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# More evolution than revolution

Since the advent of the Asian financial crisis, commercial banks in the region have been increasingly reliant upon fee-generating trade finance products.

Increasingly, leading banks have explored internet-enabled platforms to streamline a traditionally document-intensive process.

As such, emerging start-ups and technology consultants have developed a slew of new technology platforms to digitise documents and eliminate the armies of administrative staff pushing paper from importer to exporter to issuing bank.

In practice, the shift to an internet platform has been more evolution than revolution. For years now, leading multinational banks have offered customers closed-loop EDI systems to streamline documentation processing. New internet-based platforms like

Tradecard and Bolero are indeed a giant step forward from these proprietary systems.

Despite the promise, adoption rates are still quite low.

Nevertheless, the migration will eventually accelerate and banks need to prepare themselves for a paradigm shift in their trade finance business models.

This paper-based process will shift to new intermediaries controlling digitised document flow via internet-based platforms.

To survive this dis-intermediation

banks will need

to reinvent their value proposition to provide complementary solutions for their customer needs. Fees from document-based services will need to be offset by offerings ranging from tailored financing solutions to currency and commodity hedging.



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