Asia-Pacific Trade Facilitation Forum 2019
What Technology *Can* (and *Can’t*) Do for Inclusive Growth

**Session 4:**
Facilitating trade finance for inclusive growth: Bridging gaps through technology
Technology Enablers
Fundamentals Shifts

Source: MIT Technology Review
Technology Enablers
Derived Impact to New Technologies

- OCR
- IDR
- AI
- Machine Learning
- DLTs
- IoT
- APIs

EXHIBIT 1 | The 20+ Players interact with the data fields captured in the 10-20 Documents to create ~5,000 data field ‘interactions’

Source: BCG Analysis
## Technology Enablers

### Use Cases for Trade Finance & Services

<table>
<thead>
<tr>
<th>New technologies</th>
<th>Pre-transaction</th>
<th>Transaction processing</th>
<th>After transaction</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Optical character recognition (OCR)</strong></td>
<td><strong>Product selection</strong></td>
<td><strong>Workflow management</strong></td>
<td><strong>Problem resolution</strong></td>
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<tr>
<td>Text recognition from trade documents to minimize data entry</td>
<td>Check for completeness of documents based on transaction/product type</td>
<td>Scrape documents for AML keyword hits</td>
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<td><strong>Artificial intelligence (AI)</strong></td>
<td><strong>Data entry</strong></td>
<td><strong>Document check</strong></td>
<td><strong>Intelligent problem resolution</strong></td>
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<td>Intelligent and personalized marketing: Offer new product sales or client promotions based on insights on clients’ needs and behaviors</td>
<td>Validate/mediate data with cross-references, machine learning</td>
<td>Contextual filtering: Identify suspicious or unusual activity and block suspicious transactions based on predictive indicators</td>
<td>Reports enable enhanced operational and strategic decisions</td>
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<td><strong>Advanced analytics (AA)</strong></td>
<td><strong>Enhanced KYC</strong> (e.g., web scrape)</td>
<td>Efficient process and productivity monitoring, and predictive analytics to detect patterns</td>
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<td><strong>Robotic process automation (RPA)</strong></td>
<td><strong>Bridge data flow and communication</strong>: Integrate data from different systems into single interface</td>
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<td><strong>Internet of things (IoT)</strong></td>
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<td><strong>Distributed ledger technology (DLT)</strong></td>
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<td>Create smart letter or credit as smart contract on distributed ledger auto notifications</td>
<td>Replace documentation, checks, data entry, validation, with single digital record</td>
<td>Real-time verification and reconciliation; workflow executed as per smart contract conditions; replace payment and funds transfer with cryptocurrency</td>
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“A man with a hammer always sees the nail as part of the solution.”
How Has Technology Change the Game

Impediments to MSME/SMEs Financing Access/Services

- Cost to Serve
- Trust
- Track Record
- Responsible Lending

- 1. Character
- 2. Capital
- 3. Capacity
- 4. Collateral
- 5. Conditions
Learnings & Observations

- Business Case
- Incentives
- Address Adoption Frictions

Incumbents

Aggregators

Crowdfunding

Global Value Chain Enablers
Learnings & Observations

• Super Connectors
• Single National Windows
• Consolidation & Convergence
Thank You