

Asia Pacific Trade Finance Market to Reach US\$ 5,711.0 Bn by 2030 – Astute Analytica

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/EINPresswire.com/ -- [Asia Pacific Trade Finance Market](https://www.astuteanalytica.com/request-sample/asia-pacific-trade-finance-market) is forecast to project an increase in revenue from US\$ 3,444.3 Bn in 2021 to US\$ 5,711.0 Bn by 2030, growing at a CAGR of 5.8% during the forecast period from 2022 to 2030.

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Trade finance refers to financing for trade and is utilized by importers, manufacturers, exporters, buyers, sellers, and traders in international and domestic trade transactions. In addition, a seller of goods and services must be willing to simplify financing processes and deal with cash, investments, credit, and other assets for trade aims in order to complete a trade transaction.

Factors Influencing Market Growth

The rapid growth of the BFSI industry in the Asia Pacific region and legislative changes for improved SME inclusion in trade financing are the main drivers of the growth of the market. Since banks play a critical part in global trade by offering trade finance instruments that lower the risk of exporting. In addition, banks have continued to be reliable and affordable service providers for trade financing due to their rapid growth and growing capacity to integrate new technologies such as the Internet of Things, Blockchain Technology, and Application Programming Interface.

Additionally, policy changes for improved small & medium enterprise inclusion in trade financing have consistently been a fundamental and crucial component of economic growth and job creation in many parts of the world economy. Furthermore, over 25 nations at various levels of development are working on the Framework Agreement on Facilitating Cross-Border Paperless Trade in the Asia Pacific, a United Nations convention. This offered a way to advance things more quickly. Therefore, it is likely that regulatory changes to better integrate SMEs into trade



financing will accelerate market growth.

Additionally, the development of digital infrastructure through cooperation between national governments and international organizations offers potential opportunities for market growth in the Asia Pacific trade finance industry. For instance, the Trade and Supply Chain Finance Program of the Asian Development Bank enables nations to achieve Sustainable Development goals by bridging market gaps with loans, guarantees, and knowledge products.

However, a lack of sufficient business data on borrower companies and the continuous use of paper-based transactions may impede industry growth in the Asia Pacific.

Impact Analysis of COVID-19

The COVID-19 pandemic wreaked havoc on nations' economies and communities. A decrease in trade credit availability has had an impact on global trade owing to the lockdown imposed by the government in the region. However, there was a sharp increase in the demand for specific COVID-19-related products, safety gear, and basic necessities like food. In addition, the inclinations of consumers toward trade finance in the market have also changed as a result of social distancing and modifications to working conditions.

Segmentation Summary

In 2021, on the basis of offering, the Letters of Credit (LoCs) segment recorded a share of 35% in the APAC trade finance market due to their vast application in commodity trading. However, the trade loans segment is likely to project the highest annual growth rate of 6.3% over the prediction period due to the growing demand by importers, exporters, and domestic traders.

In 2021, on the basis of provider type, the bank segment acquired a significant share of 55% in the APAC trade finance industry and will grow at the highest growth rate over the projection period due to the increased preference of banks for finance-related services, which includes trade finance. In addition, banks are the leading provider of letters of credit since it is a popular method of international trade.

In 2021, based on application, the international trade segment dominated the Asia Pacific trade finance market as trade finance composes an essential part of international transactions that occurs between two or more parties. In addition, growing urbanization and globalization have supported the growth of the international trade segment in the market. On the other hand, the domestic trade segment is likely to reach a revenue of US\$ 1,500 billion by 2025 due to its rising popularity owing to no trade regulations and less transportation expenditure.

In 2021, on the basis of end-user, the trader segment had a leading position in the APAC trade finance industry, and the segment is likely to reach a market opportunity of US\$ 950 billion over the analysis period. This is due to the rapid increase in the number of traders compared to the

exporters and importers.

Country Analysis

China held a significant share in the APAC trade finance industry and will grow at a compound annual growth rate of 6.3% during the analysis period due to the increasing awareness about trade finance. In addition, the strong trading base country driven by stringent regulatory reforms will drive market growth in the country. However, the ASEAN region is likely to record a revenue of US\$ 1,000 billion by 2027 in the regional market due to the rising development of the BFSI industry. For instance, Citi bank, HSBC Holdings Plc, and SBC top the list of large and local players in Indonesia.

Browse Detailed Summary of Research Report: <https://www.astuteanalytica.com/industry-report/asia-pacific-trade-finance-market>

Leading Competitors

The prominent competitors in the Asia Pacific trade finance market are:

Asian Development Bank
BNP Paribas SA
Bank of America Corp.
Banco Santander SA
Crédit Agricole Group
Citigroup Inc.
Goldman Sachs Group Inc.
JPMorgan Chase & Co.
HSBC Holdings Plc
Morgan Stanley,
Mitsubishi Ufj Financial Group Inc.
Royal Bank of Scotland
Standard Chartered Bank
Standard Chartered plc
Wells Fargo & Co.
Other Prominent Players

Segmentation Outline

The Asia Pacific trade finance market segmentation focuses on Offering, Provider Type, Application, End-User, and Country.

By Offering Segment
Supply Chain Finance

Letters of Credit (LoCs)
Bonds/ Guarantees/ Indemnities
Trade Loans
Other Services
Cash Management
Foreign Exchange Management

By Provider Type Segment
Banks
Trade Finance Houses
Others

By Application Segment
Domestic Trade
International Trade

By End User Segment
Traders
Importers
Exporters

By Country Segment
China
India
Japan
Australia
South Korea
ASEAN
Singapore
Thailand
Vietnam
Indonesia
Malaysia
Philippines
Rest of ASEAN
Rest of Asia Pacific

Looking For Customization: <https://www.astuteanalytica.com/ask-for-customization/asia-pacific-trade-finance-market>

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