

# Making trade and AI work together to the benefit of all

ADB-World Bank Trade Forum

---

Economic Research and Statistics Division  
WTO Secretariat

Disclaimer: The opinions expressed in this paper are those of the authors. They do not represent the positions or opinions of the WTO or its Members and are without prejudice to Members' rights and obligations under the WTO. Any errors are attributable to the presenter.



# AI can boost productivity growth varying by sector and country based on tasks automated

We expect a reallocation of tasks from labour to artificial intelligence (AI) generating productivity growth varying by sector and country

The starting point are projections on average AI related US productivity growth (Aghion and Bunel, 2024) which are varied by occupation, based on an index of AI occupation exposure (AIOE) (Felten et al.),

The occupation-based productivity growth is mapped to economic sectors segmented by skill levels across countries, using ILO data on occupation shares

Finally, productivity growth is expected to vary with digital infrastructure (measured based on data in the the IMF AI Preparedness Index (AIPI))

# AI is expected to reduce trade costs through various channels

## **Reduction in compliance costs**

*Based on the ICC-WTO joint business survey of AI potential, documentary compliance scores fall by 30%*

## **Improvement in contract enforcement processes**

*AI solutions can accelerate the timeline of commercial disputes by 5 percent*

## **Facilitating the translation of written and spoken communication through machine learning (“common official language”, COL).**

*Based on ICC-WTO survey, translation-related costs decrease by 25.5%*

# AI is expected to reduce trade costs through various channels

**A reduction in searching and matching costs by easing informal communication and trust building in networks (“common spoken language”, CSL).**

*AI solutions enable a moving to the mean in CSL for lagging country pairs*

**Improvement in logistics planning and costs (Logistics Performance Index).**

*The reduction in logistics-related trade cost is 19.5%, based on ICC-WTO survey*

**A reduction in distance-related trade costs (PDIST) through improved route optimization for shipments.**

*Based on case study of AI-powered route optimization system (Hyundai) average fuel savings are 5.3%.*

# AI can reduce trade costs, boost productivity, and expand global trade.

We modelled three scenarios:

## **1. *Tech divergence***

- High-skilled workers experience the highest productivity gains
- Digital infrastructure affects the ability of economies to raise productivity and reduce operational trade cost

