



## EXCLUSIVE: DEUTSCHE BANK'S ATUL JAIN ON WHERE TRADE FINANCE IS REALLY HEADED, September 2025

Interview contributed by **Shannon Manders**, ITFA Consultant

*In this exclusive ITFA interview, Atul Jain, Global Co-Head of Trade Finance and Lending at Deutsche Bank, shares his views on the steady reshaping of trade corridors, the evolving nature of client risk, the reality behind ESG uptake, and why the industry's biggest tech opportunity lies in unlocking the value of data already at hand.*

**Q: Without getting into the specifics of tariffs – they're changing too quickly – are you seeing any real-world impact on trade based on recent trends? What's showing up on your side?**

**Atul Jain:** We're having to deploy ballerina-like agility right now, with how quickly things are shifting. But amidst the volatility, there are some structural themes that remain consistently growing: digitisation and services, renewables and core infrastructure, social housing, semiconductors, and so on. We're anchoring our strategy around these 'no-regret' moves and helping our clients do the same. There's a real risk of uncertainty-related paralysis, so we're working closely with corporates to help them avoid that.

Interestingly, this has actually made trade more relevant at the C-suite and board level. Conversations with CFOs and treasurers have shifted; they're now much more strategic as companies ask for advice and ideas to navigate this environment. Pre-Covid, even pre-2017, when the macro backdrop was more benign and money was effectively free, their focus was on speed and cost. Now it's about strategic direction and partnership, and that's where we're really engaging powerfully.

**Q: Are you seeing meaningful shifts in trade corridors, for example, increased flows out of Asia or ASEAN, and less trade with the US, or is it still a case of wait and see?**

**Jain:** We're seeing shifts, but they're subtle and steady, not overnight transformations. Governments are operating with more self-interest, defining trade strategies based on what works for them, especially in strategic sectors such as semiconductors, defence, and critical minerals.

What we're really seeing is not de-globalisation, but re-globalisation: a re-routing of trade, not a rollback. The corridors gaining momentum are those linked to markets adopting a more pragmatic, trade-first approach – putting economic opportunity ahead of ideology – places such as China, ASEAN, India, and the Middle East.

From where I sit in Singapore, ASEAN is a great example. These are a set of politically diverse countries, but they work closely together because of their economic complementarity – LNG, autos, electronics, rare earths – and mutual benefit. The Middle East is doing something similar, building ties across China, India, the US, Europe, and Turkey, all grounded in practical cooperation.

That said, trade moves like a tanker. It turns slowly. We're not going to see dramatic shifts in six months, but if you compare today to 10 years ago, corridors look very different. So, while the pace might feel gradual, the direction is clear. It's not about big winners or losers, it's about a broad, more pragmatic rebalancing.



**Q: How are you factoring all these changes into the bank's trade finance strategy and risk assessments?**

**Jain:** For us, risk management really starts with client selection. It's about who we want to partner with, who aligns with our values, and who genuinely benefits from our services. That client-first mindset underpins everything else.

Then we layer on solutions that make sense. What helps is that we operate in a very integrated way across trade finance, lending, payments, FX, and hedging. We're a relatively nimble group, and most of us at a senior level have worked across different parts of the bank. So, when a client needs, say, RMB-based solutions into Brazil, we're able to quickly connect the dots between the onshore and offshore teams across cross-border payments, financing, and swaps without getting bogged down in internal silos. That holistic view gives us a much better read on client activity and risk and provides them a much more comprehensive offering.

One area we've made big strides in is how we use our data. Because of how connected we are, we sit on a lot of information around suppliers, liquidity, payments, and distribution. That helps us assess risk more intelligently and bring in the right partners, including multilaterals and development finance institutions, when a client's exposure goes beyond our risk appetite.

The next step, which we're just starting to explore, is using that data more proactively. For example, spotting patterns like inconsistent payment timing or new supplier links and offering solutions clients haven't even asked for yet. That's where the real opportunity lies. And honestly, you don't need AI to do it. Just thoughtful use of data, structured properly, can unlock a lot.

While traditional risk assessment starts with the client and internal coordination, the exciting part is being able to use those insights to create opportunity and build even greater confidence with clients, even and particularly in a complex environment.

**Q: As companies diversify their sourcing, are you seeing a resurgence in demand for traditional trade finance instruments to help manage risk in new or unfamiliar markets?**

**Jain:** Absolutely, yes. And we'd love to see even more of it. From around 2000 to 2020, we saw strong growth in open account trade, but that has been shifting, wherein we've seen a clear resurgence in traditional trade instruments like letters of credit, standbys, and guarantees, particularly in emerging and frontier markets. These tools are foundational for risk mitigation, especially as companies enter new markets and set up new trading relationships.

Our ability to operate in higher-risk geographies, combined with our strong partner bank networks and consistent delivery, has driven meaningful growth in this space.

Companies are holding more inventory, localising sourcing, increasing visibility, and building more flexible manufacturing setups. That has also pushed demand for liquidity solutions across payables and receivables finance. We're well positioned to support this with integrated platforms that bring together financing, payments, FX, and embedded KPIs, including around sustainability.

Where we haven't seen a big breakthrough yet is inventory finance. It has been talked about for a while, but the legal, tax, and accounting complexities, coupled with broader uncertainty, have made it challenging to execute and relegated to a few sectors and large clients.



