



THE SILENT CRISIS: UNDERSTANDING THE EXPERTISE GAP IN GLOBAL TRADE FINANCE OPERATIONS, May 2025

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While the \$2.5 trillion trade finance gap, the chasm between financing requests and approvals for global trade impacting small and medium-sized businesses (SMEs) the world over, has dominated industry discourse in recent years, an equivalent crisis looms and threatens to destabilize the foundations of the sector itself: **the expertise gap**.

This structural deficit, characterized by a constant exodus of seasoned professionals in trade finance operations and a critical shortage of new recruits, represents not merely a workforce challenge but a systemic risk to the machinery of international commerce.

Unlike the well-documented financing shortfall, which disproportionately impacts SMEs (45% of whose applications face rejection versus 20% for multinationals), the expertise gap jeopardizes the very institutions tasked with bridging financial divides across the board.

We've previously touched upon this risk in our previous article [“Overwhelmed and Understaffed: TBML Compliance in a Time of Expertise Shortage”](#) and how it delivers a double-blow to financial institutions in a time when they are facing heightened scrutiny and expectations.

In this article we look deeper into the drivers of the gap, its impacts on the sector, and potential solutions on the short, mid and long term.

At its core, the expertise gap reflects a dual collapse: **26% of trade finance professionals are nearing retirement age**, while fewer than 15% of global banks report success in attracting early-career folks to replace them.

This imbalance has created a vacuum in institutional knowledge, particularly in complex areas like documentary credit practices, UCP 600 interpretation, and sanctions compliance - skills that typically require 2 to 3 years of hands-on experience to fully master.

The consequences are already measurable: 64% of banks cite staff unfamiliarity with trade products as a barrier to servicing client needs, while 54% struggle with compliance-related delays due to knowledge gaps in anti-money laundering (AML) protocols.

What makes this crisis uniquely perilous is its self-reinforcing nature. As specialists retire, they take with them decades of knowledge about 'all things' letters of credit, structuring, supply chain finance, and navigation of geopolitical trade risks, **expertise rarely captured in procedural manuals or automated systems**.

Critically, in addition to this deep experience and expertise, they also take with them relationships with clients which are very hard to replace. Trade finance is both relationship-driven and transactional - meaning experts in trade finance operations shops at banks have long-nurtured positive relationships with people in treasury, doc prep and payments teams at corporates, where decisions are taken at an operations level not by CFOs or treasurers.

Meanwhile, the sector's negative perception among younger professionals, coupled with the near-absence of trade finance curricula in universities, ensures few entrants arrive equipped to fill these roles. The result is a



dangerous asymmetry: while global merchandise trade volumes rebounded post COVID and are reaching record levels, the human capital required to finance and secure these flows is contracting.

This expertise deficit compounds the existing trade finance gap in unexpected ways. Banks facing staff shortages increasingly retreat to "safer" transactions with large corporates, exacerbating the \$1.7 trillion financing shortfall for SMEs. Meanwhile, the sector's ability to implement digital solutions is hampered by a lack of professionals fluent in both legacy systems and emerging technologies like AI automation trade platforms.

Unlike cyclical financing gaps, which respond to macroeconomic interventions, this human capital crisis threatens to permanently constrain trade capacity unless addressed with equal urgency.

How did we get here?

At the heart of the problem is a demographic time bomb. Over a quarter of trade finance professionals are now aged 55 or older, with retirement on the near horizon, and fewer than 15% of institutions report success in attracting early-career talent.

While unintended, this imbalance is not fortuitous; it is the result of decades of structural inertia.

The industry has long relied on a stable cohort of highly experienced specialists, with 72% of professionals remaining in trade finance roles for more than a decade. While this has fostered deep expertise, it has also created a closed ecosystem with few entry points for newcomers.

As these specialists delay retirement—pushing the average exit age ever higher—they inadvertently block knowledge transfer pathways and become increasingly disconnected from the digital-native practices reshaping global commerce.

Another significant driver of this gap has been the widespread adoption of offshoring and outsourcing strategies by large banks. In pursuit of cost efficiencies, many institutions shifted core operational roles—such as document checkers and transaction processors—from high-cost financial centers like New York or London to lower-cost locations, first within their own countries and then to global hubs in South and Southeast Asia.

While this approach succeeded in reducing expenses, it inadvertently hollowed out local and regional talent pools. Mid-tier and smaller banks, lacking the scale to offshore, found themselves unable to recruit experienced staff, as the traditional pipeline of entry-level "apprentices" and mid-career professionals had diminished.

Even within offshore hubs, banks started facing new challenges: while there was an abundance of entry-level talent, the development of seasoned, top-tier professionals lagged, and high turnover rates became the norm as employees frequently moved between institutions. The result is a fragmented ecosystem where both global and regional players struggle to find and retain the expertise needed to sustain robust trade finance operations.

Compounding the issue is a glaring educational void. Trade finance remains largely invisible within academic circles: only 9% of global universities offer relevant coursework, relegating the discipline to on-the-job training.

The consequences are clear. Nearly seven in ten graduates report zero exposure to trade finance concepts during their studies, and 83% of early-career professionals only enter the field by chance, often through rotational programmes at large financial institutions.

This lack of visibility stands in stark contrast to the sector's economic impact, facilitating over \$25 trillion in global merchandise trade; yet trade finance remains absent from most career counseling frameworks.



Looking at the other side of the issue, hiring practices within the industry further exacerbate the problem. Recent analysis of job postings reveals a stark imbalance: 61% of available roles are for senior professionals with over a decade of experience, while just 11% target entry-level candidates.

This “missing middle” forces institutions to a predatory practice of poaching mid-level talent from competitors rather than cultivating their own pipelines, with more than half of banks relying solely on internal promotions. The result is a 37% decline in trade-specific skill acquisition among new hires over the past five years.

