



1120 Connecticut Avenue, N.W., 3rd Floor
Washington, DC 20036
Phone: 202-663-7575
Fax: 202-663-5538
Web: www.baft.org

2008-2009 BOARD OF DIRECTORS

CHAIRMAN

Charles H. Silverman
Managing Director
Global Financial Institutions
Wachovia Bank N.A.
A Wells Fargo Company

VICE CHAIRMAN

Howard F. Bascom, Jr.
Managing Director
Global Trade Finance and Credit Support Services
The Bank of New York Mellon

**VICE CHAIRMAN, GOVERNMENT
RELATIONS AND PUBLIC POLICY**

Craig H. Schurr
Senior Vice President and Manager
Global Trade & Supply Chain Solutions
National City Bank

SECRETARY - TREASURER

James H. Peterson
Managing Director
The Northern Trust International
Banking Corporation

John Ahearn

Managing Director, Global Head of Supply
Chain Management Structured Trade, Asset
Optimization and EAF
Citi

Rita Gonzalez

Managing Director and Head of
GTB Institutional Sales-Americas
HSBC Securities USA Inc.

David B. Cooke

Group Head
International Trade Finance
M&T Bank

Sara K. Joyce

Executive Managing Director
Head of International Financial Institutions and Trade
Finance
BMO Capital Markets

Paul F. Oldshue

Executive Vice President and Manager
International Banking Group
U.S. Bank

John W. Campbell

Senior Partner, Financial Services Regulatory Practice
PricewaterhouseCoopers LLP

Julio Rojas

Managing Director
Head of Financial Institutions, Americas
Standard Chartered Bank

Kimberly A. Burdette

Vice President and Manager
Global Treasury Management
PNC Financial Services Group

Bennett W. Schwartz

Senior Vice President and
Director, International
TD Banknorth N.A.

Peter B. Mack

Managing Director
Trade Finance/Correspondent Banking
Fifth Third Bank

Alejandro Pereyra

Senior Vice President
FT Regional Manager
Latin America and Canada
Bank of America N.A.

Jeremy J.O'B. Wilson

Vice Chairman,
Barclays Commercial Bank
Barclays Bank PLC

David F. Conroy

TF-CMC Corporate Head Americas
Deutsche Bank AG

Howard S. Freeman

Chief Executive Officer
BBVA Securities Inc.

Mark Garfield

Senior Vice President
International Banking
Zions Bank

John Rodriguez

Senior Vice President
Division Manager-Canada, Mexico, Central America
and the Caribbean
Wells Fargo Bank N.A.

Daisy Pillay

General Manager-International Financial Institutions
Absa Corporate & Business Bank

CHAIRMAN, NOMINATING COMMITTEE

Craig C. Weeks

Managing Director
Global Trade Services
J.P.Morgan

PRESIDENT

Donna K. Alexander

March 31, 2009

The Right Honorable Alistair Darling
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London SW1A 2HQ
United Kingdom

Dear Mr. Chancellor:

The Bankers' Association for Finance and Trade (BAFT) is concerned about the lack of a globally coordinated response to address the systemic dislocation in trade finance. BAFT is an international financial services trade association whose membership represents a broad range of financial institutions and service members throughout the global financial community. BAFT has advanced the growth and evolution of financial services for over 85 years by serving as a worldwide forum for analysis, discussion, and advocacy.

To foster public- and private-sector exchange on the current crisis, BAFT held a Trade Finance Summit in London, January 20, 2009, of all stakeholders--trade finance banks, export credit agencies, credit insurers, multilateral agencies, and government ministries. The consensus from this gathering was that G-20 leaders need to equip their representatives to collaborate through innovative partnerships now and create workable solutions to current trade finance market dislocations. Timely coordination between global leaders, trading partners, and multilateral entities is crucial to protect against further contractions in global trade. We include here the recent BAFT/IMF survey results showing that decreases in value of trade finance business accelerated between October 2008 and January 2009 in almost all regions.

Given these results, BAFT respectfully submits the attached recommended solutions for you to share with your counterparts before the April G-20 Summit. These solutions include details on the following five major points:

- Reject Protectionist Measures
- Expand Export Credit Agency (ECA) Programs

Expand government guarantee programs for credit risk mitigation--with or without funding

Enhance the secondary market for trade finance risk with ECAs

Adjust ECA programs to facilitate and accelerate trade financing in emerging markets (*e.g.*, public/private partnerships with credit insurers)

- Preserve Liquidity – Address Secondary Market Impairments

The Right Honorable Alistair Darling
Page two

March 31, 2009

- Support Cross-border Efforts on Trade amongst Multilateral Agencies and ECAs
- Address Basel II capital adequacy measures that constrain trade finance lending

Thank you for your kind consideration of these solutions. BAFT hosts another Trade Finance Summit for all stakeholders on April 29, 2009, to report on progress following the G-20 Summit and to foster further exchange. We stand ready to work in partnership to alleviate market disruptions as quickly as possible and help restore global trade.

Very truly yours,

Donna K. Alexander
President

attachments