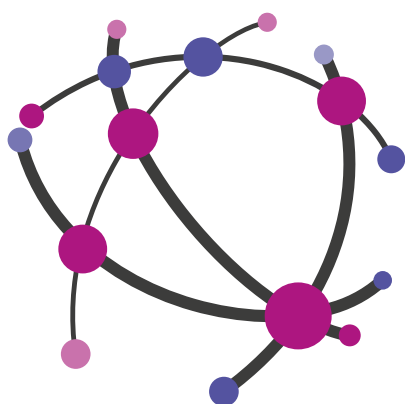


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WORLD TRADE SYMPOSIUM

2017 – LONDON

WORLD TRADE SYMPOSIUM 2017

TRANSFORMING TRADE

EXECUTIVE SUMMARY AND ACTION PLAN

6 - 7 June 2017
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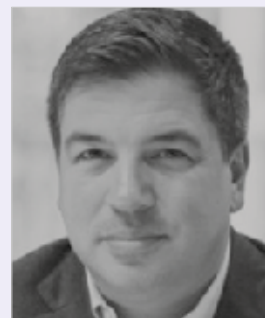


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Dear friends,

Over the past year the fundamentals of global trade were being challenged as never before. Trade blocks were under pressure, and growth was lagging. Consumers and producers in every continent were wondering if globalisation really could deliver prosperity and financial inclusion. New finance models and the easy flow of information promised to boost trade and promote financial inclusion, but the world seemed to lack the defined standards to allow these platforms to be fully exploited.



In this complex evolving landscape, new models started to emerge which could develop into the sustainable trade paradigm of the 21st century. Digitalisation of goods, services and information were the central concepts behind these models, where insight, analytics, information sharing and inclusion could help to re-energise trade in a fundamental way.

In June 2017 these topics were debated in the second annual **World Trade Symposium – Transforming Trade**. The debate was well-informed, lively and insightful. Misys – now Finastra – was delighted to host the Symposium for the second year, in partnership with the Financial Times, and even more pleased at the quality of presenters, panellists and delegate attendees who gave the Symposium their resounding approval. But the World Trade Symposium was not just a forum for debate; it turned talk into action. The World Trade Board, which advises the Symposium, now has five working groups driving change and innovation across the world of trade, with the goal of improving people's lives.

In this document you will find an update from the working groups, each of which is making considerable progress in its mission. The document also provides a summary of the 2017 Symposium which we hope will be valuable for those who missed the event, as well as delegates who attended and would welcome a reminder of the lively debate we had in June. I hope you find it interesting and thought-provoking. None of this would be possible without the support of members of the World Trade Board together with the dedication and contribution of our keynote speakers, industry experts, sponsors and staff. I would like to express my special thanks on behalf of the World Trade Board to our keynote speakers including Annie Lennox OBE who discussed global inequality issues at the Symposium, Ambassador Michael Froman, Lady Barbara Judge CBE, Daniel Blockert, Nathalie Blyth and Zhu Qin (Minister and Deputy Head of Mission, Embassy of the People's Republic of China in the UK of Great Britain and Northern Ireland). I would also like to thank our Symposium sponsors: HSBC, Accenture and Accuity.

As the world of trade continues to evolve, new issues and opportunities emerge. We are looking ahead and are already planning for Symposium 2018 which will address the key topics of the day. We do hope to see you at the next World Trade Symposium.

Kind regards,

A handwritten signature in dark ink, appearing to read 'Simon Paris', written over a light blue horizontal line.

Simon Paris

Deputy CEO, **Finastra**
Joint Chair, **World Trade Board**



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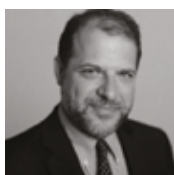
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PART 1:

EXECUTIVE SUMMARY AND ACTION PLAN

Foreword

By Shawn Donnan, World Trade Editor, Financial Times



The forces of populism and protectionism are on the march again and posing arguably the biggest existential threat to the global trading system seen since its creation in the 1940s.

Donald Trump, wielding his “America First” foreign policy, is threatening to walk away from the multilateral system the US has led for decades and promising a rewrite of the rules of global commerce. The UK is extracting itself from the European Union and the world’s biggest trading bloc. China is finding new ways to protect their corporate champions even as its leaders pledge to defend free trade.

There are plenty of lessons in history and economics over the dangers such developments can pose. Yet, in the world of interminable news that we live in, clarity is often lacking. Especially for businesses and investors confronting a tangled new reality and trying to plan for an uncertain future.

For that reason alone the World Trade Symposium, convened for the second time in June 2017, offered an important addition to the conversation. Participants heard from business and political leaders, and even a pop star turned activist. Emerging from it all were three clear messages:

- Open economies and the system that promotes them are worth defending.
- Finding a sustainable path for business and a way to help those left behind is vital.
- Technology can offer hope as well as disruption.

All three messages have deep roots in history and economics, but none perhaps more so than the first.

When James Mattis, the former Marine general who now serves as Mr Trump’s defence minister, was asked by a young lieutenant over the summer why the US should resist calls for protectionism in the world he answered with a folksy plea. If nothing else, we should honour the intellectual lessons learned by those who went off to fight the Second World War, that generation known to Americans as the “Greatest Generation”.

“Do we return to our isolationist roots? We could only do that if we forget the example, Lieutenant English, of the Greatest Generation,” Mr Mattis responded. “And we ought not forget that example. They’re not called the Greatest Generation for no reason, OK?” Less than a year into the Trump presidency it is unclear whether the president will absorb that lesson. Or if businesses and governments can find a way to pursue the sort of sustainable agenda in which profits are shared more widely and the benefits of forces such as globalisation can be made clearer.

There is, meanwhile, no doubt that we are only just beginning an era of technological disruption that will raise new economic challenges.

It’s a good thing that we will have the World Trade Symposium to discuss it all again in 2018.



In the world of interminable news that we live in, clarity is often lacking.”

INTRODUCING THE WORLD TRADE BOARD

The driving principle of the World Trade Symposium is to explore how we can facilitate the flows and financing of international trade and work together to better align trade growth with the value it can bring to us all as individuals.

Since last year, the board of global leaders, innovative thinkers, industry influencers and subject matter experts has doubled in size. United in their common vision of a collaborative, connected, inclusive trade and finance network enabled by the latest business technologies, the Board (together with Finastra) manage a number of working groups and programmes to turn this vision into reality



Pascal Lamy
Strategic Advisor the the World Trade Board; Président emeritus, Jacques Delors Institute; Former Director General, *World Trade Organisation*



Sir Vince Cable
Strategic Advisor the the World Trade Board; Former UK Secretary of State for Business Innovation and Skills and President of the *Board of Trade*



David Hennah
Head of Trade & Supply Chain Finance, *Finastra* and Joint Chair, *World Trade Board*



Simon Paris
Deputy CEO, *Finastra* and Joint Chair, *World Trade Board*



Ken Ash
Director of Trade and Agriculture, *OECD*



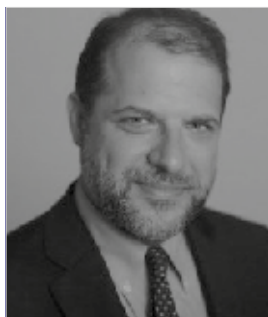
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Head of Trade Finance, *Asian Development Bank*



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Kaushalya Somasundaram
Kaushalya Somasundaram
Global Head, Fintech Partnerships,
HSBC

Transforming Trade – Driving the Circular Economy

By David Henna, Head of Trade & Supply Chain Finance, Finastra



Over the next decade or so the world will face an unprecedented increase in demand for finite resources.

At the same time, there is a growing consciousness that today's predominantly linear consumption models are not sustainable.

Linear business models are designed to increase consumption and generate waste. Instead, we

need to reinvent how we produce and consume to combine economic growth with environmental responsibility.

The good news here is that the imminent threat to our environment posed by the wasteful practices of the past coincides with an unprecedented revolution in new technologies that will open up massive opportunities for positive reform.

These disruptive forces will have a ripple effect leading to the emergence of a circular economy that will encourage better product design, enhanced product development and improved means of waste disposal. The transition to a circular economy is not just about recycling and regeneration. It requires fundamental changes in behaviour, which will impact on how we produce and how we consume. If executed correctly, the circular economy will bring tangible benefits to the environment and supply chains the world over in terms of reduced cost, reduced risk, increased transparency and job creation.

So how will this work?

The circular economy provides us with a framework to challenge convention and to rethink our future. It requires strong collaboration and commitment to shape a scalable agenda for sustainability. If we fail to respond in a timely and responsible way, many of the raw materials commonly used in our day to day manufacturing processes will be at imminent risk of depletion. We can already anticipate a world of increased price volatility as well as inflation in key commodities leading to eventual exhaustion and extinction.

To execute the changes required calls for strong direction from policymakers and investors alike, as well as an unfailing commitment from all interested stakeholders. Circular supply chains must become the key drivers of change, streamlining the flow of materials to reduce complexity and create new efficiencies for economic benefit.

To realise the dream, we must take advantage of the fusion in new technologies, extending across the digital, physical and biological worlds.

For example, it is critical to the success of circular business models that we are better able to deploy RFID technology to track the whereabouts and condition of materials in the supply chain, all the way from source to delivery. This will not only help guarantee the provenance of goods but also help reduce risk, increase efficiency and ultimately reduce processing cost.

