

**YANGON UNIVERSITY OF ECONOMICS  
DEPARTMENT OF COMMERCE  
MASTER OF BANKING AND FINANCE PROGRAMME**

**CORPORATE CUSTOMER ATTITUDE ON  
INTERNATIONAL TRADE PAYMENT SYSTEM OF  
MYANMA FOREIGN TRADE BANK**

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**DECEMBER, 2019**

**CORPORATE CUSTOMER ATTITUDE ON  
INTERNATIONAL TRADE PAYMENT SYSTEM OF MYANMA  
FOREIGN TRADE BANK**

A thesis submitted as a partial fulfillment towards the requirements for the  
degree of Master of Banking and Finance.

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## ABSTRACT

The objectives of the study are to identify the international trade payment services provided by MFTB and to examine the corporate customer attitude on international banking services of the MFTB, by using tri-component attitude model. The respondents of this study consist of 100 corporate customers respondents among 11326 customers who deal with international service at the bank, this survey result is obtained from the primary data of survey questionnaire. In this study, the respondents were selected on working days from October 2019 to November 2019 by using survey questionnaires method. The facts and information are collected from 2013-2014 to 2017-2018 financial year. According to the survey result 2019, overall analysis of customer attitude on international trade payment of MFTB, belief, feeling, and behavior components result are favourable and possess positive attitude on the payment system of MFTB. This result explored the 100 corporate customer attitude on international trade payment system of MFTB, among the four methods payments in international trade, open account and letter of credit are widely use than others service, as the categories, import letter of credit and remittance service are more favourable for corporate customer. In addition, exchange rate and trade finance service are more preferable for customer and bank's payment systems have accountability and transparency for customer, and then, bank's service charges are reasonable price for them. As banking products and services pay attention towards customers actively. On the other hand, Myanma Foreign Trade Bank should be considered not only making improve on services but also training and reinforcing the staff of banking services for customer's business smoothing and secure. The results of survey, indicates that for both exporters and importers to use the secure and smooth payment, MFTB need to provide trade finance facilities to the bank's customer with suitable payment systems. As a state-owned bank, we will object to promote the staff's capacity building, to make the banking service procedures to the customers transparent. Furthermore, MFTB Bank is carrying to serve the banking services, to contribute to the implementation of the policies set up in order to get our people's trust and to reinforce the development of the nation and people's interest from the banking sector point of view.

## ACKNOWLEDGEMENTS

First of all, I would like to express my deepest gratitude and heartfelt thanks to Prof. Dr. U TinWin, Rector, Yangon University of Economics and Prof. Dr. DawNilarMyintHtoo, pro-Rector, Yangon University of Economics for giving me opportunity to do this thesis as requirement of master degree.

Especially, I would like to hearty thank Prof. Dr. DawSoe Thu, program Director, Head of Department of Commerce, and Yangon University of Economics for her permission to write my thesis and guidance to accomplish this thesis. And I would like to express my heartfelt thank and deepest appreciation to my supervisor, DawKhinNweOhn. Moreover, her intellectual support, kindness, goodwill, compassion and understanding served as a great stimulus to the completion of this paper.

I would like to specially thank to all my teachers who may be professors, lecturers, and tutors from Yangon University of Economics who willingly share and contribute all their wisdom, expertise and knowledge during the course of my study at the Yangon University of Economics and all my friends and colleagues at my work, and then all person who contributed in various ways to my thesis.

Finally, I thank my lovely family for their support and patience with the course of my study for thesis.

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## LIST OF ABBREVIATIONS

ADB	-	Asian Development Bank
CBM	-	Central Bank of Myanmar
CBM Law	-	Central Bank of Myanmar Law
COV	-	Cover Message
D/A	-	Document against Acceptance
D/C	-	Documentary Credit
EURO	-	Euro Currency
FIM Law	-	Financial Institutions of Myanmar Law
FX	-	Foreign Exchange
FY	-	Financial Year
GIZ	-	German Development Cooperation (GIZ-Deutsche Gesellschaft Für International Zusammenarbeit)
ICC	-	International Chamber of Commerce
ICT	-	Information, Communication and Technology
IFC	-	International Finance Corporation
IMF	-	International Monetary Fund
INCOTERMS	-	International Commercial Terms
JPY	-	Japanese Yen
L/C	-	Letter of Credit
MAS	-	Monetary Authority of Singapore
MASF	-	Multi-currency Specific Advance Facility
MICB	-	Myanma Investment and Commercial Bank
MEB	-	Myanma Economic Bank
MFTB	-	Myanma Foreign Trade Bank
MT	-	Message Type
SGD	-	Singapore Dollar
SBLC	-	Standby Letter of Credit
SWIFT	-	Society for Worldwide Interbank Financial Telecommunication
T/T	-	Telegraph Transfer

UCP	-	Uniform Customs and Practice for Documentary Credits
UK	-	United Kingdom
URC	-	Uniform Rules of Collection
URDG	-	Uniform Rules for Demand Guarantee
USD	-	United States Dollars

# **CHAPTER I**

## **INTRODUCTION**

International trade is the concept of exchange between people or entities in two different countries. Especially, International trade is the exchange of goods and services between and among countries. It presents a number of challenges to bankers especially in getting the buyers with the sellers to pay for goods and services received in sufficient time via commercial banks. Commercial Banks play a vital role in international trade of the retail bank types. Commercial banks constitute the backbone of foreign trade financing. Commercial banks provide virtually all types of trade financing, ranging from letters of credit to countertrade.(Global finance/MaximoV.Eng,Francis A.Lee,LaurenceJ,1998)

Generally, International trade in banking services involves four kinds of payment methods. These are open account, documentary collections, letter of credit and advance payment.Banks' settlements and payment transfer take place under prescribed payment procedures and systems, through the institutional structures by which individuals, businesses, governments, and financial institutions could process payments of funds for goods, services, or financial assets. Today, the bulk of the aggregate value of payments takes place on electronic payment systems employed by financial intermediaries such as banks.

A wide spectrum of commercial banking services provided by MFTB focuses mainly on government and private sector, ranging from individuals to leading local and foreign corporate entities, investors, partnership firms, joint ventures, exporters and importers. Exporters and Importers tend to prevail on their banks to obtain for them most effective methods of payment and settlement.

All international payment transactions are based on foreign currencies, such as United States Dollars, EURO, Great Britain Pound, Japanese Yen, and now the Chinese Yuan accepted as one of the main export/import currency. By providing international banking trade products there is an automatic foreign exchange deal (FX) which the bank is the best place to provide. The contribution from captive FX can be significant for certain products and can be as important as the fees earned for providing the service. This is one area where a bank must ensure good communication between Treasury and International Banking Services.

As the banking industry continues to evolve in a highly competitive environment, they need to provide high quality service is increasingly important for the private commercial banks in Myanmar. Banking need to attempt to meet these needs through evaluating customer attitude on their services whether they are willing to use not only in the current but also in the future.

This paper intends to identify the detailed information of international payment methods for trade operating in MFTB Bank and also analyze in accordance with corporate customer attitude of international trade payment systems of Myanma Foreign Trade Bank. International trade is not only results in enhanced efficiency but also allows countries to participate in a global economy, encouraging the opportunity of foreign direct investment (FDI). The thesis allows them to understand the rules governing functioning of such instruments, their advantages and disadvantages.

## **1.1 Rationale of the Study**

There are differences between organizations that run for-Profits and Not-for-Profits. Government sector is not profit for its owner. Government sector's payment is mainly based on the budgetary control of the Ministry of Planning, Finance and Industry (MOPFI). Private sector takes approach to the profit and needs to share of personal investment. This study mainly focuses on the corporate customer attitude on international trade payment system of Myanma Foreign Trade Bank. Nowadays, in the trade related international payment, financial services has developed and expanded in depth, feature and effectiveness to support the expansion of world trade.

MFTB is one of the state-owned banks out of four state-owned banks of government under control of Central Bank of Myanmar CBM and MOPFI. After 2011, CBM allowed to open the private banks. In that time, state-owned banks mainly provided services for international banking and payment and settlement. But, after 2016, it became noticeable that among the international trade service, export services obviously weaker than other payment service. With the significant increase in the number of both domestic private banks and foreign banks, increase in quality services and many customers are more knowledgeable in banking services than as before, speed, trustworthiness and customer adoption are going to be key differentiators for each private bank's future success.

Government banks and private banks in Myanmar need to get useful feedback on their actual response time from their banks' customers. And then, as the government

bank, it is to be observed how to get share percentage and how to manage the associated risk in the trade market. MFTB is striving to fulfill in the service industry in line with the changing needs and demands of corporate customer to remain competitive in the banking sector. As a result, the thesis allows them to understand the rules governing functioning of such instruments, their strength and weakness. Then the customer could be able to choose the instrument mostly adjusted to their needs and hence allowing them to optimize their business transactions. This paper is to provide the international trade payment system of Myanmar Foreign Trade Bank and then based on the corporate customer attitude result to promote the banking service and staff's capacity building.

## **1.2 Objectives of the Study**

Objectives of this paper are as follows;

1. To identify the international trade payment services provided by Myanmar Foreign Trade Bank.
2. To examine the corporate customer attitude on international banking services of Myanmar Foreign Trade Bank.

## **1.3 Method of the Study**

Descriptive statistics methods are used in this study. Both primary and secondary data are collected from reliable printed and published materials. Most of the facts used in this study are based on both primary and secondary resources. The primary data is obtained from survey questionnaires raised to the clients come to the bank and the secondary data comes from reliable printed and published materials.

The study mainly analyses corporate customer attitude on settlement of international payment for trade and non-trade undertaken by MFTB in accordance with the principle of international banking practice and analyze the 100 corporate customers among 11326 corporate customers who deal with payment system of international trade in MFTB. In this study, the respondents were selected on working days of during October 2019 to November 2019 by using survey questionnaires collection. The facts and information are collected from 2013-2014 to 2017-2018 financial year.

## **1.4 Organization of the Study**

This paper is organized into five chapters. Chapter I mentions the rationale of the study, objectives of the study, method of the study and organization of the study. Chapter

II describes the theoretical framework of the payment systems of international trade, international trade risks and tri components attitude model. Chapter III contains the brief history of Myanmar Foreign Trade Bank (MFTB) and Domestic and International Banking Services, and practices of international trade payment and settlement transaction. Chapter IV includes analysis on corporate customer attitude on international trade payment system of Myanmar Foreign Trade Bank banking facilities. Chapter V, the last section summarizes the finding of current international trade payment systems and favorable services available to clients of the MFTB and recommendations and suggestions and need for further study for payment instrument of international trade.

## **CHAPTER II**

### **THEORETICAL BACKGROUND**

Beginning of International Trade started with barter system. Later, international trade payment system are used in lieu of tendering cash in domestic and international transactions for which a major service is provided by bank and other financial institutions. This chapter includes two parts. First part describes the theory of international payment methods in international trade and next part describes the customer attitude which is used to analyze the customer attitude on international trade payment system.

#### **2.1 International Trade Payment Systems**

International trade activities involve such issues as the exchange of goods and services, the activities of exporters and importers, international payments and exchange rates, and the role of international banking and finance. Exporters and importers tend to prevail on their banks to obtain for them the most cost-effective methods of payment and settlement. Banks and other financial institutions play an important role in identifying from the existing financial markets the most suitable instruments that could be used to finance international trade. Many of the challenges facing trade counterparties can be made an easier and more efficient through the use of products and services supplied by commercial banks.

International trade is the exchange of capital, goods, and services across international borders of territories. In most countries, such trade represents a significant share of gross domestic product also known as GDP. People trade because they believe that they benefit from the exchange. They may need or want the goods or services. Industrialization advanced in technology transportation, globalization, multinational corporations, and outsourcing are all having a major impact on the international trade system. Increasing international trade is crucial to the continuance of globalization. Without international trade, nations would be limited to the goods and services produced within their borders. International trade is, in principle, not different from domestic trade as the motivation and the behavior parties involved in a trade do not change fundamentally regardless of whether trade is across border or not. The main difference is that international trade is typically more costly than domestic trade. Another difference is that every international transaction requires the involvement of at least two financial

institutions: one is buyer's country and another is the seller's country, but this will be done for the purpose of the collection and payment.

## **2.2 Methods of Payment in International Trade**

There are different payment systems for different transactions. Each payment systems have different levels of risk for each side and payment mechanisms based on normal exporters and importers. International Trade involves the transactions and movements of goods and services and monetary assets from one country to another on credit or in exchange for money. Buyers and sellers in international trade are confronted with greater risks than when they engage in domestic trade. The risk encountered by the various parties can be reduced and mitigated by means of banks, performing as a middleman. Therefore, banks perform as a middleman by using the methods of payment in international trade. There are four methods of payment in international trade.

- 1) Open Account
- 2) Documentary Collection
- 3) Letter of credit/ Documentary Credit
- 4) Advance Payment

### **2.2.1 Open Account**

Open account is a payment system in international trade where exporter first ship the goods to the importers and then they will be receiving the payment from the importers some times after the shipment. Open account has highest risk to the exporter, lowest risk to the importer. 80% of all international business transactions are paid by open account terms and therefore open account is the most frequently used payment system in international trade at the moment. Open account trading means that there is no bank involve in settlement of trade financing and in enforcing the payment between the exporter and importer. This method of trade financing is based on complete trust between the importer and exporter. Thus, under these terms of payment, the documents of title (such as bill of lading) are sent directly to the importer. The importer endorses the payments, effectively agreeing to pay after a specified credit period.

This settlement method is widely used in trade between the UK, North America and Europe because the legal framework and political structure provide the safeguard to ensure that the exporter and importer keep their side of the transactions. The settlement document used could simply be an invoice. From the importer's point of view, this is the



best method because it does not involve any costly bank charges, which are associated with other settlements methods. Banks could be used, not necessarily to ensure fulfillment of settlement obligations by both parties but generally to provide short term finance or to provide some other traditional working capital facilities. This process is shown in Fig. (2.1).

**Figure 2.1 The Process of Open Account Payment System**



Source: BIDV Bank, International Banking Seminar Nov-2014, Yangon

This payment mechanism is used when the exporter has a well-established commercial relationship with a credit-worthy importer and when the importing country enjoys reasonable political and economic stability.

