureau of Customs and Ports Authority (for processing of wharfage fees). Subsets of UNSMs, i.e. SANCRT, GOVREG, CUSDEC, CUSCAR, CUSRES will be adopted. The project will be completed in November 1996.

**Export Tracking and Monitoring System (ETMS)** The Customs Bureau initiated the simplification and automation of Customs export procedures, thereby closely monitoring export shipments which avail of government incentives through bonded warehousing and duty drawback schemes. The ETMS will be integrated with the GTEBNet and the OSEDCNet with an automated validation of export clearances, thereby fully automating export documentation procedures. The project will be implemented in June 1996 with selected garment exporters.

**SSSNet (the Social Security System)** will be implementing a pilot system in June 1996 with 7 employers and 3 SSS depository banks, for the electronic submission of listings of employees and SSS contributions, and electronic payment of contributions adopting subsets of the UNSMs PAYORD, CREADV and DEBADV.

**GTEBNet** is an electronic network for textile quota administration, export documentation and import authorization, including the electronic visa information system (ELVIS) for US Customs. It has been set up for the Garments and Textile Export Board, a quasi-government agency attached to the Department of Trade and Industry. The project will service more than 1,500 garment exporters, with transaction volume of about 240,000 messages annually.

12. **Singapore - TradeNet** was set up as a nation-wide EDI network to connect the trading community (air-cargo agents, freight forwarders, shipping agents and traders) to the 20 government agencies involved in clearance of goods in and out of Singapore. **Interactive TradeNet system** has been implemented since September 1995. The Interactive TradeNet system allows a trade declaration to be processed and returned to the sender in a single connect session within 2 minutes, as compared to 15 minutes in the batch TradeNet system. Amendments to the declarations can also be made immediately.

Other EDI related projects are **MediNet, BizNet, LawNet, $Link, OrderLink, ACCESS**c, all of which already have been implemented.
13. **Sri Lanka**- Sri Lanka Port Authority started its EDI project MARINET (Marinet Information Networks) in 1990 which is now used by about 25 shipping agents in Colombo. Plans are underway to expand the activities available through Marinet during 1996.

14. **Thailand**- Since a *Customs EDI Pilot Project* was introduced in 1995 at Bangkok Seaport, it has been expanded to Bangkok International Airport and Eastern Seaport at LamChabang in 1996. Thai importers are becoming more and more familiar with Electronic Commerce concepts and will be ready for the Customs’ full scale EDI service to be available in the next 3 years.

**The Port Authority of Thailand**'s *EDI (iPATEDI) Project* will be launched by the end of 1996. The project has been already introduced to shipping agents, forwarders etc. and received satisfactory responses from them. In this phase, the inward container list and cargo manifest are the first two documents to be submitted to PAT electronically. And in return, users will receive updates of rules and regulations as well as price lists from PAT via electronic mail on a monthly basis.

15. **Meeting Schedule**

<table>
<thead>
<tr>
<th>Event</th>
<th>Date and Details</th>
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<tr>
<td>The 13th ASEB</td>
<td>October 28-30 '96 New Delhi, India</td>
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<td></td>
<td>(JWGs' Meeting &amp; EDICOM '96 to be held.)</td>
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<tr>
<td>(JRT Meeting)</td>
<td>April 21 - 25 '97 Singapore</td>
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<tr>
<td>The 14th ASEB</td>
<td>April 30 - May 2 '97 Singapore</td>
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<td></td>
<td>(JWGs' Meeting &amp; EDICOM '97 to be held.)</td>
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<tr>
<td>The 15th ASEB</td>
<td>Oct/Nov '97 Colombo, Sri Lanka</td>
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The recently reconstituted Australia/New Zealand Board (ANZEB) held its first meeting on 4 July 1996. The Board now consists of four members from Australia and two from New Zealand. The Australian representatives come from Government, Tradegate, Electronic Commerce Australia and Standards Australia. The two New Zealand members come from Government.

