

Ethereum Business Readiness Report 2023

Highlights

Assessing the potential and capabilities
of public Ethereum and the broader
Ethereum ecosystem for businesses



ENTERPRISE
ETHEREUM
ALLIANCE

v1.0 December 21, 2023



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Report Highlights

Section 1: The Year in Business Ethereum

- Crypto winter had a dampening effect on business adoption.
- Significant hacks and frauds underscored the importance of security.
- The ecosystem as a whole showed remarkable resilience despite market turbulence.
- Sectors like Institutional DeFi and NFTs for global brands saw strong growth.

Section 2: A snapshot of the Use of Ethereum and EVM in Business Today

- There is a growing ecosystem of projects being built on Ethereum and EVM technology.
- Both large corporates and startups alike are embracing the technology.
- The majority of applications that have been announced are on public networks.
- High numbers of competing infrastructure companies are reducing the cost of using the technology.
- There is significant activity in the area of scaling Ethereum.

Section 3: Observations and Trends

- Ethereum has established itself as the preferred settlement and base layer in the blockchain space.
- Ethereum has solved its sustainability issues on Mainnet.
- Ethereum has not yet solved its scalability problem on Mainnet.
- Layer 2s have come of age.
- Ethereum is evolving a “rollup-centric” architecture comprising Mainnet as the base layer with a universe of Layer 2s and 3s above it.
- The move to public blockchain continues, a trend we identified last year.
- Privacy remains a priority and a concern for businesses, although it is slowly being addressed.
- Security also remains a very serious concern, though primarily at the application layer.
- Tokenization, especially of real-world assets (RWAs), is an increasingly important use case.
- Bringing fiat money onchain will be an enormous enabler of business applications.

Report Highlights

Section 4: Assessing the Business Readiness of the Ethereum Ecosystem

- There may be a lot of transactions on L2s, but in terms of \$ value being settled this is still predominantly on Mainnet.
- Ethereum and its L2s will most probably overtake large traditional payment networks if there is another bull run.
- Stablecoins now account for over 60% of the volume on Mainnet when compared directly to ether (ETH).
- Transaction fees on L2s are bringing down the cost of using the public Ethereum ecosystem, which will support further business adoption.

Section 5: Conclusion

- The Ethereum ecosystem as a whole has continued its evolution as a viable decentralized platform for large-scale business use.
- The myriad Layer 2s, Layer 3s and other solutions means that businesses can choose from a great many options.
- On the other hand, these myriad options also make the ecosystem more complex for business users.

Research Methodology

Business Ethereum database: A proprietary database of 260 projects and onchain data provided by PYOR

Case studies:

- Blocksquare
- BRØK
- Circularise
- Fnality
- Opera Minipay Wallet
- Roxpay
- Rubey
- Sage
- Shell Avelia
- Tokenchampions
- Tokeny
- XEROF

In-Depth Interviews:

- Steven Goldfeder, Offchain Labs
- Jens Herrmann, Deutsche Telekom
- Dan Heyman, Palm
- Joe Lubin, Consensus
- Rene Reinsberg, Celo
- Markus Schorn, Deutsche Telekom
- Vikram Seth, Shell
- Alex Tapscott, Author

Projects by Industry Using Ethereum / EVM Technology



Arts

RUBEY
The British Museum
Sotheby's

Capital Markets

ABN-AMRO Bitbond Digift matrixport CeKB Superstate SYGNUM
 ADDX BlockInvest DTCC NIVAURA OpenEden Securrency swiat
 agrotoken BRÚ European Investment Bank market.xm POLYTRADE SECURITIZE TOKENSOFT
 Aktionariat cashlink FORGE INX POLYMESH SIEMENS tokeny SOLUTIONS
 Arcton clearmatics Goldman Sachs obligate.com prog///at solv tZERO
 BACKED Backed Assets GmbH daura J.P.Morgan Ondo Santander stobox UBS

Carbon Credits & ESG

acx dClimate
 plastiks Nori
 thallo Flowcarbon™
 mint carbon
 MVGX KlimaDAO

Retail & E-Commerce

.arianee
 AURA BLOCKCHAIN CONSORTIUM ETIHAD AIRWAYS MATTEREUM
 BREITLING 1884 GET Protocol NIKE
 CO:CREATE Hypermint Starbucks

