



ARC EDUCATIONAL WEBINAR ON AI, TRADE FINANCE AND AFRICAN TRADE, July 2024

Written by Tedd George, Kleos Advisory UK, 22 July 2024

On June 18th ITFA's African Regional Committee (ARC) held the second in this year's series of educational webinars, chaired by the ARC Secretariat, [Tedd George](#). These webinars are aimed at African financial professionals and anyone financing or underwriting trade in Africa and explore topical issues in trade, as well as the basics of trade finance, with insights and learnings drawn from ITFA's network of experts.

The webinar explored one of the hottest topics in tech and the global economy – Artificial Intelligence (AI) – and how it is being adopted across all businesses, including trade finance. Like all new technologies, AI brings it risks and rewards for all sectors of the economy. But for trade finance, which remains document- and paper- heavy, with manually updated spreadsheets, AI could prove the critical tool for unlocking trade finance, especially for SME traders in emerging markets such as Africa.

To discuss these issues and share their insights, we drew on the expertise of [Tim Fitzgerald](#), **KYC Automation Lead at Capco**, and [Saurabh Goyal](#), **Founder & CEO, Phlo Systems Ltd**. Tim is a leading expert in data analytics, AI and their application to modern business and finance, notably KYC processes, while Saurabh is a veteran of trade finance digitalisation, having developed Phlo Systems' digital platform for managing trade finance documentation and payment processes.

Tedd opened the webinar with a presentation entitled 'How AI is transforming trade finance and how African traders could benefit'. This covered the basics of what we mean by Machine Learning and AI, as well as its emergence as a mainstream technology. Tedd explored how AI can speed up business processes, reduce the administrative burden and free up professionals to focus on the high-level work they do best. But there are huge dangers to adopting AI, from removing entry-level jobs (where will we get our future experts from?) to the uncertainties of 'hallucinated data'. Great if you want an executive summary of a report, disastrous if you are looking for legal precedents (warning: if an AI can't find what you're looking for, it will make it up!)

Tedd's presentation was followed by a fireside chat with Tim Fitzgerald where they unpacked the broader themes of AI and how it is impacting business. Tim explained how AI's ability to be plugged on top of existing processes, such as KYC onboarding, fraud detection and financial performance monitoring, is transforming the way software is being designed and how it is used by financial professionals. Regarding generative AI, Tim made the point that this kind of AI is very different from the search engines we use every day because each time you ask gen-AI a question it will produce a different answer. This is great for generating new content, but risky if you're looking for factual accuracy.

Next up, Saurabh gave a short case study from the real world of trade finance, showing how he used ChatGPT to calculate the P/L for a recent trade finance deal using nothing more than trade documentation and questions. The key to this process is that once you have finished, before signing off, you ask ChatGPT to write you a prompt so you can use the same process for a future deal, cutting the work from an hour to just a



few minutes. This case study powerfully demonstrated how AI can enable businesses, especially under-resourced SMEs, to build bespoke business tools without the need for expensive software.

The webinar finished with a three-way discussion between Tedd, Tim and Saurabh, tying together the threads on AI and its impact on business processes. On the question of data security, Saurabh noted that OpenAI's current models do not retain users' data after each session, but both speakers admitted they did not trust OpenAI or its owners on the question of data privacy which remains a major risk when using generative AI.

If you were unable to attend this webinar, or would like to watch it again, the recording is available [here](#) on the members area of the ITFA website, along with recordings of the eight previous webinars in the series, with topics ranging from sustainable trade finance, trade finance instruments and insurance to a discussion on what makes a good deal.

Look out for upcoming webinars in the series after the summer. And if you have suggestions for topics to cover, please let us know.