Can Blockchain revolutionize international trade?

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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)
...

World Trade Organization
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
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
Thank you for your attention!