However, open account trading may be problematic and risky if the exporter and importer do not have an established relationship. The main risk is that the exporter loses control of goods. It is therefore recommended that the terms be used only where the exporter-importer relationship trusts have been well established. Buyer and Seller is good relationship for this open account payment. The open account system is advantages for Importer/buyer as there is no risk for them. The open account system of the buyer's country must be minimal country risk.

### 2.2.2 Documentary Collection

Documentary Collection means collection of: Financial documents accompanied by commercial documents; Commercial documents not accompanied by financial

documents. The documentary collection system is used when the advance payment system and open account system are not acceptable to the buyer and seller respectively. The collection service provided by a bank is a means whereby a creditor in one country obtains payment from a debtor in another country. Standard international rules governing the role and responsibilities of banks in collections have been established by the International Chamber of Commerce. These are known as the Uniform Rules for Collection (URC). The URC are internationally recognized and have been adopted by all UK banks and most banks worldwide.

In general, two types of document may be handled by the bank when it arranges a collection on behalf of a customer. The first type consists of financial documents, such as bill of exchange, promissory note and so on. The second type consists of bill of lading, invoices, insurance policy and possibly other documents such as a certificate of inspection or certificate of origin. When commercial and financial documents are present, the collection is known as documentary collection, whereas clean collection consists only of financial documents.

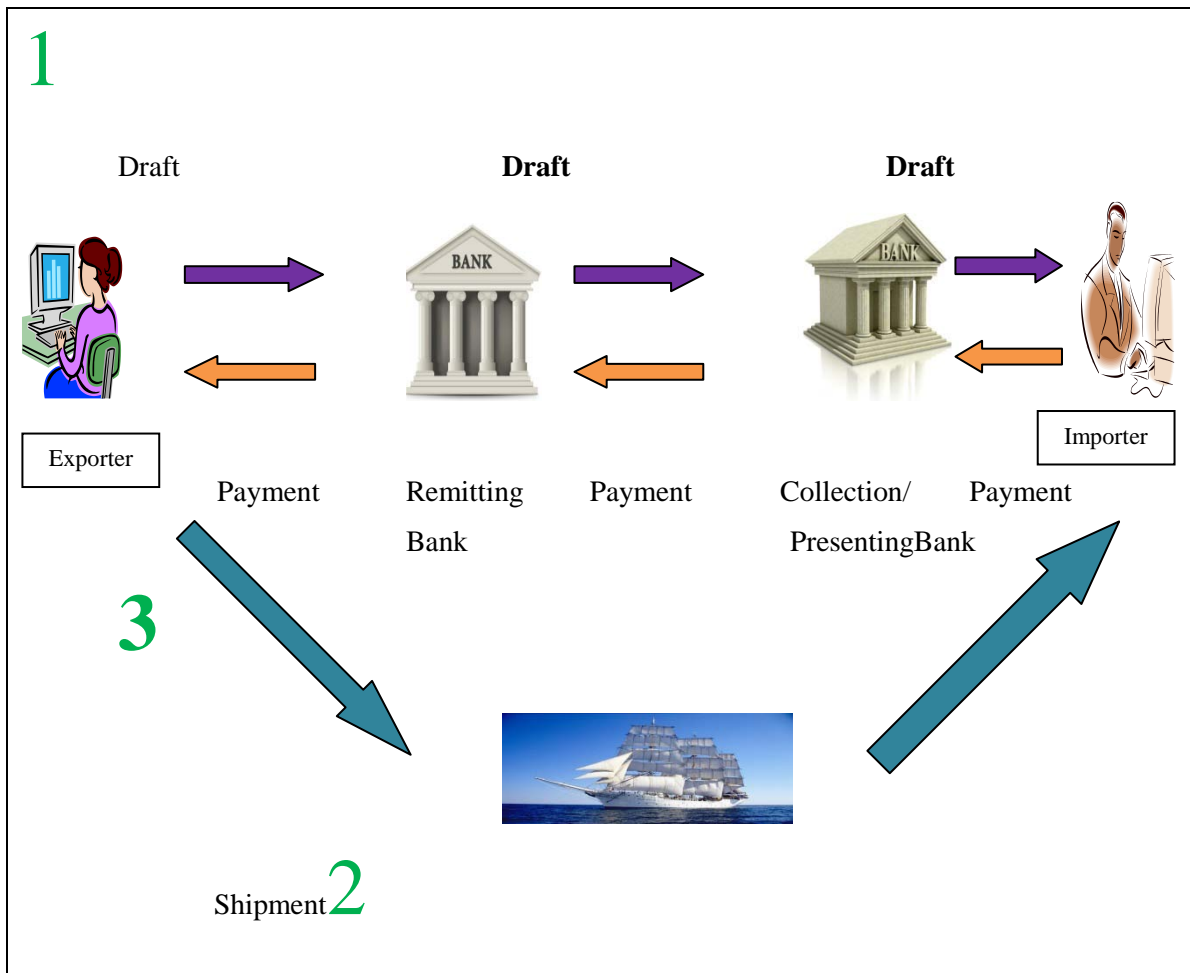
The collection service of the bank in UK can be classified into two namely export/ outward collections and import/ inward collections. Under the former, the bank undertakes to obtain payment of financial or commercial documentation from an overseas party on behalf of a foreign supplier. It is noteworthy that the UK debtor may or may not be a customer of a commercial bank in the UK.

The traditional parties to a collection are fourfold. The first party is the principal. This is the customer, the UK exporter who entrusts an outward collection to commercial banks in the UK, or a foreign supplier who entrusts the collection to a bank in his/her country for obtaining payment from a debtor in the UK. The second party is the remitting bank. This is where documents are sent from the bank. The third party is the collecting bank; this is usually a correspondent of the remitting bank or the bank specified by the principal in his/her instructions to the remitting bank. Also, involved here is the presenting bank, which presents the documents to the debtor for acceptance/payment. Often the collecting bank and the presenting bank are the same bank. The fourth party is the debtor; this is usually the importer.

Documentation Collection do not give the exporter the security of advance payment, or open account system with long term customer in established relationship. They require both exporter and importer exercise great care in agreeing the sale contract. In General, an exporter should always specify in his/her instructions how the importer

should settle a bill of exchange. This should be in one of two ways. The first involves documents against payment (D/P). This means that the bill is payable at sight by the importer. The collecting bank hands over the shipping documents only when the importer has paid the bill. The process is shown in Fig. (2.2).

**Figure 2.2 The Process of Documentary Collection System**



Source: BIDV Bank, International Banking Seminar Nov-2014, Yangon

There are three types of collection: Clean Collection, document against acceptance (D/A) and document against payment (D/P) (BIDV-2014).

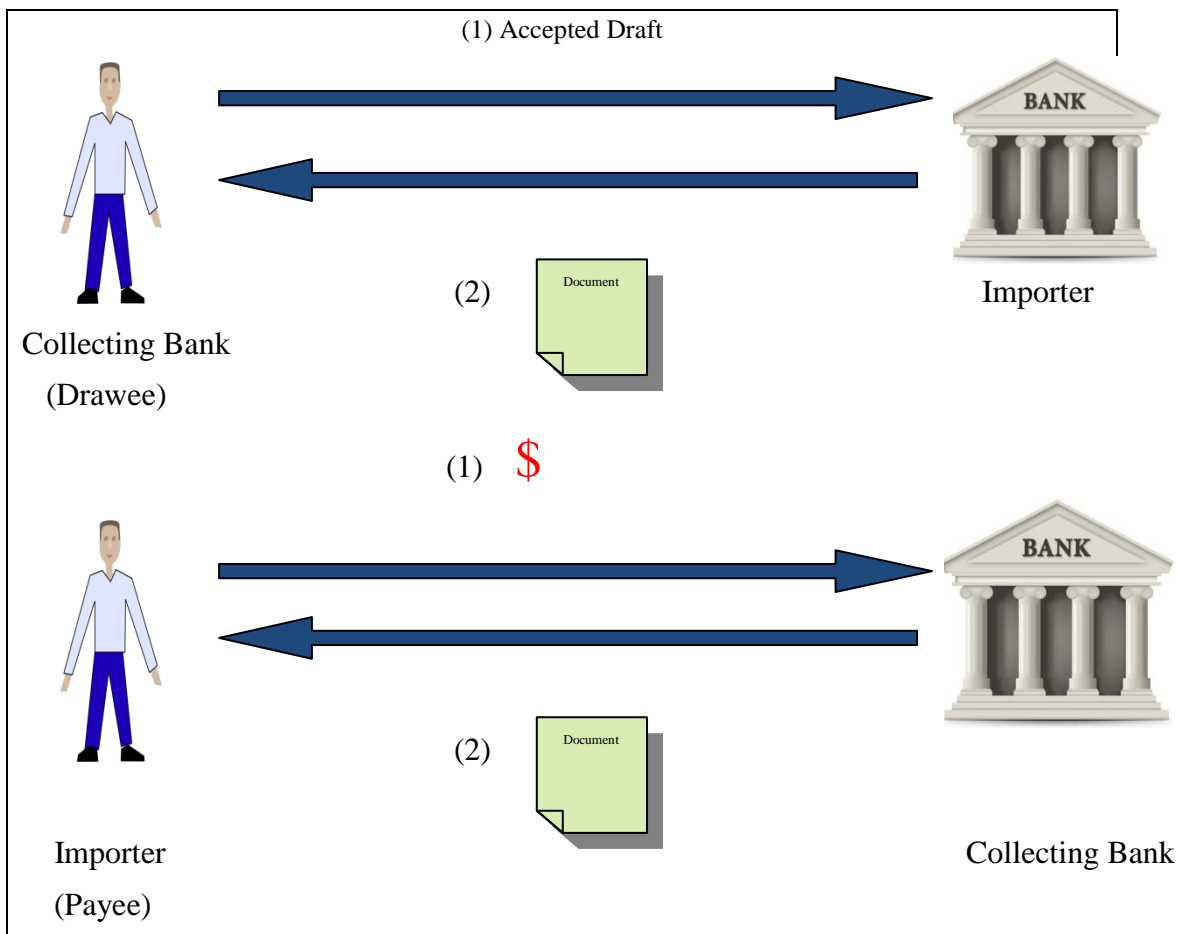
For a Clean Collection, means collection of financial document not accompanied by commercial document. The exporter dispatches the goods and the related documents directly to the importer and then sends his bank the bill of exchange for the value of the good drawn according to the sales contract. All the advantages lie the importer and against the exporter. Usually, under the D/P terms the exporter keeps control of the goods (through the presenting bank) until the importer pays. If the importer cannot pay or refuses to pay, the exporter can protest the bill and take the importer to the local court

(which may be expensive and difficult to control from another country); find another buyer; and arrange for the sale of the goods at an auction.

**Document against Acceptance (D/A):** Documents are released to buyer against acceptance of a bill of exchange payable at a future date. The exporter does not authorized release of the transport document until the importer accepts the bill of exchange for payment at a definite future date. Once the importer accepts the bill of exchange, the importer bank releases the transport documents needed to obtain delivery of goods and any other remaining documents. If the importer does not pay or if he does pay but his country block remittance of the funds to the exporter, the exporter has neither the goods nor the money and he may not get his goods back. (Aidene Walsh, 2011)

**Document against Payment (DP):** There are two types of D/P collection. These are Sight Draft and Time Drafts. Documents are released to buyer against payment and this method is more secured than D/A. The process is shown in Fig. (2.3).

**Figure 2.3 Document against Acceptance (D/A) and Document against Payment (D/P)**



Source: BIDV Bank, International Banking Seminar Nov-2014, Yangon

### **2.2.3 Documentary Credit/ Letter of Credit**

Documentary credit is a financial arrangement offer by a bank to assist exporter and importer in settlement their international transactions. It is designed to minimize the risk for both exporter and importer. A documentary credit, also known as a letter of credit (L/C), is a written undertaking by a bank on behalf of a buyer/importer to pay the seller an amount of money within a specified time provided the seller presents documents strictly in accordance with the terms laid down in the L/C. Letter of Credit defined by international chamber of commerce publication of UCP 600 as “any arrangement, however named or described, that is irrevocable and thereby constitutes a definite undertaking of the issuing bank to honor a complying presentation. “A letter of credit is a document issued by a bank at the buyer’s request unfavorable of the seller; it guarantees that the buyer will pay the agreed the amount of money to the seller within a specific period of time, the seller confirmed to the product specification and document requirements of the buyer. The letter of credit is a specialized to the technical tool used when paying for a shipment of goods or services from one party to another. (BIDVBank, International Trade Seminar -2014).

