

WORLD TRADE REPORT 2025

Making trade and AI work together to the benefit of all





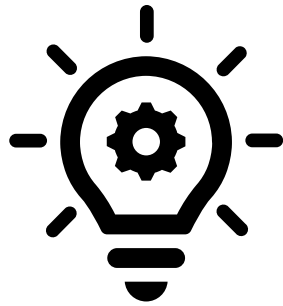
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World Trade Report 2025

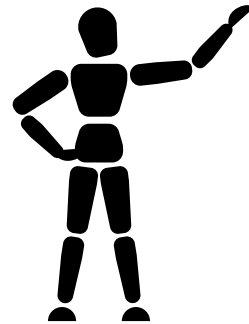
In depth presentation - 29 October 2025

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Outline



**AI offers a bright spot
for trade**



**Inclusive AI requires
deliberate action**

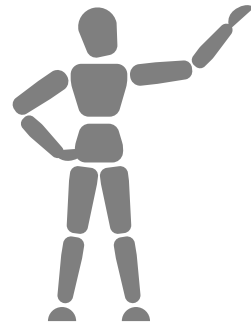


**International
cooperation**

Outline



**AI offers a bright spot
for trade**



**Inclusive AI requires
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**International
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Chapter B:

AI, trade and inclusive growth: opportunities and challenges

Key messages

- AI can boost productivity and reduce trade costs leading to larger global output and trade
 - Projected trade expansion is much larger
- The growth impact of AI depends on how the digital divide is addressed
- The growth of AI raises demand upstream posing challenges and opportunities (energy demand and demand for raw materials)
- Technology diffusion and trade in digitally deliverable services (DdS) go hand in hand showing the importance of DdS trade

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

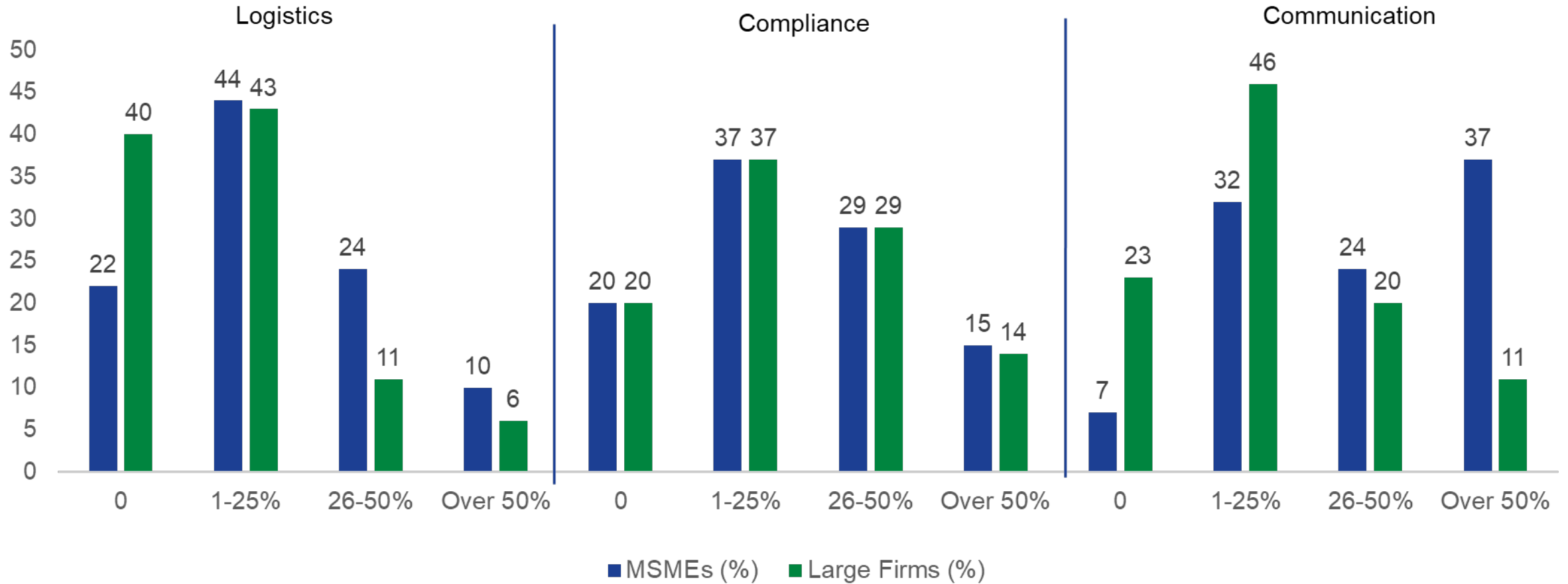
2. Policy catch-up

- 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)

