their funding sources. Certain banks also appreciate them as they help them diversify their credit exposures. Finally, as opposed to competing for the business of both the GVC anchor and its suppliers, banks are beginning to partner more frequently using common SCF platforms. For all of these reasons, a smaller number of interoperable SCF platforms is expected to characterize the SCF marketplace over the medium term. This in turn should help make SCF solutions accessible to a larger number of GVC participants.

In regards to automation and connectivity between the physical and financial supply chains, many (often regional) initiatives are expected to greatly accelerate the adoption of e-invoicing and the elimination of printed commercial, transport and customs documents over the coming years. The more prominent plans being developed include APEC's Strategies and Action Toward a Cross-Border Paperless Trading Environment, the Pan-Asia E-Commerce Alliance, the European Commission's European Electronic Invoicing Framework, SWIFT's Trade Services Utility and both APEC's and ASEAN's Single Window Initiatives.[33] The elimination of paper and true codification of documents (as opposed to simply scanning them) achieved through the above plans will eventually save time and money for GVC members. They will also stimulate the development of interoperable platforms that permit the processing and tracking of physical and financial supply chain data and events. Finally, they will create opportunities for banks to provide financing and other financial services at various points along the financial supply chain.[34]

Supply Chain Finance in Canada

There are few publicly-available statistics to quantify the adoption rate for SCF in Canada. The consensus viewpoint, however, is that SCF remains nascent in Canada. In addition to factors hindering the growth in SCF globally, issues specific to the Canadian marketplace delay the use of SCF by Canadian members of GVCs.

On the demand side, the difficulty that Canadian suppliers face when trying to get their bankers to carve out receivables owed by GVC anchors from existing security agreements has had a restraining effect on demand for SCF in Canada. Also, the comparatively low use of factoring by Canadian companies (except in a few industries, such as apparel) may have indirectly depressed demand for SCF.[35] As well, supply chain management practices in Canada have tended (to date) to discourage the adoption of SCF since a relatively small proportion of Canadian businesses view their supply chains in a strategic manner. For this reason, few companies are equipped from an internal process

[33] Single window initiatives aim to facilitate the acquisition by exporters and importers of all government approvals that they require through a unique point of access. They are being developed at both regional and national levels. In Canada, the Canada Border Service Agency is responsible for the development and implementation of the country's single window initiative. For more details on the main regional and national single window initiatives, including that of Canada, consult the World Customs Organization's website at www.wcoomd.org.

[34] For example, banks could offer buyers and suppliers document matching and reconciliation services (e.g. verifying that the commercial invoice, transport, insurance and customs documents contain consistent information that matches with the original purchase order). They could also better price loans based on the knowledge of when a specific financial supply chain event has taken place (e.g. a GVC anchor has received goods and approved a supplier's invoice).

[35] In Canada, factoring is commonly perceived as a financing tool reserved for companies with weak financials. This negative stigma could have a moderating effect on the degree of interest of Canadian exporters for supplier payment programs which, like factoring, involve the early discounting of amounts to be paid by buyers.