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Original Paper

Research on the Application of Blockchain Technology in International Trade Risk Management

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Abstract

In International Trade, due to the Heterogeneity of language, culture, legal system, etc., the trade payment and settlement process is complicated, and there are many risks. With the wide application of Internet technology in the field of international trade, especially the emergence of blockchain technology, it provides a new way to solve the above-mentioned complicated risk management. Based on the concept and characteristics of blockchain technology, this paper probes into its value and application mode in risk management and control in international trade, in order to promote international trade facilitation and scientific risk management and control.

Keywords

Blockchain, International Trade, Internet, Risk Management

1. Introduction

With the acceleration of economic globalization, the risks behind international trade are still not to be underestimated while the business of international trade is flourishing and the total value of trade is growing steadily. The risk of international trade mainly comes from the difference of national and regional laws, the difference of conventional trade practice and the difference of language. In the traditional payment and settlement mode of international trade, in order to avoid the possible risks in international trade, trade enterprises in the international community generally use the help of one or more trusted third parties and authorized to share accounting system, entrusted to the agency transactions. Although this has a central guarantee, but this model can not fundamentally avoid trade risks. At the same time, the disadvantages of high running cost and long process time make the efficiency of international trade decline, which is not conducive to trade and enterprise capital turnover. With the wide application of Internet technology in the field of international trade, there are many ways

to deal with the risks of international trade. The blockchain technology of the Internet has been favored since its birth by virtue of its decentralization and risk-free core characteristics. So the block chain technology born in the currency field, whether there is the possibility of application in international trade settlement?

2. Blockchain Technology and Its Development and Characteristics

Blockchain is a technology that combines data blocks in chronological order by decentralizing them (that is, without third-party guarantees) and by distributed bookkeeping. The essence of this technology is to link the nodes (users) in order to form a chain data structure. The core of blockchain technology is to build a new trust mechanism with public trust without any agency (guarantee) and without any trust foundation. It can reach multi-node consensus based on intelligent contract and common rules, and realize information transmission to value transmission automatically. The development of blockchain technology has experienced the following three main stages:

Virtual digital currency phase, blockchain technology originated from the 2008 paper "BITCOIN: A peer-to-peer electronic cash system" by an economist named Satoshi Nakamoto. With the invention of Bitcoin as a turning point, the advantages and broad prospects of blockchain technology make it widely used in the field of cryptocurrency. With the core advantages of decentralization, issuance liberalization, circulation liberalization and circulation fixation, many types of cryptocurrencies have been produced in the world financial field. The simplicity of blockchain logic makes the currency transaction in the chain simple and the transaction cost is almost zero. A large amount of digital currency transaction can be completed in seconds in the blockchain with almost no risk. Therefore, the virtual digital currency field of the earliest block chain technology is also the most extensive and mature field of the block chain technology application. As of February 1, 2020, nearly half a billion bitcoins had been traded worldwide, according to Blockchain, the largest block chain money monitoring website.

SMART contract stage. Intelligent contract is a kind of computer protocol, which aims at disseminating, verifying, or executing the contract in an information way. It is equivalent to constructing an agreement in a computer system that can be read and accepted by all the participants. When an event is triggered, subsequent actions are immediately and automatically performed. Smart contracts apply to a wide range of areas, including financial services, credit enforcement, crowdfunding and so on. In the intelligent contract stage, the decentralization and de-risk characteristics of bitcoin not only operate and cryptocurrency, but also gradually extend to the financial sector value exchange and transfer, since the existing domestic and international settlement methods are based on the adoption of the third party in trade, the value transfer is not only time-consuming and time-consuming but also costly, and the speculative risk in settlement can not be eliminated from the source, therefore, the use of blockchain technology in contract settlement has attracted the attention of the world financial industry.