Conventional wisdom tells us that there are already more things connected to the Internet than there are people. The number is predicted to grow to 50 billion objects by 2020. In the future, everything is likely to be connected, from ships to sheep, diamonds to diapers and trees to tractors. The Internet of Everything provides us with a newly interconnected universe that will pave the way for an accelerated transition to the circular economy,

The evolution of technology-enabled platforms will surely accelerate the migration to an on-demand economy matching buyers and suppliers who will be better able to trade with one another in a world of increased transparency and trust.

We are already beginning to see the impact of autonomous vehicles and drones on the logistics side of the supply chain. Soon we will witness the power of 3D printing, transporting us from a traditional world of subtractive manufacturing into a new world of "additive" manufacturing, eventually leading into an almost unimaginable world of 4D, advanced robotics and machine learning.

Of course, the true power of the digital age lies in the capturing and processing of data. The ability to leverage big data will enable us to make and take the big decisions by leveraging high-quality predictive analytics and advanced business intelligence.

As all of these exciting developments in new technology gain increased traction in the market, so traditional relationships will be more and more displaced, and traditional sources of competition will be more and more disrupted.

But at the same time, we will have the unique opportunity to transform people's lives by investing in legitimate solutions for a sustainable future.



TURNING TALK INTO ACTION: PROGRESS OF WORLD TRADE BOARD INITIATIVES

DigiTrade Working Group By Enrico Camerinelli, Aite Group

The “DigiTrade” working group aims to validate existing e-trade models through practical use case adoption, vetting existing rules and recommendations and turning them into practical guidance. The results will help to identify—and close—eventual gaps in paper-to-digital implementation standards, promote the adoption of best practices, and support wider connectivity across all stakeholder groups.

The overall scope of this project is to create use cases that will help all participants in a trade transaction to establish—all things remaining equal—what can be digitised and what must remain on paper so that we can start the DigiTrade journey today. Later, we can work to establish what is still needed (e.g., standards, regulations, legal) to move to the next step and convert more documents into data.

What has happened in the last 12-18 months?

To date, we have seen the evolution of the Working Group from an original focus on Blockchain to broader digital enablement.

There has also been the establishment of an active group that meets regularly and consists of leaders such as Markus Wohlgelassen, TrustBills GmbH; Michael Vrontamitis, Standard Chartered Bank; Alexander Goulondris, essDOCS; Magaly Charlier, Taulia; and Tanya Kuznetsova, X5.

Also, three subgroups have been created that operate along parallel streams:

1. The “eLC” subgroup will selectively apply the eUCP rules to exchanging electronic letters of credit, with the objective of appreciating areas of improvement and consolidating a business practice.
2. The “Open Account” subgroup will verify how moving to open account transactions helps companies shift from paper-intensive operations to digital trade.
3. The “Blockchain in DigiTrade” subgroup will assess, from a corporate perspective, what is needed to enhance awareness of the potential of Blockchain technologies in trade and what are the current impediments to adoption.

The DigiTrade working group is also taking an active part in the Digital Standards for Trade (DST) initiative endorsed by the Singaporean National Trade Platform. There are some prerequisites that must be met to ensure that fully digitised open account based transactions can happen. These requirements are covered in a paper authored by Magaly Charlier and Charles Bryant. The paper has been circulated within the subgroup.

Why this work is important

Despite the continued use of paper-based financial instruments, corporations are putting growing pressure on banks to enhance the efficiency, security, and trust of global trade value chains. Business partners are increasingly looking for ways to move toward inter-firm trade credit between importers and exporters.

Following the first World Trade Symposium, the World Trade Board concluded that there is a significant opportunity to educate, financial institutions and corporations on how to overcome obstacles for full deployment of electronic and Internet-based trade finance, and inform them about the potential of innovative technologies to enable wider connectivity across all stakeholder groups.

The Digitrade Group is uniquely placed to bring together these stakeholders and take an independent role in fostering the debate and development of standards and solutions that can drive more efficient and transparent trade finance for the benefit of everyone.

The next steps for the Working Group:

eLC subgroup: This group will gather participating banks to kick-start the activities.

Open Account subgroup: By creating a business scenario, this group will test the practical applicability of the prescribed actions. The business scenario will follow a “script” that Magaly and Charles will prepare and that on-boarded participants will follow to deliver an analysis of operations and identification of best practices and areas for improvement.

Blockchain subgroup: Explore business cases/focus on trade finance (e.g. Microsoft, M.Video- Russian retailer) to find out the constraints to wide adoption based on the existing practice. The group will also look to see if there is influence from the following factors: the regional interest, help from collaboration between banks and fintech, and a deeper understanding of the technology.

It will then move on to assess the educational options, focusing on SMEs inclusion, to see if Blockchain can create a link between the technology and inclusion in global trade in ways no other technology does.

DST initiative: Markus Wohlgelassen will be talking with DST to find the most appropriate way to work together with the DigiTrade working group, acting as the executive arm that creates use cases and test results.

The Sustainable Trade Action Group (STAG)

By Leanne Kemp, Everledge

The STAG's mission is to identify opportunities for collaboration across interested stakeholder groups with a focus on sustainable trade, taking into account the vision of a circular economy aligning economic growth with environmental conservation. This is aligned to one of the goals set by the World Trade Board.

The Group aims to achieve this by undertaking a series of processes that will uncover the existing landscape, identify opportunities for improvement and unserved gaps, leading to the development of harmonised technology-driven guidelines across each industry globally.

What has happened in the last 12-18 months?

The Group was only recently established, comprising of 40 members, with the first meeting held in June 2017. From the initial meeting, Group objectives were set, an online platform was created to serve as a repository for research and learnings and discussions began on the development of a framework outlining what is realistically achievable over the next 6 -12 months.

A second meeting was held in July 2017 where action items to create the foundations of the framework were discussed, including the definition of the existing landscape and existing standards. It was also determined that representatives of certain industry sectors were needed in the Group, for more balanced and robust perspectives as well as a wider range of industry expertise. Members were requested to recommend potential new members. A draft framework was developed, which set out processes to achieve deliverables pointing back to the Group objectives. In conjunction with the framework, a foundational Sustainability Checklist was also developed. This acts as a guide for the internal assessment of a business' sustainability practices. Being a foundational document, the checklist will need to be customised according to the requirements of the respective industries during implementation as part of the framework process. New members recommendations were also being introduced by existing members with approaches and discussions being done as a follow-up.

A third meeting was held in October 2017 where two new members joined for the first time. The draft framework and sustainability checklist were introduced to members for review and discussion. The alignment of STAG and the Legal Entity Identifier (LEI) working group, as well as proposed initiatives for 2018 were also discussed. The representative STAG member from the International Trade Centre (ITC) introduced an ITC programme that has developed several tools - global public goods - that can be used in conjunction with the framework. The tools range from Standards Map where voluntary standards and codes of conduct across industries can be compared and contrasted to the Sustainability Network where stakeholders can play an active role.

Why this work is important

Sustainability is comprised of the three pillars of economic growth, social equity and environmental protection. Having trade policies that balance people, profits and planet is a best practice that each industry must set globally.

STAG, as a multi-disciplinary board, can pragmatically approach problems from the highest levels of sustainable development theory, down to the realistic challenges posed in project implementation. Action on sustainable trade requires not just a profound depth of academic knowledge but the experience of leaders in the fields of finance, economics, regulation, technology, production, and logistics. In bringing these leaders together into STAG, there lies the opportunity to develop strategies that are holistic, inclusive and innovative, stemming from tested industry solutions, capabilities and resources. The composition of STAG and the anticipated deliverables from the framework are expected to introduce harmonised best practice sustainable trade standards that are adaptable to all-sized enterprises, across respective industries. Also, the solutions will take into account regulatory requirements to ascertain global workable policy guidelines. Importantly, technology will be a key driver in the entire process from baseline setting of the existing landscape through to implementation.

Harmonisation will ensure equal standards of sustainability and verified impact on global trade. An exemplification of this is played out in the EU Single Market policy, where the active standardisation policy is seen to promote standards as a way to better regulation and ensure the interoperability of complementary products and services. The need to integrate sustainable business practices with the digital revolution has arisen with increasing regulatory requirements. For instance, in future, banks will more and more be required to perform due diligence to confirm the provenance of goods, conforming to accepted standards of ethical sourcing. The current KYC (Know-Your-Customer) requirements will eventually extend to KYO (Know-Your-Object), supported by supply chain mapping and traceability solutions linked to key social and environmental issues. Contextually from there, the use of current advances in technology as a driving force is a logical step to take as it presents the benefits of opening up opportunities for broader access to new markets and a more inclusive, efficient approach to implementation.

The next steps for the Working Group

The finalisation and adoption of the framework and sustainability checklist is the priority of the Group. From there, the working process can then be rolled-out, kicking off with background research for an understanding of the existing landscape. Further review and action will be undertaken to determine how the ITC programme can be utilised to drive the framework and STAG's objectives. New members will continue to be introduced into the Group until the gaps of industry representations are narrowed as determined by the existing members.

TURNING TALK INTO ACTION: PROGRESS OF WORLD TRADE BOARD INITIATIVES

The SME Access to Trade Finance Working Group

By Alexander R. Malaket, OPUS Advisory Services International Inc.

The SME Access to Trade Finance Working Group aims to enable SME and MSME inclusion through access to timely and affordable trade financing. This enables these firms, often important suppliers in global supply chains that are based in developing markets, to succeed through international trade.

What has happened in the last 12-18 months with the Working Group?

The Working Group met in June 2017 on the periphery of the WTS. It agreed to target MSMEs engaged in the global trade for tea, supporting their pursuit of opportunities in international markets through micro-loans not available through existing sources and programs, but which can be transformational for these suppliers.