Payments

ADHARA PARTIOR RAIDEN
 FNALITY PayPal Norges Bank
 MAKER Polybase TOKU
 Opera UBIN VISA

Institutional DeFi

ANGLE coinchange
 ARC GITCOIN
 Centrifuge OpenTrade
 MAUVE

Data & Analytics

Acentrix cryptio
 Request BITWAVE
 the graph API3
 Chainlink multis



HealthTech

MEDILEDGER PharmaLedger ASSOCIATION
 EQUIDEM HEALTH prescriptive
 molecule synoptic Health Alliance

Insurance

AON Arbol
 ETHERISC NAYMS
 StateFarm Nexus Mutual

Real Estate

blocksquare ELYSIA PROPY RealT
 HoneyBricks
 RANFIRE MATA CAPITAL realio. tectrex

Trade Finance

BSOS citi
 komgo TradeTrust
 Powering Trade Networks

Money Markets

ATLENDIS MAPLE
 Clearpool Pontoro
 Goldfinch

Supply Chain & Logistics

CargoX CONA SERVICES LLC EVERLEDGER SIMBA TRANSMUTE
 CIRCULARISE DE BEERS A DIAMOND IS FOREVER STATWIG VAKT
 Circular covantis Roxpay Shell FOREX

Identity

dock.io MOBI SPHERITY
 Gateway nuggets SpruceID
 indicio RNS.ID TORUS
 serto ZUPPLE

Infrastructure

BASE CELO
 HEVERLAND Baseledger Chainstack EY Hedera Linea ParaState SKALE vmware
 alchemy baseline consensus fantom HYPERLEDGER BESU MANTLE parity STARKWARE wanchain
 Ankr BSN Blockchain-based Service Network CoreLedger Findora INFURA METIS polygon TATA XDC NETWORK
 aws BLOCKDAEMON Deutsche Telekom FUJITSU kaleido Microsoft SAMSUNG tenderly zkSync
 ARBITRUM BlockApps ENVISION BLOCKCHAIN fuse KINTO NETHERMIND SAP Telefonica ZAB Technologies
 AURORA CARTESI Espresso Gnosis Klaytn OPTIMISM SettleMint UNIBRIGHT1 ZYNESIS

Key Insights: Perspectives from Our Interviewees



Vikram Seth
Shell

"Our key pillars are traceability, trust, and transparency. It's very clear that that can only be delivered by public blockchains."



Joe Lubin
Consensys

Credit: Kyle Depew Photography

"The next major phase of ecosystem development is going to result in the establishment of the next generation social fabric for our planet."



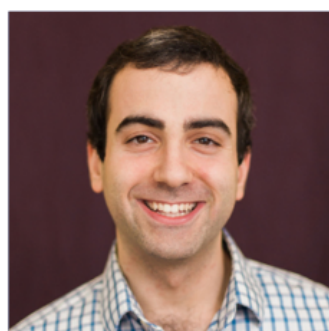
Rene Reinsberg
Celo

"Ethereum has matured tremendously, and its Mainnet is robust enough to support our objectives."



Alex Tapscott
Author

"In this next cycle, the technology will be ready for primetime."

