

5 Conclusion

The world as we know it has been shaped by technological innovations. A new technology, Blockchain – a distributed ledger technology – has been greeted by many with enthusiasm and excitement as the next big game-changer. Blockchain, which allows digital records and information to be shared in a secure, transparent and immutable manner without relying on a single trusted third party, offers interesting promises. It could empower individuals and companies around the globe to make transactions more efficiently, economically and quickly, while retaining a high level of security. It could have a significant impact on the way trade operations are conducted, from financial to physical cross-border trade transactions, reducing processing, verification, tracking, coordination and transport costs by streamlining and digitalizing processes that involve multiple stakeholders and have, until now, remained highly dependent on paper. It could reduce fraud, improve the administration of IP rights, enhance traceability and trust in value chains, and open new opportunities for small companies.

Previous technological innovations – from steam to electricity, and more recently the internet – have had profound impacts on the organization of production and communication. Blockchain has the potential to impact transactions. It could be to transactions what the internet was to communication. Sometimes called the “internet of value”, Blockchain is above all the “internet of transactions”. By breaking the various silos that currently exist between the many parties involved in cross-border trade transactions, Blockchain could bring trade globalization to another level.

However, Blockchain is not suited to all situations, nor is it a panacea for all problems. The technology works best in circumstances where multiple parties are involved in transactions that require trust and transparency. While pertinent in many situations, the use of Blockchain may create barriers if it is used for transactions that do not require high levels of reliability. In addition, setting up a blockchain requires significant investment and coordination efforts, as well as substantial changes to existing systems and culture. It is critical to weigh up the trade-offs carefully.