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THE TRAILBLAZER

OFFICIAL NEWSLETTER OF EURO EXIM BANK



**TOWARDS
A BETTER
TOMORROW**

HAPPY NEW YEAR 2022

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CONGRATULATIONS GRAHAM!

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A background image featuring a large, bright sparkler on the left side, with several smaller sparklers scattered across the dark blue night sky. The sparklers create a warm, golden glow against the cool blue background.

*" When you feel like
giving up, success is always
within reach.*

*Remember this and keep
your determination steady.*

*We at Euro Exim Bank
wish you a happy
New Year 2022."*

MESSAGE FROM THE CHAIRMAN

2021 was a challenging year for all of us, and the green shoots of signs of recovery are being deeply affected by new Covid variants and global uncertainty.

We have successfully navigated the highly volatile arena of international trade over the past 12 months, growing our sales team to over 1500 people worldwide. And, despite trade remaining complex, we now have local representation in over 100 countries.

By further investing in blockchain and AI technologies, digitising processes and digitalising instruments, we are well-positioned to achieve long term growth, expand our range of products, facilitate trade in emerging and established markets.

We aim to embed our ethical business principles into all corporate activities, including our long-standing CSR projects, compliance, safety and quality control. By extending these energies throughout the organisation, we strive to sustain growth and expand our commitment to society.



KAUSHIK PUNJANI



*Success comes to those
who have reached it
with their ceaseless
effort.*

*Congratulations,
Dr Graham Bright,
on shining bright and
being awarded
a Doctorate.*

*You have inspired all
of us not only to dream
big but also to work
hard
to achieve them.*

*May this
accomplishment
encourage you to
thrive more
in the future!*

TOWARDS A BETTER TOMORROW

In decades past, significant financial events (i.e. unexpected stock market crashes) happened in cycles, often years apart. Today, these events are almost daily, as wild swings in stock prices and indexes seem to be more the norm than unique.

Ongoing geopolitical issues exist between the world superpowers, not helped by massive bond defaults in China, military posturing by Russia against Ukraine and natural disasters in the USA.

As we look forward through 2022, for Euro Exim Bank, our trade experience, geographic reach and cost-effective range of products and services will be essential for our target markets in emerging and established economies. As Lee Child quoted, "We hope for the best and plan for the worst".

With our ever-expanding sales team of over 1500 people spanning over 100 countries, our digital processes and digitalising projects, blockchain and AI enablement and entry into the alternative financing and crypto market, our aspiration and ambition make us the natural choice for international clients to meet new, uncharted territories in international trade and finance.

We have preserved our stability against overwhelming odds. The synergy and spirit etched into our teamwork serves to encourage us to manage new challenges and serve our clients expertly.

2021 is gradually becoming a distant memory, and 2022 presents a new set of opportunities requiring agility, fortitude and patience.

EURO EXIM BANK'S SUPPORT FOR SME SECTOR

Aside from the pandemic, we have seen economic recovery, renewed supply chains and sustainable international trade; however, for smaller institutions in emerging markets, the fact remains that there are substantial barriers to them competing on the world stage.

Typical challenges have included the bureaucracy in international trade, the number of parties involved, each with their own requirements formats and processes, complex, costly access to capital, high shipping and general transport costs, provision of funding in US Dollars, where local banks have low levels of liquidity, and not necessarily the systems, or expertise to assist in international deals.

Tier 2 and 3 corporates and SMEs make up many businesses driving economies, supporting most global employment. As a facilitator in international trade, we have positioned our teams to service this vital sector giving companies the means to trade without compromising working capital, collaboratively across multiple jurisdictions.

We conceptualized how we could facilitate the movement and issuance of financial instruments in the arena of international trade to ensure that goods could travel cross border in a most unhindered way making sure that all the terms conditions could be complied with especially helping small companies in their efforts to export and import globally.

Our objectives stand on delivering those financial instruments with the Letters of Credit, Standby Letters of Credit, Performance Bonds and Guarantees to make sure that every trade in its particular jurisdiction, through its path, through the journey and the through the ecosystem of trade is handled correctly.



*"Whenever the price of
cryptocurrency is
rallying, people start
spending a lot more".*

*- Erik Voorhees
(Founder and CEO of
ShapeShift)*

THE HYPE AROUND BITCOIN

The prominence of payments in the global financial services system has undeniably risen over the last few years. In fact, the traditional payment methods have massively transformed to reach its current position, i.e. towards cashless payment systems.

