



OPPORTUNITIES AND CHALLENGES OF THE DIGITAL SILK ROAD

MARCUS FROMM
SEPTEMBER 2021



**October 1996:
Demonstrating
aspiration and
confidence in
human ingenuity**



25 YEARS LATER

planned / under construction completed

INVESTMENT ACTIVITY BY CHINESE TECH GIANTS

NETWORK EQUIPMENT DEALS

SMART PROJECTS IMPLEMENTED BY CHINESE COMPANIES

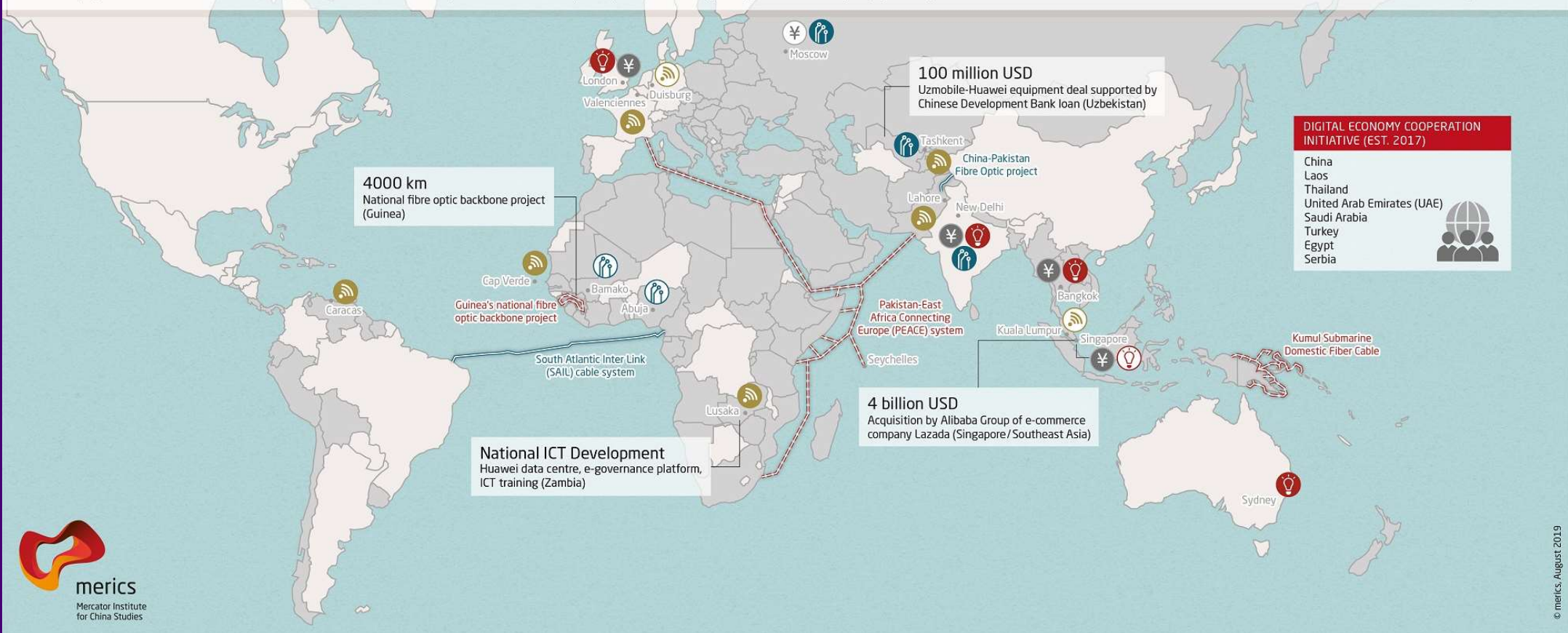
CHINESE RESEARCH AND DATA CENTRES

FIBRE OPTIC CABLES (COMPLETED)

FIBRE OPTIC CABLES (PLANNED/UNDER CONSTRUCTION)

BRI MEMORANDUM OF UNDERSTANDING SIGNED (ACCORDING TO OFFICIAL CHINESE DATA)

Selected projects from MERICS database. Criteria: financial volume, assessment of political and economic impact, representation of larger body of data and variety of project categories



THE VISION

A **logistics and commerce platform** powered by **blockchain** to facilitate international trade, streamline interactions among supply chain partners, improve visibility to shipment and trade information and reduce friction





THE CHALLENGE

INTERNATIONAL TRADE IS COMPLEX



Typical documentation issued:

