

## Manufacturing firms save \$41m through electronic supply chain projects

By Daryl Loo, Channel NewsAsia | Posted: 21 March 2007 19:18 hrs

SINGAPORE : Manufacturing companies in Singapore have achieved considerable cost savings by using technology in their supply chain.

Since 2004, the Infocomm Development Authority has spearheaded 10 electronic supply chain projects to help reduce costs in areas like procurement, logistics and payments.

Savings in the first year alone amounted to some \$41 million.



Firms can look forward to even greater savings when the new TradeXchange portal goes online.

It can take manufacturing companies many hours to handle the thousands of invoices each day.

But electronics manufacturer Unisteel has managed to cut this to a matter of minutes, thus allowing staff to be redeployed for other work.

The company is one of 10 that have implemented electronic supply chain projects with IDA (Infocomm Development Authority).

"Direct cost savings that the companies have achieved comes up to about \$41 million. This is just for the first year and based on the pilot implementation of these 10 supply chains, so we are very pleased with the results," says Chan Yeng Kit, CEO of IDA.

"We will be working with the companies and we are hoping to extend some of these projects to the rest of the industry so that more companies can benefit."

When the new TradeXchange portal is launched in October, companies can expect further savings from services such as online customs declaration.

Six IT firms have signed up to produce new services for the portal, which is developed by the IDA, Singapore Customs and the Economic Development Board.

"We estimate that for the six services that ought to be ready by the time we launch, together with vendors, ourselves and EDB, about \$4 million or so will be put in to develop the services. And we hope to see a lot more down the road," says Chan.

Software firm Kewill-IPACS is working on an electronic logistics system to handle air and sea cargo.

"Under the TradeXchange, information becomes integrated and more seamless. The regulations and rubber-stamping that goes across different countries gets cut down, so in the long run the supply chain is optimised. And there will be returns on investment in terms of cutting down the costs of the whole