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Trade Rewired: Balancing Resilience, Cost and Growth in a Changing Global Landscape

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10 November 2026: The model that historically shaped international trade and global supply chains is being rewritten. Global trade is being rewired by a combination of powerful forces, including shifting trade corridors, geopolitical fragmentation and rapid digitisation.

These developments are reshaping not only where trade takes place, but also who participates in global supply chains and how trade is conducted.

Trade corridors have been evolving for several years because of recurring supply chain disruptions. The Covid-19 pandemic, global logistics bottlenecks such as the blockage of the Suez Canal by the Ever Given, the Russia-Ukraine conflict and disruptions in key maritime routes have exposed vulnerabilities within global supply chains. In response, companies have reassessed geographic concentrations, supplier dependencies and customer exposures, seeking greater diversification and flexibility in their trading relationships.

At the same time, the continued economic rise of Asia, the Middle East, Africa and other developing economies has accelerated the growth of South-South trade. According to United Nations Trade and Development (UNCTAD), South-South trade has increased from approximately 10% of global merchandise trade in 1995 to around 28% in 2025.

Governments have also actively influenced trade patterns through industrial policy measures, including tariffs, non-tariff barriers and targeted support for strategic sectors. Industries such as oil & gas, electric vehicles, renewable energy, logistics, data centers, rare earth minerals, semiconductors, pharmaceuticals and advanced manufacturing have become increasingly important from both an economic and national security perspective. Significant private sector investment has followed suit and demonstrates how industrial policy and commercial capital are collectively reshaping global supply chains. The cumulative effect is a reconfiguration of both trade flows and competitive dynamics across industries and regions.

In the African context, the African Continental Free Trade Area (AfCFTA), alongside investment in fuel refining in Nigeria, investments in logistics and logistics corridors across East Africa, Angola and South Africa, renewable energy in South Africa, automotive manufacturing in South Africa & Morocco, fertilizer manufacturing in Ethiopia; copper, cobalt and critical minerals in DRC & Zambia are good examples in this regard.



Geopolitical fragmentation has further accelerated this shift. Trade and investment decisions are increasingly influenced by political alignment, sanctions regimes and strategic economic considerations rather than pure economic efficiency. While the US Dollar remains the dominant currency for trade settlements, changes in settlement currencies also reflect shifts in global trade, with Renminbi settlement now accounting for approximately 35% of China's International trade flows – a 15-percentage point increase from 2021.

Simultaneously, digitisation is reducing friction in international trade through electronic documentation, digital trade platforms, fintech-enabled access to trade finance, alternate payment and settlement infrastructure such as the China Interbank Payment System (CIPS), the promotion of interoperable market infrastructure and the growing use of artificial intelligence and automation across financial institutions and supply chains. Unlike geopolitical fragmentation, which influences where trade occurs, digitisation is transforming how trade happens.

Trade is therefore being rewired in multiple dimensions. The direction of trade is changing, participants in global supply chains are evolving, industrial policy is influencing where goods are produced, geopolitical factors are shaping trading relationships, and digital technologies are redefining how transactions are executed.

As global trade flows continue to evolve, companies must consider how best to position themselves for success in this new environment.

Historically, supply chains have prioritised efficiency, cost optimisation, supply continuity, just-in-time inventory management, concentrated sourcing arrangements and lean operating models anchored in predictable trade corridors. Similarly, treasury functions have focused on optimising cash flow management, working capital, risk management, yield enhancement and capital structure.

While the fundamental objectives of supply chain and finance functions remain unchanged, today's trade environment requires organisations to become more agile, flexible and proactive. There is now a heightened focus on resilience, risk management and working capital optimisation as companies adapt to a more uncertain and dynamic operating environment.

As trade corridors evolve, companies are increasingly challenged to strike the optimal balance between three competing priorities resilience, cost and growth. Greater resilience often increases costs; increased growth consumes working capital and lower cost supply chains may promote supplier concentration.

Resilience

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The changing nature of global trade requires organisations to build greater resilience in their operating models. This may involve sourcing from new suppliers, entering new markets, developing alternative logistics routes, diversifying supply chains and navigating unfamiliar regulatory and commercial environments. This requires companies to obtain market intelligence and manage a host of new risks such as performance risk and various transit and insurable logistics risks.

Cost

Although companies naturally seek to minimise costs, this is not always achievable during periods of significant supply chain disruption and market volatility. In many cases, businesses prioritise security of supply and business continuity, even if this results in higher short-term costs. These cost increases often place additional pressure on working capital requirements.

Growth

While changing trade corridors create challenges, they also present significant opportunities. Companies that successfully identify new markets, customers and supply chain opportunities can unlock meaningful growth. In unlocking opportunities to enter new markets, companies would need to manage new counterparty payment risks.

The impact on working capital should also not be underestimated as customer payment terms are often a source of competitive advantage (especially for new relationships), but equally a significant drain on company cash flows and working capital.

Trade finance solutions such as guarantees, letters of credit, receivables finance and working capital funding play an important role in supporting this growth agenda.

As trade continues to be rewired, businesses will increasingly need to balance resilience, cost and growth while navigating a more complex and interconnected global environment. Organisations that can adapt quickly, diversify intelligently and leverage the right financial and risk management tools will be best positioned to capture emerging opportunities. In this environment, companies require the support of financial institutions to assist in navigating these challenges and capture market opportunities.

In this regard, we are well placed to partner and support clients through:

- Insight into changing trade patterns, local market knowledge & expertise and access to trade opportunities across 21 African markets, key trade corridors, international hubs in London, Beijing, Dubai and New York and a broad correspondent banking network across the world.
- Risk Management Solutions to assist in managing payment risk & performance risk, as well as a variety of market risks such as exchange rate risk, commodity price risk and interest rate risk.
- Solutions to assist with short-term financing to support growth and optimize working capital cycles.



- Structured trade solutions to meet specific client needs in line with changing trade patterns and market developments.

Ultimately, the businesses that thrive in the next chapter of global trade will not necessarily be those with the lowest costs or the largest scale, but those that can adapt most effectively to change. As trade corridors, supply chains and technologies continue to evolve, success will depend on an organisation's ability to balance resilience, cost and growth while remaining agile in the face of uncertainty.
For companies prepared to embrace this new reality, the rewiring of global trade presents not only challenges to navigate, but also significant opportunities to unlock.

Ends.