



WORLD TRADE SYMPOSIUM

2018 – LONDON

THE FUTURE OF TRADE IS OPEN EXECUTIVE REPORT

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Rt. Hon. Lord William Hague

“

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James Politi,
World Trade Editor, Financial Times

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Banks always talk about a client-centric approach. Three or four years ago, the whole discussion was centered on integrated platform providers only. That's changed: now we think about platform providers and third-party propositions are on the table. It's all about openness.”

Kaushalya Somasundaram,
MD, Head of Fintech Partnerships, HSBC

The Future of Trade is Open

The title of the third annual World Trade Symposium may seem paradoxical, even slightly incendiary, at a time when antithetical rhetoric – the “weaponization of trade”, “tariff wars”, “reverse globalization” – consumes column inches.

As protectionism increasingly challenges modern principles of free trade, promoting open trade values has become a priority. Let’s make it clear: the world will prosper through more trade, not less.



Our work at the World Trade Board is to facilitate global commerce and to promote the vision of an inclusive, prosperous trade ecosystem that benefits everyone.

We do it by encouraging collaboration, debate and new thinking that adds value to the global trade discussion. This year at the World Trade Symposium, co-organized by the Financial Times and Finastra, we did just that. It was the most dynamic, the most assertive, the most raucous symposium yet.

Over the course of two days, through a compelling program of frank dialogue, thought-provoking keynotes, and collaborative workshops, the World Trade Symposium 2018 focused on the current and future challenges of trade - and the opportunities to transform it.

Our contributors, an outstanding panel of world leading industry experts, authors, politicians, entrepreneurs, thought leaders and journalists, did not shy away from controversy or hard talk when addressing the latest challenges and opportunities in global trade - from tariff disputes and regulation, to the rise of populism and a growing spotlight on inclusion and sustainability. However, they all agreed on two things. First, the current world trade system does not offer a level playing field and needs reform. Secondly, technological innovation and adoption is integral to accelerating this much needed evolution.

Tomorrow’s weapons of trade may shift from tariffs and currency control, to accountability on meeting sustainability goals or the race to adopt new technologies and the underlying protocols that guide them. The harmonious deployment of the latest digital technologies can be a boon to global trade, supporting the return to growth and prosperity.

Amid the cacophony of today’s battleground, we urgently need to embrace the idea of open collaboration to chart a new course for equality and build the new rails for free trade.

Where peaceful trade between nations exists, war does not. As international trade continues to be used as a tool for political pugilism, never has the World Trade Board’s mission seemed more relevant.

Kind regards,

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

Simon Paris

CEO, **Finastra**

Chair, **World Trade Board**



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FOREWORD



The timing of the 2018 World Trade Symposium in London in early December could not have been more propitious.

A few days earlier, Donald Trump and Xi Jinping had sealed a truce in their trade war over a steak dinner in Buenos Aires, shortly after G20

leaders vowed to overhaul the rules of global commerce at a historic summit that I had the privilege of covering for the Financial Times. Markets were tanking amid fears that the ceasefire wouldn't hold. A senior Chinese technology executive was arrested in Canada on a US extradition request.

With the world's two largest economies locked in an unpredictable commercial and strategic confrontation, the stakes in analyzing trade policy have never been higher – at least in my career of nearly two decades in journalism. It is because of this nebulous, risky backdrop that events like the World Trade Symposium have such value – as opportunities to hear from top officials involved in policy-making in these crucial times, and business leaders who are trying to navigate the turmoil. Other fascinating perspectives were also on offer, from Robert Kaplan, the historian and foreign policy analyst, to Vivienne Ming on artificial intelligence.

The discussions were rich in substance and thought-provoking. On the very first panel were two representatives of the Trump administration defending the US's America-first approach to trade policy, at the WTO and elsewhere, and challenging the very notion that open trade among countries was necessarily a good thing.

