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Supply Chain

Digitizing Global Trade with Maersk and IBM

January 16, 2018 | Written by: Michael White

Categorized: Announcement | Blockchain Events | Supply Chain

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A global trade platform using blockchain technology
the cost of transportation, lack of visibility and ineffi
based processes

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A new joint venture

In January 2018, Maersk and IBM announced the intention to establish a joint venture to provide more efficient and secure methods for conducting global trade using blockchain technology. The new company aims at bringing the industry together on an open global trade digitization platform that offers a suite of digital products and integration services.

The platform is currently being tested by a number of selected partners who all have interest in developing smarter processes for trade. As we incorporate learnings and continue to expand the network, a fully open platform whereby all players in the global supply chain can participate and extract value is expected to become available.

You can also read the announcement by IBM and Maersk and the articles by Bridget van Kralingen and John Churchill to learn more about this joint venture.

The establishment of the joint venture remains subject to receipt of regulatory approvals. None of the information provided on this should be construed in any way is subject to change and represents goals and objectives only.

Industry challenges

The cost of global trade is estimated at $1.8 trillion annually[1] with potential savings from more ef and size of the world's trading ecosystems continues to grow in complexity.

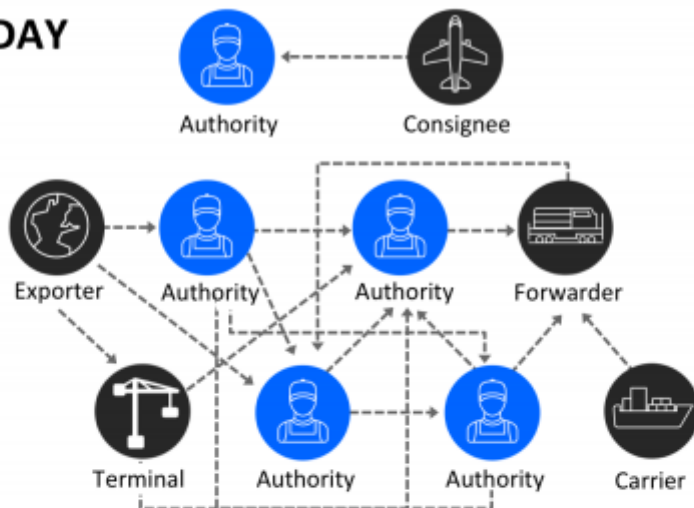More than **$4 trillion** in goods are shipped each year

80% of the goods consumers use daily are carried by the ocean shipping industry

By reducing barriers within the international supply chain, global trade could increase by nearly **15%**, boosting economies and creating jobs[2]
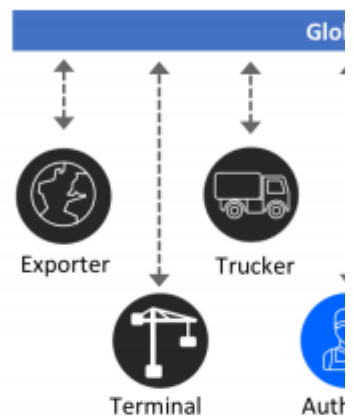
The case for a better way