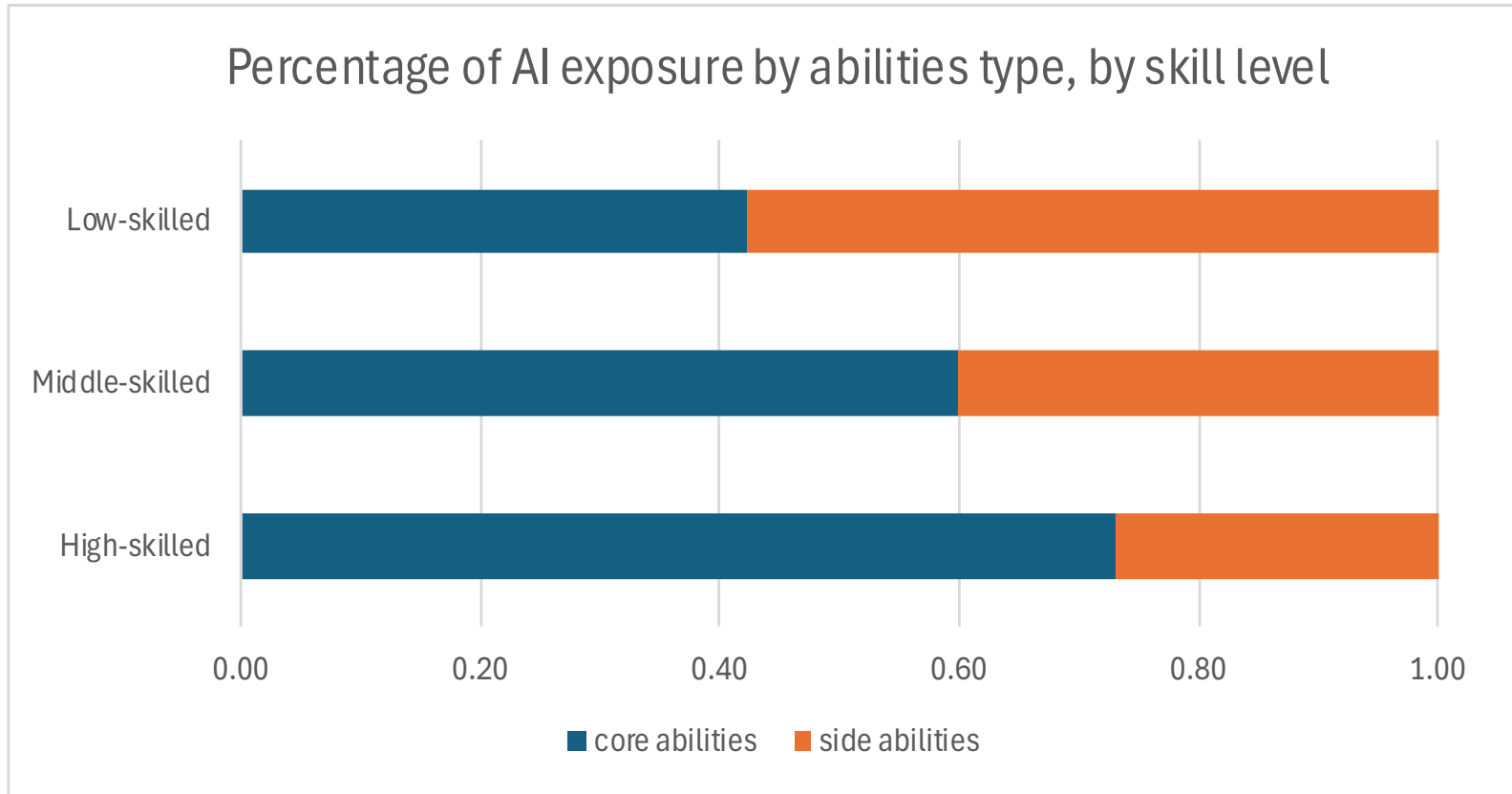
3. Tech catch-up

- 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

Business survey shows AI's potential in cutting trade costs

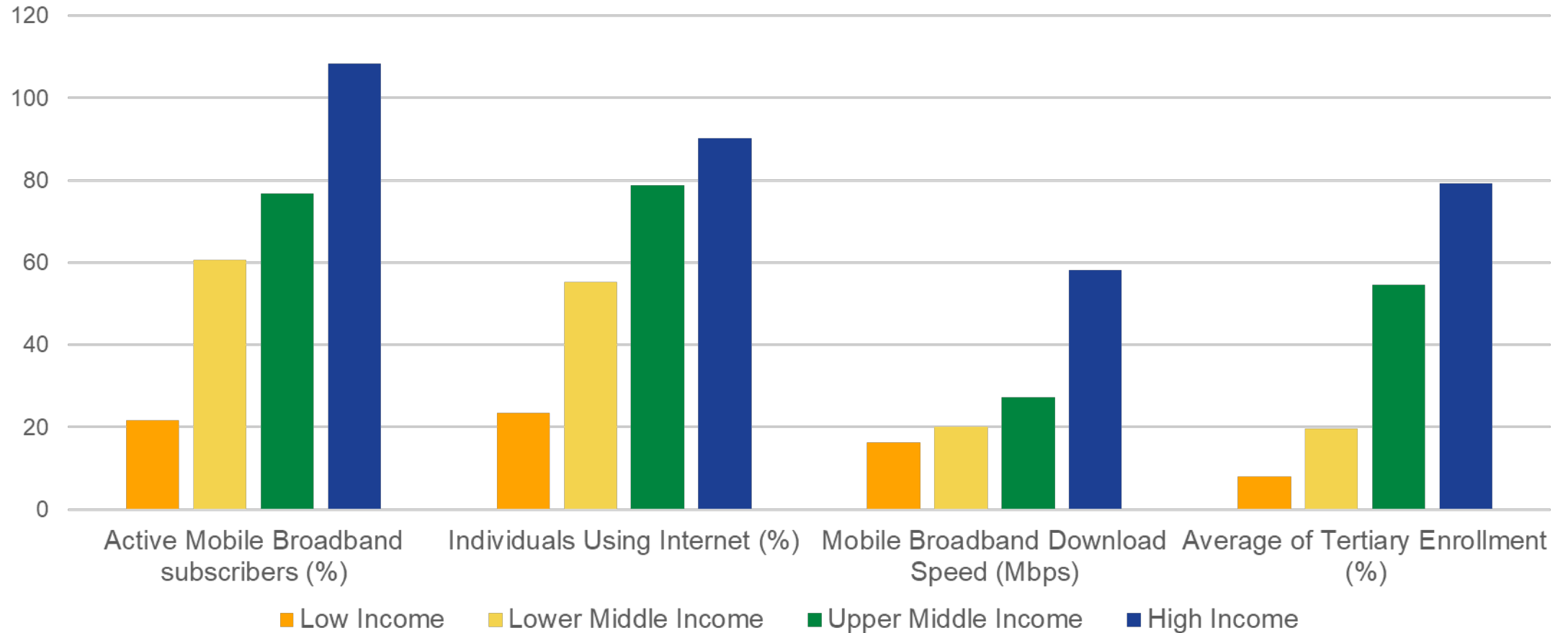


AI can boost productivity, varying by skills and digital infrastructure of economies

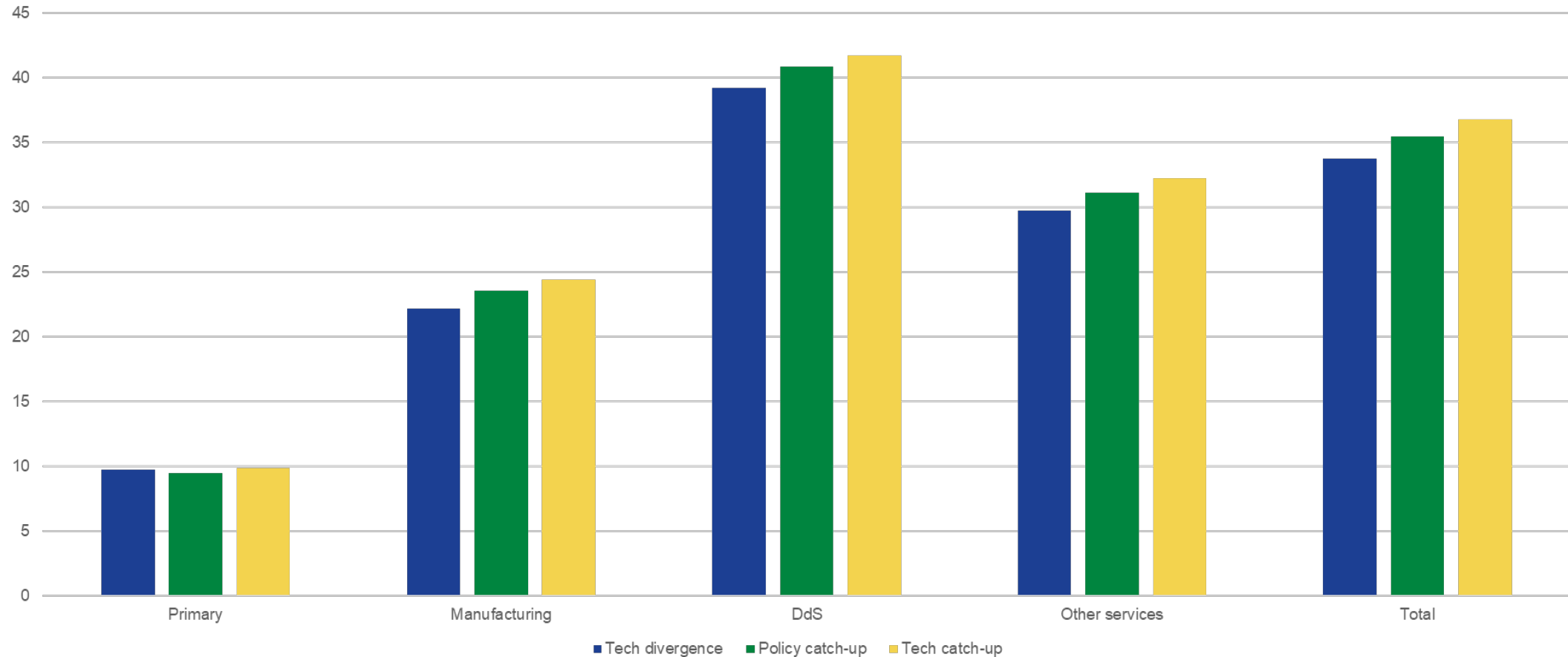


- Follow Aghion and Bunel for average productivity growth
- Vary by occupation, based on index of AI occupation exposure
- Make productivity growth dependent on digital infrastructure preparedness (DIP)