The rebuttal, in a way, came from the audience itself, where it became apparent that even in this era of mounting protectionism, there is still a huge demand for greater, more seamless trade. Trade finance is becoming more sophisticated and developing new tools, while the producers of new technologies are seeking to sell their discoveries into new markets. There is a growing consciousness of the political backlash to open trade, but this is also spurring a recognition that commerce needs to be more inclusive and sustainable if it is to thrive into the future.

As we brace for another roller-coaster of a year in global trade, we can be sure that the next Symposium will mark, once more, an ideal venue to take stock of the risks, trends, and opportunities that are defining our era.

James Politi

World Trade Editor, Financial Times

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Trade finance is becoming more sophisticated and developing new tools.”



EXECUTIVE SUMMARY

THE FUTURE OF TRADE IS OPEN

A shifting landscape

At a time when the world's largest trading nations are becoming increasingly inward-looking, the third annual World Trade Symposium focused on three areas of 'openness': open markets, amid intensifying protectionist trade policy; open finance, or the drive towards fairer access to finance for all and more sustainable trade practices; and open architecture - how to harness digital technologies to reduce friction and increase collaboration in global trade and finance.

Reforming trade?

The 2018 Symposium kicked off with a very animated debate moderated by the FT's World Trade Editor James Politi, which asked if free trade is 'always a good thing'. Trumponomics, Brexit, calls for reverse globalization – are all of these symptomatic of a general malaise? Conducted within the existing rules, fair and inclusive trade for all has simply failed to materialize, and a growing number of individuals and businesses feel excluded from the current global trading system.



All over the world, the desire for change is greater than ever, resentment is brewing, and rivalries exacerbated.

Trading nations are engaged in a war of words, and tariffs are the arms du jour. "President Trump says WTO needs a shape-up and everyone else agrees," claimed Ambassador Dennis Shea, Deputy US Trade Representative and US Permanent Representative at the World Trade Organization (WTO). For Dr. Judy

Shelton, U.S. Executive Director, European Bank for Reconstruction and Development (EBRD), "the system we're currently operating is worse than a non-system, it's an anti-system. It's rigged in the favor of those who devalue their own currencies to get a trading advantage."

"Trade has become politicized," analyzed the acclaimed economist Rebecca Harding in a panel debate on the weaponization of trade and Globalization 3.0. For Robert D. Kaplan, this is business as usual. In a thought-provoking keynote speech, the bestselling author of 'The Return of Marco Polo's World' reminded the audience that the liberal world order is not a normal part of history. "We have entered a period of geo-political competition," he pointed out.



Sustainability: fairer trade for all

"There is a divergence of identity in terms of whether people feel they are prospering in the global economy," William Hague, former leader of the UK Conservative Party and former Foreign Secretary told the BBC's award-winning journalist Clive Myrie in a discussion opening day two of the Symposium, which centered on the role of post-Brexit Britain. "Trickle-down economics has

failed," argued economist Kate Raworth, author of the best-selling 'Doughnut Economics', in a passionate speech that focused on unlocking the financial incentives that reward sustainability. "Trade is not contradictory to environmental issues and population welfare, they go hand in hand and must be negotiated on a win-win basis," insisted Victor Do Prado, Director of Council and Trade Negotiations Committee at the WTO.

"We need a more systemic approach to trade," argued Arancha Gonzalez, in a fireside chat on open trade built on open platforms and SMEs. The executive director of the International Trade Centre (ITC) attributes dissatisfaction in many WTO trade members to a failure to support the huge transformation of the economy resulting from the Fourth Industrial Revolution. "International trade rules are lagging behind digitalization," she added.



Data disruption and the need for common standards

In her keynote speech on “Transformative technology for a sustainable future”, Microsoft’s President of US Regulated Industries, Toni Townes-Whitley, presented the case for a complex network of technologies including the Cloud, IoT, blockchain and artificial intelligence that, combined, could drive operational efficiencies and growth,

supporting more inclusive business models. If no participant doubted that technology breakthroughs can reshape trade and enhance inclusion, many expressed the need for greater transparency, data control and governance as disruptive technologies reinvent the way we transact.