The Working Group is a joint initiative of the WTB and the World SME Forum and draws inspiration for its target sector from the experiences of the ITC in Geneva.

The Working Group is in the process of allocating resources and team members to three sub-streams:

- Program Design
- Funding
- Local In-Market Engagement

Why this work is important

There is a level of unmet global demand for trade finance in the range of \$1.5 trillion annually, the majority of which relates to the trade financing needs of SMEs.

Micro and small enterprises, based in developing markets, experience disproportionate difficulty in accessing trade financing, despite their fundamental belief in trade as a vehicle for development, poverty reduction and economic inclusion.

Financing in support of MSME trade, particularly for the smallest suppliers and cooperatives, is difficult to access even from non-traditional sources and social capital, even though small amounts of funding can be transformational for MSMEs and the communities in which they operate.

The next steps for the Working Group

The Working Group will finalise the composition of subgroups, and proceed to programme design.

The MSMEs successful in securing financing through the joint WTS/WSF programme will receive support and mentorship as needed, and the most successful of these firms will be invited to an awards gala at the WTS that takes place after the first full year of operation of the programme.

Working Group to Support Initiatives to Promote the LEI

By Gerard Hartsink, Chairman, GLEIF

One of the goals to achieve the WTB mission is “to drive adoption of the global Legal Entity Identifier (LEI) numbers”.

A status report is given on the global adoption of the LEI to enable (cross-border) trade for SMEs by connecting businesses in the supply chain with technology. An LEI is a high-quality legal identifier (based on the ISO 17442 standard) of legal entities created on request of the G20 and FSB. In June 2014 GLEIF (Global Legal Entity Identifier Foundation) was mandated to make the global LEI system operational as broad public good for the benefit of the users of the private and public sector. GLEIF delivers the high-quality LEI data free of charge or registration available to any user on www.gleif.org.

Jean Claude Trichet, the former president of the European Central Bank, expressed on 10 September 2010, the value of a standard for legal entities as follows:

- Each one of us needs it
- No one can do it for themselves
- There can only be one of it; hence
- We must do it together

The LEI is a reality, but the global adoption for trade and trade finance is in its early stage.

Status of issued LEIs

End October 2017 an LEI was issued to over 690,000 legal entities. An overview of the distribution of the issued LEIs over the jurisdictions is available in the LEI statistics on www.gleif.org.

Many of the listed companies of the 85 major securities exchanges with over 50,000 listed companies (source IFRS data) in the world already have an LEI mainly as a consequence of regulations applicable for these companies or exchanges. These companies have prominent roles in the global supply chains, and many SME's are a customer and/or supplier of those companies. The LEI ROC (www.leiroc.org) as overseer of GLEIF reported in their Progress Report of 5 November 2015 that there “could be between 200 and 400 million legal entities eligible for an LEI”. It added that “there are 125 million from Micro, Small and Medium Enterprises in the 132 economies as reviewed by the World Bank/IFC”. The World Trade Board LEI Working Group is analysing with its partners how many SME's are involved in export or import transactions. GLEIF believes that it is in the interest of the WTB mission to have better data available for the WTB Board.

Initiatives to promote the LEI

Public Sector

Regulators of many jurisdictions started to include the LEI in their legislation so far mainly focused on the adoption in capital and

money markets. For an overview of the regulatory use of the LEI across multiple jurisdictions please visit:

<https://www.gleif.org/en/about-lei/regulatory-use-of-the-lei/>

The regulators have also started to formulate policies on the inclusion of the LEI in cross-border payments to manage the risks related to money laundering and financing of terrorism. The impact of those policies on cross-border trade and trade finance are expected to become evident in 2018. Some dialogues have taken place in the public sector to use the LEI for (bilateral and multilateral) trade agreements and customs regulations. At this moment there is not yet a clear overview of these developments. It is in the interests of the WTB mission to have a better insight into how the LEI will be used for trade agreements and customs regulations.

Private Sector

The promotion of the LEI for the supply chain (inclusive cross-border payments and e-invoicing) may be summarised as follows:

To promote the LEI for the use by market participants in the global supply chain the 30 global systemically important banks, as recognised by the FSB (see www.fsb.org), that are also actively involved in supply chain finance have been approached to support the LEI program for their customers active in global trade. Also, several trade associations such as FCI (www.fci.nl) and ICC (www.iccwbo.org), both with a long history in supporting their members in trade facilitation have been approached to support the LEI program.

Significant initiatives for the adoption of the LEI in the supply chain are the decisions of GS1 Mexico and GS1 Germany to become an LEI issuer. The GS1 organisation (www.gs1.org) has a long history of standards in the supply chain (food, non-food and health care) and understands the value of the LEI for the supply chains. All large data vendors already include the LEI data in their services, and one of them decided to become an LEI issuer. Technology vendors active in delivering services (business applications) for the supply chain are reviewing to include the LEI in their services. These vendors also include vendors that deliver blockchain, smart contracts etc., applications. The WTB Working Group taking care of further digitisation in trade is reviewing to include the LEI in their recommendations to the World Trade Board.

Promotion of the LEI by WTB members

The LEI is a reality, and is in growing use by business and by the public sector. The WTB's mission will be further supported if all the WTB members will support the chosen WTB goal “to drive the adoption of the global Legal Entity numbers” in their organisation and policies for their members and/or customers.

TURNING TALK INTO ACTION: PROGRESS OF WORLD TRADE BOARD INITIATIVES

Toward Fluid and Fast Trade Transactions: WTB's New Digital Standards for Trade Initiative By Kati Suominen, Founder and CEO, Nextrade Group



The centre of global economic gravity is shifting from the holders of physical assets to owners of digital networks and distribution. The digital revolution is finally sweeping also across the international trade ecosystem, with banks, shippers, corporates, and customs gradually digitising their trade documents and processes, and experimenting with electronic bills of lading (eBLs), and blockchain. Digitization is yielding tremendous time and cost savings and reducing the high odds of errors and fraud in manual, paper-based trade transactions. As some recent exciting examples illustrate:

- HSBC has started using IBM technology to extract information from paper documents and feed it straight into bank processing systems, creating a secure electronic chain of information between buyer, seller, logistics and other service providers – which speed up settlements and eliminates 80-90 per cent of manual “human” work in trade documentation.
- Together with Microsoft, Ernst & Young, and blockchain firm Guardtime, shipper Maersk has recently run a trial for distributed ledger technology in the \$30 billion marine insurance business, dramatically reducing time, cost and risk across the entire insurance value chain.
- Standard Chartered pioneered in 2012 in carrying out a fully automated electronic bank payment obligation (BPO) transaction. Since then, BPOs have grown ubiquitous, helping to reduce labour costs by as much as 30 per cent and their fees by 50 per cent – gains that can be passed to their client companies or reinvested.
- Also, customs and single windows are digitising. The countries that signed up to the 2016 paperless trade agreement championed by the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) have set out to implement the deal, expecting over 30 per cent cut in the cost of exporting and up 44 per cent reduction in the time to export.

At the same time, the trade ecosystem lags behind many other industries: players are digitising only gradually, and do not interoperate optimally. Paper-based manual processes reign and even players that do use electronic documents such as eBLs are locked into their respective providers' walled gardens. This status quo of “digital islands” arrests the potential for 21st century technology-powered trade.

One key challenge is lack of common standards that would enable digitising players and platforms to speak to one another, particularly across sectors in the trade supply chain. This setting perpetuates duplication of efforts, curtails the potential for scale economies,

and causes unnecessary delays in trade transactions. And it disincentivises players from digitising – why go digital if you cannot interoperate with others – and keeps the fixed costs of trade high for small businesses, right when e-commerce is helping them identify new customers and market opportunities across borders.

The setting needs a solution, and the World Trade Board is now creating it: Digital Standards for Trade initiative (DST). The purpose of DST is to fuel interoperability in the trade ecosystem through the adoption of common minimum digital standards among key players in trade – trade finance players, customs, logistics companies, and exporters and importers. Expected to be launched in early 2018, DST's goal is fully digitised and seamless end-to-end throughput in trade transactions.

Unlike industry groups such as banking, shipping, or freight forwarders that tend to focus on standardising the documents and processes of actors in their “vertical”, DST's approach is horizontal, covering the entire trade transaction end-to-end. As such, DST cuts across many verticals from the start where the exporter has a purchase order to when the product is loaded on a ship, to how the shipment is banked, to when it reaches customs, and finally when it gets to the buyer.

First incubated by MasterCard in Singapore, DST's output is to support the success of national trade platforms, specifically to facilitate interactions between logistics, customs, finance and other trade ecosystem players across Asia and beyond. Singapore's new National Trade Platform (NTP), a highly digitised single window, will be among the use cases to test digital standards developed by DST for the benefit of all.

The standards and “common rules of the road” DST contemplates do not need to be created from scratch; many standards exist. Of those that do, DST aims to select the optimal ones and accelerate their commercial adoption rigorously. DST will also measure, through stakeholder surveys and proprietary data, the degree of digitisation of players engaged in trade and trade transactions, and the extent of frictions to digitised trade, to highlight areas in need of improvement. Attesting to the gains for digitisation, several international organisations have expressed interest in joining as DST observers.

