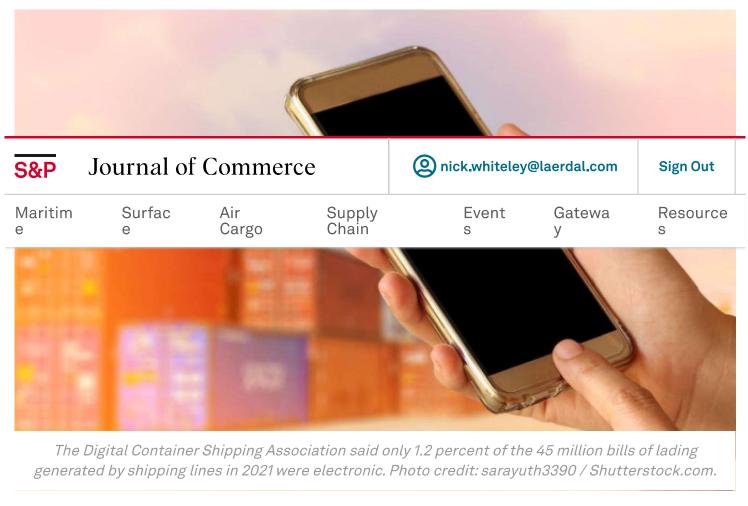
Home ▶ Maritime ▶ Container Shipping ▶ Container Lines

Top container lines commit to complete shift to electronic bills of lading by 2030



Container lines | Logistics technology | Transport, trade and regulation | Container shipping

Eric Johnson, Senior Technology Editor | Feb 15, 2023, 7:00 AM EST











Nine of the top 10 global container lines on Wednesday committed to use only electronic bills of lading (eBLs) by 2030, a signal that the industry is committed to

migrating away from the paper bills of lading traditionally used to convey title of goods.

The commitments, from Mediterranean Shipping Co., Maersk, CMA CGM, Hapag-Lloyd, Ocean Network Express (ONE), Evergreen, Yang Ming, HMM, and ZIM, are being driven by the Digital Container Shipping Association (DCSA), a non-profit consortium of which the nine carriers are members.

The DCSA has been pushing its members to adopt eBLs during the pandemic, an initiative that gained steam in 2022 when the association conducted a test between a handful of eBL software providers and ExxonMobil to ensure the different products could work interoperably with one another.

Proponents of the eBL concept see it as a more efficient way to transfer key shipping documents to buyers and sellers of goods that are often separated by thousands of miles. They also tout the green benefits of avoiding airfreighting paper BLs.

The bill of lading functions as the document of title, receipt for shipped goods, and a record of agreed terms and conditions on a shipment.

The only carrier within the top 10 that hasn't committed yet is COSCO, which is behind another consortium, the Global Shipping Business Network (GSBN) aiming to standardize shipping process.

DCSA CEO Thomas Bagge said in a statement that the 2030 commitment "heralds the start of a new era in container shipping as the industry transitions to scaled automation and fully paperless trade."

"The big thing is we now have nine CEOs signing a piece of paper that they agree with this," Bagge told the *Journal of Commerce* this week. "Digitizing trade is a good idea, but there's been resistance. Now there's a commitment, the recognition that if we want to do this, it starts with [the carriers]."

Bagge said buy-in from container lines has accelerated since the interoperability pilot. Several DCSA members, including MSC, Maersk, Hapag-Lloyd, ONE, and ZIM, are already working with third-party providers to offer eBLs.

"There was caution about embarking on eBLs, simply because there wasn't interoperability," he said. "Since COVID, we've seen lot more interest. Equally, governments saw they needed to change, and they are allowing for the electronic exchange of docs."

Bagge said the eBL is essentially a beachhead toward tackling the bigger problem of moving all paper shipping documentation to electronic formats. That includes commercial invoices, packing lists, and import and export compliance documents, he said.

Aside from the efficiency benefits, eBLs offer sustainability benefits such as avoiding moving paper documents globally, usually by parcel carriers.

"The vision is that in five to seven years, we're exchanging data, not documents," Bagge said. "That's transforming the customer experience and improving sustainability."

A significantly underused tool

The 2030 commitments come against a backdrop in which eBL use is still very low globally. The DCSA estimates that only 1.2 percent of the 45 million BLs issued by carriers globally in 2021 were electronic. The association said migrating from the transfer of physical paper bills of lading could save \$6.5 billion in direct costs for the industry.

"We have been offering our customers electronic bills of lading since last year to simplify and streamline document handling for all stakeholders and to reduce our carbon footprint," Hapag-Lloyd CEO Rolf Habben Jansen said in the statement. "The feedback from our customers has been very positive. The target of having 100 percent eBLs by 2030 is an important part of digitalizing global supply chains and will require a collective effort from the industry to make it a reality."

Yang Ming CEO Cheng-Mount Cheng called eBLs "an inevitable trend" and one "that will undoubtedly bring benefits to the supply chain. However, the transformation requires the support from all stakeholders and carriers."

Some of the pressure to adopt eBLs by 2030 is coming from shippers, Bagge said, especially mid-sized companies that saw their ability to pick up goods during the pandemic hindered by delays in receiving paper BLs. Larger shippers see a move to eBLs as a way to help them cut down on so-called Scope 3 emissions, which are indirect emissions produced by assets and activities not owned by the shipper, including logistics operations.

"That's generated more interest from big guys than changing the process itself," Bagge said.

easier for shippers and forwarders to do business across carriers, the DCSA members "can compete on the things they should compete on," Bagge said, such as the breadth of liner networks, complementary logistics services, transit times, and service quality.

"This is just the start," he said. "There are many more docs that need to be digitized, and we need to digitize them all. You need to digitize before you can digitalize."

Contact Eric Johnson at <u>eric.johnson@spglobal.com</u> and follow him on Twitter: <u>@LogTechEric</u>.

Latest News

TPMTech23: Retailers seek to make supply chain visibility data more useful

Rate hikes resurface on India-US trades as carriers try capacity readjustments

More investment headed to US last-mile delivery market

Idle domestic containers being stacked as intermodal volumes tumble

ILWU, PMA hope to reach West Coast contract deal 'soon'

More news



Which Tech?

A collection of demos and interviews with our 2022
TPMTech Partners

Watch now