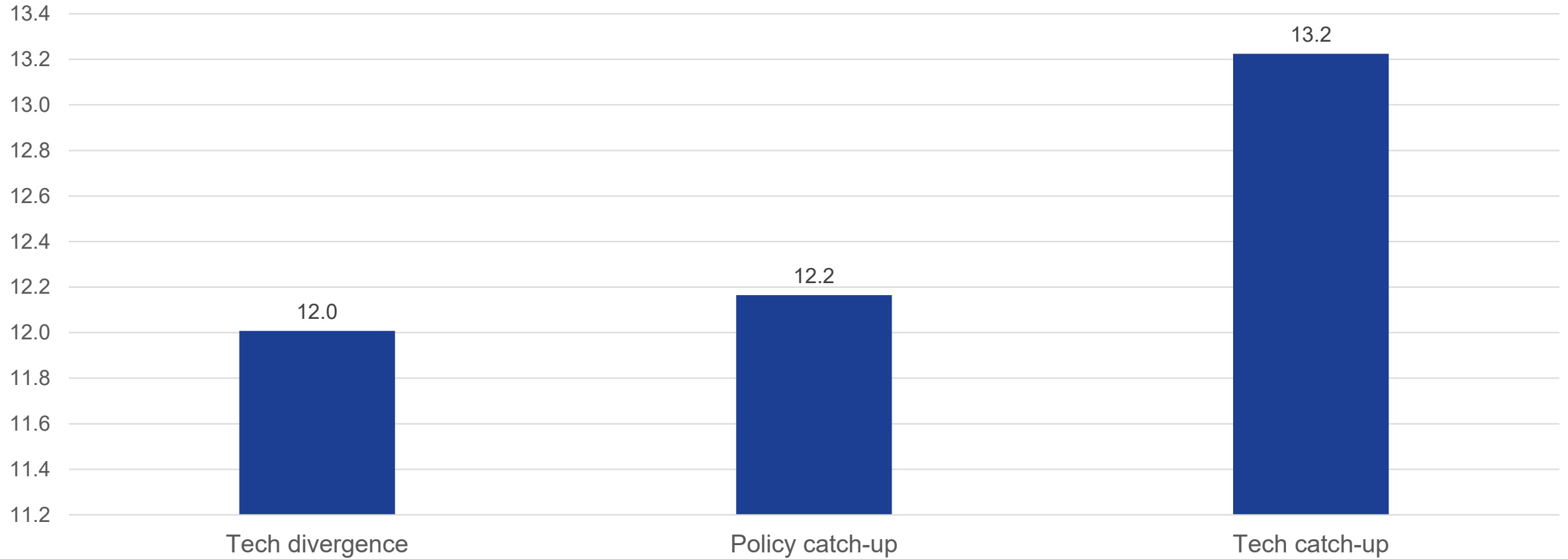
## **2. *Policy catch-up***

- Medium-skilled workers experience the highest productivity gains
- Economies with smaller scores of digital infrastructure partially catch-up to better performing regions (closing 50% of the gap)

## **3. *Tech catch-up***

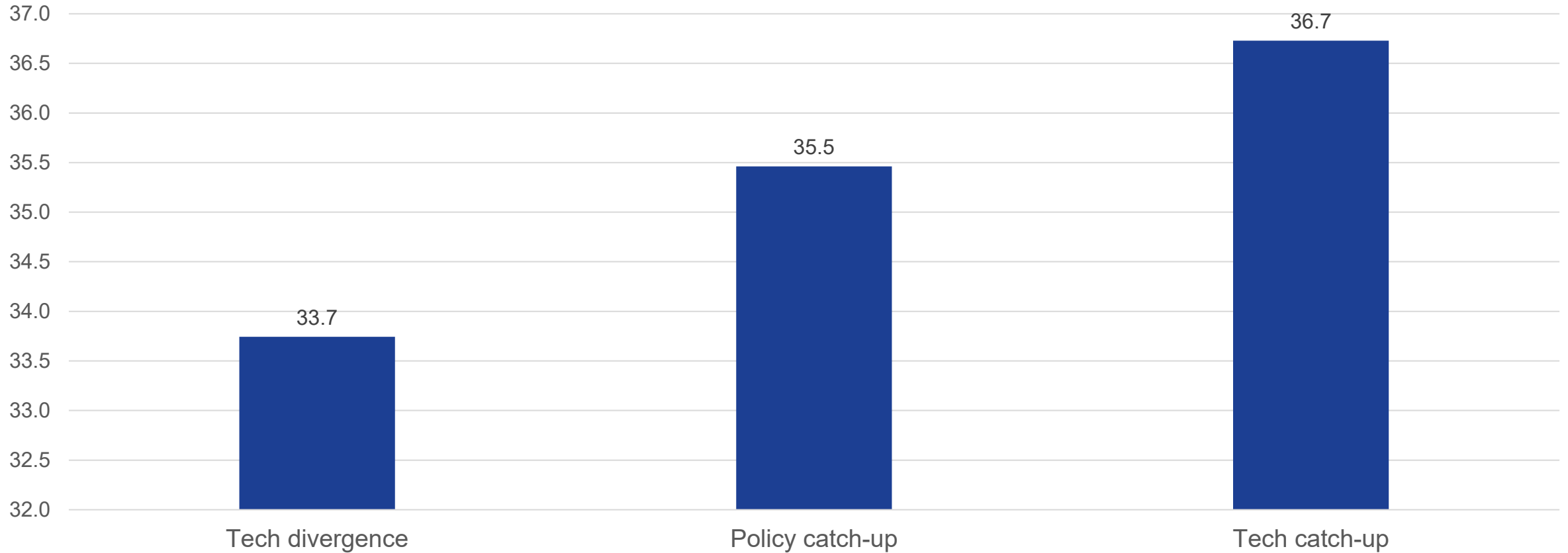
- As Scenario 2 and on top, the productivity in tasks performed with AI converges to the productivity of the best-performing region in these tasks