During discussions, the word ‘interoperability’ was often mentioned. Amid a wide range of unilateral initiatives, participants all stressed the importance of establishing common standards for technology applications. In a speech on the need for a smarter network for universal trade and finance, theoretical neuroscientist and entrepreneur Dr. Vivienne Ming highlighted the importance for new systems to be flexible. “Don’t build something thinking it will stand in marble for two hundred years. Things will change in two years - and that’s okay.” During a debate on advancing open integration and digitalization in trade, there was disagreement on whether the much-flaunted benefits of blockchain or other distributed ledger technologies were the answer.

For all the discordant opinions at World Trade Symposium 2018, participants agreed that the wave of new technologies is an opportunity to make commerce more equitable, and that it remains a formidable tool for development and inclusion. As Finastra’s CEO Simon Paris summed it up: “we are united in our view that trade is good, and more trade is even better.”

“
International trade
rules are lagging
behind digitalization.”

OPEN MARKETS



WTO: is it reforming fast enough or are we at risk of losing it?”

Simon Paris, CEO, Finastra.



Brexit is the manifestation of what's happening globally. Mainstream politicians are struggling to cope with the way the world has changed. ”

The Rt. Hon the Lord Hague of Richmond.



Trade is not contradictory to environmental issues and population welfare, they go hand in hand and must be negotiated on a win-win basis.”

Victor Do Prado, Director of Council and TNC Division, World Trade Organization.

Is free trade always a good thing? The most ardent defenders of liberal trade policies will agree that current trade systems do not work for all, fomenting a political revolt even in the world's most stable, and richest, democracies. So how can we improve today's trade systems, and reform global approaches to policy making and trade agreements so trade benefits everyone?



WTO reforms high on the agenda

The mood has changed. “At the G20 summit, the commitment to fight protectionism was absent, for the first time in 10 years, replaced by a characterization of multilateral trading systems which we hadn't seen before,” remarked James Politi, World Trade Editor at the Financial Times. The future will be to move away from big packages to negotiate individual items, conceded

Karl Brauner, Deputy Director-General, World Trade Organization (WTO). Many of the organization's members, and, in the first place, the Trump administration, feel trade has not lived up to its goals and are calling for reforms. Monetary policy is under scrutiny.

“Trade must be fair to everyone and not just cater to the elite, powerful organizations and governments,” Dr. Judy Shelton, U.S. Executive Director, European Bank for Reconstruction and Development (EBRD) said. “If we're going to have an open global trading system, then you can't rig it in favor of nations who are willing to devalue. Stable currencies are the appropriate platform for free trade,” she added. “The US remains one of the most open economies for trade and investment in the world. Period,” assured Ambassador Dennis Shea, Deputy US Trade Representative and US Permanent Representative at the World Trade Organization (WTO). However, after the US spent years trying to have a dialogue with China on perceived unfair trade advantages and no changes happened on the ground, “Americans now feel they're getting hurt,” he said. “President Trump offered a different approach.”



The weaponization of trade

'Trumponomics' marks a dramatic shift in the trade discourse, as does Brexit in the UK. The populism sweeping across Western democracies is accompanied by the intensification of the negative rhetoric around trade for political purposes.

"The weaponization of trade is foremost a linguistic and political process," noted the economist Rebecca Harding, author of a book on the topic. Robert D. Kaplan

thinks we should not be alarmed by 'normal geopolitical competition' as it differs from the ideology-driven 20th century warfare that killed dozens of millions. "Trade is among the most populist of nationalistic emotions because it is viscerally tied to jobs, income, standards of living... so the politicians can manipulate trade in an era of geopolitical competition more than they would during a liberal world order," said the author of 'The Return of Marco Polo's World.' Trade tensions tend to arise in moments of shrinkage, he pointed out. "Technology has made the world smaller, more claustrophobic." Kaplan believes the outcome of the tariff war between the US and China will determine whether the future of trade is open or not.



