

# TradeTech

A pathway for businesses to  
seize trade opportunities

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## Foreword

International trade is on the cusp of technological transformation. The global pandemic and concurrent geopolitical and supply chain disruptions have highlighted the importance and transformative nature of digital technologies.

Technology is changing what and how goods and services are traded around the world. A crucial part of this is the digitalisation of trade procedures (or TradeTech), which plays a vital role in digitising the paper-based processes that govern international trade.

These innovations have the ability to transform the way we trade.

TradeTech has the potential to create efficient, resilient and flexible systems of operation. It can help businesses grow internationally, make supply chains more transparent and traceable, and manage risk efficiently and effectively. Yet understanding this fast-moving environment has been a challenge for many policymakers and businesses.

In this report, 'Trade Tech: A pathway for businesses to seize trade opportunities', we review some of the different types of TradeTech currently being developed, their potential benefits and the practical steps that businesses can take now to be ready to harness TradeTech's full potential. In doing so, businesses will future-proof their international trade operations.

As new digital solutions emerge, now is the time to think about how to adjust your business and leverage the benefits of TradeTech. The economic benefits of international trade are apparent and TradeTech can help make these more inclusive and widespread.



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# Introduction

## 1.1 What is TradeTech?

The World Economic Forum (WEF) defines TradeTech as a “set of technologies and innovations that enable global trade to be more efficient, inclusive and equitable”.<sup>1</sup> TradeTech can be as simple as digitising paper-based information or as complex as using distributed ledger technology (DLT) to enable transparent, end-to-end supply chains.

The technologies concerned vary greatly in their levels of development and adoption. Some are mature enough to roll out now, while others, such as the technologies being piloted through schemes like the UK's Ecosystem of Trust pilots, are still to be tested. However, long timeframes should not deter businesses from identifying opportunities to support their operations.

## 1.2 Why TradeTech matters

Global value chains are in the process of being reshaped as multiple disruptive forces have placed a greater emphasis on resilience, transparency and flexibility. In 2022, the value of global trade rose to a record \$US32trn.<sup>2</sup> Along with this growth in trade, businesses face additional risks, disruptions and a changing regulatory landscape, including rising volumes of supply chain and trade documentation.

The increasing interconnectivity and complexity of trade has not gone unnoticed by regulators. Governments are developing policies to expose and tackle modern slavery and forced labour, meet environmental, social and governance (ESG) and sustainability targets, and to strengthen export controls of critical technology and information.

For traders and businesses looking to comply with these new regulations, trade-related information is becoming increasingly complex.

Technology has had an impact on almost every aspect of business operations. Digital tools and solutions help navigate and address growing complexities when moving goods and services across borders. But the digitalisation of trade processes has been slow, owing to a combination of factors including: regulatory barriers, with many international trade processes still requiring paper-based forms; cost of uptake for individual companies; concerns over data security and privacy of commercially sensitive data; and lack of interoperability between systems.

Further, digital transformation impacts on multiple business functions. EY's 2021 'International Trade Capability' report found that 48% of businesses do not currently feel equipped to deal with changing digital regulations.

Previous Institute of Export & International Trade (IOE&IT) reports in 2021 and 2022 have found that while digitalising trade brings challenges, the opportunities that come with it are immense. Both business and government will benefit from increased efficiency and market opportunities, including lower costs of trade, economies of scale, supply chain transparency and resilience. The last few years have seen an explosion of interest in digitalising trade. New horizons for traders – in both goods and services – have been opened by what has only recently become possible.

<sup>1</sup> World Economic Forum, 2020

<sup>2</sup> UNCTAD, 2023

## 1.3 International cooperation

Adopting digital process and moving to paperless trade is not easy, involves a multitude of stakeholders and needs international interoperability.<sup>3</sup>

The development and utilisation of TradeTech is facilitated by international and domestic regulations and legal frameworks. This includes standards on how data can be structured, stored, shared and processed, or global requirements for customs procedures, trade finance and logistics providers.

