



TFP Trade Finance Program

SEMINAR ON INTERNATIONAL RULES AND PRACTICES FOR SECURE INTERNATIONAL TRADE

17 June 2019

Hyatt Regency Tashkent | Navoi Street 1A, Tashkent, 100000, Uzbekistan

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The merchants of peace

ICC was created in 1919 by a handful of entrepreneurs to:

- expand international trade
- represent business all over the world

Mission: ICC, the world business organization, promotes **cross-border trade and investment** and the multilateral trading system

ICC's conviction that trade is a powerful force for peace





Commission on BANKING

1. STANDARD SETTING & RULE WRITING

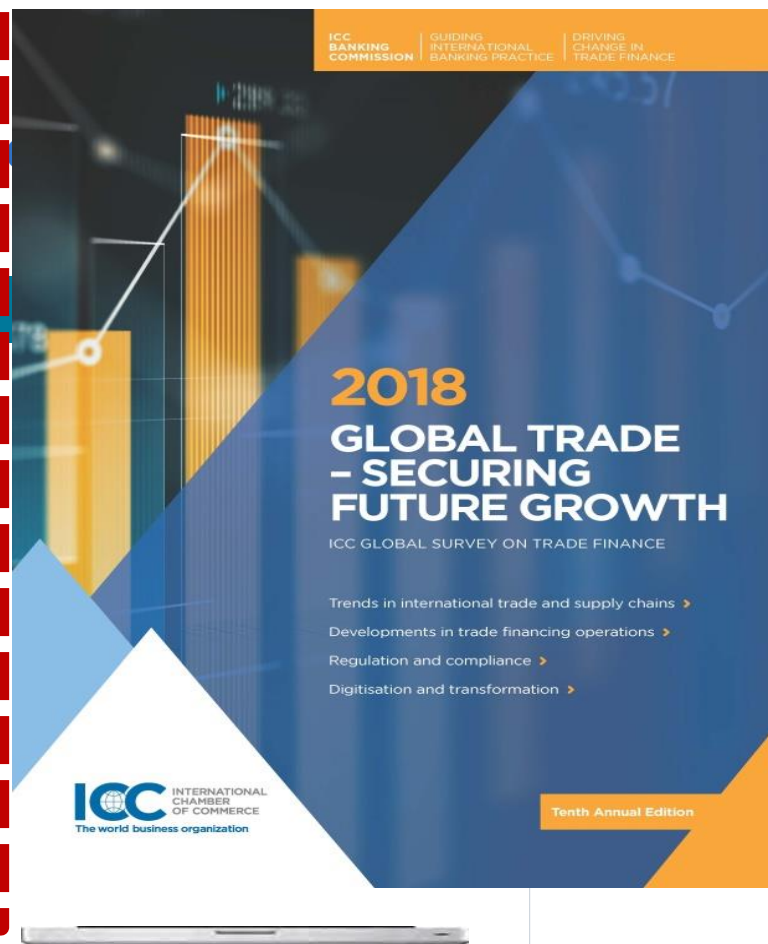


2. POLICY & REGULATORY



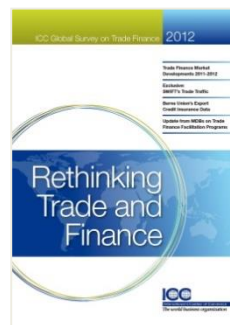
3. ANALYTICS & PUBLICATIONS

Global Surveys





Commission on BANKING





Commission on BANKING



**International
Finance Corporation**
World Bank Group



**International
Trade
Centre**



**TRADE &
EXPORT
FINANCE**