Trade in a G-Zero world

As the world's largest trading nations become increasingly inward-looking, are we progressing towards a 'G-Zero' world in which no-one has the power or the will to drive the global agenda?

There are concerns the rise of China and its impact on ASEAN and beyond could drive divergence and disempower multilateral agencies. Trade conflict may also be a signal of the decline of

the US. "An American mercantile trade strategy, what I call 'zero-sum bilaterism' (...) is leading Europe and Asia to make their own deals," remarked Kaplan. Does the US-China rivalry leave a window of opportunity for Britain as it leaves the EU? "If Brexit actually goes ahead," The Rt. Hon Lord Hague of Richmond said, "the United Kingdom then has the opportunity to take a more radical approach to trade than the European Union could ever do. British politicians are committed to free trade."



Designing fairer trade models

Overall, politicians and the business world may have to be prepared to reform capitalism in its entirety as our system is not working for large numbers of people, he believes. Sustainability could become the guiding principle of new trade systems. "The trade war of 15 years' time might be coming from countries that are hitting all their environmental targets saying to those that aren't: 'We are not

going to buy anything from a country that hasn't met their climate change objectives'." We need to redefine what human prosperity means in the 21st century, says Kate Raworth, Economist and Author of the 'Doughnut Economics', a fervent advocate of the circular economy where resources are re-used.

"The key design principle to actually make this work is that these economies and these products have to be open and modular," she said. With open source design, she thinks we have the opportunity to switch from a centralized to a distributed economy model, with the accent on so-called 'cosmo-local production': FabLabs, makerspaces, even 'FabCities' equipped with digital tools across the world to recycle and build locally so that 'atoms stay, bytes travel.' "The future of production is open: the future of trade is dematerialized," concluded Raworth.



Are we thinking about the size of the prize? Are we really focused on SMEs”

Simon Paris, CEO, Finastra.



The impact of full digitization can bring 350 million new businesses to the market and open up \$23tn of new business.”

Gautam Sashittal, Chief Executive Officer, Dubai Multi Commodities Centre (DMCC).



SMEs are facing many challenges in the digital economy regarding different country governance around digital and new trade measures which are eating into their competitiveness.”

Arancha González, Executive Director, International Trade Centre (ITC).

To open trade to parts of the global business community previously unable to engage in international commerce, or indeed entrepreneurs in developed markets, ensuring finance availability is key. The World Trade Symposium 2018 focused on how traditional finance is doing with capital adequacy and how financial innovation and sustainable processes can create more equitable and far-reaching trade opportunities, notably for smaller businesses.

Digitalization: the SME opportunity

SMEs have firmly moved to the center of trade policy focus and have become a driver of the multiple platforms designed to facilitate trade and growth. Small businesses are the backbone of the global economy, representing over 90% of firms and over 70% of employment in most countries. SMEs generate 75% of global GDP but there are vast discrepancies in their competitiveness depending on their location. Expanding SME access to trade finance and supply chain financing in low income countries in particular is a priority, with the trade financing gap amongst SMEs estimated at 1.5-1.6 trillion US dollars. “We fail at inclusive growth at the base of the pyramid,” said Arancha González, Executive Director, International Trade Centre (ITC). Regulatory structures must be improved to ease the burden of capital adequacy and compliance.



Creating a business and regulatory ecosystem that allows SMEs to absorb technological change and embrace the Fourth Industrial Revolution is also crucial. “Digitalization can include sections of population that were out of the global economy, enhancing access to information, to finance, thus facilitating trade,” noted WTO Ambassador José Luis Cancela Gómez.

However, the barriers for SMEs to use digital technologies for internationalization remain high. Connectivity and inadequate infrastructure remain a challenge. About half of the world’s population – 3.9 billion people, 90% of them in the developing world – does not use the internet



Platformization: many benefits – but some caveats

Nevertheless, there is hope for SMEs in the shape of new players that can deliver alternative channels to finance, while digital platforms are opening up huge opportunities. Fueled by cost reductions in the storage and manipulation of data thanks to cloud technologies, online marketplaces can bring together producers, distributors, buyers and

service providers. This disruptive force can be harnessed for greater inclusion. “In developed countries, e-commerce tends to be done with other developed economies. In the online trade world, four out of five sellers are women, compared to one out of five offline.