# AI can substantially boost global GDP



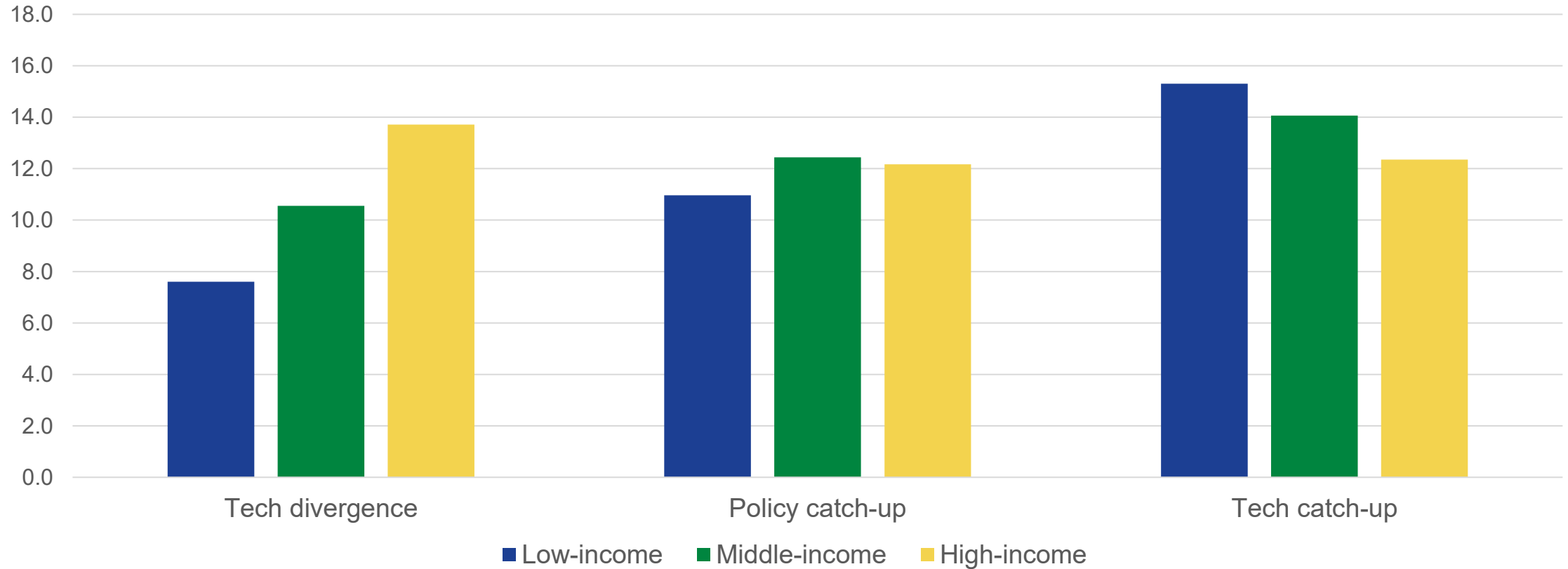
Source: Simulations using the WTO Global Trade Model.