WORLD TRADE ORGANIZATION
ORGANISATION MONDIALE DU COMMERCE
ORGANIZACION MUNDIAL DEL COMERCIO

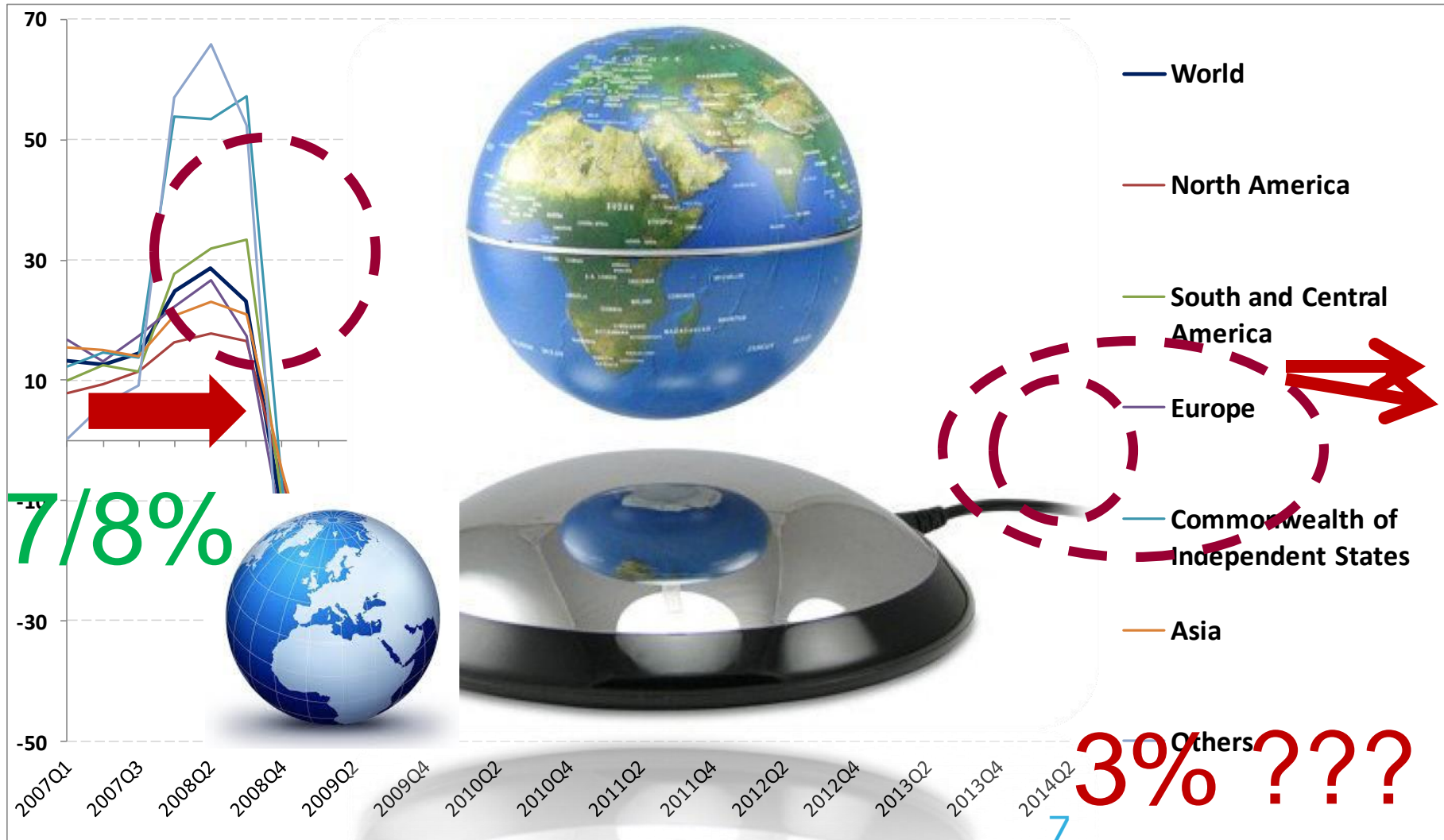


**INTERNATIONAL
CHAMBER
OF COMMERCE**

The Story Starts September 2008 - to end 2018

Growth in world merchandise exports trade.

(Year to year % change in dollar values)



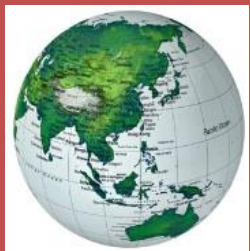
**2015 World Trade Volume
Grew 2.7%**

**2015 World Trade Value
Down 14%.. Down to USD16 Trillion**

**2016 World Trade Volume
Grew 1.3%**

**2017 World Trade Volume
GREW BY 4.5 %**

**Trade grew at twice the pace of GDP between 1990 and 2007.
Between 2011 and 2016, trade growth and GDP growth were
comparable ABOUT SAME GROWTH RATE**



2018 World Trade Volume
Growth 3.0%
...downgraded from 3.4%

Forecast 2019 World Trade Volume
Forecast growth 2.9%

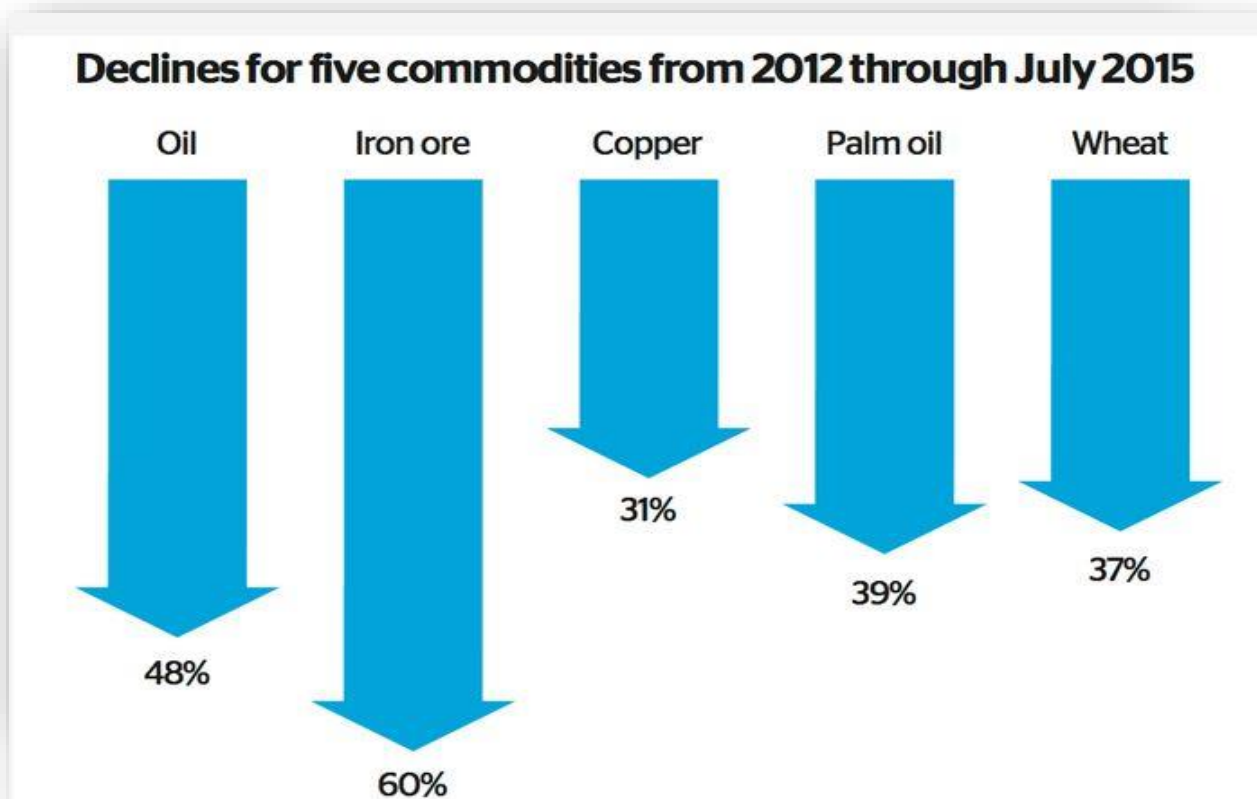
REVISED MAY 2019 ...
...UP OR DOWN?

COMMODITIES – UP OR DOWN

....what about....

commodity prices.....???

.... It has been CAT ...a... strophic !!!!!



