



Survey

Challenges facing bank-
intermediated trade finance
in the Arab region

Country: (prefilled)

Bank's name: (prefilled)

Person(s) who filled the questionnaire (name & title): (optional)

Person's contact details: (optional)

Phone number:

Email:

1. What type of Bank best describes your institution?

- Retail Bank
- Commercial Bank
- Investment Bank
- Private Bank
- Credit unions or Mutual Bank

2. Ownership structure:

- Private domestic bank
- Foreign bank
- State owned bank
- Other [please specify]:

3. During the last three years, did your institution engage in one or more of the following international trade finance tools? Tick all the procedures stating how often

	Never	Rarely	Sometimes	Usually	Always
Issuing (and/or confirming) letters of credit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bank guarantees/counter guarantees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Buyer credit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Factoring	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Receivable discounting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Working capital to exporters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4. Tick all the regions in which you do business stating how often

	Never	Rarely	Sometimes	Usually	Always
Middle East and North Africa	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sub-Saharan Africa	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Europe and Central Asia	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
East Asia and Pacific	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
South Asia	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
North America	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Latin America and the Caribbean	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5. Do you consider the activities related to international trade finance as a reliable and low-risk asset class?

Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

6. What was the approximate total value (in USD or USD equivalent) of proposed trade finance transactions your bank received in 2019?

Value:

7. Approximately, what proportion of your bank's total income came from international trade finance activities?

Less than 10%	[10% to 19%]	[20% to 29%]	[30% to 39%]	[40% to 49%]	Over 50%
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8. Do you expect your international trade finance portfolio to be larger in value in the coming 3 years?

Definitely Not	Probably Not	Unsure	Probably Yes	Definitely Yes
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

9. What are the biggest constraints to the growth of your international trade finance portfolio in the Arab region including where your bank is domiciled?

	Not at all	Slightly constraining	Moderately constraining	Considerably constraining
Anti-money laundering (AML) and Know your customer (KYC) requirements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
High transaction costs or low fee income	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Low credit ratings of company and/or obligor's country	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Issuing bank's low credit ratings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Basel regulatory capital requirements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Global economic uncertainty such as trade tensions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Client's lack of familiarity with products	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Limited forex liquidity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bank staff's lack of familiarity with products	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other [please specify]:				

10. In 2019, approximately how many of the proposed transactions for international trade finance, did your institution reject (in % terms)?

[0% to 9%]	[10% to 19%]	[20% to 29%]	[30% to 39%]	[40% to 49%]	Over 50%
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

11. Has the rejection rate accelerated in 2020 in comparison to 2019?

Not at all	Slightly	Moderately	Considerably
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

12. Approximately, what share of your institution's trade finance portfolio represented Small and Medium-sized Enterprises (SMEs)?

[0% to 9%]	[10% to 19%]	[20% to 29%]	[30% to 39%]	[40% to 49%]	Over 50%
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

13. Are SMEs more concerned about your institution's proposed international trade finance transactions rejection?

Not at all	Slightly	Moderately	Considerably
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

14. Do you anticipate the unmet demands for trade finance support to increase or decrease over the coming 2 years?

Definitely Not	Probably Not	Unsure	Probably Yes	Definitely Yes
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

15. What are the main reasons for denying proposed international trade finance transactions?

	Not at all	Slightly	Moderately	Considerably
Insufficient collateral	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Customer concentrations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Insufficient credit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Insufficient operating history	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic concerns	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Weakening industry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other [please specify]:				

16. Would your institution be prepared to provide more trade finance particularly for SMEs if any of the following were addressed?

	Definitely Not	Probably Not	Unsure	Probably Yes	Definitely Yes
Creating trade asset marketplaces	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improving visibility/efficiency of transaction processes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reducing overall transaction costs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other [please specify]:					

17. How could additional financing capacity best be made available?

	Not important	Slightly important	Moderately important	Considerably important
Risk sharing partnerships with global banks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Risk sharing partnerships with alternative finance providers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Promotion of development bank-sponsored trade facilitation programs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Use of structured products that mitigate or pool risks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Use of export credit insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other [please specify]:				

18. To what extent has your institution removed the use of physical paper for documentary transactions?

To no extent	To some extent	To a great extent
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

19. Which of the following describes the use of technology in your organization's operations? Please select all that apply.

Acquiring credit information and risk management solutions	<input type="checkbox"/>
Automated data-sharing procedures with financial partners such as banks	<input type="checkbox"/>
Digitization trade information	<input type="checkbox"/>
Digital platform for automated rule-based decision using credit information	<input type="checkbox"/>
None of the above is relevant to my organization's operations	<input type="checkbox"/>
Other [please specify]:	

20. Is your institution reconsidering its trade finance business model?

Yes No Don't know

21. If Yes, what options are your institution considering for its trade finance model?

Transitioning to digital	<input type="checkbox"/>
Expanding product offering	<input type="checkbox"/>
Expanding market participation	<input type="checkbox"/>
Serving new types of customers	<input type="checkbox"/>
Reducing product offering	<input type="checkbox"/>
Reducing market participation	<input type="checkbox"/>
Other [please specify]:	

22. How has COVID-19 impacted your first half 2020 trade finance transactions versus expectations?

No impact	[0% to 10%] decrease	[10% to 20%] decrease	[20% to 30%] decrease	[30% to 40%] decrease	[40% to 50%] decrease	Over 50% decrease
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

23. Have you seen any noticeable rise in trade finance defaults owing to COVID-19?

Yes No Don't know

24. Has your institution put in place any measures to support customers impacted by COVID-19?

Yes No Don't know