# ... And expand global trade



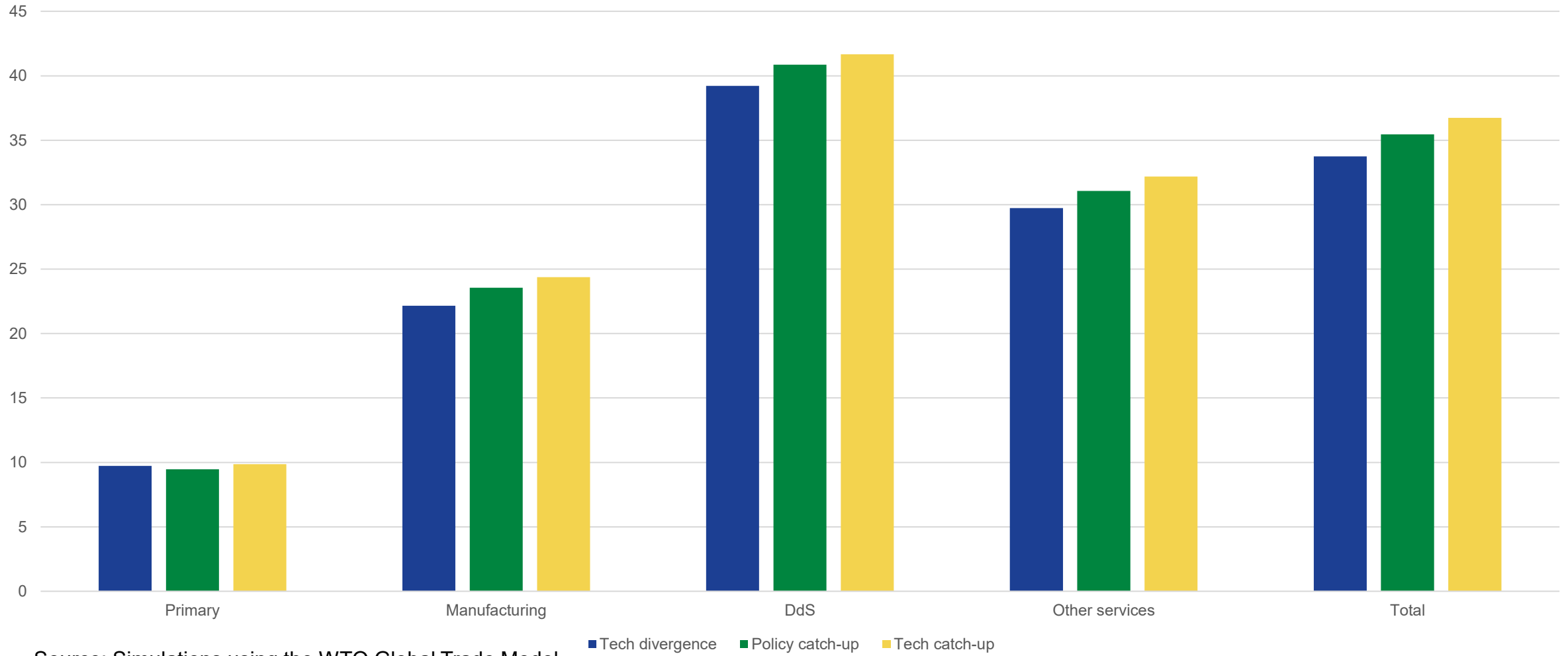
Source: Simulations using the WTO Global Trade Model.

# But the growth impact of AI depends on how the digital divide and the way AI related



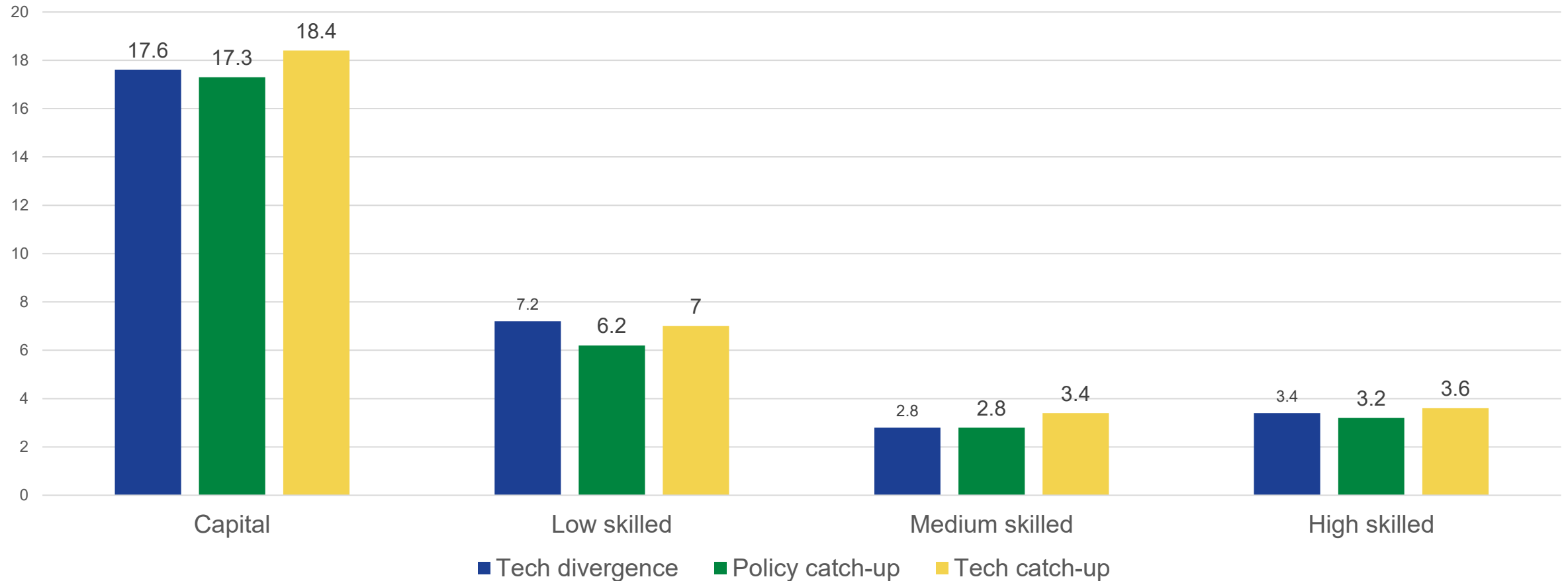
Source: Simulations using the WTO Global Trade Model.