**Q: De-dollarisation is getting a lot of attention, but are you actually seeing more trade being settled in RMB or other non-USD currencies? Is it playing out in practice, or more talk than action?**

**Jain:** We're seeing a clear shift in the market towards greater use of non-USD currencies, and RMB is leading that trend. The increase in RMB-denominated payments is part of a broader, sustained move, particularly for cross-border trade involving China. In fact, RMB has become one of the top currencies used for international payments, and it's now more commonly used in China's own cross-border flows than the dollar, which is a notable development.

There are a few drivers behind this. Interest rate differentials make RMB financing more attractive, and we've seen more cross-border financing and swap structures being built around that. Whether this shift is truly about de-dollarisation or simply driven by commercial efficiency is harder to pinpoint, but the demand for RMB in trade is clearly rising.

It's also important not to overlook the euro. It depends on Europe becoming a more attractive destination for global capital, building deeper capital markets, improving security, and reducing political fragmentation, each a major challenge on its own that will take time – but European policymakers have made the overall objective here clear.

Looking beyond the euro, we're also seeing more trade settled in local Asian currencies such as the Malaysian ringgit, Indonesian rupiah, and Indian rupee. Global corporates are growing more comfortable financing in these currencies. From a treasury perspective, many now have enough scale and liquidity in local markets to fund operations directly, without routing everything back to a regional centre in dollars.

But overall, what we're seeing is less about a geopolitical push and more about the growing sophistication of global corporates. As their businesses mature in these markets, their ability to operate in local currency naturally increases, and that's driving a steady diversification away from the dollar.

**Q: Deutsche Bank offers a suite of sustainability-linked trade finance tools, but with ESG under political pressure in some markets, how strong is the actual client appetite? Are you seeing real uptake in deals, or is it still more intention than execution?**

**Jain:** This topic is often subject to intense debate, while in reality the need is both clear and structural. The global energy transition and sustainable infrastructure build-out will require significant multi-decade financing, and banks will have to play a major role alongside governments, corporates, and capital markets. So, for us, supporting this isn't optional. It's central to how we define and deliver our financing strategy.

That said, the mix of activity matters. We're seeing much stronger momentum in capex and project finance – things like battery storage, recycling, EVs, rare earths, social housing, and food security. These are large, complex projects where ESG is embedded in the commercial strategy.

Where growth has been more muted of late is on the transactional side – sustainability-linked supply chain finance for example. The interest is there, but in today's climate of higher rates and volatility these projects have struggled to gain traction. Not because interest is fading, but because it has become more challenging to make the economics work.

Standards also play a role here, particularly in the EU and the US. In the EU, certain incoming supply chain-related due diligence requirements create uncertainty while, in the US, we've heard from some corporates that the cost-benefit of additional financial disclosure requirements often do not justify the effort.



In general, it's not the principle of ESG or these standards themselves that are the barrier, but rather the operational lift – the data gathering, the reporting, the coordination between procurement, treasury, and finance – that adds complexity and administrative burden and, in periods of heightened uncertainty, leads to being challenged.

**Q: We can't talk about trade finance without touching on technology. Given everything that's happened with digitisation over the past few years, where do you see the biggest opportunity now? Is it automation, better use of data, improved transparency, risk management, or something else altogether?**

**Jain:** I'm probably a bit contrarian here, but I still think there's a lot more talk than actual transformation when it comes to tech in trade finance. It's still a heavily paper-based business globally, and that's largely because a typical trade involves a dozen or more counterparties. That makes end-to-end cross-border digitisation incredibly difficult, since it requires coordination and adoption across the entire chain.

Most banks, including ours, have focused on what's within our control – automating back-end processes like document checking and digital compliance. That's important, but it's still just the start. The real potential is much bigger.

For example, ESG track-and-trace tools could be transformative. They can bring real transparency and provenance to sustainability claims whilst reducing the associated operational burden. There's also huge potential in using data for behaviour-based credit decisioning – figuring out how to underwrite suppliers without always relying on anchor buyers or traditional credit scores.

And then there's the longer-term vision around tokenisation and fractionalised trade assets, which could open the door for more institutional and even retail investors. That's especially relevant in underserved regions like Sub-Saharan Africa or parts of Asia, where the trade finance gap remains massive.

To unlock these opportunities, banks must increasingly treat technology as foundational to everything they do – which necessitates a massive shift in mindset and culture.

And where I do see real, immediate opportunity is then in using the data we already have, not just for passive risk management, but to actively create solutions for clients. We sit on so much information: credit and non-credit signals, payment patterns, liquidity positions, FX flows, beneficiary ownership, even operational changes like signatory updates. All of that can be used to spot risks and opportunities early.

For example, if a client is overexposed to one distributor, we could proactively suggest alternatives and offer financing for diversification. If they're establishing new supply relationships in a frontier market, we could bring in insurance-backed solutions. Or if they have working capital mismatches tied to a long-term capex build, we can help them bring forward liquidity to smooth the curve.

This is where I see real potential, in being more proactive. Using data to anticipate client needs and deliver targeted, intelligent solutions is the most actionable and impactful opportunity we have right now. In a period of volatility and uncertainty, that kind of insight gives clients real confidence. And that, in the end, is what makes the difference.