

Blockchain for trade - hype or reality? The latest research from the WTO and TFG suggests a material acceleration of projects, consortiums and companies using DLT and blockchain within trade and trade finance, as the 2020 Periodic Table of DLT & Trade is revised.

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TFG and WTO Launch Updated DLT & Trade Periodic Table, upgrading stage of maturity of the projects

Hong Kong, China. Trade Finance Global (TFG) and World Trade Organization (WTO) have today launched their updated Periodic Table of DLT Projects in Trade, at the Hong Kong Fintech Festival.

This new publication, authored by WTO's Emmanuelle Ganne and TFG's Deepesh Patel, updates the original periodic table launched in November 2019 by the ICC, WTO and TFG at the WTO Global Trade & Blockchain Forum. It maps 44 projects related to trade finance, insurance, KYC, shipping/logistics and supply chain, digitization of trade documents and digitalization of trade processes, as well as other projects such as marketplaces. The study highlights the stage of development of the various projects and their underlying technology. Nineteen standardization initiatives that work towards creating the standardized framework the industry craves have also been added to the study.

Xiaozhun Yi, Deputy Director-General, WTO said: "The promising potential of DLT to facilitate international trade, from customs procedures to trade finance, will only be realized if regulation evolves to support the large-scale deployment of the technology and if a globally harmonised, digitized trade environment is put in place. This will require a global dialogue; a dialogue that involves all stakeholders, public and private."

John W.H. Denton AO, Secretary-General, International Chamber of Commerce (ICC), added: "The ICC Digital Standards Initiative, which was recently launched with the support of Enterprise Singapore and the Asian Development Bank and the participation of the World Trade Organization, will work towards this ambitious aim – directly addressing disruptions experienced during the COVID-19 crisis as a result of the reliance of trade flows on paper documentation".

The results of the study show forward progression in terms of the stage of maturity of these projects.

Deepesh Patel, Editorial Director, TFG said: “Overall, we have found that the industry has made steady progress towards trade digitalization, with the average project moving from a maturity of 2.3 out of 5, to 3.3.”

The study notes, however, that customs developments are trailing.

Emmanuelle Ganne, Senior Analyst, WTO added: “The future of trade digitalization relies on interoperability and the development of end-to-end solutions. Any digital process will only be as strong as its least digitized link. For international trade this means integrating customs.”

The study also showcases the results of a supplementary survey analysing the impact of the coronavirus pandemic on the projects featured. The majority of firms surveyed have experienced a positive benefit to their DLT plans and activities as a result of the pandemic. Legal issues were rated as posing the most pressing challenge followed by lack of standards and governance issues.

The study was published at Hong Kong Fintech Week and is available to download here: <https://www.tradefinanceglobal.com/blockchain/>.

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Notes for Editors

About the Study

This is a jointly produced white paper between Deepesh Patel, Editorial Director, Trade Finance Global (TFG), and Emmanuelle Ganne, Senior Analyst at the World Trade Organization (WTO).

The present study builds on ‘Blockchain & DLT for Trade: A Reality Check’, which was initially launched in November 2019 by the ICC, WTO and TFG, and offers a useful snapshot of the various DLT projects that aim at making trade more efficient and sheds light on this fast-changing landscape.

The information provided in this study is valid as of 1st October 2020.

About the World Trade Organization (WTO)

The World Trade Organization (WTO) is the only global international organization dealing with the rules of trade between nations. At its heart are the WTO agreements, negotiated and signed by the bulk of the world’s trading nations and ratified in their parliaments. The goal is to ensure that trade flows as smoothly, predictably and freely as possible.

About Trade Finance Global (TFG)

Trade Finance Global (TFG) is the leading trade finance platform. We assist companies to access trade and receivables finance facilities through our relationships with 270+ banks, funds and alternative finance houses.

Our award winning educational resources serve an audience of 160k+ monthly readers (6.2m+ impressions) in print & digital formats across 187 countries, covering insights, guides, research, magazines, podcasts, tradecasts (webinars) and video.

About Hong Kong FinTech Week (November 2 to 6 2020)

Hong Kong FinTech Week, Asia's global financial technology event, is expected to attract over 25,000 entrepreneurs, investors, regulators and visionaries from over 70 economies in 2020. This year, it will take place virtually in Hong Kong from November 2 to 6. The week-long event will feature multi-track conferences with prominent speakers, the FintechHK Global Final, the Global Fast Track Programme, exhibitions, a deal floor, networking events, demo shows and more.

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