The Chairman of the Board, Mr. Graham Bannister from the Australian Customs Service, said that the new Board brought together industry and Governments from both sides of the Tasman to ensure that the needs of the trading communities are well thought through regionally and then included in the global development of UN/EDIFACT. He added that the Board was well placed to ensure that the ANZ region continued to play a major role in the EDIFACT process.

The Board held its second meeting in late August to finalise regional representation at the Helsinki Joint Rapporteurs’ Team meeting and to discuss several of the issues scheduled to be considered at that and the September WP.4 meeting.

**ELECTRONIC COMMERCE for the TRADE & TRANSPORT INDUSTRY**

Following the successful trialling of three transport related EDI projects, EDI FOR MARITIME EXPORTS (EXTEDI), EDI FOR MARITIME IMPORTS EDIMI, and ELECTRONIC COMMERCE for AIR EXPORTS and IMPORTS (AIREDI), which were referred to in the March 1996 regional report, Australian Government and Industry recently announced the commercial launch of the ELECTRONIC COMMERCE for the TRADE and TRANSPORT INDUSTRY project (ELECTRA).

ELECTRA is a trade/transport community project sponsored jointly by Tradegate Australia the Federal Department of Transport and Electronic Commerce Australia. The aim of ELECTRA is to facilitate the use of electronic commerce in the operational and commercial activities associated with exporting and importing goods to and from Australia and to encourage exporters, importers, air lines, shipping lines, freight forwarders, customs brokers, transport operators, depots and terminals and banks to exchange electronic messages in a standard format.

The project required agreement within the trade and transport community on the implementation guidelines for the UN/EDIFACT standard messages to be used for each of the commercial processes associated with the transport of cargo and the payment of freight and other charges. These message implementation guidelines have been frozen until the end of 1998 so that industry and software developers can introduce electronic trading with confidence and in a stable environment.

In addition to EXTEDI, EDIMI and AIREDI a further component of ELECTRA is BANKING MESSAGES for ELECTRONIC COMMERCE (FEDI). These messages will be used to electronically pay all charges prior to the delivery or forward movement of the cargo. Schematic diagrams of each of these systems and the UN/EDIFACT messages used are attached as an Annex to this report.

The ELECTRA project complements the several electronic initiatives such as EXIT, COMPIL/EDIFICE and AIR and SEA CARGO AUTOMATION introduced over the last few years by the Australian Customs Service. These earlier initiatives together with the ELECTRA initiative will continue to result in a substantial increase in the use of EDI and the related UN/EDIFACT messages by the import/export sectors.
of the Australian business community. Growth in both message volumes and the number of user sites in these sectors would tend to confirm this projection as message volumes have increased by some 25% in the past year from around 17 million to over 20 million annually.

OTHER INDUSTRY EDI DEVELOPMENTS

The Australian Government through its electronic Commerce Office recently announced its intention to establish the Commonwealth Electronic Commerce Service (CECS).

The service is to be developed in conjunction with a major value added network as a strategic partner, to provide a reliable and secure electronic link between Federal, State and Local Governments and the private sector for purchases and other related commercial transactions.

There will be a phased rollout of the service with details of the first phase being released in late September and scheduled for implementation in early 1997. This first phase will provide for EDI transactions using UN/EDIFACT messages and agreed implementation guidelines.

The Financial Planning Association recently launched its electronic commerce development plan for the financial services industry. The EDI message standard recommended for adoption in the plan is UN/EDIFACT. The Association noted that a compelling reason to use UN/EDIFACT was a commitment by superannuation fund administrators to use UN/EDIFACT messages in the transfer of membership information between superannuation funds; and its use by the Australian Taxation Office.
CENTRAL AND EASTERN EUROPEAN EDIFACT BOARD (CEEB)

No report had been received by the UN/ECE secretariat as of 23 August 1996.
EUROPEAN BOARD FOR EDI STANDARDIZATION (EBES)*
*Assumed the responsibilities of the West European EDIFACT Board in 1995

No report had been received by the UN/ECE secretariat as of 23 August 1996.
THE PAN AMERICAN EDIFACT BOARD (PAEB)

Country Reports

Argentina EDI Report

CODIGO, a non-profit organization, has among its main objectives, to implement bar coding and electronic data interchange systems in the mass consumption sector.

