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Blockchain is a disruptive technology defined as a digital ledger that helps to reduce the cost and complexity of data transactions, increasing the reliability of the information systems that enable all aspects of everyday business and daily life.

Blockchain applications range from banking, currency transaction certification (cryptocurrencies), and luxury item and work of art identity protection, which some companies have already adopted, to stock market alignment and simplification, as in the case of the NASDAQ Index, which uses blockchain algorithms to record private companies' transactions.

Blockchain use is growing so much that the estimation is such that, by 2025, 10% of the world's GDP will be stored by means of Blockchain applications, as the use of this technology in financial services has diversified.

Mexico has been exploring proven-solution applications of the technology, especially for validating FinTech (financial technology) transactions; however, it is still to exploit opportunities related to identity verification and smart contract services. It should be noted that Blockchain main current application is in cryptocurrencies, growing from an average of 100,000 US Dollars per-day transactions at the beginning of 2017 to 2 million by May of the same year.

It should also be noted that Mexico has recently passed the FinTech Act which, among other goals, defines the operational framework for financial technology companies in Mexico. One of the Act's main features is the concept of regulatory sandbox; that is, granting businesses temporary authorizations to try out business models not currently regulated under the framework in order to foster innovation.

Besides finance, Blockchain applications enable us to envision unlimited opportunities, as its verifying, auditing, and fiduciary capabilities could be applied to all sorts of processes and all types of industries.

## SOME EXAMPLES OF THESE APPLICATIONS ARE:

**Collaborative platforms.** Shareable assets, such as autonomous vehicles, automated houses, drones and other smart objects, could be capable of recognising users' identities and reducing their operational costs.

**Security.** Likewise, it will enable objects to recognise their legitimate owners and integrate features such as digital ignition interlock devices in cars or safe boxes which password cannot be falsified.

**Energy micro-network management.** Given Blockchain's distributed layout, it is possible to design systems to manage small energy producers, such as a household farm's solar cells which capacity is independent from state or corporate centralised networks, enabling them to provide for themselves and sell their surplus in a secure mode.

In ProMéxico, we have identified opportunities for collaboration between Mexican IT leading companies and other sectors to develop complete, disruptive, and innovative Blockchain-based solutions. In finance, Blockchain can be used for all types of payments and credits as well as to receive payments and family remittances from abroad; in any other sector or industry, it can be used in contracts and regulatory processes; in government, it can be used in audits, civil registry offices, elections and identification.

It goes without saying that those companies that get their foot in the Blockchain door will have to have the right strategies and plans (business case and business plan, besides the advice of cryptography experts) in order to profit from the benefits of increased security and cost reduction in digital transactions. It may be a lot at stake, but it does promise high yields to those who plunge in.