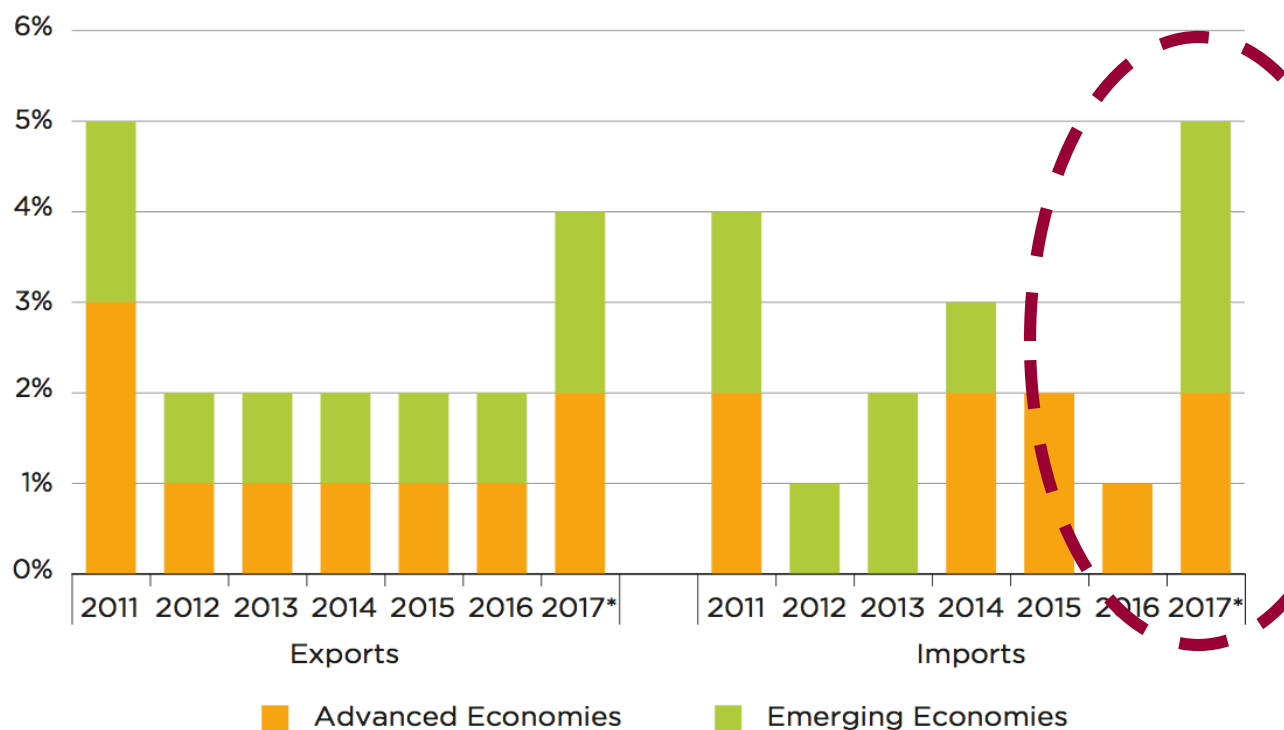
What's happening in Global Trade Finance and
– what do bankers say ?
- Where is the market ?



EMERGING MARKETS ARE THE KEY TO DEVELOPMENT....

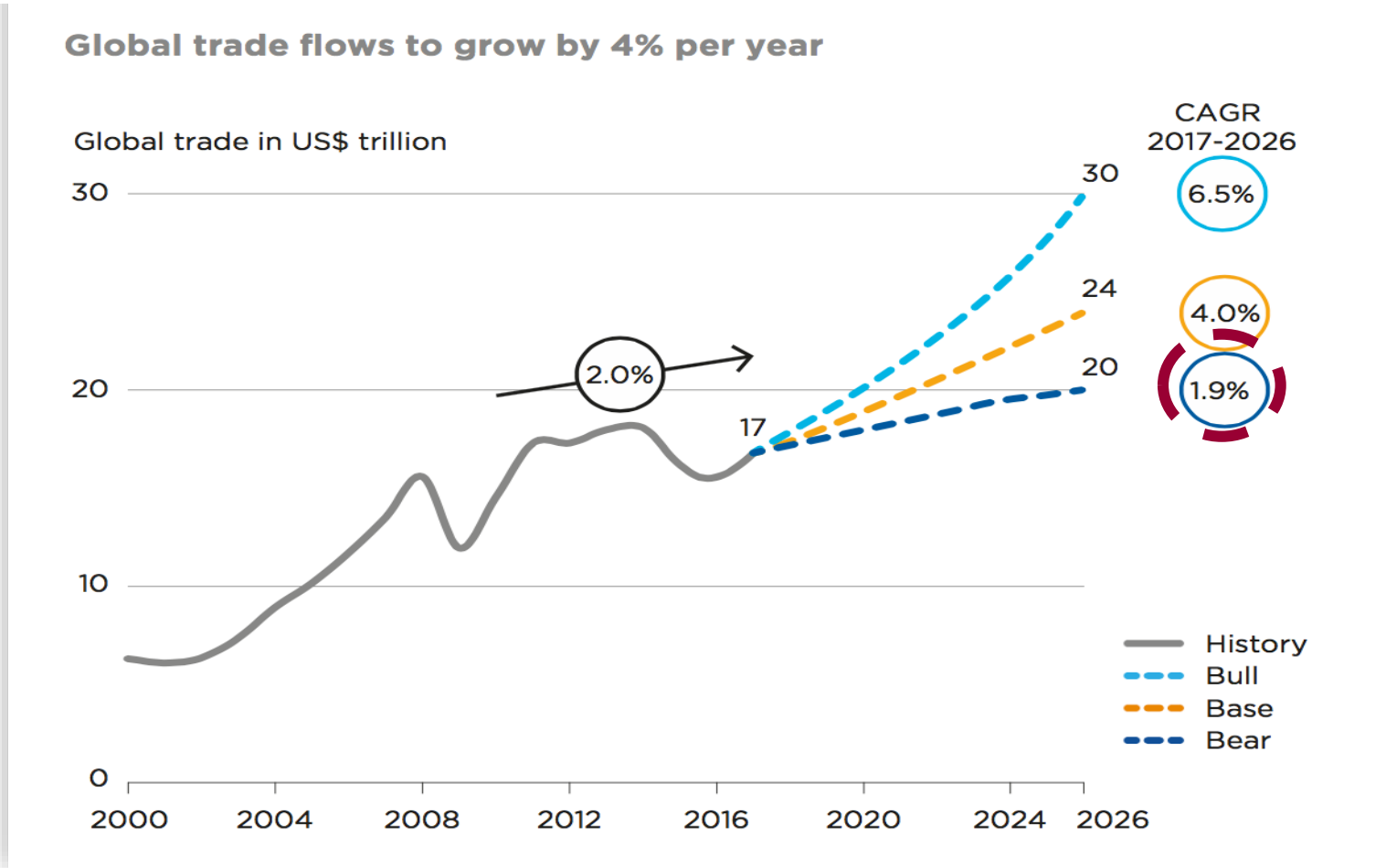
.....but may face liquidity crunch due to trade finance blockage!

