



DEVELOPING EFFECTIVE TRADE FINANCING TOOLS FOR INCREASING EXPORT IN THE OIC MEMBER COUNTRIES

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Overview of the Presentation

Foundational Context

Background and Rationale
Key Definitions
Conceptual Framework

Study Framework

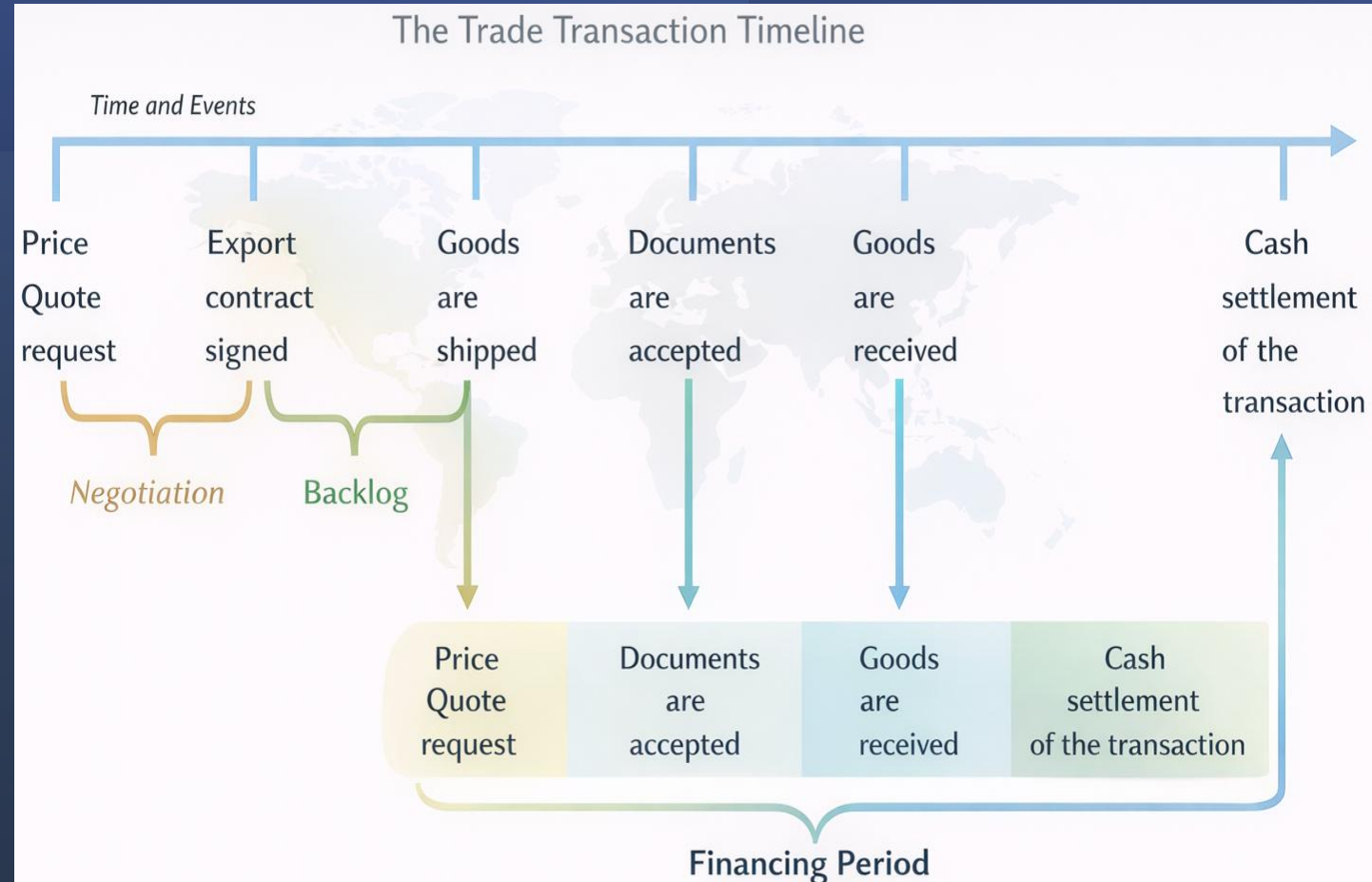
Aim and Objectives
Scope and Coverage

Research Approach

Methodological Overview
Structure of the Report

Why Trade Finance Matters?

