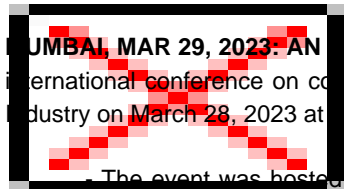


G20 Meeting: Paperless trade is fixed as new target

By TIOL News Service



MUMBAI, MAR 29, 2023: AN

International conference on cooperation on trade finance among the G20 member countries was organised by the Ministry of Commerce & Industry on March 28, 2023 at Taj Lands' End, Bandra (West), Mumbai.

- The event was hosted by the Department of Commerce and organised by ECGC Limited and India EXIM Bank on the side lines of the 1st G20 Trade and Investment Working Group (TIWG) Meeting in Mumbai. Delegates from the member countries, industry and academic experts from across the world were present at the conference to engage in constructive dialogue and exchange of ideas in the domain of trade finance.

- Commerce Secretary, Sunil Barthwal, in his key note address, set the agenda for the meeting. He highlighted that it is the right time to discuss the issues facing trade finance and possible solutions.

- Two panel discussions were organised as part of the event comprising of international experts. The first panel discussed the role of banks, financial institutions, development finance institutions, and Export Credit Agencies to identify the gaps and address the challenges in the trade finance arena amidst the uncertain global trade landscape.

- The second panel discussion focused on accelerating digitalisation and fintech solutions for improving access to trade finance.

- The session also delved on the current and emerging fintech solutions for making more customized lending decisions and enhancing trade finance supply for MSMEs.

- The universal message from all the speakers in the conference highlighted the necessity of trade for ensuring prosperity for all and that inclusive trade finance is key to achieve this target.

- Digitalisation of international trade is possibly an effective solution towards achieving cost reduction in trade and trade finance. The challenges to be addressed in digitalising trade were identified as international cooperation in harmonising definitions, standards and data sharing across the borders digitally.

- While estimates suggest that traditional trade finance gap is currently around USD 2 trillion, bridging the gap needs more players, including multilateral development banks, Export Credit Agencies (ECAs), etc to increase their participation.

- Evolution of fintechs and account aggregators in the ecosystem enables transaction risk evaluation based on real time data. This will enable cost effective appraisal by trade finance providers.

- The panellists recommended that all nations should endeavour to adopt enabling legislation in the next few years to achieve paperless international trade.