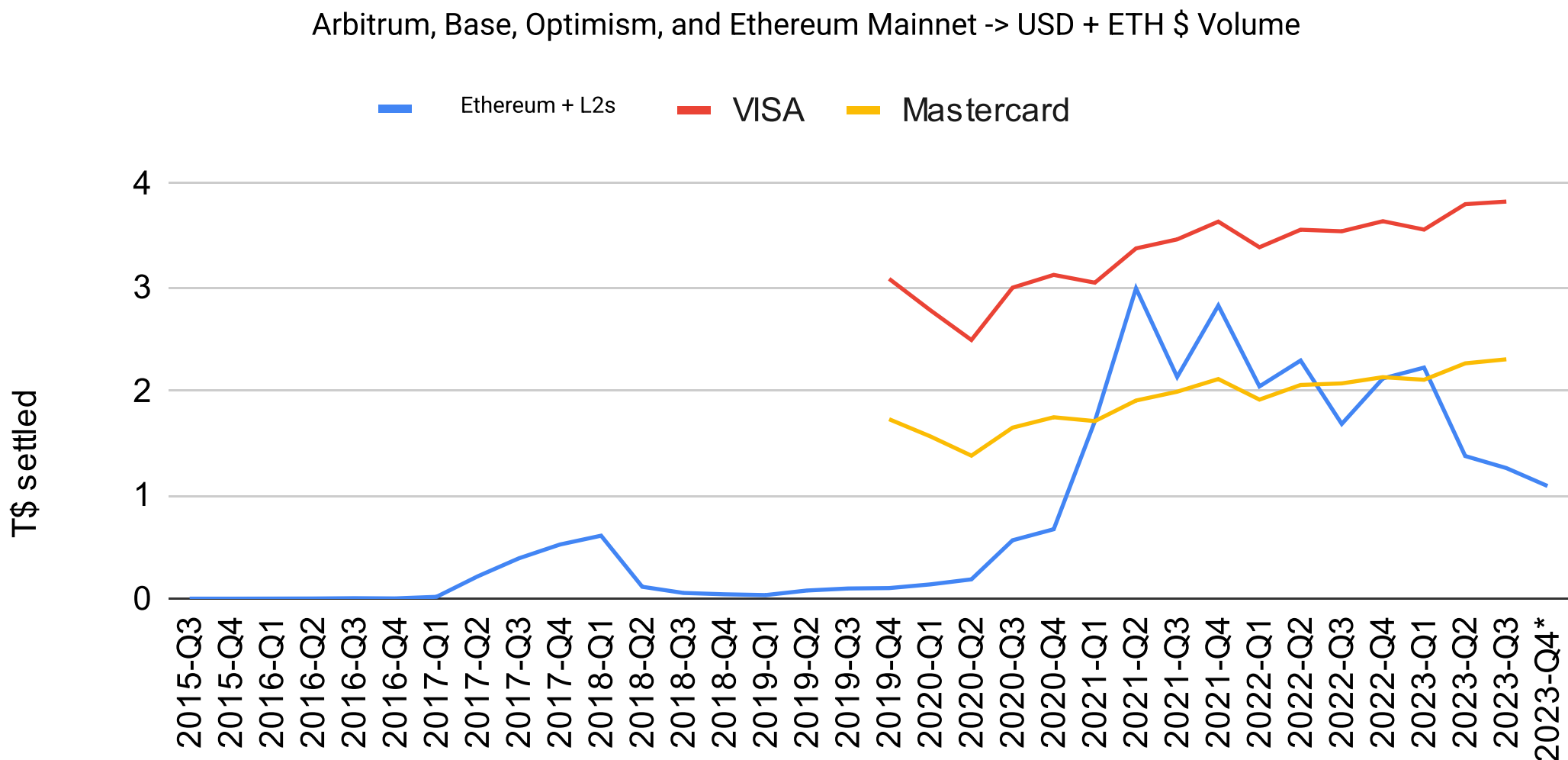


Steven Goldfeder
Offchain Labs

"Fast forward to today, and we're seeing a ton of interest from enterprises all across the board."