PART 2:

SUMMARY REPORT

AGENDA: SYMPOSIUM DAY 1 | TUESDAY, 6TH JUNE 2017

11:30 Registration

11.45 Transforming UK Trade – The big debate

The current economic and political situation puts trade at the top of the agenda for the United Kingdom. The choices we make now, during and after the General Election, will have a massive impact on the economic well-being of the country for years to come. So how should we transform UK trade? What options are there, and what choices should be made? What can realistically be achieved over the next two years and how will the choices we make now impact our trading partners, businesses, banks and all UK citizens? This is the Big UK Trade Debate. Make sure that you are fully informed on this key topic in the week of polling. Hear the views firsthand from our panel of experts and commentators. And make up your own mind on the big questions for UK trade.

Lesley Batchelor OBE, Director General, Institute of Export and International Trade

Stephen Adams, Partner, Global Counsel

Tracy Clarke, Regional CEO, Europe and Americas, Standard Chartered Bank

Douglas Carswell, Independent MP

MODERATOR

Katharine Morton, Editor in Chief, TFR (Trade & Forfeiting Review)

12:30 Welcome Lunch

13:00 Main Symposium Opening Remarks

Shawn Donnam, Role, World Trade Editor, Financial Times

13:05 World Trade Symposium Vision

Nadeem Syed, Chief Executive Officer, Finastra

13:10 Theme: Transforming Trade

Simon Paris, Deputy CEO, Finastra

13:15 Opening Keynote: In conversation with Annie Lennox OBE

Annie Lennox OBE, singer, songwriter, activist and philanthropist discusses with Clive Myrie, Presenter & Foreign Correspondent, BBC News the issue of global inequality, the importance of the UN Sustainable Development Goals and the need for activism by all.

13:35 Live Keynote Dialogue: One Belt, One Road

- What does the One Belt, One Road project mean in the context of the 21st century global economy?
- Understanding the influence of China as champions of free trade
- How will the world benefit?
- Can it be perceived as a strategic

Zhu Qin, Minister and Deputy Head of Mission, Embassy of the People's Republic of China in the UK of Great Britain and Northern Ireland

Bill Hayton, Associate Fellow, Chatham House and Author, 'South China Sea: the struggle for power in Asia'

Natalie Blyth, Global Head of Trade and Receivables Finance, HSBC

MODERATOR

Stefania Palma, Asia Editor, The Banker

14:20 Keynote Panel Discussion: The politics of globalisation

- Lower for longer. Can the global economy survive another decade of low growth?
- What is the future of trade multilateralism?
- How is the liberal consensus being tested around free markets and open economies?
- What will be the impact of a Trump administration on world trade?
- What does the future hold for the UK as a trading power?

Rt Hon Sir Vince Cable, Former Secretary of State for Business Innovation and Skills and President, Board of Trade

Arancha Gonzalez, Executive Director, International Trade Centre (ITC)

Sir Michael Rake, Chairman, ICC United Kingdom; Chairman, BT

Barry Gardiner MP, Shadow Secretary of State for International Trade and Shadow Minister for International Climate Change

Francisco Cabrera, Minister of Production, Argentina

MODERATOR

Shawn Donnan, World Trade Editor, Financial Times

15:10 Networking Break

15:40 Theme 1 Keynote: Intelligent trade: Leveraging information and insight to facilitate the management and distribution of risk in the global economy

- How can digital technologies and new business models be leveraged to help people connect, communicate and collaborate globally?
- How can agile analytics generate intelligent trade to power the management and distribution of risk, attract new investment and boost availability of alternative financing options?

Kah-Chye Tan, CEO & Founder, Tin Hill Capital

AGENDA: SYMPOSIUM DAY 1 | TUESDAY, 6TH JUNE 2017

16:00 Panel Debate: Trade 2025: Bridging the \$1.6 trillion trade finance funding gap

This panel debate will focus on information and insight for risk profiling and trade optimisation. In addition, panelists will discuss the implications and requirements of SMEs, the role and impact of GLEIF, and standardisation for trade and risk distribution.

Dr. Marc Auboin, Counsellor, Economic Research and Statistics Division, World Trade Organisation (WTO)

Dr. Ugo Panizza, Professor of Economics, Director of the Institute's Centre on Finance and Development; Chair, Pictet; Graduate Institute – Geneva and CEPR Research Fellow

Dr. Alisa Di Caprio, Research Fellow, Asian Development Bank Institute (ADBI)

Lucia Cusmano, Senior Economist, SME and Entrepreneurship Division, OECD Centre for Entrepreneurship, SMEs, Local Development and Tourism (CFE)

MODERATOR

Daniel Cotti, Chairman, Bolero International Ltd

16:45 Round Table Sessions

INTELLIGENT TRADE ROUND TABLES

How should regulators and policy makers increase support for trade finance?

FACILITATOR

Dr. Marc Auboin, Counsellor, Economic Research and Statistics Division, WTO

How should regulators and policy makers increase support for trade finance?

FACILITATOR

Fabio Manca, Managing Director, DHL Inventory Finance Services

How can the cost and complexity of regulatory compliance be reduced?

FACILITATOR

Steven Beck, Head of Trade Finance, Asian Development Bank

How can the cost and complexity of regulatory compliance be reduced?

FACILITATOR

Lawrence Wintermeyer, CEO, InnovateFinance 57% of SME trade finance requests are rejected against 10% for multinational companies creating adoption of less efficient forms of financing. How can this imbalance be redressed?

FACILITATOR

Daniel Cotti, Chairman, Bolero International Ltd

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FACILITATOR

Lucia Cusmano, Senior Economist, SME and Entrepreneurship Division, OECD Centre for Entrepreneurship, SMEs, Local Development and Tourism (CFE)

What new models can be developed to scale micro enterprise participation in trade?

FACILITATOR

Hanne Melin, Director and Head, Public Policy Lab for Europe, Middle East and Africa, eBay

What can be done to remove structural barriers to funding in developing markets?

FACILITATOR

Dr. Ugo Panizza, Professor of Economics, Director of Finance and Development Centre and Pictet Chair, Graduate Institute, Geneva and CEPR Research Fellow

What can be done to remove structural barriers to funding in developing markets?

FACILITATOR

Martin Habel, Manager, IFC Treasury Client Solutions, Africa, Europe, Middle East, and Central Asia

Making cross-border e-Commerce a catalyst for SME trade: Practical experiences and next steps

FACILITATOR

Dr. Kati Suominen, Founder and CEO, Nextrade Group; Founder, TradeUp Capital Fund, Founder and Executive Director, Business for eTrade Development

How should the extended use of Legal Entity Identifiers (LEI) be applied in order to enable the more effective measurement and management of risk?

FACILITATOR

Gerard Hartsink, Chairman, GLEIF (Global Legal Entity Identifier Foundation) Board

What can be done to increase awareness and adoption of digital finance by small business?

FACILITATOR

John Davis, Managing Director, Business Centric Services Group (BCSG)

18:00 Highlights and Recap: Closing Remarks

Shawn Donnan, World Trade Editor, Financial Times

18:00 World Trade Gala Reception

Ritz Hotel - By Invitation Only

21:30 Close

AGENDA: SYMPOSIUM DAY 2 | WEDNESDAY, 7TH JUNE 2017

08:00 Registration and Networking

Shawn Donnan, World Trade Editor, Financial Times

09:05 Panel Discussion: Update from the WTB Working Group Chairs

- Summarise goals/objectives of each WG i.e. why we think it is important
- Progress to date
- Next steps

Enrico Camerinelli, Senior Analyst, Aite Group

Leanne Kemp, Founder and CEO, Everledger

Gerard Hartsink, Chairman, GLEIF (Global Legal Entity Identifier Foundation) Board

Alexander R. Malaket, President, OPUS Advisory Services International and Deputy Head of the Executive Committee, ICC Banking Commission

MODERATOR

David Hennah, Head of Trade & Supply Chain Finance, Finastra

09:25 Theme 2 Keynote Interview: Sustainable trade: Promoting ethical sourcing and protecting the environment in a circular economy

- Why do we need a circular economy?
- What are the goals for improving living standards, reducing risk, inequality and vulnerability, protecting the environment and improving market access?
- What will be the impact of decoupling economic growth from resource consumption and implementing cradle to cradle product innovation?
- How can digital technologies disrupt existing models?

Leanne Kemp, Founder and CEO, Everledger

INTERVIEWED BY

Shawn Donnan, World Trade Editor, Financial Times

09:45 Panel Debate: Sustainable Trade: The path to financial inclusion

- Trade and combating poverty: Is export- and manufacturing-led growth still the model for the developing world?
- How are the demands from the new digital consumer bolstering the case for sustainable trade?
- What should be the role of government?
- How can digital disruption help?

Sean Doherty, Head, International Trade & Investment, Member of Executive Committee, World Economic Forum (WEF) Bastien Sachet, CEO, The Forest Trust (TFT)

Hugh Jones, CEO, ACCUITY

Thomas Verhagen, Senior Programme Manager - Banking, University of Cambridge Institute for Sustainability Leadership

MODERATOR

Michael Vrontamitis, Global Head of Trade, Product Management Transaction Banking, Standard Chartered Bank

10:30 Networking Break

11:00 Round Table Sessions

SUSTAINABLE TRADE ROUND TABLES

How should innovation be scaled up to promote financial inclusion?

FACILITATOR

Tanya Kuznetsova, Assistant Treasurer, X5 Retail Group

What measures need to be taken to promote sustainable business and resilient supply chains?

FACILITATOR

Adrian Harris, Director General, ORGALIME

How can financial services be extended to the great unbanked?

FACILITATOR

Brenda Santoto, Head of Trade Services, Silicon Valley Bank (SVB)

How should industry stakeholders collaborate to protect the environment and reduce the risk of global deforestation?