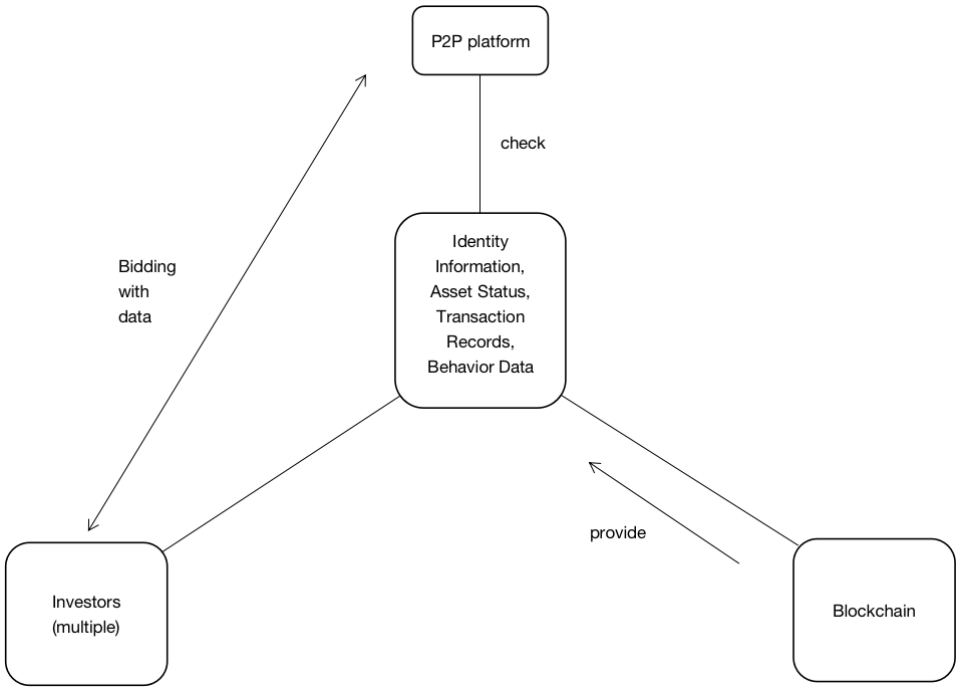

Figure 1. Risk Management of Blockchain in Project Bidding under Intelligent Contract

Exploring the expansion phase. At this stage the application of blockchain began to explore from the pure financial field to more other areas, such as business management, supply chain, big data, asset certification, law and other areas. For example, many physical assets and virtual assets today require a third-party guarantee to identify the assets. It is easy to make mistakes or tamper with the information in the traditional way of attestation of assets equity. The application of blockchain provides a traceable tamper-proof database, which can be used as a reference for asset authentication.

Blockchain technology currently has four distinct features:

2.1 Decentralization

Through pure mathematics to establish multi-node (multi-party) has reached a consensus trust mechanism, so that the entire blockchain system operation is completely transparent and open, any operation carried out by any node in the whole system is immediately endorsed by any party, so that there is no need for a third party, the center.

