

**India Trade Finance Market Assessment, By Trade Activity [Trade Credits, Trade Loans, Factoring, Forfaiting, Export Credit Agencies], By Transaction Size [Small-scale Transactions, Medium-scale Transactions, Large-scale Transactions], By Technology Adoption [Traditional, Digital, Blockchain-based], By Application [International, Domestic], By Provider [Banks, Insurance Companies, Trade Finance Houses, Others], By End-user [Traders, Importers, Exporters], By Region, Opportunities and Forecast, FY2018-FY2032F**

Market Report | 2024-11-27 | 135 pages | Market Xcel - Markets and Data

**AVAILABLE LICENSES:**

- Single User License \$3300.00
- Multi-User/Corporate Licence \$4500.00
- Custom Research License \$7000.00

**Report description:**

India trade finance market is projected to witness a CAGR of 7.53% during the forecast period FY2025-FY2032, growing from USD 1.63 billion in FY2024 to USD 2.91 billion in FY2032. The market is driven by a complex mixture of factors that intricately link economies and heighten market dynamics. The most important driver is the broadening international trade landscape, increasing the need for efficient financing mechanisms as countries increasingly engage in cross-border transactions. This scenario has even led financial institutions to innovate and streamline their trade finance services with changing needs. Of course, rapid technological advancements play a critical role, for instance, blockchain technology has greatly enhanced the transparency and security of the trade finance process, thereby helping to promote trust and efficiency. The regulatory environment and geopolitical factors have a strong influence on trends in trade finance. A change in trade policies, tariffs, and geopolitical tensions can transform existing trade patterns and force financial institutions to alter their strategies. Moreover, as companies strive to minimize exposure to adverse effects considering currency fluctuation risks, delay in payment, and political uncertainty, it is conducive to market growth since the increasing necessity for risk mitigation tools goes with stability. Hence, continuity is going

**Scotts International. EU Vat number: PL 6772247784**

tel. 0048 603 394 346 e-mail: [support@scotts-international.com](mailto:support@scotts-international.com)

[www.scotts-international.com](http://www.scotts-international.com)

to dictate the trend of adoption of various trade finance instruments and is expected to enhance the market landscape accordingly.

Trade finance involves a variety of mechanisms, which include letters of credit, bank guarantees, invoice financing, and others. Put together, various business houses deal with the risk and complexity burdened by cross-border transactions. The provision of liquidity, security of payment, risk mitigation from currency, political exchange, and others allows companies to engage in global operations and optimize their supply chain management. In September 2024, the Government of India introduced the Trade Connect ePlatform, designed to offer inclusive information on exports and imports. The platform, developed in collaboration with multiple agencies, is designed to support new and established entrepreneurs by providing real-time access to trade-related data. It will be regularly updated and enhanced to incorporate additional services by 2025.

#### Surge in Trade Volumes to Boost Market Growth

The increased volume of trade is significantly expanding the trade finance market in India, offering abundant opportunities to financial institutions and businesses. In light of the rising demand for goods and services in global markets, the growing and diversifying Indian economy means exports and imports are witnessing an increase. This widening international trading horizon requires efficient financing solutions that can ease transactions by mitigating potential risks. In this regard, financial institutions have responded to the trend by innovating new products that will cater to the specific needs of businesses engaged in cross-border trade. From June 2023 to June 2024, India's exports rose by USD 848 million (2.47%), increasing from USD 34.3 billion to USD 35.2 billion. In contrast, imports grew by USD 2.69 billion (5.04%), rising from USD 53.5 billion to USD 56.2 billion. These include letters of credit, invoice financing, and supply chain financing. The growth of trade volumes compels companies, especially SMEs, to search for accessible and flexible financing to optimize their working capital. With initiatives from the Government of India in the upliftment of manufacturing sectors, boosts to the export front, and technological advancement concerning trade finance processes, the general market is likely to grow drastically. With trade finance increasingly being used by companies to alleviate complications and uncertainties concerning international trade, this upward trend in volumes will almost certainly bring the necessary momentum to the growth of the market in India.

