PREFACE TO THE EDITION

It is with great pleasure that we present Volume 1, Issue 2 of the **EduSchool Journal of Trade and Finance (EJTF)**, featuring a collection of scholarly contributions that examine the increasingly interconnected relationship between international trade and finance. The articles in this issue offer valuable perspectives on financial frictions, trade finance, digitalization, exchange-rate dynamics, small-firm participation, and the transmission of financial shocks across global value chains.

The issue opens with a review of financial frictions and the fragility of global trade, highlighting the important role of access to credit and trade finance in determining firms' participation in international markets. Particular attention is given to the challenges faced by small and medium-sized enterprises and to the persistence of the global trade finance gap. The discussion also considers the implications of dollar-based invoicing, digital trade documentation, export credit agencies, and multilateral guarantee mechanisms.

The second contribution examines the digitalization of trade finance, with particular emphasis on electronic transferable records, distributed-ledger technologies, and the economics of trade documentation. It draws attention to the costs associated with paper-intensive international transactions and argues that technological progress must be accompanied by appropriate legal recognition and institutional coordination. The article further highlights the potential of digital documentation to expand access to trade finance, particularly for smaller exporters in developing economies.

A further article addresses dollar dominance in international trade invoicing and its implications for exchange-rate pass-through, trade adjustment, and the financial vulnerability of emerging-market exporters. By examining different currency-pricing frameworks and the interaction between trade and financial channels, the contribution illustrates how movements in the U.S. dollar can influence global trade volumes and place additional pressures on firms and financial institutions with dollar-denominated liabilities.

The issue also brings attention to the global trade finance gap and small-firm export participation. This contribution explores how payment terms, credit constraints, compliance costs, and changes in correspondent banking can disproportionately affect smaller exporters. It evaluates policy approaches including guarantee programmes, supply-chain finance, digital documentation, and regulatory calibration, emphasizing the importance of improving access to finance for more inclusive participation in international trade.

Completing the issue, the article on trade credit, global value chains, and the propagation of financial shocks examines the dual role of trade credit within internationally fragmented production networks. Trade credit can provide an important buffer by redistributing liquidity among firms, but it can also transmit financial distress from one firm to its suppliers and customers. The contribution therefore provides an important perspective on supply-chain vulnerability and the conditions under which financial shocks can either be absorbed or amplified across global production networks.

Taken together, the contributions in this issue demonstrate that contemporary international trade cannot be understood independently of its financial foundations. Access to credit, trade finance, currency arrangements, digital infrastructure, payment systems, and supply-chain financing all influence the capacity of firms and economies to participate in and withstand disruptions in global commerce. The issue also underscores the particular importance of these factors for SMEs and emerging economies, where financial constraints can become significant barriers to international market participation.

We hope that this issue of the EduSchool Journal of Trade and Finance will contribute to ongoing academic discussions on the evolving interface between trade and finance and stimulate further research into innovative financial mechanisms, digital transformation, inclusive trade, exchange-rate vulnerability, and resilient global value chains.

We sincerely thank the authors, reviewers, editorial contributors, and all those who have supported the development of this issue. We look forward to continuing to provide a platform for rigorous scholarly research in trade, finance, and related areas.

Evin Varghese

Chief Editor

CONTENTS