Key Business Ethereum Insights

Ethereum & L2s vs. Payment Networks: A Comparison



Source: PYOR & Enterprise Ethereum Alliance

Date - Year-Quarter

*cut-off date = 30th Nov '23

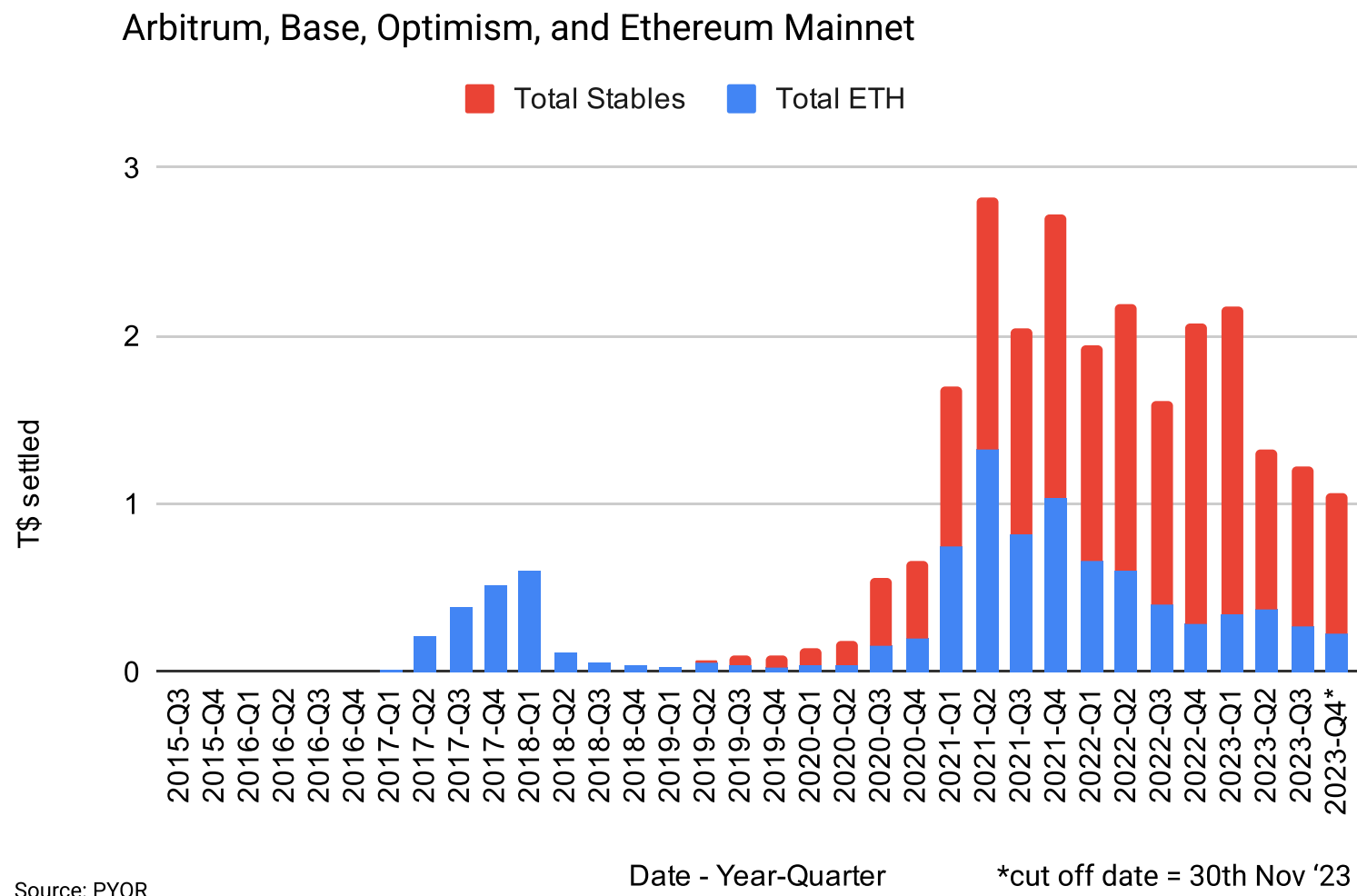
With the assistance of [PYOR](#), we have successfully gathered data on transactions involving ETH and major stablecoins (USDC, USDT, DAI, PAXG) on the Ethereum Mainnet and the most utilized L2 networks, namely Arbitrum, Base, and Optimism. PYOR's refined methodology has been developed to prevent double-counting during transactions that pass through smart contracts, thereby aiming to maximize the accuracy of this metric. ETH \$ volume from that day is a calculation of the close price.

It's important to clarify that our data collection excludes various other tokens within the Ethereum ecosystem, including many ERC-20 tokens. This exclusion is due to the complexity they add to the calculation process and the fact that, in the context of the enormous transactional scale we are examining, they do not significantly alter the overall data. Our preliminary investigation supports this decision. We anticipate that future research by other researchers may delve into these additional aspects of the Ethereum ecosystem.

By consolidating our data into a single metric for comparison with Visa and Mastercard, the chart above illustrates the significant impact the recent bear cycle has had on the US dollar value settled.