FACILITATOR

Bastien Sachet, CEO, TFT

AGENDA: SYMPOSIUM DAY 2 | WEDNESDAY, 7TH JUNE 2017

What will be the impact of the One Belt One Road initiative and how should the West react?

FACILITATOR

Esther Peh, First Secretary (Economics), Permanent Mission of Singapore and Chairperson, WTO Technical Barriers to Trade (TBT) Committee

What industry standards and commitments need to be put in place to promote responsible ethical sourcing?

FACILITATOR

Leanne Kemp, Founder and CEO, Everledger

What agreements, standards and protocols need to be prioritised to promote financial inclusion?

FACILITATOR

Hugh Jones, CEO, ACCUITY

Trade & Sustainable Development: What role for businesses?

FACILITATOR

Michael Gidney, CEO, Fairtrade Foundation

How should the growing disconnect and declining ratio between global trade and global GDP be addressed?

FACILITATOR

Sean Doherty, Head, International Trade & Investment, Member of Executive Committee, WEF

What measures can be taken by the World Trade Board to support the UN Sustainable Development Goals?

FACILITATOR

Alexander R Malaket, President, OPUS Advisory Services International and Deputy Head of the Executive Committee, ICC Banking Commission

What are the ten best practices that need to be promoted to support sustainable trade?

FACILITATOR

Thomas Verhagen, Senior Programme Manager - Banking, University of Cambridge Institute for Sustainability Leadership

How can funding providers, service providers, trading networks, logistics and others become part of a better connected ecosystem for finance and settlement?

FACILITATOR

Dr Amy Jadesimi, Managing Director and CEO, LADOL

12:00 Networking Lunch

13:00 Theme 3 Live Keynote Dialogue: Integrated trade: A circular economy powered by the industrial internet and smart supply chains

- Determining the opportunities and threats posed by the fourth industrial revolution
- Creating a collective responsibility for innovation and technology to improve people's lives
- Utilising Fintech as an accelerant for trade

Susanne Chishti, CEO & Founder, FINTECHCircle, FINTECHTours and Chairman, FTCInnovate & Co-Editor - The FINTECH Book

Todd McDonald, Co-Founder and COO, R3

MODERATOR

Brian Caplen, Editor, The Banker

13:30 Panel Debate: Adapting trade and finance in the age of the industrial internet

- The social, cultural and environmental impact of new technology
- Implications for business, government and society as a whole
- Managing the Internet of Everything (IoE)
- Does blockchain matter?
- The role of artificial intelligence, robotics and 3D printing

Kaushalya Somasundaram, Global Head of Fintech Partnerships & Strategy, HSBC

Zaki Manian, Founder, Skuchain

Ghela Boskovich, Founder and Global Ambassador, FemTechLeaders

Rhomaïos Ram, Business Mentor, Startupbootcamp and Partner - Business Development, Ohalo

MODERATOR

David Treat, Managing Director, Financial Services, Blockchain Lead, Accenture

AGENDA: SYMPOSIUM DAY 2 | WEDNESDAY, 7TH JUNE 2017

14:20 Round Table Sessions

INTEGRATED TRADE ROUND TABLES

How can we collaborate better as a banking industry (across banks, fintech, regulators and corporates) to move the digitisation and innovation agenda forward in trade?

FACILITATOR

Elliott Limb, Joint Chair, World Trade Board and Global Head of Corporate Banking, Finastra

How should industry stakeholders collaborate to solve the fundamental technology challenges related to security, interoperability and management of systemic risks?

FACILITATOR

Rhomaïos Ram, Business Mentor, Startupbootcamp and Partner - Business Development, Ohalo

Development of interoperability standards between IoT devices and blockchain

FACILITATOR

Zaki Manian, Founder, Skuchain

How should corporates, banks and others prepare for a new world "outcome economy"?

FACILITATOR

Dr. Selim Seval, Board Member and General Manager, Octet Turkey

How can the data challenges of using blockchain or distributed ledger technology be resolved?

FACILITATOR

David Treat, Managing Director, Financial Services, Blockchain Lead, Accenture

How can sensor technologies be deployed to enhance operational efficiency, reduce operational risk and support sustainable trade?

FACILITATOR

Edle Everaert, Managing Director - Banking, Accenture

What measures should be taken to enhance system security and data privacy resilience in a fully functional digital ecosystem?

FACILITATOR

Patrik Latin, SVP Global Supply Chain Management, Sandoz

What cross-industry partnerships and initiatives are required to enable new business models to flourish in the industrial internet?

FACILITATOR

Ghela Boskovich, Founder and Global Ambassador, FemTechLeaders

What steps need to be taken to support the demand for seamless interoperability across multiple platforms?

FACILITATOR

Amardy Geerdink, Account Development Manager Europe, Ripple

What is the true value today and potential value tomorrow of blockchain in the world of trade and supply chain finance? How can this potential be optimised?

FACILITATOR

Alexander Goulandris, CEO, essDOCS

How can B2B networks, Fintech and banking collaborate to support digital trade and unlock new sources of liquidity?

FACILITATOR

Charles Bryant, Secretary General, European E-invoicing Service Providers Association (EESPA) **Magaly Charlier**, Director of Global Product Compliance, Taulia Inc.

How should industry stakeholders reorientate their business strategies around the Industrial Internet? What joint initiatives are needed?

FACILITATOR

Sukand Ramachandran, Partner & Managing Director - London, Boston Consulting Group (BCG)

15:30 Closing Keynote Debate: Trade forces and futures: Protectionism, multilateralism and emerging technologies

- How the 21st century global economy is changing and the implications for US, Britain and the EU
- What will tomorrow's trade models look like?
- Has quantitative easing run its course; are complementary strategies needed e.g. infrastructure investment?
- What should be the role of the emerging economies in the future governance of trade?

Ambassador Michael Froman, Distinguished Fellow, Council on Foreign Relations and former United States Trade Representative (USTR)

Lady Barbara Judge CBE, Chairman, Institute of Directors (IoD)

Daniel Blockert, Ambassador and Permanent Representative of Sweden and Chairman, Committee on Trade Facilitation, WTO

MODERATOR

Clive Myrie, Presenter & Foreign Correspondent, BBC News

16:15 Closing Remarks

Simon Paris, Deputy CEO, Finastra

16:30 Networking Drink

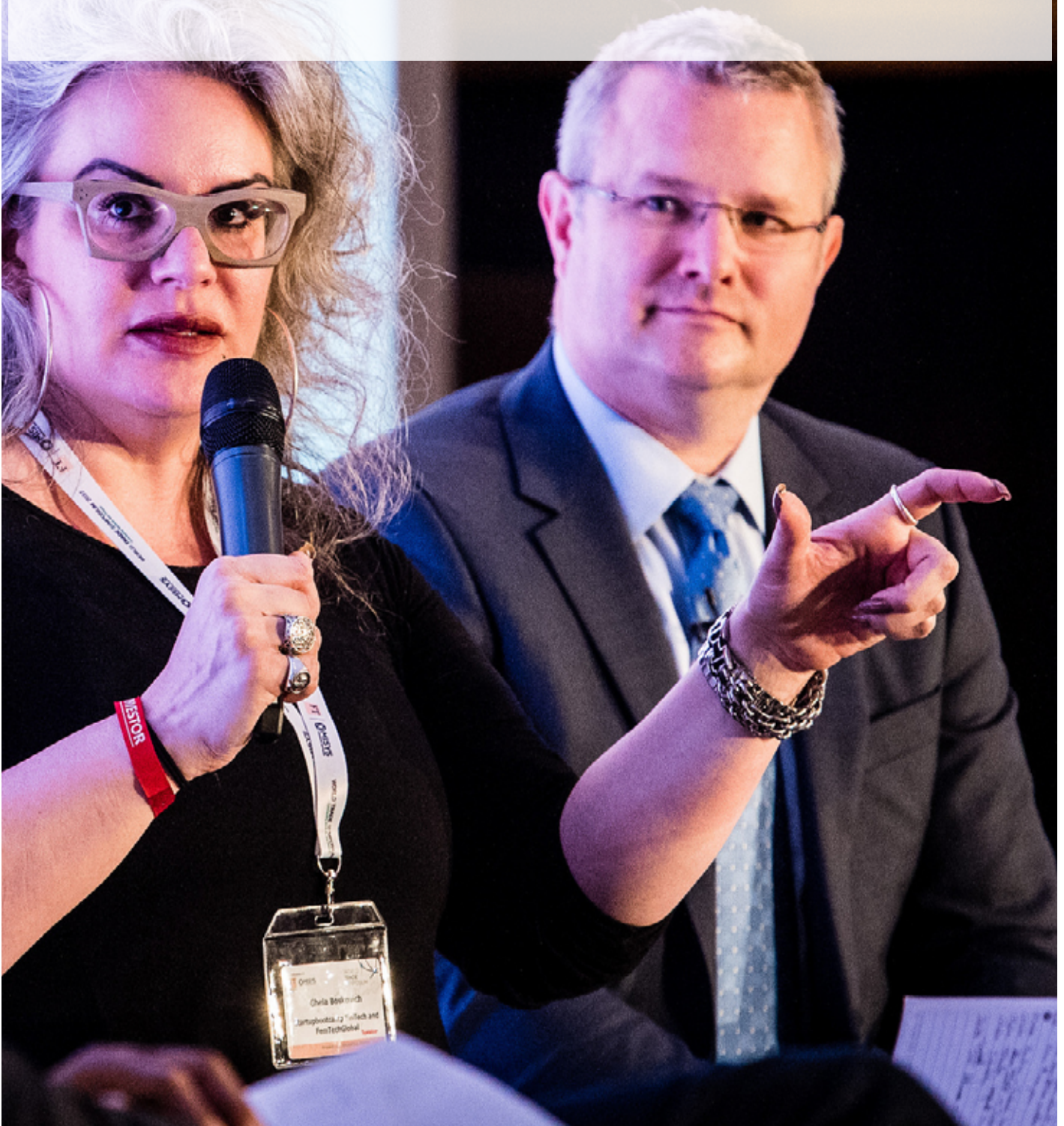
17:30 Close

World Trade Symposium 2017 – Transforming Trade

Recognising that the fundamentals of global trade are being challenged as never before, the World Trade Symposium 2017 took the theme of 'Transforming Trade'. The focus of the Symposium was on the opportunity for digitisation and globalisation to bring about the transformation of trade - to improve people's lives.