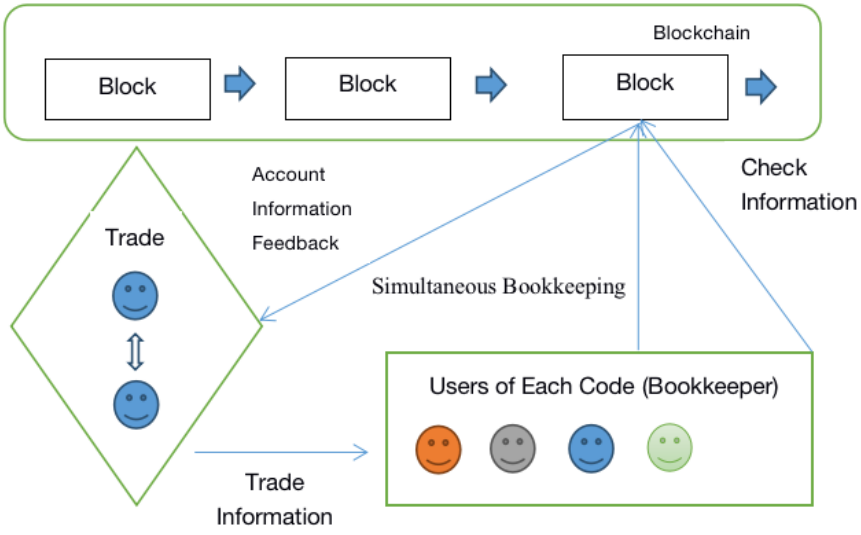

Figure 2. The Basic Workings of the Blockchain

2.2 System Openness

That anyone can see the blockchain data, the entire blockchain information open and transparent. Specifically speaking, its openness manifests in the following two aspects: First is the account opening. Because the blockchain is distributed and all historical records are publicly available, the relevant records are accessible and validated by everyone in the node. Because of the openness of the organization structure, there is no dominant subject in the blockchain, so any ordinary person in the blockchain can participate in the income distribution directly without the management of the corporation stock system. Second, the openness of the ecology within the chain. Blockchain has the open account, the open organization structure and the Movement Way, causes the entire system to construct an open ecology. The transfer of value in this ecosystem is becoming easier and more efficient, resulting in lower operating costs.

2.3 Tamper Proof

First of all, at the logical level, inside the blockchain, because each node (user) has the same account book, the whole system will not crash because of the data loss or tampering of the single node (computer). Blockchain encrypts data using core technologies such as distributed data storage and public-key cryptography. The method of decryption is dynamic and the data is secured in a cryptographic manner. Even if the data has been tampered with, the flattened data has a time dimension because the blockchain uses a time stamp to stamp the data. The altered data can be seen in the time stamp so that the modified data can be easily identified and restored to the normal time point. This kind of three-dimensional chain block structure has strong traceability, which makes it very expensive for criminals to tamper with the block chain data and crack the password. Multi-dimensional encryption is the safeguard of data security in Blockchain, which makes it have high reliability and security.

2.4 Privacy and Transparency for Users

The user using blockchain is regarded as a data node by any other user, and the information release and transaction actions within the chain are sent out by this node. This highly consistent management approach eliminates the need for users within the blockchain to disclose personal information. At the same time, to ensure that the encrypted nodes (users) have good credit and comply with the access rules, the blockchain will use the public key address to convert the users' real personal information which must be submitted for audit. This allows each node to negotiate anonymously while complying with the access rules, which not only guarantees privacy within the blockchain, it also prevents users with bad credit histories or questionable financial assets from hiding their personal information.

3. The Feasibility Analysis of Blockchain Technology in International Trade Risk Management

3.1 The Role of Risk Management in the Settlement of International Bulk Cargo Transactions

Among the commonly used international settlement methods, collection, letter of credit, money order and wire transfer are commonly used. However, these methods have their own advantages and disadvantages, as asymmetric trading methods, importers and exporters have their own risks and risk levels can not achieve absolute equality. In the traditional payment and settlement mode of international trade, all payment and settlement activities between individuals and enterprises inevitably need to rely on one or more trusted third parties (intermediaries), and entrusts and authorizes these third parties to share the accounting system with themselves. Each transaction is verified, monitored and recorded by the agent after authorization and agency relationship has been established. Although agents as third parties can eliminate the manpower of individuals or enterprises, it is often costly and complicated for them to reconcile, liquidate and settle accounts with their clients, this leads to the slow settlement of payments between international trade and the loss of opportunity costs for individuals or enterprises.

The drawbacks of these complex third-party settlement processes are most evident in international trade in bulk goods and seaborne goods. If the international trade settlement adopts the letter of credit settlement. The process of L/C settlement requires the exporter and the importer to find the carrier and to find a third bank, the issuing bank and the negotiating bank respectively.

Although the use of L/C settlement can achieve the relative insurance of International Trade Settlement but remove its complicated and time-consuming steps, there are a series of step-time provisions in L/C settlement.

