

**Development of Information Technology (IT)
and Communication System in Shipping :
New Paradigm Shift?**

by

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ABSTRACT

As long as there are oceans and waterways, there will be ship plying and trade will continue to be moved by sea because it is arguably the cheapest form of transportation. Hence, it is not surprising that shipping is one of the biggest and most important economic activities in the world today.

The shipping industry is in an era of change. With the advancement of the Information Technology which will be believed either could inspire, intrigue or activate will always depend on the approach by parties to emerging technology. Therefore as the new millennium dawns, the shipping industry faces more challenges and opportunities in facing the supply and demand balances but the capability offered by advances in information technology will enable new thinking, new approaches and maybe will invite new players to enter the equation.

The information technology will also change the way shipping information and data are being accessed, processed, and transferred. The impact of the communication technology are not only limited to improvement ship-to-shore and ship-to-ship communication but also playing an important role in shore-to-shore communication with other supporting industries involved in shipping such as insurance, legal, ship brokering, ship agencies, ports and others.

Since her early ocean trade the business had been done in a very conservative way, this paper will report the need to shift or paradigm shift in the industry in line with the latest technology. The exposure of the advantages addressed in the paper will help the industry to be more open minded and ready to shift to the new technology era.

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Chapter One

An Introduction

Keywords

Information Management, Information Technology, Internet, E-Commerce, Communication, Shipping, GMDSS, satellite, System, Inmarsat, E-Mail, EDI, Information, Ships and Transportation.

1.1 Introduction and objective of the paper

Shipping is an international industry. Shipping practices are almost same around the world. The shipping community has a reputation for being conservative and a strong believer of the “tried and trusted” philosophy. This is clearly demonstrated by the aged old contract clauses and shipping practices. A good example would be the General Average clause or the Collision clause of the charter party. The working practices in shipping such as chartering, post fixture and ship broking function has been in existence ever since the shipping industry started around the 13th century.

The Information Technology in shipping is developing at a frenetic pace. However this frenetic change is an alien concept to the Shipping Community. Many perceive Information Technology as a threat or some will see it as a challenge and seek in using Information Technology to further to their competitive advantage. Others embrace the Information Technology’s to change the fundamentals aspects of the shipping industry.

This paper attempt to provides an insight into where this so called new technology lead the shipping industry. The paper will also explore how the investment in new technology can be considered as an asset instead of a burden to the industry and the