This is a huge vector to connect the smallest businesses and women,” remarked Arancha González. Platforms are reshaping the ecosystem surrounding SMEs, enhancing connectivity and access to information, as well as finance and logistics. They allow cheaper access to new markets and customers abroad, new ways of obtaining finance and transactions through digital and secure payments. However, there is a risk that the platform economy leads to high levels of market concentration, making SMEs more vulnerable to abuses of market power by dominant players. Joakim Reiter, Vodafone’s Executive Committee Member and Group External Affairs Director, believes we need to address both access and the risks of fragmentation of the playing field to make trade and technology work together for SMEs. He thinks developing trade should go hand in hand with investment in education. Other concerns with the platformization process include international trade rules lagging digitalization, while “data protectionism” threatens to restrict trade.



Collaborative trade and sustainable supply chains

Creating a collaborative trade ecosystem and leveraging sustainability to promote economic growth and to tackle the United Nation’s Sustainable Development Goals was at the core of discussions. “Intra-Commonwealth trade will reach US\$700bIn by 2020,” stressed Rt. Hon Patricia Scotland QC, Secretary-General of the association of 53 countries,

representing a third of the world’s population. “We are clear about the benefits multilateralism brings and are trying hard to be more inclusive and open. Doing good is good for business,” she said.

Shona Tatchell presented the case for more transparent supply chains using innovation. “Halotrade is a trigger that enables finance so that, in turn, it helps sustainable supply chains to happen, using distributed, decentralized data. We use that data to generate sufficient cost-saving to give back to the consumer,” explained the CEO and Founder of the start-up. This implies data centers will need to take the risk upfront, pointed out Michael Vrontamitis, Head of Trade, Europe and Americas, at Standard Chartered Bank. While it will lead to lower returns in the short term, then sustainability can then be built into economic models, he argued. “Data is crucial,” said Iris van der Velden, Director of Learning and Innovation, at IDH The Sustainable Trade Initiative. “However, it’s sitting with different players who don’t speak the same language,” she said, hinting that for open finance to happen, interoperability is key.

International Trade Centre (ITC).

Viewpoint: Olabiyi Oladeji, President, Global Abundance Platform

“Our main mission is to help alleviate and possibly eradicate poverty using financial inclusion. We’re helping bank the underbanked. That’s 1.3 billion people in the world, 60% of them women. We focus on Nigeria where we are from, a country that’s also number one in the poverty charts. There are new emerging technologies we can use to offer loans and finance to farmers and other people. That is the main reason we are here at the World Trade Symposium.”

Viewpoint: Kevin Ibeh, Professor of Marketing and International Business and Pro Vice Master (International) at Birkbeck, University of London.

“The barriers to the digitalization of trade are both internal and external. Internally, there is the issue of internal capacity, the interoperability factor, a culture resistant to change and the investment required. SMEs struggle, so it’s about bridging that gap in financial provision as scaling up fast is key to success. Look at Amazon: it spent years not making a profit, had to scale up quickly to create economies of scale, and it became the world’s leading retailer. Digital disruption is taking place but with massive amounts of capital required for innovation. Externally, in terms of the ecosystem and policy framework, to what extent is the government of the day giving the right support or platform? We also need to invest massively in the right digital infrastructure, to bring down the barriers.”

OPEN ARCHITECTURE



Can we see the ecosystem as the edge? How do we transform sustainability, accountability, compliance? Who gets the dividend of digitalization?”

Toni Townes-Whitley, President,
US Regulated Industries, Microsoft.



Open architecture is this nexus of forces that combines to leverage digital technologies and open up fresh channels for communication, wealth creation and innovation.”

Simon Paris, Finastra’s CEO.



