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TRADECAST: LOOKING BEYOND COVID-19

03

**Tradetech Perspective:
Foot on the gas, has
COVID-19 inadvertently
accelerated trade
digitisation?**

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ITFA Fintech



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TRADECAST: Looking beyond COVID-19

Tradetech Perspective: Foot on the gas, has COVID-19
inadvertently
accelerated trade digitisation?

André Casterman

CMO, INTIX; NED, Tradeteq; Board Member, ITFA



COVID-19 has unexpected impacts  **Cross-border trade is severely impacted**

Social



- Work from office now banned ...
- Restaurants, hotels, conferences, meetings, social and business events, trips and holidays, ... banned
- Country borders closed

Logistics



- Avoiding contacts during home deliveries
- Virus spreads via air and some physical material (plastic)
- Cashless payment transactions preferred given fear of virus spreading via bank notes and coins

Transport



- Airlines and postal services disrupted
- Delays in delivering trade documents
- Issues when wet ink signatures are required

Economy



- Economies stalled
- Businesses vulnerable
- Governments extend financial support through loans and guarantees

Logistics



The screenshot shows the top portion of a CNBC news article. The navigation bar at the top includes the CNBC logo and menu items: MARKETS, BUSINESS, INVESTING, TECH, POLITICS, and CNBC TV. The article is categorized under 'HEALTH AND SCIENCE'. The main headline reads 'Coronavirus lives for hours in air particles and days on surfaces, new US study shows'. Below the headline, it states 'PUBLISHED WED, MAR 18 2020-10:35 AM EDT'. The author is identified as 'Berkeley Lovelace Jr. @BERKELEYJR'. There are social media share icons for Facebook, Twitter, LinkedIn, and Email. A 'KEY POINTS' section is visible at the bottom of the article preview, listing two findings: that the virus is detectable in aerosols for up to three hours, and that it can last up to three days on plastic and stainless steel.

HEALTH AND SCIENCE

Coronavirus lives for hours in air particles and days on surfaces, new US study shows

PUBLISHED WED, MAR 18 2020-10:35 AM EDT

 Berkeley Lovelace Jr.
@BERKELEYJR

SHARE    

KEY POINTS

- Researchers found the virus was detectable in aerosols for up to three hours, up to four hours on copper and up to 24 hours on cardboard.
- COVID-19 can also last up to three days on plastic and stainless steel, the scientists concluded.

Transport

BUSINESS

COVID-19 flight suspensions slowing mail delivery to China, U.N. says

AFP-JJI

GENEVA – The U.N. postal agency on Wednesday said flight suspensions linked to the COVID-19 outbreak have disrupted delivery services to China, with at least eight countries holding letters and parcels.

“The spread of the novel coronavirus has led to the suspension of airline flights and is impacting postal operations,” the Switzerland-based Universal Postal Union said in a statement.

“UPU is carefully monitoring the situation and working closely with postal operators to hopefully overcome these challenges,” the statement said.

Asked if there were any precedents, a spokesperson likened the current situation to the transport disruption caused by the volcanic eruptions in Iceland in 2010.

“It’s not just a postal issue, it’s a trade issue,” the spokesperson added, pointing out that the deliveries affected e-commerce services.

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FEB 13, 2020

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PHOTOS

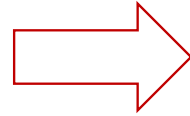
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KEYWORDS

[CHINA, U.N., POSTAL SERVICES, COVID-19, CHINA POST, UNIVERSAL POSTAL UNION](#)

New challenges / risks / options,
... for the trade community



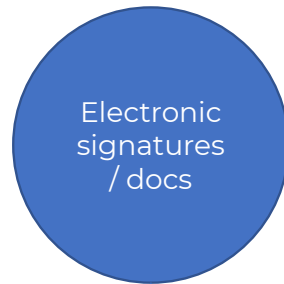
**Technology
options are
available**

People



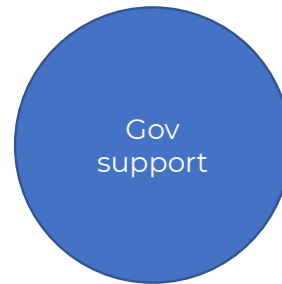
- Staff need access to transactional systems for daily tasks – remote data accessibility is a prerequisite whilst *internal security policy* forbids it
- Technology to continue to stay in touch and pursue teamwork via video calls

Logistics



- Doc checking in a fully digital way to avoid slow shipments of piles of paper
- Digital signatures replacing wet ink become very attractive (not yet sufficiently operational for bills of exchange / promissory notes)

Trade



- Originators want to pass on government support to SMEs but face balance sheet constraints
- Businesses are looking for new sources of financing by selling trade receivables to alternative financiers on 1:1 basis or via online platforms

Government support

Germany to raise new debt as part of €350bn emergency package

Berlin to drop fiscal restraints to save economy from the damage of the pandemic



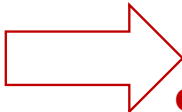
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Guy Chazan in Berlin 3 HOURS AGO

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Germany is to take on over €150bn of new debt as part of a €350bn package of emergency measures to save its economy from the brutal effects of the [coronavirus](#) pandemic, in what amounts to a radical break with the strict “black zero” fiscal policies of the past.

Finance minister Olaf Scholz will also present the German cabinet with plans to create a new €500bn bailout fund to rescue companies hit by the outbreak, according to three people familiar with the plans.

It's time to establish new digital practices  **Increase openness to digital options**

People
Logistics
Funding

| | | |
|--|--|---|
| <p style="text-align: center;">Continuity in the back-office</p> <ul style="list-style-type: none"> • Data management tech to offer full data accessibility for remote staff • Digital document checking technology in the trade back-office | <p style="text-align: center;">23 ITFA fintechs</p> | |
| <p style="text-align: center;">Electronic signatures (eIDAS) and payment undertakings (ePUs)</p> <ul style="list-style-type: none"> • <i>Electronic signatures applied to trade documents (*)</i> • Digital originals for negotiable instruments | | <p style="text-align: center;">DNI Initiative</p> |
| <p style="text-align: center;">New funding partners</p> <ul style="list-style-type: none"> • <i>Trade banks allocating public funds to granular trade receivables (*)</i> • Working with alternative financiers / non-bank funders / asset managers • Accessing new funding sources via online receivables platforms | | <p style="text-align: center;">TFD Initiative</p> |

A total of 23 fintechs joined the ITFA since mid 2017



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Want to join ITFA? Consult www.itfa.org

Want to engage on #tradetech matters? Email andre.casterman@icloud.com