



## More Companies Offer Supply Chain Financing to Vendors

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Shipping logjams and strains over inventories are raising the profile of [supply chain finance](#), according to The Wall Street Journal. More companies are offering the tool to their vendors, providing suppliers with faster access to cash and the ability to push back bill payments.

BCR Publishing estimates the corporate supply chain finance market grew last year to \$1.8 trillion globally, up 38% from 2020. The growth signals the growing financial stress in supply chains as companies have sought to replenish inventories even as bottlenecks at ports and components shortages have tied up goods and working capital.

S&P Global Market Intelligence says inventory levels at S&P 500 companies increased 15% during the first quarter from last year, to \$1.13 trillion, as suppliers rushed to keep up with retail and manufacturing orders.

Rising interest rates also drive demand for supply chain finance, as the programs provide suppliers with a relatively cheap source of cash.