Blockchain is creating new opportunities for finance. We need to ensure the sector looks at interoperability as there is the potential for everybody to implement different blockchains, which will create silos...”

Dr. Alisa DiCaprio, Head of Research and
Global Trade Strategy, R3.

New business models have forced banks and businesses alike to review the way they operate, opening-up the competitive landscape. However, with openness comes greater scrutiny over privacy and security. Meanwhile, efforts to advance open integration and the adoption of new digital tools in trade finance and in digitalizing physical and financial supply chains is still hampered by fragmented practices. Creating a more open architecture is therefore dependent on finding new digital protocols and standards.



Transformative technology for a sustainable future

The world is witnessing unprecedented disruption. Every industry will be affected. This upheaval is not about new technologies per se but their transformative role, explained Toni Townes-Whitley. At WTS 2018 the President of US Regulated Industries at Microsoft presented the company's case for a 'new frontier of computing' which

uses the power of multiple edge computing technologies (Cloud, AI, blockchain and DLT, facial and voice recognition, etc.) to connect online and offline data: “the focus is less on innovative products than business models. The Intelligent Edge is about a set of devices (auto, phone, appliance etc.) and audiences (farmers, workers, soldiers etc.) whose experiences can be amplified or enabled by technology.” The ecosystem or supply chain needs to become more and more intelligent and collaborative. We also need to build sustainability into the innovations and systems we create. “The most impactful discussion happening at Microsoft is around the ethical and empathic framework for the design of the Edge,” Townes-Whitley revealed.



Digital islands of trade

What can the financial world learn from the technology sector about transparency, standards and barriers to innovation? Dr. Vivienne Ming, Founder and Chair of Socos Labs, entrepreneur and theoretical neuroscientist, shared her personal experience of interoperability in a different sector. When her son was diagnosed with diabetes, she hacked his medical

devices and redirected the data to her personal servers to then build an AI-based model to treat his disease.

"The frustrating point is the idea that data produced by my own son's body was not my legal property. I genuinely broke the law," she confessed. "Many companies hold valuable data in black boxes but do not know what to do with it." She says several banks have contacted her in recent years amid existential fears that opening up and sharing their data may expose them to new entrants disrupting the market.

She thinks the big change of paradigm in finance is not about opening data, developing cognitive technologies and other innovative technologies per se but understanding how it will have to better serve people's needs. "In the technology world's experience of creating interoperability, the overall beneficiaries of new standards are the people that are already in power. If the real promise of open banking is to reach people that haven't been reached before, that has to be an absolute commitment."



Blockchain: to be or not to be?

Ming thinks blockchain is "a terrible technology", preferring distributed trust networks or AI-based platforms. There are scalability, data privacy and compliance issues, as well as concerns everyone starts to implement different blockchains, which will create silos. However, the progress of Distributed Ledger Technology (DLT) in the trade finance space demonstrates that

while public blockchains do not provide answers to all of today's problems, private, decentralized trade networks do hold great potential to address transaction level security, privacy and ecosystem collaboration to increase the efficiency of trade finance today.

"We're figuring out what the legal structure is. There is no precedent," highlighted Dr. Alisa DiCaprio, Head of Research and Global Trade Strategy at R3. "We are at the stage where the technology works, so now it's about how you deploy it," she added. "We can be as cynical as we want about blockchain, but we should address the issue of standards," argued Vinay Mendonca, Head of Product and Propositions in Trade and Receivables Finance at HSBC.

The idea behind distributed ledgers is that can we have just one process so the data flows back and forth, pointed out Melanie Cutlan, Blockchain Practice Lead at Accenture. "We need a technology that enables tracking of the supply chain: is it blockchain, private or public? We'll see," Markus Ament, Chief Executive Officer and Co-Founder of Centrifuge, the open and decentralized operating system for the financial supply chain added. While DLT dominated the discussion, the issue was clear: the trade ecosystem needs to find the right way to pursue its journey to dematerialization.