In addition, as a result of our PAEB participation, acting as Argentina EDIFACT official representative, we have given answers to a lot of queries coming from non-traditional market sectors, such as textiles, car, customs, government, etc.

Nowadays we are participating in Ediforum of Argentina, an organization whose main activity is to advise all types of industries on EDI concepts, and we have participated together with them in INFOCOM 96, the most important local information and communications exhibition.

During 1996, SEA (Servicio Eancom de Argentina), the Edi Service in the mass consumption sector, has increased not only its traffic but also the number of active users. Nowadays, we have about 80 active users and each of them is interchanging an average of 75 kilobytes a month.

Our subscription plan launched at the end of last year has shown us that the cultural barriers against EDI implementation are much stronger than the economic needs of the project. But as we advance in our ECR project in order to make our business more efficient day by day, we are convinced that those barriers will be pulled down.

During this year, CODIGO has participated in some local and international events related to training and spreading EDI concepts, and also has given introductory training courses on this subject.

Regarding our financial EDI project (payment to suppliers), we are about to finish our security model and it will be applied to the first financial messages. Nowadays financial messages are interchanged only in a pilot environment without any type of security.

The study of the messages to be used is already finished and after difficult discussion meetings we arrived to the conclusion that the multiple transaction set (PAYMUL, DEBMUL, CREMUL) together with the BANSTA and FINCAN messages are the most appropriate ones in order to satisfy our local needs as far as the supplier payment system is concerned.

CODIGO has also participated, during this year, as a member of the Financial EDI project team, under the Communications Systems Committee (CSC) of EAN International. The main activity of this team was to develop international guidelines for the implementation of the above messages around the EAN community countries. Argentina’s work (study of financial messages) is totally aligned with EAN International’s output.

We can state that to define our security model was a really difficult task, due to the fact that there are not specific recommendations coming from official bodies. We have made international queries and analyzed different solutions implemented in some countries.
Therefore, our security model, is based on UN/EDIFACT security recommendations and also includes confidentiality aspects needed to comply with local market regulations.

Nowadays, we have two work teams studying the next messages to be used in our edi service. These messages are DESADV, RECADV, INVRPT and REMADV.

In short, we can state that there are a few EDI active users in our country, but they are using it very much among themselves and are gradually increasing the use of EDI technology within their own companies.

Our commitment to the business community in our country is to focus on the spread of EDI as much as possible and continue giving support to the current and new requirements of present and future users.

**Brazilian Report**

Since the last PAEB meetings, we have to report that:

1. The JRT of Iguassu Falls was a true success, all feedback received being positive and also judging by the results and advancement in the standards work achieved by the different groups. Approximately 200 delegates participated, with PAEB members being about 30% of this total.

2. An updated 1996 version of our Brazilian "Guide to EDI and Electronic Commerce Products and Services" was prepared and is due to be released shortly. The information can also be accessed via our home page, at http://www.ibase.br/~simpro.

3. A new information service was announced by SIMPRO-BRAZIL, for distribution of information via e-mail to those interested in EDI, Electronic Commerce and related subjects. The language of the service is Portuguese, but PAEB colleagues who understand Spanish will certainly be able to understand and follow the information. Simply send a message to majordomo@actech.com.br, containing the expression SUBSCRIBE SIMPRO in the body.

4. The 1996 edition of our Brazilian Seminar on Advanced Technologies for International Trade ("TECNOEX '96") will be held from 26 to 28 November, in Sao Paulo, together with an exhibition of products and services applicable to foreign trade. We are presently looking for speakers and would welcome the interest of international colleagues. Also, information and support is available to those organizations interested in showing their products in the exhibition.

4. SIMPRO-BRAZIL is developing, in cooperation with the Getulio Vargas Foundation, a respected academic and research Brazilian institution, a postgraduate course on the application of advanced technologies to business. The intention is to announce the course to the community next October.

