PREFACE TO THE EDITION

It is with great pleasure that we present the inaugural issue of the **Eduschool Journal of Trade and Finance (EJTF), Vol. 1, No. 1 (2026).** This issue brings together a focused collection of scholarly contributions examining contemporary challenges at the intersection of international trade, trade finance, financial markets, and the evolving global economic environment.

A central theme running through this issue is the crucial role of finance in enabling international trade. The opening contribution, "*Bridging the Global Trade Finance Gap: Structural Causes, Real Economic Effects, and the Promise of Digitalisation*," examines the persistent global trade finance gap and its disproportionate impact on small and medium-sized enterprises and firms in developing economies. The study highlights information asymmetries, compliance and prudential costs, paper-based processes, and currency-liquidity constraints as important structural barriers, while examining digitalisation, financial-technology innovations, development-bank programmes, and regulatory reforms as possible pathways towards narrowing the gap.

The issue also explores the relationship between sovereign financial distress and international trade. "*The Trade Costs of Sovereign Default Reconsidered*" revisits the substantial decline in trade following sovereign default and questions whether this decline should primarily be understood as a form of economic punishment or as the consequence of disruption to trade credit, banking activity, and access to imported inputs. By emphasizing financial disruption rather than direct trade retaliation, the article contributes to an important reconsideration of the mechanisms through which sovereign financial crises affect real economic activity.

Another significant contribution addresses trade policy uncertainty and financial constraints affecting firms' export decisions. The article "*Trade Policy Uncertainty, Financial Frictions, and the Sources of Export Hysteresis*" brings together two explanations for why potentially profitable firms may delay entering export markets or fail to resume exporting after adverse conditions improve. Its analysis emphasizes that uncertainty and financial constraints can reinforce one another, suggesting that trade agreements and trade finance facilities may need to be considered as complementary rather than interchangeable policy responses.

The issue further considers the influence of the US dollar on global trade through both pricing and financial channels. "*Does a Strong Dollar Shrink World Trade? Reconciling the Pricing and Financial Channels of Dollar Transmission*" examines how dollar-based pricing arrangements and dollar-denominated financial conditions can influence international trade. By distinguishing these channels, the article draws attention to the complexity of exchange-rate transmission and to the need to consider both trade invoicing and financial funding structures when assessing the effects of dollar movements on global commerce.

Finally, "*Financing a Fragmenting World: Bank-Intermediated Trade Finance Supply, Geopolitical Alignment, and Export Performance in Emerging Market and Developing Economies, 2012–2025*" extends the discussion to the increasingly important relationship between trade finance, geopolitical alignment, and export performance. The study proposes an empirical framework for investigating whether the supply of bank-intermediated trade finance affects exports in emerging market and developing economies and whether geopolitical fragmentation is reshaping the financial infrastructure through which international trade is conducted.

Taken together, the contributions in this issue demonstrate that international trade cannot be understood solely through tariffs, exchange rates, or conventional measures of market access. The financial architecture supporting trade including credit, banking relationships, working capital, currency arrangements, digital infrastructure, and institutional frameworks plays a fundamental role in determining who can participate in global commerce and under what conditions.

The issue therefore offers a valuable perspective on some of the structural transformations currently shaping the global trading system. From the persistent trade finance gap and the consequences of sovereign default to export hysteresis, dollar transmission, and geopolitical fragmentation, the articles collectively underline the importance of examining trade and finance as closely interconnected dimensions of the global economy.

We hope that this inaugural issue of the Eduschool Journal of Trade and Finance will stimulate further academic discussion, encourage new empirical and theoretical investigations, and contribute meaningfully to scholarship on international trade and financial systems. We extend our sincere appreciation to the authors, reviewers, editorial contributors, and all those who have supported the development of this journal.

Evin Varghese

Chief Editor

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