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## **Blockchain and Trade: Not a Fix for Brexit, but Could Revolutionise Global Value Chains (If Governments Let It)**

*by Nicolas Botton, Research Assistant at the European Centre for International Political Economy (ECIPE)*

**Brussels, Belgium, 10th January 2018** - One of the most tone-deaf suggestions in the Brexit proceedings so far came in August 2017, when the UK Brexit team released a long-awaited position paper setting out its proposal on how to manage its border with Ireland. It suggested that “technology-based solutions” – meaning blockchain, the technology behind cryptocurrencies such as Bitcoin – could be implemented to “make it easier to comply with customs procedures.

Although blockchain technology has now been around for ten years, it has not seen any meaningful implementation in global supply-chains, let alone within customs offices. Indeed, a “seamless and frictionless” border in compliance with fundamental customs procedures – itself a unicorn – cannot simply be coded into existence on its own by the UK.

Brexit’s customs predicaments simply cannot be wished away via blockchain, but its use could reduce revolutionise trade. While blockchain is not a technology that could replace a border, it could cut costs and streamline procedures of an already well-managed one, to the point of making them virtually “frictionless” – but not without unforeseeable risks and costs. Hence the progress has been slow and major success stories are yet to be seen, despite promising ideas for uses in banking and the tech industry.

In this paper, Nicolas Botton explains what Blockchain can (and cannot) do for trade. He offers six reasons why the Blockchain revolution isn’t happening any time soon for Brexit – and what the world should anticipate from this mythical technology.

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Media Contact: ECIPE, [info@ecipe.org](mailto:info@ecipe.org)