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Blockchain Services 2022–2023 RadarView: Report Excerpt

Blockchain in action: Facilitating digital transformation through trust and security

January 2023

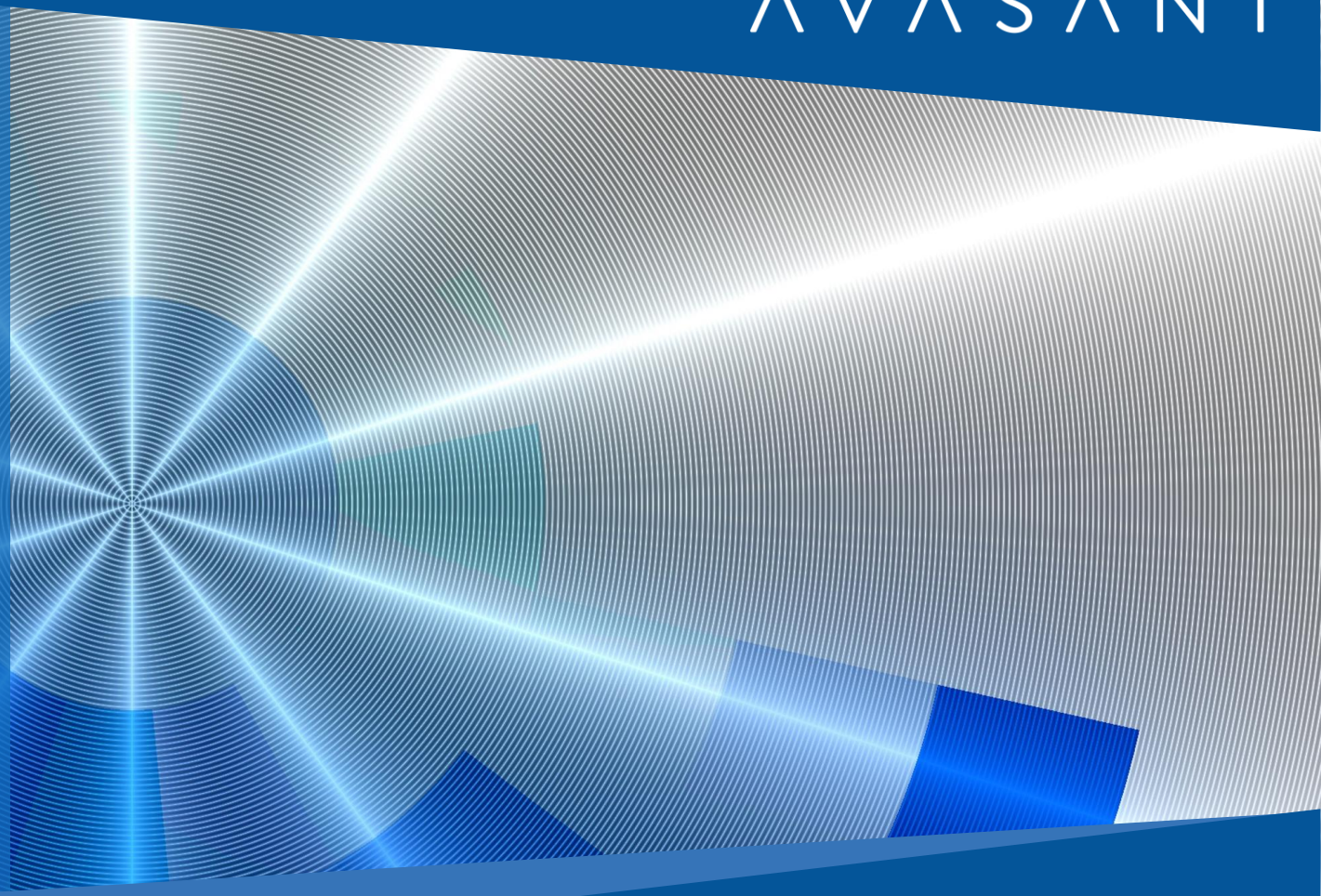

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Table of contents

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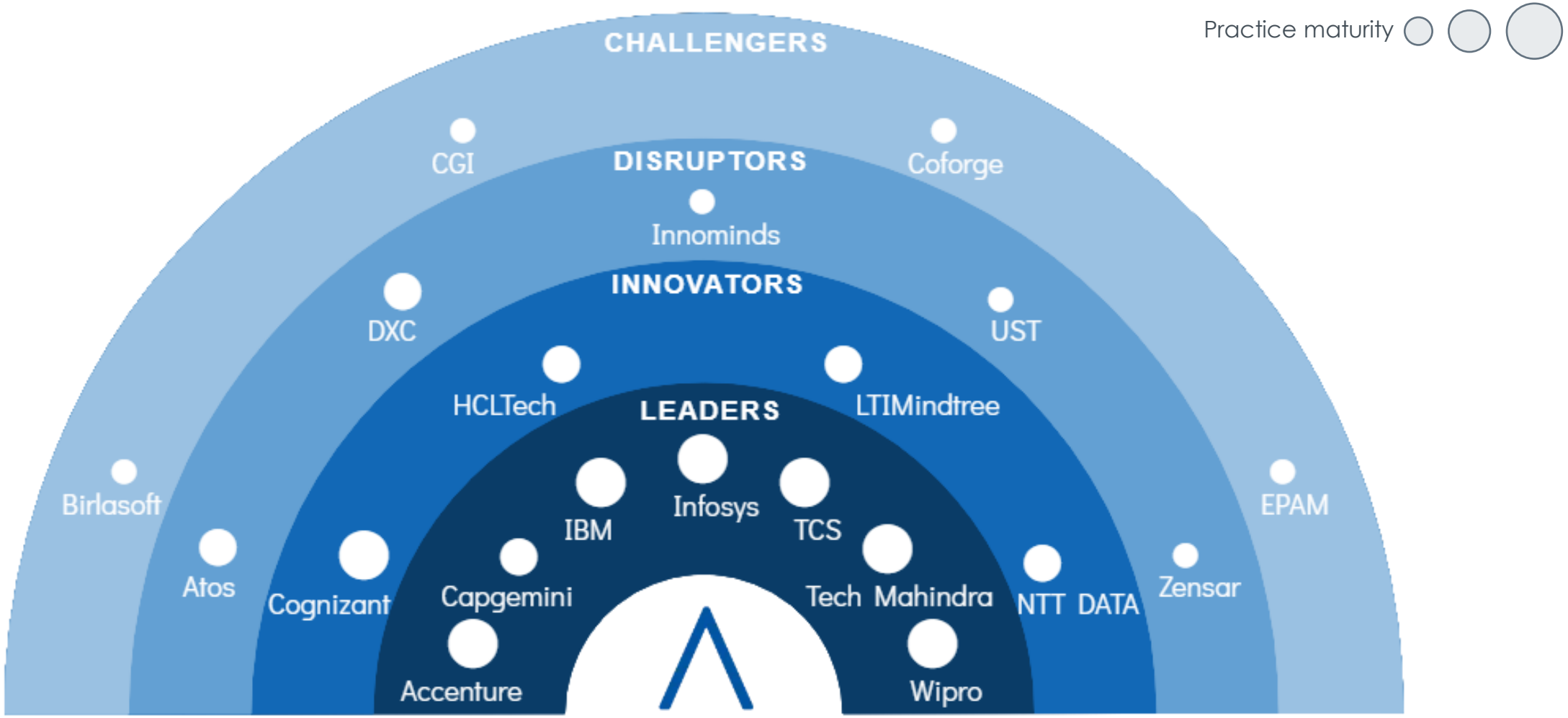
Executive summary

Key enterprise blockchain trends shaping the market

Blockchain adoption is rising again after a temporary slump	• The momentum for blockchain services slowed during the pandemic. In 2022, the adoption of blockchain services picked up pace again, which is reflected in the year-over-year growth of nearly 29% in the total number of blockchain engagements. • The share of production projects has increased from 18% in 2021 to 29% in 2022, and service provider revenue attributable to blockchain services between 2021 and 2022 has increased by nearly 36%.
Blockchain services are transforming the financial services sector	• Financial services constitute a 19% share of service provider blockchain services revenue driven by increased traction in tokenization, CBDC, metaverse, and NFTs. • With the recent upheaval in the cryptocurrency market, such as the bankruptcy of US crypto lender Voyager Digital and the crash of Terra cryptocurrency, have renewed emphasis on more regulatory controls and the emergence of CBDCs as an alternative to stablecoins.
Decentralized identity is improving security and customer experience	• Decentralized identity is becoming a foundational framework for decentralized applications because of data security and privacy breaches. The use of digital identity has become crucial for trustless payments and services. • There is a growing number of use cases for decentralized identity, including digital health passports for sharing patient health data, streamlining the KYC process, and verifying individual credentials.
Blockchain services are driving ESG transparency and sustainability	• Blockchain is helping enterprises ensure ESG compliance by providing access to precise and standardized data to generate ESG reports that are transparent and trustworthy and track all transactions across the supply chain. • Enterprises are using blockchain technology to measure their carbon footprint, buy or sell carbon credits using smart contracts, and finance green projects by tokenizing green securities.

