

Implementation of TradeLens in Sri Lanka using Blockchain Technology: A Case Study

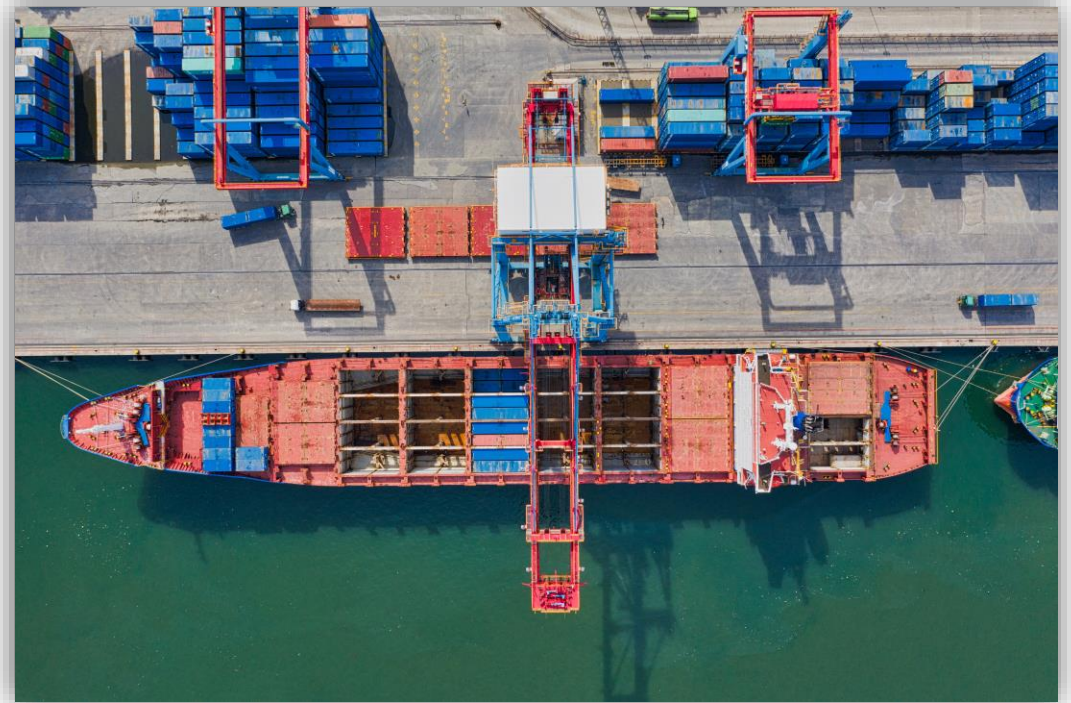
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Overview

- 1 Describe the TradeLens, a platform which uses blockchain technology and its implementation in Sri Lanka
- 2 Outline its benefits and compare it with the process in place
- 3 Highlight the challenges encountered in its implementation
- 4 Recommend policies and programmes to further promote the platform in Sri Lanka.



About TradeLens

- TradeLens leverages IBM **Blockchain** Platform, which is built on the open-source permission blockchain known as 'Hyperledger Fabric'
- TradeLens provides the benefits **of immutability, privacy, and traceability** of shipping papers using a permissioned blockchain.
- Overall objective of TradeLens is to digitalize global supply chain by:
 - connecting all parties in the global supply chain to a common platform;
 - sharing real time information;
 - fostering cross-organizational collaboration and trust;
 - promoting innovation
- TradeLens consists of three components: Ecosystem, Platform, Marketplace
- **Benefits:** streamlined process, increased security, reduction in paper wastage, access to a digital ecosystem

The TradeLens logo is displayed within a light gray rectangular box. The word "TRADELENS" is written in a dark, sans-serif, uppercase font. A small orange plus sign is positioned between the letters "D" and "E".

TRADE+LENS

Implementation of TradeLens in Sri Lanka

- Made **modest progress** since 2020
- Main partners in the ecosystem in the country are now connected or in the process of being connected to the platform
- **Terminal operators:** 3 terminal operators in the Port of Colombo are connected and in process of getting connected to the platform, respectively.
- **Carriers:** Major international shipping carriers that control the majority of Sri Lanka's containerized trade are now connected to TradeLens
- **Exporters:** major tea exporter was the first exporter in the country to complete Sri Lanka's first-ever digital Bill of Lading using the TradeLens platform. Other potential customers in discussion with TradeLens include conglomerates in the tea and apparel export industries
- **Banks:** one local pvt bank is now connected to the platform and there are ongoing discussions between TradeLens and another local pvt bank
- **Customs:** SLC is working with UNCTAD and GIZ as part of a pilot project, *Digitizing Global Maritime Trade*, to link with TradeLens to exchange trade data between the country's customs system and the shipping community , via the ASHYHUB connector.

Benefits of TradeLens

	Before Implementation	After Implementation
Streamlined process	Issuance, transfer, and surrender of the bill of lading process- manual, time-consuming and costly	Done at a "click of a button"
Increased security & transparency	Transferring bills of lading to consumers in other countries involve fraud, delay, and unanticipated costs	Digital documents are instantly accessible to all parties with blockchain security
Less paper wastage	Paper bills of lading require unnecessary and expensive printing and couriering.	Time and money required to print, and mail paper bills of lading and other shipping documents are reduced or eliminated
Fewer errors	Manually transferring bills of lading and other paperwork among different carriers can cause confusion and errors	No data duplication; TradeLens provides access to the same entered information on a single, secure platform
Visibility	Disjointed updates of shipment journey and poor data quality	Complete downstream container visibility, including at destination terminal in real-time, enabling companies to act fast and improve efficiency

Implementation Challenges

- 1 Linking to the ecosystem
- 2 Internal challenge to adoption of TradeLens
- 3 Resource allocation
- 4 Economic crisis in Sri Lanka
- 5 Acceptance of digital documents
- 6 Lack of understanding about the technology

Recommendations

- 1 **Leadership** and **commitment** to digitalization are essential for implementation of emerging technologies like blockchain.
- 2 Companies need to be **open** to innovation and learning.
- 3 Sri Lanka needs to **build the ecosystem** to optimize the usefulness of TradeLens platform.
- 4 Governments should **clarify** the acceptance of digital documents to facilitate trade.
- 5 Private sector needs to **work together** with the Government towards implementation of digital technologies



Any questions?



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