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IMPACT OF AI ON IMPORT AND EXPORT BUSINESS: A COMPREHENSIVE REVIEW

1 Dr. Bhavana Mehta, 2 Akash Suthar
1 Professor, Pacific Academy of Higher Education and Research University
2 Scholar, Business Administration, Pacific Academy of Higher Education and Research University

***Abstract*:** Artificial Intelligence (AI) in global and Indian export-import business has been explained to the readers in this review paper. Here in this article, how AI technology like machine learning, predictive analytics, and automation is revolutionizing cross-border trade companies like logistics, customs business, and risk management are put. Exploiting the maximum advantage of the application of AI for efficiency, accuracy, and good decision-making, the article undoubtedly explains issues of implementation, expense, and digital readiness. For India, it asserts that AI can even help the country export and import efficiently. This shall have to be facilitated, however, through government initiatives, digital investment, and awareness enhancement among the exporters and importers.

Index Terms - Artificial Intelligence, Import Business, Export Business, EXIM, Supply Chain Optimization, Global Trade, Trade Automation.

INTRODUCTION

The past two years have witnessed Artificial Intelligence (AI) transforming all sectors—and international trade is not an exception. While export and import
businesses are operating in an unprecedented environment of being under pressure to go faster, faster, AI possesses is moving ahead quickly. To automate supply chain processes or forecast complex patterns of the market, AI is transforming global trade trends with commodities being traded across the globe.

For third-world nations like India, it is both opportunity and challenge to ride over this major shift. AI can be used in business to automate exports and imports, iron out tracing and logistics, and enable fact-based business decisions. Application of AI is never perfect, though, from non-capital-intensive to take off to non-availability of infrastructure and adequate awareness.

This review article tries to understand the future of AI in the import-export sector based on a review of five recent studies. It is well-aware of how business is being used effectively by AI, its shortfalls and advantages, and how nations such as India can usefully employ this technology to their optimal ability while attempting to expand their influence all around the world.

Example based on above introduction:

As ai evolving today's modern world with efficiency and boosting work ethics.

Finance sector also stepping in ai world with some minor steps like in calculations profile data of customers etc.

Bank of America place some crucial role like they have their own erica chat but which plays major role in customer service.

1- delivering finance inside

2- dealing of with people

Means fewer the mistakes better the results to shift with costumers...

Ahmed, Z. K., & Mehta, B. (2023) This study emphasizes the influence of web-based customer feedback upon consumer decision-making in the home furnishings sector. It emphasizes the growing potency of digital feedback mechanisms within the process of shaping purchase decisions. In import/export business, analysis of crossborder customer feedback via sentiment analysis using AI can provide rich insights into cross-border consumer preferences. Such data can allow exporters to modify product features, prices, and channels of distribution in real-time and thereby contribute to competitiveness in foreign markets.

Choudhary, P. D., & Madhwani, R. (2013) This research is looking into how world depressions influence tourism and hospitality sectors. Its implications reach the entire economy, foreign trade included, which gets hurt in world downturns. Now, AI software in predictive analytics and forecasting can assist importers as well as exporters to foresee market movements and pre-emptively modify supply chains. Thus, though the paper is centered on tourism, its conclusions echo the potential of AI to act as a shock absorber for import-export industries too.

Chaplot, D., Ranawat, P., Yadav, A., & Soni, K. (2023). customer relationship management (CRM) in the era of data analytics research includes the development of CRM with data analytics as a method of showcasing how businesses utilize data in order to establish better connections with customers. Extending this to global trade, AI-driven CRM can help import-export businesses manage cross-border client relationships, track cultural buying habits, and predict future customer demands. By integrating AI with CRM, businesses will be able to achieve loyalty and international market penetration, which is well-suited for globalized digital trade practices.

Dave, K. K., & Paliwal, R. (2016). A study on consumer perception on malted health food drinks in Udaipur ciy explores consumer perceptions and behavior in a specific kind of FMCG category. Its conclusion reflects how local palates influence market success. In import-export, world consumer food and beverage preferences can be predicted through AI-driven market analysis, allowing exporters to access the appropriate markets with the appropriate products. Hence, market research on consumer attitudes, linked with AI tools, is critical in handling world product acceptance.