B. Contribution to growth in goods export and import volume, by country group, percent



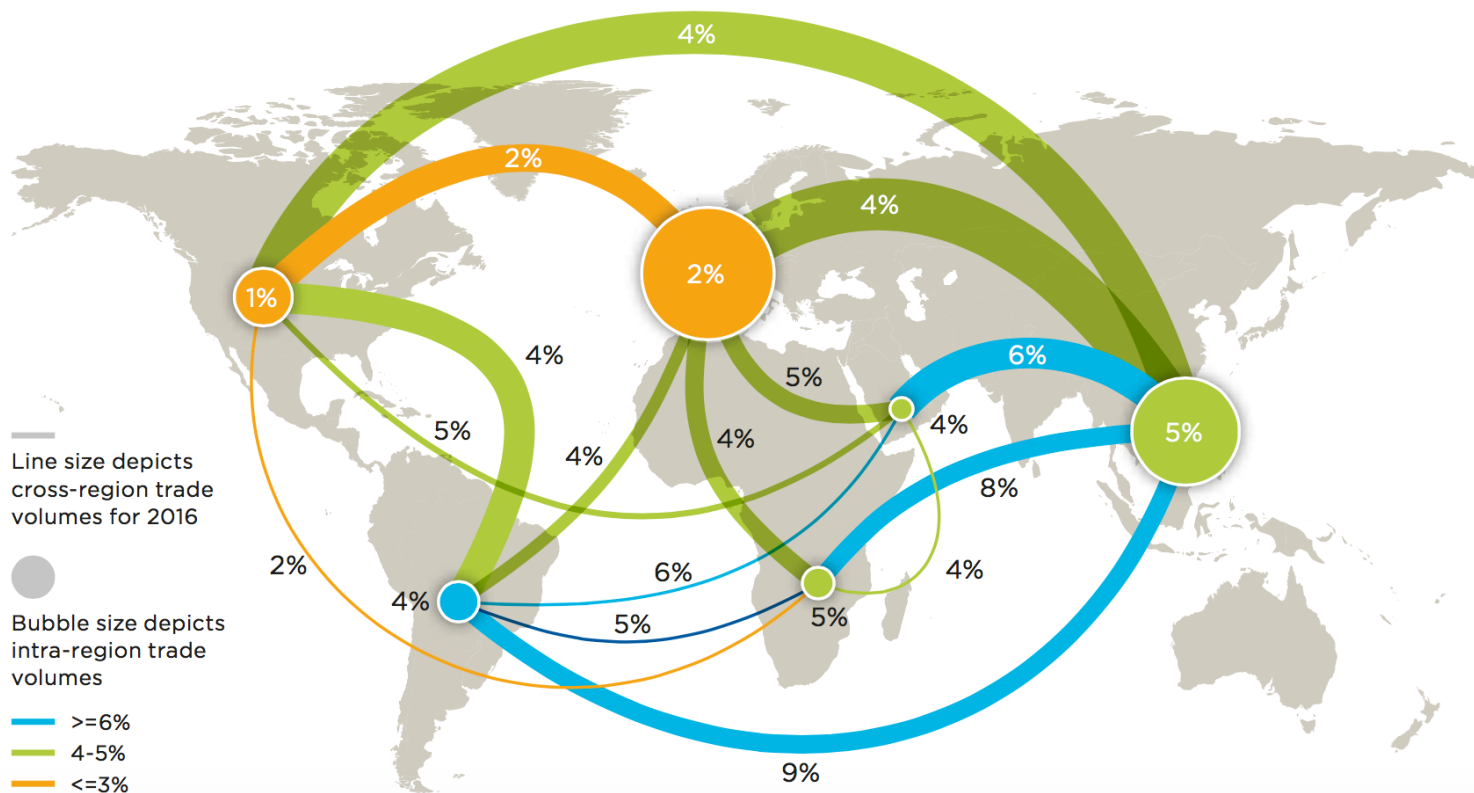


OPTOMISTIC FIGURE OF 6% IS ACHIEVEABLE IF TRADE FINANCE IS AVAILABLE ...





South-south trade corridors will see higher growth

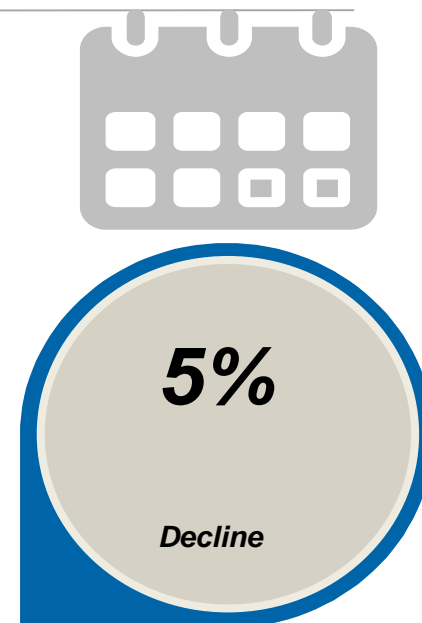
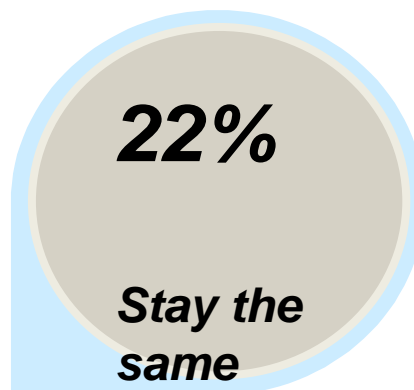
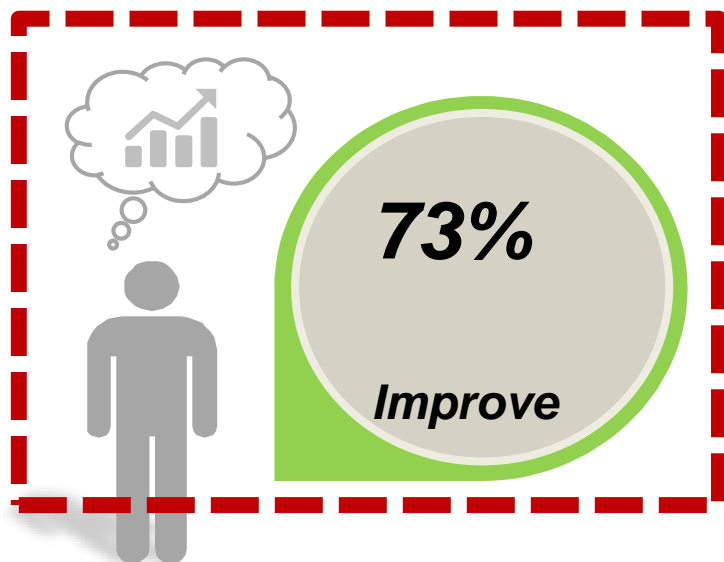


