



ASIA-PACIFIC RESEARCH AND TRAINING NETWORK ON TRADE
ARTNeT CONFERENCE

ARTNeT Trade Economists' Conference

Trade in the Asian century - delivering on the promise of economic prosperity
22-23rd September 2014

Parallel Session 3:

Services trade and links to global value chains



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**Asia-Pacific
Economic Cooperation**

**Advancing
Free Trade for Asia-Pacific
Prosperity**

Supply Chain Finance



Gloria Pasadilla, Senior Analyst

APEC Policy Support Unit

Outline



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1. **Two ways of understanding supply chain financing**
 - a. **As structured trade finance**
 - b. **As a specific banking vehicle to finance buyer-seller supply chain**
2. **Regulatory issues**
3. **Policy conclusions**

1. Supply chain finance as 'financing the supply chain'



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Going beyond the traditional trade financing through L/Cs, starting from production to transport to warehousing to shipping and delivery

Performance risk



Confirming Bank



Issuing Bank



Transport risk

Not only when it leaves port



Transporter



Warehouse



Transporter



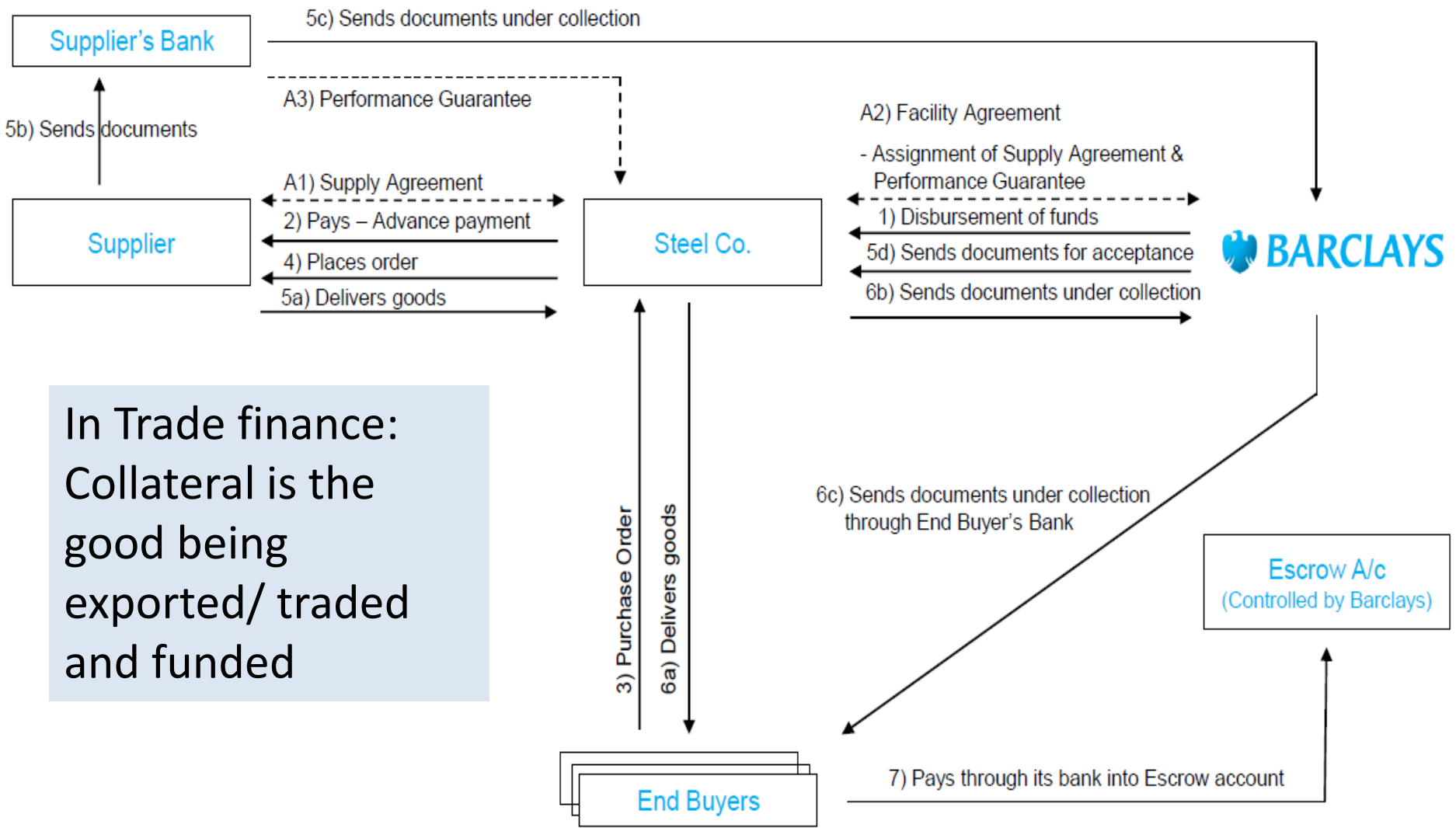
Port services

Warehouse risk

Mitigants: insurance, guarantees. All underpinned by the traded good as security (collateral)