# ...and projected trade growth varies by sector



Source: Simulations using the WTO Global Trade Model.

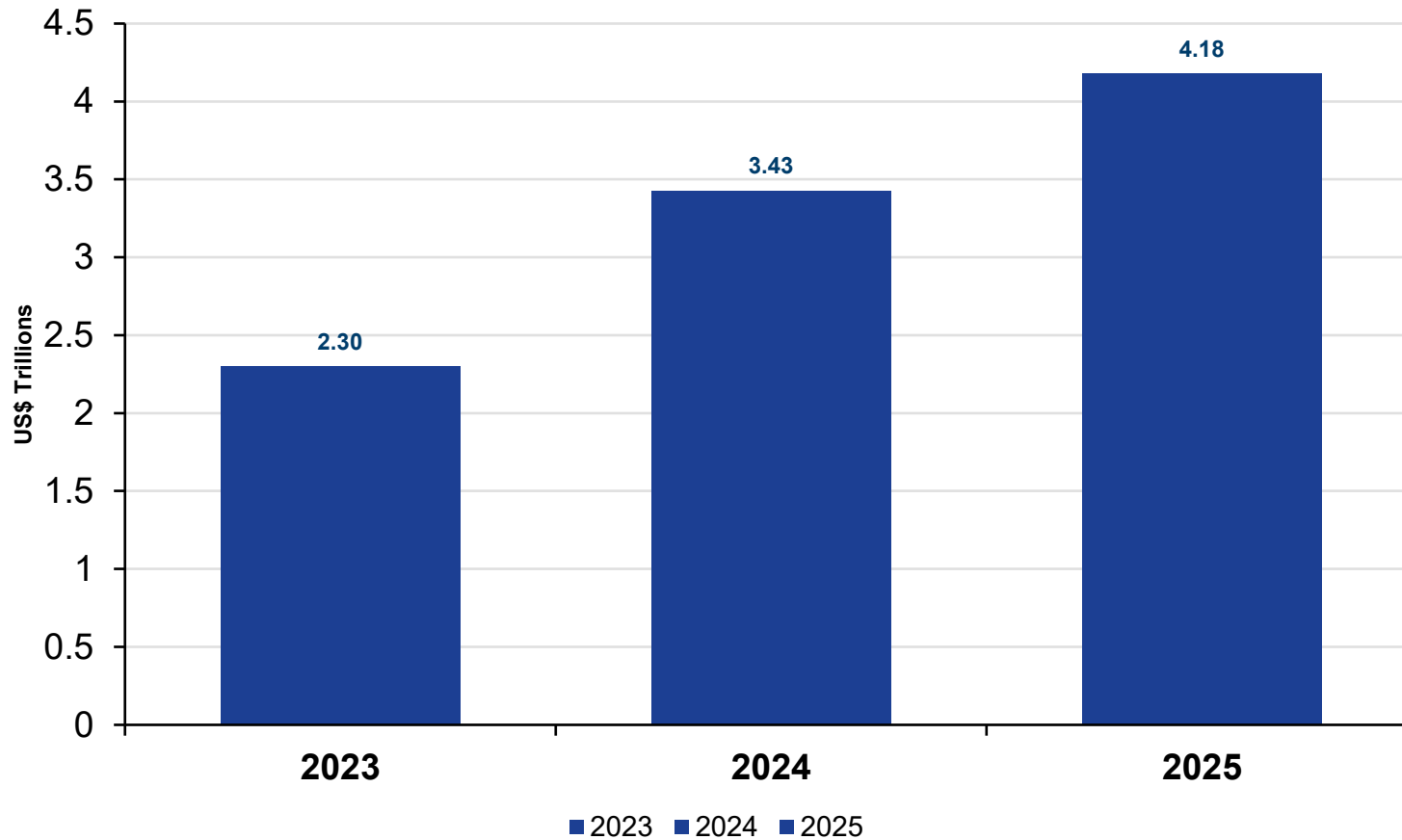
# It is projected that income gains for capital are larger than for labour and that the skill premium falls



