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## **The ascent of independent trade financiers**

**Falcon Group's regional manager of Asia, Davy Kurniadi, outlines the firm's ambitions to fill the client-servicing gap left by global trade banks.**

The Falcon Group, an independent specialist trade services provider, has been expanding in Asia on the back of what regional manager Davy Kurniadi identifies as the gap left by global banks in the emerging markets.

"Falcon's ambition is to capture this gap that we call 'the boom in emerging market trade' which may not be substantially catered for by the global banks," Kurniadi explained. "We see the gap that the global banks and western trade financiers are not able to capture in Asia."

Earlier this month, the firm appointed Danu Prihantara Nurrachman and Daniel Kandinata as business development managers based in the Jakarta office to take advantage of trade between emerging markets. According to Kurniadi, this South-South trade has been neglected by some of the larger international trade finance players due to their own domestic problems spawned from the global financial crisis and the regulatory changes from Basel II to Basel III.

"The global banks may not have the local flavour or the local knowledge because most of the trade financing in Asia is unique," said Kurniadi.

Kurniadi points to the off-the-shelf solutions that global banks provide as the second important differentiator. Having more than 18 years of corporate and transaction banking experience, he knows about the tremendous cost of investment for the global banks in customising individual transactions for customers in emerging markets. In some cases business opportunities are lost because a bank simply does not have the specific solution a client is looking for. He says this requires the client to go bank shopping to find the right product, and this presents another opportunity for independent trade financiers such as Falcon.

"We are not an organisation that operates through an open door policy," said Kurniadi. "We identify potential clients and the way we grow is to understand which market we are able to cater to first and meeting the right people in those markets."

For the 2010 fiscal year, Falcon reported a pre-tax profit of more than \$23 million. Looking ahead, Kurniadi can only see more opportunities for independent trade financiers as the demand for customised services increases among Asia-Pacific's emerging markets.

"2011 will be more intense than 2010. The emerging markets are awakening and the gap between the growth of emerging market trade and what the global banks can offer is getting wider," Kurniadi concluded.