

**THE IMPACT OF E-COMMERCE ON PORT
OPERATION PERFORMANCE
A CASE STUDY AT PORT KLANG**

by

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ABSTRACT

The selection of this topic for the Independent Study was based on the development and application of Information Communication Technology (ICT) in Port Operation dynamic environment. Ever since the Internet became the talk of the town, it was anticipated to be another bout of commercial revolution. Much has been said about e-commerce but there is not much studies being conducted on its impact. Many believe that the most promising area of e-commerce is not retailing to individuals but the automation of purchase and sale transactions from business to business (B2B) or business to consumers (B2C). For a number of years now the port community has used proprietary electronic data interchange (EDI) system which has proven to be easily access, get connection and lower communication costs, timely information and fewer data entry errors and better service members. The Port Klang Community System (PKCS) formed the port community web, like the Internet, it would be connected together by a true network of partners, ports, haulage, railways, shippers, forwarders, banks, and government agencies working together to make the delivery of goods seamless. E-commerce is growing at a phenomenal rate with more organizations offering their goods and services on-line every day. Whatever the future it is clear that the e-commerce have a profound effect on the way in which port communities operate their businesses. Indeed, it is envisaged that the e-commerce is developed to provide an efficient platform for electronic B2B relationship in the port community that promote trading through electronic transactions that move documents with better speed.

CONTENT PAGE

Acknowledgement	(i)
Abstract	(ii)
Content Page	(iii)
List of Figures	(iv)
List of Abbreviations	(v)

CHAPTER 1

1.0	INTRODUCTION	1
1.1	SCOPE OF STUDY	3
1.2	OBJECTIVES OF THE STUDY	5
1.3	SIGNIFICANCE OF THE STUDY	5
1.4	THE PORT OPERATION COMMITTEE (POC))	6
	1.4.0 Electronic Data Interchange (EDI)	8
	1.4.1 Dagang Net	9
	1.4.2 Financial EDI: Ringgit Net	9
1.5	METHODOLOGY	11

CHAPTER 2

2.0	LITERATURE REVIEW	13
	2.0.1 Other Ports E-commerce Implementation	17
	2.0.2 Virtual Supply Chain	19
	2.0.3 Strategy	20
2.1	CRITICAL SUCCESS FACTORS	20
2.2	ISSUES IN E-COMMERCE IMPLEMENTATION	21
2.3	SECURITY AND RISK OF E-COMMERCE	22
	2.3.0 Paradigm Shift	24

CHAPTER 3

3.0	IMPLEMENTATION OF E-COMMERCE AT PORT KLANG	25
3.1	SYSTEM COMPONENTS OF PKCS	26
	3.1.1 Internet and WAP	27
	3.1.2 Content Component of PKCS	27
	3.1.3 Information Flow and Linkages	28
	3.1.4 System Transaction	30

(iii)



1.0 INTRODUCTION

Port Klang lies strategically on the trading routes of East and West of Shipping lanes and on the trading zones in the West Coast of Peninsular Malaysia. The Port, which consists of two main gateways, Northport and Westport, whose operations are fully backed by state-of-the-art computer system that linked the entire logistics, networks in the country. Many ports in Malaysia are embarking for these technologies and adopting the new method of doing business electronically better known as e-commerce, whether or not they are clear about its benefits, but rather not to be left behind by other members of the industry.

The business and economic outlook as we enter the new millennium seems full of new challenges. With the country making an ever greater impact on the world as a respectable trading nation, Port Klang sees itself as charting its direction towards becoming a service provider that bridges the nation traders to reach out to their global partners in the quest for better market reach, more efficient and fast. The government on the other hand has undertaken considerable amount investments over the years on the growing needs of a port industry to evolve a systematic and coordinated networking community to avoid duplication and underutilization of the existing port facilities, other services and activities in the industry. E-commerce requires active participations of the community members, which it can only exist when each member put its efforts together to form a common business objective. With the implementation of e-commerce has marked another milestone in the port industry especially at Port Klang an indication of paradigm shift of the nation's port industry. As we are entering the second generation of e-commerce, the business world is filled with questions of e-commerce organization will be shaped