#### Increase in Demand for Supply Chain Finance to Drive Market Growth

The growing demand for supply chain finance is expected to spur growth in India's trade finance market in the coming years. It is a broader reflection of the trend in global commerce. Due to constant efforts aimed at optimizing their operations and improving cash flows, supply chain finance solutions are continually becoming more attractive to businesses. It helps a company to unblock working capital locked in its supply chain as it offers flexible financing options for suppliers and buyers. Indian competitiveness pushes Indian firms, especially SMEs, to bargain more advantageously with suppliers as it enhances their efficient and effective payments via supply chain finance. Digital transformation strengthens integration with advanced technologies supporting sophisticated supply chain finance, such as blockchain and fintech applications, improving transactional clarity and efficiency.

Government initiatives for promoting manufactures and exports boost the demand for many companies to simplify their operations and save costs. Consequently, the wave of supply chain finance meets the short-term financing needs of an enterprise and inspires sustainable long-term growth of the trade finance market, shifting India from the sidelines to a central position in the global mainstream of trade finance. In February 2024, Cashinvoice, a Mumbai-based supply chain financing platform, secured USD 3.4 million in its Series A funding round from HDFC Bank, Pravega Ventures, and Accion Venture Labs, which will help the company enhance its end-to-end supply chain finance offerings and expand its reach into deeper tiers of the supply chain.

#### International Segment to Dominate the India Trade Finance Market Share

International business would take the largest share of India trade finance market in the forecast years as globalizing redefined economic spaces. The demand for trade finance solutions, especially for international transactions, has increased as India emerges as a significant player in the world's trading arena. India's cross-border trade, increasingly undertaken by Indian businesses, needs sound financing mechanisms that help companies operate effectively in foreign markets, including complexities due to currency fluctuations, payment risks, and compliance challenges. Financial institutions are aligning themselves with the need by structuring more comprehensive trade finance products such as letters of credit, export credit insurance, and structured trade finance for international operations. In January 2023, ICICI Bank Limited, India's private sector bank, launched a range of digital solutions for exporters such as Export Packing Credit, e-Softex, and others, encompassing banking and value-added

**Scotts International. EU Vat number: PL 6772247784**

tel. 0048 603 394 346 e-mail: [support@scotts-international.com](mailto:support@scotts-international.com)

[www.scotts-international.com](http://www.scotts-international.com)

services on one platform, marking the first of its kind in the industry full digitalization of the export life cycle, from export market identification and export finance to servicing foreign exchange needs and facilitating receipt of export incentives.

State policy initiatives in export promotion and intensification of trade relations with key foreign countries are boosting the growth of the market. Companies want high-quality, sound, and secure services for trade finance as they expand their markets further. Above all, however, the development and implementation of numerous digital and blockchain-related models into the trade chain harmonizes international trade, which makes access to funds more accessible and straightforward for enterprises. International business will thus contribute highly to the growth of India trade finance market.

#### West and Central to Dominate India Trade Finance Market Share

West and Central India, especially Maharashtra and Gujarat, play a pivotal role in dominating the country's trade finance market share. Maharashtra, with Mumbai as its financial capital, hosts one of the busiest ports, facilitating a substantial volume of imports and exports. The city is a hub for numerous multinational corporations and financial institutions, which enhances access to trade finance solutions. Similarly, Gujarat boasts major ports, such as Mundra and Kandla, alongside a robust industrial base that includes textiles, chemicals, and engineering. This region's strategic geographic location, coupled with advanced infrastructure and business-friendly policies, attracts significant investment, further boosting trade activities. As businesses in these states engage increasingly in international markets, the demand for efficient trade finance products and services rises, making the West a crucial contributor to India's overall trade finance landscape. The region's focus on innovation and growth continues to position it as a leader in facilitating cross-border trade. In May 2024, India Exim Bank organized a workshop, Financial Services in Free Trade Agreements, to deepen participants' understanding of the role that financial services play in Free Trade Agreement (FTA) negotiations and their impact on global trade and economic development.

South is gradually stepping into the limelight in India's trade finance market. Rapid industrialization and economic growth-based sectors, such as information technology, manufacturing, and logistics, ensure the flourishing of the region. An efficient set-up infrastructure of well-established ports works towards increasing international trading, thus increasing the requirements for a trade finance solution. The South is developing itself as an innovation and sustainability hub, which attracts investment and leads to boosting trade activities.