Measures of digital infrastructure vary by income level of economies

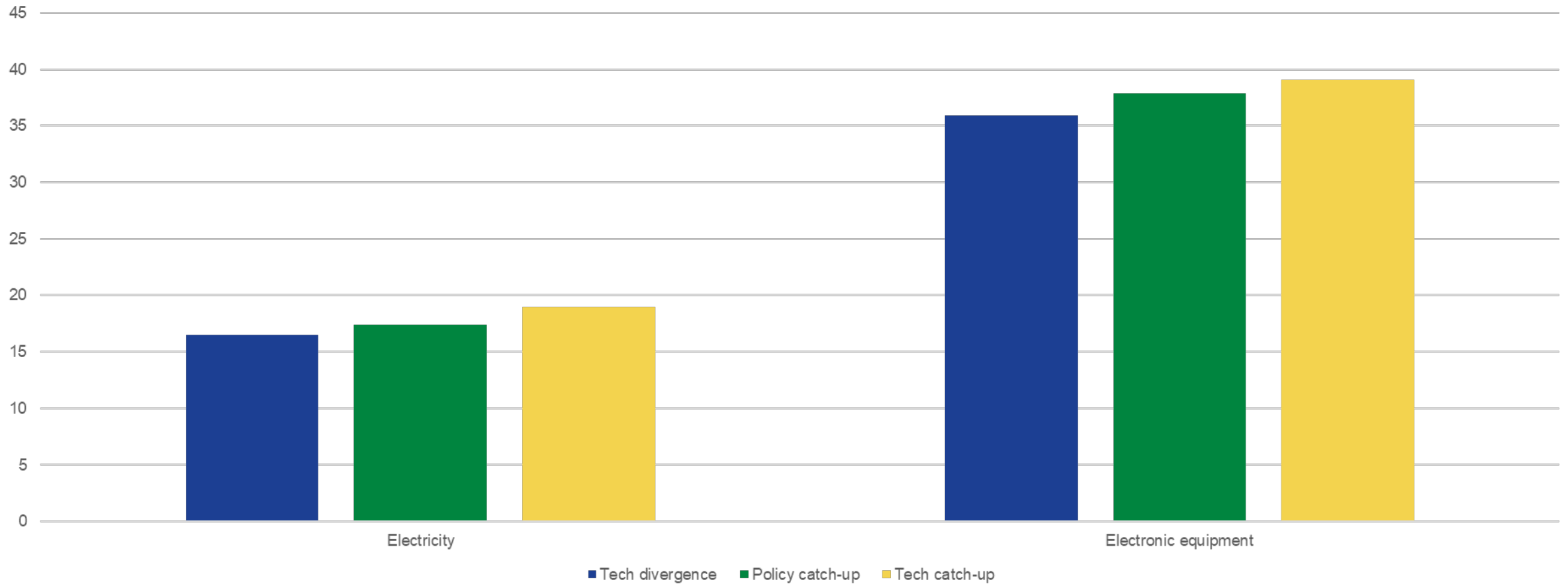


...and projected trade growth varies by sector



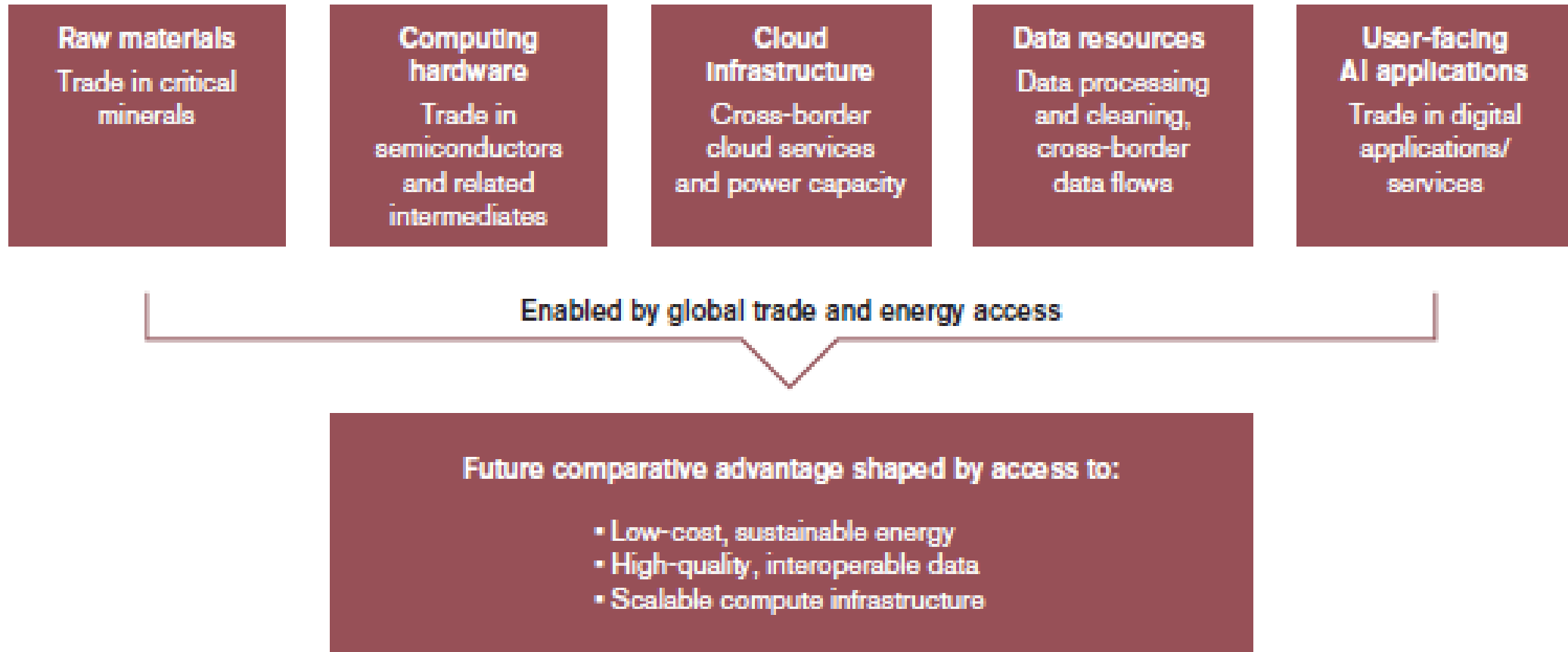
Source: Simulations using the WTO Global Trade Model.

... and strong upstream effects raising real output of electricity and electronic Equipment

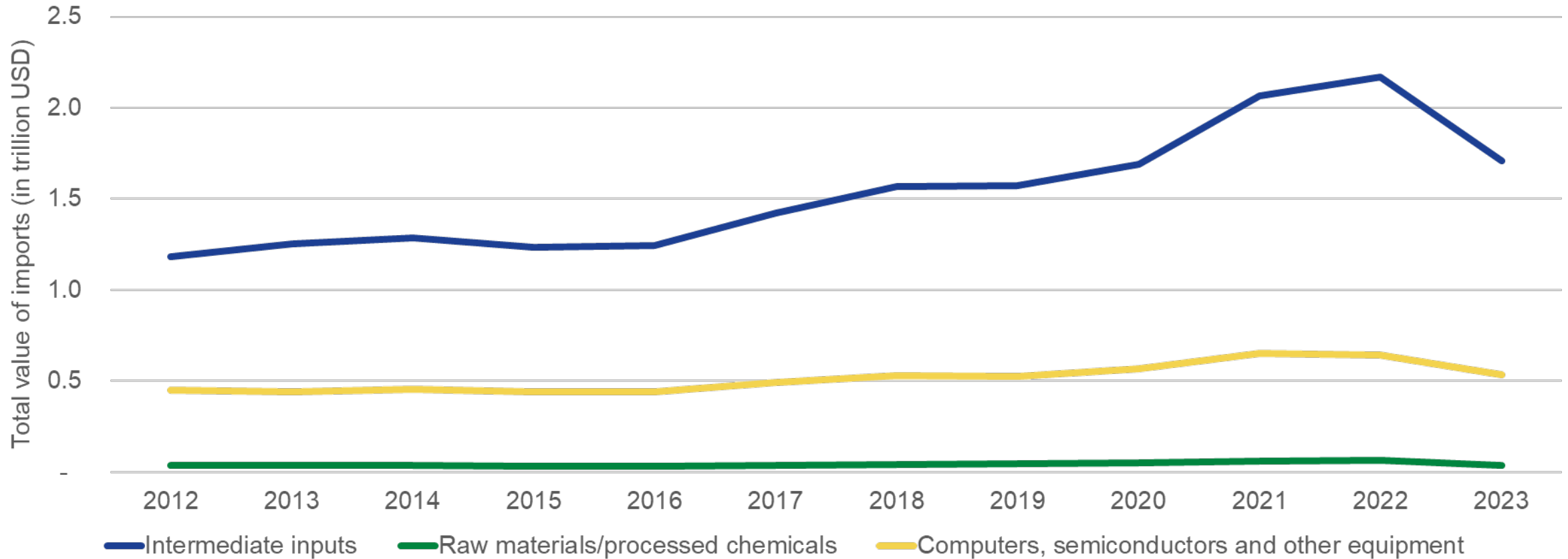


Source: Simulations using the WTO Global Trade Model.