Transaction Workflow – Steel Co

An example of how trade and supply chain finance supports the real economy



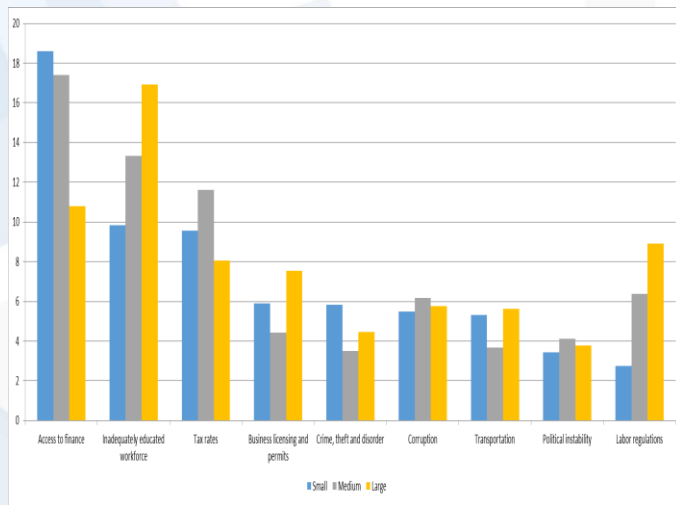
In Trade finance:
Collateral is the
good being
exported/ traded
and funded

So, what is the problem?

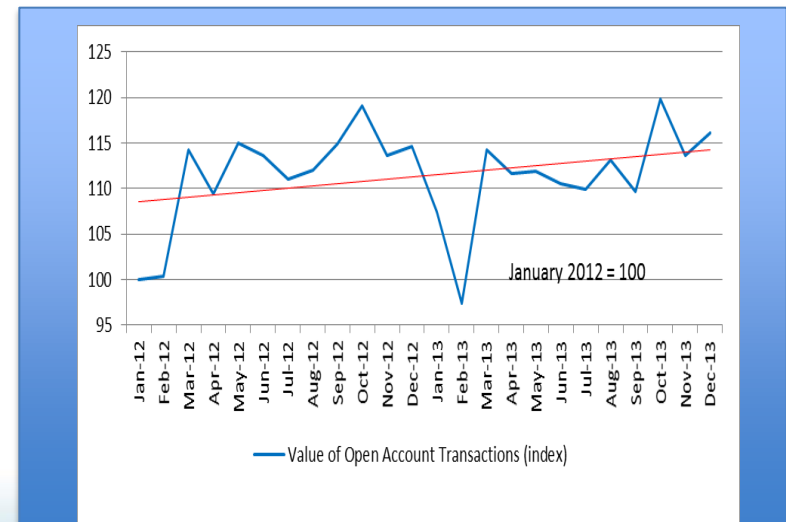


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SMEs find accessing financing difficult...



And increasingly squeezed by the trend towards **open account trade** from more traditional trade financing e.g. LCs



