

THE COVID-19 PANDEMIC – WHAT DOES IT MEAN FOR TRADE FINANCE?

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The Covid-19 pandemic has been a health and humanitarian crisis of historic proportions. Our understanding of the full extent of its impact continues to develop. As we went into a global lockdown to control the spread of the virus, international supply chains have had severe disruptions on an unprecedented scale.

With these disruptions, there has been a material impact to corporates involved in global trade, as well as to banks who support them with trade finance. In assessing the impact of Covid-19 on trade finance, it is imperative that we start with physical trade – the movement of goods between countries and shifting supply chain patterns.

People movements may have been restricted during the various lockdowns, but imports and exports have continued. Trade in essentials has even increased, with a deeper appreciation for necessities required to endure the pandemic – food supplies, staples, medical equipment, PPE (personal protective equipment) and even consumer electronics as more people WFH (work from home). Trade volumes have dropped as expected, as non-essential or larger trade transactions have been deferred. This is similar to what was observed during the GFC (global financial crisis), when WTO data showed global trade volume declining by ~12%. However the post GFC rebound in global trade volumes was swift. A similar rebound is expected with a return to normalcy post Covid-19.

GLOBAL SOURCING, SUPPLY CHAIN PATTERNS AND IMPLICATIONS FOR BRI

In assessing the impact of Covid-19 on global sourcing and supply chain patterns, it's useful to start with historical context. Since the early 1980s, there was a shift in global production towards China across labour intensive industries such as toys, furniture, footwear, textiles and basic consumer electronics. This contributed to the rise of China's economy, where GDP per capita increased more than 30-fold from 1978 to present. In 1978, China accounted for 1% of global exports and less than 1% of global FDI. China is now the largest exporter globally with more than 13% of global exports and greater than 11% of global outward FDI.

This directly impacted wage levels in China. With this increased prosperity, we saw an increase in China's imports over the last decade. China moved onshore production higher up the value chain, for example in power generation, transmission equipment, high speed railways,



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construction machinery and advanced electronics. At the same time, local demand for imported luxury products increased, as well as components for high value onshore manufacturing. This tilt in balance towards imports relative to exports was given further impetus by Chinese travellers abroad and outbound investments by Chinese companies.

When China went under Covid-19 lockdown in February, there was a massive short-term disruption to global supply chains. However, as the rest of the world went into lockdown in March and April, China swiftly resumed production. In fact, China emerged as a highly productive and reliable supplier for large quantities across a broad range of goods, including PPE, medical equipment and food staples.

The Belt & Road Initiative ("BRI") ensured that China was highly active in overseas investment and infrastructure projects – which had requirements in financing, physical movement of goods, and an ongoing economic inter-

dependence between countries. The BRI impacts well over a hundred countries in 6 trade corridors, with a high proportion of these countries being economically developing nations. With the advent of Covid-19, it is highly likely that in the medium term China will play an even larger role in ensuring the stability of supply chains with partners along the Belt and Road. The BRI may therefore provide a material economic stimulus to partner countries that are facing experiencing headwinds from the impact of Covid-19. Short term credit downgrades to several countries in the Middle East, Africa, South Asia and Latin America are highly likely – and the BRI can provide a counter-weight to several countries.

Before Covid-19, the RMB was already becoming increasingly relevant to foreign corporates with business interests in China. Invoicing in RMB provided advantages such as hedging of foreign exchange risk and possible advantages in price negotiations. In the current environment, it's likely that the advantages of dealing in RMB will provide impetus for such foreign corporates to adopt an even higher portion of RMB invoicing – which over time will only contribute further to internationalisation of the currency.

RISK MITIGATION, WORKING CAPITAL FINANCING AND DIGITALIZATION

The Bank for International Settlements estimates that trade finance directly supports about one-third of global trade. – With a key instrument being the a letter of credit (LC), which continues to play a

material role in enabling trade with developing economies. Over the years, trade finance has provided clients with benefits such as Risk mitigation and Working Capital Financing. Digitalisation is one area where trade finance has lagged, though that may be set to change.

THE EVOLVING NATURE OF RISK MITIGATION

New trade and investment links between China and a range of other countries along key BRI corridors continue to develop – and this trend will only be accelerated post Covid-19. Supply chains continued to shift, and new trading partnerships developed. Financial risks for companies have also increased as BRI-related exports and investments have grown to various sub-investment grade countries in ASEAN, South Asia, Middle East, Africa and beyond. Trade finance is a key area tool for corporates to facilitate and finance trade, but also to mitigate the various credit, non-payment and performance risks involved.