Trade plays an important role in the AI value chain

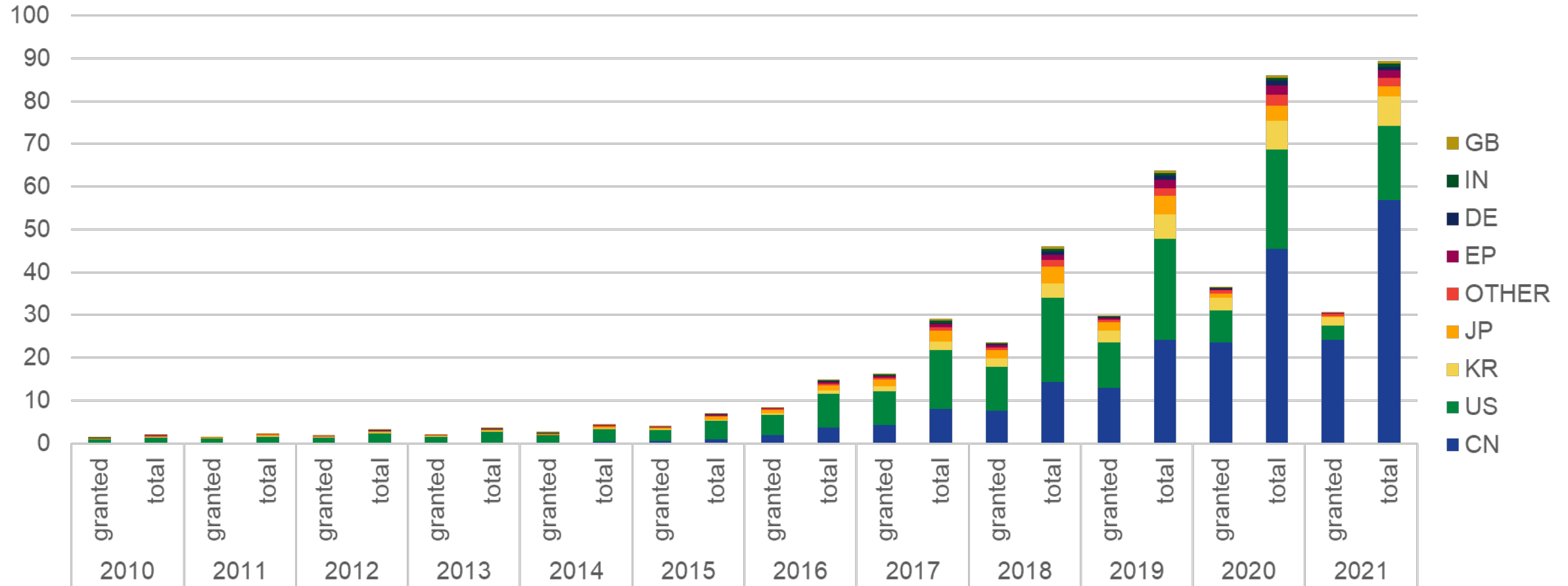


Global trade in AI-enabling goods totalled USD 2.3 trillion in 2023

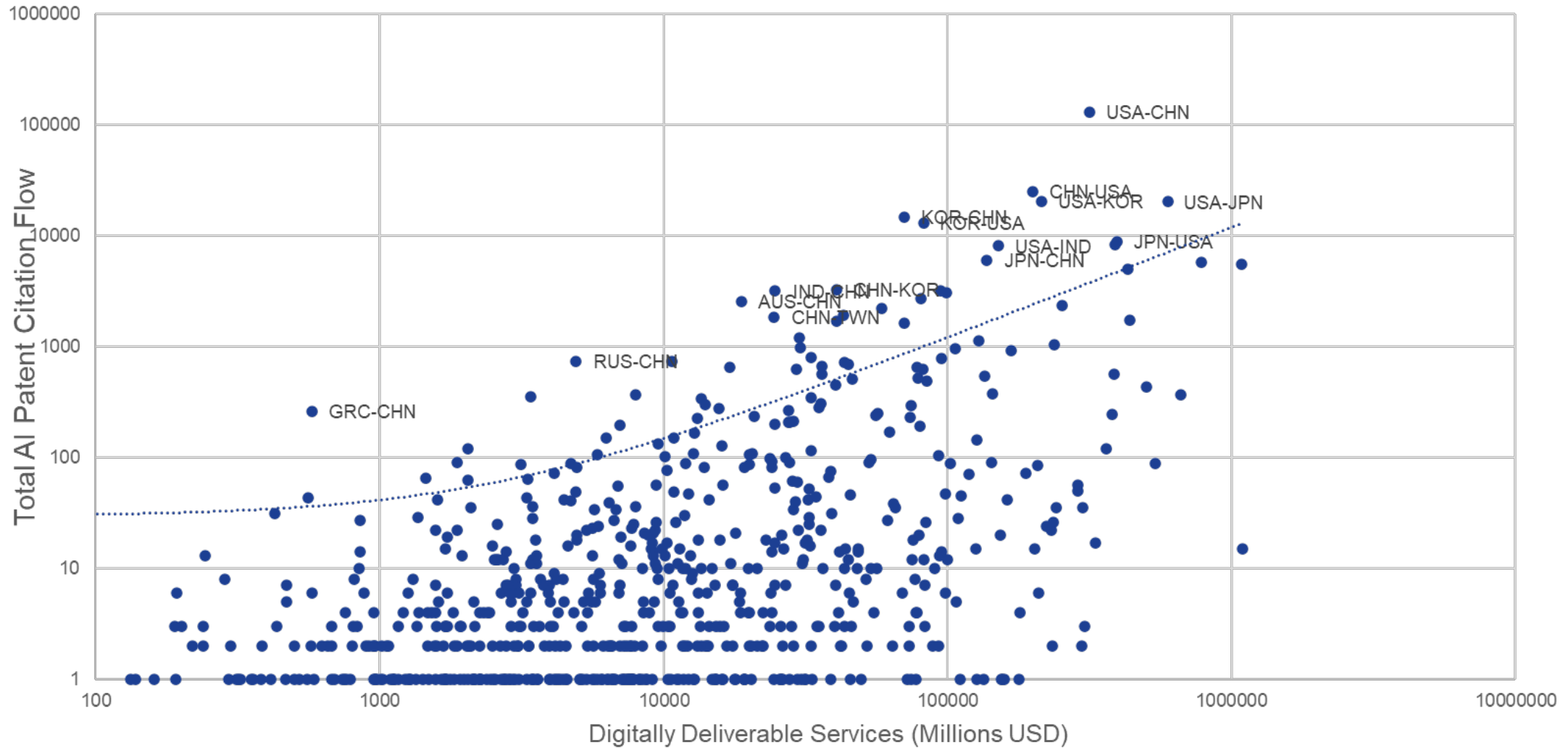


Source: WTO Secretariat calculations based on WTO Analytical Database

Number of AI patent applications and granted patents (thousands)



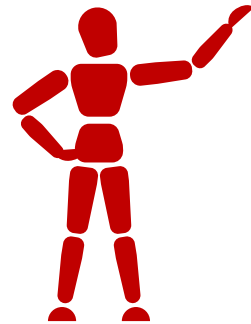
Trade goes hand in hand with technology diffusion



Outline



AI offers a bright spot
for trade



**Inclusive AI requires
deliberate action**



International
cooperation



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Chapter C:

How *domestic policies* can shape the trade and AI relationship to favour inclusive economic growth

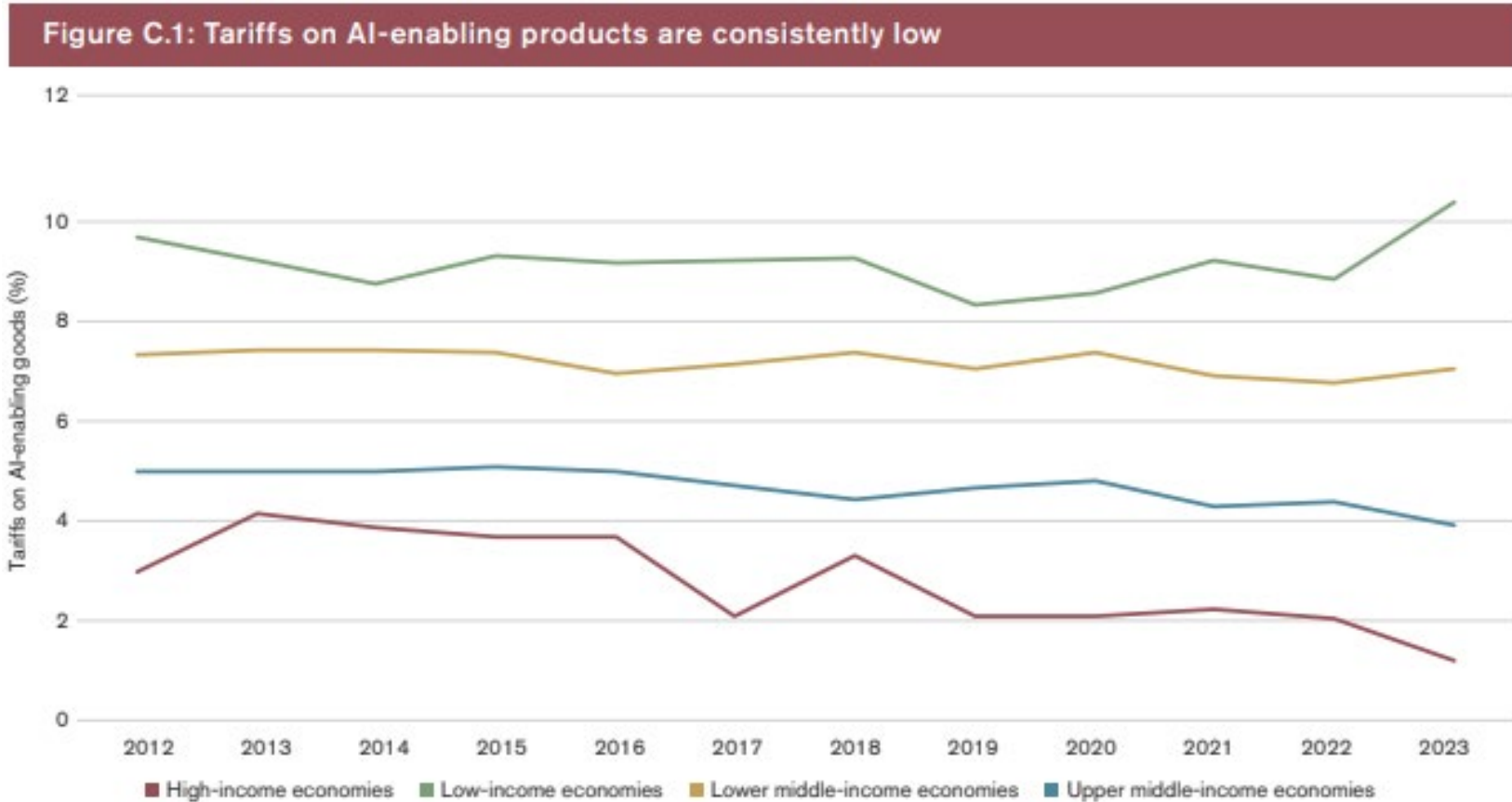
Key messages

- **The right trade policy mix is necessary** for AI to support **inclusive economic growth**.
- Trade policy is not enough. It **requires other trade-related and complementary policies**, e.g. competition and labour market policy, to shape the AI-trade-inclusive growth nexus.
- Currently, there is a **clear divide in policy rollout** that risks widening the structural divide between higher-income and lower-income economies.

The right trade policy mix: Why trade policy matters

- Trade policies affect the availability and price of the products that enable AI, from critical minerals to IT equipment.
- Trade policies regulate how data – the key input for AI models – and services flow across borders. They need to balance the need for openness with trust-building standards.
- Trade policy needs to maintain an open and predictable trading system, which is key to unlock the benefits of AI for growth.