The three streams in the Symposium covered:

- Intelligent trade: leveraging information and insight to facilitate the management and distribution of risk
- Sustainable trade: promoting ethical sourcing, protecting the environment and extending financial inclusion
- Integrated trade: A circular economy powered by the industrial internet and smart supply chains.



IN SUMMARY

Transforming Trade

The current political and economic situation has placed trade at the top of the agenda. The unrelenting uncertainty as to what a post-Brexit UK will look like continues to give cause for concern in the knowledge that any transformation to UK trade will have a massive impact on the well being of the country for years to come.



One thing is certain though, and that is in today's global economy it is imperative that trade, finance and technology unite to drive long-term growth and prosperity for all.

Last year, the founding World Trade Board members had an ambitious plan - to improve peoples' lives by connecting trade, finance and technology. They took

the findings from last year's inaugural Symposium and created a set of clear objectives and working groups aiming to:

- Connect trade by supporting the UN Sustainability Goals by facilitating access to global markets for every business
- Enable the financing of trade by promoting alternative funding and risk models and help to close the \$1.6tr funding gap for SMEs
- Leverage technology – the vehicle of change – to accelerate a shift to a truly circular economy underpinned by more sustainable business practices

This transformation is all about inspiring, educating and fostering the future of connected commerce, a theme advocated at this year's Symposium by Annie Lennox OBE.

Taking us on a global journey with the work she does for Aids awareness and The Circle (an NGO set up by Ms Lennox to connect and inspire women to act and change the injustices and challenges facing disempowered women and girls), Annie Lennox OBE talked passionately about the need for sustainable development goals and free and fair trade

By adopting a sustainable, ethical practice within our own businesses, we begin to look at the human cost of profit. Drawing on her experience in the fashion industry, Ms Lennox OBE highlighted that behind the fantastic clothes we see in the High Street there are workers (mainly women) living in Victorian-esq conditions. "The UK is one of the five richest countries in the world, and if you look back in time to the end of the Victorian era, there were so many evolutionary changes, we must address human rights in the same way. This is the challenge for those who can create transformable change."



Consciousness starts in the heart and mind. It's about having the will to become engaged to do something."

Highlighting the UN Sustainable Development Goals, Ms Lennox spoke about the estimated \$20trillion cost associated with the fulfilment of the goals by 2030. She called for the private sector to be involved in a way that is beneficial for everyone and achieves these goals – a sustainable future for the benefit of the whole world.



Many comparisons can be drawn between these sustainable goals and China's ambitious 'One Belt, One Road' initiative, the subject of a keynote panel discussion.

Both strive to create opportunities by deepening connectivity across countries and regions through infrastructure, trade, finance, policies and people. Natalie

Blyth, Global Head of Trade and Receivables Finance, HSBC told delegates how this was "...the biggest international infrastructure initiative the world has seen."

Spanning three continents, it covers 60 countries and 60% of the world's population. It is an ambitious attempt to build an integrated global economy that will:

- Foster greater cooperation between countries
- Drive a better integrated financial system
- Bring private investment into areas of the world that are in greatest need
- Ensure open rules-based trade continues to thrive to help reduce global inequality lifting approximately 1bn people out of poverty

Investment of this type will boost trade, which in turn creates wealth and accelerates economic growth. In this sense, 'One Belt, One Road' is complementary to the trends that will advance trade in the 21st Century, such as the increasing importance of trade in services and the march of technological progress like the digitisation of trade finance.

The initiative is also likely to be a catalyst for trends that will define global commerce this century, therefore fulfilling an important role in the future of global trade and world economy.

IN SUMMARY

Intelligent Trade

How can we sharpen the tools of information and insight to manage the distribution of risk and finance better to support those that need it most?



SMEs are recognised globally as major contributors to the creation of economic value in markets around the world. However, the sector faces numerous challenges around technical competency, adherence to international standards, risk adjudication and access to timely and affordable financing (e.g. trade finance and supply chain finance).

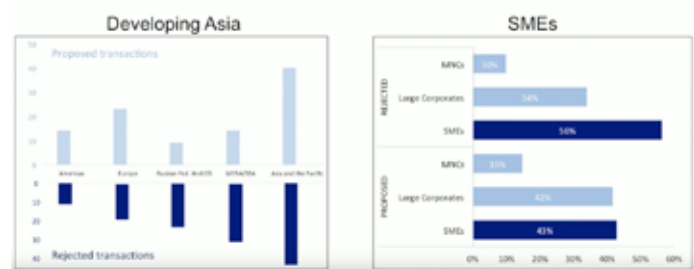
Therefore, SMEs worldwide represent an opportunity for clear and substantive value-addition by the World Trade Symposium.

Daniel Cotti, Chairman, Bolero International Ltd, remarked, "57% of SME trade finance requests are rejected, creating a \$1.6 trillion funding gap". According to UK Government figures, half of our 5.5 million SMEs are being paid late, and at the end of 2016, £26bn was owed in overdue debt.

To address this, the UK Government created rules to force UK companies to disclose supplier payment data. An example of how this has helped SMEs is Tesco. Usually, it pays its suppliers within between 30 to 45 days. However, they have now adopted a policy for small suppliers (less than £100k) to be paid in half that time.

The funding gap is a global problem prompting a conversation about how we can better manage the distribution of risk and finance to support those that need it most. Addressing the limitations of current offerings and the need for increasing levels of collaboration are key ingredients to which technology is an enabler, not a driver.

Dr Alisa Di Caprio, Research Fellow, Asian Development Bank Institute, presented the findings of their recent survey. She said, "When talking about SME access to trade finance, we usually talk about banks, but our survey shows that even when they do have access to banks, they're still excluded."



Where is the gap?

This limited access to finance is creating a barrier to international trade, which is partly being driven by factors such as low country credit ratings, lack of dollar liquidity and AML KYC requirements. None of these can be solved in the short to medium term.

Dr di Caprio then explored whether Fintech was the answer. Of the financial institutes and firms surveyed, 71% had never heard of Fintech. But, of those that had heard of it, uptake rates were fairly high (30-40%) with women-owned firms being one and half times more likely to use Fintech firms than male-owned firms.

She concluded the bottom line is that trade finance gaps continue to persist because SMEs are bad at signalling their fitness for financing and if we want to address this, we need more leadership and coordination amongst different players.



This was an area addressed by Kah-Chye Tan, CEO and Founder of Tin Hill Capital. He identified that despite the pressures trade finance is facing, the bright spot is the growing trade technology (e.g. IOT, AI, Cloud, Blockchain, FinTech, etc.) and the impact it will have on risk management. The G20 initiated the creation of a harmonised global identification system (LEI) as a way of adding transparency to drive growth in international trade and increase access to finance. Half a million corporations have signed up, but only 15% are banks or financial institutions, so there is still a lot more work to be done.

Kah-Chye Tan then went on to talk about the inroads being made in combating fraud. TradeSafe, launched by Standard Chartered Bank and DBS Bank, uses Blockchain technology to detect duplicated document financing digitally. When it comes to financial management, Kah-Chye Tan spoke of his CCR Manager solution that uses data to support secondary trading of trade finance assets, a vital link in the trade finance trade because it sees \$1.75trillion go through the system every year. It is initiatives such as these that leverage the power of data that are supporting institutional investors investing in trade finance. "There is a lot of data available within the marketplace," said Tan. "We just need to grab it to create ratings that are meaningful for trade finance to make it attractive for institutional investors." Without adequate trade finance, opportunities for growth and development are missed; SMEs (a leading driver of trade, employment and economic development) are deprived of the fuel they need to trade and expand.

IN SUMMARY

Sustainable Trade

How can we promote more ethical sourcing, protect the environment and extend financial inclusion to a more circular economy?

Trade is staring over the precipice of a digital revolution. The time is rapidly approaching when sanctions screening must be further enhanced and complemented by sustainability screening techniques. Banks will come under increasing pressure to perform due diligence to confirm the provenance of goods, conforming to accepted standards of ethical sourcing.



Michael Vrontamitis, Global Head of Trade, Product Management Transaction Banking, Standard Charter Bank, shared the findings of his company's recent survey around sustainable supply chains. Although supply chain transparency is gaining importance on the agenda of regulators, the survey identified a huge amount of complacency. According to Michael Vrontamitis, "nearly eight out of ten

respondents said their firms had some sort of responsible supply chain, but less than a quarter addressed specific issues (e.g. climate change, child labour), and only a third said they addressed bribery and corruption in their supply chain."