This supporting regulatory architecture is still in an early stage of development but has progressed significantly in the last few years. Recognising trade-facilitating technology as a global opportunity, the international community has introduced initiatives to maintain momentum in the development of relevant structures. Setting out their Digital Trade Principles, the G7 countries have committed to support open digital markets and to counter digital protectionism.<sup>4</sup>

In its latest publication, the World Trade Organisation (WTO) and the WEF urged policymakers to keep pace with TradeTech developments to ensure their potential is realised.<sup>5</sup> The OECD goes one step further, shaping the use of specific technologies; its Principles on Artificial Intelligence is a framework for the trustworthy application of artificial intelligence (AI).

In the UK, the TradeTech landscape is broad, multifaceted and decentralised. An example of the practical changes taking place in the UK is the Electronic Trade Documents Bill, which is currently going through Parliament with the aim of modernising the requirement for paper-based processes, currently codified in the Bills of Lading Act 1855.

In order to assess the potential for trade digitalisation, we have developed an analytical model that breaks down opportunities into business use-cases and the underpinning technologies, together with the subsequent benefits that businesses are able to derive from the uptake of these. Section 2 explores the first of these, while the underpinning technologies are explored in Section 3. The benefits of TradeTech are explored further in Section 4. Section 5 considers the role of government and the steps needed from business are set out in Section 6.

**Long timeframes should not deter business leaders from identifying the opportunities TradeTech offers to support their operations**

<sup>3</sup> Institute of Export & International Trade, 2022

<sup>4</sup> HM Government, G7, 2022

<sup>5</sup> World Trade Organisation, 2022

## 2. TradeTech in practice

### 2.1 Trade finance

According to WEF, 80% of trade transactions rely on trade financing. Trade finance is a third party acting to remove the payment and supply risks between exporters and importers relating to cross-border goods movements. These third parties include banks or government bodies. As regulatory requirements have become more complex (such as anti-money laundering rules and sanctions), so too have the documentation requirements. Often agreements need hard-copy signatures.

TradeTech has the capacity to provide verified, real-time information to creditors, enabling faster assessment and validation of debtors' requests. As a fintech super-hub, the UK hosts a variety of tech companies complementing the syndication of trade finance operations.

#### CASE STUDY 1 ► Nu-Credits' trade finance marketplace

Nu-Credits is a London-based FinTech business, offering an online marketplace that matches small businesses with appropriate trade finance institutions.

Small businesses are more likely to face hurdles when trying to access working capital from traditional lenders. Due to the relatively high cost of underwriting, non-traditional lenders – such as regional banks, sovereign credit funds and family accounts – lack the infrastructure to service loans to small business. Nu-Credits' blockchain-powered platform seeks to connect firms with non-traditional lenders and will offer a tailored solution for each client. Nu-Credits cleanses and verifies the data entered by traders, providing lenders with access to the accurate and reliable information required to check applicants' creditworthiness.

### 2.2 Supply chain visibility and anti-fraud

The use of TradeTech to enhance supply chain visibility allows for the ability to track products and shipments while in transit. This allows businesses to improve inventory management and limit disruptions, while it allows shipping and logistics providers to improve customer service through more accurate status updates, thereby improving cost controls.

Using technologies such as internet-enabled devices across supply chains with logistics management processes is a way of providing real-time information on where shipments are and their condition.

Increased supply chain visibility can further reduce fraud by creating more certainty about a product's provenance and origin, reducing the risk of manipulation of financial and inventory records and by minimising the introduction of counterfeit products.

#### CASE STUDY 2 ► Exabler's platform for unifying shippers and service providers

Exabler is a software provider, based in London, which has developed global software that provides a centralised platform for supply chain actors.

Exabler works either as a standalone solution or via integration with other software to enable manufacturers, distributors, wholesalers and any business moving physical goods across the globe to link up and collaborate with forwarders, financiers or customs brokers. Importers and exporters can create and share trade documents, track the changing aspects of the trade process and communicate privately with providers, all via the centralised platform, which also allows for the creation of rapid and accurate trade and shipping documents.

