As part of its strategy to support global trade, the World Bank Group seeks to enhance trade finance in emerging markets. In 2005 the International Finance Corporation (IFC), part of the Bank Group, introduced the Global Trade Finance Program (GTFP) to support the extension of trade finance to underserved clients globally. This IEG evaluation found that overall, the GTFP was a relevant response to the demand to reduce risk in trade finance in emerging markets. The program significantly improved IFC’s engagement in trade finance by introducing an open network of banks and a quick, flexible response platform to support the supply of trade finance. IEG’s evaluation covers the program’s operations from its inception in 2005 through FY2012. The program grew from a $500 million annual commitment to $5 billion in FY12. It accounted for 39 percent of total IFC commitments and has low costs—it accounted for 2.4 percent of IFC’s capital use and 1.2 percent of its staff costs and has had no claims to date. It is profitable as well, although not to the extent originally expected, accounting for 0.6 percent of IFC’s net profit. IEG found that the GTFP has particular additionality among higher-risk countries. In its early years, it was concentrated in these countries, particularly in Africa. During the global crisis, the program risk-mitigation instrument became relevant in much broader markets. Client feedback on the program has been positive. In its evaluation IEG does offer several recommendations to enhance its effectiveness, including on issues of transparency and reporting methods, as well as expanding the share of the program in needier markets. For development professionals, the lessons in this evaluation can be applied to private sector development situations, particularly mitigation of financing risks in emerging markets.

Trade finance is the backbone of international trade for entities ranging from a small businesses to multi-national corporations. An estimated 80 percent of world trade relies on this form of finance (WTO, 2017). Despite its systemic importance and rapid growth, data availability is only partial. During the 2008 financial crisis, policy makers, notably the G20 recognized that the absence of comprehensive trade finance data posed a significant hurdle for policy-makers to make informed, timely decisions. This paper proposes a stand-alone dataset to reflect the scope, dynamic and recent innovations of the trade finance market to support macroeconomic policy analysis.
Read PDF Trade Finance During The Great Trade Collapse Trade And Development

This study by the WTO explains the basic links between trade and the financial sector, and how financial crises are interrelated with trade. This study also includes case studies on past financial crises.--Publisher's description

This book addresses key topics relating to international trade; letters of credit mechanism, collections of bills, trade customs and practice. Dealing with complicated implementation issues in a forthright and comprehensive fashion, it is an essential tool for navigating the procedures of international trade finance.

Trade finance serves as the lifeblood of the day-to-day international trade in goods and services. Due to the significant impact of the Coronavirus pandemic (COVID-19) on the world economy, concerns are growing with respect to the cost and availability of trade finance. In response to these concerns, governments are turning to their export credit agencies (ECAs) to step-in and attempt to fill the financing gaps, as they did in response to the 2008-2009 financial crisis.

This volume provides insights on the role of trade finance in the 2008-2009 “Great Trade Collapse” and the subsequent role of governments and institutions to help restore trade finance markets. It is the product of a fruitful collaboration between the World Bank Group, international financial partners, private banks, and academia.

Trade finance has long been an important component of international financial flows. Firms in emerging market economies, in particular, rely heavily on bank-financed trade credits to support their export and import activities. This book examines why and how much trade finance flows decline during financial crises, with case studies of several Asian and Latin American countries. The authors draw from the analysis to present options for mitigating trade finance declines in the event of future crises.

This important collection of essays covers such subjects as the impact of changing global trade policies on India; the charting of a free trade area in South Asia; India’s informal trade with Bangladesh and Nepal; India-Bangladesh bilateral trade; a plan to strengthen regional trade cooperation in South Asia with special reference to India and Pakistan; a comparative analysis of the Chinese and Indian experience of multinational and expatriate foreign direct investment; foreign direct investment and economic integration in the SAARC region and health policy challenges for India.


John MacNamara’s timely report looks at the principles and practice of structured trade and commodity finance deals and what can go wrong. It is supported by invaluable case study material. An authoritative guide to structured trade and commodity finance in emerging markets A detailed study of the problems and opportunities presented by structured trade A clear explanation of typical structures and risk mitigation techniques

International trade, and its financing, is now a key component of many undergraduate and postgraduate qualifications. For anyone involved in international sales, finance, shipping and administration, or for those studying for academic or professional qualifications in international trade, The Handbook of International Trade & Finance offers an extensive and topical explanation of the key finance areas - including risk management, international payments and currency management. This essential reference resource provides the information necessary to help you to reduce risks and improve cash flow, identify the most competitive finance alternatives, structure the best payment
terms, and minimize finance and transaction costs. This fully revised and updated 3rd edition also describes the negotiating process from the perspectives of both the buyer and the seller, providing valuable insight into the complete financing process, and covering key topics such as: - trade risks and risk assessment - export credit insurance - methods of payment - trade finance - bonds, guarantees and standby letters of credit - terms of payment - currency risk management. The Handbook gives a complete and thorough assessment of all the issues involved in constructing, financing and completing a cross-border transaction and is an indispensable guide for anyone who deals with international trade. It also includes a section on risk management, which plays an increasingly important role in international trade - from currency fluctuations to political risk and natural disasters.

