

9. Digitalisation of Logistics

According to a study conducted by UN ECA and MoTL, the logistics industry in the country faces several key challenges that are hindering digital transformation and efficiency which include the following:

- There is a lack of a centralised logistics information hub to capture end-to-end data from source to destination.
- Digitalisation efforts by stakeholders remain fragmented without coordination or standards. Usage of digital platforms, software, and emerging technologies remains low among logistics companies.
- Major infrastructure gaps including unreliable Internet and power disrupt digitalisation. An absence of legal frameworks mandating system integration and data sharing between stakeholders.
- Few cargo, truck and warehouse tracking systems have been implemented.
- Awareness of global digital trends in logistics is limited. To drive progress, there is a need for bold leadership, enforceable policies, and institutional capacity building focused on digital transformation of the logistics industry²⁸.

The digitised logistics systems, or digitised systems that are related to logistics and make logistics easier, that are in place are not integrated systems, with the most notable being the following: -

- **Ethiopian Electronic Single Window for Traders²⁹ (eSW).**

Ethiopia is streamlining trade procedures and documentation requirements through the new electronic Single Window (eSW) system. Phase one connects 16 key cross-border regulatory agencies, enabling traders to submit all import and export documents electronically through a single submission portal. This is expected to significantly reduce trade times and costs by creating a paperless process, eliminating multiple physical inspections and repetitive document submissions. Clearance times are projected to decrease substantially.

The eSW should also reduce corruption by minimising in-person interactions. Phase two of the eSW, which is now underway, will connect more agencies to further reduce trade times.

Overall, the eSW modernises Ethiopia's trade processes to align with international best practices such as the WTO Trade Facilitation Agreement. By simplifying procedures and paperwork through automated electronic systems, Ethiopia is making trading more efficient, cost-effective and transparent.

- **Ethiopian Customs Commission:**

- Customs Management System: the Ethiopia Customs Management System (CMS) is a system which was designed by Webb Fontaine and its architecture, functionality and file structures are based on UNCTAD's ASYCUDA World.
- Trade Portal: the [Customs Trade Portal](#) allows clients to
 - Calculate what customs taxes they will need to pay on imports;
 - Search for tariff rates for a particular good;
 - Check to see whether goods in transit (T1s) have arrived at a dry port;

²⁸ Gap Assessment of Logistics Digitalization in Ethiopia, United Nation Economic Commission for Africa (UNECA) and FDRE Ministry of Transport (MoT), 2021

²⁹ <https://esw.et/esw-trd/>

- Provides information on what documentation/information a trader needs to provide to clear goods; and
 - A facility that searches/browses for codification.
 - Cargo Tracking: The Ethiopia Customs Commission has commissioned the Ethiopian Artificial Intelligence Institute and Addis Ababa University to jointly develop a cargo tracking system. This project is expected to be completed and put into operation within a short period of time.
- **Ethiopian Airlines:**
Ethiopian Airlines are fully digitised and web-based systems that are available to customers include:
- An on-line ticket booking, paying and check-in system; and
 - A cargo or shipment tracking system.
- **Electronic Banking Systems and mobile money service:**
Currently in Ethiopia Telebirr and M-Pesa are the two mobile money services developed and launched by Ethio telecom and Safaricom Ethiopia respectively, these being the two telecommunication and Internet service providers in Ethiopia. In Ethiopia, electronic banking has been steadily growing, with several banks offering online banking services to their customers.
- **Ethiopian Maritime Authority (EMA):**
Indian Ocean region information Sharing Platform (IORIS): Ethiopia Maritime Authority is a trained user of, and active participant in, the IORIS Platform, which, in its primary function, provides maritime centres with a means to jointly plan and coordinate maritime operations, including crisis/incident management, offering enhanced information-sharing functions and strengthen interagency collaboration at national and regional levels.
- **Ethiopian Shipping and Logistics (ESL):**
Oracle Enterprise Resource planning /ERP/-cloud application modules and data software are implemented in ESL. The enterprise has entered into the implementation phase of selected finance, human resource, procurement, property administration, audit management and warehouse management ERP-cloud Application modules.