

ICC launches high-level advisory group to prime trade finance to power COVID-19 recovery

Hong Kong/Paris/New York City (3 September 2020) – The International Chamber of Commerce, the institutional representative of 45 million businesses worldwide, has announced the creation of a new Advisory Group on Trade Finance (ATF) – a cross-sectoral coalition of leaders in global trade.

The ATF – co-chaired by **Dr. Victor K. Fung**, Chairman of the Fung Group, and **Marcus Wallenberg**, Chair of SEB – will work to inform policy reforms and interventions to prime the trade credit ecosystem to power a rapid economic recovery from COVID-19.

Despite impressive early actions taken by commercial banks and public bodies in response to the initial phase of the crisis, reports suggest that the commercial trade financing market is showing signs of volatility – raising concerns as to its ability to finance a rebound in global trade in 2021.

To take one example, development bank trade finance programs – which fill market gaps for trade finance by providing guarantees and loans to commercial banks – appear to be utilized at record levels despite heavily depressed trade flows. The [European Bank of Reconstruction and Development](#) recently reported that it has provided an unprecedented €1.8 billion in market support over the first six months of this year, suggesting further public interventions may be needed to ensure businesses – particularly small and medium-sized enterprises (SMEs) – can access cost-effective credit once demand returns to the global economy.

On the launch of the Advisory Group, Dr. Fung said:

“Trade finance is the critical enabler of international trade and key to the revival of the global economy and job creation post COVID-19. We intend to meet the trade finance challenge which has hit SMEs particularly hard to help build a new multilateral global economy that is more sustainable and inclusive.”

Trade finance underpins an estimated 80-90% of global trade flows, but its supply has proven highly vulnerable in recent decades. With up to US\$5 trillion in credit needed to restore trade to 2019 levels next year, [ICC, the B20 and the World Trade Organization](#) recently called for proactive measures to mitigate the risk of trade finance shortages deepening the economic crisis caused by the coronavirus pandemic.

In this context, the ATF will provide strategic insights and lead external engagement to:

- build awareness of the importance of trade financing to a post-pandemic recovery;
- inform interventions from governments and multilateral institutions to mitigate risks of short-term credit shortages affecting SMEs; and

- provide thought leadership, data and strategic guidance to help bridge persistent trade financing gaps, particularly in emerging markets.

Regarding the objectives of the Advisory Group, Mr. Wallenberg added:

“Rapid development in new technologies, a strong focus on sustainable supply chains in society and new regulatory requirements in the financial sector all present challenges and opportunities to the trade finance ecosystem. Trade finance providers, such as banks, need to collaborate to deliver new solutions to meet the needs and expectations of the community.”

In addition to the two co-chairs, members of the group will include: **Anabel González**, Former Minister of Trade of Costa Rica and Senior Fellow at the Peterson Institute for International Economics; **Amy Jadesimi**, Chief Executive Officer of Lagos Deep Offshore Logistics Base (LADOL); **Flora Mutahi**, Chief Executive Officer of Melvin Marsh; **Takeshi Niinami**, President and Chief Executive Officer of Suntory Holdings; **Samuel Palmisano**, Chairman of the Center for Global Enterprise; **Kevin Sneader**, Global Managing Partner of McKinsey; **Mark Tucker**, Group Chairman of HSBC Holdings; **Jeremy Weir**, CEO, Trafigura; and **Zhu Min**, Chairman of the National Institute of Financial Research at Tsinghua University. ICC Secretary General, **John W.H. Denton AO**, also joins the ATF as an ex officio member.

ATF members will formally convene for a limited period of 15 months and work closely with other relevant bodies, including ICC’s Banking Commission – the leading global standard setting body for trade finance transactions. The initiative will culminate with a review of its impacts on 15 November 2021 in Hong Kong, conditions permitting.

Welcoming the launch of the Advisory Group, Mr. Denton said:

“We see a strong case for proactive interventions to prime the trade finance market in anticipation of demand returning to the global economy. Such measures should form a central part of on-going efforts to help small businesses weather the COVID-19 crisis – given that access to cost-effective trade credit is a vital lifeline for many entrepreneurs.”

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For further details on the ICC Advisory Group on Trade Finance, please contact:

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