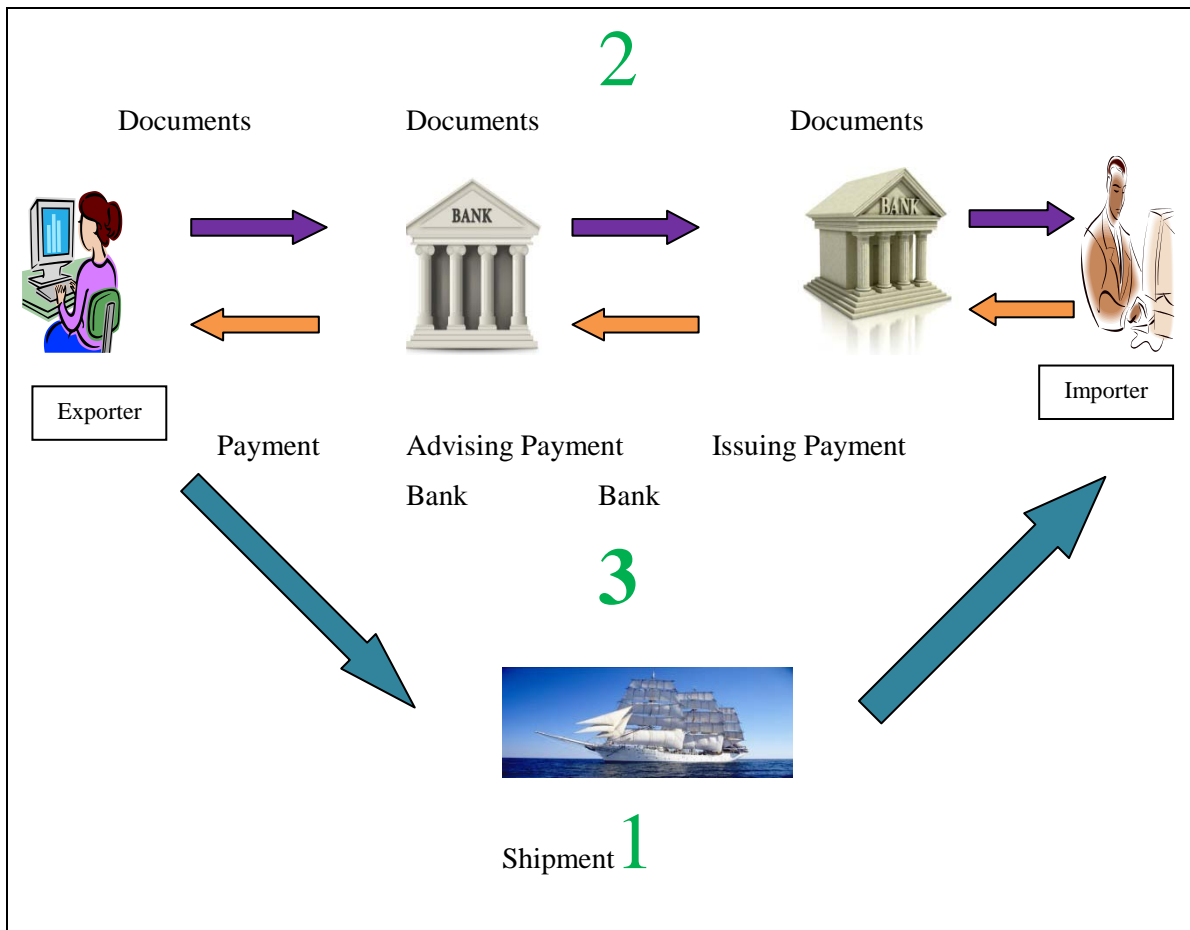
The letter of credit is a more time consuming procedure that contains also the participation of the buyer’s and seller’s banks. The letter of credit is requested from the buyer or the seller when they want to eliminate any risks associated with their trade tactics. With other payment methods, the exporter and importer each depends on the other for proper performance in order to ensure a trouble-free exchange of goods for payment in documentary letter of credit but the exporter and importer both have the additional independent assurance of the bank that issued the L/C (the issuing bank). The issuing L/C is in favor of an exporter/ the beneficiary and issuing bank undertakes to pay the exporter and exporter/ the applicant has the assurances that his bank will ensure that all the document he specifies (including any transport and insurance document stipulated in the L/C) are received order and that all terms and conditions of the L/C are complied with the before any payment is made to the exporter.

Irrevocable credit can be only amended or cancelled with the consent of the issuing bank, beneficiary and confirming bank (if any). The issuing bank has the obligation to pay the beneficiary if the documents presented in compliance with terms and conditions of the credit. Document credit can be payable at sight or future date governed by the UCP (latest version UCP 600).

An irrevocable L/C, once issued, cannot be amended or cancelled without prior agreement of the beneficiary (the exporter). An irrevocable L/C therefore gives greater security to the exporter because the issuing bank and confirming bank continue to guarantee payment to the exporter even if the importer changes his/her mind. An irrevocable L/C can be a very effective means of settlement with overseas parties, offering extra security for both the importer and the exporter: the exporter receives an undertaking from the buyer's bank that he/she will be paid, providing that documents are submitted strictly in accordance with the L/C; and the buyer/importer is able to stipulate the exact documentation that the seller must provide in order to be paid. In addition, the L/C includes an expiry date and a latest date for shipment to prompt the seller to dispatch both goods and documents expeditiously.

Again this depends on the bargaining strength of the two parties. It could also be said that the importer increases his/her credibility in the eyes of the exporter by being able to arrange with his/her bank to issue an L/C.

**Figure 2.4 The Process of Letter of Credit System**



Source: BIDV Bank, International Banking Seminar Nov-2014, Yangon

As a special Letter of Credit; there are many types of Documentary Credit: Confirmed L/Cs, Deferred L/C, Transferable L/C, Back-to-Back L/C, Standby Letter of Credit, Red Clause L/C, Revolving L/C.

**i. Confirmed L/Cs**

When an advising bank in the exporter's country confirms an L/C, the instrument is known as a confirmed L/C. With a confirmed L/C the supplier is assured of payment provided he/she complies with the terms of the L/C since he/she has conditional guarantees from two banks, one of which is in the supplier's own country. Confirmed L/Cs are commonly used when trading with the Middle East and Latin America.

**ii. Deferred Payment L/Cs**

Normally the terms of an L/C include an instruction to the exporter to draw a bill of exchange and the issuing bank guarantees that such a bill will be honored provided all other terms of the L/C are fulfilled. However, in a deferred payment L/C there is no need for the exporter to draw a bill of exchange. Rather, the issuing bank simply guarantees that payment will be made at a fixed determinable future date.

**iii. Transferable L/Cs**

A transferable L/C is one which can be transferred in whole or in part by the original beneficiary/exporter to one or more second beneficiaries in either the same country or different countries. This structure is normally used when the first beneficiary does not supply all the goods him/herself but acts as intermediary between the supplier(s) and the buyer.

**iv. Back to back L/Cs**

These are often used by traders and merchants in buying goods and on-selling them to another party. Therefore, back-to-back L/Cs are widely used by commodity traders such as in the steel industry. They consist of two separate L/Cs but to a limited extent the first L/C acts as a form of 'security' for the second L/C in so far as it is a potential source of reimbursement. Under a back-to-back structure the first L/C is issued in favor of an intermediary who is not supplying the goods him/herself. Instead, the intermediary becomes the applicant for a second L/C to be issued in favor of the supplier of the goods which will be on-sold to the intermediary's client. This type of L/C allows the intermediary, who may have only limited financial resources, to purchase goods from a supplier who is only prepared to sell on L/C terms. An advantage for the intermediary is that the importer and supplier are not aware that they are dealing through a third party.

**v. Standby Letter of Credit**

Standby L/C is a guarantee from the issuing bank that a sum will be paid to the beneficiary upon demand in the event that the latter submits a signed statement to the effect that there has been a default or non-performance by the applicant of the L/C. A standby L/C therefore enables an exporter and importer to trade on open account terms against the security of a bank guarantee in the background.

**vi. Red Clause L/Cs**

A red clause L/C allows the beneficiary to obtain pre-shipment finance from the advising/confirming bank and it is less widely used types of L/C.

**vii. Revolving L/C**

A revolving L/C is one which states that the amount is renewed or reinstated automatically without specific amendments to the credit being needed. A revolving L/C allows for flexibility in commercial dealings between importers and exporters.

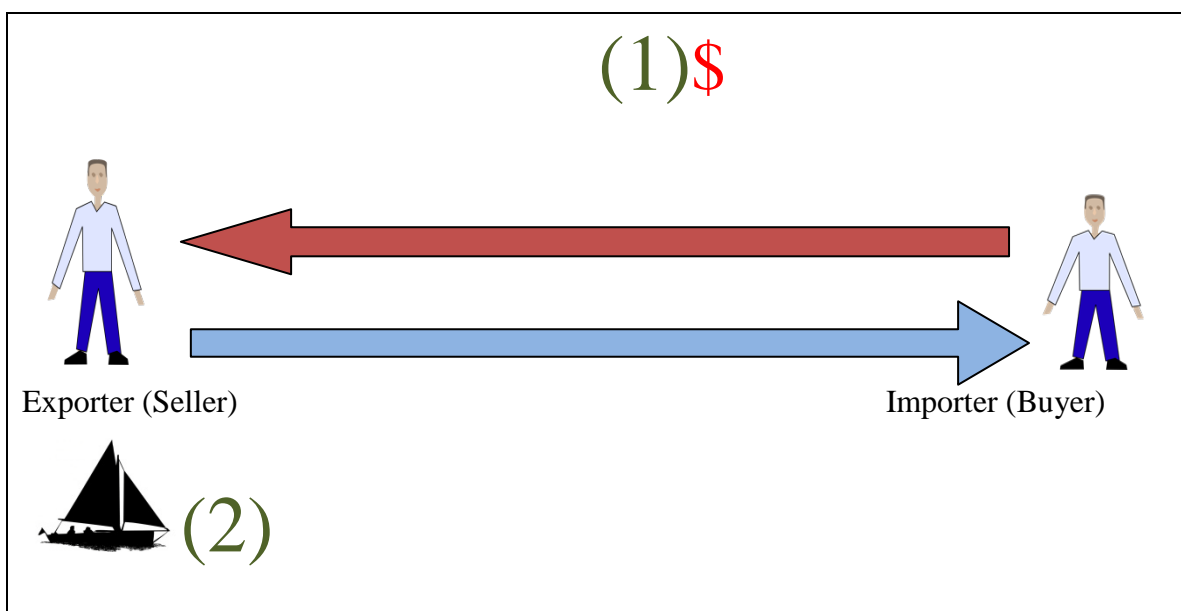
**2.2.4 Advance Payment**

This is an arrangement whereby the buyer pays the seller before the goods have been shipped or, in some cases, before the goods have been manufactured. This is obviously the most secure method of payment for seller or exporter. The importer pays the exporters before dispatch and thereby takes full risks of delivery. Payment in advance tends to be used for products where the demand and need is great and supply is limited. The buyer takes all of the risks and the seller takes none. However, payment may not be possible in many cases. It is a commercial fact that to gain new business in a foreign market the exporter must often provide a period of time to the buyer to effect payment. This is known as credit period.

Buyer has absolutely trust that seller will ship the right goods on right quantity. Seller has new relationships or a historical problem in the relationship between buyer and seller. Country risk of the buyer's country is unacceptable. Seller is not able to provide credit to the buyer.



**Figure2.5 Advance Payment made by Telegraphic Transfer/Remittance**



Source: BIDV Bank, International Banking Seminar Nov-2014, Yangon

### 2.3 Risk Involved in Different Payment Systems

There are complex activities of international trade with managing the risks. For importers and exporters, the amount of risk involved in a transaction depending on what payment system choosing on trade.

With any credit facilities, the bank's prime considerations are the credit worthiness (that is, ability to repay) and integrity of the customer. If the importer fails to meet his/her obligations to the bank, then the issuing bank has the right to sell the goods in the UK but banks would not recover all their costs.

- (a) **Settlement Risk:** Exporters or importers or investors become involved in international payment. So they are faced with different Laws, Customs, Traditions and language difficulties.
- (b) **Foreign Currency Risk:** The seller must often quote prices in the currency of the buyer or some other acceptable hard currency in the International Trade. Currency exchange rate fluctuations involved in financing International Trade.
- (c) **Sovereign Risk:** This is a term often used in International Banking to describe: the risk of non-repayment of a loan and for goods sold to a government institution, the risk of default on government issued guarantees.
- (d) **Country Risk:** Country risk is poor economic performance by a country and the consequent lack of foreign currency reserves to effect international payments. It arises when foreign remitter wishes to effect payment of funds due to an acceptor but

because of exchange control regulations or other government restrictions, the foreign remitter is prevented from making payment from his country.

- (e) **Transfer Risk:** It is also a term used to describe the situation where the remitter want to effect payment and has access to local currency but due to currency restrictions or regulation, it is not possible to effect international payments.

## 2.4 Customer's Attitude

Attitude is always changing. Some have positive attitudes and others have negative attitudes,an individual with a positive attitude towards a product/serviceoffering is more likely to make a purchase; this makes the study of consumer attitudes highly important for a marketer. An attitude may be defined as a feeling of favorableness or un favorableness that an individual has towards an object (be it a person, thing or situation). It is a learned predisposition to exhibit and act based on evaluation resulting in a feeling of like or dislike towards and object. In terms of consumer behavior, consumer attitudes may be defined as inner feeling of favorableness or un favorableness towards a product or service offering the 4Ps. Schiffman stated that "Attitudes are an expression of inner feelings that reflect whether a person is favorably or unfavorably predisposed to some "object" (e.g. A brand, service, or retail establishment)", and "Attitude formation is a process by which individuals form feelings or opinions toward other people, products, ideas, activities and other objects in their environment." Gordon All port (1935) stated that attitude can be formed from a person's past and present. Attitude is also measurable and changeable as well as influencing the person's emotion and behavior. The definition of Attitude is a predisposition to evaluate an object or product positively or negatively.

In terms of consumer behavior, an attitude is reflective of a consistent favorable or un favorable feeling that a consumer or a prospect forms as, a result of an evaluation about an object; the object being, product/service offering, brand, price, store and dealer, salespersons, advertisement, promotion etc. It is noteworthy that attitude cannot be directly observed, the reason being that they are impacted by psychographics like motivation, perception, and learning. Attitudes can only be inferred from what people say or what they do and how they behave.

### **2.4.1 Nature of Attitudes**

Consumer attitudes can be better explained by understanding the nature and characteristics of attitudes. Attitudes are composed of three components, 1.a knowledge or cognitive component, 2.a feeling and affect component and 3.a behavioral and cognitive component. For consumer learning, the attitude would express a consumer's feeling of like or dislike about a product or service. The knowledge component is that a consumer obtains from his interaction with other own experiences. The feeling component is reflected in his evaluation and favorableness and unfavorableness. The behavior component is reflected in the predisposition to act based on the evaluation, explanation, the nature of attitudes that are directed towards an object (product/ service offering, price, promotion etc.) about which a consumer has feeling and beliefs. Sometimes attitudes can be inferred from our behavior.