Commercial Invoices, insurance documents, ocean bills of lading and bills of exchange shall be drawn in order from the date of the L/C. At the same time, the issuing time of these documents is bound by other time points. Commercial Invoices shall be issued before the date of shipment of the goods and insurance documents shall be issued before the date of the bill of lading. The bill of lading shall be issued prior to the date of shipment and the bill of exchange prior to the date of negotiation. Traditional trade settlement procedures are often time-consuming and error-prone, increasing the possibility of

commercial risks and disputes. At the same time, even if the settlement process between individuals or enterprises is smooth, a large number of paper documents still need to be filled in and approved before the goods enter or leave each port. A single cross-border shipment can require hundreds of pages of documents and be delivered to dozens of different agents, banks, customs and other agencies.

Therefore, the traditional international settlement process is so complicated and time-consuming that it is very common for a ship to arrive at the unloading port and be forced to wait before the bill of lading.

Here, the application of blockchain can effectively deal with the current situation of international settlement. The use of the blockchain makes each transaction, all the relevant parties in a single node, in the blockchain all the node operations will be endorsed at the same time. Nodes can communicate with each other using public and private keys to exchange and store information in an encrypted format. For example, the exporter's shipment will be recorded simultaneously by all other participants without the guarantee of a third party, and the cargo information will be recorded directly by the relevant customs authorities for immediate review, cross-border payments can also be made directly between the two depositary banks and bypass the use of the intermediary bank and the SWIFT message. Blockchain technology not only simplifies the entire international trade process to a paperless paradise, its decentralized nature allows point-to-point transactions without any need for approval and verification. Thus speeds up the international settlement speed, reduces the settlement cost to reduce the fund idle time, causes the enterprise or the personal fund utilization efficiency and the turnover rate to obtain the enhancement.

3.2 The Role of Risk Management in Financial Trade

Financing is the core driving force of global trade, including stocks, credit, insurance, network financing and other forms of financing. With the development of economic globalization, financing is no longer confined to one country, and international trade financing is also developing gradually. However, today’s traditional international financing approval process is extremely cumbersome. Under the traditional financing process, the importing bank has to review the financing agreement of the importer and then hand over the financing amount to the agent bank. And because cross-border transactions are subject to different laws and regulations, there are serious Information asymmetry problems in financing, resulting in a large number of financial risks in international financing. At the same time, Cumbersome Financing Project Review Processes and paper-based document delivery reviews resulted in delays in payment and extended shipment times. These all let the enterprise (especially emphasizes the goods timeliness the enterprise) to bear the significant risk.

Under all sorts of malpractices of traditional international financing methods, network financing technology emerges as the Times require. Although network financing has solved most of the financing problems of msmes, as the network of emerging technologies, the development of network financing is restricted by the high risk problems such as the unavoidable credit Information asymmetry, the high cost of financing caused by the service fee, the easy attack of network technology by hackers or the tampering of information by outlaws. Therefore, how to rely on the Internet as an efficient platform to

simplify the trade process and reduce the financing risk has become the focus of the world.

The application of blockchain technology can effectively simplify the financing process and avoid risks. The complete network format makes the document information go to paper, and the Common Standard Information language makes the document be examined and approved efficiently; the multi-node common endorsement can go to intermediary, trade Finance would no longer require third-party intermediaries to take risks or execute contracts; intra-chain information could not be tampered with to enable the financing process to be traced, and headings and bills of lading provided by distributed bookkeeping would indicate the location and ownership of the goods. The document flow, capital flow and goods flow can be updated in real time under the trade finance flow in Blockchain, which greatly improves the transparency of international trade finance.