#### Future Market Scenario (FY2025 – FY2032F)

- Increased adoption of digital platforms and fintech solutions will automate and streamline the processes related to trade finance, making it more efficient and accessible for businesses.
- Advanced analytics and AI-driven tools will improve risk assessment and management. These results will allow financial institutions to better navigate economic and market conditions.
- Alternative financing models, including supply chain finance and dynamic discounting, will be available and reform will be optional for businesses.
- The international financial institutions and international trade partners will realize the benefits of an increased flow of trade finance from this partnership.

#### Key Players Landscape and Outlook

The dynamic nature of India trade finance market, owing to the presence of major public and private sector banks, NBFCs, and innovative fintech firms, requires a strategic approach to navigation. In this environment, the following strategies are critical for success in terms of navigation, including investment in large-scale technology to transform digitally to expedite processes, enhance customer experiences, and speed turnaround times on transactions. Providers come up with customized trade finance solutions perfectly designed to fit into the unique needs of businesses, especially small and medium enterprises. Therefore, it makes them more relevant in the market. Other common strategic partnerships include more frequent collaborations with fintech companies that enable traditional banks to adopt new and advanced technologies, which will ensure better service delivery and risk management patterns. Sustainability is on a roll, and companies are choosing to include green finance alternatives in their inventory to attract this emerging category of eco-friendly customers. It further allows the development of better risk management by using more sophisticated analytics that help reduce potential trade risks. These tactics are put together to allow players in the trade finance industry to differentiate themselves and respond effectively to the evolving demands imposed by companies engaging in cross-border trade.

In January 2024, Yes Bank Limited became the first Indian bank to execute an export finance transaction on the International

**Scotts International. EU Vat number: PL 6772247784**

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

Trade Financing Services Platform (ITFS) of RXIL Global IFSC Limited, a leading fintech company registered under the International Financial Services Centres Authority (IFSCA). This partnership offers credit arrangements by Indian and other international institutions for both exporters and importers through factoring and forfeiting services while providing competitive pricing and fast turnaround time on a digital platform.

## **Table of Contents:**

1. Project Scope and Definitions
2. Research Methodology
3. Executive Summary
4. Voice of Customer
  - 4.1. Product and Market Intelligence
  - 4.2. Mode of Brand Awareness
  - 4.3. Factors Considered in Purchase Decisions
    - 4.3.1. Trade Agreements
    - 4.3.2. Currency Risk
    - 4.3.3. Interest Rates
    - 4.3.4. Payment Terms
    - 4.3.5. Supply Chain Reliability
    - 4.3.6. Technology and Platforms
    - 4.3.7. Insurance Options
  - 4.4. Customer Support
  - 4.5. Consideration of Privacy and Regulations
5. India Trade Finance Market Outlook, FY2018-FY2032F
  - 5.1. Market Size Analysis & Forecast
    - 5.1.1. By Value
  - 5.2. Market Share Analysis & Forecast
    - 5.2.1. By Trade Activity
      - 5.2.1.1. Trade Credits
      - 5.2.1.2. Trade Loans
      - 5.2.1.3. Factoring
      - 5.2.1.4. Forfeiting
      - 5.2.1.5. Export Credit Agencies
    - 5.2.2. By Transaction Size
      - 5.2.2.1. Small-scale Transactions
      - 5.2.2.2. Medium-scale Transactions
      - 5.2.2.3. Large-scale Transactions
    - 5.2.3. By Technology Adoption
      - 5.2.3.1. Traditional
      - 5.2.3.2. Digital
      - 5.2.3.3. Blockchain-based
    - 5.2.4. By Application
      - 5.2.4.1. International
      - 5.2.4.2. Domestic
    - 5.2.5. By Provider
      - 5.2.5.1. Banks
      - 5.2.5.2. Insurance Companies
      - 5.2.5.3. Trade Finance Houses

**Scotts International. EU Vat number: PL 6772247784**

tel. 0048 603 394 346 e-mail: [support@scotts-international.com](mailto:support@scotts-international.com)

[www.scotts-international.com](http://www.scotts-international.com)