**EDI*Chile Report**

The following is EDI*Chile report on the last semester of activities.

The main target for the last semester was the migration from the directory 92.1 to the 95.A of all those
messages contained in the EDI Operational Manual, which is the guideline for all EDI*Chile members using UN/EDIFACT messages in their specific areas. More than 8 messages were migrated, leaving 5 more to be migrated before November.

Another main task was the update of the security recommendations based on those suggested by UN/EDIFACT on WD 9735-5 Rel.3.1 and WD 9735-7 Rel.1.0. This last version includes the security rules on confidentiality for batch EDI, the former only considers Authenticity, Integrity and Non repudiation. Despite the fact that UN/EDIFACT has not yet released its official position on this regard, the users are requesting immediate solutions. This document was delivered to other Latin America PAEB members for its revision.

The electronic invoice in now a reality, since the last approval by the government tax collector office of the message itself and the norms for its operation, at the end of this year more than 20 companies are expected to be using it.

The Customs project starts its pilot at the end of August and ending in October. This project consists, in its first stage, of the transmission of import declarations between Customs and other agencies and the corresponding approval by the first of the declaration. In a second stage, the project considers other interchanges including banks and ports, providing an entire EDI solution for export and import procedures.

The government is evaluating the possibility of providing resources to EDI*Chile in order to support its activities, based on the fact that EDI is viewed as a strategic technology for the country and our organization has made outstanding work in promoting the use of this technology and is recognized by all the sectors as the unique entity that can provide the necessary standards for all kind of applications.

Some steps have being made in order to coordinate EDI implementations within the region, this is the case of a seminar developed in Santiago last April with the attendance of speakers from Chile, Argentina and Brazil where the reality of EDI within the Mercosur (Free Trade Agreement between Argentina, Brazil, Paraguay, Uruguay and recently Chile) was analyzed as well as the possibility of developing a unique solution for some messages related to foreign trade and perhaps payments. Something similar is happening with EDI in the area of provisions [retail/wholesale?], in this case some of the experience acquired in Chile has been transmitted to Colombia and Argentina, so is very probable that a unique solution can be applied for the region.

Mexico

In 1995, many EDI projects evolved in Mexico. Among them was Banco de Mexico’s effort toward payment reform through the use of financial EDI standards. Banco de Mexico began using UN/EDIFACT messages last year for financial EDI and has since led the way in Mexico for EDI implementation.

Many other Mexican companies, associations, and institutions were working concurrently toward implementation of EDI transactions. During this development process, these implementors encountered several common problems, such as the issue of whether an electronic invoice is a valid fiscal document.

The task of answering those questions and resolving other issues led to the formation of a user and development group that would propose implementation solutions. Formally recognized in March 1995, the COMITE-EDI-MEXICO now represents all sectors of the economy.
The committee maintains its presidency among executive staff of Banco de Mexico and established four vice-presidencies corresponding to the following industry sectors:

1. Government: represented by the Ministry of Finance and the Ministry of Administrative Supervision
2. Private: represented by AMECOP, an EAN international association, formed to administer identification codes and EDI for retailers and suppliers
3. Banking: represented by the Mexican Banking Association
4. EDI Services: represented by a private company; Preinversion y Desarrollo

In the retail (private) sector, there are 1,400 companies implementing EDI; most of which use purchase orders and product activity data standards. AMECOP supports their efforts with two user committees that develop guides and agreements to help implement EDI standards.

The committee will represent Mexico before the Pan American EDIFACT Board (PAEB) with the approval of the Mexican government. Government support also extends to representation at the United Nations with regard to development of the UN/EDIFACT standard. Official communication and notification of this agreement is available from DISA.

Currently, the committee functions with six user subgroups:
- Financial EDI (payments)
- Electronic Invoice
- International Commerce
- Purchasing Process
- Distributing Process
- Security

There are still many companies in Mexico using X12 Standards. In order to maintain consistency in these businesses, COMITE-EDI-MEXICO will support the X12 Standards as well as UN/EDIFACT Messages. The committee plans to bring companies together representing all four industry sectors to define which information will be shared.