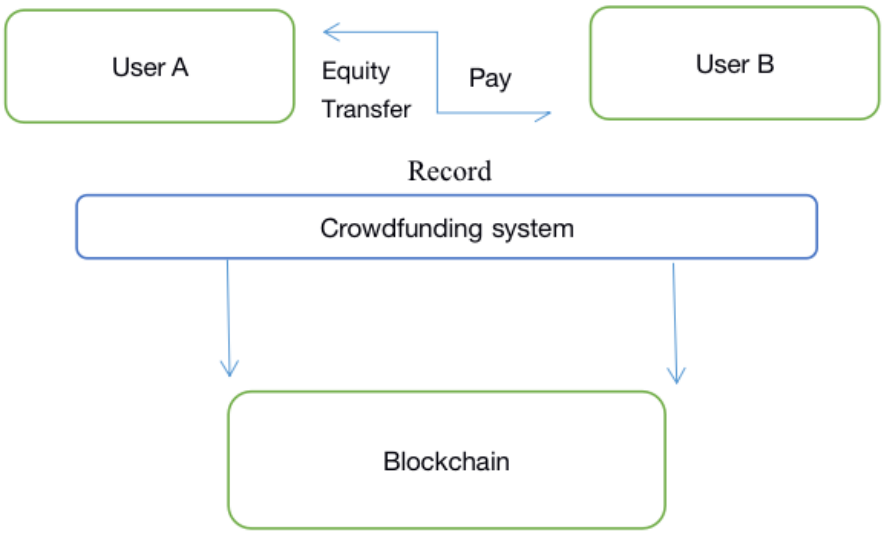

Figure 3. Application Block Chain Equity Crowdfunding Operation Mechanism

Barclays announced in September 2015 that it had begun accepting bitcoin as a donor currency for charity, and that the platform for bitcoin fundraising was based on blockchain technology. Citibank has created its own digital currency—"CITICOIN"—to Finance International Trade, and its digital currency architecture is a combination of three different blockchain distributed general ledger systems, explore more effective ways to transfer value.

3.3 The Role of Risk Management in Traditional Transnational Banking

With the strong rise of Internet finance, the development of third-party payment platforms such as Ant Financial, P2P and Wechat, Apple Pay has accelerated the process of "financial disintermediation". Due to the decline of the traditional financial customers, the transnational commercial banks have renewed their service system and launched new transnational service projects. International banks that dabble in new areas are thus taking on higher risks.

Taking the lending business that multinational banks most rely on for their profits as an example, in the lending business, the Commercial Bank is essentially a centralized bookkeeping organization with legal tender as its unit of account. Under the lending model of multinational banks as third-party centers, although it appears that the lender only makes a loan to a commercial bank on the basis of personal credit, the bank acts as a third-party intermediary in the whole process, that is, a bank acts as a third-party lending intermediary, the borrower only needs to issue a loan to the bank, the Bank of the borrower's personal credit information to review and sign the relevant contract, the borrower can borrow the target funds. Since the borrower only knows that the third party is the bank and has no direct access to the lender, in such a Information asymmetry situation, the borrower can only repay the interest at the loan rate set by the Commercial Bank. Because the bank needs a great amount of manpower and material resources and bears certain risk when it is looking for a lender (a lender), the bank often makes up the loss of cost and profits by raising the interest rate. So, in theory, if you can find financing and lending platforms that don't involve banks, you can bypass the banks and lower interest rates, however, due to the maturity of the third-party platform can not be transparent and risk control, this concept has never been true to replace the bank. The emergence of blockchain system makes this possible. Using blockchain technology can simplify the conventional banking financial lending process. Because in the blockchain, the Transparency and privacy of information coexist at first, the user's access qualification of each node gets the public trust of each node. The transaction data of either party will be jointly endorsed by the Blockchain, giving a clear view of when the lender will make the loan, the amount of the loan, the agreed repayment method, interest, currency information, etc., information on when borrowers actually receive and repay loans is also open and transparent. When the contract signed in the blockchain comes into effect, the loan information between the nodes will become public information, and the process of the borrower using the funds will be tracked and monitored.

From traditional finance to Internet finance, the carrier of financial business has changed from a single commercial bank to a variety of business models from traditional business to various cloud services, in addition to trust mechanisms have undergone certain changes. Under the turning point of this transformation period, the comprehensive application of the blockchain in the transnational banking business can not only create a new way to replace the original transnational banking business, but also promote the upgrading and innovation of the commercial banks themselves, from the banking industry in the past horizontal inter-bank competition into criss-crossing inter-industry competition. As the banking industry is now unlikely to be completely banned, under this benign competition, multinational commercial banks can be encouraged to carry out independent business innovation and improve the integration of the Internet and traditional business, thus, multinational banks also show more diversified business forms with new business forms and higher efficiency, relying on low-risk and high-efficiency cross-border business, commercial banks can continue to retain market share while at the same time indirectly facilitate the masses of users.