Sharma, R., Dadhich, M., & Chauhan, K. (2022). The pandemic effect analysis of financial indicators of the selected BSE listed firms: an in-depth analysis provides a comprehensive view of how COVID-19 interrupted financial performance of leading companies. It reflects the need for robust systems that can handle external shocks. In import and export firms, AI-based financial modeling may help in forecasting risks, handling disruption in supply chains, and optimizing the use of resources during crises. The findings corroborate the relevance of AI in formulating adaptive approaches to international trade in uncertain situations.

Mehta, A., & Hiran, D. (2023). Change management practice in medium size business organizations of small cities study emphasizes change management practice within mid-sized organizations, particularly in smaller cities. It argues that business continuity requires flexibility and systematic approaches. For import-export, AI facilitates smoother change management by offering real-time information, automating rules, and streamlining supply chains. The observations of the paper align with how AI can guide small and medium enterprises (SMEs) in smaller cities to participate confidently in global trade networks.

The Role of AI in International Trade: Opportunities and Challenges

The research paper reviewed, "Impact of AI on International Trade: Op-portunities and Challenges," was authored by Ozcan Ozturk, an in-house researcher at Hamad Bin Khalifa University's College of Public Policy in Doha, Qatar. Ozturk is highly credited in international economics and public policy, having already carried out research on a variety of issues such as the price transmission in cotton trade, Taiwan trade policy. His multi-defined body of work speaks volumes about his knowledge in international trade and policy-technology interaction. published in the economies journal (Volume 12, Issue 298) on October 30, 2024, the article examines the groundbreaking impacts of Artificial Intelligence (AI) on global trade. Focusing on qualitative research on some case studies, it examines AI adoption in three international companies: Alibaba, DHL, and Maersk. Comprising seven sections with a conceptual framework, applied practice, issues, and policy recommendations, the paper

offers an in-depth analysis of how AI is transforming the landscape of international trade. Its main aim is to identify how AI technology affects trading operations, finance, and market access and describe the issues for widespread use. The article offers a pragmatic model with three main dimensions on which AI has an influence on international trade: Syntactics, Semantics and Pragmatics.
-Syntactics, it explains about the way in which words and signs are arranged in a sentence.
-Semantics it explains the meaning of each word and signs.
-Pragmatics it explains that how context explain the meaning.

In trade specific barriers involves tariff rules, quotas, sanctions, and countries policy. according to the world trade organization 30% of misinterpretation is cause of global trade dispute. The public perception involves that people mistrust that AI will replace jobs. Technological complexity involves skilled talent, integration, and advanced infrastructure which most trade platform was not supportable for AI compatibility. Ethical & Regulatory issues involve the concerns about privacy, surveillance, and tracking shipments. Data quality & availability is the biggest challenge for AI to work well it need consistent data and in international trade data is often outdated or missing across different countries, So from the above study it can be concluded that there a few major challenges in adoption of AI in trade sector. Which is explained in the below Fig.1.1.

