BUSINESS at OECD | Business and Industry Advisory Committee to the OECD

# Business Perspectives on Advancing Artificial Intelligence

## Business Recommendations to the OECD

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# Contents

# Executive Summary

Artificial Intelligence (AI) is already reshaping economies and labour markets, and its influence will continue to grow as adoption deepens. For businesses, AI represents a powerful driver of productivity, innovation, and competitiveness. For policymakers, it is a new path to support economic growth and societal well-being. But, to realise the technology's potential, trust must be at the centre of its development and subsequent economic relationships. While the use of AI is growing, organisational and societal trust in AI systems remains uneven, and adoption rates vary widely across different sectors despite evident productivity benefits. Addressing this gap requires clear accountability across the AI value chain, complemented by international principles that protect users while preserving openness and innovation.

Building on the Organisation for Economic Co-operation and Development (OECD) AI Principles and the updated 2024 OECD Recommendation on Artificial Intelligence, this paper has set out to present the private sector's perspective on how good AI governance, rooted in core principles and shared values, can best support long-term value creation. Across sectors, businesses emphasise the importance of risk-based, proportionate and interoperable approaches that build on existing legal frameworks, avoid unnecessary fragmentation and remain responsive to technological change. Trust, security and accountability must be embedded throughout the AI lifecycle, while openness, cross-border data flows and global cooperation are needed to sustain innovation.

The paper also highlights policy priorities that should be at the forefront of policymakers' minds, spanning from financial support to innovation, trade facilitation, public sector adoption, the evolution of education systems and the future of work. Across these domains, *Business at OECD* calls for closer public-private collaboration to promote responsible AI adoption.

In this configuration, the role of the OECD is twofold. By contributing to the evidence-based analysis of AI trends, it sets a strong foundation for advancing internationally aligned AI governance. At the same time, by fostering dialogue between stakeholders, including governments, businesses, academia and civil society, it can help translate shared principles into practical policy tools across jurisdictions and sectors.

At a time of rapid technological change and systemic uncertainty, closer collaboration between governments and the private sector is more important than ever. *Business at OECD* calls on OECD members to strengthen cooperation on AI policies that support market-driven innovation and enable businesses of all sizes to adopt AI responsibly.

# Introduction

**Innovation is driving the competitive landscape in our economies**, with businesses at the forefront of research and development (R&D) efforts, bringing new ideas to the market. Breakthroughs in artificial intelligence[1] (AI) and the rapid diffusion of this general-purpose technology across both firms and households has accelerated AI-related innovation and investments, with the private sector leveraging AI solutions to achieve a transformative impact across all industries. At the same time, public institutions play a strategic role in diffusing AI technologies, reducing skill gaps, encouraging effective AI governance, supporting research initiatives, facilitating investment, spearheading international collaboration and ensuring public benefits.

***The AI public policy landscape has expanded rapidly across OECD countries.***

On a global scale, policymakers are also witnessing the impact of AI on economic growth and social structures, as **the technology is expected to contribute about 15.7 trillion USD to the global economy in 2030**[2]. In response, the AI public policy landscape across OECD countries has expanded rapidly, encompassing a growing number of national and international instruments. These initiatives range from strategies, guidelines, and coordination mechanisms to legislative and regulatory frameworks. The OECD has already identified **sixty-five national policy initiatives**[3], with six new ones currently underway.

As the relationship between innovation and regulation is constantly evolving, it will be essential for future public policy and regulatory frameworks to be flexible and accommodating of technological developments. The coherence of AI frameworks should be prioritised in order to avoid policy and regulatory fragmentation, which could lead to increased trade costs for businesses and create confusion for AI users.

***Low organisational trust remains one of the most significant obstacles to realising AI's potential in firms.***

At the same time, **trust in AI solutions must be reinforced**. It is a defining factor of economic impact and needs to be addressed both by public institutions and private organisations. While low organisational trust remains one of the most significant obstacles to realising AI's potential in firms, a global study surveying 48,000 people across 47 countries shows that less than half (46%) are willing to trust AI, even though 66% already use it regularly[4]. Societies and firms with a higher level of trust in AI are likely to achieve greater returns on their adoption with stronger macroeconomic growth trajectories. Trust is closely linked to economic prosperity, acting as a form of economic capital, and it will continue to influence outcomes in the AI-powered economy[5].