Source: Avasant Blockchain Services RadarView survey, August–October 2022; Avasant Research

Avasant recognizes 20 top-tier service providers offering blockchain services



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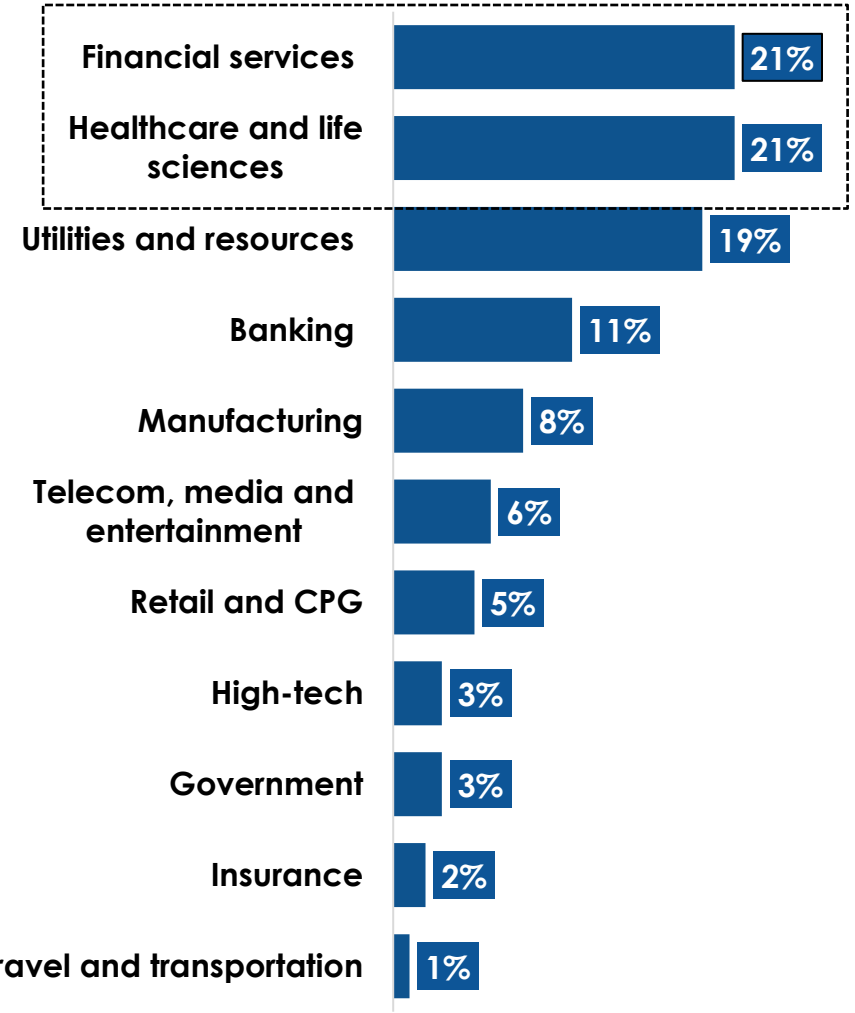
Sample report pages

Financial services and healthcare have seen the highest success rate in POC-to-production conversion

Success rate in conversion from POC to production between 2021 and 2022



Enterprise	Key use cases moving into production	Case study
	Central bank digital currency (CBDC)	• On December 1, 2022, India launched its first pilot for retail CBDC. The pilot will be tested in four banks in four cities and will be extended to other banks and cities gradually.
中国建设银行 China Construction Bank	Trading of digital securities	• In June 2022, China Construction Bank entered a partnership with ADDX, a private market exchange regulated by the Monetary Authority of Singapore, enabling Chinese investors to access private market opportunities issued as digital securities.
Pfizer	Supply chain traceability	• Pfizer is part of the MedilLedger blockchain project to track drugs across the entire supply chain to ensure there is no counterfeit possible.
NOVARTIS	Clinical trail	• Novartis is using PharmaLedger for implementing blockchain for several use cases such as clinical trials, patient data, and pharma supply chain.

Source: Avasant Blockchain Services RadarView survey, August–October 2022; Avasant Research

Enterprises see immense potential in financial services for blockchain services

Enterprises are exploring new uses around tokenization, CBDC and NFTs, and metaverse for financial services.

