

Abstract

This research explores the crucial role of international trade finance in facilitating global trade, using a mixed-methods approach to analyze its impact on trade flows, market access, and financial stability. As global commerce becomes increasingly complex, the availability of trade finance options has become vital for enabling transactions across borders, particularly for small and medium-sized enterprises (SMEs). This study seeks to understand how financial instruments, such as letters of credit, trade credit, and insurance, help mitigate risks and foster growth in international trade.

The quantitative phase of the study analyzes trade finance data, focusing on the volume and growth of trade finance instruments and their correlation with trade flows across various regions and sectors. By examining trends in trade financing, including access to credit, interest rates, and payment terms, the research provides an empirical understanding of how trade finance supports or constrains global trade activity. The analysis also identifies barriers to trade finance access, particularly in emerging markets.

The qualitative phase complements the quantitative analysis by conducting interviews with trade finance professionals, business owners, and policymakers to gather insights into the practical challenges and opportunities in the field. These interviews shed light on the strategic decisions behind the use of trade finance and the impact of regulatory frameworks on trade facilitation. Together, the mixed-methods approach offers a comprehensive view of the role of trade finance in driving global trade.