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Trade laws in the digital era: A case for integration of artificial intelligence

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Abstract
This article talks about the relation between trade and human interference in the digital era. AI technologies such as machine learning and other high level languages can streamline the customs procedures automate the documentation process and ensure a smooth functioning. It leads to faster and more comprehensive analysis of trade policies and their potential impacts. The AI powered dispute resolution mechanisms can help resolve trade disputes more efficiently. The AI is reshaping how trade laws are enforced, interpreted and navigated. While it offers opportunities to enhance efficiently and compliance, it also raises challenges related to data privacy, transparency and algorithmic bias that policy makers need to address.

Keywords: Artificial intelligence, trade restrictions, trade security, economic growth

Introduction

The relation that arose between trade and human interference has become widely significant in the digital era. With the implications of digital transformations, trade law has significantly changed. The changes are channelled mainly through the bilateral and regional trade agreements as the multilateral forum of the World Trade Organisation (WTO) [1] has struggled to respond in a timely manner.

Digitization of the economy is radically transforming the aspects in communication, product produced, govern and trade with one another.

The digital technologies play an efficient role in reducing the trade costs, fosters ideas and new innovations in outreaching the business [2]. The main aspect of the digital trade law is to reach the far and economically driven provisions. Apart from the significance, it has also seen the drawbacks which arise due to the domestic regulatory regimes. These laws directly address certain fundamental rights, such as right to privacy [3].

Data governance provision that covers the flow of data over borders, data localization measures and personal data protection has been the contemporary issues in trade negotiations. Digital trade has been a boon for the economy leading to more innovations and advancement to the society. The cross border digitally delivered services are the fastest growing segment of international trade with the new emerging players. According to WTO estimates, digital delivered services have been recorded an almost fourfold increases in value since 2005, rising 8.1 per cent on an average over the period 2005- 2022, outpacing goods 5.6 per cent and other exports 4.2 per cent to account for 54 per cent of total service exports.

A rapid growth in digital trade highlights the increasing importance and influence of digital technologies in the global economy in expanding the trade opportunities, enabling businesses to flourish seamlessly in a cost effective manner. In furtherance of the COVID- 19 pandemic, digital trade has become a vital tool in delivering goods and providing services for business operations.

The Trade-in services that have been powered by AI and digital technologies are governed by the World Trade Organisation Laws and other preferential trade agreements. Several attempts have been initiated to update the WTO trade provisions.

Despite having an international framework, several issues shall be taken into consideration. Most of the developing countries are still in the verge of defining their key aspect of digital trade in the economy including data protection, cross border rules and regulations and consumer protection. The international body makes rules which are now including the artificial intelligence in the trade sector. It may create digital commitments that lead to unintended consequences or impose unfair conditions on developing countries. There is still no consensus on the best legal and technical practice for the safe and smooth running of the AI [4].

The policies and regulations are different in every country and vary accordingly. Some economies benefit from the digitization in the economic activities, the disruption caused by new technologies to some sectors has driven the adoption of more restricting policies. By examining the Digital Trade Restrictiveness Index that measures the restrictiveness in digital trade are less developed economies.

The AI [5] driven technologies rely on a wider digital economy ecosystem. While we often think AI as virtual, it ultimately relies on physical infrastructure ranging from undersea cables and the machines in which it is embedded. It depends on a vast amount of human labour ranging from the high paid AI researchers and developers. Regulating AI is challenging. The regulations are expected to be flexible to support and respond to technological innovation to ensure fair competition and security which often involves trade-offs.

International dimensions arise as AI policies implemented by one government may be viewed as an unjustified barrier to trade or infringement of fundamental rights. In light of the broader trends of digitalization, policy- makers are looking to update international economic rules. In the WTO more than 80 countries are involved in the digital trade and economy negotiations. For this reason, the most extensive updating has occurred in bilateral and regional trade agreements with many recent agreements including digital trade [6]. AI acts as a source of competitiveness advantage and barrier to entry, contributing to the rise dominant platform firms in the global economy. Competition and merger law are the traditional policy instruments for

ensuring that markets are fair and contestable and this has traditionally been seen as a domestic agenda. The challenges associated with digital markets have led to an overhaul of domestic competition policy and there are moves towards greater international
cooperation to address the practices of global technology companies. The consumer and labour policy has traditionally been domestic in nature, digitizing has lead to a greater number of consumers and workers engaging directly in cross border transactions including purchasing goods and services from companies based abroad and selling labour via global platforms.

As AI continues to reshape industries and transform the global economy, trade policy must evolve to keep pace and ensure equitable growth for all nations. AI in this conception brings unbridled productivity if only the trade barriers can be stemmed as the technology spreads from developed economies to the Global South. Under this view, also shared by the organisation for Economic Co- operation and Development, policy recommendations include further liberalisation of information and communication technology goods trade; lowering barriers to digital services trade and harmonizing data flow regulation [7].

Analysing the interference between trade policy and AI it can be concluded that the international guidelines and standards for AI, over which major technology firms and governments are vying for influence are voluntary but acquire substantial weight when they are cross- referred in trade agreements. Given the global scale of major digital firms, international cooperation is vital for promoting competition in digital markets and rules to address market dominance by private actors remain a lacuna in international trade law. The updating of trade agreements is important, as international economic law and cooperation is ill equipped to address the benefits and risks associated with the digital era and frontier technologies like AI. Digital trade laws and the accompanying scholarship can generally be criticised for having focused solely on privacy protection while downplaying other fundamental rights and freedoms.

Conclusion

The digitization of trade laws represents a pivotal shift in the global economy, heralding a new era of efficiency, transparency, and accessibility. As we navigate an increasingly interconnected world, the traditional paper-based systems that once governed international trade are proving inadequate in meeting the demands of a rapidly evolving marketplace. In this conclusion, we will explore the significance of digitizing trade laws and the multifaceted benefits it brings to businesses, governments, and societies at large.

In conclusion, the digitization of trade laws represents a transformative opportunity to modernize and optimize global trade practices. By embracing digital technologies, stakeholders can unlock a myriad of benefits, including increased efficiency, transparency, inclusivity, and resilience. However, realizing the full potential of digitization requires concerted efforts from governments, businesses, and international organizations to invest in infrastructure, build capacity, and harmonize regulatory frameworks. By working together, we can harness the power of digitization to create a more equitable, sustainable, and prosperous global trading system for generations to come.

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