Asia will represent
38% of global trade
by 2020



2018 OUTLOOK ON GLOBAL TRADE FINANCE GROWTH

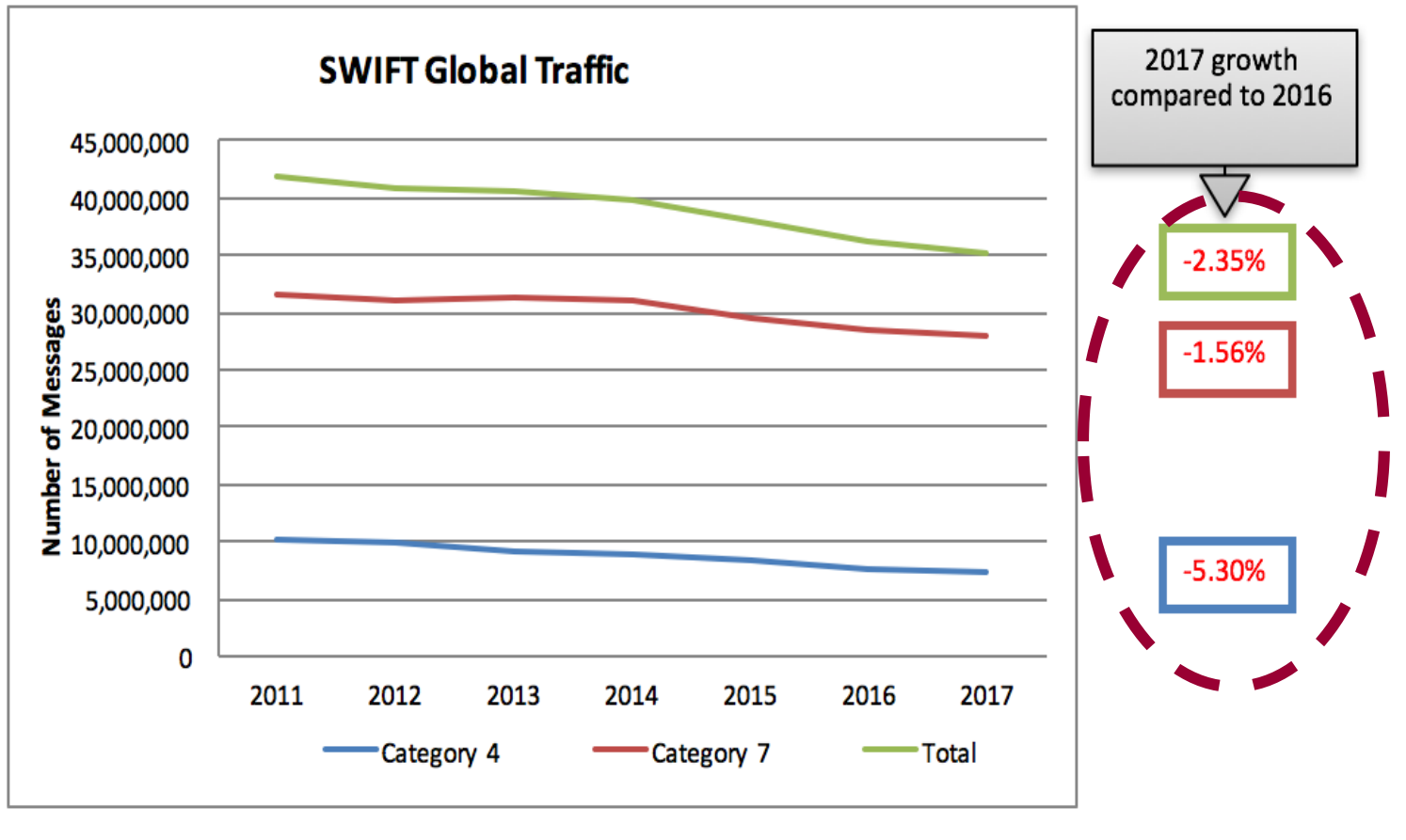
Next 12 months





SOCIETY FOR WORLDWIDE INTERBANK
FINANCIAL TELECOMMUNICATION

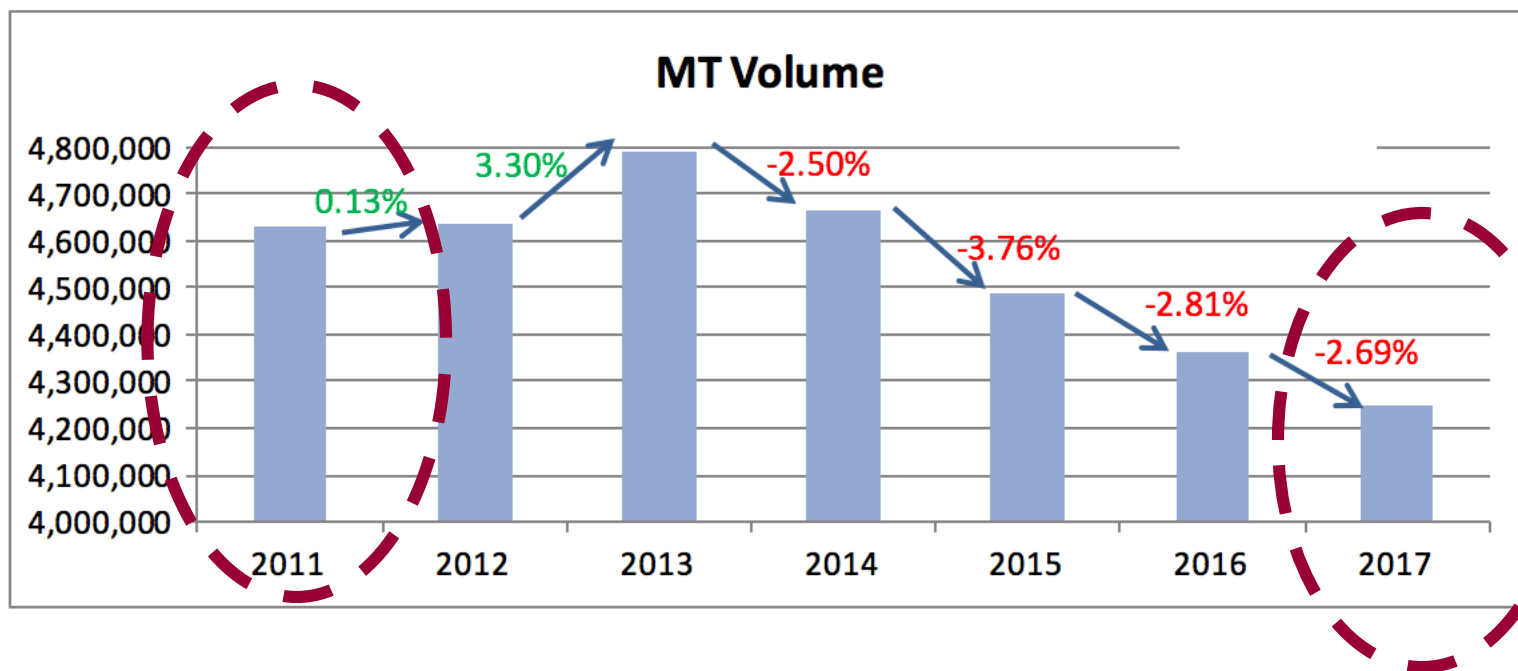
2017 SWIFT trade traffic down nearly 2.35%