Source: Simulations using the WTO Global Trade Model.

# We already witness growth in AI-enabling goods

## AI-Enabling Goods

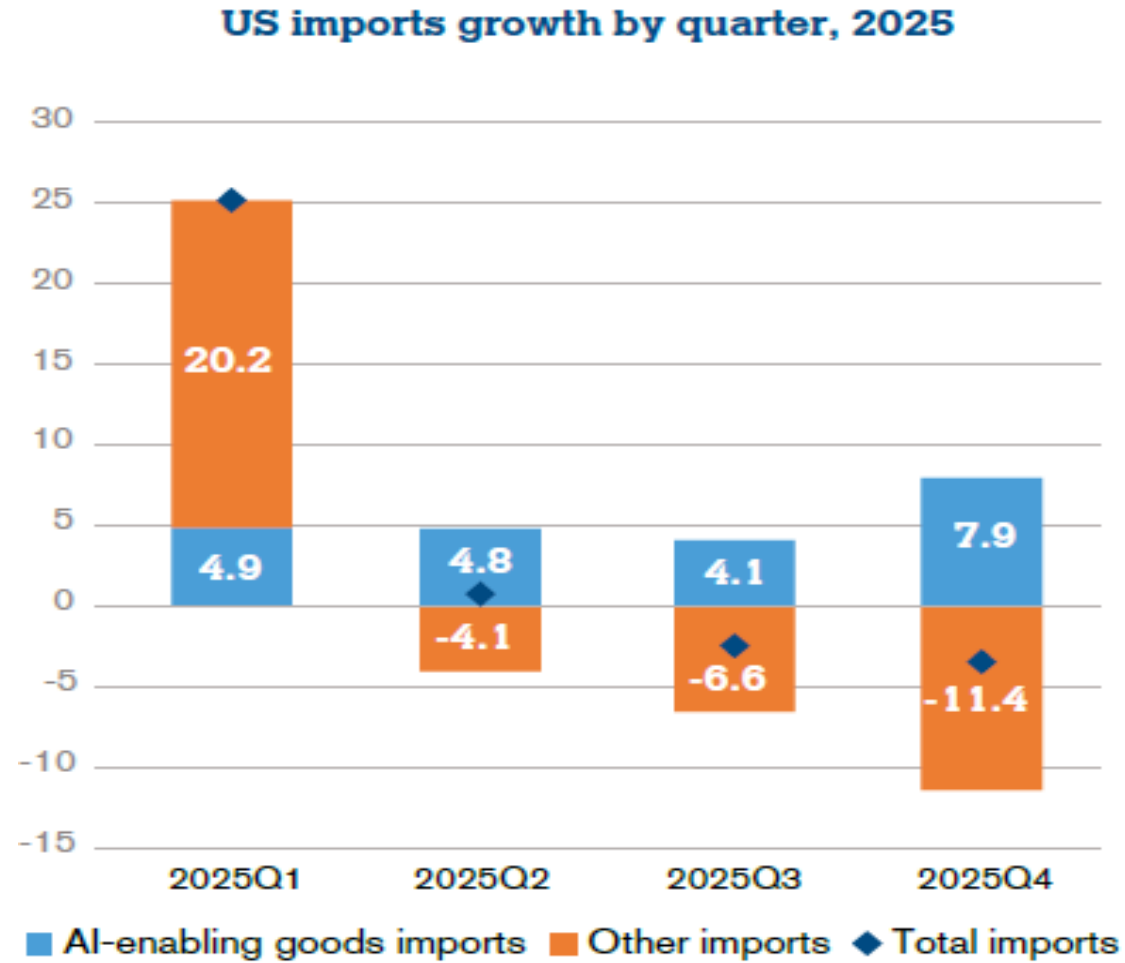


Trade in AI-enabling goods (i.e. raw materials, intermediate goods, equipment) has been on an upward trend.