- Sales contract and trade terms
- Commercial invoice
- Packing list

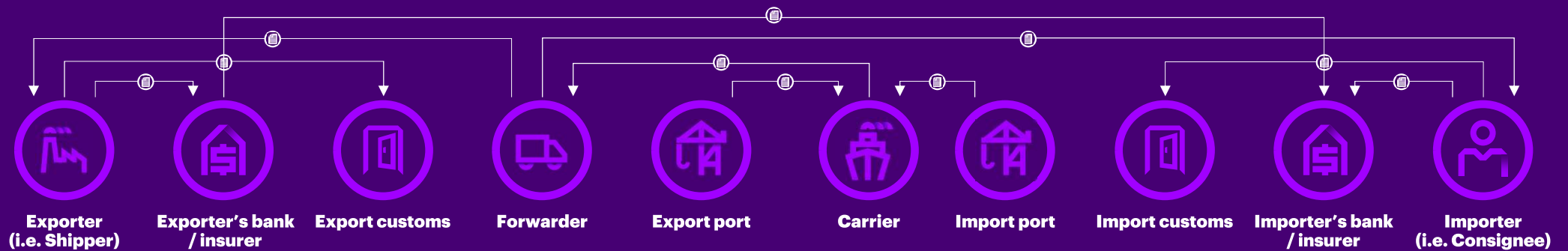
- Letter of Credit
- Insurance policy

- Certificate of Origin
- Custom value declaration
- Export licenses/cert.

- House B/L / HAWB
- Delivery note
- Shipment status

- Port declaration
- Manifest
- Shipment status

INTERNATIONAL TRADE IS COMPLEX



**The challenge lies
in managing
complexity and
connectivity of
international trade**



**NETWORK
BEHAVIOR**

INHERENT RISK

**INTELLECTUAL
LEADERSHIP**

NETWORK BEHAVIOR REQUIRES DATA EXCHANGE

UN/EDIFACT

United Nations rules for Electronic Data Interchange for Administration, Commerce and Transport



Created in 1987, UN/EDIFACT is a standardized language for data exchange, providing:

- a set of **syntax rules** to **structure** data
- **standard messages** which allow **multi-country** and **multi-industry** exchange
- an interactive **Electronic Data Interchange** protocol (i-EDI)



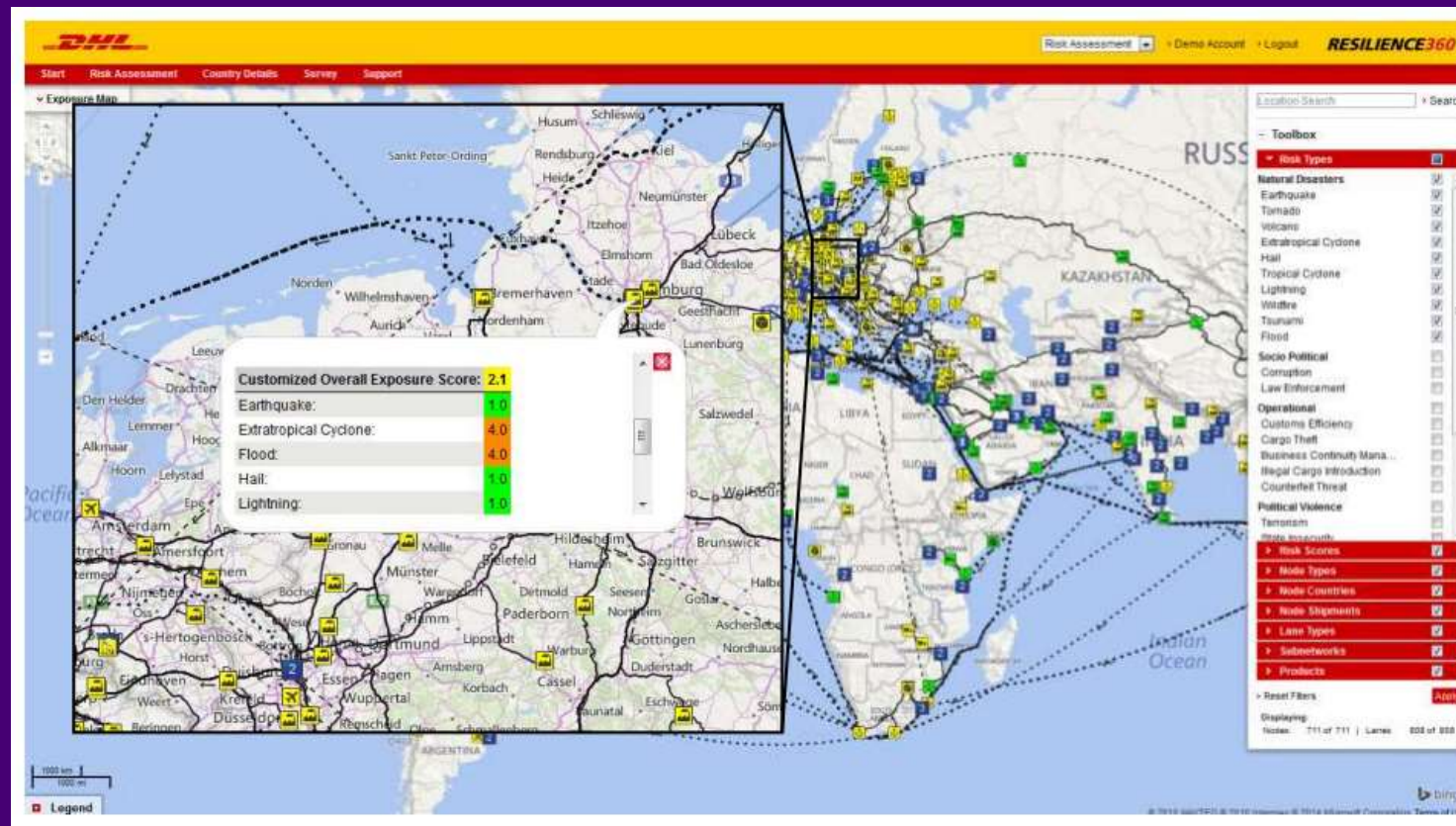
UN/EDIFACT is widely used in **international supply chains, transport and logistics**