Issuance of letter of credit MT 700

MT 700 DOWN 2.69%

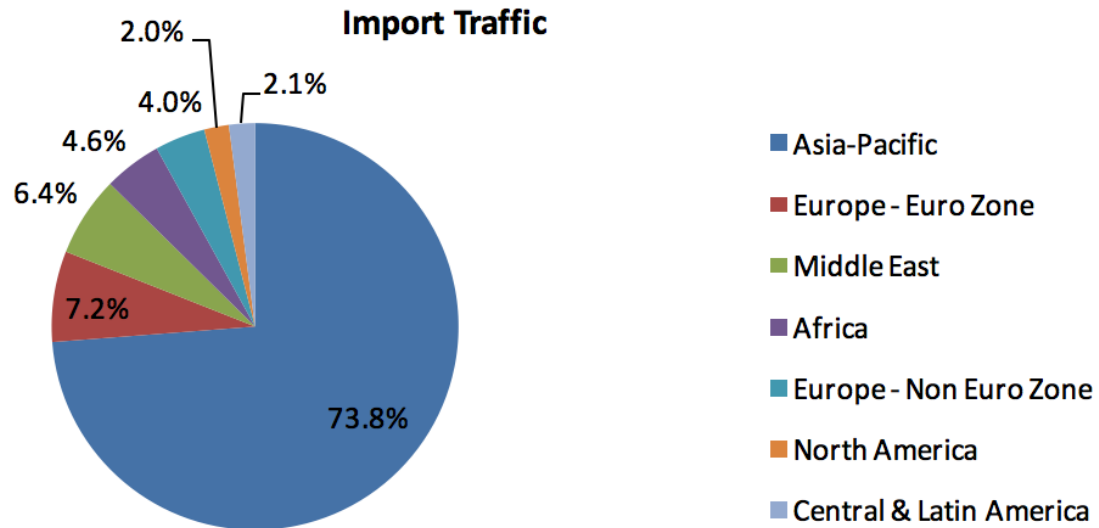




SWIFT Messaging Trends Trade Traffic

73.8% Import Messaging Trade Traffic originated Asia Pacific

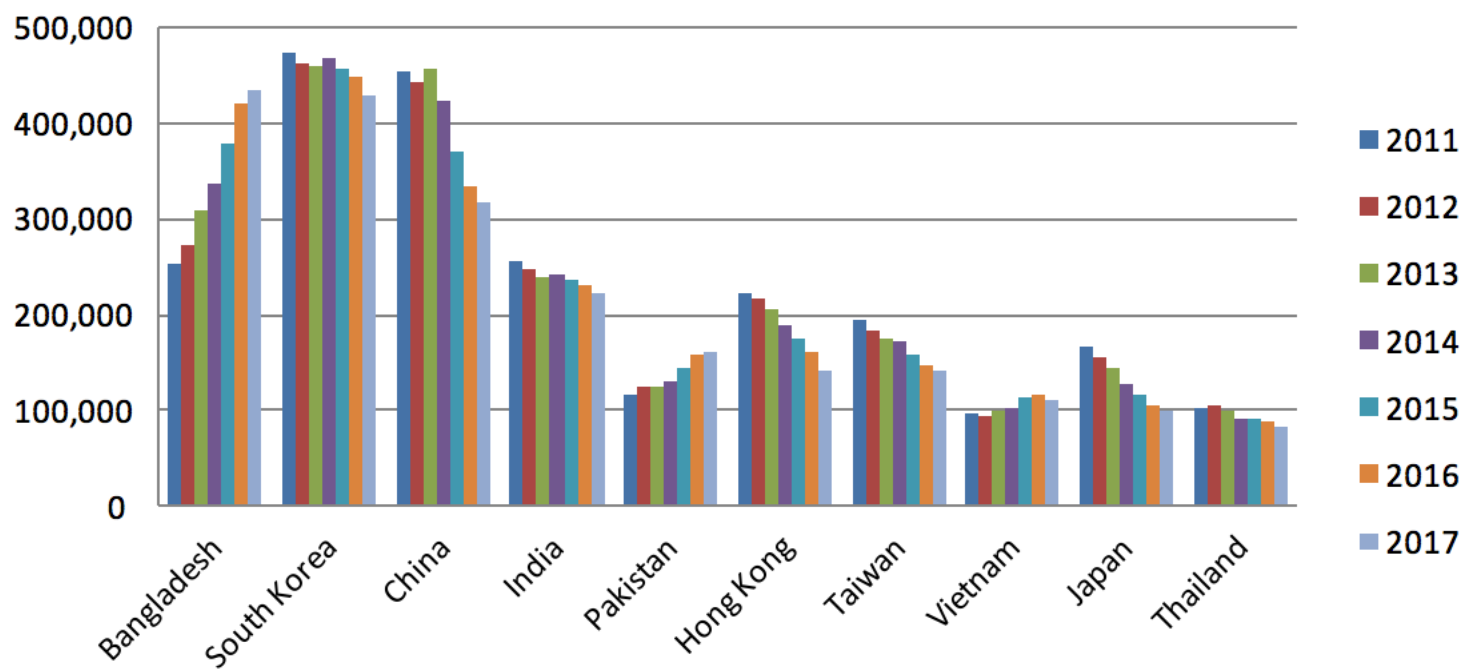
Asia-Pacific continued to register the largest volume for imports sent using MT 700s, making up **73.8% of world traffic** in 2017, followed by the **eurozone (7.2%)** and the **Middle East (6.4%)**.