Key Ethereum Ecosystem Insights

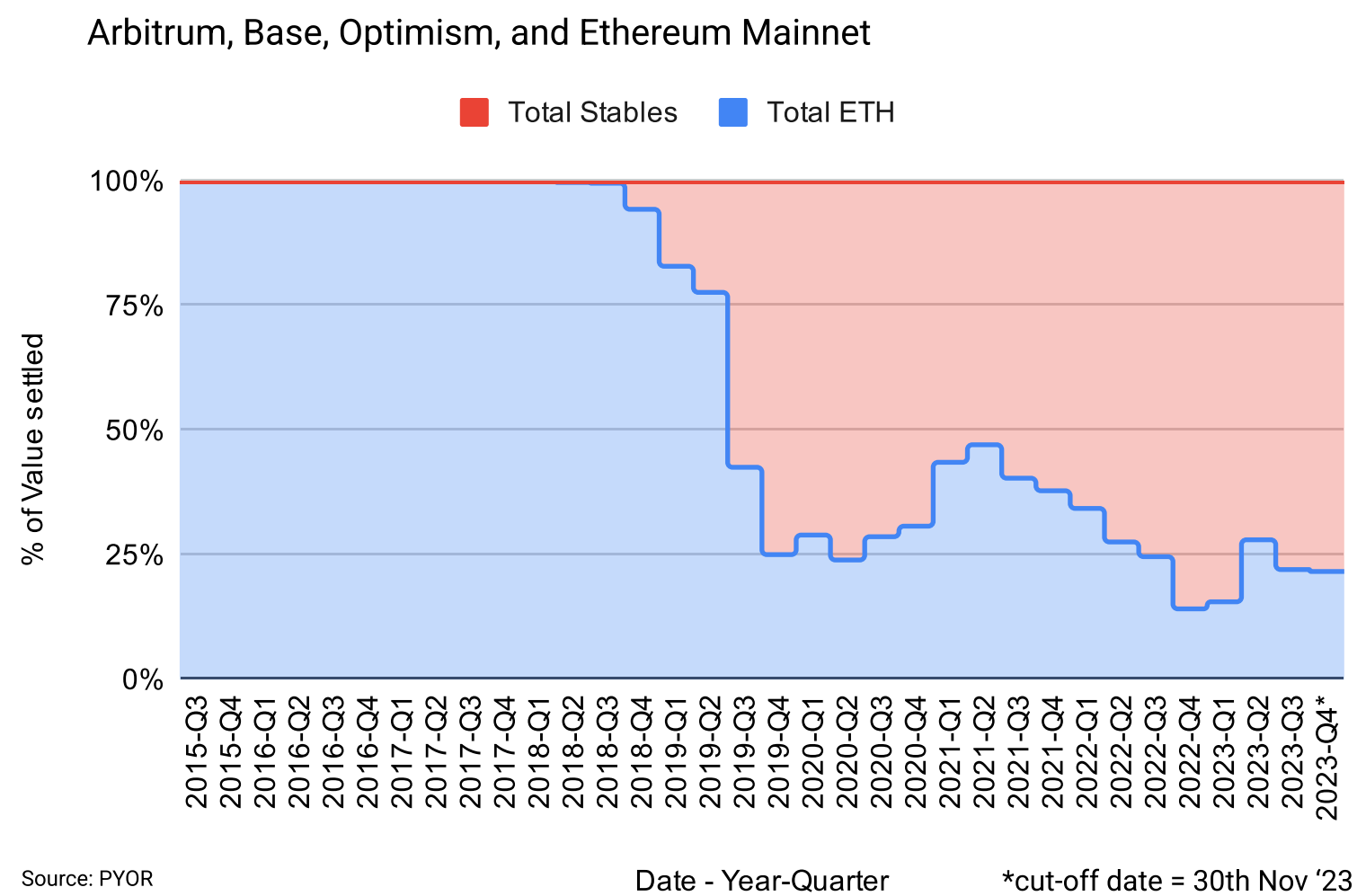
\$ settled in stables vs. ETH



Breaking down the total dollar value settled in the Ethereum ecosystem further into stablecoins and ETH by quarter, it becomes evident that stablecoins have consistently dominated the total value settled onchain, with their prominence increasingly evident over time.