Risk mitigation is a commonly cited benefit of trade finance – for example the role of an LC to ensure that a seller / exporter will eventually be paid for a product shipped to another country. LCs are typically used for exports to developing countries – as the risks of non-payment from a developing country are statistically higher. Analysing SWIFT data on LCs issued globally, the top 15 countries include Bangladesh, Pakistan, Vietnam, Sri Lanka and Nepal.

Against this backdrop, we've noticed some changes since the start of Covid-19.

NEW LC MARKETS FOR RISK MITIGATION

Over the last several years while global trade has increased annually, the number of LCs issued globally has tended to decline. As counterparties become more familiar with each other, a higher percentage of Trade was occurring on open account basis. The immediate impact of Covid-19 has been a short-term reversal in this trend. Several exporting corporates are requiring a higher portion of sales to be covered by an LC, to guarantee payment from their buyers. Furthermore, the Covid-19 induced supply chain disruptions are forcing new trading partnerships, as buyers seek alternative sellers. Exporters will typically require LCs from new buyers, especially in developing markets. We have also seen increased requests to confirm LCs issued by banks in relatively developed market in the EU and Asia – including Italy, Poland, Malaysia and even South Korea.

LCs have historically had extremely low default rates, even during times of economic stress. Data from the International Chamber of Commerce confirm default rates for import LCs are 0.37%, and for export LCs are 0.05%. With further sovereign downgrades, documentary trade will become an even more attractive tool of risk mitigation. There will be an increased propensity for the payments relating to trade being guaranteed by an LC, as well as a shift in the country composition of LCs globally. We will need to wait until the return to normalcy in a post-pandemic environment to determine whether this effect is long lived.

TRADE AS A SOURCE OF WORKING CAPITAL FINANCE

Trade finance is also commonly used as an instrument for short-tenor working capital – financing the gap between input costs and getting paid for sales. A supplier will always wish to be paid as early as possible, and a buyer will always wish to pay as late as possible. These conflicting objectives enable trade finance tools to advance funds to create liquidity for both parties. This is clearly an area that

the recent pandemic has put under some strain – as corporates have sought to raise cash from all available means to weather the storm.

A broad range of trade finance instruments can be used for such short tenor financing - LC discounting, electronic bankers draft discounting (E-BAD) in China, invoice financing (with recourse), trade receivables purchase and payables finance. We have seen a number of corporates that previously only used trade finance for risk mitigation, now also using trade finance for working capital finance, for example by asking us to confirm and discount an LC.

STRATEGIC SUPPLY CHAIN RELATIONSHIPS

Beyond considerations such as risk mitigation and working capital liquidity, trade finance can also be used to strengthen key supplier and customer relationships along the supply chain. The disruption of Covid-19 on physical supply chains demonstrated the importance of maintaining stability across the eco-system. For example, a corporate may wish to maintain the stability of a strategic supplier, and therefore set up a payables finance programme – to enable key suppliers to benefit from the (typically) stronger financial standing of a customer for lower cost financing. It's possible that the supply chain disruptions and economic stress of Covid-19 drive corporates to set up even more such programmes in the future.

DIGITALISATION: THE TRADE CATCH-UP GAME

Trade is an extremely paper-heavy activity with a wide array of required documentation, such as bills of lading, letters of credit, certificates of origin, customs papers, invoices and many more. Trade finance transactions often rely on hard-copy paper documentation to process payments and ultimately clear the release of goods to buyers. In many countries, electronic trade documents are either prohibited or their legal status is unclear. There has been a trend towards digitalisation of trade finance, though given certain complexities, this has lagged other parts of banking such retail or financial markets.

The recent pandemic has created certain challenges for banks – for example both frontline and operations employees have been required to WFH, and reliability issues in courier services for documentation has risked delays in shipment. Against this backdrop, the pandemic has also forced all of us to become more comfortable with all things digital in our personal lives – for example with home schooling, conducting trainings via video conference or making major purchases online.

To facilitate trade throughout the pandemic, corporates, banks and governing bodies such as the International Chamber of Commerce (ICC) have demonstrated an even stronger desire to therefore accelerate digitalisation. For example the ICC provided guidance to market participants, regulators and governments alike to temporarily void legal requirements for paper based documentation. Post Covid-19, it's possible that many countries will continue to accept electronic documentation, which would massively contribute towards the further digitalisation of trade finance.

CONCLUSION

The Covid-19 pandemic has been unprecedented in its scale, changing our approach to many aspects of our lives and how we conduct business. Exports, imports and the trade finance required to support these activities are no exception. The global sourcing patterns continue to shift, with underlying principles of diversification and agility in supply chains remaining as important today as ever before. Similarly, the pandemic has shown the criticality of trade finance towards facilitating the movement of goods around the planet. It is in times of stress and dislocation that that this role becomes even more important. 

