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DIGITAL STANDARDS INITIATIVE

ICC is the institutional representative of **45m+ companies** in 100+ countries. Our mission is to make business work for everyone, every day, everywhere.


Oswald Kuyler
Managing Director, DSI
International Chamber of Commerce





Policy Actions for COVID-19 Economic Recovery

How digitization of trade leads to greater efficiencies to support economies in the post-pandemic world and improve resilience of the global economic system.

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- How digitization enables greater levels of efficiency for businesses
 - How digitisation enables businesses to become more effective
 - How digitisation enables resilience



PRODUCTIVE COMPETITION

Businesses are orientated towards delivering products and services at optimal margins in a sustainable, socially responsible manner.

INTERNAL ORGANISATION



Efficiency

Least amount of cost and friction to run my business.

Example: Hiring people, Procuring supplies, delivering goods, marketing products.



Effectiveness

Maximisation of the outcome of my processes. Hiring the BEST candidate, Paying the BEST price, Removing frictions from my delivery process.



Resilient

Enables operations through disruption. Connect my people to each other, Connect my people to my customers, connect my products to my customers.

HOW?

Standardised Processes, Data formats, Capabilities

Increased usages of Automation, Reporting and Analytics

Greater connectivity to the outside world

USE CASE DRIVEN INVESTMENTS

Commodities Example

1.8 trillion dollars of metals and minerals move across the planet every year. Hundreds of companies with thousands of people. One shipment could involve 30 organisations, 200 interactions, 100 people and 34 days. 30% processing documents. 150 billion dollars lost every year on paper-based processes.

UK SME Example

70% of SMES expressed they experienced issues because the time to get financing hindered their operations. Some further data points include: Working capital took on average 4.5 weeks to arrange, overdrafts 1 week, Currency accounts 3 weeks, LCs between 5 and 9 Weeks and receivables financing 5 weeks. Of all SMES surveyed 80 percent used bill of lading, 40 percent bills of exchange and 30 percent promissory notes.

Other Examples

Many other examples exist. ADB Trade Finance gap report highlighted that 20% of trade rejected for financing was not suitable for financing. 21% Needed more information that the SME didn't have and another 15% fell outside of the banks profit margin objectives.

Digitisation enables new business models to reduce the trade finance gap, reduce the VAT gap and reduce compliance effectiveness and cost.

OUR FOCUS FOR 2021



SITUATION TODAY

FINDING STANDARDS IS DIFFICULT

No single view of trade processes and standards.

OUTDATED REGULATION

Legal uncertainty regarding acceptance of digital trade documentation

PRIVATE LAW BARRIERS

Interoperability challenges in legal title management and liability frameworks

TRADE STANDARD ADOPTION GAPS

Limited clarity on foundational standards, limited activity to bridge standard gaps.

COSTLY TECHNICAL INTEGRATION

Limited standards to simplify blockchain and non blockchain based integration.

ICC CONTRIBUTION IN 2021

UNIFICATION OF STANDARDS

Release online platform bridging industry and standard setting organisations.

CHAMPION LEGISLATIVE REFORM

Release advocacy packs to enable industry led government partnerships to make the business case for change.

INTEROPERABLE RULEBOOKS

Draft digital terms and rules for title management and liability procedures.

GLOBAL TRADE STANDARDS HARMONISATION

Release two standard packages focusing on industry requirements. Focus on bill of lading for containers and dry bulk.

TECHNICAL STANDARDS

Advocate for the adoption of standards that enable distributed title management – and solve for singularity and control.

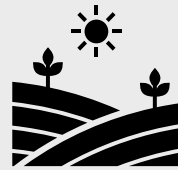
WHY IS 2021 THE YEAR TO PUSH FOR ADOPTION

IOIO
IOIO

Uptake in tech
utilisation



United in solving
the challenges



Achieving our
sustainability
objectives



Closing the Trade
Finance Gap



Closing the VAT
Gap



- ✓ We can enable businesses to benefit from the efficiency technology can bring
- ✓ We can enable businesses to become more effective
- ✓ We need to enable businesses to become more resilient