### 2.3 Customs

Customs formalities have existed since Babylonian times. Most customs service providers still conduct business via email or telephone, and hard copies of documents are an integral part of relevant border clearance processes. Digitalisation provides a range of opportunities to drive the evolution of customs management. It can improve the efficiency of customs processes, for example through the digitisation of documents and signatures, process automation or system integration. Many global customs authorities try to harness these potential opportunities by establishing Single Trade Windows, which are digital platforms that allow traders to submit customs information through a centralised portal.

#### CASE STUDY 3 ► The PDMS automation portal

PDMS is a software house specialising in building bespoke software and online systems based in Scotland and the Isle of Man.

PDMS's TraderTap solution automates customs documentation by connecting customers' in-house enterprise resource planning (ERP) technologies with the UK government's Trader Support Service (TSS).

More generally, PDMS aims to implement technology to support and develop its clients' business processes, rather than adjusting business process to fit available technology solutions. PDMS works with companies of all sizes around the world and seeks to understand each company's individual business model, identifying suitable software solutions that align with their digital strategic goals.

### 2.4 Logistics

Logistics processes have faced an array of challenges over recent years, which have in turn caused the sector to rapidly adopt technological developments, making services more robust and efficient. Cloud-based systems, the internet of things (IoT), AI and blockchain technologies have unlocked an array of solutions to automate, digitalise and optimise processes including inventory management, warehouse storage, transportation, client and supply chain management.

## 2.5 E-commerce

The rapid growth of e-commerce in the trade of goods and services has increased the ability and willingness of companies and individuals to buy from beyond their home or neighbouring countries. Digital commerce exhibits only around half as much 'home bias' as 'traditional', pre-digital commerce.

Large e-commerce sites – including Alibaba, Amazon, eBay, Flipkart and Rakuten – have morphed into major marketplaces that host millions of micro, small and medium-sized enterprises (MSMEs) around the world, turning them into 'micro-multinational' exporters.

A recent report, written by the Social Market Foundation and supported by Amazon, anticipates that with further investment and support for UK MSMEs exporting via e-commerce, the UK could add £9.3bn and 152,000 additional full-time equivalent jobs to the economy.<sup>6</sup>

<sup>6</sup> Social Market Foundation, 2022

## 3. Technologies behind TradeTech

### 3.1 Electronification and digitalisation

Electronification and digitalisation of information is a common and simple way of integrating TradeTech into a business' operations.

The global pandemic forced governments, regulators, businesses and entire sectors to revise their approach. Electronification and digitalisation enable and facilitate the move away from paper-based documents to allow greater efficiency and transparency. This could include electronic import documentation to demonstrate compliance, sent from the exporting country's competent authority via email to the importing country's competent authority. Another example could be accepting e-invoices or letters of credit to validate trade finance application validations.

E-platforms and single web-based interfaces, such as Single Trade Windows, can be harnessed to submit regulatory documents and information to be accessed by and shared with different agencies. Electronification could also cover the integration of software solutions to increase the efficiency of processing information, such as optical character recognition<sup>7</sup>, or the introduction of electronic document approval to automate clearance processes.

But the mere digitalisation or electronification of data offers limited benefits. While a comparatively simple process, electronification and digitalisation face regulatory and technical challenges, including different levels of acceptance at a national government level. Legislation may require electronic transfer of documents to be accompanied by hard-copy certificates. The information uploaded is often stagnant, due to inflexible uploading mechanisms that prohibit the extraction and further use of information across different systems. Electronification or digitisation also doesn't address data entry errors and issues with quality of the data submitted.

### 3.2 Distributed Ledger Technology (DLT)

Distributed ledger technology (DLT) allows simultaneous and permissioned-level access, validation and record updating across a network of different entities or locations. It enables the secure functioning of a decentralised digital database using cryptography without requiring a central monitoring authority. DLT technologies help gather and reconcile information from different supply chain actors by offering a secure, shared database where information is transparent, validated and updated in real-time. Accurate, real-time information enables customs declarations and ships' manifests to be made available before goods arrive, facilitating prior-to-arrival authorisations and timely cargo removal. Overall labour input is also reduced, cutting turnaround times.

