

Connecting the supply chain in one platform

By: John Churchill

When it launches in 2018-pending regulatory approval-the new joint venture company will connect all the different global supply chain participants in one secure, digital platform where they can share and use information but also leverage the data to develop products for their customers and the industry.

"This new company marks a milestone in our strategic efforts to drive the digitisation of global trade. The potential from offering a neutral, open digital platform for safe and easy ways of exchanging information is huge, and all players across the supply chain stand to benefit," said Vincent Clerc, Chief Commercial Officer at A.P. Moller - Maersk and future Chairman of the Board

of the new joint venture.

"By joining our deep knowledge of trade with IBM's capabilities in blockchain and enterprise technology, we are confident this new company can make a real difference in shaping the future of global trade."

An open, secure digital platform

Parts of the platform will use IBM's blockchain technology, based on Hyperledger Fabric from the Linux Foundation, which among other things ensures that platform participants' information is secure and any transactions involve only relevant parties.

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VINCENT CLERC

Chief Commercial Officer at A.P. Moller - Maersk and future Chairman of the Board of the new joint venture

Blockchain is a shared, immutable ledger that records all the transactions that take place within a network, giving permitted parties access to trusted data in real-time.

By applying the technology to digitised global trade processes, a new form of command and consent can be introduced into the flow of information, empowering multiple trading partners to collaborate and

The structure of the joint venture

Once regulatory
 approval is obtained,
 the joint venture will
 be owned 51% by
 Maersk and 49% by
 IBM with a
 headquarters located

establishing a single shared view of a transaction without compromising details, privacy or confidentiality.

A space for digital innovation

The platform will initially have two applications when it launches, both of which illustrate the value of the free and secure exchange of information, but also the potential for participants to leverage the platform ecosystem to eventually create more products.

Developed by Maersk and IBM, the apps - a Shipping Information
Pipeline and Paperless Trade - tackle two of global trade's most costly and frustrating realities: the lack of event transparency as a shipment moves through the supply chain, and the web of paper-based documentation and processes that complicate every shipment from origin to destination.

- in the New York metropolitan area.
- The CEO of the new joint venture company will be Mike White, who was previously President of Maersk Line in North America.
- A Board of Directors
 will oversee the new
 company and include
 members from
 Maersk and IBM as
 well others from
 outside the two
 companies.
- The joint venture company evolved from the Maersk-IBM partnership that began in 2014 with an analysis of the paperwork-related costs of trade impacting global supply chains and the potential for technology to reduce them.

"Our ambition is to apply these learnings to establish a fully open platform whereby all players in the global supply chain can participate and extract significant value."

MICHAEL J. WHITE

CEO of the new company and previously President of Maersk Line in North America

A series of pilots running since
March 2017 involving Maersk
customers, ports, customs
authorities and many others confirm
the two applications value in terms
of increased efficiency and accuracy
of shared information.

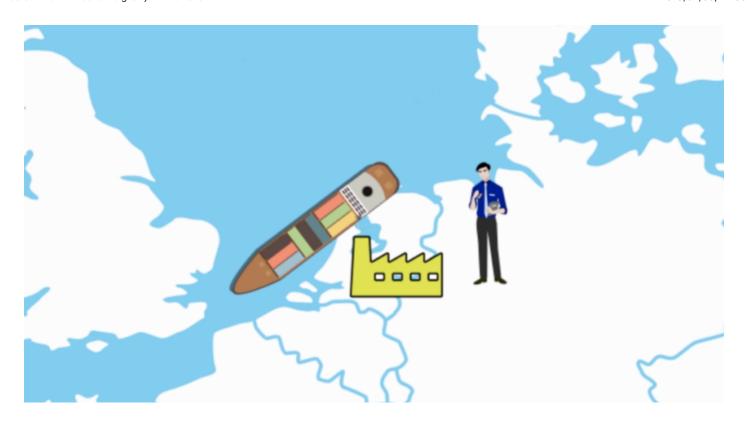
"Today, a vast amount of resources is wasted due to inefficient and error-prone manual processes. The pilots confirmed our expectations that, across the industry, there is

15%

Potential increase in global trade by reducing barriers within the supply chain. Source: World Economic Forum

considerable demand for efficiency gains and opportunities coming from streamlining and standardising information flows using digital solutions," says Michael J. White, CEO of the new company and previously President of Maersk Line in North America.

"Our ambition is to apply these learnings to establish a fully open platform whereby all players in the global supply chain can participate and extract significant value. We look forward to further expanding our ecosystem of partners as we progress toward a global solution."



**Blockchain could be the long-awaited game changer that will enable truly integrated supply chains.



ROBERT INGVARSSON,
DIRECTOR, GROUP TRANSPORT,
TETRA PAK

An open platform for all

As development work progresses, the scope of the platform will be expanded to include a wide range of digital services and solutions, supporting efficient and safe trade for all players, including:

• Manufacturers, retailers, and other traders would benefit from a streamlined and improved supply chain allowing for greater predictability, early notification of



"There is no turning back. In a network business like ours, we strongly believe that the ability to protect, analyse and utilise data is essential to be able to offer the customers more services, higher reliability and better visibility into the transport of their valuable goods."

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issues, and improved inventory management

- Shipping lines would benefit from increased visibility to improve the cost and reliability of operations, as well as pre-built connections to customers and partners
- Logistics providers such as freight forwarders would be able to offer their customers improved, lower cost services given real-time access to the endto-end supply chain information and digital tools for customs brokerage services
- Customs authorities would get a better view of the flow of goods coming their way, enabling better allocation of resources and improved targeting accuracy for inspections
- Ports and terminals would benefit from more efficient operations driven by increased transparency, improved document flows and higher

cargo throughput rates

• Banks providing digital trade finance products would get increased visibility into key events impacting their financing as well as the digital documentation supporting the transactions

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DISCLAIMER: The establishment of the joint venture remain subject to receipt of regulatory approvals. None of the information provided in the text above should be construed in any way as a representation or undertaking with regard to the position to be adopted by Maersk or IBM.