It would appear as though supply chain responsibility has fallen off the radar for a significant number of businesses with 30% saying it's no longer viewed as important as it was in the past. "Regulators aren't making enough impact on multinationals," continued Vrontamitis, "which means companies risk falling behind if they don't embrace this change."

In response to these findings, Hugh Jones, CEO, ACCUITY told the panel that he believed regulations that are there to protect us are preventing banks from operating in 'great swathes' of regions around the world. ACCUITY tracks KYC counterparty relationships around the world daily and has shown, over the last six years, a decline in counterparty relationships of 20% in the US, 16% in the UK and 24% in the EU. The cause of this decline is 'because banks are derisking'.

"Banks are led by shareholder value, not sustainability," said Hugh Jones. "But there's a lot of money to be made in high-risk countries with low-risk activities but only if banks are willing to invest by turning the idea of compliance into a value driver." This highlights the compelling need to look beyond sustainable trade towards the vision of a circular economy, aligning economic growth with environmental conservation by securing business practices that are both restorative and regenerative.

The diamond industry is a case in point. Everledger is an emerging technology company that's applying technology disciplines to bring transparency to the once opaque, with their initial focus on the diamond industry. Using technology such as blockchain, smart contracts, machine vision, HD photos with a cognitive layer over the top, Everledger can capture a digital ID and forensic view of the diamond to track it throughout the pipeline.

Leanne Kemp, CEO, Everledger went on to explain, "we have transformed the integrity of trade within the diamond industry by bringing digital transformation while highlighting the purpose of ethics within global trade by incentivising the industry to make ethical trading a 'business as usual proposition.'"

However, the question of sustainability, or more precisely what sustainability looks like, is a moot point. It can be seen as a kaleidoscopic term that means different things to different people. Looking again at the diamond industry as an example, it has been around for 130 years. The whole process (from extraction to retail) uses one iterative manufacturing step that turns a rough diamond at \$15bn, to a polished gem at \$47bn, which then reaches retail at \$80bn (not set in a ring). But the middle part of the pipeline is at the mercy of the financial services with a \$5bn shortfall with banks and financial institutions and insurers not wanting to participate in the industry.

Clarity needs to be sought by extending the familiar KYC (Know-Your-Customer) to KYO (Know-Your-Object) supported by supply chain mapping and traceability solutions linked to key social and environmental issues. When it comes to digital trade, the internet, a fundamental economic instrument of our time, was born on exchange of information, not embedded in financial trust and identity. But now we must rethink how we bring transactional trust to the economic instrument.

The main barrier is the attitude of people; understanding the technology stack is essential. The financial industry can't transform without some marriage of this technology.

It is in this context that digitalisation may be seen not only to be opening up opportunities for broader access to new markets but also significantly increasing transparency regarding sourcing, tracking and tracing, hence reducing operational risk and nurturing responsible forms of technological innovation.

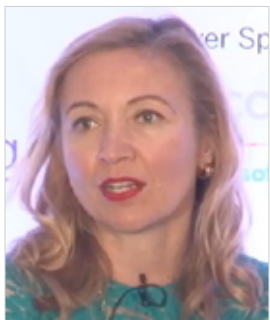
IN SUMMARY

Integrated Trade

How can the latest innovations in digital technology and industry 4.0 combine with the drive towards sustainability?

We are entering a fourth industrial revolution. First, there was steam and machines that began mechanisation. This was followed by electricity that introduced mass production, and the third era introduced computers and the beginning of automation.

Despite the use of paper-based financial instruments, corporations are putting growing pressure on banks to enhance the efficiency, security, and trust of global trade value chains. Banks acknowledge that paperless trade helps to reduce the risk of global trade through better data, and increases efficiency by reducing trade transaction costs. However, the transition to worldwide paperless trade is likely to be a gradual rather than revolutionary process.



Industry 4.0 is all about connecting part of the trade finance value chain by utilising the power of emerging technologies to discover new ways of doing business. These fresh approaches are being provided by the raft of Fintech start-ups that are enabling banks to evolve their services to help them get closer to their customers and innovate in a bid to protect their market share from tech giants such as PayPal.

"Banks are falling behind," commented Susanne Chishti, CEO and Founder FINTECHCircle. "They find working with SMEs less profitable than with large corporations because they are focused on working to their KPIs. However, new players are joining the supply chain, such as Alibaba, who have signed up Fintech firms to help start funding trade finance for SMEs. Therefore, they are opening up more opportunities for SMEs to participate in trade."

R3 is an enterprise software firm working with over 100 banks, financial institutions, regulators, trade associations, professional services firms and technology companies to develop a distributed ledger platform for financial markets, called Corda. Todd McDonald, Co-founder and COO said: "Corda was created in response to a common frustration among banks and other financial institutions struggling to interoperate with multiple generations of disparate legacy financial technology platforms, which is causing inefficiencies, risks and spiralling costs." "Many of the frictions and cost are concentrated around KYC," he continued. "If you can enable SMEs to be in control of their own LEI, it will reduce the burden on banks in relation to compliance and KYC, and much of this is now possible with these new emerging technologies."



Today it's all about data and how it is used and connected."

As mentioned earlier, Industry 4.0 is all about data. We learned from Kaushalya Somasundaram, Global Head of Fintech Partnerships and Strategy, HSBC, that 80% of today's data has been created within the last two years. "Data is core to everything we do," she explained. "In the context of supply chain, HSBC believes the sum of the parts are worth more than the individual – bringing together financial and physical supply chain into one construct to better finance companies helps with pricing/new product solutions because the data set is much richer. When this data is combined using new technologies we generate a B2B network such as Tradeshift, which HSBC invests in. This allows you to look at the whole supply chain, from procurement to payment, helping HSBC provide peer finance in a more structured way."

Of course, with the value of data becoming more obvious people become more reticent about sharing it openly. "Now the value of data is becoming clearer, people want more control over it and permissions over who get the data," commented Rhomaios Ram, Business Mentor, Startupbootcamp and PartnerBusiness Development, Ohalo.

It is this question of control and tracking that has highlighted the need for data security. Ghela Boskovich, Head of Fintech and Regtech Partnerships, Startupbootcamp Fintech and founder of FemTechGlobal, talked about the introduction of zero-knowledge proof. "The [zero-knowledge] proof is documented on the chain, hence enabling compliance. Therefore, regulators can dynamically write permissions enabling a dynamic means of allowing transactions within a compliant scope while maintaining fundamental data privacy and transaction privacy because data never leaves the servers of the data owner, giving them back control."

It is this real-time processing that will transform capital assets because of the consensus of value rather than speculation – i.e. the value is based on mathematics not analyst opinions.

"Traction is difficult," commented Zaki Manian, Founder of Skuchain, "because we're asking people to rethink how their whole business model. The key is to find a financial incentive big enough to make it interesting. An example would be that rapid derisking in this way speeds up supply chain financing."

Why One Belt And One Road Is More Than The Sum Of Its Parts

By Natalie Blyth, Global Head of Trade and Receivables, HSBC



Earlier this year China held its inaugural Belt and Road Forum. Coming at an historic inflection point in the course of economic evolution, China showcased major infrastructure projects that will advance this ambitious initiative.

The fundamentals of global trade are being challenged as never before. The new US administration is reversing past

policies that were designed to increase global economic integration. The UK is trying to negotiate a new relationship with its continental partners in the EU. Recent elections in several countries have marked a political shift from the old order of left versus right to a new order of nationalist versus internationalist. And as policymakers and negotiators wrestle with their new terms of engagement, trade is evolving too. Digital innovations, plus advances in logistics, are creating opportunities by opening new markets for businesses and challenging deeply entrenched operating models.

Whilst rapid increases in the complexity of global supply chains may have peaked, what we're now seeing is growing interest in inter- and intra-regional trade. China's role in driving these flows is increasingly important, and nowhere is this role more visible than through the Belt and Road Initiative (BRI). By investing in rail, ports and power plants along centuries-old silk routes, China is seeking to stimulate cross-border trade. This isn't just trade with China's neighbours, but with regions as far afield as Europe, Africa and the Middle East.

The commercial benefits of this initiative are already becoming apparent. In the first nine months of 2016 alone, Chinese companies signed 4,000 engineering contracts under the BRI umbrella, with a combined value of nearly USD70 billion. Today these projects require construction materials, heavy machinery and engineering services. Tomorrow, the completion of new infrastructure will simplify supply chains, accelerate physical trade and push down the cost of doing business. Companies will adapt their manufacturing and distribution strategies to capitalise on these new opportunities, with the net result that the volume of trade is likely to grow.

Indeed, China anticipates its trade with countries along the land 'belt' and marine 'road' will surpass USD2.5 trillion annually in the next decade. One example of a project contributing to this growth is the China-Europe freight rail service, which has run over 3,500 trains linking 27 Chinese cities to 11 European countries since it launched in 2011.

BRI will also redefine trade from being primarily about the movement of goods to include the provision of services, from consulting to e-retailing. This March, Malaysian Prime Minister Najib Razak joined Alibaba founder, Jack Ma, to unveil details about a Digital Free Trade

Zone in Malaysia. The initiative comprises both physical e-fulfilment and satellite services hubs as well as a virtual e-services platform, aiming to boost SME innovation and the trade of tangible and intangible products.

These are early steps in what will be a multi-decade journey to realise BRI's potential. China undoubtedly stands to benefit from this journey, but so do its Asian neighbours and trading partners further afield. As emerging markets continue to develop and become consumer-driven economies, their expanding middle classes will demand a greater choice of goods as well as services like healthcare, education and travel. We forecast that about three billion people in today's emerging markets will join the middle classes by 2030¹, a social change that will pull the centre of gravity of human consumption towards Asia.