DLT further facilitates digital contracts when certain conditions are met. A range of initiatives harness DLT to optimise trade processes for users. For example, TradeTrust is a Singapore digital utility comprising "a set of globally accepted standards and frameworks that connects governments and businesses to a public block chain... [for] exchanges of electronic trade documents across platforms."<sup>8</sup> The initiative benefits traders, financiers and logistics providers.

<sup>7</sup> World Economic Forum, 2018

<sup>8</sup> TradeTrust, 2023



### CASE STUDY 4 ► eTEU

eTEU is a platform that seeks to fully digitise one of the most prevalent trade documents – the bill of lading.

Using blockchain technology, eTEU issues non-fungible tokens (NFTs) for each bill of lading, thus creating an immutable record and giving the record physical objectivity in the digital realm. eTEU wants to hide the complexity of using blockchain by creating an easy-to-use, web-based application that companies of all sizes, particularly MSMEs, can access with a simple login. Through shadow shipping case studies, eTEU has demonstrated that e-bills of lading are seven times cheaper and six times quicker than their paper-based equivalents.

### 3.3 Internet of Things (IoT)

The Internet of Things (IoT) describes objects with sensors, processing abilities and software that exchange data with other devices and systems over the internet. It reduces the need for central control and the risk of data tampering, but allows the tracking of various documents and the triggering of payments.

According to the WEF, the use of IoT technology in supply chains has the greatest potential to have an impact on global trade out of any of the known existing TradeTech solutions.<sup>9</sup> IoT solutions can support the effective processing of large amounts of real-time supply chain information. For example, 'digital seals' can track shipping container door openings and, in the case of perishable goods, monitor for temperature ranges. Used at ports, IoT technologies can improve container turnaround times, avoiding congestion or underutilisation, and increase port productivity.

### 3.4 Artificial Intelligence (AI)

AI has a role in mitigating money laundering and other risks, such as illegal or unethical supply chains. AI can also provide additional data to help with decision-making throughout all stages of a trade process. AI's role in trade facilitation could include collecting customs information for either targeted interventions around sanitary or phytosanitary (SPS) regulations or for ensuring duties are paid. AI can also gather information to feed into tailored services or product offerings that can be used for trade promotion activities.

AI-enabled smart robots can automate warehousing, packaging, and trailer and container offloading, helping reduce storage costs and accelerate distribution. Flexible, AI-supported warehousing and logistics platforms, such as those offered by UK-based company Trident, permit efficient matching of suppliers of unused warehouse space to demand.

AI-enabled customs and compliance solutions, such as those offered by Phlo Systems, which automate end-to-end customs and compliance requirements, replace manual paper-based operations and reduce data entry costs by around 80%.

<sup>9</sup> World Economic Forum, 2020



## 4. Harnessing the benefits of TradeTech

While the pandemic highlighted the urgent need for digitalising and applying technology to trade processes, the tangible productivity and efficiency gains that TradeTech can deliver for businesses is the primary driver for adoption. In addition to doing existing things better, TradeTech provides many opportunities that arise from the new activities, markets, and combinations of goods and services that are created and evolve alongside digitalised trade. It does this by providing richer and more secure data, increased transparency and by reducing risk.

Integrating TradeTech into the supply chain brings benefits for all parties involved in trade and ultimately leads to a more productive, efficient and profitable business ecosystem. By generating a range of information and datasets, TradeTech can also improve non-trade-related aspects of business, such as customer experience and service offerings.

### The benefits for businesses of TradeTech

#### 1. Reduced cost and increased speed

- ▶ The WTO estimates savings of 6% of total trade costs by eliminating inefficient customs procedures. TradeTech can help to improve efficiency of custom processes by reducing duplication and multiple form entry (through a single platform), and speeding up clearances (through more targeted intervention).
- ▶ Better information and data means more accurate transfer of information and faster payments (with smart contracts).
- ▶ TradeTech enables firms to bring products to a larger, digitally-connected global consumer base. Enhanced speed and greater ease of coordination of supply chains enable a faster pace of trade, realising further economies of scale.