- **21.9%** YoY growth from 2024 to 2025
- **42% share of** total global trade growth in 2025
- **~17%** of world trade in 2025

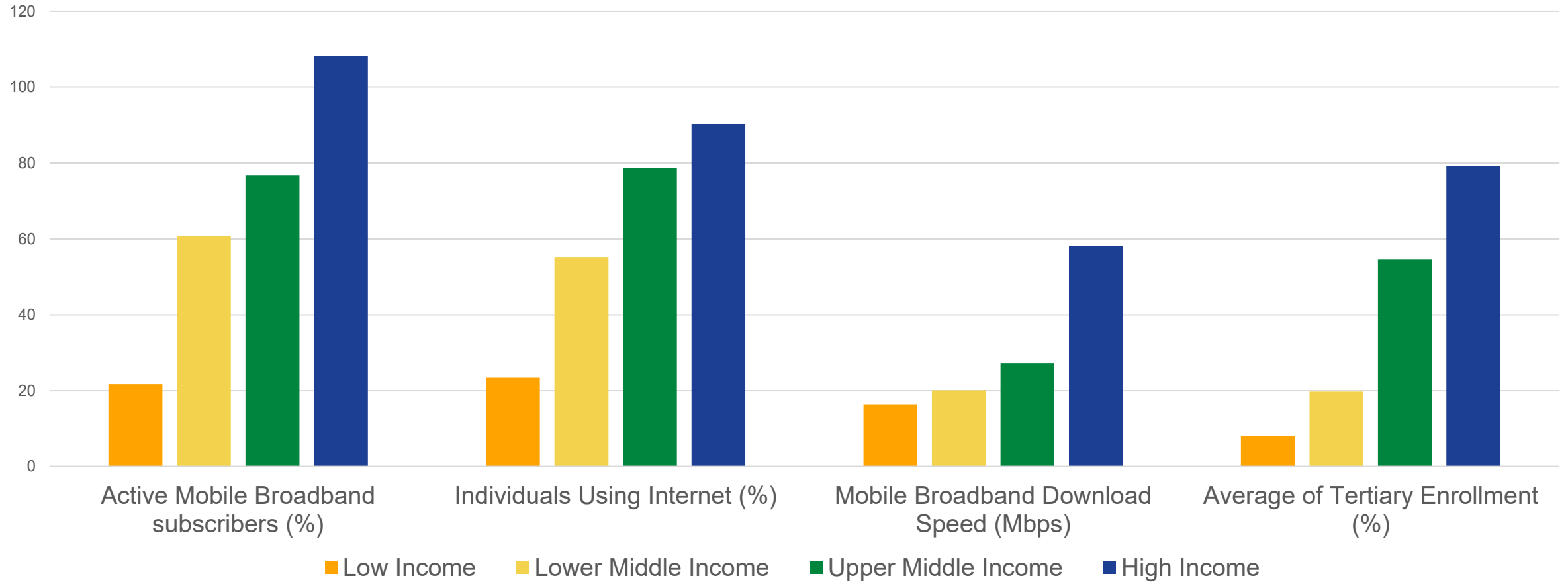
Sources: WTO World Trade Report 2025; WTO Global Trade Outlook & Statistics, March 2026

# ... Particularly visible in US imports in 2025



Sources: WTO World Trade Report 2025; WTO Global Trade Outlook & Statistics, March 2026

