

The 'UAE Trade Finance Gateway' to ease credit access to SMEs

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- Etihad Credit Insurance signs tripartite Cooperation agreement with First Abu Dhabi Bank & Crediti Fintech to launch 'UAE Trade Finance Gateway'

- Empowered by the UAE Ministry of Economy, the project seeks to position ECI and FAB as the main gateway of exporters and re-exporters to trade credit and financial solutions

- UAE Trade Finance Gateway aims to ease the access of UAE exporters and re-exporters to trade and export financing, as well as support the growth of SMEs, thus enabling them to contribute to the UAE's industrial strategy 'Operation 300bn'

- This project will address the challenges facing SMEs and the shortage of trade finance solutions through financial and technological solutions to build a strong SME sector and a resilient economy



(From left to right) Hashim Al Hussaini, Crediti CEO & MoniMove Co-Founder, Shireesh Bhide, Head of Corporate, Commercial and International Banking at FAB and Massimo Falcioni, CEO of ECI

As a significant impetus to the UAE economic development, Etihad Credit Insurance (ECI), the UAE Federal export credit company, signed an MoU with First Abu Dhabi Bank (FAB) and Crediti Fintech for the implementation of the 'UAE Trade Finance Gateway'.

The availability of finance is essential for a healthy trading system. According to the World Trade Organization (WTO) report "Trade finance and SMEs", up to 80 per cent of global trade is supported by some sort of financing or credit insurance. However, according to the report, there are significant gaps in provision and therefore many companies cannot access the financial tools that they need. Without adequate trade finance, opportunities for growth and development are missed, as stated by the WTO. Businesses are deprived of the fuel they need to trade and expand.

Small and medium sized enterprises (SMEs) face the greatest hurdles in accessing financing on affordable terms. This is of particular concern, the WTO report continues, as SMEs are a leading driver of trade, employment and economic development.

The 'Trade Finance Gateway' platform aims at easing the access of UAE exporters and re-exporters to financing, as well as support the growth of SMEs, thus enabling them to contribute to the UAE's industrial strategy 'Operation 300bn'.

Supported by the UAE Ministry of Economy, as an example of Public Private Partnership approach, the project seeks to position ECI as the main gateway of exporters and re-exporters to trade credit and financial solutions that will be provided by commercial banks and financial institutions, whereby Monimove fintech platform is the technology backbone. FAB is the first commercial bank to join this initiative and other commercial banks are expected to follow, confirming the strength of the UAE banking system in the UAE, capable to address the key financial needs of the businesses.

Commenting on this, Mr. Massimo Falcioni, CEO of Etihad Credit Insurance, said: The 'UAE Trade Finance Gateway', which comes in line with the UAE's 50 projects to boost the economy, reflects the vision of His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Vice President, Prime Minister of the UAE and Ruler of Dubai. His Highness stated that the UAE's non-oil trade annually exceeds Dh1.5 trillion and our logistics network is in 400 international cities. UAE non-oil economy represents more than 70 per cent of our GDP. His Highness also clearly highlighted that our goal is to increase our national exports by 50 per cent in the coming years. We are proudly committed to work as one team, federally and locally, to bring our national economy to new heights.

The project will tackle a number of challenges faced by exporters and re-exporters in obtaining finance to fund their working capital requirements, such as restricted availability of finance to smaller enterprises, cumbersome and confusing process to obtain finance, the inability of customers to understand best-fit product or solution, lack of infrastructure to execute digitalized documentation, and time-consuming and lengthy process.

It will also address the challenges facing SMEs and the shortage of trade finance solutions through financial and technological solutions to build a strong SME sector and a resilient economy. Through this partnership, exporters and re-exporters will benefit from seamless and fast access to financing solutions bringing together the insurer, banks and exporters in one unified platform. ECI insurance cover will enable exporting SMEs to obtain collateralised loans from FAB leveraging the advanced technology of MoniMove platform. SMEs will benefit from an end-to-end digitised process encouraging smooth collaboration between all parties and accelerating access to financing products.

Mr. Shireesh Bhide, Head of Corporate, Commercial and International Banking at FAB, said: "FAB has long served as a bridge for trade and investment flows between the UAE and international

markets, by providing trade finance for some of the nation's largest exporters. Through this innovative partnership with ECI and Crediti Fintech, we will be able to extend our expertise to an expanding range of UAE businesses, offering vital support to exporters of all sizes. The Unified Trade Finance Gateway will leverage technology, data, and customer relationships to accelerate the growth potential of the nation's SME's, start-ups and entrepreneurs, and support the UAE's strategy for a sustainable and diversified future economy."

Meanwhile, Mr. Hashim Al Hussaini, Crediti CEO & MoniMove Co-Founder, stated: "This path-breaking initiative will provide a way forward to address SMEs financing challenges. We are proud to be paddling the same path with two leading giants in the country, this MoU demonstrates our commitment toward offering the next generation of credit utilization, supply chain and trade finance solutions."

"We are very excited to be part of this unique initiative, we are confident that together we will contribute to the country's vision and the national economy's growth" said Mr. Ali Al Mulla, GLH Chairman and Crediti board member.

Moreover, the UAE Trade Finance Gateway will strengthen exporters' capability to do business globally and help them in various aspects, such as accessing new cross border markets, counterparty liquidation protection, support in cash flow, reduction in concentration risk, as well as facilitating local and global bank financing and portfolio monitoring.

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