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Immediate release

Revolutionary new global trading process on the horizon for bulk commodities

“Australia’s exporters will be a leader in this field”

When a vessel carrying coal from Dalrymple Bay Coal Terminal sailed last week, it heralded the dawn of a new era in global bulk commodity logistics and trade.

With the shipment, Australian company CommChain had proven blockchain-enabled, end-to-end trade for bulk commodity logistics and trade settlement was a step closer to commercial reality.

The Japan-bound ship was the fourth and final vessel in a ground-breaking Proof of Concept for CommChain’s innovative platform, which digitises existing paper-based systems for logistics and trade settlement.

Bringing the sector into digital era

It is an industry first for the multi-billion-dollar global bulk commodity logistics and trade sector, which has relied on a manual processing framework that is inefficient, cumbersome and subject to error.

The CommChain team is led by Gary Zamel, whose 40+ years' experience in the resources sector includes founding numerous mining technology businesses. Mr Zamel said CommChain’s vision was to create a “step-change” in the bulk commodity industry, which despite transporting \$278 billion worth of exports, still used outdated systems.

Mr Zamel said the success of the Proof of Concept was timely given the release of a [report](#) by the Australian Council of Learned Academies (ACOLA) that notes the inevitability of digital disruption in Australian society.

Mr Zamel said: “The successful trial of the CommChain platform is a step change; it will transform the way bulk commodity trades are processed. This Proof of Concept has illustrated that blockchain-based processes are commercially viable and bringing enormous benefits to industry in the form of savings of both cost and time, security and provenance. Immutable data is a great warehouse for data that can be analysed by AI to identify enhanced value capture if other choices were made. Further, the CommChain platform offers a solution to the industry’s desire for greater visibility along the supply chain to support purchasing decisions and practices.

“We have received significant interest from stakeholders, which includes our suppliers, transport logistics, traders and buyers. This platform was developed with leading Australian-based firm BCS Technology and offers a single source of truth that will bring savings to the industry.

Mr Zamel is joined by co-Founders Faith Dempsey, founder of Queensland-based TransCoal and TransBulk Logistics, and Phil McCarthy, respected veteran of the coal industry. The CommChain Proof of Concept was conducted through TransCoal in collaboration with several parties along the supply chain, including Jellinbah Resources and Stanmore Coal. The four cargoes exported during the July Proof of Concept were valued at US\$15.25m and included departures from RG Tanna Coal Terminal.

CommChain Co-Founder and Director Faith Dempsey said the experiment will improve efficiency and liquidity for companies as the speed and accuracy of information will lead to optimised asset utilisation on the supply chain and faster payments.

Ms Dempsey said: “An immediate benefit to the coal industry is the elimination of the liquidity ‘air-gap’ for those Sales Agreements which rely on paper-based shipping documents being delivered to the Buyer to commence the payment process. In addition, the risk of losing or delaying document delivery via couriers is eliminated. These efficiencies can also be applied to the Buyer’s business with their end-users if blockchain technology is used.

“I’m excited about what a mature blockchain environment can deliver for our rail and port operators. If we can deliver them the ‘big data’ that will allow them to maximise and more efficiently run their operations, then all parties should benefit with moving more coal through existing infrastructure and thereby delivering those most-needed cost reductions.

“Let the Australian resources industry be a leader in this field, not a follower.”

Fast facts

- Block-chain digitises the flow of data, making it faster, safer and secure
- Australia’s resource and exports are set to hit a new record of \$278 billion in 2018–19 – a 7-year high (Editor’s note: Data from Office of the Chief Economist, *Resources and Energy Quarterly March 2019*)
- The Export Volumes Index (preliminary estimate) rose by 8.1 per cent year-on-year in the March quarter 2019, taking the index to a new record high.

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[CommChain](#) is an Australian company changing the way bulk commodity trades are processed. Eliminating the need for archaic paper-based documentation, CommChain’s blockchain-based solution offers a suite of features that are designed to improve the efficiency in bulk commodity trading.

[TransCoal](#) is a unique Queensland based logistics management and marketing support business respected by the mining industry internationally for its track record in delivering efficient and cost-effective logistics services in coal and minerals.