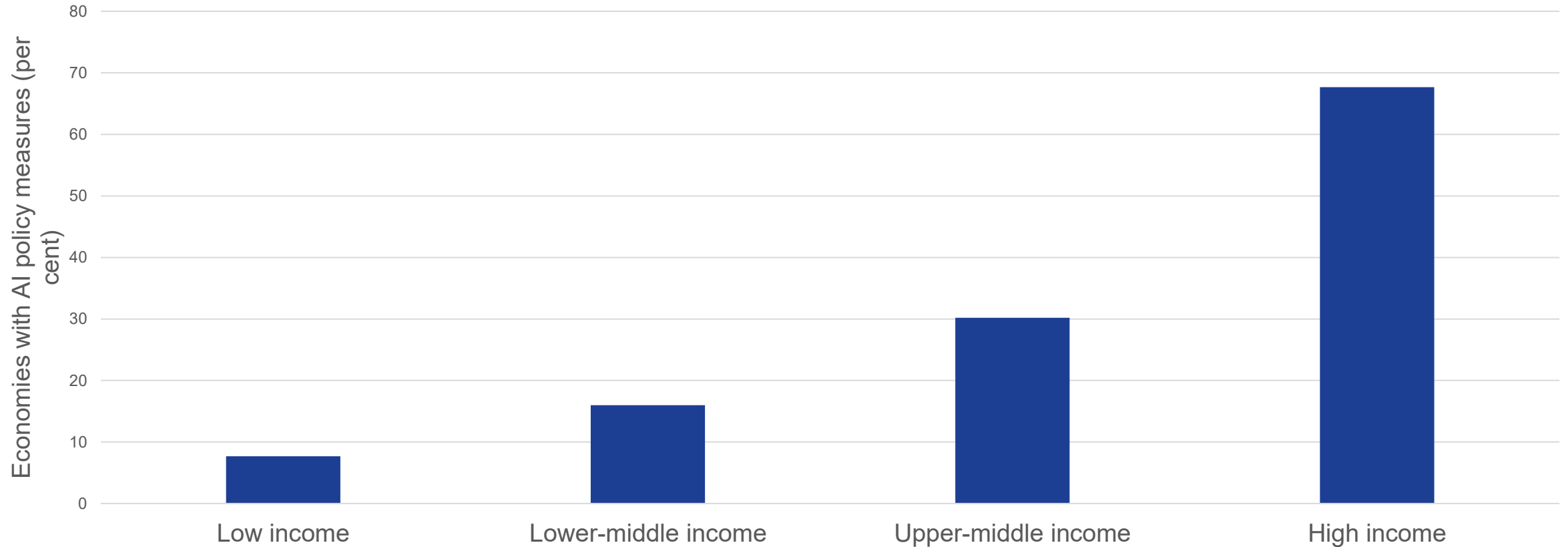
# But digital divide must be bridged between countries



# The right trade policy mix is necessary for AI to support **inclusive economic growth**.

- Trade policy affects the availability and price of AI enabling goods. It also regulates data and services flow across borders.
- Currently, there is a **clear divide in policy rollout** that risks widening the structural divide between higher-income and lower-income economies.
- When openness is due to the absence of regulation, this may also hamper AI uptake which depends on trust in data security.

# Imbalance in AI and trade-related policies



Source: WTO Secretariat calculations based on the OECD.AI Policy Observatory (2025).

# International cooperation

WTO agreements already help to support AI development and deployment by

- Promoting open markets in AI-related goods and services,
- Supporting AI innovation and diffusion through intellectual property rights and knowledge-sharing, and
- Encouraging greater regulatory coherence on trade-related aspects of AI.

More can be done to:

- Ease access to markets for AI-related goods and services;
- Addressing regulatory fragmentation in AI through more informed discussions;
- Using AI responsibly in the implementation of WTO disciplines; and
- Promoting more “trade-and” international cooperation for inclusive AI

# Conclusions

## AI offers a bright spot for trade

- AI could boost cross border flows of goods and services by nearly 40% by 2040
- Global GDP could meanwhile see a 12-13% increase due to AI
- Trade can also be a powerful enabler for an inclusive AI transformation

The potential for trade and AI to foster inclusive growth can only be realized if we act deliberately, by

- Closing digital divides,
- Investing in workers, and
- Maintaining an open and predictable trading environment



WORLD TRADE ORGANIZATION  
ORGANISATION MONDIALE DU COMMERCE  
ORGANIZACIÓN MUNDIAL DEL COMERCIO