AI and Trade: Catalysts for Growth, Conditional on Inclusion

"AI can drive trade growth, but inclusive gains depend on how widely it spreads."

Artificial intelligence (AI) is becoming an important force in global trade. Simulations by the World Trade Organization (WTO) suggest that AI could increase both global trade and real income by lowering trade costs and improving productivity. However, these benefits will not automatically lead to inclusive growth. The outcome depends on how widely AI spreads and whether countries can reduce the global digital divide.

AI affects trade mainly in two ways. First, it helps reduce trade costs. Second, it improves productivity within firms and supply chains. These changes can increase overall trade while also shaping how gains are shared across firms and countries.

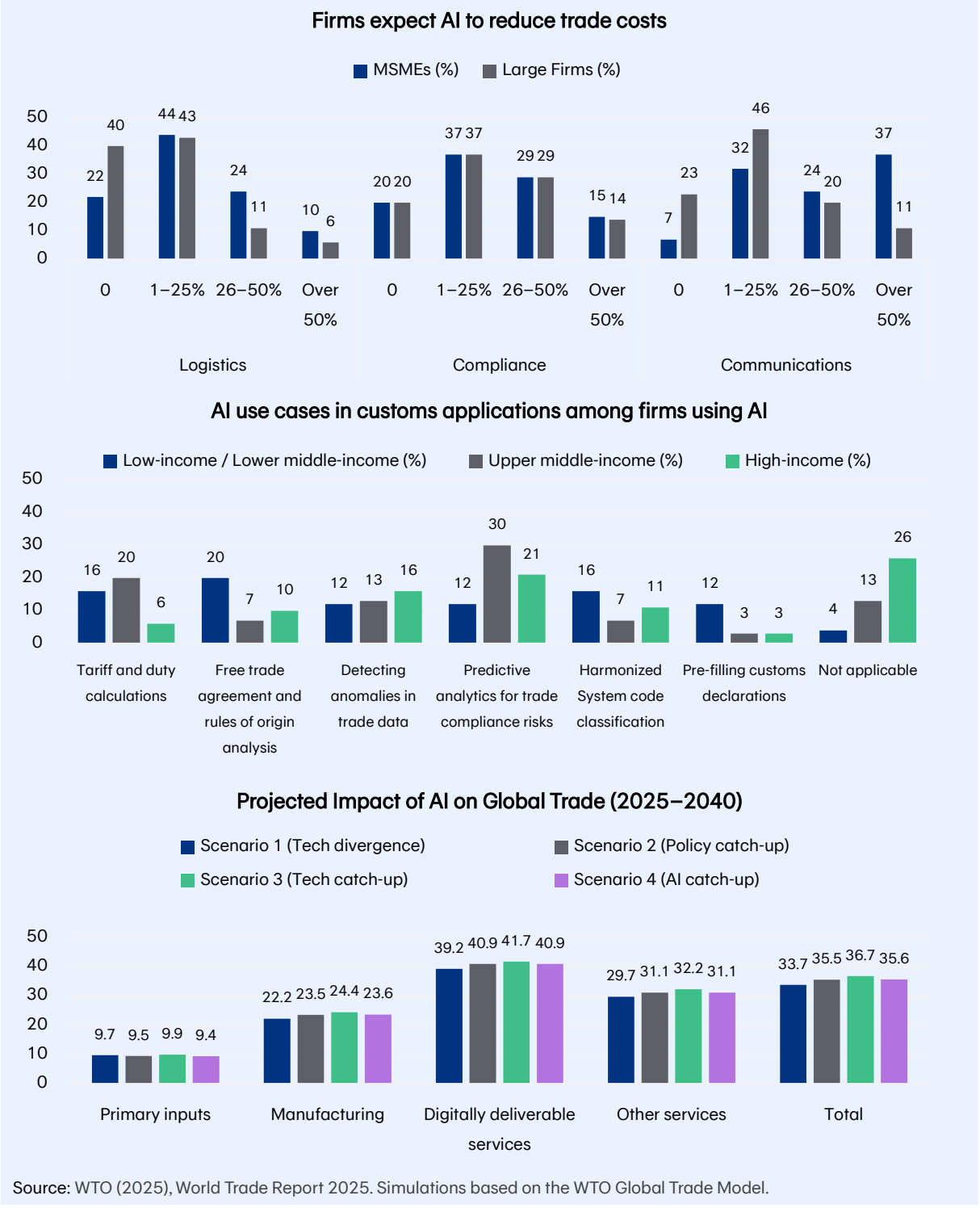
Lowering Trade Costs Across Borders

Trade costs come from transportation expenses, tariffs, regulatory rules, time delays, and information barriers. Although global trade costs fell by about 15% between 2000 and 2018, recent tariffs and supply chain disruptions have slowed this progress. AI can help offset these rising costs.

In logistics, AI improves inventory management, warehouse operations, and delivery route planning. By connecting data across supply chains, AI systems give firms real-time information about their operations. This helps companies identify bottlenecks, respond to demand changes, and reduce delays.

AI can also simplify regulatory compliance. Automated customs systems and digital document checks can speed up border procedures. Machine learning tools can review product certificates and detect incorrect information. AI is also used for environmental reporting, including carbon border requirements, reducing paperwork and administrative costs.

Another benefit comes from legal automation. AI tools can help draft, review, and monitor contracts. Some systems can review legal invoices with accuracy rates of around 92%



Source: WTO (2025), World Trade Report 2025. Simulations based on the WTO Global Trade Model.

within seconds. This greatly reduces the time and cost involved in cross-border transactions.

Language barriers are another obstacle in global trade. AI-based translation tools are helping reduce these frictions. Studies show that better machine translation can increase exports and trade flows, sometimes with effects similar to reducing the distance between trading partners.

Firm Expectations and MSME Gains

A joint WTO-International Chamber of Commerce survey in March 2025 collected responses from 158 firms across major regions.

About 49% reported already using AI, and 79% were involved in international trade.

More than 70% of firms expected AI to reduce trade costs, especially in logistics, regulatory compliance, and communication. Micro, small, and medium-sized enterprises (MSMEs) were particularly optimistic. Some expected cost reductions of more than 50% in logistics and communication activities.

In practice, firms mainly use AI for workflow automation and language-related tasks. These practical applications are already shaping daily trade operations.

Trade as a Channel for AI Diffusion

Despite these benefits, AI adoption is still uneven. AI technology is concentrated in large firms and advanced economies with strong digital infrastructure. Important parts of the AI supply chain, such as semiconductor production and data centers, are also controlled by a small number of countries.

Trade helps reduce this gap. In 2023, global trade in AI-related goods reached about 2.3 trillion U.S. dollars. Through trade, countries can access key inputs such as semiconductors, energy, raw materials, and digital infrastructure needed for AI development.

Trade also spreads knowledge. WTO research shows that a 10% increase in digitally deliverable services trade is linked to a 2.6% rise in cross-border AI patent citations. This suggests that open trade supports technological learning and innovation.

Inclusive Growth Is Not Automatic

While AI can improve productivity, it may also replace some jobs with automating tasks. Because of this, AI adoption does not automatically lead to inclusive growth.

To ensure broader benefits, countries will need investments in digital infrastructure, education, and skills. Policies that support participation in global value chains and access to digital technologies will also be important.

AI and trade together can support future economic growth. However, whether that growth becomes inclusive will depend on how widely AI spreads and how effectively economies adapt to this new technology.

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