### **2.4.2 Model of Attitudes**

Leon G. Schiffman and Laslie Lazar Kanuk stated that motivated by a desire to understand the relationship between attitudes and behavior, psychologists have sought to construct models that capture the underlying dimensions of an attitude. To this end, the focus has been on specifying the composition of an attitude to better explain or predict behavior. The following section examines several important attributers' models: the tri component attitude model, the multiattribute attitude models, the trying-to-consume model and attitude-toward-the-ad-model. <sup>1</sup>(Leon G.Schiffman and Laslie Lazar Kanuk (1997). "Consumer Behavior", sixth edition, p238-240)

## **2.5 Tri Components of Attitude Model**

This study is referred to the model that is used in Master of Banking Thesis about customer's attitudes towards International Trade Payment Systems of Myanma Investment and Commercial Bank, MBF 2<sup>nd</sup> Batch, 2016 December, student Ma May Myat Thu. In that study, three factors are considered based on tri component attitude model. These factors are cognitive component (beliefs), affective component (feelings) and conative component (behavioral). These are interconnected(or) amalgamative from and attitude of a person towards any products (or) services in consumerssituation. The model describes what an attitude is three components. Sometimes, the three components are not alwaysconstant because a person's behavior does not always reflect the affective (feelings) and cognitive (beliefs) aspect of an attitude. The affective component refers to

the emotional reaction one has towards the attitude object. The behavioral component refers to the way one behaves when exposed to the attitude object. The belief component refers to the reflection and belief has about and attitude object. (James E Engel, Roger D Blackwell & Paul W Miniard, 1995)

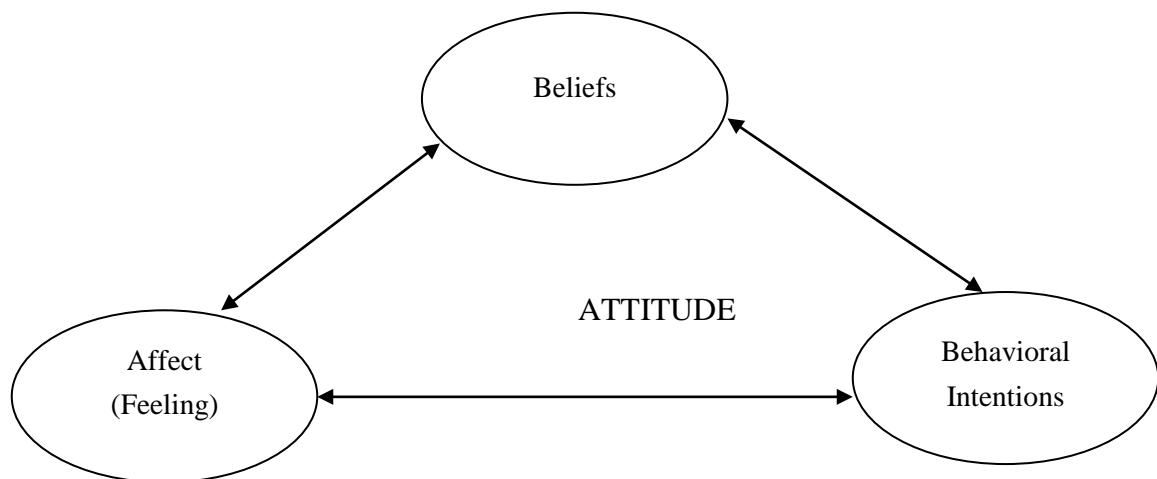
Attitude cannot be observed directly, attitudes are learned through respect to the three components (behavior, feeling and belief).

A customer can hold negative or positive beliefs or feelings toward a product or service. These components are viewed together since they are highly interconnected and together represent forces that influence how the consumer will react the object.

### 2.5.1 Cognitive (intellectual or belief) component

The first component is beliefs. A consumer may hold both positive beliefs toward an object. The cognitive component of attitudes refers to the beliefs, thoughts, and attributes that we would associate with an object. Many times a person's attitude might be based on the negative and positive attitudes they associate with an object. Cognitions are previous knowledge or experiences with or about the object. This previous knowledge/experience allows the consumer to form perceptions or beliefs about the product.

**Figure 2.6 Attitude Components (Tri-component Model)**



Source: James E Engel, Roger D Blackwell & Paul W Miniard, Consumer Behavior, 8<sup>th</sup> edition, Dryden Pres, Harcourt Brace college Publishers, for Worth, Texas, 1995.

### **2.5.2 Affective (emotional or feeling) component**

Affective component is the emotional or feeling segment of an attitude. Consumers also hold certain feelings toward brands or other objects. Sometimes these feelings are based on the beliefs. Lapinski, Maria Knight; Boster, Franklin J. (2001) stated that the affective component of attitudes refers to your feelings of emotions linked to an attitude object. According to (Leon G. Schiffman and Laslie Lazar Kanuk) these emotions and feelings are frequently treated by consumer researchers as primarily evaluative in nature, that is, they capture an individual's direct or global assessment of attitude object. A consumer's emotions or feelings that is about a particular product or brand. Our emotional state may amplify positive or negative experiences, which then have an effect on our attitude.

### **2.5.3 Behavioral component**

The behavioral component reflects how attitude affects the way we act or behave. It is helpful in understanding their complexity and the potential relationship between attitudes and behavior. Behavior component is concerned with the likelihood of tendency that an individual will undertake a specific action or behave in a particular way with regard to the attitude object. As per the model, the knowledge and the feeling component cannot be seen, they can only be inferred; it is only the behavioral component which can be observed. This study based on the tri-components model of attitudes and these model that attempt to understand the relationships between attitude and behavior of the respondents.

## **CHAPTER III**

### **ORGANIZATIONAL BACKGROUND AND INTERNATIONAL TRADE PAYMENT FACILITIES OF MFTB**

This chapter includes the information of the profile of Myanmar Foreign Trade Bank (MFTB) and business practice of international trade payment services in MFTB, international trade activities of MFTB involved general issues as financial performance, the activities of international trade payment and settlement, international standard and practice of trade service.

#### **3.1 Brief History of MFTB**

Myanmar Foreign Trade Bank (MFTB) is a state-owned bank. The Myanmar Foreign Trade Bank originated in the Foreign Department of the State Commercial Bank which was established in 1954. In 1963, all the private and foreign commercial banks were nationalized, On 1 February 1970, the State Commercial Banks, the State Agricultural Bank and all nationalized banks were reorganized and amalgamated into single bank, the People's Bank of the Union of Burma, and later changed its name to the Union of Burma Bank. On the date of amalgamation, the Foreign Department of the State Commercial Bank was formed as Foreign Exchange Division of the new Bank. In order to develop appropriate banking system in the business environment of State Economic Enterprises (SEEs), a new Bank Law was passed in 1975. The 1975 Bank Law splits the single monolithic Union of Burma Bank into four separate specialized banks, namely the Union of Burma Bank (the Central Bank), the Myanmar Economic Bank, the Myanmar Agricultural Bank, and the Myanmar Foreign Trade Bank. It came into being on 1 April 1976 taking over the businesses of the Foreign Exchange Division of the Union Of Burma Bank. On 4 July 1990, The Financial Institutions of Myanmar Law was enacted and the Myanmar Foreign Trade Bank was deemed to have been established and attained separate legal entity under that Law. As such, in accordance to that Law, it is one of the State-owned banks which has continuously undertaken international banking operations.

The Myanmar Foreign Trade Bank is endeavoring to provide a complete range of international banking and financial services to its customers through its worldwide extensive and firmly established correspondent network of over (268) banks in (49) countries. The Bank will strive to improve its services in line with the latest international

banking developments to be able to carry out the implementation of achieving a highly developed financial services sector.

As the main business services of MFTB, MFTB focuses mainly on both public and private sectors especially on the following activities:

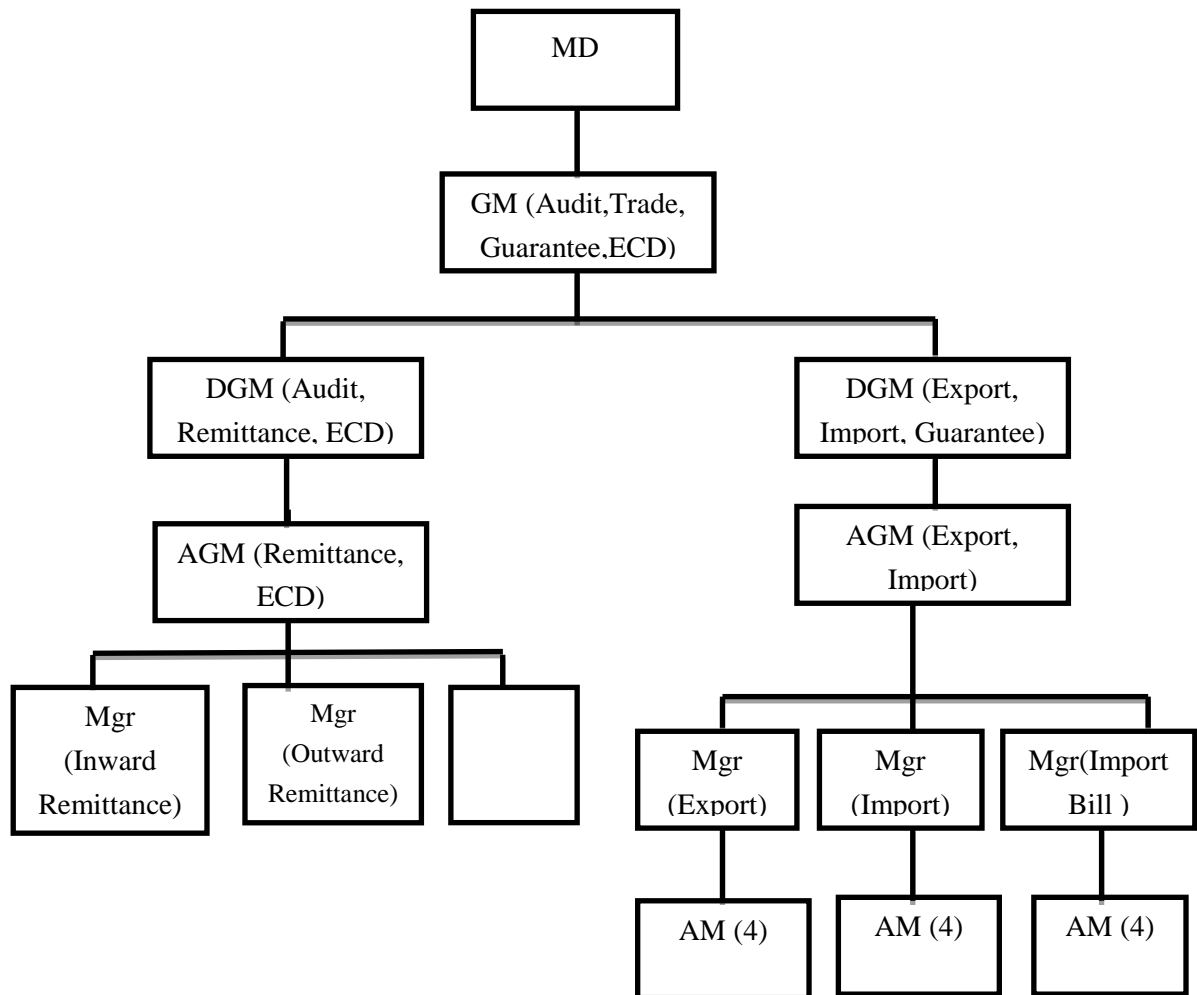
- accepting current and fixed deposits, both in local and foreign currency,
- accepting saving and fixed deposits in local currency,
- extending domestic credit facilities,
- remitting funds, payments, settlements, within the country and abroad,
- collecting encashment travelers cheques and credit cards,
- buying and selling of foreign currencies,
- undertaking banking services for export and import entities.

### **3.2 Organization Structures of MFTB**

Organization Structures of MFTB is operating the banking activities through (12) departments, Domestic Banking Department (Accounts Department, Current Account, Saving & Fixed deposit & Loan Facilities), Foreign Banking Department (Foreign Accounts, FX market, Card and SWIFT Department, Foreign Currency Exchange Control and Remittances, Financing and Guarantee Department, Export and Import, International Relations and Correspondent Banking Department), Administration and Human Resources Department, Information Technology Department, Money Laundering Department, Research Policies and Legal Department, and Audit Department.

The Organizational Structure of Trade Finance Department is shown in Fig (3.1) as follows:

**Figure (3.1) Trade Organization Structure**



Source: Organization Chart of MFTB

MFTB organized through Board of Director (BOD) and Strong Management Team. BOD of MFTB bank was organized with representatives of each Ministry and Leaders. Trade Finance Department is operating its international payment to bank's customers. (Organization Chart Appendix)

### 3.3 Foreign Banking Services of MFTB Bank

The Myanmar Foreign Trade Bank provides international banking services for the State as well as the co-operative, joint venture and private sectors. It is, up to now, focusing its activities to the field of international banking business i.e. export, import, guarantees and remittances, etc. Two types of foreign currency accounts are allowed to be opened in the Myanmar Foreign Trade Bank. They are current deposit account and interest bearing six months fixed deposit account.



There are three types of foreign currency accounts. These are USD, EURO, SGD currency accounts that can be opened at the bank.

The foreign currency accounts serviced in the bank are Embassies & Staff, United Nations & International Organizations, Local Firms, National Individuals, Ministries & State-owned Economic Enterprises, Foreign Firms, Foreigner Individuals, Joint Ventures Corporations.

The Myanmar Foreign Trade Bank is carrying out its operations to the fullest of its capacity for facilitating the smooth functioning of financial services of its customers.

The main international trade service is inward and outward remittances, collecting foreign cheques and draft, collecting credit cards, Daily Cash Deposit (Foreign Currency) by government departments, Embassies, Private firms, NGO and INGO, issuing the Import letters of credit and drawing, accepting and collecting bills of exchange, advising and confirming letters of credit, issuing and advising bank guarantees, calculate the daily foreign exchange rates for ourselves by using CBM reference rate, communicates and conducts international banking business with foreign correspondent banks, issuing the authorization to pay for the Grant Aid Projects.

### **3.4 International Trade Payment Facilities**

Myanmar Foreign Trade Bank carries out export/import related banking services under four payment systems which are open account system, documentary collection system, letter of credit system and advanced payment system.