UN/EDIFACT is used by **100,000 traders** in the **retail sector** alone



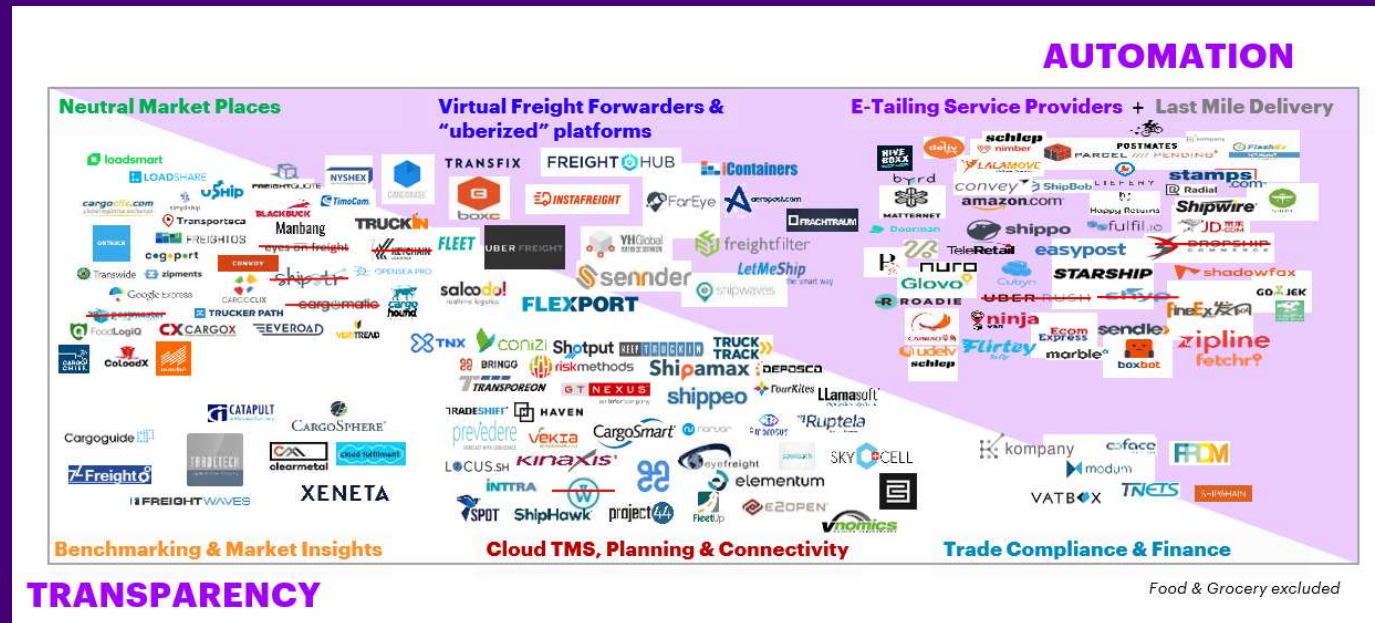
SUPPLY CHAINS NEED TRUSTED INFORMATION TO MITIGATE RISKS



INTELLECTUAL LEADERSHIP MEANS INNOVATION AT SCALE

Scale Example: Digital Yuan

Ecosystem Example: Western digital logistics startups



**The Digital Silk Road
can create
tremendous
benefits by serving
as an enabler for the
digital economy,
flow of trade,
capital, IP and data**

INNOVATIVE

INVIGORATED

INTERCONNECTED

INCLUSIVE

**THANK
YOU!**