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TURNING POINT

THE SHIPPING OPPORTUNITY

Paper documents are easy to forge, frequently lost, and add days to every shipment. Yet they still keep the \$25 trillion global cargo trade afloat, with four billion pieces of paper documentation estimated to be in circulation at any one time.



ADDRESSING A PARADOX

For Global Shipping Business Network (GSBN), paperless trade is more than an opportunity to modernize analog processes. Crucially, it will enable data to flow more seamlessly across the dozens of intermediaries involved in a single shipment.

LEARNING EARLY LESSONS

With most of the world locked down and looking for digital solutions, timing was in GSBN's favor when it finally opened for business in early 2021.

That same year, GSBN launched its first blockchain-enabled, paperless solution: Cargo Release, which reduces the time for cargo to be released from days to hours.

While Cargo Release rapidly attracted over 10,000 customers globally, it was difficult to scale because of variations in terminal operations. "What's important in Shanghai, for instance, is completely immaterial in Rotterdam," notes Chen.

BUILDING THE FUTURE

Another crucial step after building trusted tools to exchange data is finding out where that data could lead: sharing carbon footprint data to enable the shipping industry to decarbonize, or sharing information pertaining to dangerous goods.

STAYING THE COURSE

But getting the world's first independent, blockchain-based shipping consortium off the ground was challenging. At the time of inception in 2018, 13 shipping lines and terminal operators with a significant share of global trade had committed to setting up GSBN. Upon incorporation three years later, only eight remained.

In hindsight, Bertrand Chen, chief executive officer of GSBN, considers the drop-off a blessing in disguise, leaving only those with a high degree of confidence and patient capital. "Not everybody needs to see the vision – you don't need everyone to agree with you to start something," says Chen.

WORKING TOWARD ONE MILLION

For a consortium which "always has a couple of ideas brewing," electronic Bill of Lading (eBL) became the way forward.

Despite major doubts when a close competitor folded in 2022, GSBN pushed through. The catalyst for eBL came the following year, through global policy support and industry momentum.

"For us to get to the next level of one million and beyond, eBL needs to go further than just the shipping industry. Working with HSBC has been great in understanding how we can rewrite trade finance, and how they're thinking about the next model," says Chen.

Business is rarely a straight line.