As MFTB is focusing on both the government and private sectors, its foreign exchange transactions of trade and non-trade volume are larger than others. MFTB is one and only bank in Myanmar which endeavors to cooperate with other overseas financial institutions through Cooperation Agreements and Credit Line Agreements in order to support and development of various sectors. In collaborations with the Export Import Banks of neighboring countries, Myanmar Foreign Trade Bank has been assisting financial facilities to implement important projects in the areas of infrastructure, agriculture, Telecommunication projects of Ministry of Telecommunication, Hydropower projects of Ministry of Electric Power and Myanmar Oil and Gas Enterprise.

As the bank is striving for improving its services in order to meet the needs of its customer, the bank has received the Century International Quality Era Award in the Gold Category for the Year 2007 which is presented by the Business Initiative Directions (BID), Madrid, Spain for achievements in quality, leadership, excellence and customer

satisfaction. The bank, at present, is performing its international banking services through its comprehensive network of over 370 banks in 50 countries.

The international payment services of MFTB that included settlement in inward remittances and outward remittances for both non-trade payments and trade payments. Moreover, the payment methods available to exporters, importers and investors are also examined and what kind of message types are effectively used by SWIFT (Society for Worldwide Interbank Financial Telecommunications) for transmission of such financial messages as Documentary Credits (D/C), Single Customer Credit Transfer, Documentary Collections and Fund Transfers. MFTB provides the international trade payment service by using the SWIFT network system to the bank customers. These methods of payment and the international rules which regulate them will be also examined.

#### **3.4.1 Inward Remittances for Non-Trade Payments under Open Account System**

The MFTB bank provides foreign remittances facilities to their customers by accepting foreign fund remittances from abroad and also remit funds to abroad through Nostro accounts. Foreign maintained in foreign correspondent banks. Inward Remittances consist of receipts for company registration fees, paid-up and working capital injections, monthly expenses, salary payments for local representatives, commissions and service charges, payments for package tours, correspondent compensations, worker's remittances, banks' replenishment, government's tax payment and grants etc.

#### **3.4.2 Settlement System of Inward Remittance for Non-Trade Payments**

Most of the inward payments for Non-Trade are used both under the Open Account system (Telegraphic Transfer) and Advance Payment System. The purpose of payments for company registration fees, monthly expenses, salary payments for local representatives, commissions and service charges, payment for package tours, correspondent compensations, worker's remittances, and grants etc are settled under the Open Account System. Paid-up and working capital injections are made the settlement under Advance Payment System. In the case of settlement by Open Account or Payment in Advance are made by SWIFT individual message type (MT 103) that called Single Customer Credit Transfer and related cover messages (MT 202 COV, MT205 COV).

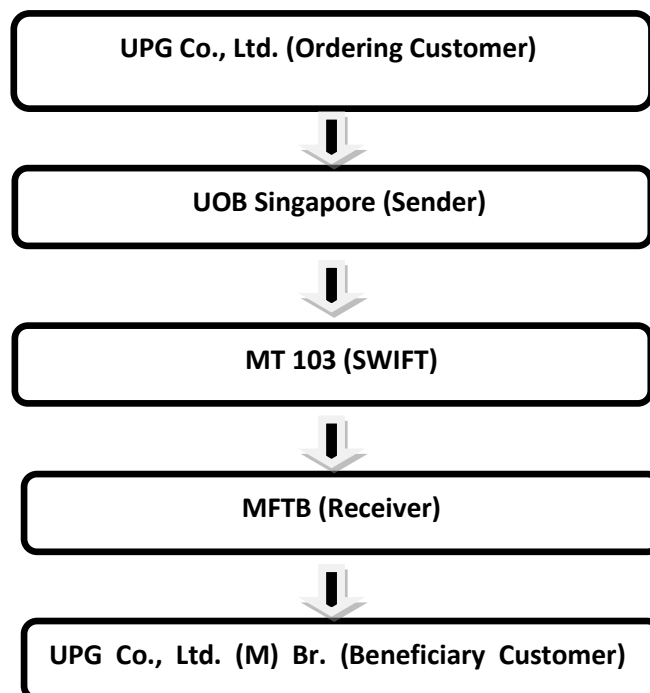
### 3.4.3 Settlement Flows under Open Account System

The settlement flows under the Open Account or Payment in Advance which is made by SWIFT MT103 (Single Customer Transfer with Direct Relationship) through Foreign Correspondent Banks to MFTB. In the case of UPG Co., Ltd orders UOB Singapore, to pay USD 50,000 to MFTB, Yangon, for the capital injection amount of UPGCo,Ltd. (Myanmar Br) that payment flows by MT103 can be showed as following (Figure 3.2).

Figure 3.2 illustrates the procedure of inward payment to Myanmar branch of UPG Company Limited that receive fund from its mother company at Singapore through MFTB.

First the mother company makes order to its bank, UOB Singapore, to pay USD 50,000 to MFTB, Yangon, for the capital injection amount of UPG Co.,Ltd. (Myanmar Br). This Singapore Bank sends message type 103 showing the amount, the beneficiary name and account to its depositary bank, MFTB. When MFTB receives this inward remittance transaction after V/D date that can be settled the payment to the beneficiary's account in the same working day. If not that payment will effect to the beneficiary customer's account in following working day.

**Figure (3.2) Single Customer Transfer with Director Payment**

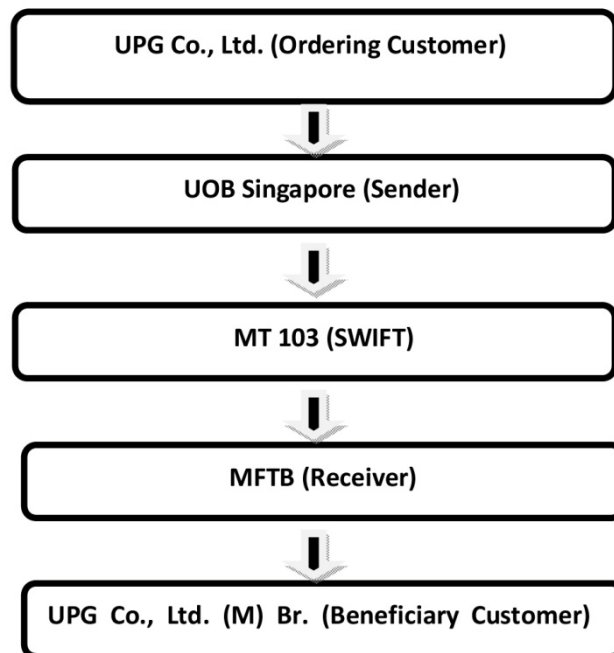


Source: SWIFT Manual

The payment channel can be expanded when sender and receiver banks do not have direct relationship. Both of the banks need to use the Single Customer Credit Transfer with Ordering and Account with Institutions. If AA Co., Ltd, Japan orders Mizuho Singapore, to pay EUR 100,000 into Win Win co., Ltd, account with MFTB, Yangon. Mizuho London asks Royal Bank of Scotland, London, to make payment. Both bank Royal Bank of Scotland, London, and MFTB, Yangon, have their EUR account at Deutsche Bank A.G, Frankfurt. In that condition, Mizuho Singapore and MFTB do not have direct EURO agent bank so payment flows need to send by MT103 as following (Figure 3.3).

Most of the Non-Trade inward remittances by MT103 SWIFT messages are sent from the Singaporean Banks and the rest of the remittance are from the following banks: Japanese Banks, Chinese Banks, Korean Bank, Malaysian Banks, Indian Bank and German Banks. MFTB could settle (90%) transactions of the total inward remittance transactions under the Open Account Payment System, another (10%) transactions could not settle, the reason was that: the information in SWIFT was not completed, beneficiary customer was not correct and account number was matched with account holder.

**Figure (3.3) Single Customer Transfer with Ordering and Account with Institutions**



Source: SWIFT Manual

#### **3.4.4 Inward Remittances for Trade (Export) Payment**

Until FY2014, export payments to Myanmar are allowed under payment in Advance system and Documentary Credit (Letter of Credit) system. Most of export proceeds are settled in advance payment system by the buyers/applicant through MFTB's depository banks in foreign countries. Exporter's main export markets stretch out to Singapore, Thailand, Japan, Malaysia, Korea, Indonesia, China and India. MFTB is able to provide the exporters to receive export proceeds settlement smoothly from those countries because MFTB maintained foreign currencies (USD, EUR, SGD, JPY) accounts and present of correspondent banks in those countries).

#### **3.4.5 Settlement System of Inward Remittances for Trade (Export) Payment**

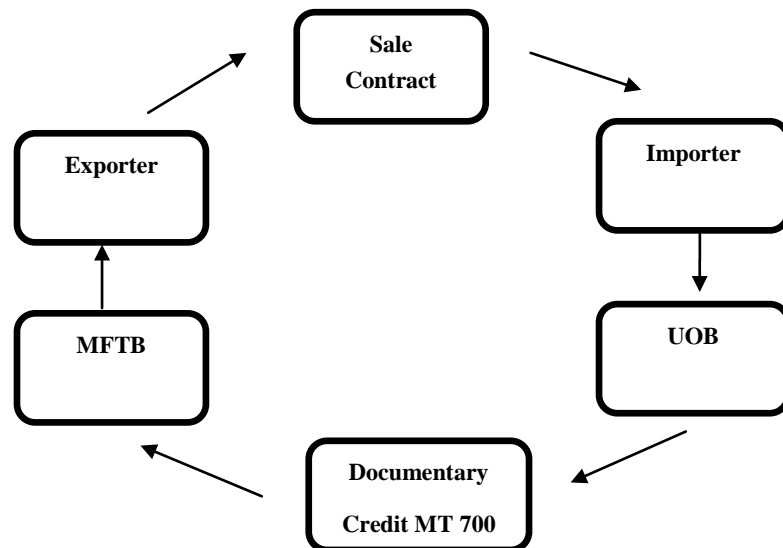
Settlement for export payments by Open Account or Payment in Advance are made by SWIFT individual message type (MT 103) that called Single Customer Credit Transfer and related cover messages (MT 202 COV, MT 205 COV). The settlement flows are the same as the inward remittances procedure that mentioned in Figure (3.2) and Figure (3.3). MFTB provides export companies to receive their proceeds under advance payment system for exporting goods within one banking day by doing online network within inter-bank online system and SWIFT system since 2012.

#### **3.4.6 Settlement Flows under Documentary Credit System**

Settlement for export payments by Documentary Credit System (D/C), SWIFT Message Type MT 700 is sent by the MFTB's Correspondent Bank in Foreign countries on behalf of ordering customer (importer) and MFTB issues the authenticated SWIFT MT 700 to the beneficiary customer accordingly. The flows of SWIFT MT700 are as following Figure (3.4).

The Figure (3.4) illustrates the process of the export payment under the documentary credit system. In general the process contains two parties: Exporter's party and Importer's party. Firstly, exporter and importer make sale contract which contains specifications of goods and services, term of payment and banks account information. Based on the contract, exporter's bank called MFTB sent Documentary Credit by MT700 to importer's bank, UOB Singapore.

**Figure (3.4) Export Payment Flows under Documentary Credit (MT 700)**



Source: SWIFT Manual

### **3.4.7 Outward Remittances for Non-Trade Payment and Settlement System**

The outward remittances mostly include salary remittances by foreigners working at the foreign investment companies, payment for management fees from local branch companies to their respective head offices abroad, tickets sale proceeds from foreign airline companies, annual fees of institutions, repatriation of loan payments (principal and/or interest payments due on foreign loans), payments for insurance premium, advertisement fees on foreign medias, dividend payments from foreign investment companies to their head offices etc.

Settlement in outward remittances for Non-Trade payments by Open Account or Payment in Advance are made by SWIFT individual message type (MT 103) that called Single Customer Credit Transfer and related cover messages (MT 202 COV, MT205 COV). The settlement flows are the same as the inward remittances procedure that mentioned in Figure (3.1) and (Figure3.2). If ordering customer applies to remit the outward remittances with the necessary documents before (12:00 am), payment can effect to the beneficiary customer in the foreign country at the same working day.

### **3.4.8 Outward Remittances for Trade (Import) Payments**

MFTB provides the trade payment facilities for importing of goods from abroad through its correspondent banks around the world. The bank executes the payment facilities for importing under the Documentary Collection, Documentary Credit and Open Account System. Most transactions of the outward remittances for the purpose of trade

import payments are settled through Singaporean Depository Banks. Before year 2003, MFTB settled its USD payments to the designated banks all over the world through United States Clearing, in 2003, United States of America imposed the sanction on Myanmar after that time USD payments were not freely settled either inward payment or outward payment of Myanmar Financial Institution. Since then, Singaporean Bank acts as correspondent bank and they have gotten a lot of market share for financial services as especially in the field of international payment transactions of Myanmar.