Designed for use by anyone involved in international sales, finance, shipping and administration, The Handbook of International Trade and Finance provides a full explanation of the key areas of international trade - including risk management, international payments and currency management. It is an essential reference source that will help to reduce risks and improve cashflow, identify the most competitive finance alternatives, structure the best payment terms, and minimize finance and transaction costs. Coverage includes: trade risks and risk assessment; methods of payment; currency risk; export credit insurance; trade finance; and terms of payment. Designed for all businesses, regardless of size and business sector, the book also describes the negotiating process from the perspectives of both the buyer and the seller - providing valuable insight into the complete financing process.

Trade finance has long been an important component of international financial flows. Firms in emerging market economies, in particular, rely heavily on bank-financed trade credits to support their export and import activities. This book examines why and how much trade finance flows decline during financial crises, with case studies of several Asian and Latin American countries. The authors draw from the analysis to present options for mitigating trade finance declines in the event of future crises.

As world leaders have agreed to massively support trade finance, this paper discusses the singularity of the issues related to trade finance in the context of the global economic crisis. Why should international trade finance be a particular issue of concern in the current circumstances? Are there specific market or government failures associated with trade finance that justify a special and differential treatment of the issue by policymakers? If so, what would then be the most appropriate policy instruments to address those concerns? The paper cautions against the notion of a large trade finance "gap," yet highlights the possible rationales and conditions for an effective intervention in support of trade finance.

This paper explores the reasons behind the failure by private markets and other institutions to meet demand for cross-border and domestic short-term trade finance during financial crises such as the one which affected emerging economies in the 1990s.--Publisher's description.

Global merchandise trade sharply declined in late 2008 and early 2009, and some press and financial market reports assigned a large role for the decline to trade finance. However, the available evidence suggests that shocks to trade finance were not the major factor in the decline in trade. Surveys of commercial banks by the IMF and others found that while bank-intermediated trade finance fell in value during the crisis, it fell by less than merchandise trade. As a result, the share of world trade supported by bank-intermediated trade finance increased despite higher pricing margins. Other explanations appear to account for the bulk of the reduction in international trade.

Trade finance is of great importance in the commercial world, for both students (undergraduate and postgraduate) and practitioners. The choice of countries in export trade is often perception-based: trade with government departments or public institutions is seen as much safer than with private entities and the choice of countries is often based on that perception of risk. This book: addresses issues and topics which are relevant to all jurisdictions in the world explains the various types of trade finance, how they may be raised and the legal issues pertaining to them Value for those wanting to understand the legal issues of sources of trade finance in both the developed and
 developing countries, this book will interest students studying the interaction between law and commerce.

Export Credit Agencies provide insurance and guarantees to domestic firms in the event that payment is not received from an importer. Thus, ECAs reduce uncertainties domestic firms face in exporting their goods. Most countries have ECAs that operate as official or quasi-official branches of their governments and they therefore represent an important part of government strategies to facilitate trade, promote domestic industry and distribute foreign aid. The Political Economy of Trade Finance provides a detailed analysis as to how firms use the medium and longer-term financing provided by ECAs to export goods to developing countries. It also explains how ECA arrears have contributed to the debt of developing countries and illustrates how the commercial interests of ECA activity are evident in decisions about IMF arrangements and related to Paris Club debt rescheduling agreements. Finally, the book documents how the medium and longer-term export credit insurance support provided by the G-7 ECAs was a central component in mitigating steep declines in international trade during the 2008 Global Financial Crisis. This book is of great interest to both academics and students in the field of political economy, finance and politics of international trade. It is also of importance to policy makers.

The 21st century has witnessed swift change in every sphere of the human endeavour. Regulatory re-alignment, digitalisation and economic and political developments have contributed to paradigm shift in banking, trade, finance and the shipping industry virtually transforming the landscape. International Trade Finance is an essential tool for bankers, exporters/importers, shippers, consultants, teachers and students navigating the procedures of international trade finance. The book addresses basic topics relating to international trade including letters of credit mechanism, collections of bills, trade customs and practice. New to this revised edition, it covers SWIFT updates, supply chain system, UKEF, Blockchain technologies, the implications of BREXIT, NAFTA, Mexico, Canada and other bilateral agreements and their implications, the US sanctions, terrorist financing and anti-money laundering provisions, and a check list to control financial crime risks in trade finance. The extended metaphor of the book is that of an arm chair tour covering fundamentals to the nuances of the hard core of the subject matter and enabling the readers to deal with complicated implementation issues in a forthright and comprehensive fashion.