Recently, a crypto revolution has taken place in speed and acceptance of real-time payments, enabling cryptocurrency to decrease liquidity and assist buyers where access to fiat currency has become difficult.

The private sentiment is driving instant, significant change, resulting in rises of 70% last year but also experiencing dramatic recent falls in value.

Predictions include Bitcoin replacing dollars long term, whilst others call it a 'toy'. What is absolutely fact is that the underlying technology, built around blockchain, has enabled the crypto market to gain acceptance and now support over 7000 cryptocurrencies, many used in diverse market sectors.

Acceptance is rapidly growing as governments explore crypto seriously, pegged to a fiat currency, most effectively in the form of controllable Central Bank Digital Currency. Without a doubt, more countries will embrace the technology, reducing the threat of capital flight, eliminating autonomy and secrecy, improving visibility and above all, control through monitoring and taxation.



*"Anything and everything that can go digital is going digital. India cannot afford to be left behind."
- Mukesh Ambani
(Billionaire Businessman)*

INDIA GOING DIGITAL

Digital life has begun, and it is here to stay. This new behaviour sets the trends for international trade because all trade depends upon the consumption pattern and the economic strength of each country on this.

India is a massive country with a large population giving it second place after China. And surprisingly, the digital habits of all classes of people, from the richest to the middle class to the lower middle class, including farmers and artisans, seem to own a smartphone of some type. Either for commerce or entertainment, smartphones have become everyone's handheld friend. According to statistic.com, as of May 2021, the smartphone users in India were at 439.42 million users.

Financial entities upon which all multilateral trade relies must ensure that the international traders have a clear digitised platform to operate with banks for their transactions. And India has excellent scope in making this happen. Because India is a country with people who love their regional languages and are liberal enough to accept the international language of English, which even China has not done alike. So the edge is with India to bring forward this digitisation movement for its economic advantage. This will improve its trade transactions and get it on a stage as a trade facilitator between many countries. Its digitisation and geo-location as a peninsula are its advantages.

Financial entities should also encourage clients to cooperate digitally by developing technology that can be used for both advantage and safety. The added benefit a digitised structure will ensure trade transactions are made faster and safer.

Freeing international trade transactions from the cumbersome bureaucracy, India requires disciplined digital trade operations in place.

TRADE IN ACTION - 2021

When a major shock like the pandemic hits, trade plays a significant hand in mitigating the impact by sourcing and making available goods and services to the people and the businesses. COVID-19 crisis brought in some pandemic related export restrictions where trade came to help meet the skyrocketing demands for medical products. In 2020 as the global trade value took a hit more than 9%, medical supplies trade went up nearly 18%, including medical equipment, which grew nearly more than 50%, and an astonishing growth for textile, with face masks topped at 480% increase. Thankfully the world trade business avoided the pandemic health crisis into a major food crisis by keeping the agricultural products trade stable.

As a natural order of events, agro-food products demand increased and gained more than 18% gain 2021. Apparel more than 20%, chemicals more than 18%, communication equipment 37% plus, machinery 23%, metals at 29% minerals at 42%, other manufacturing 33%, pharmaceuticals more than 27%, precision instruments 16%, road vehicles 16% textiles 28% as per latest stats.

When world trade begins to stabilise from a shock and crisis, the trade will play a significant role in accelerating the world economy and this is where trade finance service providers help through their willingness to evolve to the changing trade environment and adapt through innovation. Euro Exim Bank has already formed strategies to facilitate it and aim to play a significant role as a trade finance service provider for the current and future conditions.

OUR ARTICLE CONTRIBUTORS

Graham is an experienced industry professional from a financial services & system vendors background. His extensive career over 35 years (including 20 years at SWIFT), covers global industry utilities, regulators and specialist financial institutions in sales, supporting and consulting on business solutions across the financial sector. Graham is a regular contributor to leading trade journals (GTR, TFR), with published articles in Financial Technology and Trade Finance magazines. He is also a regular speaker at international trade conferences.



**DR. GRAHAM BRIGHT
HEAD OF COMPLIANCE
AND OPERATIONS**

Sanjai Arasu is a Banker & Wealth Management professional with 20+ years of experience. After retirement, he joined Trade Finance Banking a few years ago and is actively involved with Euro Exim Bank full time. He mainly focuses on government-related and private long-term projects. He values ethical well-structured organisational formations and believes in practises and policies that facilitate functional ease within the parameters of moral and lawful conduct. Sanjai is a Trade Finance Specialist at the senior level for Euro Exim Bank.



**SANJAI ARASU
TRADE FINANCE
SPECIALIST**



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