United States

ASC X12 US Delegation Report to the Pan American EDIFACT Board

The following is a summary of the report that given during the August PAEB meeting:

- ASC X12 has formed a working group under the Alignment Task Group called the EDIFACT Process Modeling Activity Working Group. The group will be defining the X12 standards process. Out of this model, we hope to identify strengths and weaknesses for handling EDIFACT messages as well as how to improve our X12 process.
• The US Government has finalized a revision of the Federal Information Processing Standard (FIPS) 161-2, which has strengthened the language supporting UN/EDIFACT usage for government EDI implementations.

• The ASC X12 Delegate Liaison Task Group will be responsible for reporting CEFACT updates and providing information and or education to X12.

ASC X12 is continuing to utilize the use of the Internet through the DISA home page to disseminate subcommittee information.

Venezuela

During the last months great interest has arisen in Venezuela for the creation and implementation of EDI project, with large companies and their trading partners. Due to this we face the need to achieve support and assessment to these new business.

In the commercial area companies have become incorporated, such as Bayer, Colgate Palmolive and Procter & Gamble, to mention some, and a group of 40 companies have shown great interest in the interchange of electronic commercial documents with these large enterprises.

Some of those documents are the Purchase Order, the Price Catalog and the Commercial Invoice.

With relation to the latter, there still exist some difficulties to obtain full EDI implementation, due to undefined interest by the Government in adopting legalization and implementation of electronic invoicing under the same perspectives as paper documentation. In some Latin America countries this is a fact, but I would like request you cooperation knowledge to speed up this process in Venezuela.

On the financial area, a greater participation of the principal Venezuelan Banks had been observed, actually in the evaluation process of the value added networks available in the country. We estimated that by the end of the year a working base will have been installed with six EDI capable banks, obtaining electronic documents interchange between their clients and with other banks. (By the way, the possibility is under study of integrating EDIFACT and the networks and standards under S.W.I.F.T., being used by the banks worldwide)

Banks are actually working with the ANSI ASC X12 standard due because their first experience was in the United States, like 4 years ago. But they need to work with EDIFACT standard upon their customhers request, plus the added benefit of working in the future with a unique standard. However, the main difficult faced is the security. The ANSI ASC X12 standard offers the security (authentication and cryptography) ; however, with EDIFACT there is still a long stretch to cover to reach definition of a standard safety procedure. Here again all the help and expertise you can offer will be very appreciated.

During the present year and though some presentations offering EDIFACT as a better tool for business, we have reached the insurance area. We are working in a pilot project with a insurance and reinsurance companies at national level, where the Insurance Premium message will be interchangeable as a beginning. In a near future, we foresee the electronic interchange with the main Insurance companies at international levels, to achieve participation offers in insurance packages and receipt the quotations for these services.

As mentioned previously the Venezuelan Government is still expectant on the EDI implementation.
However, the governmental institutions responsible for tax collection and customs control have just finalized the first stage of an internal project interchanging customs information between transporters and Customs (Bill of Landing), but under a non-standard format; in the second stage the use of EDIFACT for this function is being contemplated.

At this point, I would like to comment on an event effected in Venezuela during last month. The Numbering Organization Managers Meeting (NOMM) realized with the idea of presenting different topics which ease the commercial procedure along its length, from the placement of the purchase order, to distribution and reposition of merchandise. We had participation of representatives from Latin America numbering organizations, as well as the UCC, and representative from American companies such as Procter and Gamble and Walmart, and here, a strategy to implement the ECR or Efficient Consumer Respond in Latin America, was defined, where EDI constitutes one of the principal bases for this methodology. During the event, emphasis was placed on the importance of the representation of Latin American countries in the Pan American EDIFACT Board, with the objective of reflecting our expectations and requirement for EDIFACT.

With this, I hope to have demonstrated the interest shown in Venezuela on development of a unique standard, and to inform you of increased participation of Latin American countries in proposal such EDI, EDIFACT and the unification.

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Annex

(ANZEB Report Diagrams)