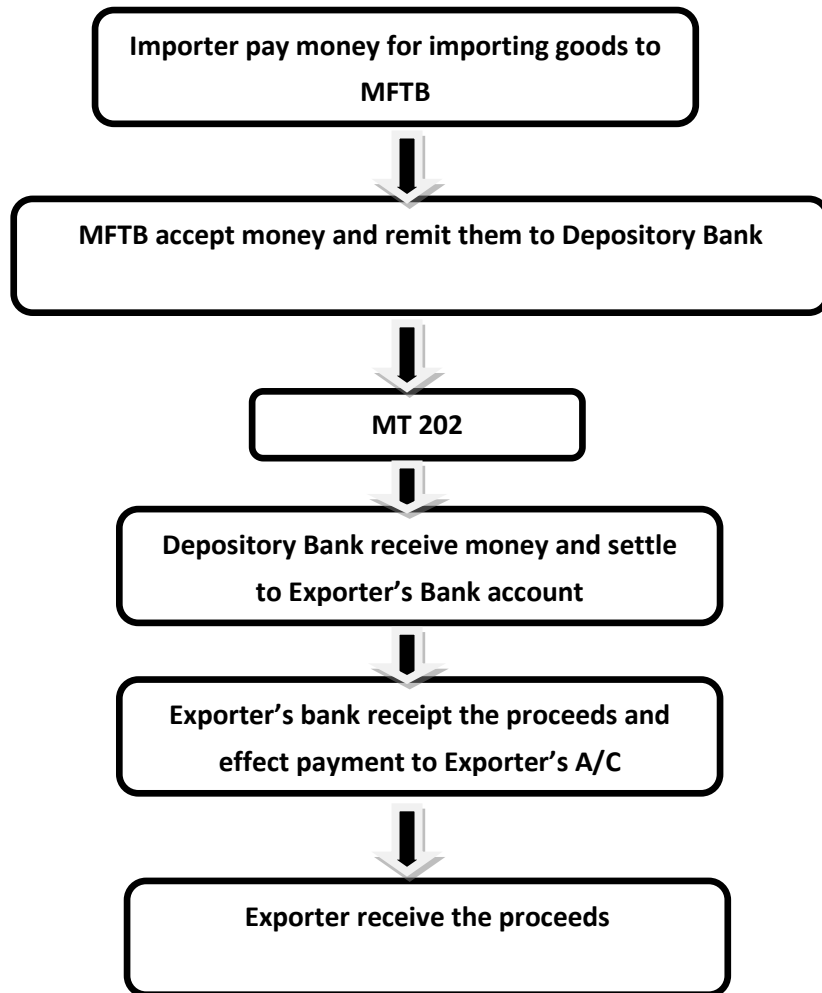
#### **3.4.9 Settlement System of Outward Remittance for Trade Payment**

Documentary Collections are a service provided by the bank whereby the bank facilitates the settlement of payment between international buyers and sellers. Collections offer a greater degree of security to the importer than Documentary Credit transactions. The exporter submits the documents to his/her bank which is called as the Remitting Bank and the documents (financial documents and commercial documents) are sent to MFTB that is called as the Collecting Bank. When MFTB received those documents, it informs the importer and releases those to the importer either against sight payment or against acceptance of a Bill of Exchange (Draft). Documentary Collections can be applied for handling export or import collection.

#### **3.4.10 Import Payments under Documentary Collection System**

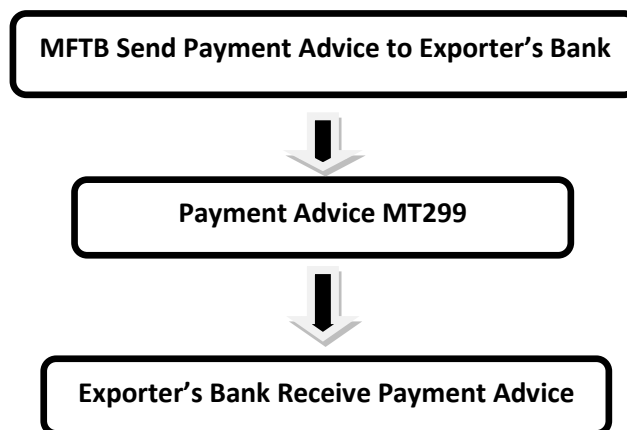
Settlement for import payments by documentary Collection System (D/C): Document against Payment (D/P), SWIFT Message Type MT 202 is sent to the MFTB's Depository Bank in foreign countries and at the same time payment advice message MT 299 is also sent to the exporter's bank for the acknowledgement of the payment has been settled. In the case of Document against Payment, the message type is instructed to use MT 400 in SWIFT manual book but MFTB use MT202 that a kind of financial transfer. The flow of SWIFT MT202 and MT299 are shown in Figure (3.5) and Figure (3.6):

**Figure (3.5) SWIFT MT 202 Flows under the Document against Payment**



Source: SWIFT Manual

**Figure (3.6) SWIFT MT 299 Payment Advice Flows**



Source: SWIFT Manual



### **3.5 Domestic Banking Facilities**

MFTB's domestic banking facilities includes local currency (MMK) and foreign currencies. Myanma Foreign Trade Bank (MFTB) is receiving the demand deposits, fixed deposits and saving deposits. Foreign currencies fixed deposits are accepted in USD and initial deposits is at least \$1000 and interest rate is 1% per annum. Fixed and saving deposits are accepted in multiple thousands or kyats for periods of three months, six months and nine months respectively. Saving interest rate is 8% per annum and fixed deposit (MMK) interest rate is 8.25% for three months, 8.5% for six months and 8.75% for nine months respectively. A saving deposit account can be opened by the national citizens. Internal remittance in local currency (MMK) are being provided through CBM network platform related to the government, private and foreign banks within the country. MFTB provides credit facilities both long term and short term and credit growth together with safety and quality control. Interbank market use the Bloomberg and Thompson Reuter platform for bill and bond market. MFTB's Fx market provides buying and selling of foreign currencies in order to remittance and export/import service for bank customers. Money Laundering Department is control the suspicious transaction for domestic and international payment transactions.

## **CHAPTER IV**

### **ANAYLYSIS ON CORPORATE CUSTOMER ATTITUDE ON INTERNATIONAL TRADE PAYMENT SYSTEMS OF MYANMA FOREIGN TRADE BANK**

The analysis of this chapter was to examine the corporate customer attitude on international trade payment systems of Myanmar Foreign Trade Bank.

#### **4.1 Research Design**

This study consist of 100 corporate customers among 11326 corporate customers who deal with international banking services of MFTB Bank, from 1<sup>st</sup> October to 30<sup>th</sup> November 2019. In this study, the respondents were selected on working days of two months by using survey questionnaires' collections. In this section, level of customer's attitude on payment services of MFTB is set from 1 to 5. "5" is the highest expectation. "1" is the lowest expectation.

This study was based on descriptive method of the relationship between the International Trade Payment System of MFTB and attitudes of customers. The questionnaires consist of three parts. The first part encloses the analysis on customer's demographic factors such as Gender, Age, Education, Occupation, Monthly Income, Race and Type of Business. The second part identifies the weighing factors had on customer's choosing the International Trade Payment Service of MFTB and the third part examines corporate customer's attitude by trying to find out beliefs, feelings and behaviors concerning the International Trade Payment System of MFTB. The research questionnaires were based on (1) how customer due to demographic data chose to use the International Trade Payment System of MFTB (2) what reason influences customer to deal with MFTB services (3) what attitude that customer has to choose the type of International Trade Payment System (4) what business type would be the motivation for the customer to try or come back to use the MFTB services and (5) which currency most use type of foreign currency and trade finance type.

#### **4.2 Demographic Profile of the Respondents**

This section describes the gender, age, education background, occupation, monthly income level of respondents, ethnicity and type of business.

### Number of Respondents by Gender

Following Table (4.1) represents the result from the analysis of the gender of respondents. From the result of the survey, it was found that survey included 17.3% number of male and 82.7% number of female. Regarding to the participant rate, female include highest portion with 82.7% in the study.

**Table (4.1) Number of Respondents by Gender**

Gender	No. of Respondents	Percentage
Male	19	17.3
Female	91	82.7
Total	110	100.0

Source: Survey Results, 2019

### Number of Respondents by Age Distribution

As shown in the Table (4.2) shows that the respondents are mostly from the groups 30-40 and 40-50 years old with 31.8% from the total respondents.

**Table (4.2) Number of Respondents by Age Distribution**

Age	Frequency	Percentage
20-30	24	21.8
30-40	35	31.8
40-50	35	31.8
Above 50	16	14.5
Total	110	100.0

Source: Survey Results, 2019

### Number of Respondents by Highest Level of Education

Table (4.3) states the result from the analysis of their education level. From the result of the survey, it was found that 72.7% of respondents have graduated from the university and Master Degree is 20.9% and Ph.D. is 6.4% as well.

**Table (4.3) Number of Respondents by Education**

Education Level	Frequency	Percentage
Graduate	80	72.7
Master Degree	23	20.9
Ph.D.	7	6.4
Total	110	100.0

Source: Survey Results, 2019

### Number of Respondents by Occupation

Occupation respondents are classified into four groups. These are business owner, company staff, management and agent. Table (4.4) presents the distribution of occupations of respondents.

**Table (4.4) Number of Respondents by Occupation**

<b>Occupation</b>	<b>Frequency</b>	<b>Percentage</b>
Business Owner	20	18.2
Company Staff	35	31.8
Management	52	47.3
Agent	3	2.7
Total	110	100.0

Source: Survey Results, 2019

### Monthly Income

Table (4.5) shows the respondents in the monthly income of under 10 lakhs is 63.3% which is the largest group of all income. Above 20 to 30 group is the smallest value of reply as the 3.6%. Under 10 lakhs persons is more use banking services than others.

**Table (4.5) Number of Respondents by Monthly Income**

<b>Income</b>	<b>Frequency</b>	<b>Percentage</b>
Under 10 Lakhs	70	63.3
Above 10 to 20	13	11.8
Above 20 to 30	4	3.6
Above 30 to 40	11	11.0
Above 40	12	10.9
Total	110	100.0

Source: Survey Results, 2019

### Ethnicity

Among the MFTB's corporate customers, various ethnicities have opened the Account at the bank. Table (4.6) shows the number of respondents by ethnicity. The largest ethnicity is the Burma as 44.5% and second largest is Myanmar Race and at least is the other.

**Table (4.6) Number of Respondents by Ethnicity**

<b>Ethnicity</b>	<b>Frequency</b>	<b>Percentage</b>
Burma	49	44.5
Burma-Chinese	15	13.6
Burma-Islam	4	3.6
Myanmar Race	38	34.5
Others	4	3.6
Total	110	100.0

Source: Survey Results, 2019

### **Type of Business**

Table (4.7) is the analysis of the types of business of respondents. From the result of the study, it was found that 31.8% respondents are most participants from Diesel and Mogas and Forestry and Machinery and Industry are least at 6.4% respectively.

**Table (4.7) Number of Respondents by Type of Business**

<b>Type of Business</b>	<b>Frequency</b>	<b>Percentage</b>
Agricultural	16	14.5
Marine Product	13	11.8
Forestry	7	6.4
Diesel and Mogas	35	31.8
RBD Palm Oil	11	10.0
Machinery and Industry	7	6.4
Other Usage	21	19.1
Total	110	100.0

Source: Survey Results, 2019

### **4.3 International Trade Payment Services used by Respondents**

#### **Times to deal with International Trade Payment Systems of MFTB per month**

Respondents are further requested to answer on the time that they have been using the international payment per month. Table (4.8) represents the result obtained from the analysis on the time per month. From the analysis of the study, it was found that the most are 40.9% of respondents who have been using international payment 1-5 times. 11-15 times is at least with 6.4% per month.

**Table (4.8) Times to deal with International Trade Payment Systems**

<b>Times</b>	<b>Frequency</b>	<b>Percentage</b>
1 – 5	45	40.9
6 – 10	15	13.6
11 – 15	18	6.4
16 and above	32	29.1
<b>Total</b>	<b>110</b>	<b>100.0</b>

Source: Survey Results, 2019

### **Country that Company Make for International Payment Transaction**

According to the Table (4.9), the survey show that the customers were doing their business connections with Asia, Europe, North/South America and other countries. Asia countries are the highest percentage at 82.7%, then followed Europe countries is 20.9%. Other countries is 10.9% and the lowest percentage is North/South America at 3.6% only because as per the US sanctions of July 28,2003, all properties and interests in property of the three state owned banks (Myanma Investment and Commercial Bank-MICB, Myanma Foreign Trade Bank-MFTB, Myanma Economic Bank-MEB) and their financial services are blocked and restricted to transfer, exported and withdrawn.

**Table (4.9) Country that Company Make for International Payment Transaction**

<b>Countries</b>	<b>Frequency</b>	<b>Percentage</b>
Asia	91	82.7
Europe	23	20.9
North/South America	3.6	3.6
Other Countries	12	10.9

Source: Survey Results, 2019

### **Methods of International Payment Systems**

According to the table (4.10), it was found that there are 62.7% respondents who have been using Telegraphic Transfer (TT) by open account. 60.9% respondents who have been using Letter Of Credit (Documentary Collection) is 10.9% and 16.4% respondents have been using Telegraphic Transfer by Advanced Payment respectively. Many of the respondents are using one more international payment method and open account is the most used of international payment method. Second most used of is Letter Of Credit and at least used of is Advanced Payment because of Advanced Payment is more risk for the buyer(importer).

**Table (4.10) International Payment Systems**

Methods	Frequency	Percentage
Advance Payment	18	16.4
Documentary Collection	12	10.9
Letter of Credits	67	60.9
Open Account	69	62.7

Source: Survey Results, 2019

### Required Knowledge to comply with International Banking Standard

Table (4.11) from the result of the study, it was found that most of 70.9% is import service, 65.5% is remittance service, 38.2% is Export service and at least service 3.6% is the guarantee service respectively. However, there is no data in other service.

**Table (4.11) International Payment of Banking Standard and Practices**

Categories	Frequency	Percentage
Import Services	78	70.9
Export Services	42	38.2
Remittance	72	65.5
Guarantee Services	4	3.6
Other Services	0	0.0

Source: Survey Results, 2019

### Mostly used Type(s) of Foreign Currencies

Regarding the types of foreign currencies, trade importers are required in response and three statements which basically measured USD, EUR and SGD respectively. USD share is the largest of trade.

**Table (4.12) Foreign Currencies**

Foreign Currencies	Frequency	Percentage
USD	110	100.0
EUR	68	61.8
SGD	72	65.5
CNY	0	0
JPY	0	0
THB	0	0

Source: Survey Results, 2019

The descriptive statistics was used as a way to examine the mean value, standard deviation and other information which are not apparent in the raw data. It is needed to determine Tri Component.

#### **4.4 Corporate Customer Attitude toward International Trade Payment System of MFTB**

The third is the analysis on the customer attitude on MFTB Bank's international trade payment. The level of customer attitude on the international trade payment services of MFTB Bank is analyzed by using of 5-point Likert measurement scales. The results of the survey are range from one to five. 1=strongly disagreed, 2=disagreed, 3=neutral, 4=agreed and 5=strongly agreed. In this analysis, there are components into the customer attitude on "belief" component, "feeling" component and "behavior" component as follows.

##### **Beliefs Components**

To analyze the attitude towards customer belief on the MFTB Bank's international trade payment, respondents were requested to answer total ten items. Table (4.13) shows the result from the analysis on the corporate customer attitude on their belief function. The following table (4.13) shows overall mean score is 3.86.



