Dubai trading platform – a Blockchain enabled trading platform
Dubai government announced its Blockchain strategy in 2016

- **Blockchain Enabled Government** with a strong infrastructure for business communication and government technology promoting greater auditability and security.

- Becoming a **Paperless government** using the power of cryptography and allow for the **private key encryption** of documents.

- A **Policy framework** to guide the definition of policies and procedures with respect to the adoption of blockchain.

- Functional **Use cases for services** that add value to government, value to citizen and resident experience in eight strategic sectors.
Dubai's external non-oil trade reached $353 billion in 2018. Despite a number of challenges that world trade has been through, Dubai’s trade grew 72 percent from 2009 to 2018.

Trade-friendly policies, infrastructure, and geographical location have made Dubai a hub for global trade. Trade Sector is one of the most strategic to the government with around 30% contribution to GDP.

Jabal Ali port is the 9th largest container port in the world.

Home to more than 30 huge free trade zones and one of the world’s busiest international airports.

Dubai’s external non-oil trade reached $353 billion in 2018.

Despite a number of challenges that world trade has been through, Dubai’s trade grew 72 percent from 2009 to 2018.
Global trade dynamics changing, and trade hubs are pressured to find ways to attract and facilitate trade.

**SLOW ECONOMIC GROWTH**
Growth of global trade and the economy is slow and struggling to pick up, mainly due to global tensions, restrictive trade policies and economic uncertainty. This means that trade cannot play its full role as a driver for economic growth.

**SHIFT IN TRADE POLES**
There is a historical dependency on dominant players such as the U.S and Europe as engine of trade. Considering the political instability, countries are working to reduce their reliance on those players and shift the economic and trading “center of gravitas”.

**NEW MARKETS IN DEVELOPING COUNTRIES**
GDP and population growth of developing countries is higher than in developed countries, which opens up new markets and demand, specifically Africa, Latin-America and South-East Asia.

**REGIONAL COMPETITION**
Trading hubs compete for the trade flows related to a specific region – in particular if they have a small domestic market. As trading presents large value, new hubs are entering the market, competing fiercely based on infrastructure and logistics services.

Global trade hubs need to be bold in finding new ways to attract and facilitate trade.
Support Dubai to maintain its position as a global trade hub by using the power of Digital

How can we bring a whole of ecosystem onto one platform

What new services should be offered on top of existing e-services to differentiate this platform?

How can we position this platform as an integrated solution across the global value chain?
How can technology help us to create an ecosystem that give Dubai an advantage?
Many issues can be resolved using technology

International Trade is complex and inefficient...

Most cross-border trade administration remains largely paper-based and even a single transaction involves a network of multiple stakeholders including exporters/importers, carriers, forwarders, banks, customs authorities and buyers...

... fueled by a lack of trust...

At the heart of this complexity is an inherent lack of trust between buyers, sellers, supply chain participants, agencies and governments...

... that would be overcome through blockchain

Blockchain comes in as the potential game changer in building the trust through its distributed, consensus-based and security-focused characteristics.

Proof of Identity

Bridge the trust gap by digitally verifying the identity of goods, people or companies involved in cross-border movements (e.g. operation Kimberley diamond certification, certification of origin, trusted trader attestation).

Asset Transfer

Blockchain embedded with business rules to automate and secure correct transfer of goods, money and entitlements between stakeholders (e.g. combat trade finance fraud, invoice payment triggering).

Pathfinder

Track, trace and monitor every transaction and movement of goods and containers along the supply chain or journey (e.g. automatic shipping document population, IBM/Maersk TradeLens, Fujitsu track and trace).

Border Collaboration

Ease intra and inter government collaboration by integrating processes and enabling secure sharing or relevant data, orchestrated by blockchain (e.g. SG-HK trade finance platform, single window certificates).
Framework to define the architecture of the platform

Improve the ecosystem of trade

**Platform Service Portfolio**
- Core Trade Services
- Value Added Services
- Commercialization Model

**Platform Digital Architecture**
- Compliance Platform
- Smart Borders Platform
- Hosting Platform
- Financial Processing Platform
- Trader Engagement Platform
- Security Platform
- Core Processing Platform
- Insights Analytics Platform
- Integration Platform
- Ecosystem Platform

**Platform Operating Model**
- People
- Processes
- Governance

**Platform Enabling Environment**
- Regulatory Framework
- Partnership Model
- Incentives & Adoption Model
- Marketing & Communications

“The Why”
“The What”
“The How”
Essential functionality we need to create in the digital platform

**Trade Value Chain**

- Register
- Source Suppliers
- Trade Finance & Insurance
- Declare
- Ship Goods
- Store / Warehouse Goods
- Clear & Deliver Last Mile
- Settle Payments

**Trade platform functionality**

**Government and regulatory**
- Business licensing
- Export Documentation
- Declaration Management
- Inventory control
- KYC and data

**Finance**
- Trade Finance
- Insurance

**Shipping and logistics**
- Freight forwarding
- Warehousing and storage

**Value added services**
- Tracking and traceability
- Digital Identify
- Smart contracts
- Trade data insight
Four use cases prioritized for phase 1

1. Unified business licensing and commercial registry
2. Export Documentation Management
3. Declaration Management
4. Trade Finance
Key local partners to work with to and develop the platform

- Dubai Economy
- DP World
- FAB (First Abu Dhabi Bank)
- Aramex
- Jafza (Jebel Ali Free Zone)
- Smart Dubai
- Emirates NBD
- Sony
- Dubai Customs
- Dubai Trade
- Landmark Group
Case 1: Unified commercial registration application

Licensing authorities

Banks

Chamber

Custom and ports control

Tax authority

Main Land

Free zone

Id: DED_29348
Company: ABC
Other data

Id: JAFZA_29348
Company: ABC
Other data

Updates received in the same standard format as attributes are standardized

Update tax details

Id: DED_29348
Company: ABC
Other data
Case 2: Export Documentation Management

- **Banks**
  - FAB
  - Emirates NBD

- **COO**
  - createCOO
  - createCOOForDeclaration
  - amendCOO

- **Export Declaration**
  - Invoice
  - Packing List
  - createExportDeclaration
  - amendExportDeclaration
  - reportInspectionResult
  - releaseGuarantee

- **Import Declaration**

- **Container**
  - stackContainer
  - authToExport
  - readyLoad
  - containerLoaded
  - VesselDeparted
Some of the key achievements so far

90% of our customers can receive the export authorization documentation without visiting the service centers

( in 2012 we have 2000 walking customers daily)

60% of required certification is approved and issued automatically using technology (AI, OCR..Etc.)

Overall Saving of $ 13.5M

Customer/User satisfaction of 95%
Potential global partners to connect to increase the value added of the platform
Our roadmap for the future to enhance and platform and create a sustainable commercial model
Thank you