

INTERNATIONAL BANK FOR ECONOMIC CO-OPERATION

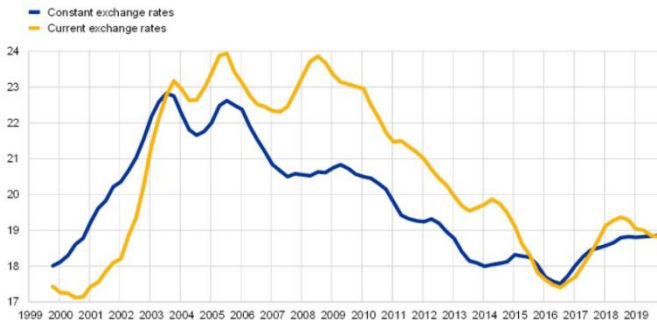
Denis Ivanov

PROSPECTS FOR THE TRANSFORMATION OF THE GLOBAL
MONETARY AND FINANCIAL SPHERE: OPPORTUNITIES AND RISKS

November, 2020

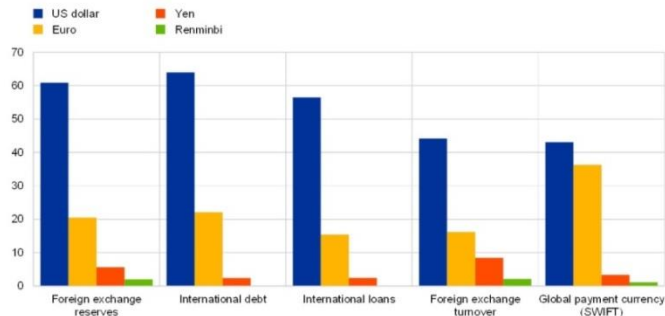
For over 20 years the euro has been one of the world's leading reserve currencies, and its role has grown significantly over the years

Composite index of the international role of EURO (4Q2019)



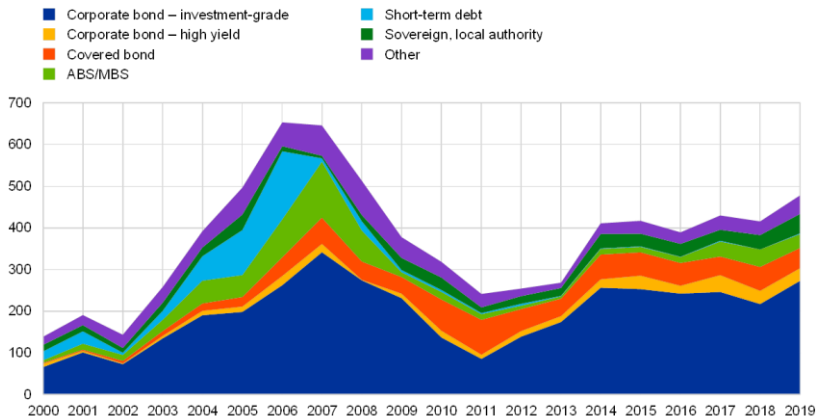
Sources: BIS, IMF, Ilzetzi, Reinhart and Rogoff (2019) and ECB.

Structure of the international monetary system, % (Q4 2019)



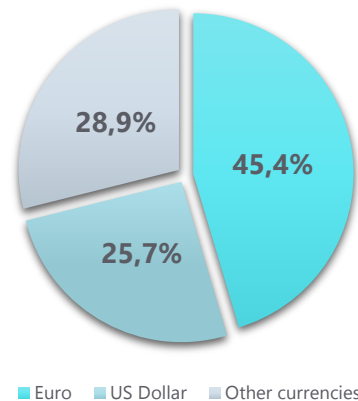
Sources: BIS, IMF, SWIFT and ECB

International issuance of euro-denominated debt securities, by security type (USD billions)



Sources: Dealogic and ECB calculations.
Note: The latest data are for the fourth quarter of 2019.

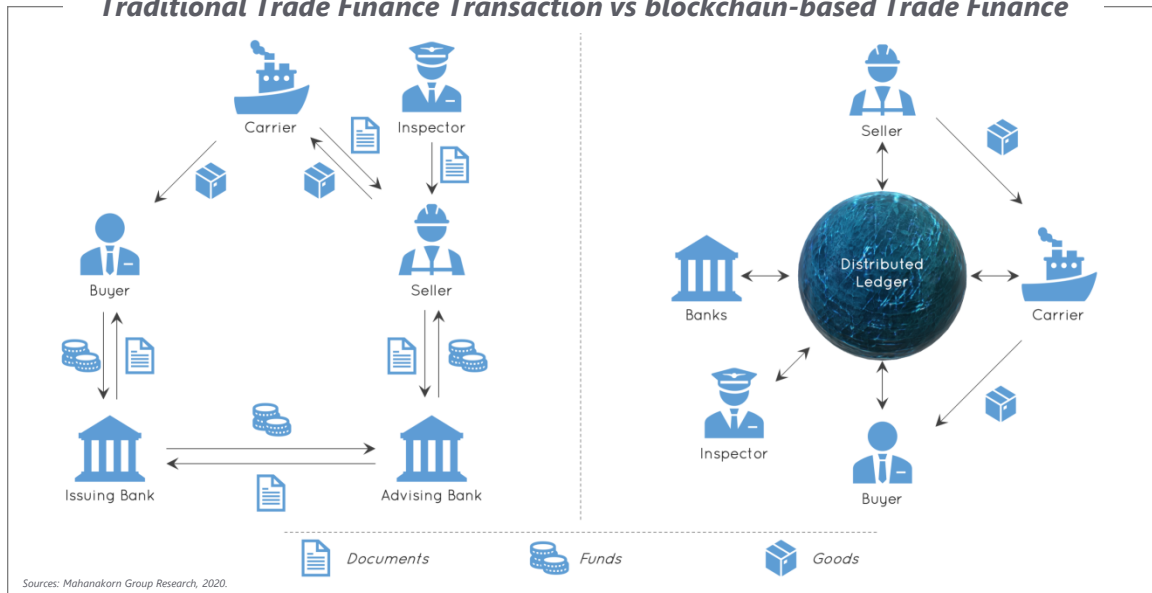
Currency breakdown of green bond issuance in 2019



Sources: Dealogic and ECB calculations.
Note: last observation 31 January 2020.

Against the backdrop of a pandemic and the acceleration of the use of digital platforms in almost all areas, the focus of attention is on blockchain-based settlement technologies.

Traditional Trade Finance Transaction vs blockchain-based Trade Finance



KEY CHALLENGES

Legal issues

- Different jurisdictions have different rules governing electronic commerce.
- Option for harmonization could be the ICC Guidelines on Digital Commerce and a roadmap for their implementation.

Lack of standardization

- Low degree of standardization between already operating platforms which makes it difficult to develop a global digital trading system.
- The situation is aggravated by the competitive nature of the relationship between various blockchain consortia.

Limited range of services and a narrow circle of participants

- For many large financial institutions, blockchain remains exotic, and they take a wait and see attitude.
- According to the forecasts of the International Data Corporation, the blockchain market will reach \$ 16 billion in 2023.



CONTACT INFORMATION

11, Masha Poryvaeva str.,
107996, Moscow, Russian Federation
info@ibec.int

Client Relations Department
UORCO@ibec.int

Financial Institutions and Investor Relations
FI@ibec.int
IR@ibec.int

International Relations and Communications
PRESS@ibec.int



www.ibec.int