The AI ecosystem is inherently global. Every major AI breakthrough depends not only on domestic innovation but also on real-time access to skills, data and information from around the world. Without the ability to seamlessly participate in transnational digital networks and the broader AI development **ecosystem, economies risk missing out on** many of the benefits that AI can offer.

Cross-border data transfers are therefore at the centre of effective deployment of AI

[1] AI systems are machine-based systems that, for explicit or implicit objectives, infer, from the input they receive, how to generate outputs such as predictions, content, recommendations, or decisions that can influence physical or virtual environments. AI systems vary in their levels of autonomy and adaptiveness after deployment. OECD, 2024

[2] Sizing the prize, PwC, Accessed August 2025

[3] The OECD.AI Policy Navigator, data from January 2026

[4] Trust, attitudes and use of artificial intelligence, KPMG and University of Melbourne, 2025

[5] The link between trust and economic prosperity. Repairing the global erosion of trust has economic advantages, Deloitte Insights

solutions that enhance economic growth, help advance scientific progress and promote cutting-edge R&D. Science and innovation-oriented organisations consistently emphasise that computational analytics capabilities depend on data drawn from globally distributed sources. At the same time, **governance frameworks should pair openness with internationally aligned safeguards** to avoid weakened levels of trust and protection between regions.

### *Businesses are increasingly exposed to AI-specific threats*

In addition, as AI systems become deeply embedded in business processes and critical infrastructures, ensuring their security and resilience has become a necessary component of trustworthy AI. Businesses are increasingly exposed to AI-specific threats such as data poisoning, model theft, prompt and input manipulation and attacks along complex software and data supply chains, even as they rely on AI to strengthen their own cyber defences. Building on the OECD's longstanding work on digital security, governments and businesses should work together to **promote security-by-design and by-default throughout the AI lifecycle**, with clear expectations for risk management, testing, monitoring and incident response that reflects the evolving threat landscape.

In this context, **the OECD is at the forefront of efforts to promote widespread AI adoption by all stakeholders**, leveraging its expertise across related disciplines and evidence-based tradition to help better shape and understand the opportunities, policy requirements and economic shifts resulting from AI innovation. **Its updated 2024 Recommendation on Artificial Intelligence reinforces commitments to transparency, information integrity and responsible business conduct**, responding to new opportunities and challenges emerging with AI[6]. The OECD serves a valuable role in advising policymakers on how to design innovation-friendly policy environments and helps them address related global challenges. In turn, from a business perspective, the OECD is a key forum to advance consistent regulatory frameworks and enable policies that build global trust in AI systems, as demonstrated by its efforts so far. In a recent example, the OECD supported the G7 in developing the Hiroshima AI Process (HAIP) Reporting Framework, a voluntary tool designed to monitor the application of the G7's International Code of Conduct for Organizations Developing Advanced AI Systems[7].

With this paper, *Business at OECD* (BIAC), the institutional stakeholder and representative of the private sector at the OECD, is combining its expertise across industries, sectors and jurisdictions to share its perspective and recommendations for the future of AI governance. We especially look to the OECD, as a strategic multistakeholder platform, to promote coherent, trustworthy and innovation-enabling AI governance frameworks with clearly defined accountabilities.

[6]OECD Recommendation on AI, https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0449, 2024

[7]G7 reporting framework – Hiroshima AI Process (HAIP) international code of conduct for organizations developing advanced AI systems

# Unlocking the transformative potential of AI

## *Aiming for impact*

In recent years, **technology has become the primary driver of change and disruption**. AI is at the forefront of this, alongside other emerging technologies such as synthetic biology, robotics and quantum computing. While such transformation can be disruptive, it also **presents great opportunities for growth, productivity gains and the emergence of new business models**. Reflecting this potential, 75% of business leaders now view AI as one of the top three strategic priority for their organisations[8].

In this context and over the past few years, AI has developed at a rapid pace, supported by significant developments in computing power, data availability and the emergence of more sophisticated algorithms. Across sectors, **AI is profoundly reshaping business operations** from the automation of complex or tedious tasks, enhanced oversight of activities and support to decision making. These advancements are particularly evident with agentic AI, systems capable of acting autonomously to achieve specific goals, reasoning through multi-step problems and adapting their actions in real-time with different levels of human supervision.

