

talk to each other at a technical level, but also at a semantic level (i.e. which information to enter in which format), efforts to digitalize international trade will not only remain limited; they may also recreate, at another level, the silos that Blockchain aims to break (see Section 4.2(b)). Cooperation among the various actors within an industry, but also cross-industry and with standard-setting organizations is paramount in order to avoid rebuilding silos and barriers. At the industry level, initiatives are emerging in the trucking industry, with the creation of the Blockchain in Transport Alliance (BiTA),⁴¹ a consortium of manufacturers, trucking companies and logistics companies that aims to develop common standards around blockchain applications in the transportation industry, from speeding up transactions to securing data transfers. BiTA members account for about 85 per cent of all truck-related transactions in the United States and include companies such as UPS, SAP, US Xpress and Bridgestone, to name just a few.

Blockchain holds interesting promises to digitalize international trade and deeply transform transportation and logistics, but it can only succeed if companies work hand-in-hand at the industry and cross-industry levels to set the parameters for the use of Blockchain, which requires a cultural mind shift from competition to collaboration – or “cooperative competition”. An open dialogue on standards between all the stakeholders involved in international trade is essential.

Finally, the integration of customs into such platforms raises several regulatory issues. Beyond the difficulties related to cross-border G2G processes (see above), processing customs declarations on the basis of information retrieved from a blockchain-based global trade platform could raise liability issues. Information required for customs clearance usually has to be submitted by a single declarant, who is liable. In a blockchain system, information can be added by various stakeholders making it impossible to pin down a single declarant – unless the regulatory framework is adjusted to clarify liability issues.

As the various initiatives underway in the areas of trade finance, customs procedures, and transportation and logistics show, Blockchain opens new opportunities to move closer to paperless trade, but various technical, regulatory and standardization challenges need to be overcome before Blockchain can truly reform the way goods are traded internationally. However, given the potentially significant impact that the use of blockchain technology could have on cross-border trade operations, such time and effort may be worth the investment. If technical challenges are overcome and the tests that are underway are successful, global trade could, with political will, look radically different in 10 to 15 years.