**Table (4.13) Customer Attitude on Beliefs Components**

No	Statement	Mean	Std. Dev
1	MFTB's international payment services are more effective than other bank's services with convenience, trustworthy, and safely.	3.36	.726
2	MFTB established the correspondent banking relationship in worldwide and could do easily in promotion banking activities for overseas investment and trade integration deeply.	3.98	.574
3	MFTB's staffs have more understanding of international commercial practices to explain what you required and well focusing on rules & regulations of other countries too.	3.31	.787
4	The staff can provide you banking services of international payment transactions as promised which has more experience in international banking services than other banks.	3.99	.642
5	MFTB has a good reputation in long time experience of 43 years banking services between our correspondent banks and our clients.	4.03	.598
6	The staffs provide the customers accurate information regarding their business smoothing.	3.95	.612
7	It is secure to use import trade financing services from MFTB bank.	4.17	.752
8	It is secure to use export trade financing services from MFTB bank.	3.64	.787
9	Exchange Rate is appropriated for customers than other banks' Exchange Rate.	4.28	.509
10	MFTB's International Trade Payment Method (including bank guarantee) are strongly affecting to my export/import business.	3.90	.620
<b>Total Average Scores</b>		<b>3.86</b>	

Source: Survey results, 2019

Table (4.13), the analysis on the customer attitude on belief function, the obtained value 3.86 has encountered very much higher than that of standard mean score 3, it can be concluded that customers have high positive believing towards the MFTB's international trade payment system.

From the Table (4.13), the obtained largest mean score 4.28 has encountered higher than the standard mean score 3, respondents have higher positive attitude on international trade payment provided by MFTB Bank. Respondents value that MFTB exchange rate is appropriated for customers than other banks' Exchange Rate.

The obtained the smallest mean score 3.31 is also higher than that of the standard mean score 3, it can be conducted that MFTB's staffs have more understanding of international commercial practices to explain and well focusing on rules & regulations of other countries too.

### Feeling Component

Customers are further requested to answer their level of attitude on feeling function with the use of 5-point liker scales analysis. Table (4.14) is showing the result of their level of attitude on the feeling component.

**Table (4.14) Customer Attitude on Feeling Component**

No	Statement	Mean	Std. Dev
1	MFTB's staffs can manage the banking operations with quality and efficiency of their banking performance when customer faces the problems/ loss of their business transactions.	3.78	.641
2	MFTB's staffs are providing banking services to customers carefully and they are treated fairly.	3.98	.542
3	MFTB's banking services charges are reasonable price to compare with other local banks' charges.	4.10	.729
4	The staff provides quality customer services and transfers payments within a short period of time.	3.74	.585
5	MFTB's international payment systems have accountability and transparency to everyone who deals with the bank's services.	4.10	.468
6	I feel the MFTB's banking experience of getting my problem resolved is very quickly and satisfactory.	4.06	.654
7	The staffs give the services to customers as being patient, enthusiastic and responsive.	3.51	.602
8	MFTB Bank's Trade financing interest rate is more reasonable and consistent than other banks.	3.88	.554
9	MFTB's international payment services are more secure than other banks as a state-owned bank.	3.97	.748
10	Among the international payment services, MFTB's export/import service and Telegraphic Transfer(TT) service are convinced to use than other banks' services.	3.97	.697
<b>Total Average Scores</b>			<b>3.91</b>

Source: Survey results, 2019

Table (4.14) regarding to the effect the obtained the largest mean score 4.10 is encountered higher than standard mean score 3, many of the respondents have higher

impact on banking services charges and MFTB's international payment systems are accountability and transparency service which also encourages them choosing on MFTB Bank.

The obtained the smallest mean score 3.51 is encountered higher than standard mean score 3, it can be assumed that the staffs give the services to customers as being patient, enthusiastic and responsive services which also encourages them choosing on MFTB Bank.

### Behavior Components

Table (4.15) is the analysis on the customer attitude on behavior function of using MFTB Bank international trade payment facilities, overall means is 4.01. Analysis includes 10 items as follows;

**Table (4.15) Customer Attitude on Behavior Components**

No	Statement	Mean	Std. Dev
1	MFTB's staffs are helping eagerly to customer's business transactions for smoothing their financial activities.	4.05	.647
2	MFTB's pay attention toward their banking services to customers actively.	4.17	.689
3	MFTB's are providing diversify banking products and services to customers as per the bank's announcements.	4.11	.596
4	MFTB's staffs are well knowledgeable and fully understanding in international banking services policies and practices.	4.07	.616
5	MFTB's provides the necessary banking advices and suggestions to customers for updated information related with commercial payments, foreign exchange, interest rate, and offshore financial market.	4.08	.623
6	MFTB's staffs were polite and helpful for providing banking services to clients.	4.05	.522
7	The waiting time for having the customer's necessary question answered was satisfactory.	3.88	.646
8	Using MFTB's international payment services have no risks because of the banking background.	3.87	.651
9	MFTB's international trade payment information can be easily obtained from its website.	3.95	.425
10	Customers decide to use MFTB's international payment services and trade financing among the other banks due to bank's reputation.	3.84	.516
<b>Total Average Scores</b>			<b>4.01</b>

Source: Survey results, 2019

From the analysis of table (4.15) the overall mean 4.01 is encountered higher than that of the standard mean score 3.

Regarding to the Table (4.15) obtained the highest mean value of 4.17 has encountered higher than that of the standard mean score 3, respondents are pleased with the use of MFTB international payment service because more pay attention to customer actively than other banks.

And then obtained the less mean value 3.84 has encountered higher than that of the standard mean score 3, respondents are pleased with the use of MFTB international payment service and trade financing and bank reputation, which also encourages them choosing on MFTB Bank.

#### **4.5 Overall Analysis of Customer Attitude on MFTB international trade system**

Table (4.16) is the analysis on the overall customer attitude on using MFTB Bank international trade payment facilities based on the tri-component model. Result from the analysis shows that feeling component was the most main factor. Most customers identified banks' international payment service can manage the banking operations, staffs are providing banking services to customers, banks charges are reasonably priced to compare other bank charges. Payment systems have accountability and transparency, trade financing services, secure payment and services are convinced to use, secure and useful, etc. are the most important factors. Beliefs and behavior component are greater than that of the standard mean score 3, it can be said that many of the customers possess positive attitude on the MFTB Banks' international trade payment and services system.

**Table (4.16) Overall Analysis of Customer Attitude on MFTB international trade payment system**

<b>No</b>	<b>Components</b>	<b>Overall</b>
1	Beliefs	3.86
2	Feeling	3.91
3	Behavior	3.84

Source: Survey results, 2019

#### **4.6 Assessment of the Reliability of the Scale**

In this study, almost variables are measured by Liker. Therefore, before these variable is used, it should be checked their reliability of each dimensions. Cronbach's

alpha is a measure used to assess the reliability, or internal consistency, of a set of scale or test items. In other words, the reliability of any given measurement refers to the extent to which it is a consistent measure of a concept, and Cronbach's alpha is one way of measuring the strength of that consistency. Cronbach's alpha is computed by correlating the score for each scale item with the total score for each observation (usually individual survey respondents or test takers), and then comparing that to the variance for all individual item scores:

$$\alpha = \frac{k}{k-1} \left( 1 - \frac{\sum_{i=1}^k \sigma_{y_i}^2}{\sigma_x^2} \right)$$

where: k refers to the number of scale items

$\sigma_{y_i}^2$  refers to the variance associated with item i

$\sigma_x^2$  refers to the variance associated with the observed total scores

The resulting  $\alpha$  coefficient of reliability ranges from 0 to 1 in providing this overall assessment of a measure's reliability. If all of the scale items are entirely independent from one another, then  $\alpha = 0$ ; and, if all of the items have high covariance, then  $\alpha$  will approach 1 as the number of items in the scale approaches infinity. In other words, the higher the  $\alpha$  coefficient, the more the items have shared covariance and probably measure the same underlying concept. Although the standards for what makes a "good"  $\alpha$  coefficient are entirely arbitrary and depend on your theoretical knowledge of the scale in question, many methodologists recommend a minimum  $\alpha$  coefficient between 0.65 and 0.8 (or higher in many cases);  $\alpha$  coefficients that are less than 0.5 are usually unacceptable, especially for scales purporting to be uni-dimensional. (Chelsea Goforth, 2015)

**Table (4.17) Results of Cronbach's Alpha Value**

Scale	Type of Scale	No. of Items	Cronbach's Alpha
Belief	5-point Likert	10	.805
Feeling	5-point Likert	10	.871
Behavior	5-point Likert	10	.920

Source: Survey Results, 2019

The results of the Cronbach's alpha value above 0.7, suggesting very good internal consistency and reliability for the scale with this sample. In the above Table, it can be seen that Cronbach's alpha for all scale dimensions are range between 0.805 to

0.871, which indicates a very good internal consistency for studies scale with this specific sample.

#### 4.7 Correlation between Tri Component Model of Belief Component, Feeling Component and Behavior Component

The following table (4.18) represents the correlations among the customer attitude, belief component, feeling component and behavior component factors about MFTB Bank's international trade payment system.

The Table (4.18) shows the Pearson correlation between attitude and belief component, attitude and feeling component and attitude and behavior component. It is found that the attitude factors or belief, feeling component and behavior components are fairly positive relationship between them and significantly correlated with the attitude because MFTB has a good reputation and longtime experience of forty three years banking services. And then import trade financing service is secure. International Payment Systems are accountability and transparency for customers and banking service charges are reasonable prices compared with other local banks. Banking Services and banking products are provided to customers actively. In terms of the attitude and belief, attitude and feeling components are more relationship than attitude and behavior components. Pearson correlation coefficient among the factors of belief and feeling components  $r = .879$ , belief and behavior components  $r = .777$ . Feeling and behavior component  $r = .730$ , respectively.

**Table (4.18) Correlations Analysis on Customer Belief Component, Feeling Component and Behavior Component**

Correlations		Belief Component	Feeling Component	Behavior Component
Belief Component	Pearson Correlation	1	.879	.777
	Sig. (2-tailed)		.000	.000
	N	110	110	110
Feeling Component	Pearson Correlation	.879	1	.730
	Sig. (2-tailed)	.000		.000
	N	110	110	110
Behavior Component	Pearson Correlation	.777	.730	1
	Sig. (2-tailed)	.000	.000	
	N	110	110	110

Source: Survey Results, 2019

## **CHAPTER V**

### **CONCLUSION**

The conclusion section has three parts. First part is findings and discussion which represent why the research paper was conducted, what aspect of the issues were considered, what the outcome was and it consists of the finding of the international payment systems mostly used by MFTB and what were the requirements to fulfill the customer's needs in international settlement services. The second part presents recommendations and suggestion and the last part of this chapter mentions about the suggestion for further study.

#### **5.1 Finding and Discussion**

The overview of the international trade settlement undertaking by Myanma Foreign Trade Bank has highlighted the under-mentioned deficiencies, which offer opportunities for the development of modern payment system by application of information technology. MFTB plays a several important functions in the Myanmar Banking Institutions. Before FY 2012, MFTB settled international payments for their export and import clients was documentary credits system and open account system was widely used. After 2012, private banking sectors are developed in financial institution. According to the payment trends in inward remittances for non-trade were increasing year by year and outward payments for importing of goods were also increased.

According to the openness of Myanmar economy and policy changes in Monetary Policy and Fiscal Policy, total outward payment volume were sharply increase that nearly two times in FY2014 compared to FY2013. Although total export proceeds declined in FY2016, FY2017 and FY2018, inward remittances for non-trade payments such working capital and capital injection for the purpose of investments in energy Sector, Postal and Telecommunications Sector were much increase in those years. Such increases in inward non-trade payments are covered to develop in total inward remittances trade volume to increase year by year. Survey included 100 corporate customers who are currently having business relationship with MFTB Bank and randomly selected with the help of international Trade Department of MFTB Bank. Samples possess different educational background and mostly possess higher graduated level. In addition, their monthly income of under 10 lakhs are doing international trade payment with MFTB Bank. And then, in

occupational position, in management level is mostly possess. Most of the respondents are from the importing and Diesel & Mogas, others and Agricultural products sectors who are doing international payment with MFTB Bank. All respondents are doing international trade payment with MFTB Bank by respondents.

There was based on result from the analysis type of international payments system, it was found that 70.9% of respondents are most using import services and 65.5% of respondents are using Telegraphic Transfer (TT), by advance payment system and Telegraphic Transfer (TT) by opening account. In this survey open Account is most using than other method because Telegraphic Transfer payment is less bank charge than Import and Export. It is no need to open letter of credit and no need to send document to bank with maximum risks. Corporate customer most use this payment 40.9% of respondents are 1 to 5 times per month and 29.1% of some customer are 16 and above times deal with international trade payment of MFTB Bank. Base on the result among the most used types of foreign currencies USD currency is more use than EUR and SGD currency, because company make for payment transactions to other countries, among these countries, Asia countries are highest percentage as 82.7%. Europe countries are second largest and at least countries are North/South America.

By examining the corporate customer attitude on international trade payment systems of MFTB bank, this study is undertaken to explore the corporate customer attitude on international trade payment systems of MFTB based on their attitude. Customers' attitude is widely varied and change in line with the quality of service, secure, customer satisfaction, bank charges, exchange rate, knowledgeable and competent etc. According to the beliefs component respondent, MFTB's bank exchange rate and import trade financing are more attitude as customer. Similarly, feeling components, bank's service charges and accountability and transparency of trade payment system service are more prefer as customer. In behavior components, banking services and diversify banking product are more favorable as customer, we noticed this survey.

## **5.2 Recommendation and suggestions**

After presenting a detailed analysis of the finding and situation, stating recommendations and suggestions are provided for customers who prefer to the international payment services of MFTB and which services are more convincing for customers, we strike to improve for service performance. In order to improve for international trade payment services, bank should periodically support the training to the



staff on personnel spruce, communication skills, and performance improvement, so the bank staff can provide better services to customers.

In addition, the result customer's attitudes on believe and feeling components of MFTB Bank should be provided to customer for international payment services around the world. MFTB Bank should more applied announcement and marketing information for international payment services through media.

