LEADERSHIP PERSPECTIVES: SENIOR EXPERTS ON THE FUTURE OF TRADE FINANCE, September 2025

*Contributed by **Silvia Andreoletti**, Reporter at Trade Finance Global*

- **Trade finance is moving away from traditional credit risks towards non-financial risks.**
- **Digitisation and AI adoption are now key differentiators for banks, though concerns remain around fraud, security, and uneven technology uptake.**
- **Africa is emerging as a critical growth hub, but ESG strategies must reflect its unique needs.**

As global trade has been making headlines this past year, everyone has declared themselves an armchair expert in international shipping routes, tariffs, and commodity prices. However, it's rare to get a chance to hear from someone who not only sees where global trade is heading but is actually leading it there.

At the 51st Annual International Trade and Forfaiting Association's (ITFA) Conference in Singapore, Trade Finance Global (TFG) heard from five global trade experts on the future of global trade, from digitisation to environment, social, governance (ESG) to trade corridors. Here's what we learned during the panel titled: 'Leadership perspectives: Senior experts on the future of trade finance'.

The biggest changes are not (just) what you think

Trade finance has undergone some monumental shifts in the past 15 years; from the way goods move around the world to the technology used to manage them. The biggest change banks have seen, however, was the complete upset of the traditional risk hierarchy.

A decade ago, the top risk banks were concerned about was credit risk, closely followed by operational risk. Now, non-financial risk – once a much more minor concern – has become a top priority, also thanks to an increased uptake in technology intended to reduce transaction costs.

Digitisation presents its own challenges, with clients now choosing their banks also based on their platform and, increasingly, the level of artificial intelligence (AI) adoption. "For the first time, in a very serious way, many banks have started thinking about process optimisation. At this point in time, the process efficiency of the bank has clearly become the differentiating factor," said Anand Jha, Managing Director and Global Head Financial Institutions at Deutsche Bank.

While digitisation is often lauded for increasing the safety of trade finance transactions, "a trade document like a certification of origin doesn't become safe just because you put a QR code on it," said Patrik Zekkar, CEO of Enigio. The technology for digitalising trade documents will need to be more solid than just being easy to trace and verify, even though that is safer than paper. The risk of fraud may inherently increase with increased value in manipulating goods' origin to avoid increases in tolls and tariffs, for example.

Another significant shift, especially in regions with a fast-growing export industry like Africa, involves the currencies used in international trade. The US dollar has been the global currency de rigeur for nearly a century now; however, its scarcity on the African continent, as well as the region's increasing payments integration, may render the dollar much less crucial in the years to come.

2008 called, it wants its risk profile back

It's not just the types of risks that are changing, but the overall environment as well. Increasing political and geopolitical uncertainty – especially around tariffs and regional conflict – means banks "are having old-school risk and resiliency conversations that had not been a topic since 2008," said Natasha Condon, Global Head of Trade Sales at J.P. Morgan.

Uncertainty about technological developments and the vertiginous rise of AI, which might (or might not) fundamentally change the way firms do business forever, is further complicating decision-making for banks and corporates. Together with regulatory uncertainty, especially around tariffs and trade barriers, which are rising around the world, these changes are destabilising firms but leaving them almost paralysed, unsure of what the next best step is in a constantly changing environment.

"Trade is a flow; it is like water. It will flow through the path of least resistance in the end. But I'm not seeing a lot of sudden moves from corporates yet, and part of that is because there is not yet certainty about what the long-term trade policy is going to be," said Condon.

Technology is more than just innovation

Amid the increasing uncertainty – and COVID-era shortages making just-in-time strategies a thing of the distant past – inventory management is becoming a priority for firms, and banks are following suit. Even where supply chains themselves have stayed the same, the procurement journey and strategy have changed, leading to an increasing demand for innovative inventory management and financing solutions.

In terms of demand, banks are also seeing technology shift from a premium add-on to something "all encompassing [now] everything is tech driven," said Surath Sengupta, Head of Transaction Banking Products at Lloyds. This means that banks are considering trade finance products and their technology in the same breath, taking into account clients' experience with technology and its compatibility with their existing systems.

However, not everyone is quite embracing all new technology with open arms. Some smaller corporates are lagging behind in technology adoption, especially when it comes to solutions improving security and transparency.

To increase adoption across the board, technology platforms need to make their product "accessible, simple, and also, of course, affordable," said Zekkar. Sometimes, awareness of new technology is an issue in and of itself, with big banks wary of changing established processes and smaller firms ill-informed about recent innovations and how they can help them.

When it comes to electronic trade documents, the panellists reminded us that we are only at the start of the journey. Recent initiatives to convert documentary credits from paper to digital have largely involved replicating the traditional format electronically. While this approach has accelerated the adoption of electronic trade documents and significantly reduced transaction times through removing the requirement to courier documents between counterparties, the next leap in bank-side efficiency lies ahead.

Sengupta noted, "When you switch from mirroring paper-based transactions to structured digital transactions, where you're only moving data… that's when the dial really starts to shift."

Africa is the next frontier

In almost all aspects of trade finance – digitisation, innovation, shifting supply chains – Africa came up again and again as the fastest-growing player in global trade. However, despite the large potential (and relative ease) of regional trade, intra-African trade is only about 15%, much of it focused around South Africa.

A booming agri-food and raw materials industry – the latter bolstered by the increasing global demand for critical minerals – could make Africa an economic superpower in the near future, especially if investment comes from within the continent. "[In Africa] there is all the capacity and all the possibility. This is not a charity business anymore; this is becoming a key business for investment," said Thierry Hebraud, CEO of Mauritius Commercial Bank.

Africa is quite literally a new frontier, as global banks have little knowledge of national players and local risks. However, the region has developed its own strong banking ecosystem, making it easy for large banks to partner with local institutions to cater to the market's requirements in record time.

ESG isn't one-size-fits-all

Africa is also its own special case in discussions of ESG and the green transition. Because it is still far less industrialised than most other continents, Africa is only responsible for about 4% of global greenhouse gas emissions despite housing nearly 20% of the world's population.

To accelerate economic development and increase living standards, Africa direly needs energy, which is most easily (and cheaply) found in gas and oil rather than in renewables. "If we consider ESG as it is right now, exclusively in the prism of climate, we will miss the agenda for Africa," said Hebraud. Instead, ESG projects in the region must also consider actors like healthcare, sanitation, and education – the much-forgotten S and G of the acronym.

SMEs also require a tailored approach to ESG, especially when it comes to green financing. SMEs, especially in developing economies like many African countries, need guidance on how to navigate the changing ESG regulations in many of the countries they export to, such as the EU's Carbon Border Adjustment Mechanism (CBAM).

ESG-linked products, too, must be easy to use and provide clear benefits, and SMEs must get adequate support to monitor and report their environmental impact correctly.

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Overall, trade finance's biggest players are optimistic about the future of the industry and are especially positive about the impact of the work they do, which, when it goes well, impacts global development for good.

"If you are a salesperson, you are sitting in front of clients structuring solutions for the uncertain world that they are operating in," said Sengupta. "You have to understand the complexities of that world, discuss them with your clients, and come up with solutions for them. What could be more attractive to a young graduate than working in such a beautiful world of trade finance?"

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