Channelling capital for the greater good

Investment firm GTR Ventures supports the development of innovative trade finance solutions. By FRANCIS KAN

GTR Ventures is an investment and venture building company that looks beyond the bottom line when it comes to deciding where to channel its capital. Through its investment process, the firm aims to guide its investee companies towards achieving sustainable goals. The Singapore-headquartered firm invests in technology companies that specialise in providing trade finance solutions, also known as tradetech businesses.

"Venture investment platforms like us, specialised in trade and SMEs, will be instrumental in reaching UN's Sustainable Development Goals, since these are so intrinsically linked to trade development in emerging countries," said Kelvin Tan, co-founder and chief investment officer at GTR Ventures.

"As an early-stage investor screening over 100 deals a year, we are able to better steer the direction of our investee firm towards ESG (environmental, social, and governance) outcomes; as well as put in place monitoring mechanisms and reporting metrics that provide comfort to later stage impact investors," he added. GTR Ventures was honoured with the special Capital for Good honour at this year's Brands for Good Awards.

GTR Ventures leverages its exclusive partnership with Global Trade Review (GTR) – a publisher and event organiser for the global trade, commodity, export and supply chain industries. GTR has a network of over 25,000 decision makers in trade finance, treasury and insurance, and organises events annually in over 20 cities including Chicago, London, Paris, Mumbai, Singapore, Shanghai and Jakarta.

Companies which join the GTR Ventures platform are able to engage with leading players in the trade finance community, as well as investors who appreciate trade finance as an asset class.

Kelvin Tan, GTR Venture's co-founder and chief investment officer: "Venture investment platforms like us, specialised in trade and SMEs, will be instrumental in reaching UN's Sustainable Development Goals,." PHOTO: GTR VENTURES PTE LTD

GTR Venture's co-founders set up the firm after identifying a gap in the market for trade and SME finance. "Banks are retreating from lending and cutting limits to SMEs, as well as importers and exporters across the board. Meanwhile, corporate buyers need more efficient digital treasury and cross-border solutions," explains Mr Tan. Companies on the GTR Ventures platform can also collaborate with each other, as well as share best practices and knowledge across borders. For example, some of the firm's tradetech companies have formed a consortium to encourage others like them to share data to fight trade fraud using blockchain technology.

CAPITAL FOR GOOD

Since launching in September 2017, GTR Ventures has screened over 100 tradetech companies from around the world and invested in 11 of them. "This means investing in a new company every two months or so. These companies are solving diverse areas related to a trade transaction value chain, be it in terms of lending, fraud mitigation, insurance, documentation, or payments." Through its tradetech investments, GTR Ventures is able to positively impact the bottom lines of SMEs by connecting them with financial institutions and private funders through innovative platforms. For instance, some of the digital trade lending platforms in its portfolio provide companies and suppliers in the region with an alternative source of non-bank, working capital funding by matching them with investors.

Meanwhile, another of its portfolio companies, Sri Lanka's iLoan, offers a proprietary loan aggregation platform that enhances transparency on loan assets, allowing SMEs in South Asian markets access to funding from financial institutions.

iLoan's pilot scheme with the largest FMCG (fast-moving consumer goods) manufacturer in Sri Lanka now has 20,000 users and processes US$3 million worth of transactions monthly.

Said Mr Tan: "Simply put, the work of our 11 portfolio companies has a direct impact on SME financing, each fulfilling a different part in the digital cross border trade value chain."

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