3.4 The Role of Risk Management in Asset Management

Assets include real assets in the physical world, as well as assets that are autonomous and collaborative by integrating ICT capabilities such as networking, computing, and storage. Such as real estate, cars and other physical, but also similar to stocks, bonds, copyright and other intangible. In the traditional field of asset management, managers often manage by using intelligent asset management software or system. But nowadays, there are few intelligent asset management software and the technology is not mature, so enterprises often bear more risks in the management of the retained assets.

Take the OneNET intelligent asset management Internet of things system launched by China Mobile Communications Group as an example, which is a mature intelligent asset management system. But the OneNET system is still an outsourcing system, so that the assets have to follow the principle of third-party guarantee management, can not manage themselves, and the underlying risk can not be eliminated. According to OneNET's popular services such as voice calling, SMS, Base Station Location Wifi Location Video Platform, cloud shield (device security access), artificial intelligence, smart voice products, face recognition, image recognition, image processing, video processing, big data, Data Analysis Services, data visualization, cloud server, cloud disk, elastic public network Ip, proprietary network, load balancing, edge computing, etc., asset-owning management outsourcing through the use of cloud systems, while reducing the need for actual managers to a certain extent, saving part of the cost of wages, but in the long run, the use of cloud systems still requires the owner of the assets to pay an annual management fee and the security of the information can not be guaranteed from the root cause. At the same time, the upgrade of the cloud system is based on the technical ability of the outsourcing management company. As a result, companies today tend to make less use of outsourcing in the form of an asset management cloud, instead, the enterprise constructs its own intelligent asset management mode from seven modules: Budget Management, purchase management, storage management, maintenance management, out-of-storage management, depreciation calculation and disposal management. This needs the enterprise own to have the strong informationization construction ability to carry on the self-risk management control.

However, by using the blockchain technology, asset owners can upload assets to the blockchain for authentication registration and information storage and direct transactions (in the event that the assets are fully owned and owned).

Based on blockchain technology, anyone can have a simple way to use a de-trust, centralized asset management system. The owner of the asset will get a private key to the asset certificate when the legally certified asset is published in the blockchain, each node in the blockchain system will also endorse the asset information of the owner and obtain a public key to prove that it owns the asset. For assets that have been registered on the blockchain, the owner of the assets will transfer to another node the original private key that stores the personal assets certification information after selecting the transaction, it can no longer own its ownership and transfer rights, and the process will be endorsed within the blockchain, which will undoubtedly make the asset management and trading process

transparent and secure.

3.5 The Role of Risk Management in Traditional Insurance Industry

Insurance has always been a high-risk business. Regardless of the external risks faced by the insurance industry, the traditional insurance industry mainly has two kinds of internal risks, namely, underwriting risk and claim risk. "Underwriting risk refers to the risk brought about by the extensive operation of insurance companies". For example, in property insurance, only premium income is paid attention to, but the quality of underwriting is neglected, the lack of sufficient analysis, prediction, evaluation and demonstration of the subject matter leads to the risk, and the risk of settlement of claims refers to the fact that in the course of insurance business, the lack of risk management mechanism and its operation leads to all kinds of risks which are potential or already produced in each business link in the course of operation, but only appear in the claim link, which is disadvantageous to the insurer's result. Underwriting, the data collection of insurance companies mainly rely on manual processing. In the actual claims, the claims commissioner shall verify the insured's information and collect evidence to verify the claims, confirm the scope of the loss and calculate the amount of the loss. When the Insurance Company accepts the claim, must request the policyholder to provide a series of complex materials, through the tedious claim submission procedure. These are undoubtedly affecting the insurance business to the efficiency and fairness of the development.