- 5.2.5.4.□Others
- 5.2.6.□By End-user
  - 5.2.6.1.□Traders
  - 5.2.6.2.□Importers
  - 5.2.6.3.□Exporters
- 5.2.7.□By Region
  - 5.2.7.1.□North
  - 5.2.7.2.□South
  - 5.2.7.3.□East
  - 5.2.7.4.□West and Central
- 5.2.8.□By Company Market Share Analysis (Top 5 Companies and Others - By Value, FY2024)
- 5.3.□Market Map Analysis, FY2024
  - 5.3.1.□By Trade Activity
  - 5.3.2.□By Transaction Size
  - 5.3.3.□By Technology Adoption
  - 5.3.4.□By Application
  - 5.3.5.□By Provider
  - 5.3.6.□By End-user
  - 5.3.7.□By Region
- 6.□Demand Supply Analysis
- 7.□Value Chain Analysis
- 8.□Porter's Five Forces Analysis
- 9.□PESTLE Analysis
- 10.□Interest Rate Analysis
- 11.□Market Dynamics
  - 11.1.□Market Drivers
  - 11.2.□Market Challenges
- 12.□Market Trends and Developments
- 13.□Case Studies
- 14.□Competitive Landscape
  - 14.1.□Competition Matrix of Top 5 Market Leaders
  - 14.2.□SWOT Analysis for Top 5 Players
  - 14.3.□Key Players Landscape for Top 10 Market Players
    - 14.3.1.□SBM Bank (India) Limited
      - 14.3.1.1.□Company Details
      - 14.3.1.2.□Key Management Personnel
      - 14.3.1.3.□Products and Services
      - 14.3.1.4.□Financials (As Reported)
      - 14.3.1.5.□Key Market Focus and Geographical Presence
      - 14.3.1.6.□Recent Developments/Collaborations/Partnerships/Mergers and Acquisition
    - 14.3.2.□HDFC Bank Limited
    - 14.3.3.□ICICI Bank Limited
    - 14.3.4.□State Bank of India
    - 14.3.5.□Yes Bank Limited
    - 14.3.6.□Terkar Global Financial Development Private Limited
    - 14.3.7.□Standard Chartered PLC
    - 14.3.8.□Export-Import Bank of India

**Scotts International. EU Vat number: PL 6772247784**

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

14.3.9. Indian Overseas Bank

14.3.10. Kotak Mahindra Bank Limited

\*Companies mentioned above DO NOT hold any order as per market share and can be changed as per information available during research work.

15. Strategic Recommendations

16. About Us and Disclaimer

**Scotts International. EU Vat number: PL 6772247784**

tel. 0048 603 394 346 e-mail: [support@scotts-international.com](mailto:support@scotts-international.com)

[www.scotts-international.com](http://www.scotts-international.com)

**India Trade Finance Market Assessment, By Trade Activity [Trade Credits, Trade Loans, Factoring, Forfaiting, Export Credit Agencies], By Transaction Size [Small-scale Transactions, Medium-scale Transactions, Large-scale Transactions], By Technology Adoption [Traditional, Digital, Blockchain-based], By Application [International, Domestic], By Provider [Banks, Insurance Companies, Trade Finance Houses, Others], By End-user [Traders, Importers, Exporters], By Region, Opportunities and Forecast, FY2018-FY2032F**

Market Report | 2024-11-27 | 135 pages | Market Xcel - Markets and Data

To place an Order with Scotts International:

- Print this form
- Complete the relevant blank fields and sign
- Send as a scanned email to support@scott's-international.com

**ORDER FORM:**

Select license	License	Price
	Single User License	\$3300.00
	Muti-User/Corporate Licence	\$4500.00
	Custom Research License	\$7000.00
		VAT
		Total

\*Please circle the relevant license option. For any questions please contact support@scott's-international.com or 0048 603 394 346.

\*\* VAT will be added at 23% for Polish based companies, individuals and EU based companies who are unable to provide a valid EU Vat Numbers.

Email\*

Phone\*

**Scotts International. EU Vat number: PL 6772247784**

tel. 0048 603 394 346 e-mail: support@scott's-international.com

www.scott's-international.com

First Name*	<input type="text"/>	Last Name*	<input type="text"/>
Job title*	<input type="text"/>		
Company Name*	<input type="text"/>	EU Vat / Tax ID / NIP number*	<input type="text"/>
Address*	<input type="text"/>	City*	<input type="text"/>
Zip Code*	<input type="text"/>	Country*	<input type="text"/>
		Date	<input type="text" value="2026-03-03"/>
		Signature	<input type="text"/>