A more insightful way to illustrate this trend is by representing it as a percentage of the total dollar value settled onchain for any given quarter:

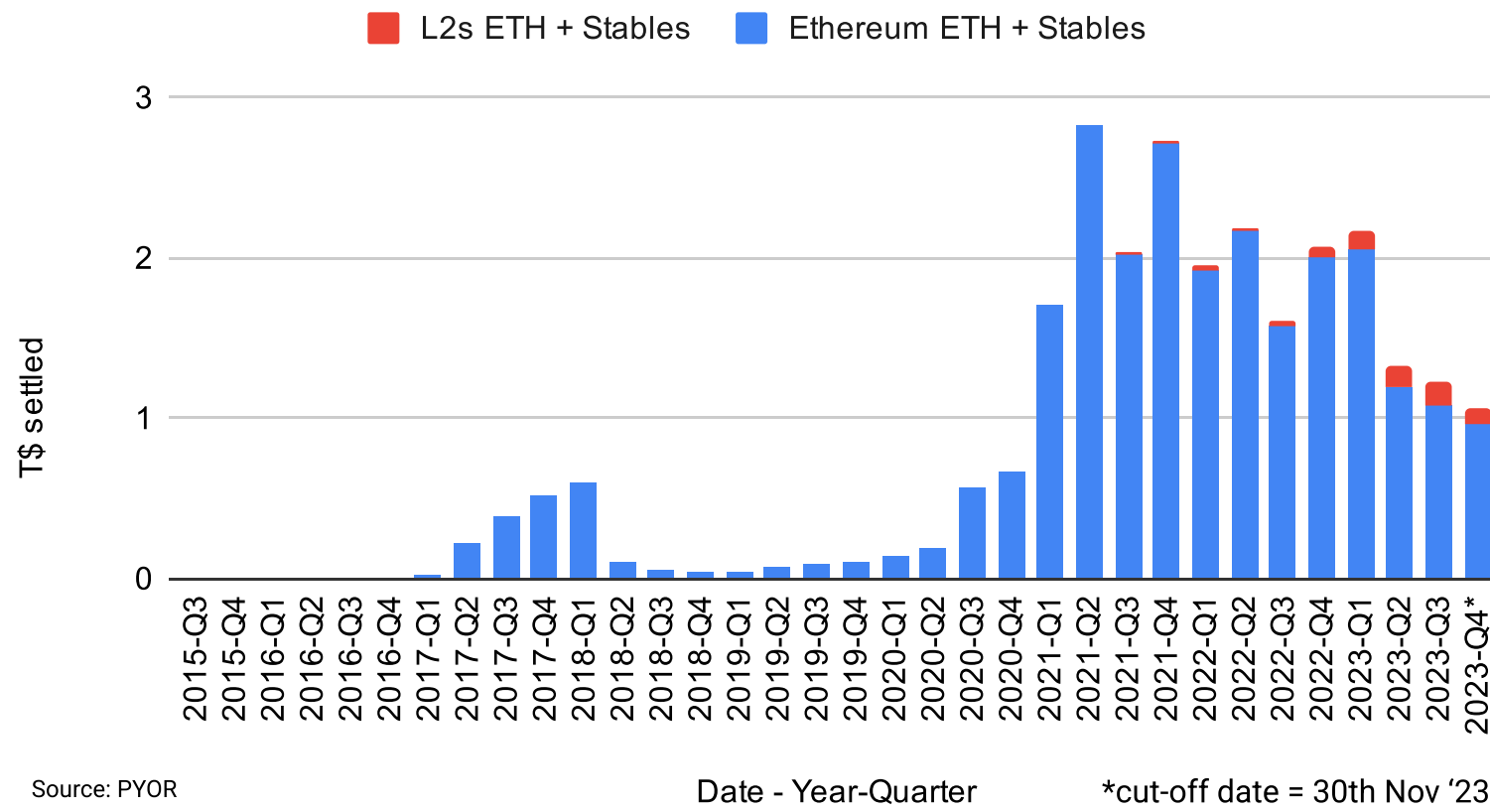
% settled in stables vs. ETH



Key Ethereum Ecosystem Insights

\$ settled between Mainnet vs. L2s

Arbitrum, Base, and Optimism vs. Ethereum Mainnet



We also explored the distribution of transaction activity between L2 networks and the Ethereum Mainnet, especially given the growing importance of L2s in the narrative of Ethereum's evolution.

Our analysis reveals that despite a significant number of transactions on L2s being conducted in ETH or stablecoins, the majority of the transactional value is still settled on the Mainnet.

This leads us to conclude that, as of now, L2 networks have not overtaken the Mainnet in terms of the total dollar value settled.

% settled between Mainnet vs. L2s

Arbitrum, Base, and Optimism vs. Ethereum Mainnet