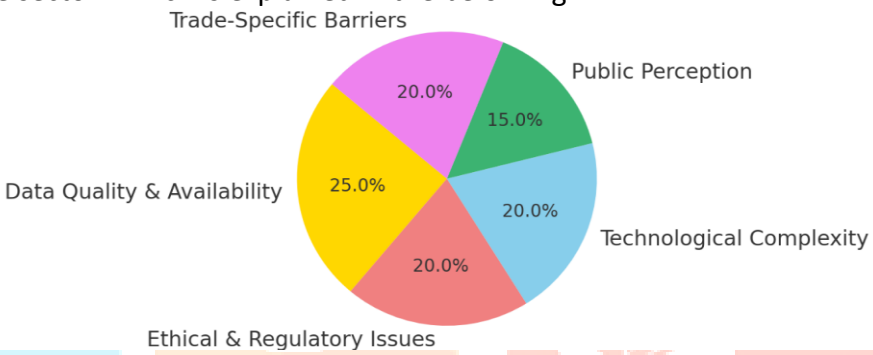

Figure 1.1: Major Challenges in AI Adoption for International Trade

Key Contributions

*Trade Operations- AI improves logistics, forecasting, inventory management, and risk management. For instance, predictive analytics lower transit time and ease customs
*Trade Finance- AI speeds up transactions, secures them, identifies fraud, and forecasts cash flow as well as Augmented with blockchain, makes it more transparent and in cross-border payments.
*Market Access- Technologies like Natural Language Processing (NLP) and machine learning allow companies to go beyond the boundaries of language, decode market patterns, and provide real-time price strategy.

Three in-depth case studies illustrate these conclusions:
*Alibaba applies AI to personalized shopping, logistics optimization, and cross-language customer services.
*DHL applies AI to automated sorting, route optimization, and customer service robots.
*Maersk applies AI to predictive maintenance, fuel efficiency, and port automation.
These are only a few of the examples that demonstrate AI is no longer speculative — it's actually revolutionizing trade logistics and competitiveness.

Observation

Although Ozturk's report does provide very useful insights into the effects of AI in international trade, there are some very important observations to be noted.
The study is conducted on Three industry leaders— Alibaba, DHL, and Maersk — who already possess vast resources along with extremely advanced digital networking infrastructure. This complicates it further to figure out the results to small and medium businesses (SMEs), particularly for developing economies such as India. The study could have indicated the explosive growth in AI usage in low-resource settings. One aspect of the paper that is discovered to be underdeveloped is the long-term social impact of integrating AI into the business — i.e., replacement of jobs and change in the labour market.

Though public perception issues are touched upon in the paper, they stay hidden with high-level debate regarding possible imposition of ethical standards or reskilling initiatives by governments or companies. From the Indian context, it is a humongous gap, since sectors such as manual logistics, customs clearing, and back-office processing remain significantly manpower-intensive in nature. Also, the paper is qualitative in nature, and while qualitative methods are great in getting case-specific data, with the absence of quantitative data, it is difficult to easily quantify real effectiveness. Adding quantifiable measures such as percentage time improvement in delivery, cost reduction, or growth in volume in trade would make the argument stronger. Measurable impacts should be included in future studies undoubtedly.
For policymakers, the paper has succeeded in convincing us that cooperation at an international level is possible. Authentic cooperation is, however, quite tough with diverging interest of nations, data regulation there, and geopolitical rivalry. For instance, Indian data localization policies differ from that of the EU or China, so free-flow AI adoption across borders becomes difficult. Such realistic differences need to be discussed more in the academic literature.

Moreover, the ethical issues of AI — discriminatory algorithms, tracking, and accountability — would have been debated more substantively. Particularly in trade finance, where AI can reject or approve loans on the basis of discriminatory information, the destruction would be catastrophic for small exporters.
Lastly, I believed that the paper could have utilized the moment to state how India or other nations of the Global South are increasingly adopting AI in trade-related projects. For example, India's "Unified Logistics Interface Platform (ULIP)" aims to integrate logistics data from all ministries through AI. Such regional level attempts being stated would make it more inclusive and informative.
the speed of AI progress is alarming for regulatory lag — when the law in place cannot keep pace with new technology. It is not merely a trade issue but a truer one when cross-border activity is concerned. It would have been better if the paper could have contrasted a comparison of a study of AI regulation in various trade-based countries, i.e., India, China, and the US, to demonstrate how fragmented regulation can make it difficult to adopt AI easily.

Another issue of greater importance of greater priority is sustainability. AI potentially green foreign trade through optimizing routes, minimizing fuel consumption, and enhancing demand projections. Little in such trade-oriented research, however, is mentioned about the computer and energy resources expense of training massive AI models that use vast loads of computer resources and energy. That perhaps is one interesting avenue for future research.
AI impact on different aspects of international trade:
*Trade operation – AI tech enhancing operations with the score of 8.5 out of 10 in sectors like logistics, automation or documents.
*Trade finance – it has less impact as compare to trade operation with score of 7.0. as it simultaneously improves risk management and explicates transitions through advance analytics
*Market access- it has the major impact with scour of 8.0 through AI specifically in market analysis and personalised trade strategies.