TODAY

Authority   Consignee

Exporter   Authority   Authority   Forwarder

Terminal   Authority   Authority   Carrier

FUTURE

Glo

Exporter   Trucker

Terminal   Auth

- Inconsistent information across organizational boundaries and "blind spots" throughout the supply chain hinder the efficient flow of goods
- Complex, cumbersome, and costly peer-to-peer messaging
- Manual, time-consuming, paper-based processes
- Risk assessments often lack sufficient information; clearance processes subject to fraud
- The administrative cost of handling a container shipment is comparable to the cost of the actual physical transport
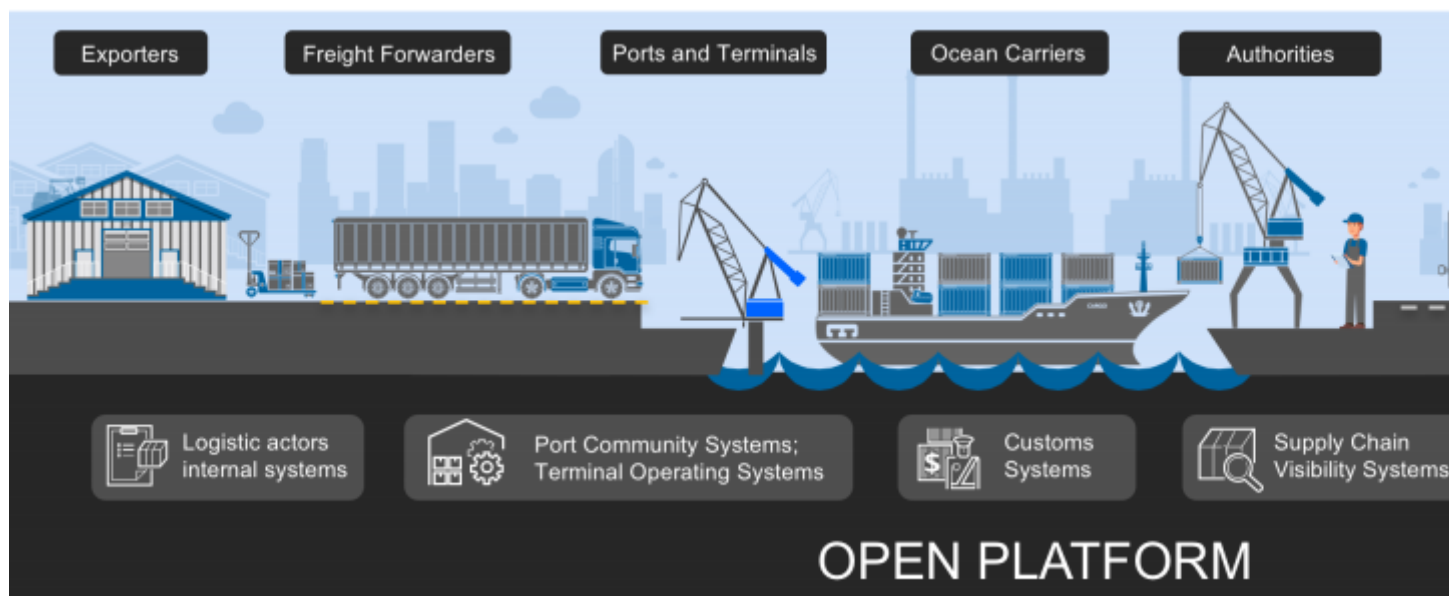
- Fast, secure access to end- of the truth
- Verifiable authenticity and
- Trusted cross-organization
- Better risk assessments an
- Far lower administrative e: physical paper across inter

About the platform

It is about reducing global trade barriers and increasing efficiency across international supply ch
platform for containerized shipping — connecting the entire supply chain ecosystem.

The platform is being built on an open technology stack and is underpinned by blockchain techno
launch will address current visibility and documentation challenges.

A shipping information pipeline

Provide end-to-end supply chain visibility that enables all actors involved in a global shipping tra
exchange shipment events in real time.

Paperless trade

Digitize and automate paperwork filings for the import and export of goods by enabling end user
approve documents across national and organizational boundaries.

Potential benefits using the platform

The objective of the platform is to connect and provide benefits to the supply chain ecosystem. A
shipping corridors linking the ports and terminals, customs authorities, shipping lines, third-party
shippers and other actors, all together.

	Ports and Terminals	**Provide** information about the disposition of shipments within the boundarie **Benefit from** pre-built connections to shipping lines and other actors, end-t and real-time access to more information to enrich port collaboration and im
	Ocean Carriers	**Provide** information about the disposition of shipments across the ocean leg **Benefit from** pre-built connections to customers and ports / terminals aroun end-to-end supply chain events
	Customs Authorities	**Provide** information about the export and import clearance status for shipm **Benefit from** more informed risk assessments, better information sharing, le connections to national single window platforms
	Freight Forwarders / 3PL	**Provide** the transportation plan, inland transportation events, information or **Benefit from** pre-built connections to the ecosystem, improved tools for cu: and real-time access to the end–to-end supply chain data to improve effecti
	Intermodal Transport	**Provide** information on the disposition of shipments carried on trucks, rail, t **Benefit from** improved planning and utilization of assets (e.g., less queuing) supply chain events for shipments
	Shippers	**Engage** with the solution as a consumer of the shipping information events **Benefit from** a streamlined and improved supply chain allowing for greater full transparency to validate fees and surcharges, and less safety stock inve

