

IBM Launches Blockchain Initiative with Dubai Government Agencies and Enterprises on IBM Cloud

- IBM collaborates with eight organizations across three countries to explore the use of blockchain to track the import and export of goods in Dubai.

DUBAI, United Arab Emirates and ARMONK, N.Y., Feb. 7, 2017 /PRNewswire/ -- IBM (NYSE:[IBM](#)) today announced a blockchain initiative with Dubai Customs, Dubai Trade, advancing Dubai's government blockchain strategy. As part of the initiative, IBM is also working with leading businesses including Emirates NBD, du, Aramex, and Banco Santander.

IBM is collaborating with [Dubai Customs](#), [Dubai Trade](#) and its IT provider DUTECH, to explore the use of blockchain for a trade finance and logistics solution for the import and re-export process of goods in and out of Dubai. Using [Hyperledger Fabric](#) and [IBM Cloud](#), the blockchain solution transmits shipment data allowing key stakeholders to receive real-time information about the state of goods and the status of the shipment. Taking the example of a shipment of fruit, stakeholders involved in the process will receive timely updates as the fruit is exported from India to Dubai by sea, and then manufactured into juice in Dubai, and then exported as juice from Dubai to Spain by air.

Additionally, as part of the solution, IBM is also working with [du](#), a UAE-based telecommunications service provider that is conveying data from internet of things (IoT); [Emirates NBD Bank](#), the letter of credit issuing bank; [Banco Santander](#), the letter of credit responding bank; [Aramex](#), the freight forwarder; and a leading Airline, as the airway carrier.

This trade finance and logistics blockchain-based solution aims to replace paper-based contracts with smart contracts; leverages Watson IoT for device-reported data to update or validate smart contracts; and integrates all the key trade process stakeholders from the ordering stage, in which the importer obtains a letter of credit from their bank, through the intermediary stages of freight and shipping, and ending with customs and payment.

In February 2016, the Dubai government declared its interest to position itself as a blockchain hub and embrace the technology. As part of this declaration, the Dubai Museum of the Future Foundation established the 'Global Blockchain Council' in which IBM is a member. Further, Dubai plans to execute all its transactions on a blockchain by 2020, as a part of its "Dubai Blockchain Strategy."

"The bank has always had a culture of innovation and several of the bank's most successful products and features can be attributed to this forward-thinking mindset," said Ali Sajwani, Group Chief Information Officer, Emirates NBD Group. "We are excited to participate in the ecosystem on streamlining the trade finance process using the futuristic Blockchain technology, which has the potential of transforming the way we conduct business between heterogeneous entities."

"IBM believes that blockchain will do for transactions what the internet did for information. Dubai is at the forefront of adopting this transformative technology as government agencies and businesses realize the need to have a shared secured ledger that establishes accountability and transparency while streamlining business processes," said Amr Refaat, General Manager, IBM Middle East and Pakistan. "Our collaboration today with leading Dubai organizations across different sectors in trade finance and transportation will showcase how blockchain will revolutionize the way businesses interact with one another and with their customers and suppliers."

A recent blockchain study, [Building Trust in Governments](#), by the IBM Institute for Business Value (IBV), found that several governmental organizations are embracing blockchain technology to promote more extensive collaboration. Nine out of 10 governmental organizations plan to invest in blockchain for use in financial transaction management, asset management, contract management and regulatory compliance by 2018. And seven out of 10 government executives predict blockchain will significantly disrupt the area of contract management, which is often at the intersection of the public and private sector.

In the Middle East and Africa, nine out of 10 government executives surveyed see contract management as the greatest potential new business model. By using blockchains for contract management, issues such as the failure of any party to meet a deadline or complete a task, for example, could be more immediately visible. Transparency derived from contract management on blockchains could improve performance management. Governments will be able to use blockchains to explore new business models for providing services to citizens beyond the limits of current technology. These models can be used to improve the efficiencies of current services, while expanding the ability to provide new services.

IBM is rapidly expanding its blockchain capabilities and actively working with companies to understand what it takes to make blockchain ready for business. Financial services, supply chains, IoT, risk management, digital rights management and [healthcare](#) are some of the areas that are poised for dramatic change using blockchain networks.

For more information, visit: www.ibm.com/blockchain.

Source: *Building Trust in Governments*, the IBM Institute for Business Value (IBV) in conjunction with the Economist Intelligence Unit, surveyed 200 government leaders in 16 countries about their experiences and expectations with blockchains. Of the government leaders surveyed, five percent were from Saudi Arabia; five percent were from United Arab Emirates; and five percent were from South Africa. Combined, these government executives represent Middle East and Africa.

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