Despite some progress, women's share in senior management is still poor. Closing the gender gap in leadership leads to better business and financial outcomes. ADB's Trade Finance Program—which guaranteed or funded 3,500 transactions in 2017 valued at $4.5 billion—conducted a gender audit among several of its partner banks. The objective of this study was to develop specific, practical and implementable recommendations to attract, retain, and promote more women in banking. This study was a joint effort between ADB's Private Sector Department and the Gender Equity Thematic Group, funded by the Australian Department of Foreign Affairs and Trade.

This book provides a foundation in trade finance in a direct clean style, enabling the reader to understand the increasingly complex world of trade and provide appropriate services. It presents transaction flow diagrams and procedures detailing the movement of payment and credit through various bank channels, and covers EFTS.

The vast majority of international trade is supported by some form of trade financing: a specialized, sometimes complex form of financing that is poorly understood even by bankers and seasoned finance and treasury experts. Financing Trade and International Supply Chains takes the mystery out of trade and supply chain finance, providing a practical, straightforward overview of a discipline that is fundamental to the successful conduct of trade: trade that contributes to the creation of economic value, poverty reduction and international development, while increasing prosperity across the globe. The book suggests that every trade or supply chain finance solution, no matter how elaborate, addresses some combination of four elements: facilitation of secure and timely payment, effective mitigation of risk, provision of financing and liquidity, and facilitation of transactional and financial information flow. The book includes observations on the effective use of traditional mechanisms such as Documentary Letters of Credit, as well as an overview of emerging supply chain finance solutions and programs, critical to the financing of strategic suppliers and other members of complex supply chain ecosystems. The important role of export credit agencies and international financial institutions is explored, and innovations such as the Bank Payment Obligation are addressed in detail. Financing Trade and International Supply Chains is a valuable resource for practitioners, business executives,
entrepreneurs and others involved in international commerce and trade. This book balances concept with practical insight, and can help protect the financial interests of companies pursuing opportunity in international markets.

If you think that the rules of the International Chamber of Commerce (ICC), Paris on trade finance and documentary credits have no surprises left for you, then read this book very carefully from cover to cover. Whether you are a trade finance veteran or a recent entrant, the articles in this book will provide you with a few unconventional and unusual perspectives about the UCP and the ISBP rules. The book discusses selected provisions of UCP 600, and also raises several pertinent questions. For example, does the SWIFT MT700 really provide for an expiry date? Is article 15 necessary? Why shouldn’t UCP sub-article 16(f) apply to a nominated bank? Did you know that UCP article 10 on amendments has a huge logical error? Why are some critical rules missing in the UCP (they are only in the ISBP)? Are you aware that sub-articles 14(g), and 14(h) on non-documentary conditions, are both incorrectly structured? Which ICC ‘rules’ apply if a presentation contains only copies of transport documents? Must a B/L or a MMTD show a date of issue? What is ‘negotiation’? Why is the place where a credit is available of critical importance to an exporter/beneficiary? Go ahead and read the book. It will provide you with plenty of food for thought, a deeper understanding of the rules of trade finance, and value for money.

For investors looking to follow in the footsteps of Mitsubishi and Warren Buffet, this snappy finance novel reintroduces trade finance for the 21st century and teaches readers how to reap the rewards of this financial trade gap. Uncover the network and the knowledge of a profitable market that remains untapped by most investors: trade financing. Over the years, trade financing has remained the stabilizer of economies during economic turmoil and the backbone of emerging financial systems. It has existed as early as 1955 in Japan, and investors in trade financing today can still see exceptional returns on this low-risk option. Snappy and educational, this essential investing book will teach readers about trade financing in the 21st century and how they can capitalize on this grossly neglected market for lucrative returns. Keep reading to: Understand if trade finance is the right investment for your portfolio Get the most up to date information on emerging markets benefit from thirty years trading experience in Europe and Central Asia Get your copy of Trade Works today.

This book focuses on the European Union as an important actor in international relations and international political economy. The EU negotiates international economic agreements, represents Europe in international organizations, and is a major trading bloc and currency area. To what extent and under what conditions the EU can use its considerable economic power to assert its interests in the international arena is a relevant question for students, researchers and practitioners alike. To explore this question, the textbook introduces the concept of “actorness” and presents an overview of the actorness debate and theories used to explain actorness. In addition, it includes three empirical chapters on trade, finance and climate policy that apply various concepts and theories to study European actorness in the respective policy areas.