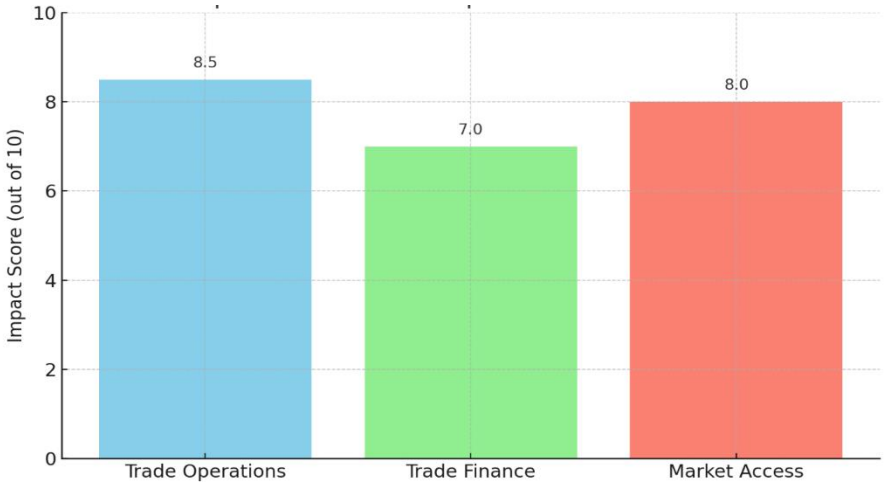

Figure 1.2: AI's Impact on Different Aspects of International Trade

What AI Still Can't Do in Global Trade

While AI is transforming global trade, it suffers from an extremely real deficiency that is not heeded. The biggest deficiency of AI is that it functions on clean, well-organized, and correct data. Because it occurs in real-world trade settings — most notably in the Third World — data is dirty, old, or absent. AI models with poor-quality data will yield incorrect projections, bad decisions, or biased outcomes.

Another of the greatest limitations is that AI does not have human judgment, or contextual thought. An unexpected political event, a trade embargo, or cultural misunderstanding in a negotiation, for instance, can't be foreseen by AI — but a seasoned trade expert can foresee this kind of risk. AI cannot perceive feelings or trust among partners, which is still the number one driver of trade agreements.

AI equally finds it difficult to handle legal complexity. Foreign trade law is still uncertain and geographically diverse. AI computers are not always able to comprehend fine implication of law terminology, bilateral deals, or sanctions — particularly along India-Pakistan borders. It still requires continued human intervention in such risky situations.

In addition to that, AI systems, particularly supply chain automation, tend to be in the habit of making companies too technology-reliant. Once the hub system crashes or is hacked, it results in catastrophic outages, without any failover human plans. AI introduces efficiency but certain new categories of risks with it.

And lastly, there is also a moral and ethical danger. AI has no sense of justice. It may opt for profit over employees' rights or environmental protection unless programmed otherwise. In trade finance, AI can refuse credit to small exporters simply because they have no digital records — preserving current imbalances.

Conclusion

Artificial Intelligence can do nothing but transform the face of international trade with increased efficiency, precision, and decision-making. Be it predictive analytics and automated customs clearance or intelligent supply chain management, AI has huge potential for companies to become wiser and competitive players in the global marketplace.

it has to be acknowledged that AI is not perfect. It is data-driven, suffers from an inability to grasp human emotions, nuances of law, and cultural variations, and poses ethical concerns if not controlled. Excessive reliance on AI can even bring new areas of vulnerabilities into world trade mechanisms.

The future of global business is not about total replacement of human action but finding the balance— where AI handles mundane, data-oriented tasks and humans provide judgment, experience, and moral compass. This manner, AI might be an amazing tool, not a replacement.

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