In order to reduce massive inefficiencies, increase transparency and drive new revenue models for all the stakeholders involved in the value chain – the buyers, sellers, logistics companies, regulators, fintechs and banks – collaboration is the road to harmonization. Enrico Camerinelli, Senior Analyst at Aite Group offered perhaps the simplest, and most effective conclusion. "Investing in new technologies is already becoming obsolete: we need to change practices."

Viewpoint: Kaushalya Somasundaram, Managing Director, Head of Fintech Partnerships at HSBC.

"In terms of development and innovation, we need more collaboration amongst banking institutions. At the World Trade Board Level, we are also trying to expand the community beyond banks. For the right ecosystem, we need convergence beyond financial services. Trade cuts across everything – telecoms, shipping, transport etc. Don't underestimate its complexity.

In terms of interoperability, in our journey to more digitalization we need common standards. There can be different legislation, but we have the opportunity to make it work together, to find a basic stack. We need to be pragmatic: how are we going to get paper into electronic form? How can we leapfrog our GDPR world and the ability to pull data across jurisdictions? We're living in a world where 80-90% of the data we have has been generated over the over the past 2 years. Could we more cleverly look at new sets of data? Banks always talk about a client-centric approach. Three or four years ago, the whole discussion was centered on integrated platform providers only. That's changed: now we think about platform providers and third-party propositions are on the table. It's all about openness."

IN CONCLUSION

2019 is set to be a crucial year for international commerce amid tariff wars and continued protectionism. However, the World Trade Board's view is that global trade can be a formidable force for good with the potential to spur more inclusive global growth. To help accelerate the delivery of its vision of long-term prosperity through trade, the World Trade Board remains committed to overseeing three active Working Groups: the Sustainable Trade Action Group (STAG); SME Trade Inclusion; and Digitrade.

The dematerialization of trade to remove administrative blockages, especially in financial supply chains, is essential. The World Economic Forum (WEF) estimates that the costs of processing trade documents are as much as a fifth of those of shifting goods. "Digitalization in the trade finance sector will boost economic growth and sustainable development. Digitalization will make trade more inclusive," the International Chamber of Commerce (ICC)'s Secretary General John W.H. Denton said.

Launched with the Monetary Authority of Singapore and in consultation with the ICC, Digital Standards for Trade is an industry group set up by the World Trade Board's Digitrade Working Group. To create the new protocols that will underpin the future flows of trade and trade finance, upgraded standards that are fit for a digital age are critical. In addition, the Digitrade group is running pilots between banks to selectively apply eUCP rules to exchanging electronic letters of credit, with the objective of appreciating areas for improvement and consolidating business practices. The Blockchain subgroup has published a series of research studies for banks and corporates to raise awareness and support adoption.

Greater digitalization will pave the way for more sustainable supply chains. This is the main objective of the STAG Working Group. Its strategy is to leverage available knowledge in supply chain sustainability, and accelerate implementation through Supply Chain Collaboration, Education, Ethical Supplier Code of Practice and Traceability, among other initiatives and levers.

Trade inclusion remains a priority of the World Trade Board, particularly in relation to the SME financing gap, which is threatened further by the prospect of a downturn in China and a slowing global economy. The Trade Inclusion Working Group aims to improve access to trade finance for SMEs, the group will continue to drive awareness and promote the adherence to emerging international standards such as the Legal Entity Identifier. The group is currently preparing a pilot in East Africa, bringing together the objectives of all the working groups, focusing on micro-enterprises in the Coffee and Tea industries, driving sustainability and fairer value distribution at the producer level, and harnessing digital technologies and new standards to create innovative supply chain solutions. Its members have been deployed into three working streams to design, engage with local players, and fundraise for this pilot.

In an unstable and fast-changing world, this year, the World Trade Board and its ecosystem will again work relentlessly to steer the global trade agenda, driving improvements in people's lives by connecting trade, finance and technology.

For more information about the World Trade Board or the full agenda of the World Trade Symposium 2018, visit:

worldtradesymposium.com



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