- Trade finance bridges the payment gap between exporters and importers
- It provides liquidity, payment certainty, and risk mitigation
- OIC countries face persistent trade finance gaps, especially for SMEs
- Weak collateral, high risk perception, and compliance burdens limit access
- Strengthening trade finance can improve export capacity and diversification



Key Terms

Trade Finance

Financial products and mechanisms that facilitate domestic and cross-border trade by supporting:

- Payment settlement
- Working capital
- Risk management

Export Financing

A subset of trade finance that supports exporters through:

- Pre-shipment and post-shipment funding
- Documentary credits
- Guarantees and liquidity support

Trade Finance Gap

The difference between:

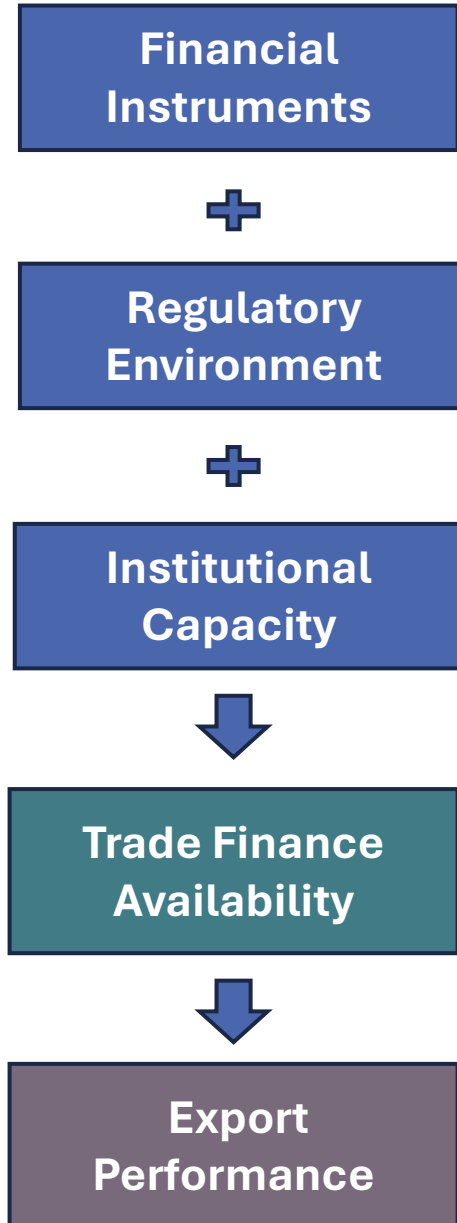
- Demand for trade-related funding
- Available financing from financial institutions

Export Performance

The ability of firms or countries to:

- Expand export volumes and value
- Diversify markets and products
- Participate in global value chains

Conceptual Framework



Where trade finance is:

Accessible & Efficient

Improved liquidity management

Lower transaction risks

Greater export participation

Stronger market diversification

Limited or Costly

Constrained export activity

Higher risks and financing barriers

Reduced SME participation

Aim & Objectives

Aim: to assess how trade financing systems can be strengthened to better support **export growth** and **diversification** in OIC member countries through improved financial instruments, institutional arrangements, and policy frameworks.

Objectives:



Scope and Coverage

Core Focus

- Trade finance arrangements shaping **export financing access** in OIC member countries
- Emphasis on **key instruments, institutions, and policy environments**
- Focus on **practically relevant mechanisms**, not exhaustive coverage

Instruments Covered

- Conventional and Islamic trade finance tools
- Payment & liquidity solutions (e.g., letters of credit, supply chain finance)
- Risk-mitigation tools (insurance, guarantees)
- Shariah-compliant financing models

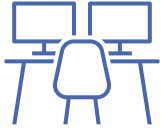
Institutional Coverage

- Public authorities (ministries, regulators, central banks)
- Financial institutions (commercial and Islamic banks, ECAs)
- Supporting organizations and international partners

Geographical & Sectoral Scope

- OIC member countries
- Systems classified as infant, developing, or advanced
- Focus on key sectors and SMEs
- Consideration of data and case selection constraints

Methodological Framework



Desk-Based Research

Review of academic and policy literature

Analysis of institutional reports

Use of international statistical databases

Identification of global and regional trends



Primary Data Collection

Surveys of enterprises, banks, and public institutions

Focus on SMEs and institutional capacity

Semi-structured stakeholder interviews

Assessment of regulatory and operational challenges



Country Case Studies

Field visits in selected OIC countries

Analysis of institutional models and practices

Identification of transferable good practices



Analysis & Policy Development

Validation and synthesis of collected data

Descriptive and comparative analysis

Integration of quantitative and qualitative findings

Development of context-sensitive policy recommendations

Primary Data Collection — Survey Framework

Enterprise-Level Survey

Target Group:

