Recent developments have prompted commodity trading companies to re-evaluate their borrowing arrangements and re-invest in the maintenance of their financing relationships. More than ever, many are having to step in and act as financiers themselves.

Ironically, this state of business relies heavily on the continued free flow of funding from the banks to the large commodity traders. Without it, commodity intensive companies could face serious liquidity challenges.

The pivotal role of the commodity trader as financier

Based on EIU research into the evolving financing landscape for commodity traders, sponsored by ING.

The value chain

The evolution of commodity trade finance

A handful of traditional finance institutions with commodity finance operations continue to provide credit to the value chain through largely traditional means.

The growing role of the commodity trader as financier

The traditional relations between financial institutions and commodity traders are evolving.

Conclusion

Recent developments have prompted commodity trading companies to re-evaluate their borrowing arrangements and re-invest in the maintenance of their financing relationships. More than ever, many are having to step in and act as financiers themselves.