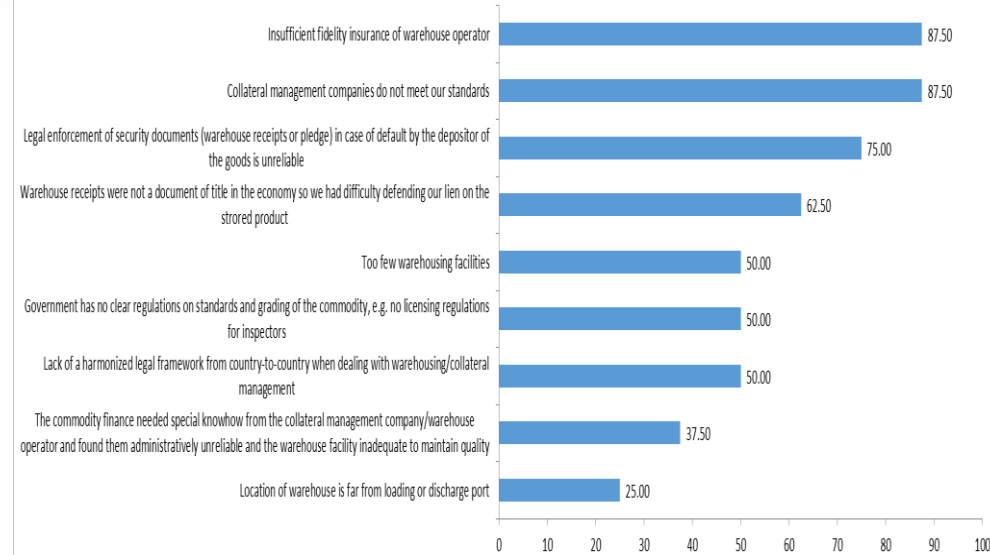
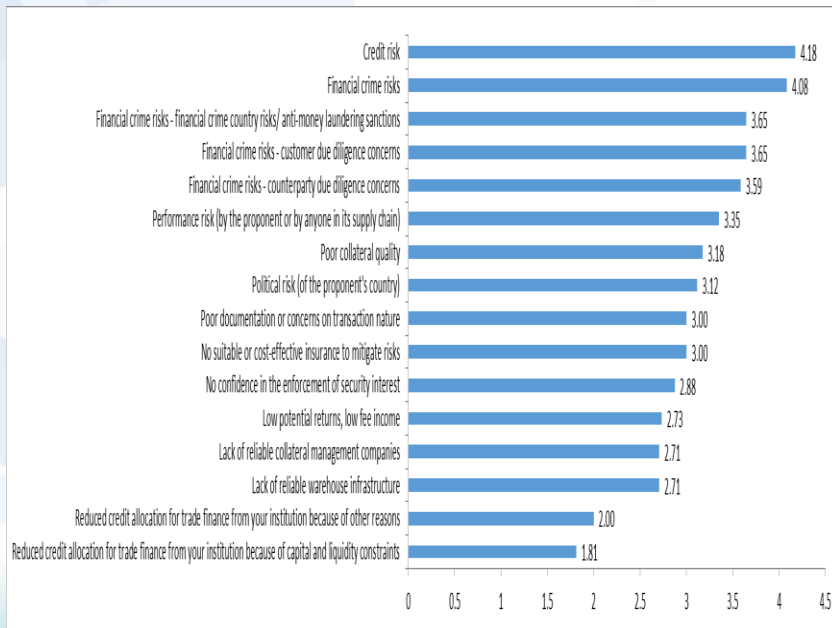
But Fis are saddled with regulations;
And poor regulatory and legal
framework for ABL constrain lending

PSU-APFF-ABA Survey of FIs



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Financial crime compliance risk is a major reason for rejecting trade financing proposal

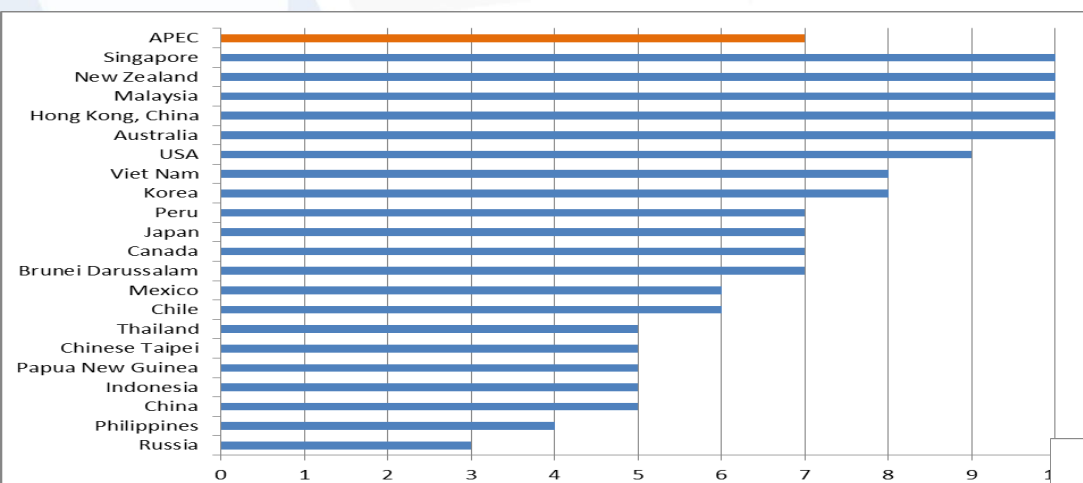


**Weak warehousing/collateral management capacity;
Problems of creating and perfecting security interest on goods**

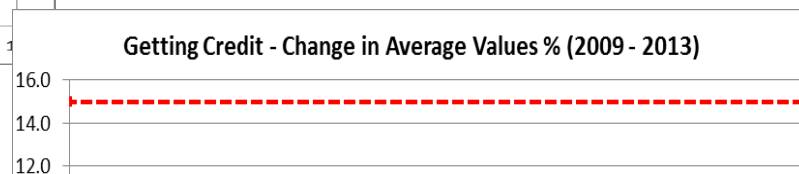
Doing Business Survey Corroborates



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Variability of secured transactions environment within APEC; very low index for some



预览已结束，完整报告链接和二维码如下：

https://www.yunbaogao.cn/report/index/report?reportId=5_5097