Ranking	Countries	Growth (2017 vs 2016)
1	Bangladesh	3.29%
2	South Korea	-4.41%
3	China	-5.11%
4	India	-4.24%
5	Pakistan	0.74%
6	Hong Kong	-10.98%

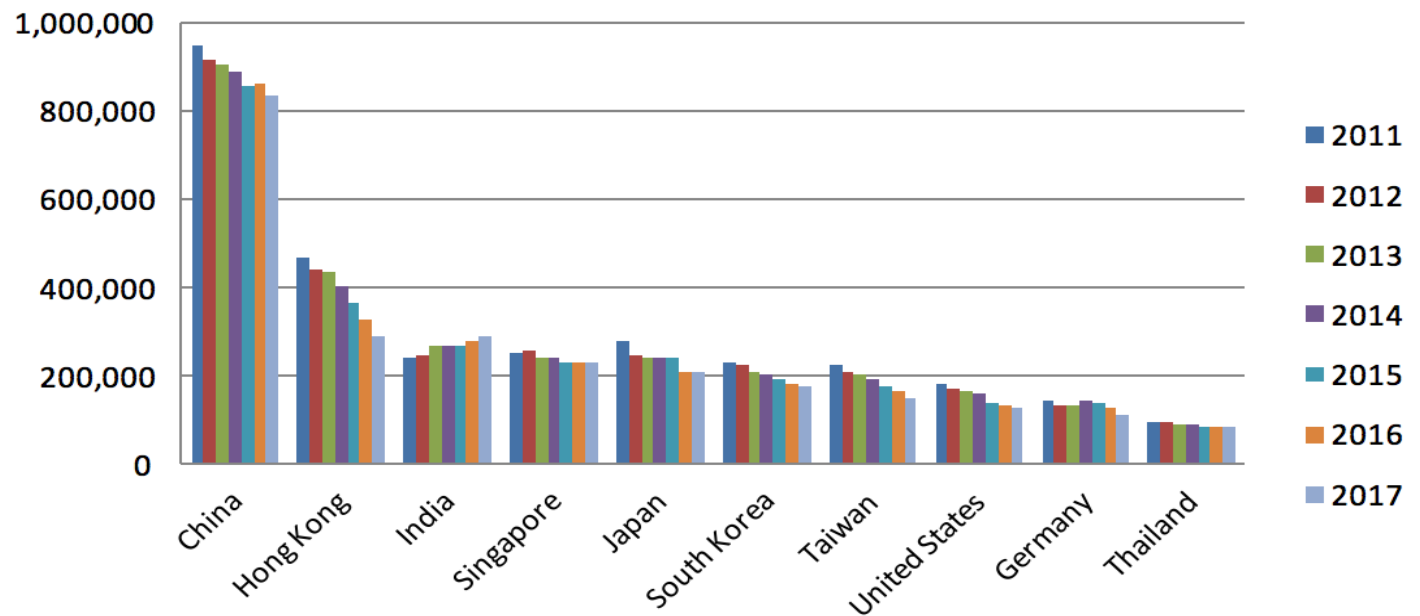
Top 10 Importing countries





Ranking	Countries	Growth (2017 vs 2016)
1	China	-3.58%
2	Hong Kong	-10.61%
3	India	3.10%
4	Singapore	0.15%
5	Japan	-0.13%
6	South Korea	-4.85%
7	Taiwan	-7.70%
8	US	-5.59%
9	Germany	-11.49%
10	Thailand	-2.04%

