

Can Blockchain revolutionize international trade?



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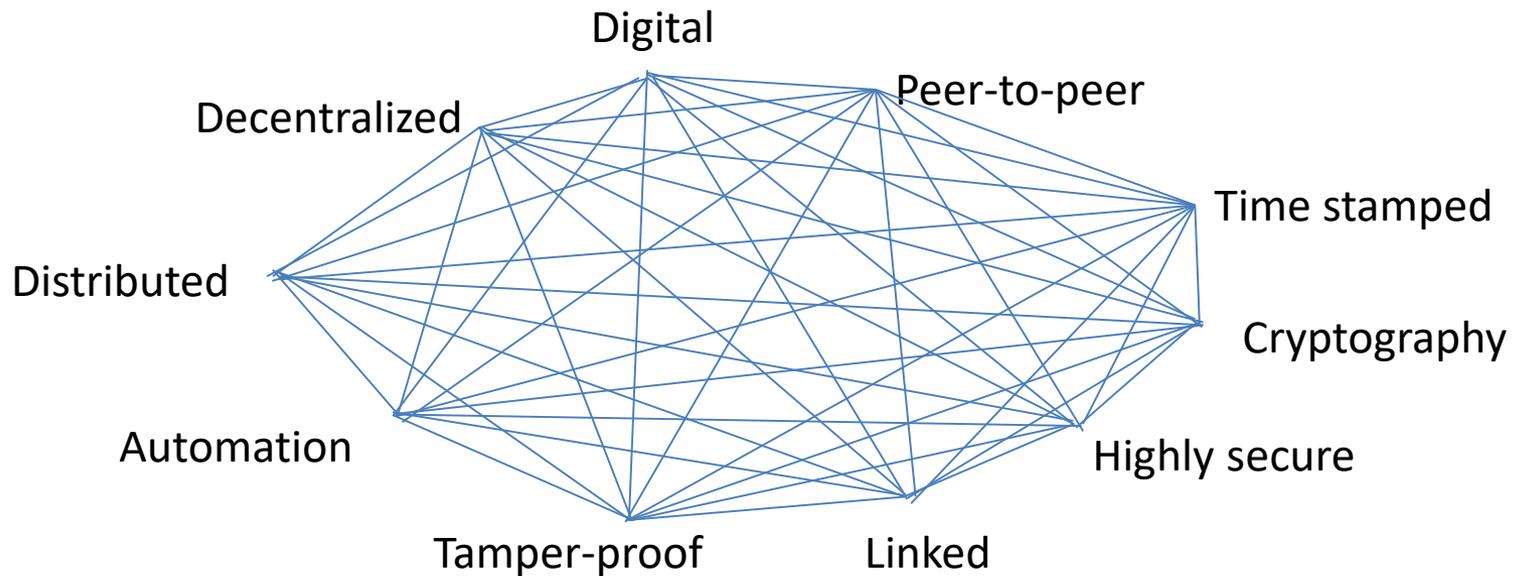


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Structure

Chp 1. Introduction

Chp 2. Blockchain in a nutshell





Chp 3. Can Blockchain revolutionize international trade?

→ *could deeply impact the wider trade ecosystem*

1. Towards paperless trade?

A. Trade finance

- Labour and paper-intensive process
- Letter of credit projects: process reduced from 7-10 days to a few hours
- Emergence of supply chain finance platforms.





B. Trade facilitation in action

→ *Could facilitate national G2G and certain B2G border procedures*

→ *Could help implement various TFA provisions*

→ B2G and national inter-agency coordination

→ Certification and licensing

→ Release and customs clearance of goods (management of advance rulings, pre-arrival processing etc.)

→ Revenue collection < smart contracts

→ Post-clearance audit

→ Compliance management (e.g. provenance of goods)

...





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→ *could facilitate certain cross-border G2G processes*

→ Implementation of AEO mutual recognition agreements

→ But important challenges remain (technical, regulatory, data/process standardization)

C. Tying it all together: the wager for transportation and logistics companies

→ Launch of global trade platforms

→ *Blockchain: the biggest disruptor to the shipping industry and to international trade since the invention of the container?*

→ *Only if technical, regulatory, data/process standardization issues are addressed and if all steps are digitalized*





2. A new generation of services?

→ **Financial, insurance, e-commerce**

→ *Complete overhaul of the financial landscape unlikely*

→ *The future infrastructure of the services industry?*

→ *Could be to services what robots have been to manufacturing < smart contracts*

3. Strengthening intellectual property rights

→ Could help administer IP rights in a more efficient and transparent way, and help fight counterfeits

→ *Towards “smart IP rights”*

→ *Emergence of “global IP chains”?*

4. Enhancing government procurement processes





Chp 4. A world of opportunities... and challenges

1. Multifaceted opportunities

- **Enhancing trust and transparency in value chains**
< traceability

- **Trade cost reductions**

- **Opportunities for MSMEs and small producers from developing countries**
... provided they have the technical knowledge required to participate in the technology – or the resources to use a service provider – and that they have adequate internet access.





2. Success is not a given

→ Technological challenges

- Scalability
- The energy debate
- Security issues

→ Interoperability challenges

- Technical,
- Semantics, data models, process standardization

→ Legal issues

- Legal validity of blockchain transactions,
- Applicable law and liability framework,
- Data localization and privacy issues, etc.

→ Governance issues





KEY TAKEAWAYS

- Fast-changing environment: the private sector is going ahead at full speed
- Opens huge opportunities (to enhance the efficiency of certain processes, move towards paperless trade, etc.)
 - Blockchain = the “Internet of transactions”
- But:
 - It is not a panacea
 - It is only a tool - requires a conducive ecosystem
 - Need for interoperability
 - Need for a conducive regulatory framework
- Need for collective solutions
 - Private sector approach: “collaborative competition”
 - Need for a dialogue with all stakeholders along the supply chain
 - Need for a multi-stakeholder governance system





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Thank you for your attention!