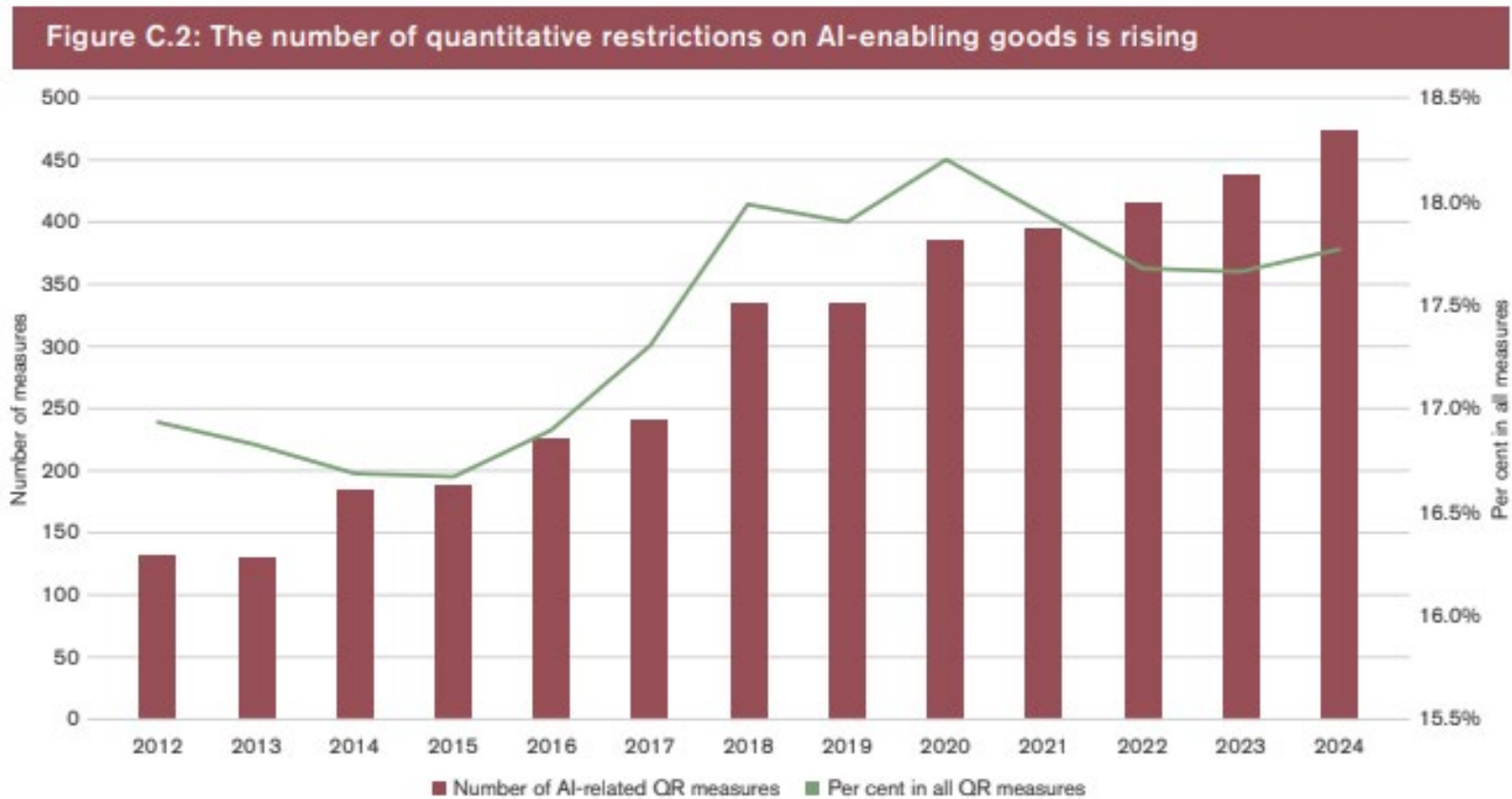
The right trade policy mix: Tariffs are low...



Source: WTO Secretariat calculations based on WTO Tariff & Trade Data platform.

Note: Figure C.1 contains simple average most-favoured-nation (MFN) tariffs for AI-enabling products aggregated by income group. AI-enabling products are defined in Annex A.

The right trade policy mix: ...but non-tariff measures (QRs, trade remedies, ...) are increasing



Source: WTO Secretariat calculations based on WTO Quantitative Restrictions Database.

Note: Some quantitative restrictions are both import and export measures, and are thus counted twice.

The right trade policy mix: AI-intensive services face significant restrictions to trade

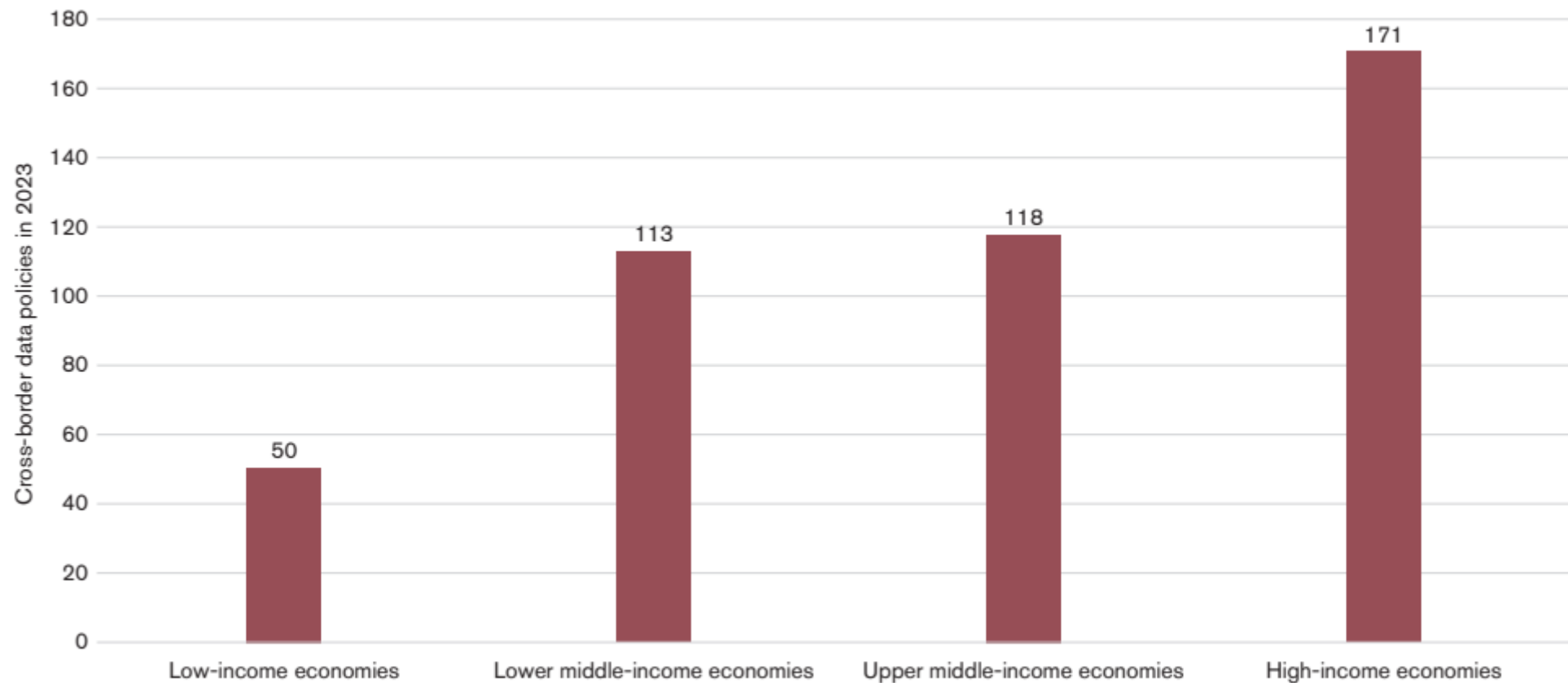
- Despite technological readiness, many of the services sectors most exposed to AI face persistent regulatory barriers such as foreign equity limits, restrictions on the legal form of entry or quantitative restrictions.
- According to the World Bank-WTO Services Trade Restrictions Index, AI-intensive services such as accounting, auditing, insurance, or telecommunications, exhibit some of the highest level of restrictions regarding mode 1 (i.e. cross-border) trade.

The right trade policy mix: Fragmented regulation of cross-border data flows

- Open, low-cost access to diverse datasets supports innovation, quality and the scale-up of AI applications.
- An absence of data regulation undermines trust in economic transactions requiring data-sharing.
 - Simulations by the OECD and WTO suggest that, in a scenario where all economies removed their data flow regulations, global exports would fall by over 2 per cent.
- In its current form, it appears that the regulatory landscape of cross-border data flows is dominated by fragmented unilateral measures that prevent equal access to data.

The right trade policy mix: Fragmented regulation of cross-border data flows

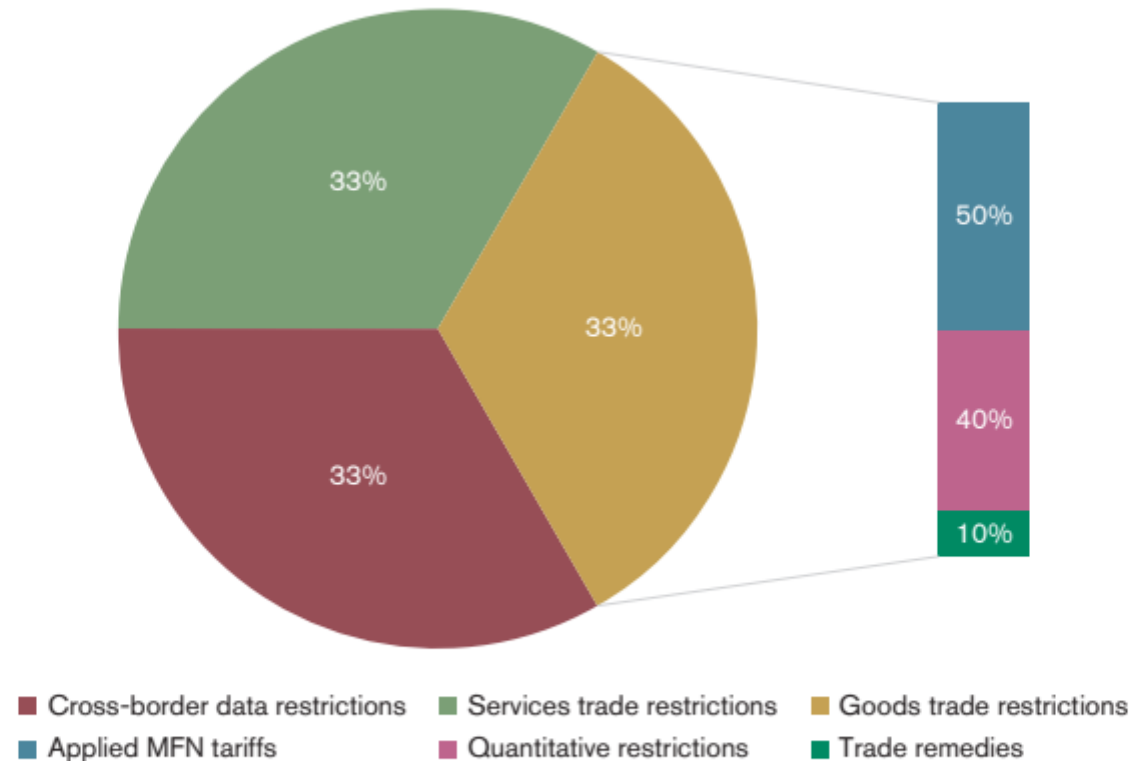
Figure C.4: Cross-border data regulation increases with income



Source: WTO Secretariat calculations based on the Digital Trade Integration Project by Ferracane, Ugarte and Rogaler (2025).