For the application of the block chain technology in insurance industry, the first is to store the relevant subject information, underwriting information and claim information on the block chain based on the combination of the two technologies, so as to ensure the security of the data information to the maximum. The second is the derivative innovation direction of the insurance industry, blockchain technology can promote the insurance industry in business scenarios to promote product and service innovation. For example, the application of blockchain technology, decentralization that does not require insurance broker intervention, can not only effectively reduce the cost of enterprise employment, shorten business cycle, indirectly, it can also reduce the financial burden of policyholders and facilitate the process of seeking insurance assistance. Insurance companies can also search the insured's previous insurance information and asset records through the distributed information records in the chain, so as to effectively screen out suspicious behavior and reduce the risk of being defrauded. In the actual insurance application, approval and payment process block chain can be paperless without the need for Manual Complex Audit, so that claims commissioner from the background interference fair and impartial review of claims items.

In recent years, China's regulatory authorities have repeatedly encouraged the development of blockchain technology. For example, on July 16, 2019, China's banking and Insurance Regulatory Commission issued the "General Office of China's banking and Insurance Regulatory Commission on the Promotion of the supply chain financial services in the real economy", on the explicit statement will "encourage banking and insurance institutions to integrate the Internet of things, blockchain and other new technologies into the transaction links, and improve the level of intelligent risk control". In terms

of practical utilization, recently, the China re group and its partners such as Zhongan technology have jointly created the first block chain reinsurance experimental platform in China. Pingan (Hong Kong Stock Exchange 02318) is partnering with decentralized artificial intelligence start-up SingularityNET to expand its block chain business. The Korean Postal Service will invest 300 million won to build a health insurance claims system based on block chain technology. All of these reflect the fact that domestic and foreign commercial capital are converging towards the belt of insurance and block chain grafting.

4. Problems and Challenges

From the perspective of the application of blockchain technology in international trade, the integration of blockchain technology with international trade is low, in other words, it is still not accepted by the market and widely used. There are still many problems in the transformation of block chain and International Trade Risk Management from theory to practice.

4.1 Security Control Issues

As the birth product of the Internet, blockchain is inevitably connected with the Internet. One of the defects of Internet is its low security. Internet finance faces many problems in platform security and application security. Blockchain systems are no exception. In 2016, The DAO, The world's largest blockchain project, was hacked and lost 3.6 million aether coins, amounting to $60 million. The cryptography that blockchain technology relies on is both a cornerstone of security and a source of high risk. Once the password used by the blockchain is breached, hackers can enter the blockchain as normal nodes, the privacy of the blockchain can be used to conceal the traces while the information is manipulated at will to gain profits. Therefore, the security within the blockchain system does not mean that the use of blockchain technology is risk-free. How to use the blockchain well under the Internet platform is still an urgent problem to be solved.

4.2 Technical Level Issues

Blockchain is the carrier of information transfer by the users in the chain at the same time. While the information is recorded by the global users, the blockchain needs to deal with huge data requests simultaneously. In addition, the saturation of the block capacity also needs to be concerned, because the block chain needs to carry all the information generated by the data request before replication, and the internal information content of the block chain also increases at every moment, large-scale Information Update and storage makes its anti-pressure ability doubtful, once the system load leads to information confusion or abnormal operation, it will bring huge risks to international trade. At the same time, if someone wants to launch a malicious attack on a commercial bank, he can submit a large number of high-frequency information updates and transaction requirements at the same time in a short period of time, which will test the efficiency of information transmission, the ability of verification and the ability of resisting pressure in the whole chain. Therefore, the storage time of the information in the chain and the problems of how to cut and how to verify the information all indicate that the blockchain

still has room for improvement in technology.

4.3 Logical Problem Solving

The logic problem here is not the algorithmic logic within the blockchain, but the logic of the relationship between the users of the blockchain-human and blockchain. When the condition of using blockchain technology to achieve the intelligent contract depends on the information out of the blockchain, the information should be written into the blockchain first. But human beings are bounded in reason, they can not foresee all possible future situations, and even if they do, they can not be written into blockchain contracts, so contracts are bound to be incomplete. Just as the reality seems to complete the legal contract in dispute when the need for judicial arbitration reasons. The nature of Blockchain as a computer protocol can not deal with the risk when the contract of the user is incomplete.