#### 2. Improved resilience

- ▶ With IoT and digital platforms, individuals involved in the trade process will be able to track information updates and product movement, offering more reliability and resilience for businesses. This can include redirecting shipments at the last minute and qualifying for import requirements while the product is in transit.
- ▶ Additional transparency provides end users with better foresight of potential disruptions at an earlier stage, in order to manage complex geopolitical and natural disasters.

#### 3. Better risk management

- ▶ The digitisation of trade will bring additional benefits for preventing fraud and crime.
- ▶ Lending and insuring could become less risky for banks and insurance providers, driving down costs and benefitting the whole trade community, especially SMEs. For instance, AI could make it possible to auto-detect fraud patterns and avert trade-based money laundering.
- ▶ The standardisation of e-invoicing enhances transaction efficiency, permitting cost reduction and minimising the likelihood of document fraud.
- ▶ Additional traceability will help detect and eliminate counterfeiting goods, particularly in the most vulnerable sectors for fraud, such as pharmaceuticals or luxury items.
- ▶ Distributed ledger technology (DLT) could help mitigate documentation errors and track compliance with supply chain-related regulation.

#### 4. Enhanced sustainability

- ▶ TradeTech can contribute to countries' net zero and sustainability goals. Digitisation of documents reduces the number of hard copies required and the delivery of those to corresponding recipients. Integrated certification can help adhere to environmental standards, such as the enforcement of sustainable fishing standards.
- ▶ Relevant information generated will facilitate the reporting and measuring of carbon emissions and help firms to evaluate and revise their supply chains. This will make it easier to meet the requirements associated with incoming carbon border taxes in some jurisdictions (such as the EU's Carbon Border Adjustment Mechanism).

#### 5. Improved inclusivity

- ▶ MSMEs often face hurdles when accessing trade finance, preventing them from expanding globally. On occasions, trade finance may not be available at all, or the process and cost may be prohibitive. Digitalising trade and associated infrastructure reduces transaction times and cost, while creating more transparent systems for lenders and borrowers. ICC estimates that the UK's commitment to legalise digital trade documents could lead to \$US25bn in growth.<sup>10</sup>
- ▶ Digital trade further stands to benefit less developed economies, which have the opportunity to 'leapfrog' those dependent on legacy trade infrastructure. Developed nations can now learn from the developing world, where moves to mobile-facilitated trade documentation are taking place. In many developing countries across Africa, Asia and South America mobile networks have been a boon for areas historically hampered by poor infrastructure.
- ▶ The proliferation of internet-connected mobile devices has given rise to mobile-first design in which web designers start product design for mobile devices first. Numerous TradeTech tools have been created as mobile-first, including mobile based micro financing platforms.

<sup>10</sup> International Chamber of Commerce, 2021



## 5. The role of government

As businesses embark on their trade digitalisation journey, they need to be aware that in addition to the fast-changing number of new entrants into the TradeTech marketplace, the regulatory frameworks that govern TradeTech globally and nationally are going through a transformative period.

Regulatory coherence and interoperability are key to fostering an open, efficient and free-flowing regulatory environment, while maintaining security and privacy of commercially sensitive data. To achieve a trusted TradeTech ecosystem, we need collective international momentum and governance to encourage reform. Global leadership, such as the G7 initiatives on digital trade cooperation and digital trade principles, as well as the WTO's Joint Initiative on E-Commerce and Trade Facilitation Agreement, have positioned TradeTech as a key instrument to transforming international trade.

Similarly, standards development by international organisations is an important step in standardising processes and design frameworks to allow interoperability of systems across jurisdictions and to uphold principles that build trust between users and data sharers.

