



News Release

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Blockchain technologies could boost the global economy US\$1.76 trillion by 2030 through raising levels of tracking, tracing and trust.

- *Tracking and tracing of products and services has the largest economic potential (US\$962bn)*
- *Public administration, education and healthcare sectors will benefit the most.*

14 October, 2020 - HAMILTON, Bermuda. New analysis by PwC shows Blockchain technology has the potential to boost global gross domestic product (GDP) by **US\$1.76 trillion** over the next decade.

That is the key finding of a new PwC report ***Time for trust: The trillion-dollar reason to rethink blockchain***, assessing how the technology is being currently used and exploring the impact blockchain could have on the global economy.

Through analysis of the top five uses of blockchain, ranked by their potential to generate economic value, the report gauges the technology's potential to create value across industry, from healthcare, government and public services, to manufacturing, finance, logistics and retail.

Blockchain technology has long been associated with cryptocurrencies such as Bitcoin, but there is so much more that it has to offer, particularly in how public and private organisations secure, share and use data.

"Blockchain technology has the potential to improve the way organisations operate by making processes faster and more effective and creating greater trust and transparency around any transactions they carry out," **comments Arthur Wightman, PwC Bermuda Territory Leader.** "PwC economists have identified the top five uses of blockchain, ranked by their potential to generate economic value and our report sets out ways in which your business can benefit."

PwC Global Crypto Leader [Henri Arslanian](#) discussed the future of money in a session today, October 14, at the **2020 Virtual Bermuda Tech Summit** on how the arrival of digital currencies based on blockchain technology, together with the decline in the use of cash, has the potential to transform traditional models of monetary exchange and structures of the global financial system.

As organisations grapple with the impacts of the COVID-19 pandemic, many disruptive trends have in fact been accelerated. The analysis shows the potential for blockchain to support organisations in how they rebuild and reconfigure their operations underpinned by improvements in trust, transparency and efficiency across organisations and society.

The analysis suggests a tipping point in 2025 as blockchain technologies are expected to be adopted at scale across the global economy.

- Tracking and tracing of products and services - or provenance - which emerged as a new priority for many companies' supply chains during the COVID-19 pandemic, has the largest economic potential (US\$962bn). Blockchain's application can be wide ranging and support companies ranging from heavy industries, including mining through to fashion labels, responding to the rise in public and investor scrutiny around sustainable and ethical sourcing.
- Payments and financial services, including use of digital currencies, or supporting financial inclusion through cross border and remittance payments (US\$433bn).
- Identity management (US\$224bn) including personal IDs, professional credentials and certificates to help curb fraud and identity theft.
- Application of blockchain in contracts and dispute resolution (US\$73bn), and customer engagement (US\$54bn) including blockchain's use in loyalty programmes further extends blockchain's potential into a much wider range of public and private industry sectors.

Blockchain's success will depend on a supportive policy environment, a business ecosystem that is ready to exploit the new opportunities that technology opens, and a suitable industry mix.

Across all continents, Asia will likely see the most economic benefits from blockchain technology. In terms of individual countries, blockchain could have the highest potential net benefit in China (US\$440bn) and the USA (US\$407bn). Five other countries - Germany, Japan, the UK, India, and France – are also estimated to have net benefits over US\$50bn.

The benefits for each country differ however, with manufacturing focused economies such as China and Germany benefiting more from provenance and traceability, while the US would benefit most from its application in securitisation and payments as well as identity and credentials.

At a sector level, the biggest beneficiaries look set to be the public administration, education and healthcare sectors. PwC expects these sectors to benefit approximately US\$574bn by 2030, by capitalising on the efficiencies blockchain will bring to the world of identity and credentials.

Meanwhile, there will be broader benefits for business services, communications and media, while wholesalers, retailers, manufacturers and construction services, will benefit from using blockchain to engage consumers and meet demand for provenance and traceability.

The potential for blockchain to be considered as part of organisations' future strategy is linked to research [by PwC with business leaders](#) that showed almost two thirds of CEOs (61%) said they were placing digital transformation of core business operations and processes among their top three priorities, as they rebuild from COVID-19.

One of the biggest mistakes organisations can make with implementing emerging technologies is to leave it in the realm of the enthusiast in the team. It needs C-Suite support to work, identify the strategic opportunity and value, and to facilitate the right level of collaboration within an industry.

"Given the scale of economic disruption organisations are dealing with currently, establishing proof of concept uses which can be extended and scaled if successful, will enable businesses to identify the value, while building trust and transparency in the solution to deliver on blockchain's potential," comments Steve Davies, Global Leader, Blockchain and Partner, PwC UK.

The report warns that if blockchain's economic impact potential is to be realised, its energy overhead must be managed. Growing business and government action on climate change, including commitments to Net Zero transformation, will mean that organisations need to



consider new models for consolidating and sharing infrastructure resources to reduce reliance on traditional data centres and their overall technology related energy consumption.

Download the report [here](#).

Notes:

1. Methodology: PwC's report looks at the GDP impact of blockchain, which is the net additional value of goods and services within an economy as a result of blockchain technology. This study provides a scenario of the impact blockchain technology could have on the global economy by 2030 if uptake and the quality of products and services available develop as expected. This report did not model the impacts of COVID-19 separately. However, given how the pandemic has encouraged remote working and technological solutions across sectors, the analysis took a prudent approach in estimating Blockchain's economic impact. Further information on the methodology can be found in the [report](#).
2. This report forms part of a PwC series, examining the economic impact and practical use cases for emerging technologies including [Artificial Intelligence \(AI\)](#), [Augmented & Virtual Reality](#), and [Blockchain](#).
3. PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see www.pwc.com/structure for further details.

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