4.4 Legal Safeguards

At present, blockchain technology lacks of unified legal standards and ecological system construction. In 2013, Liberty Reserve, a conglomerate based in Costa Rica, was suspected of laundering $6 billion through the blockchain, wiping out large numbers of users, including Chinese ones. Therefore, it is urgent to construct the legal system for block chain supervision and restraint. At the same time, it is necessary to adjust the liability and effectiveness of contracts when there is a discrepancy between existing legal instruments and computer programs responsible for the performance of smart contracts. In the event of a cross-border dispute, there is also a dispute as to which national law is specifically applicable. Cross-border remittance or settlement on the blockchain may violate the “foreign exchange trading law”. As the legal classification of cryptocurrencies is not clear, cross-border remittance and settlement may adversely affect the balance of payments and the stability of currency values.

4.5 Conflict of Interest

The block chain repels the third party intermediary to cause the original international trade risk control participant to have the benefit to be infringed, in order to protect its benefit but refuses to participate in the block chain cooperation. Blockchain itself represents a consensus system, which should be constructed from a higher level according to the corresponding business scenarios. In practice, blockchains should not simply be embedded into existing international trade industries and discarded from previous players, the impact of blockchain should be used to stimulate the original participants’ technical innovation to adapt to the new industrial rules.

5. Solution Path Analysis

5.1 Support Blockchain Technology Development and Promotion

Blockchain is not a complete technology system, although its internal risk because of the operation of the law to achieve the risk, but because the technology itself is used so there are still external risks. This requires support for ongoing technology development. At present, China, Singapore, the United States and other major countries have released blockchain technology development-related support planning. South Korea's government, led by the Ministry of Science and Technology of the People’s

Republic of China, selected sub sectors of the blockchain application areas, use the platform trend to promote rapid application development, from the enterprise to start and guide private participation.

5.2 Build a Complete Block Chain Operation System and Legal Deployment

In view of the imperfect laws and regulations related to the blockchain and the poor ecosystem of the system, it is necessary to support the establishment of the blockchain ecosystem, the unification of construction norms, the excavation of successful cases and promotion. States should respect the market in principle and refrain from excessive interference, but governments should codify relevant policies in greater detail on the ground. For the need to improve the laws and regulations, we should study the applicable "supervision sandbox". At the same time, in order to avoid disputes in international trade, enterprises of both sides should also urge the construction of international law related to blockchain and form international common standards.

5.3 Accelerating Research into Underlying Technologies—Cryptography and Computing Power

Promoting Research and development of key technologies at the bottom is a top priority in any area of innovation. The possibility of blockchain in international trade risk management is based on trust in cryptography and network security algorithms. Therefore, it is of primary importance for the security of each node and the security of the whole blockchain platform to accelerate the research and upgrade of cryptography in order to improve the security of trust generation.

6. Conclusion and Outlook

By analyzing the concept and characteristics of blockchain technology, this paper explores the important role of blockchain technology in international trade, especially in the field of financial trade. The development and application of blockchain technology will bring about innovation in risk management to traditional international trade, and this innovation not only promotes the emergence of new industries based on Blockchain, also accelerated the traditional financial and trade industry internal integration and upgrading innovation. The original horizontal competition of traditional financial industry is gradually forced to develop into crisscross competition among industries. This benign competition can re-integrate the financial industry form for China's economic transformation, supply-side reform and other important development goals are of great significance. But we should also note that the external risks of blockchain technology can not be completely avoided, so international trade needs to improve efficiency and user experience on the basis of ensuring security. If can not ensure the security, then again the high efficiency, again the good user experience is also a castle in the air. At the same time, as the development of blockchain leads to the inevitable phenomena such as the loss of business of the original risk-controlling party after the integration of financial industry forms, how to effectively use blockchain technology on the basis of financial trade risk control, to minimize the possible loss of economic fluctuations, and to build consensus system in accordance with the corresponding business scenarios is the direction we still need to study.

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