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Question No. 1.(b) Explain various EDI standards.

Solution: Standardisation in the Electronic Data Interchange(EDI) messages plays an important role when information has to be communicated between the computers. EDI cannot work without standardisation, as EDI will involve diverse parties. Communication would break down if interchanging partners did not follow agreed standards, leading them from an intolerable mountain of paper documents to an electronic “Tower of Babel”, especially in international EDI. Different EDI standards have been developed to meet sectoral and national requirements for speedy and successful implementation within closed groups, but implementations across national and sectoral boundaries are difficult, since partners are required to interpret several EDI standards at great expense and inconvenience. There is more than one or, more accurately, more than one syntax upon which the EDI messages are built. The syntax comprises the rules that define how a message is assembled for exchange. Three syntax’s dominate in the world of EDI: ANSI ASC X.121 (often called ANSI X.12), UNTDI2 and EDIFACT3. ANSI X.12 is the dominant standard in North America and is also widely used in Australia and New Zealand. UNTDI used to dominate in Western Europe, and messages using this syntax are still widely used in the UK as a part of the TRADACOMS message set. However, the only international syntax standard is EDIFACT.

EDIFACT was born in 1985 as a merger between the best features of UNTDI and ANSI X.12 and out of recognition that in the world of commerce, transportation and administration there could no longer be national or regional syntax standards. United Nations introduced a common standard called UN/EDIFACT (EDI for Administration, Commerce and Transport). A single international EDI standard, flexible enough to meet the needs of government and private industry. UN/EDIFACT is fast gaining recognition and acceptance as the global EDI standard. EDIFACT defines the syntax rules for the transmission of messages and can be used across industries, across global boundaries and for both government and private sector. EDIFACT is a fusion of European and American national standards. EDIFACT is supported by a set of rigorous messages design procedures, thus ensuring that EDIFACT messages which are endorsed by the United Nations conform fully to the standard and hence are internationally functional. Trading community worldwide has already recognised the importance of adopting the EDIFACT message standards for the use in their international trade operations. Countries which have already implemented EDI are either using EDIFACT message standards or planning to use it.

EDIFACT covers standardisation in five main areas:

1. **Data elements:** A unit of data for which the field specifications are defined

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2. **Syntax Rules:** It is a command, or the grammar for writing a message.
3. **Message:** A set of information stored in a predefined format along with the precise function.
4. **Segment:** Segment is the immediate unit of information in a message which equates to sentence in a passage.
5. **Codes:** Codes are used as abbreviations. The EDIFACT codes are built upon the existing ISO codes, such as country codes, location codes etc.

The messages and directories

Messages are designed by technical experts in conjunction with the users. This is done in national or international committees set up for this purpose by the relevant maintenance authority for the directories.

New business functions will require changes to the directories. These changes must be agreed by the maintenance organisation for the directories. Depending on the type of maintenance organisation this can take a long time

When the new directory has been formally approved then the new message or new version of an existing message is available for use. The international body responsible for the maintenance of the EDIFACT directories is the UN/ECE trade procedures committee – Working Party 4 (WP.4). Although many user communities often prefer to wait for formal approval of a message before it is used, this is not always the case.

Standards exist for you to benefit

There are even some EDI communities which have developed their own messages and maintain their own directories, based upon an international syntax such as EDIFACT. Both the insurance industry and the automotive industry maintain their own directories, as well as using some WP.4 maintained messages. The reasons for this are too complex to explain here, but the important point is that the industry or user community has confidence in the bodies that maintain the directories and they can use the messages to carry out their daily business.

Choosing the right messages

Which messages should you use? Well, this depends upon the industry you are in and the user community you wish to do Electronic Data EDI with. If you are a supplier to a UK supermarket then it is probable you will use TRADACOMS, and highly likely that you will use the UNTDI

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syntax version of the messages. If you are in the automotive industry you will probably use the ODETTE5 messages, which are based on the EDIFACT syntax but may not necessarily be in the official WP.4 directories. If you are in the transportation sector, or banking or trade internationally, then you will probably use the international EDIFACT messages maintained by WP.4.