新冠病毒大流行对贸易融资影响几何？

新冠病毒大流行的规模前所未有导致全球采购模式继续发生变化。与此同时，供应链多元化和灵活性的基本原则如今的重要性不亚于以往任何时期。同样，疫情大流行表明贸易融资对促进全球货物流通至关重要

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新冠病毒大流行是一次历史性的健康和人道主义危机。我们对于其影响范围的认识还在不断深入。为了控制病毒传播，全球进入封锁模式，而国际供应链也因此遭受到前所未有的严重干扰。

这些干扰对参与全球贸易的企业以及在贸易融资方面为其提供支持的银行产生了重大影响。在评估新冠疫情对贸易融资的影响时，我们需要从实体贸易——也就是不同国家之间的货物流动和供应链变化的角度开始评估。

由于多项封锁措施的实施，人员流动受到限制，而进出口活动仍然持续进行。人们愈发意识到，对抗疫情的过程中食品、日常必需品、医疗设备、个人防护用品，甚至消费类电子产品（因为人们在家办公）等必需品的重要性，所以必需品贸易甚至有所增长。由于非必要或大规模买卖交易推迟，贸易量下降符合预期。这与全球金融危机时期观察到的情况相似，世界贸易组织数据显示当时全球贸易量下降约 12%。然而，全球贸易量在全球金融危机之后迅速反弹。预计新冠病毒疫情结束后将随着一切恢复常态而出现类似反弹。

全球采购、供应链变化与对一带一路的影响

在评估新冠疫情对全球采购和供应链的影响时，从历史角度出发可以帮助我们更好地分析形势。自上世纪 80 年代早期开始，玩具、家具、鞋履、纺织品、基本消费电子产品等劳动密集型产品的全球生产就开始转向中国。这对中国经济的崛起起到了推动作用。自 1978 年来至今，中国的人均 GDP 增长了超过 30 倍。1978 年，中国只占全球出口额的 1%，而占全球外国直接投资的比重还不到 1%。现在，中国是全球最大的出口国，出口额占全球出口的 13%，也占全球外商直接投资的 11% 以上。

这对中国的工资水平产生了直接影响。伴随社会繁荣水平的提



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高，中国进口需求在过去十年中也有所增长。中国本地的生产向价值链上游移动，走向如发电、输电设备、高速铁路、建筑机械与先进电子产品等行业。同时，本地对进口高端产品和本地高价值产品生产所需原料的需求也在增加。中国人走出海外，中国企业海外投资，实体贸易的天平也将继续向进口倾斜。

今年二月，在中国因为新冠疫情陷入封锁的时候，全球供应链遭受了短期剧烈冲击。但是当三月四月全球其它地区进入封锁时，中国却快速复工复产。事实上，中国已成为了个人防护用品、医疗设备、食物和日常必需品等一系列产品的重要供应商，是高效、高产且可靠的提供者。

“一带一路”倡议下，中国在海外投资与基础设施项目中高度活跃，这也对融资、实体货物运输与各国之间经济互相依赖的关系提出了要求。“一带一路”的影响深入六大贸易走廊的超过一百个国家，其中相当的比重是发展中国家。在疫情中，从中期来看，中国很有可能会在与“一带一路”伙伴稳定供应链上扮演更为重要的角色。也因此，“一带一路”倡议可能为正在经历新冠疫情镇痛的伙伴国家带去重要的经济刺激。中东、非洲、南亚和拉美的若干国家大概率会面临短期信用降级，但“一带一路”可以为其中多个国家带来支撑。

对在华有商业利益的外国企业来说，人民币在疫情以前就已经越来越重要。人民币计价可帮助企业对冲外汇风险，也可能在价格谈判中带来优势。当前，人民币交易的优势可能会促使外国企业更多地采用人民币计价方式，这也将进一步推动人民币的国际化。

对风险缓解、流动资金融资和数字化的意义

据国际清算银行估计，贸易融资对全球约三分之一的贸易提供直接支持。信用证（LC）作为关键的结算方式，将继续在促进与发展中经济体的贸易中发挥重要作用。多年来，贸易融

资为客户带来风险缓解和流动资金融资等益处。数字化是贸易融资的一项短板，但这一情形也将有所改变。

不断进化的风险缓解

中国与一系列“一带一路”沿线国家的经济与投资联系此前已持续发展，在疫情之后，这一趋势只会继续加深。供应链将继续转移，新的贸易合作伙伴关系也将继续发展。因为与“一带一路”相关的出口与投资在东盟、南亚、中东、非洲等地的非投资级别的国家也在增长，所以企业的金融风险也在增加。贸易金融是企业为贸易提供便利、提供融资的重要工具，它也是减少各种信用、拒付与履约风险的有效手段。

