

Blockchains can be public, private or managed by a consortium of companies, and they can be accessible by everyone (permissionless) or restricted (permissioned).

There are various ways to categorize blockchains. Blockchains are often classified as public (no specific entity manages the platform), private (the platform is controlled by a single entity), or managed by a consortium of companies. Another commonly used classification is permissionless (the blockchain is open to everyone – the most well-known example being the Bitcoin platform) or permissioned (restrictions can be imposed on who can read and/or write on the blockchain). There are, in practice, many variants of blockchains depending on the objectives being sought. Many applications in the field of international trade fall into the category of permissioned/consortium blockchains. While, strictly speaking, Blockchain is only one type of distributed ledger technology (DLT), the term is now commonly used to refer to distributed ledger technologies in general.

Blockchain’s potential trade-related applications are numerous and could significantly transform international trade... but the technology is not a solution to everything.

From finance, including trade finance, to customs and certification processes, transportation and logistics, insurance, distribution, intellectual property (IP) and government procurement, possible applications of Blockchain encompass a diverse set of areas related to WTO work. While the technology opens interesting opportunities to enhance the efficiency of a number of processes and cut costs in these areas, it is not a panacea. Carefully weighing the costs and benefits is essential.

Blockchain could open new opportunities to enhance the efficiency of processes in a number of areas related to WTO work.

Blockchain could help trade move closer to becoming paperless.

From trade finance to customs clearance, transportation and logistics, trade in goods involves multiple actors and remains paper-intensive. Blockchain is seen by many as an interesting tool to improve the efficiency of trade processes and help move towards paperless trade. However, the challenges to overcome are equivalent to the opportunities offered by the technology.