Moreover, MFTB Bank should consider not only making improve on service, but also advantages and disadvantages of services. As the MFTB Bank Management, they should promote the international trade payment, settlement arrangements and services by trade finance services of international trade payment within a short time period, training and reinforcing the staff for customer's business smoothing, secure and problem solving.

The results of the Cronbach's alpha value above 0.7, suggesting very good internal consistency and reliability for the scale with this sample. In the above Table, it can be seen that Cronbach's alpha for all scale dimensions are range between 0.805 to 0.871, which indicates a very good internal consistency for studies scale with this specific sample.

According to the Pearson correlation between attitude and belief component, attitude and feeling component and attitude and behavior component are interdependent. It is found that the attitude factors or belief, feeling component and behavior components are fairly positive relationship between them and significantly correlated with the attitude.

As a state-owned of MFTB, We will object to carry out the banking services in accordance with the Goals of Myanmar sustainable Development Plan and constantly observing the international banking system in order to ensure the financial inclusion, to promote the staff's capacity building, to make the banking service procedures to the customers transparent. And then, MFTB Bank is carrying to serve the banking services and, as a state-owned bank, to contribute to the implementation of the policies set up in order to get our people's trust, to reinforce the development of the nation and people interest from the banking sector point of view.

### **5.3 Need for Further Study**

The outcome of this thesis especially shows corporate customer attitude of beliefs, feelings, and behaviors component related to international trade payment system of Myanmar Foreign Trade Bank. Attitude is always changing accordance with the human lifestyle. So, Bank management always controls the banking service, especially in trade

service for customer, banks always create new product and service for customer accordance with changing life style with customer needs and wants and responsiveness. The methods of payment systems refer to the various agreement banking models that permit funds to be transferred from the buyer to the seller with flexibility and security. Each payment system has different risks which depending on whether the business is importing or exporting. On the other hand, we still expect that further study efforts are being required to examine these factors with additional samples can be made; based on the different types of international trade payment methods by using in developed countries and analyze how the further of the Myanmar Banking Industry is going to promote, increasing involvement of customer in facilitating compare with worldwide new payment system. Furthermore, Myanma Foreign Trade bank try to serve the banking services including not only financial services but also non-financial services for the sake of people interest and to participate the state-owned banks reforms according to the instructions from Ministry of Planning, Finance and Industry.

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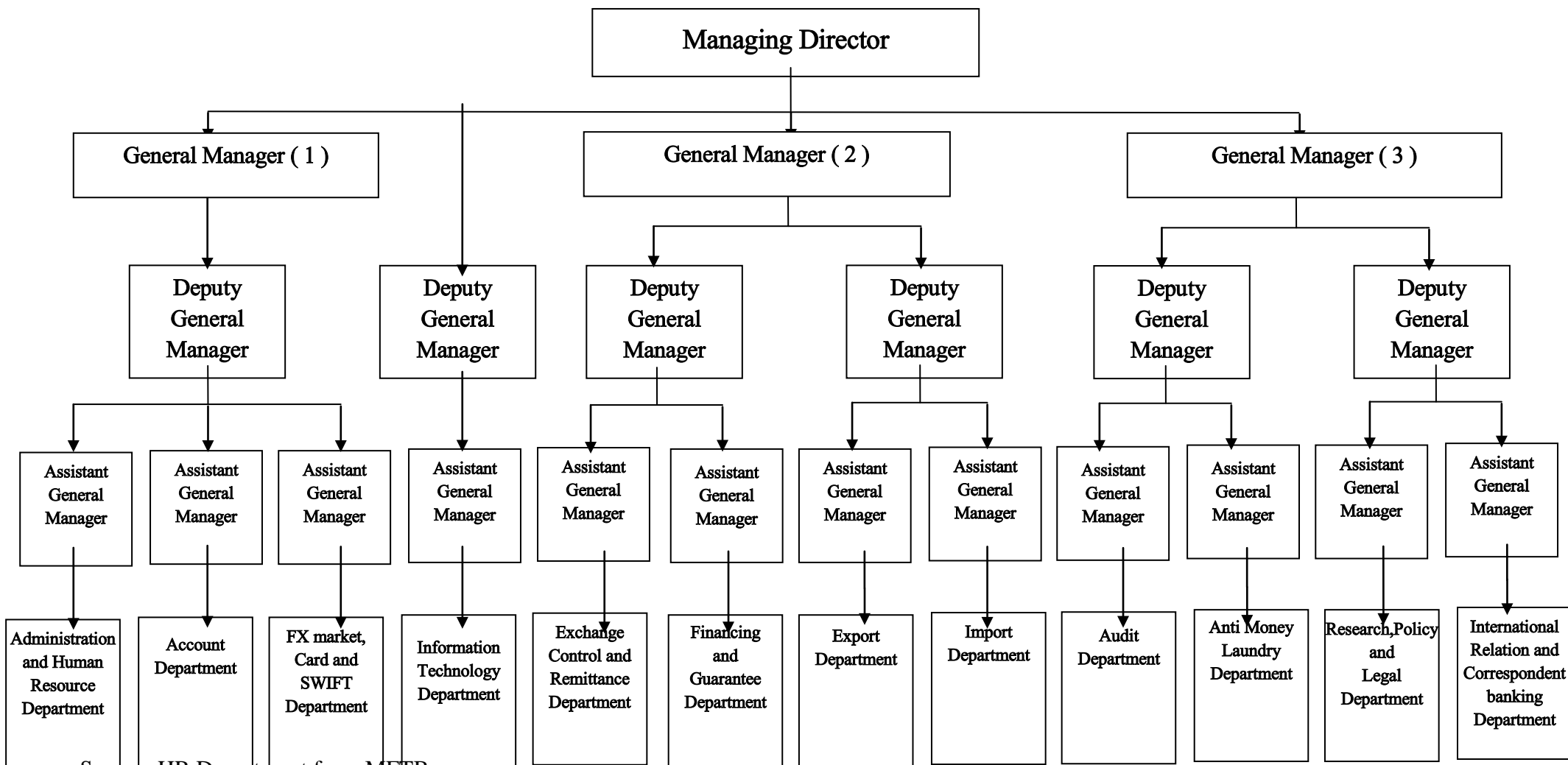
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MYANMA FOREIGN TRADE BANK FLOW CHART



Source: HR Department from MFTB

**Tariff of Charges to Internal Customers of MFTB**

**Bank Charges for Export Transactions**

- Charges for inward T.T transaction - equivalent USD of K 10,000 per Transaction
- D/C Advising Commission - USD 30
- D/C Amendment Advising Commission - USD 25
- D/C Cancellation - USD 25
- Export Bill Handling Commission - 0.25% of Bill Amount ( Minimum USD 50 Maximum USD 1,000)

**Bank Charges for Import Transactions**

- D/C Issuing Commission - 0.25% of Bill Amount (Minimum USD 50 Maximum USD 1,000)
- D/C Amendment Commission - 0.25% per (3) month or part there of (Minimum USD40 )
- D/C Cancellation - USD 30
- Bill Handling Commission - USD 50
- Bill Under Documentary Collection - 0.5% on Bill Amount ( Minimum USD 50)

**Bank Charges for Bank Guarantee Services**

- Guarantee Issuing Commission - 0.25% per (3) month or part there of (Minimum USD 50)
- Guarantee Amendment Commission - 0.25% per (3) month or part there of (Minimum USD 40)
- Guarantee Advising Commission - USD 20
- Guarantee Amendment Advising Commission - USD 15

**Bank Charges for Outward Remittance**

- Account Transfer Within Bank - 0.125% ( Minimum USD )
- Account Transfer to other Local Bank - USD 2(or) EUR 2(or) SGD 2
- Cash Deposit to the Current Account - USD 3(or) EUR 3(or) SGD 3
- Cash Withdrawal - 0.3% on Deposit Amount
- Issuing Payment Order - Equivalent K10,000

**Survey questionnaire of corporate Customer Attitude on International Trade  
payment systems of Myanmar Foreign Trade Bank.**

**FUNCTION (A) ANALYSIS ON SOCIO-DEMOGRAPHIC FACTORS OF RESPONDENTS**

Give Tick “ ✓ ” in the box that best describes you.

1. Gender
  - Male ( )
  - Female ( )
2. Age
  - Under 20 ( )
  - 20-30 ( )
  - 30-40 ( )
  - 40-50 ( )
  - Above 50 ( )
3. Education Background
  - Under Graduate ( )
  - Graduated ( )
  - Master Degree ( )
  - Ph.D ( )
4. Occupation
  - Business Owner ( )
  - Company Staff ( )
  - Management ( )
  - Agent ( )
5. Monthly Income Level of respondents
  - Under 10 Lakhs ( )
  - Above 10 Lakhs to 20 Lakhs ( )
  - Above 20 Lakhs to 30 Lakhs ( )
  - Above 30 Lakhs to 40 Lakhs ( )
  - Above 40 Lakhs ( )
6. Ethnicity (Race)
  - Burma ( )
  - Burma-Chinese ( )
  - Burma-Islam ( )
  - Burma-Indian ( )

- Myanmar Race ( )
  - Others ( )
7. Type of Business
- Agricultural Products ( )
  - Marine Products ( )
  - Forestry Products ( )
  - Diesel & Mogas ( )
  - CMP ( )
  - RBD Palm Oil ( )
  - Machinery and Industry ( )
  - Others usage of products .....

**FUNCTION (B) INTERNATIONAL TRADE PAYMENT SERVICES BY CUSTOMER RESPONDENT**

Give Tick “ ✓ “ in the box that best describes you.

8. How many times do you deal with international trade payment systems of MFTB per month?
- 1-5 ( )
  - 6-10 ( )
  - 11-15 ( )
  - 16 and above ( )
9. Which country did your company make for international payment transactions?
- Asia Countries ( )
  - Europe Countries ( )
  - North/ South America Countries ( )
  - Other Countries ( Please specify) .....
10. Which methods of international payment systems did you use?
- Advance Payment (Cash-in-Advance) ( )
  - Documentary Collections ( )
  - Letter of Credits/ Documentary Credits ( )
  - Open Account (Telegraphic Transfer) ( )
11. I choose and apply the international payment systems of MFTB when I required relation to my knowledge in order to comply with international banking standards and practices. Which reason?
- Import Services ( )
  - Export Services ( )

- Remittances Services ( )
- Guarantee Services ( )
- Other Services ( )

12. Do you use the international payment systems of MFTB and also use the other bank's payment services?

Other Banks	Types of services ( LC/TT)
▪ KBZ	.....
▪ UAB	.....
▪ AGD	.....
▪ MICB	.....
▪ MEB	.....
▪ CB	.....
▪ AYA	.....
▪ Other. (Please Specify)	.....

13. Mostly Used type(s) of Foreign Currencies

- USD ( )
- EUR ( )
- SGD ( )
- CNY ( )
- JPY ( )
- THB ( )

14. Please indicate your perceptions for services of MFTB?

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**FUNCTION(C)CORPORATE CUSTOMER ATTITUD ON INTERNATIONAL TRADE PAYMENT SYSTEMS OF MYANMA FOREIGN TRADE BANK.**

Give Tick ““ ~~on~~ one answer.

(1) Strongly Disagree (2) Disagree (3) Neutral (4) Agree (5) Strongly Agree

Sr. No	BELIEFS COMPONENT	1	2	3	4	5
1	MFTB’s international payment services are more effective than other bank’s services with convenience, trustworthy, and safely.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	MFTB established the correspondent banking relationship in worldwide and can do easily in promotion banking activities for overseas investment and trade integration deeply.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	MFTB’s staffs have more understanding of international commercial practices to explain what you required and well focusing on rules & regulations of other countries too.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	The staff can provide you banking services of international payment transactions as promised which has more experience in international banking services than other banks.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	MFTB has a good reputation in long time experience of 43 years banking services between our correspondent banks and our clients.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	The staffs provide the customers accurate information regarding their business smoothing.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	It is secure to use import trade financing services from MFTB bank.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	It is secure to use export trade financing services from MFTB bank.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9	MFTB’s Exchange Rate is appropriated for customers than other banks’ Exchange Rate.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	MFTB’s International Trade Payment Method (including bank guarantee) are strongly effecting to my export/import business.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Sr. No	FEELINGS COMPONENT	1 2 3 4 5
1	MFTB's staffs can manage the banking operations with quality and efficiency of their banking performance when customer faces the problems/ loss of their business transactions.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
2	MFTB's staffs are providing banking services to customers carefully and they were treated fairly.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
3	MFTB's banking services charges are reasonable price to compare with other local banks' charges.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
4	The staff provide quality customer services and transfers payments within a short period of time.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
5	MFTB's international payment systems are accountability and transparency to everyone who deals with the bank's services.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
6	I feel the MFTB's banking experience of getting my problem resolved was very quickly and satisfactory.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
7	The staffs give the services to customers as being patient, enthusiastic and responsive.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
8	MFTB Bank's Trade financing interest rates is more reasonable and consistent than other banks.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
9	MFTB's international payment services is more secure than other banks as a state-owned bank.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
10	Among the international payment services, MFTB's export/import service and Telegraphic Transfer(TT) service are convinced to use than other banks' services.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

Sr. No	BEHAVIOURS COMPONENT	1 2 3 4 5
1	MFTB's staffs are helping eagerly to customer's business transactions for smoothing their financial activities.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
2	MFTB's pay attention their banking services to customers actively.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
3	MFTB's are providing diversify banking products and services to customers as per the bank's announcements.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
4	MFTB's staffs are well knowledge and fully understanding in international banking services policies and practices.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
5	MFTB's provides the necessary banking advices and suggestions to customers for update information related with commercial payments, foreign exchange, interest rate, and offshore financial market.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
6	MFTB's staffs were polite and helpful for providing banking services to clients.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
7	The waiting time for having the customer's necessary question answered was satisfactory.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
8	Using MFTB's international payment services have no risks because of the banking background.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
9	MFTB's international trade payment information can be easily obtained from its website.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
10	Customers decide to use MFTB's international payment services and trade financing among the other banks due to bank's reputation.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

Thank you for your feedback, I sincerely appreciate your honest opinion -----