Trade Finance Market – Technologies such as blockchain, artificial intelligence (AI), machine learning (ML), and the Internet of Things (IoT) are being applied increasingly in trade finance.

Trade finance is the financing of international trade rows, acting as an intermediary between importers and exporters to mitigate the risks involved in transactions and enhance working capital efficiency in businesses. It deals with activities related to financing of domestic and international trade. The trade finance includes issuing letters of credit (LCs), receivables and invoice finance, credit agency, export finance, bank guarantees, insurance, and others.

The global Trade Finance market accounted for US$ 42637.89 million in 2020 and is estimated to be US$ 64177.23 million by 2030 and is anticipated to register a CAGR of 4.2%.

The report "**Global Trade Finance Market, By Product Type (Guarantees, Letter of Credit, Documentary Collection, Supply Chain Finance, and Others), By Services Providers (Banks, and Trade Finance Houses), By Application (Energy, Finance, Transport, Power Generation, Healthcare, Metals and Non Metallic Minerals, Renewables, and Others), and By Region (North America, Europe, Asia Pacific, Latin America, and the Middle East & Africa) - Trends, Analysis and Forecast till 2025"**.

Key Highlights:

- In July 2018, IBM has launched in collaboration with CLS a blockchain platform, LedgerConnect aimed at the financial services industry and till now, nine budgetary administrations organizations, including banks Barclays and Citi, have associated them with this platform.
- In May 2019, Deloitte Tests Data Management on Ethereum Blockchain with Three Irish Banks, named Institute of Banking (IoB), Bank of Ireland, AIB and Ulster Bank, for verification of staff credential.

Analyst View:

Increasing investment in trade finance

The development of technologies such as optical character recognition (OCR) to read container numbers, radio frequency identification (RFID) and quick response (QR) codes to identify and trace shipments, blockchain, and enhancing digitization of trade documents drive the trade finance market growth. Advancements in technology, switching from traditional banking methods for documentation to ease the paperwork, and efficient enhancement in trade finance

industry provide opportunities for the market. In addition, strategic formulation along with adoption of structuring and pricing tools offer some other growth opportunities to the market. Support from banks to firm's ability to mitigate payment risk by purchasing trade credit insurance boosts the market growth.

Key Market Insights from the report:

The global Trade Finance market accounted for US$ 42637.89 million in 2020 and is estimated to be US$ 64177.23 million by 2030 and is anticipated to register a CAGR of 4.2%. The market report has been segmented on the basis of product type, services providers, application, and region.

- Depending upon product type, the guarantees segment is projected to grow at highest CAGR over the forecast period. Owing to the fact that agency financing acts as a mediator between buyers and sellers who are involved in international trading. It provides highly structured financing solutions, which, in turn, enhances exporters risk capacity, allowing domestic companies to export goods and services to buyers around the world with a certain level of security. Moreover, international agency financing offer guarantees to cover commercial bank credits, direct funding, and mitigates political risks.
- In terms of services providers, the banks segment generated the highest revenue in 2018 and is anticipated to continue the same during the forecast period, owing to the fact that banks act as intermediaries in trade finance ecosystem to provide inter-firm trade credits to buyers, sellers, and other parties involved in the trade. Furthermore, banks are accelerating trade finance processes by transforming their paper-based methods to more efficient and transparent digitized models, thus becoming the highest service providers in the trade finance market.
- Depending upon application, the target market is segmented into energy, finance, transport, power generation, healthcare, metals and non-metallic minerals, renewables, and others. Energy segment show the highest growth in the region due to low interest rates and fees provided by international banks.
- By region, Asia Pacific dominated the trade finance software market in 2019, followed by Europe and North America. This is primarily due to the increasing adoption of trade finance software to manage and automate the trade finance process. Europe is expected to grow at the fastest growth rate during the forecast period owing to the involvement of export credit agencies (ECA) conducting international trade, enhancing public policy from government agencies, and promoting trade across the globe.

To know the upcoming trends and insights prevalent in this market, click the link below:

https://www.prophecymarketinsights.com/market_insight/Global-Trade-Finance-Market-4575

Competitive Landscape:

The prominent player operating in the global trade finance market includes Banco Santander SA, Bank of America Corp., BNP Paribas SA, Citigroup Inc., Agricole Group, Goldman Sachs Group Inc., HSBC Holdings Plc, JPMorgan Chase & Co., Morgan Stanley and Wells Fargo & Co.

The market provides detailed information regarding the industrial base, productivity, strengths, manufacturers, and recent trends which will help companies enlarge the businesses and promote financial growth. Furthermore, the report exhibits dynamic factors including segments, sub-segments, regional marketplaces, competition, dominant key players, and market forecasts. In addition, the market includes recent collaborations, mergers, acquisitions, and partnerships along with regulatory frameworks across different regions impacting the market trajectory. Recent technological advances and innovations influencing the global market are included in the report.

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