If all of this was not enough, the sector faces a perception crisis, failing to update itself against the “sexier” investment banking or complex deal structuring areas. Despite the sector offering 22% higher starting salaries than corporate banking, opportunities for three times faster promotion timelines, and global mobility, trade finance battles entrenched stereotypes.

Two-thirds of millennials associate the field with paperwork and outdated technology. This disconnect persists despite the reality that 82% of young professionals report high job satisfaction once they enter the industry, exposing a critical marketing failure.

Finally, regulatory headwinds and rapid technological change have created a compliance-knowledge double bind. Modern trade desks now require fluency in UCP 600, digital letter of credit platforms, and AI-driven document checking and sanctions screening tools.

Yet, 58% of institutions provide less than ten hours of upskilling per year, while nearly three-quarters of veteran staff resist adopting digital workflows. **Each retiring specialist takes with them seven to ten years of unrecoverable institutional knowledge, compounding the skills erosion annually.**

The convergence of these factors creates an existential risk for the industry. Without urgent intervention, the sector could face a 43% reduction in qualified practitioners by 2030, jeopardizing its ability to support the global trade systems on which the world economy depends.

The way out of the crisis

To reverse the negative trend of the expertise gap in trade finance, the industry must move decisively from discussion to action, focusing on both immediate and long-term strategies that address the root causes of the crisis while building systems to transfer institutional wisdom and avoid the loss of knowledge before senior employees retire.

No organization would like to find itself having to face the loss of decades of accumulated insight, technical expertise, and practical know-how, knowledge that is not captured in manuals or digital systems but is second nature to experienced professionals. This is why an immediate action financial institutions must take is implementing structured knowledge transfer programmes.

By establishing formal mechanisms, including comprehensive documentation, mentoring, coaching, and shadowing between senior and junior talent, institutions can ensure that critical skills and institutional memory are passed on to newcomers, safeguarding operational continuity and maintaining high standards of client service.

These programmes not only benefit the organization but also encourage engagement and motivation among both retiring and incoming staff. Senior employees, when involved in mentoring or coaching roles, feel valued



for their contributions and are given the opportunity to leave a lasting legacy, while junior staff gain hands-on exposure to complex trade finance scenarios and best practices.

On a longer-term outlook, another key initiative for this transformation is **bridging the gap between education and industry**. As highlighted by recent research, 'workforce stabilisation and optimisation' is now recognized as one of the top trade finance trends, emphasizing that the sector must not only prevent the labour gap from widening but also actively promote initiatives that build a resilient and future-ready workforce.

Employers bear primary responsibility for addressing this gap. As mentioned before, market research consistently shows a severe lack of junior roles and structured pathways for new entrants, even as more senior positions remain abundant.

A critical first step is increasing the number of job opportunities available for school and college leavers, interns, and graduates. Without these entry points, the industry cannot expect to attract or develop the next generation of trade finance professionals, regardless of how appealing the sector might appear to young talent.

For developing these junior roles, businesses should invest in robust trade finance education and training programmes. Recognized certifications such as CDCS, CITF, and CTFP not only validate expertise but also help standardize knowledge across organizations.

In addition, they should actively support and partner with external organizations that already have initiatives in motion such as the [ITFA Martin Ashurst Mentorship Programme](#) and [BAFT's Future Leaders Program](#). Not only by encouraging their early-career members to participate, but also their senior talent to lend their time and expertise to these programmes.

Beyond this "traditional" training as a way to replace a retiring workforce, banks and other financial institutions must recognize the strategic advantages of employing young professionals: they bring digital skillsets, fresh perspectives, and the potential to drive innovation within the sector.

The industry must prioritize junior development, not just for succession planning but to tap into the digital fluency of younger generations. The neglect of new joiners means missing out on creative, tech-driven solutions to persistent industry challenges. By engaging young professionals and increasing graduate or intern intake, trade finance can harness new ideas and approaches that may help solve longstanding problems in the sector.

Essentially, institutions must shift their view of newcomers from seeing them as merely fillers of vacant roles to recognizing them as catalysts for modernization and innovation within the current status quo.

Digitalization and new technologies are not only reshaping trade finance but can also facilitate knowledge transfer and bridge skill gaps. New generations possess a native fluency with digital tools, which can accelerate onboarding processes. Tech platforms can serve dual purposes: distributing knowledge through videos, webinars, and multimedia courses, while also functioning as training tools themselves.

Our [TradeSpeed platform](#) exemplifies this dual functionality, as its high-quality Discrepancy Wordings for document checking have proven valuable in training newcomers to examine trade documents more effectively while actually delivering on tasks and responsibilities.

Finally, bankers might not think of themselves as marketers, but targeted outreach and storytelling will be a vital part of solving the crisis. The industry must reshape its image among young professionals, focusing on how trade finance aligns with their career aspirations such as global exposure, professional growth, and making a tangible impact, rather than relying on traditional, fact-based messaging.



Leveraging new digital media platforms and collaborating with universities that serve diverse student populations, can help attract a broader range of talent and foster the diversity needed for sustainable industry growth.

Just as 'Top Gun' and 'Wall Street' glamorized the US Air Force and stocks and shares trading in the 1980s, Trade Finance needs compelling narratives that highlight its exciting potential and numerous benefits. The industry must create better stories about what it means to be part of this field to enhance its appeal and attract new people.

In summary, closing the expertise gap in trade finance demands a coordinated, multi-pronged approach: expanding entry-level opportunities, investing in education and upskilling, embracing digital transformation, and marketing the sector in ways that resonate with the next generation. Only by taking these steps can the industry secure its future and continue to play a pivotal role in global commerce.
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