



More than seventy percent of bankers expect to replace their trade finance technology in the next five years

By *Demica Limited*, an ITFA member

A significant majority of trade finance bankers are expecting to replace their trade and supply chain finance technology in the coming years, in an attempt to drive digitisation across the industry.

This is one of the stand-out findings of a report released today by Demica, a leading fintech specialising in supply chain finance solutions. The report is based on in-depth survey data from **over 140 trade finance professionals based in 37 countries around the world**.

An overwhelming proportion of respondents to the Demica survey (71%) indicated an expectation that they would be running on new platforms within the next five years. With technology replacement processes typically taking several years, this puts the industry smack-bang in the middle of a procurement super-cycle.

Driving this need for modernised technology is banker's confidence in the growth trajectory of open account trade finance, and an expectation that the right technology can help unlock new opportunities. 72% of respondents to the same survey shared that they expect to grow their assets through moves into new geographies, product lines or by financing new industries.

The report also identifies how trade finance bankers are responding to environmental, social & governance (ESG) concerns. While **over 90% of respondents are looking to prioritise ESG in their business practices in 2022**, only 15% of respondents have used ESG ratings services in live transactions already. This disparity will reflect in part the speed at which ESG has become a priority with focus now on the lack of industry standards around how ESG ratings are developed and applied.

Demica CEO Matt Wreford said, "The results of Demica's first annual Benchmark Report for Banks in Trade Finance have been illuminating and thought provoking. They show a global industry embracing transformation and adapting to provide an improved customer offering to achieve growth".

The full report can be downloaded here: <https://www.demica.com/demicas-2022-benchmark-report-for-banks-in-trade-finance/>