

Generative AI is vital to national interest, regional prosperity, and tackling shared global challenges.

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It can help to grow economies, quickly and fairly, by identifying the risks entailed in a long-chain transaction or a complex supply chain. So far, so good — but there is no system in place to monitor and pinpoint suspicious global trade patterns. Nor is there any mapping of complex international trade flows, or overall analysis of trading patterns.

Every data point, each statistical analysis and prediction model, must be spot on. Over-reliance on unverified data, or information that is inaccurate or misleading, can have dire consequences. A simple misunderstanding of context can result in AI's notorious "technological hallucinations". Errors can multiply through a supply chain, posing risks that can have far-reaching effects on the economy — such as covering up dumping, counterfeiting, or sanctions avoidance.

AI can play a vital role in monitoring compliance, analysing trends, and assessing the impact of policies. It provides transparency and engenders trust and accountability. AI-driven decisions and recommendations produce credible, far-reaching results. It can tell us where to seek proof of reliability, raise red flags, and shed light on previously invisible interconnections of the global economy. It assists in furthering our understanding of the complexities of trade dynamics.

But it's crucial to see AI for what it is: a tool for augmenting human capabilities, not replacing them. Take this example. Over 200 million bills of lading, crucial papers in international trade, were recently reviewed by the International Centre for Trade Transparency (ICTTM). It found that 13.6 percent contained at least one error. The OECD decrees that 2.5 percent of global trades, and up to 5.8 percent of EU imports, are counterfeit. The documents provide particulars about country-of-origin, product codes and descriptions, quantities, and costs. Certifications, health and safety requirements, regulatory controls, anti-dumping measures, and taxation are all set by the data collected.

Again, any mistake can have dire results.

ICTTM research shows that goods produced with slave labour still appear on international markets; companies are bypassing safety standards by intentionally mislabelling products as requiring no certification. There have been exports of semiconductors pushed through in this way by dubious actors. Traceability becomes more muddled with each step of the transaction.

There's clear evidence that some offenders re-incorporate in new jurisdictions as soon as they are caught — still selling to the same importers. This basic move, because of the lack of international oversight, makes these actions almost untraceable.

When error, fraud, and counterfeit percentages are multiplied over a complex supply chain many layers deep, the dangers become apparent. These "mistakes" have serious repercussions for society — and can even put lives at risk. There is an enormous, hidden, problem in our global supply chains and individual "empires" of technology have no way of solving it.

Nationally built systems, siloed in their own technological and political kingdoms, are not a suitable response to these problems. Countries inspect a small percentage of imports, and

almost no exports. There is no system in place to monitor global trade patterns, no mapping of international trade flows.

And this is where AI can be of use. The international commerce ecosystem is complex, and bots have the capacity to spot macro- and micro-trends across the entire system, rather than just between two trading partners. The fact that we can exercise some control over our interactions with AI is significant. It can help us spot potential threats and zero-in on the primary papers that need closer inspection. It is a tool to identify and chart patterns and act as an early warning system, while keeping faith in the reliability of source materials. Once we know where to look, locating bad actors and verifying documents becomes simpler.

The boundaries of AI are still expanding. Once we are able to recognise global macro trends, we can use it to our advantage. It can shed light on our reliance on specific vendors and suppliers. It can help us to evaluate the economic risks associated with our suppliers, as well as learn how our products fit into global supply networks. With AI, a component that poses a security concern can be identified and rapidly removed from the supply chain. Without it, such problems may remain hidden.

Human and computer error, and intentional fraud in supply chains, can all be distinguished. AI's potential lets us conduct comprehensive analyses down to the smallest of details, leading us straight back to the original suppliers, buyers, and documents. The goal is for a zero-trust approach in which papers and records are verified and analysed.

Applying AI to international trade provides a workable answer to the growing difficulties and risks associated with internationally integrated markets. By embracing it, we are not advocating for unquestioning faith in an unknown system. We are suggesting its use as a tool to draw focus to specific areas. If we continue to adopt and use AI with a zero-trust, verify-and-confirm methodology, the transparency, accuracy, and efficiency it can bring could become essential in navigating the global commerce system.

Right now, at the intersection of science and business, artificial intelligence presents a once-in-a-generation opportunity. Used wisely, it has the potential to help overcome some entrenched problems. Its potential extends beyond the cutting of human labour or the generation of otherwise unpredictable results. It gives us a new perspective, an analytical tool that could radically alter how we think about international trade. It could help our economies to flourish in ways that are beneficial to all involved.

There's no tolerance for AI hallucinations here. Precision, clarity, and faith in human scrutiny are front and centre. ESG reporting is becoming the new norm. Interoperability affords legal protection and a process that safeguards SMEs and banks. Collaborative efforts such as Project Perseus bring together technology, finance, and policy to unlock sustainable access for SMEs via data-sharing. This is critical for stakeholders in the business and banking worlds.

Nationally built systems in technological and political silos must be avoided to combat these challenges. Collaborative efforts between nation states would enable a comprehensive understanding of patterns and targeted strategies. Artificial intelligence should be seen as an instrument that shows us the bigger picture of a vast chain over which no single country, or corporate, should ever have total control.

So, where do governments, regulators, and the private sector go from here? Frameworks and processes are in place to deliver success — and the time for theory is over.