This second edition represents a substantial revision to the first edition first published in 1999. Readers will find this book an update of the adoption of UCP–600 and new practices of the services by ECIC and major trade promotion institutions in Hong Kong. Major differences between Incoterms 2000 and 2010 will also be discussed. Published by City University of Hong Kong Press. 香港城市大學出版社出版。

On September 15, 2008, Lehman Brothers, the fourth largest U.S. investment bank filed for bankruptcy. Global credit markets tightened. Spreads skyrocketed. International trade plummeted by double digits. Banks were reportedly unable to meet the demand from their customers to finance their international trade operations, leaving a trade finance 'gap' estimated at around US$25 billion. Governments and international institutions felt compelled to intervene based on the information that some 80-90 percent of world trade relies on some form of trade finance. As the recovery unfolds, the time has come to provide policy makers and analysts with a comprehensive assessment of the role of trade finance in the 2008-09 great trade collapse and the subsequent role of governments and institutions to help restore trade finance markets. After reviewing the underpinning of trade finance and interfirm trade credit, 'Trade Finance during the Great Trade Collapse' aims...
to answer the following questions: - Was the availability and cost of trade finance a major constraint on trade during the 2008-09 global economic crisis? - What are the underpinnings and limits of national and international public interventions in support of trade finance markets in times of crisis? - How effective were the public and private sector mechanisms put in place during the crisis to support trade and trade finance? - To what extent have the new banking regulations under Basel II and Basel III exacerbated the trade finance shortfall during the crisis and in the post-crisis environment, respectively? 'Trade Finance during the Great Trade Collapse' is the product of a fruitful collaboration during the crisis among the World Bank Group, international financial partners, private banks, and academia. 'Trade is the lifeblood of the world economy, and the sharp collapse in trade volumes was one of the most dramatic consequences of the global financial crisis. It was the moment the financial crisis hit the real economy, and when parts of the world far from the epicenter of financial turbulence felt its full fury. This book is extremely timely and full of critical insights into the role of trade finance and the potential damaging impact from the unintended consequences of regulatory changes.' --Peter Sands, CEO, Standard Chartered Bank

With the existence of the World Trade Organization, North American Free Trade Agreement and the European Union, trade continues to play a crucial role in an ever-globalizing economy. Technology and economic integration will only continue to foster the growth of trade. Exporting and importing used to be limited to large corporations, but now even small businesses can explore opportunities in international markets. Methods of organizing, financing and managing risk in trade are explored in the pages of this text. The authors also examine critical topics such as logistics and insurance, international commercial banking, and exchange rates. This book takes a practical approach, making it a worthwhile read to experienced traders and learners alike. Gain a competitive advantage and navigate business challenges with the lessons in The Fundamentals of Trade Finance.

Are you interested in learning more about the complex area of structured trade finance? Structured Trade Finance (STF) is a highly specialised area of trade finance that has evolved directly from practice. As it grows and becomes more complex in an increasingly risk-based regulatory environment, there is a need for more detailed guidance on the subject. Foundations of Structured Trade Finance will provide you with exactly this. Written by Dr Oramah – President of Afreximbank and a professional who played an important role in the evolution of STF – this report will: • Address the philosophical foundations and risks associated with structured trade finance • Provide step-by-step guidance on how deals can be structured • Outline the scope of coverage outside the confines of commodities • Examine real life case studies and draw out lessons that can be learned from these STF has proven itself as an effective instrument for attracting trade finance to those regions that receive limited trade finance and which lag behind in trade and economic performance. Ensure you're aware of the risks associated with it.

States reject inequality when they choose to ratify the International Covenant on Economic, Social and Cultural Rights (ICESCR), but to date the ICESCR has not yet figured prominently in the policy calculus behind States' international economic decisions. This book responds to the modern challenge of operationalizing the ICESCR, particularly in the context of States' decisions within international trade, finance, and investment. Differentiating between public policy mechanisms and institutional functional mandates in the international trade, finance, and investment systems, this book shows legal and policy gateways for States to feasibly translate their fundamental duties to respect, protect, and fulfill economic, social and cultural rights into their trade, finance, and investment commitments, agreements, and contracts. It approaches the problem of harmonizing social protection objectives under the ICESCR with a State's international economic treaty obligations, from the designing and interpreting international treaty texts, up to the institutional monitoring and empirical analysis of ICESCR compliance. In examining public policy options, the book takes into account around five decades of States' implementation of social protection commitments under the ICESCR; its normative evolution through the UN Committee on Economic, Social and Cultural Rights, and the Committee's expanded fact-finding and adjudicative competences under the Optional Protocol to the ICESCR; as well as the critical, dialectical, and deliberative roles of diverse functional interpretive communities within international trade, finance, and investment law. Ultimately, the book shows how States' ICESCR commitments operate as the normative foundation of their trade, finance, and investment decisions.