European and Asian Business Expansion Drives U.S. Demand for Trade Finance

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Executive Summary:

Companies' increased focus in international business is evident in trade finance spending patterns.

Over the past year, the share of U.S. companies' overall trade finance fees connected to international transactions increased to 73% from 64%, with a corresponding decrease in spending on domestic trade.

And while U.S. companies most often employ trade finance as risk mitigation, recent research by Greenwich Associates found that 24% cited "financing in addition to other instruments" as a key reason for using trade finance—an increase of 9 percentage points from 2013.

Methodology:

From April to June of 2014, Greenwich Associates conducted 168 interviews in trade finance with financial officers (e.g., CFOs, finance directors and treasurers) at companies in the U.S. Subjects covered included product demand, quality of coverage, and capabilities in specific product areas.

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