风险缓解是贸易融资被普遍提及的益处，例如，信用证的作用是确保卖方/出口商能够收到运往另一国家产品的款项。信用证通常用于向发展中国家的出口，因为根据统计，发展中国家的拒付风险更高。通过分析 SWIFT 提供的全球开立信用证的数据，排名前 15 位的国家包括孟加拉国、巴基斯坦、越南、斯里兰卡和尼泊尔。

在此背景下，我们注意到自新冠疫情爆发以来，全球供应链和信用证使用方面都发生了一些变化。

风险环节催生的信用证新市场

在过去几年中，尽管全球贸易逐年增长，但全球范围内开立的信用证数量却呈下降趋势。随着贸易各方之间越来越熟悉，基于赊销交易的贸易比例越来越高。新冠疫情的直接影响使这一趋势出现短期逆转。诸多出口公司要求更大比例的销售通过信用证付款，以确保收到买方货款。此外，新冠疫情引发的供应链中断正迫使新贸易伙伴关系的建立，如买方开始寻求替代卖方。而出口方通常会要求新的买方开立信用证，尤其是在发展中市场。我们已经看到，对于由欧盟和亚洲（包括意大利、波兰、马来西亚，甚至韩国）的相对发达市场的银行开立的信用证提出保兑要求的情况也在增加。

即便是在经济不景气时期，信用证在历史上的违约率也极低。国际商会(ICC)的数据显示，进口信用证的违约率为 0.37%，出口信用证的违约率为 0.05%。随着国家主权评级的进一步下降，有证贸易会成为缓解风险中更有吸引力的工具。贸易支付采用信用证担保的趋势将更为明显，采用信用证的国家在全球也会增多。至于这一影响是否将持续存在，我们要到疫情结束后恢复常态环境才能判断。

以贸易作为流动资金融资来源

贸易融资通常也用作短期流动资金融资的一种工具，为投入成本与取得销售报酬之间的缺口提供资金。供应商永远都希望尽早收款，而买家永远都希望尽早付款。双方目标有冲突，而贸易融资通过提前支付款项解决了双方的流动性问题。当前企业需要通过一切

可能手段获取现金对抗疫情冲击，这一领域也显然受到了一定压力。

还有更多贸易融资工具可用于此类短期融资：信用证贴现、中国的电子银行汇票贴现(E-BAD)、发票融资(有追索权)、应收账款买断和应付账款融资方案。我们看到，许多以前只将贸易融资用于风险缓解的企业现在也将其用于流动资金融资，例如要求我行保兑和贴现信用证。

战略供应链关系

除了缓解风险、提供运营资本流动性之外，贸易融资还可以用以增强供应链中关键供应商与客户的关系。新冠疫情对实体供应链的扰乱表明维持整个供应链生态体系稳定的重要性。比如，一家企业可能希望与一个战略性供应商维持稳定的关系，那么它可以建立一个应付账款融资计划，通过客户自身(一般来说)更为强大的财务状况，为关键供应商提供低成本融资，使之受益。新冠疫情带来的供应链中断与经济压力可能会促使企业在未来建立更多这样的机制。

数字化：贸易后来居上

贸易是一项纸质文件工作十分繁重的活动，要求制作大量单证，例如提单、信用证、原产地证明、海关文件、发票等。贸易融资交易通常依靠纸质单证来处理付款并最终将货物放行给买方。在许多国家，电子贸易单证被禁止或其法律地位不明确。贸易融资数字化已经成为一种趋势，但由于其存在一定复杂性，这一进程已经落后于银行的零售或金融市场等其他部门。

近期疫情给银行带来了一定挑战。比如，销售和操作部员工被要求居家办公，而快递服务的可靠性问题则会降低单证资料的传递速度。在此背景下，疫情会迫使我们所有人不得不适应个人生活的全面数字化——从居家教育、视频会议培训再到网上进行大额采购。

为了在疫情期间使贸易便利进行，企业、银行和包括国际商会在内的主管部门都表现出加快数字化的强烈意愿。例如，国际商会为市场参与者、监管机构和政府提供指导，以暂时撤销有关纸质单证的法律要求。在后疫情时代，许多国家或将接受电子单证，为助力贸易融资向数字化转型迈出坚实一步。

结语

新冠病毒大流行的规模前所未有，改变了我们生活的方方面面以及我们开展业务的方式，而为此提供支持的进出口和贸易融资也不例外。全球采购模式继续发生变化。与此同时，供应链多元化和灵活性的基本原则如今的重要性不亚于以往任何时期。同样，疫情大流行表明贸易融资对促进全球货物流通至关重要。在充满压力和形势混乱的时期，这一角色显得更为重要。(编辑：张梅) 