

Abstract

The trade finance industry, the foundation of global commerce, has been transforming to become an essential instrument for accommodating the demand for international world trade. Yet, the method of trade finance especially on issuing and managing guarantees still relies on the paperwork and manual process. This labour-intensive system is often time consuming, prone to error, and ineffective. Due to that problem and the presence of technology, the innovation of automating the process is in favour for every stakeholder. Therefore, this thesis aims to explore the impact of digitalization on the trade finance guarantee process, with a focus on the integration of automation and artificial intelligence technologies.

The writing unfolds the challenges of manual processes such as ineffectiveness, high expense, and limited transparency. In response to this matter, the solution of digital tools such as blockchain, robotic process automation, and AI facilities is further researched to address previous challenges. Through a qualitative method approach based on a literature review and interviews, the writing evaluates the streamlining guarantee process.

This thesis involves the linkage of the digitalization impact in the guarantee process toward the processing times and human error. Furthermore, the capability to enhance risk analysis and decision making is assessed in the writing procedure. However, the research also shows emerging drawback or adoption difficulty in implementing the digitized process. It concludes with knowledge from expertise and academic articles collaborating with suitable industries. Hence, highlighting the potential for further research into the long term impacts of AI and automation on the trade finance environment.

Keywords: trade finance, guarantee process, digitalization, automation, artificial intelligence, qualitative, case study, impacts