

**A STUDY ON THE EFFICIENCY OF CUSTOM CLEARANCE
USING ELECTRONIC DATA INTERCHANGE (EDI) WITH
REFERENCES OF THYSEN HANIEL LOGISTICS AT
LAPANGAN TERBANG SULTAN ABDUL AZIZ SHAH SUBANG
KUALA LUMPUR**

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Abstract

In the global arena, two factors have contributed most significantly to the increased importance and growth of logistics management. The first awareness that logistics costs are often a company's single largest expenditure, thereby impacting greatly on the company's profitability and growth. The second is that something can be done to significantly reduce these costs by shedding non "core" activities and instead, employing the services of professionals transport and logistics expert.

The need to reduce costs has brought more pressure from manufacturers and traders on logistics providers to provide new and more sophisticated services which has brought changes in logistics management practices such as the EDI (Electronic Data Interchange).

The implementation of EDI have beneficial most parties involved in the air freight and sea freight industry as documentation process can be done at a fast pace compared to the manual operations. Cost reduction can be achieved as all transactions involved done are paperless activities.

In this study, a reserach was conducted in determining the effectiveness of EDI system in making a faster customs clearance based on the Thyssen Haniel Logistics (M). Here the study will only be concentrated on the import activities are carried out.

This graduation exercise can be divided into 3 parts. The first part provides the EDI perspective on the documentation flow in the import activities. The second part analysis was done on various internal and external benefits and limitations of EDI implementation. All problems faced by the EDI users have been encountered while conducting research on the whole of the documentation process.

Recommendations are also been presented to improve the existing system in the company especially on the documentation system and reliability of the system itself. An improvement should be done by those parties involved either from the government and the users point of view in order to produce an efficient and effective results.

Overall, EDI implementation presents an opportunity to reduce paperwork activities and all related administrative cost as a result of every organization of minimizing all operational costs is the most important in becoming more efficient in its administrative.

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