- Exporting firms

Key Focus Areas:

- Financing gaps affecting export operations
- Barriers to accessing trade finance
- SME-specific challenges
 - Collateral requirements
 - Limited credit history
 - High perceived risk

Institutional-Level Survey

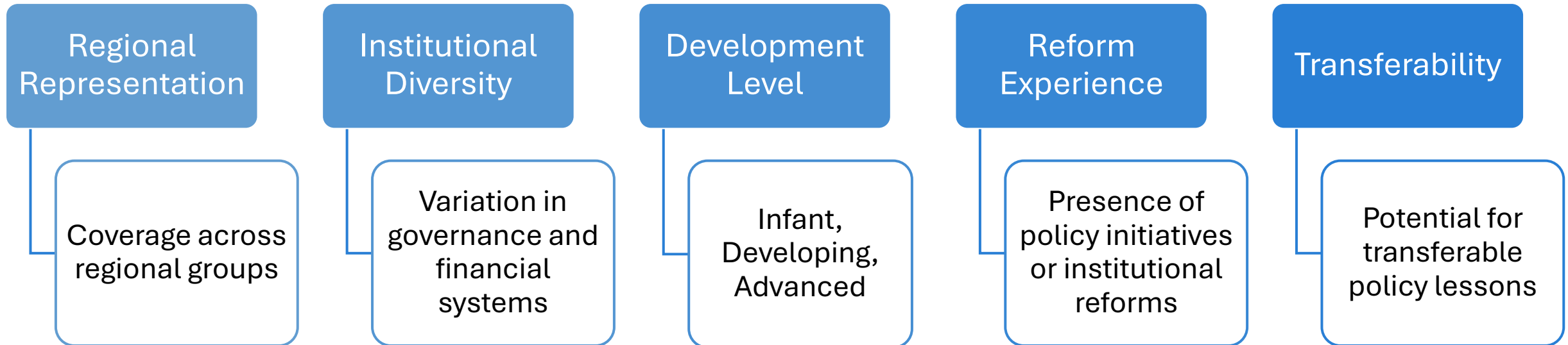
Target Group:

- Commercial banks
- Islamic banks
- Export Credit Agencies
- Business Support Organizations

Key Focus Areas:

- Institutional capacity
- Risk assessment frameworks
- Availability of conventional & Islamic instruments
- Impact of regulatory compliance

Case Selection Approach



Selected Case Countries

Case Country	Exports	Trade Openness / Integration	Key Features
Malaysia	~USD 350 bn	High export-to-GDP; Deep GVC integration	Global leader in Islamic Finance/Sukuk. EXIM Bank provides Shari'ah-compliant products, buyer's credit, and SME-targeted instruments.
United Arab Emirates	~USD 600 bn (incl. re-exports)	> 160% of GDP; Global logistics hub	Hub-based model. Advanced digital customs, paperless trade, and sophisticated L/C and Supply Chain Finance mechanisms.
Nigeria	~USD 60–70 bn	Low export-to-GDP; Limited GVC integration	NEXIM Bank provides guarantees/credit. Challenges include SME collateral requirements, FX access, and high risk perception.
Germany	~USD 1.6 tn	Highly institutionalized architecture	Euler Hermes & KfW. Comprehensive public-private risk-sharing, buyer credits, and world-class logistics/customs efficiency.
The United Kingdom	~USD 500–550 bn	Modernized policy-oriented ecosystem	UK Export Finance (UKEF). Leader in digital trade documentation and SME-focused working capital schemes.

Structure of the Report

Chapter 1 — Introduction

- Defines aim, scope, and methodology
- Establishes study rationale
- Introduces context for export financing development

Chapter 2 — Conceptual Framework & Trade Finance Landscape

- Reviews global and OIC trade finance systems
- Examines regulatory and institutional frameworks
- Defines typology of conventional and Islamic instruments
- Identifies structural gaps and SME challenges

Chapter 3 — Country Case Studies & Survey Results

- Presents field and desk-based case studies
- Identifies good practices and benchmarks
- Analyses survey findings across OIC countries

Chapter 4 — Policy Recommendations

- Develops targeted policy actions
- Covers governance, regulation, instruments, and SME support
- Provides differentiated guidance based on development levels



THANK YOU

Do you have any questions?

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