The right trade policy mix: AI Trade Policy Openness Index (AI-TPOI)

Figure C.5: Composition of the AI Trade Policy Openness Index

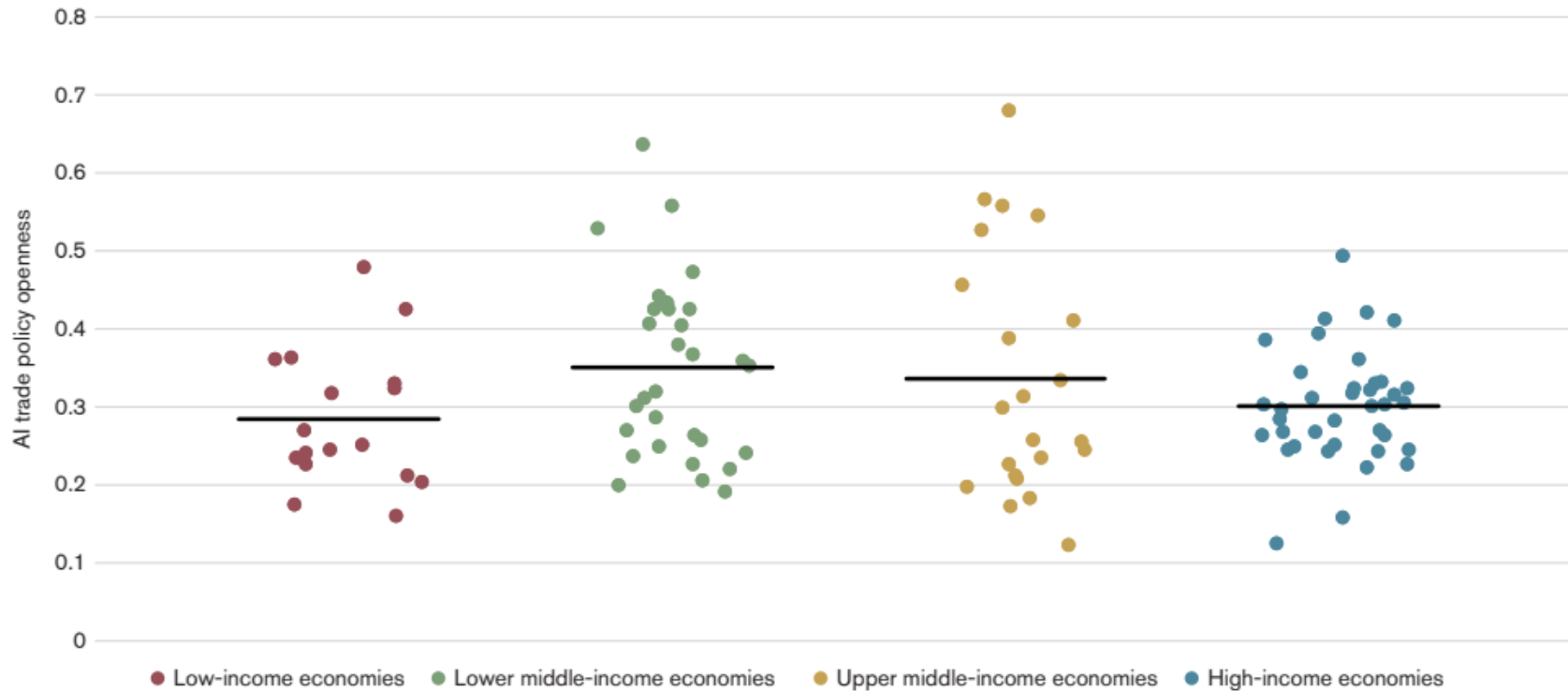


Source: WTO Secretariat, representation of the composition of the AI Trade Policy Openness Index.

Note: Data for the AI Trade Policy Openness Index stem from the WTO's Tariff & Trade Data platform, the Digital Trade Integration (DTI) index and the World Bank–WTO Services Trade Restrictiveness Index (STRI).

The right trade policy mix: AI Trade Policy Openness Index (AI-TPOI)

Figure C.6: Variation in AI trade policy openness within income groups



Source: WTO Secretariat calculations based on the World Bank–WTO Services Trade Restrictiveness Index (STRI), the WTO Tariff & Trade Data (TTD) platform and the Digital Trade Integration (DTI) database.

Note: Each dot represents the AI-TPOI score for an economy, grouped by income level. Lower scores indicate greater openness, while higher scores indicate greater restrictiveness. Horizontal lines denote the average AI-TPOI value within each income group.

The right trade policy mix: conclusion

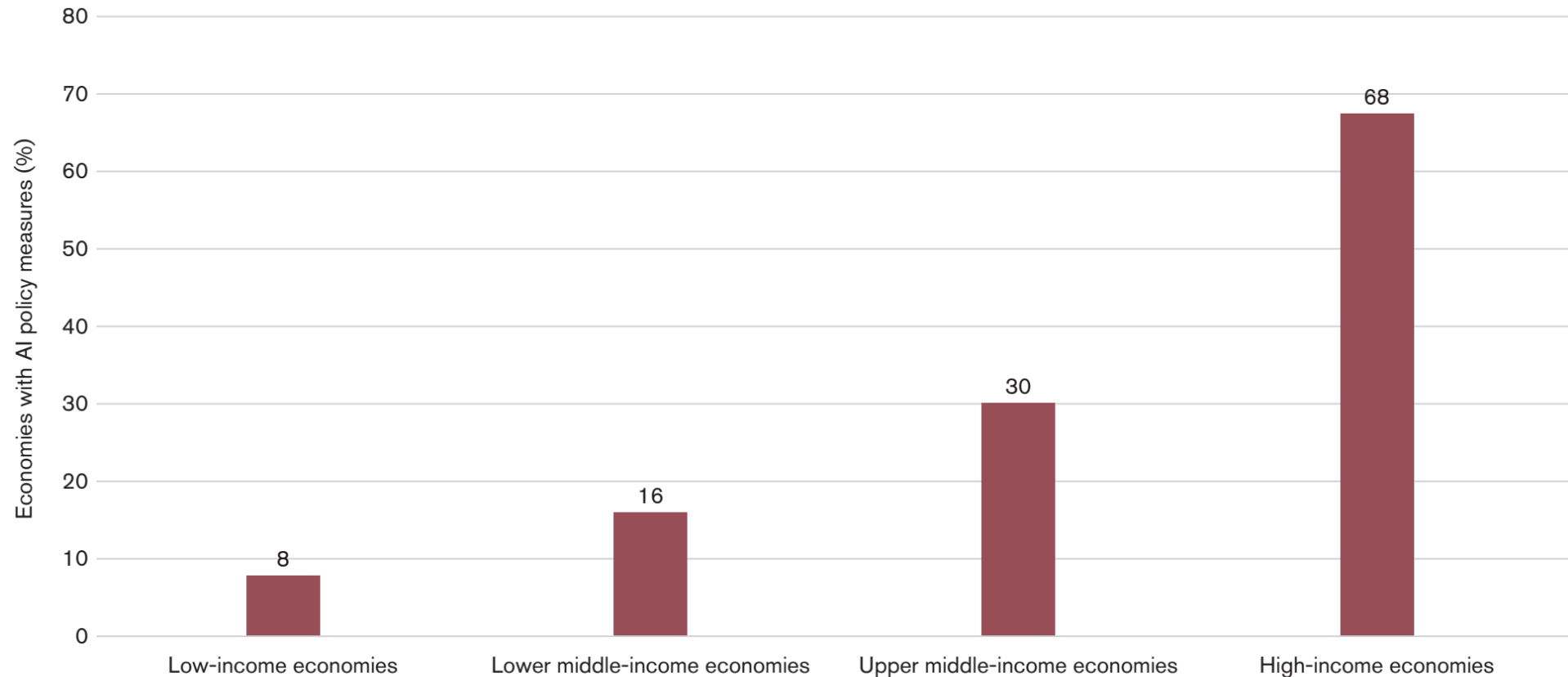
- While tariffs on key AI enablers tend to be low, the broader trade policy environment remains relatively restrictive.
- When openness is due to the absence of regulation, this may also hamper AI uptake which depends on trust in data security.
- There is a divergence in policies targeting AI across income groups.

Trade-related and complementary policies: Distributing the gains from trade and AI-led growth

- Trade-related and complementary policies are key to ensure both that AI supports inclusive trade-led growth, and that trade can support AI development and diffusion.
 - Intellectual property (IP) policies can incentivize innovation while allowing for knowledge diffusion.
 - Competition policy can prevent excessive market concentration.
 - Education and labour market policies can foster talent and ensure that no one is left behind.
 - Investment in data infrastructure and regional policies can support the inclusive adoption of AI.
 - Government support, through subsidies and public procurement, can be designed not to exclude fiscally constrained economies from AI benefits
- Comprehensive AI strategies and AI-related policies can mainstream AI regulation and provide a coherent framework for AI development and adoption.