These include the World Customs Organization's data-sharing standards and data-collection methodology, the Electronic Data Interchange for Administration, Commerce and Transport for system interoperability standards, and ISO standards. The UN Centre for Trade Facilitation and Electronic Business (UN/CEFACT) is responsible for improving global coordination of trade facilitation recommendations and electronic business standards.

### Avoiding fragmentation

A requisite feature to harness the full benefits of TradeTech is that its implementation must be open source and interoperable. International trade is ubiquitous and in order to avoid fragmentation and complexity, governments must act to codify openness and interoperability across the globe.

The ICC Centre for Digital Trade and Innovation, a partnership between the UK government and industry, attempts to address this by implementing its Digital Standards Initiative framework (including interoperability of digital standards and legal systems). The framework aims to connect the patchwork of platforms and systems across private sector and government to enable information flow.

### Supporting development objectives

Another challenge for TradeTech uptake, and a consideration for inclusivity, is the cost and supporting infrastructure for TradeTech. TradeTech is being embraced mainly by large businesses but to support true inclusivity and growth, uptake needs to involve as many participants from as many countries as possible.

Capacity building and funding is important in developing economies. Evidence from Asia shows there has been significant progress and uptake of trade digitalisation because of this. Indeed, the UN estimates the benefits of the WTO's Trade Facilitation Agreement in the ASEAN region are tripled when coupled with the seamless electronic exchange of trade data and documents across borders.<sup>11</sup>

Even for developed countries, some technologies remain unaffordable for most businesses. Businesses must also overcome the 'Xth mover advantage' issue whereby first adopters don't accrue the benefits of TradeTech as the real savings come when a substantial portion of the supply chain has later adopted it, and late adopters can also avoid some or all of the challenges faced by the first movers.

With enough momentum and awareness of TradeTech – with appropriate government support – reaching a critical mass for TradeTech adoption will make these technologies more affordable, accessible and useful for business operations.

#### CASE STUDY 5 ► Seamless Source's fashion platform

Seamless Source is a Nottingham-based start-up. Its sourcing platform enables fashion brands to easily connect with clothing manufacturers and manage their orders through one platform.

Seamless Source sets out to tackle three related challenges in the fashion industry: ethical and sustainable sourcing of materials, manufacturers and suppliers; digitally connected and efficient supply chain management; and transparency of tier two and three supply chain actors.

It has created a platform and mobile app to provide a fully integrated digital solution. Customers can submit an inquiry for a fashion collection and track their order from concept to delivery.

Suppliers are audited to ensure sustainability standard compliance and are provided with insights into the supply chain and relevant critical activities to ensure dependencies are met and products are delivered on time. The platform can also be utilised as a communication and data sharing tool between customers and to suppliers. Seamless Source uses technologies such as blockchain for verification activities and geo-tagging of products to ensure provenance and authenticity.

<sup>11</sup> ASEAN, 2022

## 6. Preparing for the digitalisation of trade

### 1 Monitoring the ever-evolving landscape

The development of TradeTech is advancing rapidly. To remain abreast of the latest opportunities arising, businesses should adopt a mindset that faces the challenges head-on, continuously seeking to monitor technological innovation, new laws and regulation, as well as the most recent industry trends.

### 2 Integrating TradeTech into digital technology strategy

As countries develop their national digital strategies, companies should also identify opportunities and develop a forward-looking, long-term strategy – including board-level priorities – on how digital technology can be integrated into business operations. This should be done by identifying where there is capacity for expansion and automation, as well as what types of technologies could be introduced.

### 3 Future-proofing new system and processes

When designing current systems, companies should consider how digital processes and TradeTech can be integrated (when ready) to minimise re-design or replacement in the medium term. Not only is this a cost-saving measure, but it also reduces complexity from switching further down the line.

This also includes having policies in place that are important for safe, reliable TradeTech functions - for example, having privacy and data retention policies, including considerations of overseas territories' requirements.

### 4 Investing and building capacity

Future-proofing processes also includes investing and building capacity both in infrastructure and staffing. By identifying and prioritising areas where digitalisation can occur, purchasing appropriate technologies (at the right time) will create the supporting infrastructure needed.

