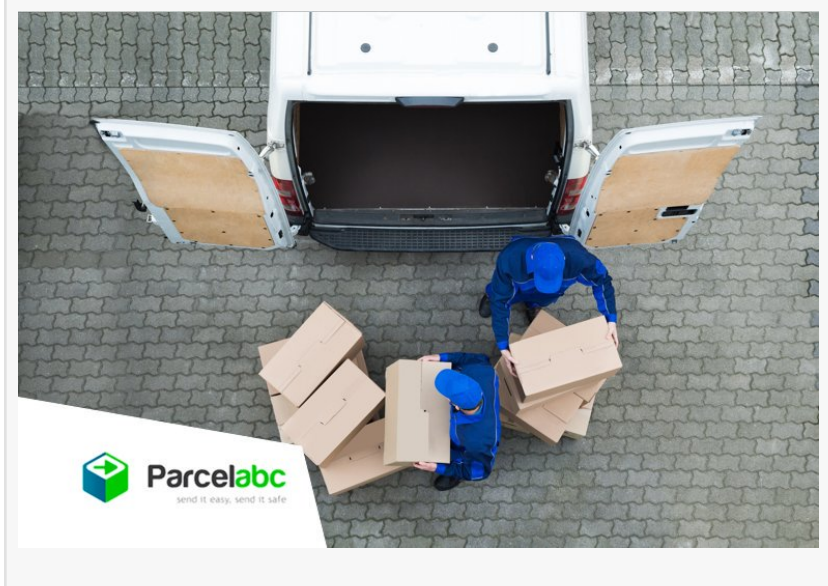


Blockchain Technology Opportunities in the Logistics Sector

LONDON, GB, ENGLAND, July 24, 2018 /EINPresswire.com/ -- Blockchain technology, which can be regarded as perhaps the most significant information innovation since the advent of the Internet, has enormous potential in an incredibly wide range of fields. One of the potential fields of blockchain application is the logistics sector, where this unique technology can lead to a major breakthrough. The [ParcelABC](#) team, which utilises the latest information solutions in the parcel delivery market, has been carefully following the development of this technology and opportunities for its application.



A blockchain is a decentralised public transaction ledger that allows all transactions to be stored on a network without the involvement of intermediaries. This means that there is no need for an authority to store records of all transactions that have occurred. New transactions are stored as digital entries in information blocks, each of which links to the next block in chronological order, thus forming a blockchain. The use of blockchain technology ensures that the data in the system is not altered or tampered with, because all of the information is visible to and controlled by all of the system participants.

Although blockchain technology was initially used for bitcoin, it can be applied in virtually all areas where transactions are made and transaction records are shared. The logistics sector is no exception – this technology could lead to a major breakthrough. A World Trade Organization analysis has shown that the elimination of obstacles in the international logistics network could increase global GDP by 5 per cent, and the total transport volume by 15 per cent. By eliminating the need for an intermediary, blockchain technology provides an opportunity to make logistics cheaper and reduce the cost of transported goods.

A significant portion of the risks in the logistics sector is related to financial transactions, the quality of transport services, and the transfer of information. The commission fee for mediation services in the logistics sector normally makes up 10 to 45 per cent of the entire order amount, but the customer does not have the opportunity to see how this amount is formed or to control it. Abandoning centralised services and using smart contracts and blockchain technology makes achieving an extremely high level of transparency possible. Direct cooperation between all participants in the logistics chain will ensure transparency in setting commission fees and lower prices for transportation services. Service recipients will save both time and money, and new markets will become more accessible to carriers. The improved service platform will become a new quality standard in the logistics market, and the investments needed to implement the innovative technologies will more than pay off.

The cost of collecting information about tariffs and transaction costs for carriers is extremely significant because the logistics market is fragmented, there is no widely available standardised payment algorithm, and the flow of transaction documents is too high. This makes the market less competitive and controlled by service providers, which, in turn, forces the service recipients to look for information from different sources and compare the prices offered by different suppliers. If there is no common information field, then important information, such as details about available space in the vehicles of different carriers, remains unknown, which reduces the efficiency of the services provided and increases their price. In this context, the main advantage of introducing blockchain technology becomes evident – this technology ensures a synchronised audit of all activities in the logistics chain in real time. Such an audit creates mutual trust and facilitates decision-making, since all parties to the transaction have equal access to all of the information related to the transaction.

The specialists at ParcelABC feel that the introduction of blockchain technology – even at the very basic level – will ensure data security and eliminate the possibility of providing incomplete or erroneous information in the logistics sector. It will be possible to track all shipments in real time, from the original loading point to the moment of delivery to the recipient. Traditional documentation will be replaced by smart contracts, unnecessary intermediaries will be eliminated, and the logistics sector will become much more decentralised, which will help all participants in the logistics chain reduce the likelihood of mistakes and fraud, and save time and billions of euros.

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