Trade-related and complementary policies: An uneven picture across the board

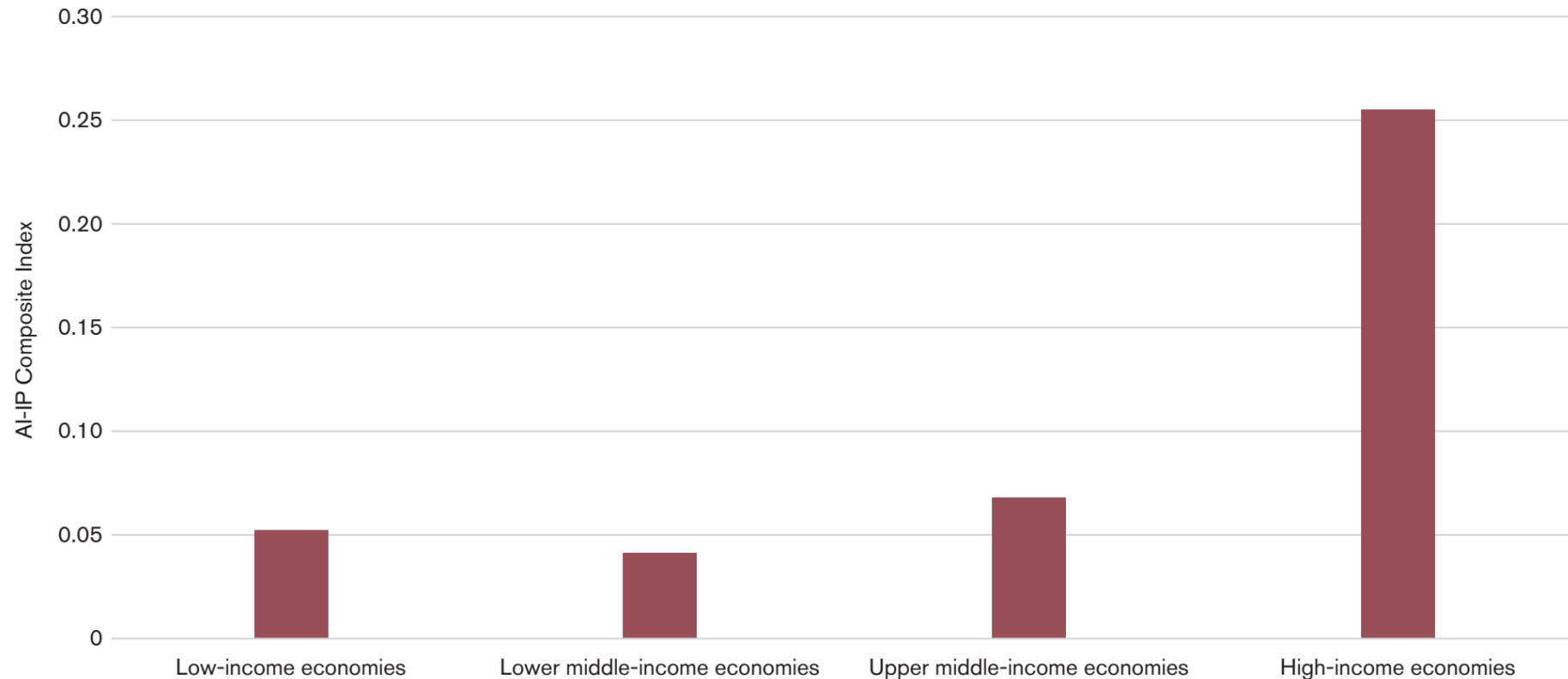
Figure C.7: Economies that have adopted AI policy measures, by income level (%)



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

Trade-related and complementary policies: An uneven picture across the board

Figure C.9: IP policies have a broader coverage of AI issues in high-income economies

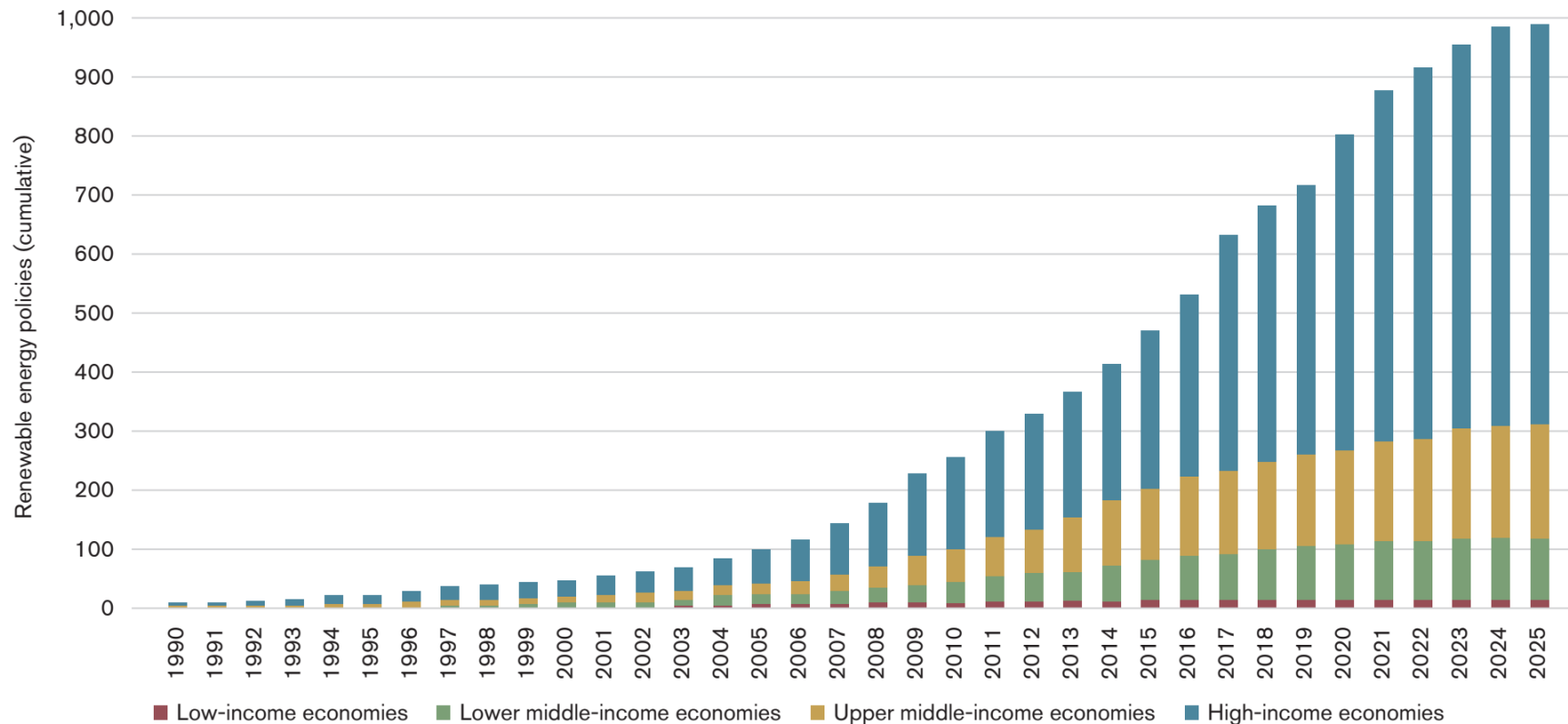


Source: WTO Secretariat calculations based on Cáceres (2025).

Note: Values are averaged across economies by income group.

Trade-related and complementary policies: An uneven picture across the board

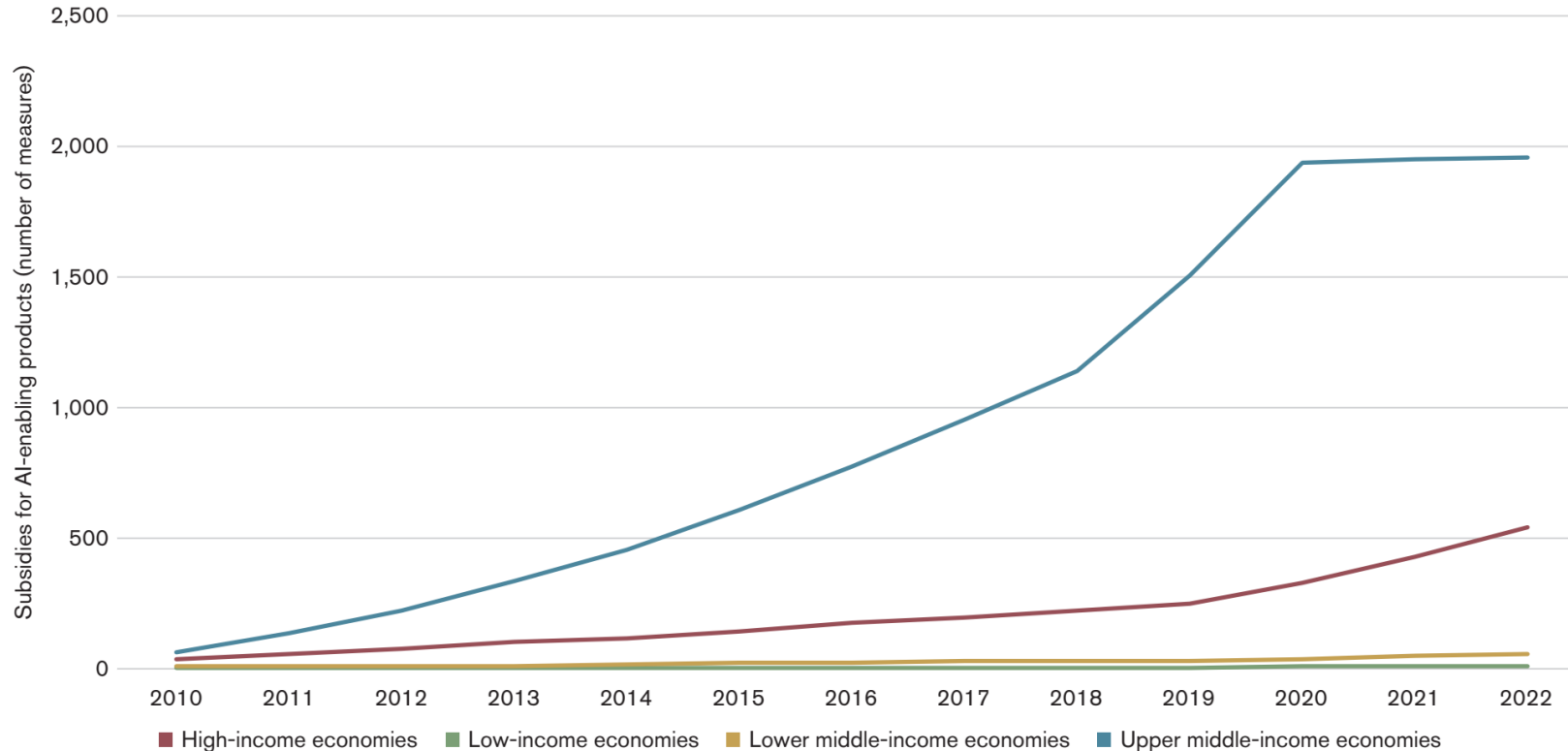
Figure C.11: High-income economies have adopted significantly more policies to support renewable energy