Similarly, TradeTech enhances and supplements international trade jobs. While eliminating the need for a range of professions, workforce size will not necessarily shrink. Rather it will result in a restructure and upskilling of the workforce to more high-skilled, strategic work delivering more valuable contributions. Businesses should assess their skills gaps early and identify learning and development opportunities, enabling them to maximise the opportunities of trade digitalisation.

**As countries develop national digital strategies, companies should also identify a long-term strategy for integrating technology into operations**

### 5 Engaging with upstream and downstream partners

Full participation of the supply chain is needed for the benefits of TradeTech to reach maximum potential. This means that businesses and participants in other parts of the supply chain need to consider opportunities for TradeTech in their own operations and identify synergies and linkages to their business. This could include proactive engagement with partners or joining trade bodies and groups of companies with aligned interests to exchange information.

### 6 Engaging with government

The private sector is a leader in integrating TradeTech into its business operations, but success depends on all trade players' participation, which is currently hindered by high costs and national and international policy environments. TradeTech also delivers benefits to the broader national economy and many government regulatory agencies are users of TradeTech. Accordingly, bringing government alongside business is crucial.

#### ► Encourage partnerships

In many Asian countries where digital trade processes are advanced and successful, the involvement of government has been a recurring characteristic. Governments may be active participants or passive funders and investors for TradeTech, but their engagement allows for developing the right governance structures domestically that support TradeTech functionality. This can also involve partnerships to support initiatives such as the ICC's Centre for Digital Trade.



► **On national policy and legislation development**

Some countries, including the UK - through its introduction of the Electronic Trade Documentation Bill - are reforming legislation to facilitate the digitalisation of trade. Similarly, engagement with government on national policy development will ensure policies such as privacy or localisation requirements do not become non-tariff trade barriers.

► **Interacting with other countries**

While international cooperation on TradeTech is in its early stages, there is significant momentum to agree appropriate governance of digital trade. As representatives at international level, governments are important advocates and developers of governance structures that will facilitate open, safe, reliable and inclusive TradeTech that works for its users in the trade community.

The impetus for international cooperation is increasing given the need to coordinate electronically across borders. National governments should codify mutual recognition of standards, licenses and qualifications, while striving for internationally compatible regulatory systems, protocols and governance, including recognition of electronic documents, to enable frictionless cross-border trade.

The WTO and United Nations provide capacity building for developing countries either through funding or training that paves the way for a more inclusive and global system. While multilateral approaches can be slow, digital trade provisions (as is the case in the recent UK-Australia Free Trade Agreement and the UK-Japan Comprehensive Economic Partnership Agreement) or digital agreements (like the UK-Singapore Digital Economy Agreement and the UK-Ukraine Digital Trade Agreement) create the reliable, safe environment for digital trade exchange at government-to-government level and often are a step to help overcome regulatory challenges.

## Tips from business leaders

For businesses considering introducing TradeTech solutions into their business processes, the TradeTech community suggests assessing and improving existing workstreams within relevant operational areas. Consider a step-by-step approach to adopt and harness TradeTech.

**"Focus on good operational effectiveness within your organisation before looking into specific technologies."**

**Chris Woodington**, co-founder and head of product & technology, Exabler

**"Have a partnership mindset. Open data benefits everyone and prevents fraud and scamming by customers in ways that might happen if data were closed."**

**Kenneth Ma**, co-founder & CEO, Nu-Credits

**"First examine business processes and use cases, then implement data and information standards. The technology will follow later."**

**Chris Gledhill**, CEO, PDMS

**"Understand the hidden challenges and obstacles of TradeTech. Speak to all relevant business departments before implementation."**

**Eduard Oboimov**, CEO, eTEU

**"Start small and digitalise the simplest or niche processes then expand from there. TradeTech is the next revolution in international trade. Let's work to revolutionise the industry and thus make a change for the world."**

**Chathura Sudharshan**, founder & CEO, Seamless Source



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