Tokenization

- Tokenization is the process of converting any asset into a digital token usable on a blockchain platform.
- It can be done for several assets, including real estate, arts, stock bonds, and other precious commodities such as diamonds and oil.

BNP PARIBAS

- In July 2022, BNP Paribas structured and tokenized a finance bond using its tokenization platform AssetFoundry™ to fund renewable energy projects.
- The tokenization of the finance bond makes trading easier with a faster transaction time and increased liquidity.

Central bank digital currency

- Several central banks are exploring an alternative payment structure due to the sanctions related to the Russia-Ukraine war and upheaval in the cryptocurrency market.
- About 105 countries representing 95% of the global GDP are exploring CBDC.

- SWIFT has collaborated with Capgemini to test the interlinking of CBDC networks to facilitate seamless cross-border payments.
- It will provide an alternative payment structure and help remove the interoperability issue between two CBDC networks.

NFTs and Metaverse

- Metaverse relies on converging immersive, real-time 3D, and Blockchain-related technologies.
- The use of NFTs in the metaverse, for example, for buying and selling virtual land and collectibles and acquiring tickets for events, has increased rapidly.

- Mastercard has partnered with Coinbase to enable users to make purchases in Coinbase's NFT marketplace using Mastercard debit and credit cards.
- This will ease the NFT buying process as customers will not have to open up a crypto wallet and buy cryptocurrency for payments in the NFT marketplace.

Source: Avasant Research

Enterprises are increasingly using blockchain for ESG applications and related use cases

Enterprises require access to precise, standardized data for proper reporting on ESG and transparency in their supply chain. Blockchain can help these enterprises achieve both objectives.

Use cases	Illustrative examples
Collect and track reliable data to get better insights for reducing carbon footprint	IBM has collaborated with Energy Blockchain Labs to create a blockchain platform that allows organizations with high emissions to monitor their carbon footprint and meet quotas by buying carbon credits from low emitters.
Use smart contracts and blockchain to prevent double counting of carbon credits for carbon offsetting	In August 2021, global banks CIBC, Itaú, NAB, and NatWest Group launched a pilot for a carbon offset platform to drive transparency in the voluntary carbon market with clear and consistent pricing and standards.
Finance green projects by tokenizing green securities such as green bonds, green investment funds	The Bank for International Settlements Innovation Hub Hong Kong Centre and Hong Kong Monetary Authority are collaborating on Project Genesis to tokenize green bonds using blockchain technology to expand the pool of investors and automate the financing of green projects.
Achieve supply chain sustainability by recording all transactions along the supply chain	The World Wide Fund for Nature launched a track and trace platform that aims to increase sustainable food sourcing and provide product traceability to consumers from point of origin to destination.

Blockchain enables immutable certification and automated reporting for capturing proper data points for ESG tracking, which can be used to understand whether the standard of the organization's activities meets their claims and advertising.

Source: Avasant Blockchain Services RadarView survey, August–October 2022; Avasant Research

Service providers are developing integrated digital solutions with blockchain to enhance trust and scalability

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	Solutions		Illustrative examples	
IoT	Capgemini	Capgemini's Smart Container solution uses AI, IoT, and blockchain to maintain transparency of goods, increase product quality, and increase customer satisfaction.	gsf golden state foods	Golden State Foods used blockchain, IoT, and analytics to increase visibility and transparency across its entire supply chain to ensure consumers receive better quality food.
AI/ML	LTIMindtree	LTIMindtree has developed $wap, a built-in AI and blockchain redemption platform, to increase customer engagement.	IPwe	IPwe used IBM Cloud and IBM Blockchain technology with multiple IBM Watson AI solutions to create a marketplace to bring visibility and transparency to the entire IP market and reduce transaction costs.
Cloud	IBM	IBM Blockchain is a Hyperledger Fabric platform that supports multiple cloud service providers, including AWS, Azure, IBM, Google, and Oracle.	vertrax	Vertrax and Chella Software developed Vertrax Blockchain, a multicloud solution built on the IBM Blockchain platform, and deployed it on AWS to prevent supply chain disruption and maintain transparency.
AR/VR	HCLTech	HCLTech has developed the Metainfinity platform powered by its blockchain-based OBOL tokenization framework for creating a new immersive experiences for users.		VIBEHub, a crypto-based AR/VR marketplace, enables users to buy and sell VR content on the blockchain with its VIBE token.

Source: Avasant Blockchain Services RadarView survey, August–October 2022; Avasant Research

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