Source: WTO Secretariat calculations based on IEA Energy Policy Database.

Trade-related and complementary policies: An uneven picture across the board

Figure C.15: Cumulative AI-related subsidy measures by income group



Source: WTO Secretariat calculations based on data from Global Trade Alert compiled by Juhász et al. (2025).

Note: Subsidies are considered to target AI-related goods if the HS codes associated with the subsidy by Juhász et al. (2025) appear in the list of AI-enabling products defined for this report (see Annex A.1). The underlying data provides a count of subsidy measures that may hide heterogeneity in subsidy values.

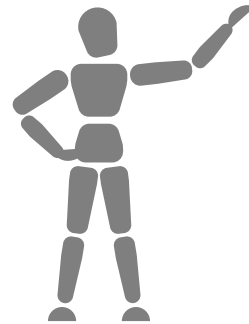
Trade-related and complementary policies: Conclusion

- There is a clear and widening divide in the adoption of complementary and trade-related policies critical for AI across income groups.
- Without deliberate efforts to address this policy divide, trade and trade-related measures will exacerbate the structural divide in AI-driven innovation and growth.

Outline



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**International
cooperation**



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Chapter D:

How *international cooperation* can
make trade and AI work for all

Key messages

- WTO agreements already contribute to the development and deployment of AI
- But, ensuring that the benefits of AI are more widely shared requires:
 - More cooperation at the WTO
 - Greater coordination between the WTO and other international organizations

1. What is the role that WTO plays in international AI governance ?

WTO agreements already help to support AI development and deployment

- Promote **open and predictable markets** in AI-related goods and services thus making them more widely available and affordable
 - GATT, ITA and GATS promote non-discriminatory, open and predictable trade in products essential for AI
- Support **AI innovation and diffusion** through intellectual property rights and knowledge-sharing
 - TRIPS
- Encourage greater **regulatory coherence** on trade-related aspects of AI
 - TBT

1 What is the role that WTO plays in international AI governance ?

In addition,

- **Transparency provisions** in WTO agreements help members to monitor AI regulatory developments affecting trade.
 - Several Members notified their AI regulations. And many more notifications concern areas relevant to AI, such as cybersecurity.
- The WTO offers a **forum** to build shared understanding on trade-related AI issues
 - An increasing number of trade-related policies relevant to AI have been discussed in various WTO bodies, although these have so far focused **more on goods than on services**.

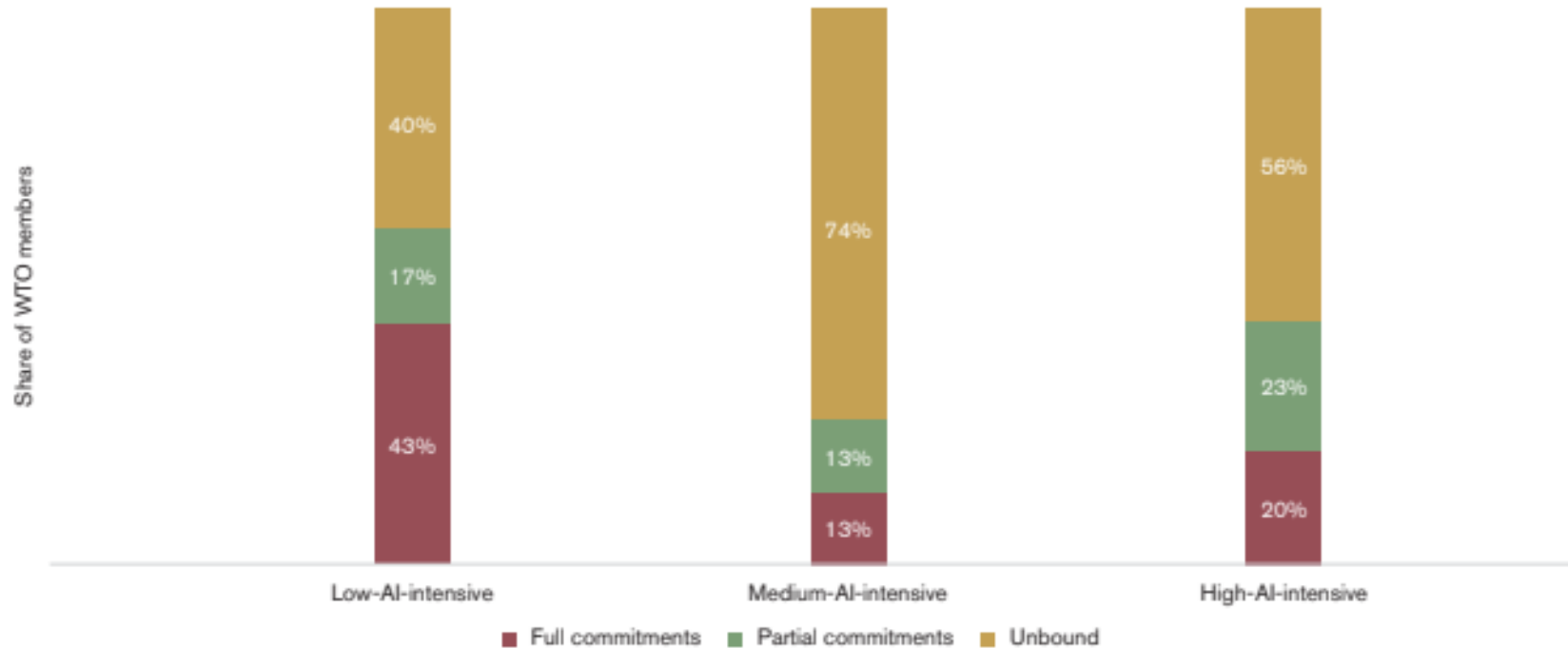
2. What more can the WTO do ?

- Improve the **predictability of trade in AI-related *goods*** through
 - Lower tariffs on key materials and equipment
 - by joining ITA and ITA2
 - While 86% of HIE are parties to the ITA, only 5% of LIE are parties to it
 - by lowering bound tariffs in AI-related raw material
 - Advancing cooperation on export restrictions of key AI inputs, such as microchips and batteries

2. What more can the WTO do ?

- Improve **predictability of trade in AI-related services** through stronger commitments on AI-related services

Figure D.2: The share of full and partial commitments tends to be relatively low for high-AI-intensive and medium-AI-intensive services



Few Members have made commitments under GATS to open their AI-intensive sectors.

Source: WTO Secretariat, based on Calvino et al. (2024) AI-intensity classification.

Note: Most services sectors are classified as high-AI-intensive. Retailing, education and health-related and social services fall into the medium-AI-intensive category, while travel services are considered low-AI-intensive.

2. What more can the WTO do ?

- **Addressing regulatory fragmentation** in AI-related policies
 - the WTO can help through more **informed discussion** on trade-related aspects of digital policy, including data governance (cross border data flow and data localisation) –an issue particularly important for small economies and MSMEs
 - More active use of the Council for Trade in Services to discuss specific trade concerns
- **Using AI responsibly in the implementation of WTO disciplines**
 - AI can also support the implementation of WTO agreements, streamlining trade procedures and reducing administrative costs associated with preferential scheme, thus benefiting small enterprises and developing economies.
 - But concerns around confidentiality, bias, transparency, and fairness must be addressed to uphold WTO principles.

3. Cross-institutional collaboration is key

- Many AI-related trade challenges go beyond the WTO's mandate
 - closing the digital divide,
 - managing AI-related labour market adjustments,
 - aligning trade with environmental goals
 - and addressing market concentration
- More “trade-and” international cooperation is needed for inclusive AI
- Coordinated efforts with other international organizations could ensure that trade, competition, labour, and environmental policies together support a more inclusive AI transformation.

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

The WTO has a role to play for inclusive AI