Organizations already participating

Since the collaboration started in June 2016, multiple parties have piloted the platform including
Houston, Rotterdam Port Community System Portbase, the Customs Administration of the Neth
Protection.
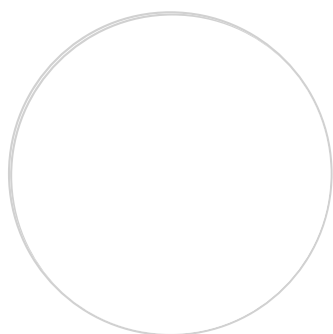
A broader group of global corporations have already expressed interest in the capabilities and ar
platform, including General Motors and Procter and Gamble to streamline the complex supply ch
to provide improved customer services including customs clearance brokerage.

Additional customs and government authorities, including Singapore Customs and Peruvian Cus
platform to facilitate trade flows and enhance supply chain security. The global terminal operator
will use the platform to enrich port collaboration and improve terminal planning. With support fror
Quarantine Bureau by connecting to its Global Quality Traceability System for import and export
to important trade corridors in and out of China.

For more information

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1) Maersk Strategy Group (May 19, 2016) based on World Bank data for World Trade Costs
2) The World Economic Forum: Enabling Trade Valuing Growth Opportunities 2013

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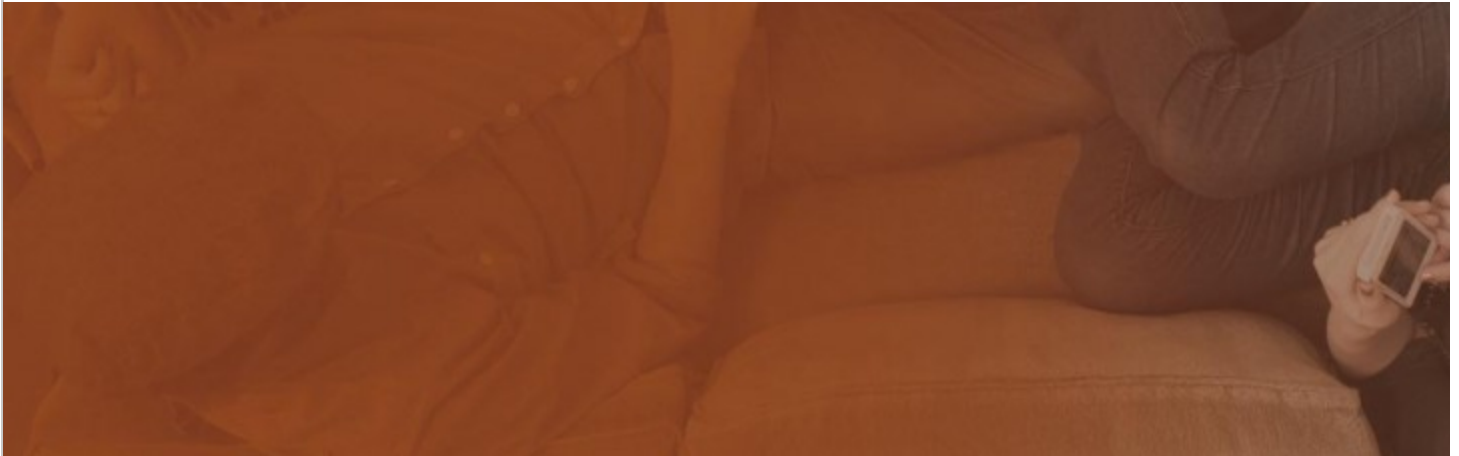
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Talk show-on-wheels meets blockchain

Who says technology must be so serious? Sure, advancements like quantum computing, blo
intense, no-nonsense innovations that are changing the world as we know it. Yet, there is also
excitement in non-techies when they envision how technology can help their lives become be

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Making blockchain real for business

Blockchain technology is poised to revolutionize businesses and change how societies intera
multi-party transactions are performed by enabling a shared, immutable ledger for recording t

counter parties in a business network. Organizations can now leverage blockchain to fundam
models, processes and systems, […]

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You've heard the hype. Blockchain has the potential and ability to change the world as a platf
it be applied to businesses across a variety of different industries? How can business leaders
enough to understand potential use cases for their organization? These are […]

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