Preparing for this growth, China has pledged to help Laos build a USD6 billion railway linking Vientiane to China's southern Yunnan province by 2020. Meanwhile a 7,000 kilometre Singapore-Kunming Rail Link is already taking shape, and Beijing has won the contract to build Indonesia's first high-speed rail link – a USD5.1 billion, 150 kilometre project connecting Jakarta to Bandung, Indonesia's third-largest city.

As well as promising to make the movement of people faster and cheaper, this infrastructure will help businesses too. Perishable foods, from New Zealand and Australian lamb to Filipino fruit, will be able to reach markets in Central Asia, Europe and the Middle East by land through China, potentially shaving precious time off their journey. Once China Electric Power Equipment and Technology completes a new grid in Egypt, 16 million Egyptian homes will have access to the reliable power they need to be part of the digital economy.

At the Belt and Road Forum it organised in May, the Chinese government has stated that it "will facilitate a number of major project and cooperation agreements" but that "China does not intend to monopolise all the benefits, or even take the lion's share of the benefits". The goal is to "work with partner countries to make the pie bigger and divide it equitably".

As a statement of intent, the BRI is ambitious and positive. It says that by boosting investment we can boost trade, because this in turn will boost GDP. Given the uncertainties we face today, leaders, policy makers and businesses should look at BRI with a 'glass half full view', and work collaboratively to ensure the full potential of BRI as a catalyst for growth and international cooperation is fully realised.

1 HSBC, Consumer in 2050 report

IN CONCLUSION

Shaping The Agenda For The World Trade Symposium 2018

By David Hennah, Head of Trade & Supply Chain Finance, Finastra



When the inaugural World Trade Symposium was launched in 2016, the agenda was constructed around the mission of the World Trade Board to improve people's lives by connecting trade, finance and technology. Taking these three themes at the core, it was a relatively easy task to construct an agenda comprising the three streams of (a) trade policy (b) trade finance and (c) "fintech".

This three-pronged approach, typically combining a 'TED' talk followed by a panel discussion followed by a series of interactive roundtables has proven to be a very popular formula, which was successfully repeated in 2017. This time the focus was on the roles of digitisation and globalisation in bringing about the transformation of trade. Hence, the three streams were labelled as follows:

- a. Intelligent trade: leveraging information and insight to facilitate the management and distribution of risk
- b. Sustainable trade: promoting ethical sourcing, protecting the environment and extending financial inclusion
- c. Integrated trade: A circular economy powered by the industrial internet and smart supply chains

As we look towards 2018 and the potential construct of the next World Trade Symposium, we find ourselves confronted by a number of challenges in the political world and regulatory compliance as well as rapidly evolving opportunities associated with the deployment of digital technology and open banking.

In the world of trade policy, the rhetoric has reached a disturbing climax, culminating in what is now being openly perceived as the 'weaponisation' of trade. Instead of being used as a benign tool for economic benefit we are more and more subjected to an aggressive political agenda in which trade is tied to foreign policy and protectionism. The warning signs are ominous and will continue to attract attention. Globalisation 2.0 demands that a fresh approach is taken to the negotiation of agreements, standards and protocols that are both fair and equitable to all.

In the world of trade finance, the shortfall towards the SME sector remains a major cause for concern. The World Trade Board is committed to supporting the work of the World SME Forum and others in closing the trade finance funding gap.

It is in the world of fintech that the most exciting developments can be found. Open banking is set to ignite fundamental changes in the trade finance landscape. Open architectures are designed to support collaboration with technology platforms, system integrators, government agencies and other third-party service providers. API-based open banking creates huge flexibility in how customers can interact with their financial services providers. By adopting an open architecture banks will obtain access to a new channel through which they can engage with the digital world. This is a transformational change enabling more efficient integration and better use of infrastructure.

While it is acknowledged that trade is a particularly difficult business to digitise the opportunity to translate documents to data and to transform business processing is huge. With digitisation comes the ability to extend connectivity across the trade ecosystem. This is of vital importance in the face of ever more complex corporate value chains and the fragmented technology landscape that persists across trade, supply chain finance and trade lending. Collaboration is key to overcoming the obstacles including the universal adoption of common rules and standards.

It is the mission of the World Trade Board, using the World Trade Symposium as its major forum for debate, to connect trade policy, trade finance and technology. The goal is to maximise the availability of trade finance by minimising the potentially negative impacts brought about by the unintended consequences of policy and regulation, while at the same time optimising the potential of new technology and the digitisation of trade.

It has been said that we are living in the golden age of trade yet the pot of gold that lies at the end of the golden rainbow can only be reached if we can be able and willing to overcome the barriers that stand in our way. There is no better time for the stakeholders in trade to unite under a common goal – to improve people's lives.

World Trade Symposium 2017 – Attendee list

Accenture	Citibank
Accuity	City Farm Systems
Aite Group	Commercial Bank of Dubai
Amber Road	Commerzbank AG
Amnesty International	Commonwealth Bank of Australia
ANZ	Container Management
ANZ Banking Group	Continental Trading Co.
Asian Development Bank	Council on Foreign Relations (CFR)
Awash International Bank S.C.	Council on International Policy
Baker & McKenzie	Creative Global Advisers
Bangkok Bank	Credits
Bank ABC	CrowdBureau
Bank of Cyprus	Crown Agents Bank
Bank of Tokyo Mitsubishi UFJ	CUTS International
Barclays Bank	DBRS Ratings
BCS Consulting	Department for International Development
BerBrand	Department of Health
Berne Union	Derby Records Management
Bibendum Wine	Deutsche Bank
Blockchain	Diagonal View
BMCE CAPITAL	Dints International
BNP Paribas	Dispark Ghana
Bond Asian Ventures	DMCC
Borderlex	DNB UK
Börsen-Zeitung	East and Partners
Bosch	Ebury
BP	Emirates NBD
BrandCap	Emmi
Britain Stronger In Europe	Entrepreneurship Development and Support Initiative
British Arab Commercial Bank	Equinox Global
British Red Cross	EssDOCS
BTL Group	Euler Hermes Aktiengesellschaft Federal Export Credit
Cancer Research UK	Guarantees
Celadon Capital	European Bank for Reconstruction (EBRD)
Chairman, Goldman Sachs' International Advisors	European Centre for International Political Economy (ECIPE)
China Daily	European Man-made Fibres Association (CIRFS)
Citi	Evaluate Group

EY	
Fairtrade	International Bank of Yemen
FDi Magazine	International Chamber of Commerce
Financial Times	International Chamber of Commerce (ICC)
Finbuzz	International Federation of Red Cross and Red Crescent Societies
Fine Treatment	International Finance Corporation (IFC) Financial Institutions
Fintonia Group	Group
Former Director-General, World Trade Organisation (WTO)	International Trade Centre (ITC)
FreshMinds	iPlato
FTSE Global Markets	JBS Global
GE UK & Ireland	JD Wetherspoon
Georgian Chamber of Commerce and Industry	JoJo Maman Bebe
GKB Ventures	JPMorgan Europe
Global Finance	KANTOX
Global Trade Review	KBZ Bank
Global Water Fund	Khalij Islamic
Greenlight Commerce	KPMG
GSCM	Kronenberg Foundation
Habib Bank AG Zurich	LEADing Practice
Halk Bank	Lloyds
Healthtronics	Lloyds Bank
Heathrow	Lloyds Banking Group
HITEC	LOPPEX
House of Commons	M Power Associates
HSBC	Mansion Central Brokers
HSBC Bank	Maple securities uk
IBS Journal	MarketInvoice
ICBC (London)	Mashreq Bank
ICON CORPORATE FINANCE	Médecins Sans Frontières
IDA	Misys
Idemitsu Petroleum UK	Mizuho Bank
IESA	Mobilium Global
Infocomm Development Authority of Singapore (IDA)	Movemeback
Innocent Drinks, Art Everywhere, Jamjar and The Reed Page	MUFG
Foundation	New Dynamic
Institute for Global Expansion	Nordea Bank
Institute of Directors	Norton Rose Fulbright

Ocado	Touch Surgery
Octet Express Odeme Kurulusu	Trade & Forfaiting Review (TFR)
OECD	TradeKey Co.
Omada Capital	TradeUP Capital Fund and Nextrade Group
One Nucleus	Traxpay
Opportunity Network	UK Export Finance
OPUS Advisory Services International; B20 Task Forces; ICC	UK Parliament
Banking Commission	UK Trade & Industry
Organisation for Economic Co-operation and Development (OECD)	UK Trade & Investment
Pepper Energy	United Bank
PetroChina International	University of South Africa
Property Partner	US Bank
Qatar NB	Wave
Redcliffe Capital	Wells Fargo Bank
Regeneron	World Bank Group
Sakae Holdings	World Economic Forum
Sankofa Corporation	World Trade Organisation
Santander	World Trade Organisation (WTO)
Santander Global Corporate Banking	World Trade Organization
Santander UK	Zenith Bank
SME Chamber of India	
Societe Generale	
Soleil Capitale	
Specsavers Optical Group	
Strategic Management Forum	
Sullivan and Worcester	
Swedbank	
SWIFT Corporate Advisory Group and ICC Banking Commission	
Takamol	
Team Leader, UN World Investment Report	
Tenzor	
The Fairtrade Foundation	
The Lecture Club	
TheCityUK	
Thomson Reuters Regulatory Intelligence	
Tierra Bonita Properties	
Tilda	

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