



UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

UNCTAD



Global Network of Exim Banks and Development Finance Institutions (G-NEXID) address to the
UNCTAD Trade and Development Commission

Geneva, Switzerland, 5 -9 May 2014

Report of the G-NEXID Steering Committee (Geneva, 27 March, 2014)

and the workshop on

Recent Trends in Trade and Infrastructure Finance and its implications for South – South Cooperation

(Geneva, 28 March, 2014)



1. G-NEXID Steering Committee meeting held on March 27th 2014

On March 27 2014 the G-NEXID Steering Committee met in Geneva, at the UNCTAD premises, with the participation of the following members: African Exim Bank (Afreximbank), Exim Bank of India, Exim Bank of Nigeria (NEXIM), the Trade and Development Bank of Eastern and Southern Africa (PTA Bank), the Development Bank of Latin America (CAF), the Foreign Trade Bank of Latin America (BLADEX) and UNCTAD as an observer.

In his opening remarks for the meeting, the UNCTAD's Secretary-General, Mr. Mukhisa Kituyi, gave a welcoming and challenging address. Mr. Kituyi highlighted the fact that UNCTAD is celebrating 50 years of existence this year, and reflecting about it, he recognized that UNCTAD, since 1964, has been an important platform for developing and emerging countries to promote their collective economic interest. Looking ahead he highlighted how through G-NEXID, UNCTAD can continue to help in many ways to promote South-to-South cooperation. In his closing remarks Mr. Kituyi said he looks forward for a continued collaboration between UNCTAD and G-NEXID, so we can catalyse further trade opportunities that harness the new geography of the South-to-South trade map helping to achieve prosperity for all.

The Honorary President of G-NEXID, Mr. Rubens V Amaral Jr, thanked Mr. Kituyi, and also challenged members to raise G-NEXID's ambitions moving to a formal and permanent agenda to address and tackle issues relevant to increasing trade flows and South-to-South cooperation. He emphasized the need to improve G-NEXID's existing platform in a way that G-NEXID's members can benefit from it by: a) increasing cooperation among the members; b) establishing a permanent forum of discussion to set up standards to guide trade financing; c) conducting events, at least twice a year, in one of the three key regions of the South, i.e. Africa, Asia, and Latin America and the Caribbean, with the objective of involving business people, and other local financial institutions to foster the South-to-South agenda.

The Steering Committee agreed to establish a framework to facilitate information sharing among its members. It was recommended that G-NEXID revisit a possible cooperation with the Berne Union to help in developing common standards for export financing in the South. The Committee also decided to create a permanent support group comprised by key people from the different members of the Steering Committee with the objective of ensuring the advancement of a permanent agenda for the Network. This permanent group will meet on a quarterly basis. It will focus on understanding the key features of each one of the Network's members with the purpose of facilitating cooperation, identifying opportunities of working together, and preparing the Network's gathering at least twice a year to discuss and advance the permanent agenda.

The Committee also proposed to have its G-NEXID Annual Meeting in October 2014 in Panama, as this year marks the celebration of the 100th anniversary of the creation of the Panama Canal, one of the wonders of the world, and a key component in the trade flows chain.

2. Workshop on Recent Trends in Trade and Infrastructure Finance and its implication for South-to-South cooperation held on March 28th 2014

Mr. Bonapas Onguglo, Chief Office of the Director, from the UNCTAD, representing Mr. Guillermo Valles, Director of the Division on Trade in Goods and Services, and Commodities (DITC), opened the event highlighting that the



**G-NEXID address to the UNCTAD Trade and Development Commission
Geneva, Switzerland, 5-9 - May 2014**

international community is defining new goals to achieve sustainable development and financing access for developing countries. Mr. Ongulo emphasized the importance of G-NEXID as a channel to bridge the gap between financing of trade and the achievement of the development goals of developing and emerging economies by fostering South-to-South trade flows.

Mr. Rubens V Amaral Jr., the G-NEXID Honorary President, highlighted the limitations of trade finance statistics, but highlighted recent data released by the BIS Committee on Global Financial System, citing its Global Market of Trade Finance publication of January 2014. The publication identifies the annual total trade financing market size at about USD 7 trillion for 2011. Only a third of global trade is intermediated by financial institutions, whereas the rest is open account (supplier's credit) or intra companies financing.

The Honorary President said he expected that the workshop could help in better understanding the major trade financing challenges, the types of products being used to finance trade flows, and not less important, the impact of the new regulatory framework stemming from the Basel capital accord, known as Basel III. Lastly, he added that it would also be important to understand the landscape of infrastructure financing, which can dramatically increase trade flows in the South.

The workshop was divided in four sessions: **a) Recent trends in International trade** – i) Trade Maps – the landscape of trade flows in the world, by the ITC ii) The role of Factoring by the International Factors Group (IFG), iii) new payments alternatives-BPO by the Society for Worldwide Interbank Financial Telecommunications (SWIFT), iv) Maritime Connectivity, by UNCTAD; **b) Infrastructure Financing**, the experience of CAF; **c) The Trade Finance environment**: i) The experience in India by the Exim Bank of India, ii) the Islamic Financing of Trade, by the Saudi-Export Program, and iii) Supply Chain financing experience by the Asian Development Bank (ADB); **d) Regulatory Environment** – Basel III and the Bali Package, by the WTO.

Participants to the workshop included, Afreximbank, the ADB, BLADEX, the Brazilian Development Bank (BNDES), PTA Bank, Export – Import Bank of China, Export-Import Bank of India, Export – Import Bank of Indonesia, NEXIM, Zambia Export-Import Bank, Saudi Export Programme. International organizations and specialized agencies: ITC, ICC, WTO, SWIFT, IFG.

The discussions were very productive and the objectives of laying out the groundwork for the permanent agenda were achieved. The next meeting of the support group will take place on May 12th and will follow up on the recent decisions by the Steering Committee as well as the points raised and the conclusions of the workshop.

For more information, please visit: <http://www.gnexid.org>, <http://www.bladex.com>, <http://www.unctad.org>