Top 10 Exporting Countries



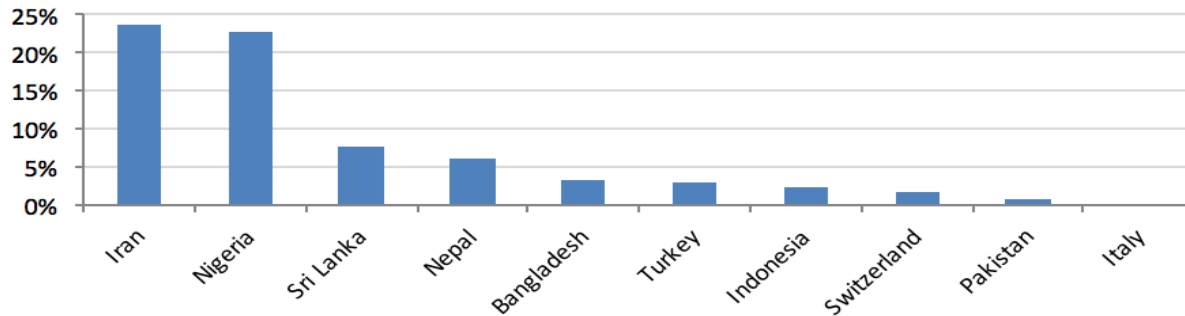


MT700 ISSUANCE growers - decliners

10
TOP

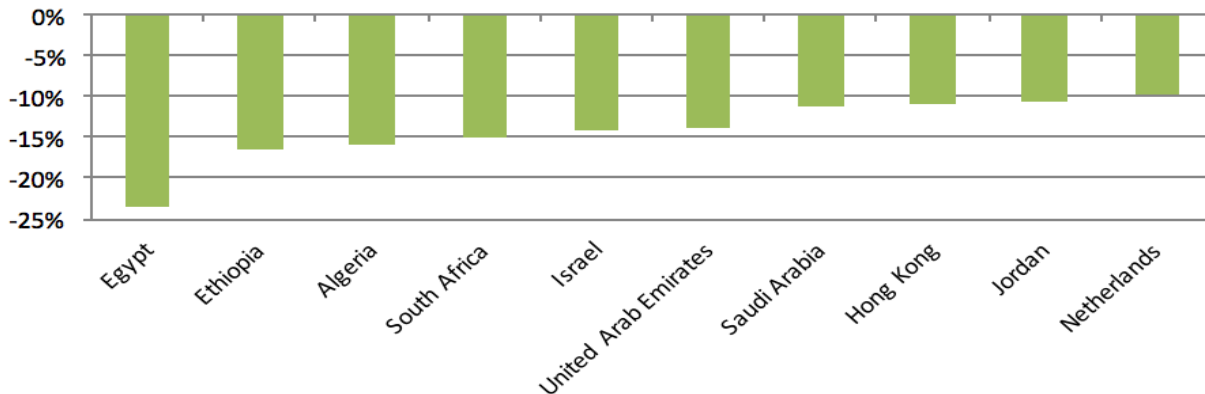


Fastest-growing Importers



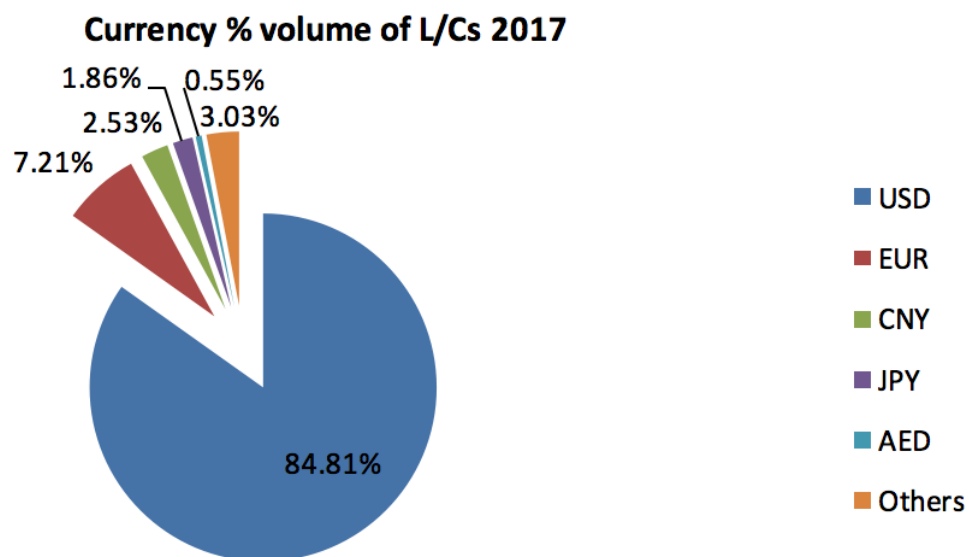
With a yearly volume higher than 10,000 MT 700s sent internationally as a gauge, the countries showing the largest declines in imports are:

Importers with the sharpest declines





The US dollar was used in 84.81% of these SWIFT TRADE TRANSACTIONS while the euro represented 7.21% and Chinese Yuan or Renminbi (CNY or RMB) 2.53%.



From the Field/How China finances its growing trade and globalisation

By Vincent O'Brien and Jun XU

Vincent O'Brien is Executive Committee Member of ICC's Banking Commission;
Jun XU is Deputy General Manager of the Global Trade Services Department of the B
China Jiangsu Branch in Nanjing, China.

China's trade finance market has some unique features, and the country is moving forward with novel ways to fund e-commerce.



SINOSURE view/What's driving China's galloping growth in trade finance?

- 65% of the world's population
- one-third of the world's GDP,
- a quarter of all goods transported
- upgrade ports
- improved logistics
- lower trade barriers
- infrastructure building

“Total trade between China and other Belt and Road countries from 2014 to 2016 was over US\$3 trillion”

“ In 2017, the total volume of imports from and exports to the Belt and Road countries rose 17.8%. ”

**Trade along the
Belt and Road has
exceeded over
US\$3 trillion**

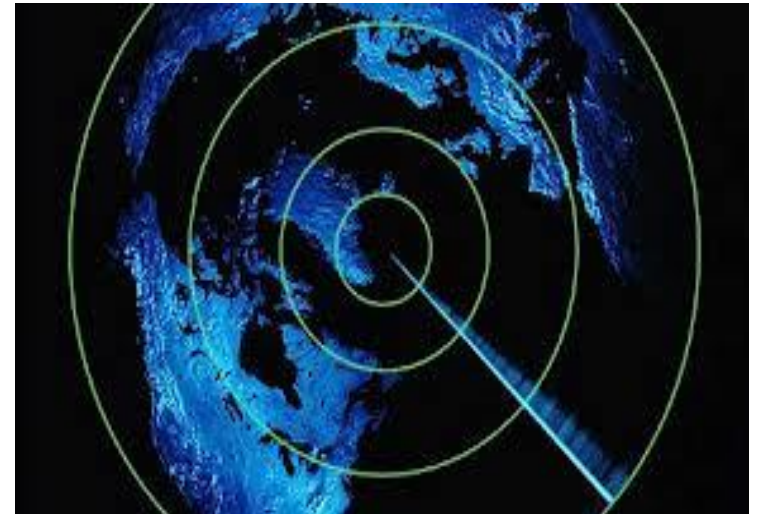


Compliance – KYC - AML

35.5% experienced termination of correspondent relations due to KYC and AML

62% declined transactions due to KYC and AML

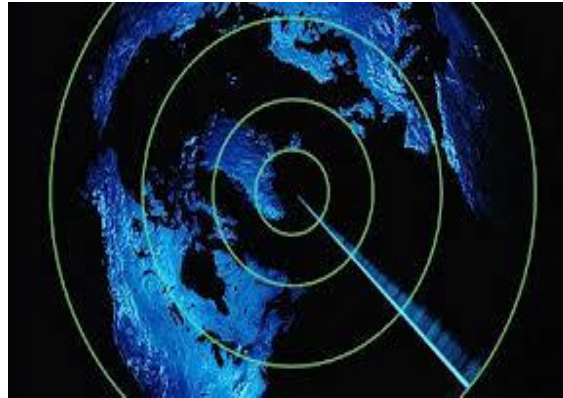
72% nervous about transactions due to SANCTIONS !





Compliance – KYC - AML

75% consider that the customers feeling most negative impact from compliance are **SMEs**



82% expect compliance to get more restrictive into 2018



NEW CHINESE GUARANTEE RULES Since 1 DECEMBER 2016



GOOD NEWS



Tbilisi 2018 – ICC BANKING COMMISSION

Technical Meeting
15,16 and 17 October 2018
Trade Finance Forum

An initiative of The ICC Banking Commission - Georgia
& The ICC Banking Commission - China



BEIJING – SPRING 2019





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