Despite clear incentives for companies to adopt and implement AI technologies, diffusion remains uneven. Adoption is concentrated in large, innovation-intensive firms and technology-driven sectors, while smaller organisations and Small and Medium Enterprises (SMEs) often face structural challenges, leading them to remain in the testing phase. This disparity reflects differences in resource capacity, awareness and risk management.

**Companies must balance the potential benefits with careful attention to safety, privacy and consumer** trust, which remain at the foundation of businesses' activities.

Addressing these gaps will be essential to realising AI's transformative impact across the broader economy. **Companies must identify the most relevant applications for their operations, manage implementation challenges and ensure that risks are mitigated through transparent and ethical governance practices**. A key challenge remains the need for a stronger understanding of AI-related risks that range from operational reliability and resilience, bias and discrimination, to broader societal or security implications. In addition, the identification and tiering of these risks need to follow a consistent approach. Businesses and policymakers need policy frameworks to be guided by shared values and commitment to ethics, transparency, sustainability and human well-being to ensure AI truly benefits the whole of society[9].

**The OECD has been a pioneer in guiding these efforts through the OECD AI Principles**, which have become a global reference for the development, deployment and adoption of trustworthy AI.[10] The now updated principles provide a shared framework for policymakers and stakeholders built around core values to promote inclusive and sustainable growth, uphold human rights and democratic values and ensure transparency, robustness, safety and accountability. These principles have informed regulatory approaches across the European Union, the Council of Europe, the United Nations and beyond, serving as a foundation for international coherence.

[8] From Potential to Profit: Closing the AI Impact Gap, BCG AI Radar 2025

[9] OECD Recommendation of the Council on Artificial Intelligence, OECD/LEGAL/0449, 2024

[10] Ibid

In this evolving context, **collaboration between businesses and policymakers is crucial to shape agile governance frameworks** that support innovation while maintaining responsible AI practices. By working together under shared values and evidence-based principles, the public and private sectors can ensure that AI delivers on its transformative promise.

# Towards effective AI governance for businesses

As AI innovation and adoption continue to advance, businesses are committed to trustworthy and inclusive AI governance that enables them to flourish. From a business perspective, effective AI governance should foster trust, transparency and accountability, while supporting investment, competitiveness and global interoperability. Achieving this balance requires policy approaches that are risk-based, proportionate and conducive to innovation. Therefore, building on the OECD AI Principles, businesses across OECD countries highlight several key areas to promote responsible AI adoption and sustained economic growth.

**Safeguard Trust and Safety** based on transparency, explainability, fairness and ethical use.

- **Ensure a wide adoption of trusted AI tools:** For the benefits of AI to be enjoyed at scale, adoption of the technology must be based on trust, addressing accountability throughout the value chain. To that end, businesses are making efforts to showcase their commitments to good AI governance and purposeful transparency in an ever-changing technological and economic landscape. Users require models to adapt to their needs and produce quality outputs[11]. In addition, the availability of explainable tools and practices empowers individuals and organisations to make informed decisions and fosters responsible adoption. Trust is not only a prerequisite for uptake but also a driver of innovation and competitiveness.
- **Shared tools for effective risk management:** As AI systems become more complex and interconnected, related safety concerns need to be addressed across the supply chain and on the basis of interoperable frameworks. Policymakers should support shared tools for measurement, documentation, evaluation and redress mechanisms that can help identify and address risks proactively. By embedding common approaches to AI lifecycle governance, we can enhance reliability, facilitate international cooperation and reduce compliance burdens for businesses operating across borders.

**Promote Risk-based Approaches to Regulation** that remain both proportionate, flexible and enforceable.

- **Building on existing legal frameworks**: To be effective while still allowing technological breakthroughs and innovation to flourish, policymakers have to adopt a tiered, risk-based and precise approach to regulating AI. By building upon existing laws, standards and accountability practices, new and future AI regulations can build upon existing instruments while providing non-exhaustive criteria to assist organisations in assessing risks and understanding their responsibilities according to their roles in the AI value chain. In turn, organisations would be able to tailor their mitigation responses to actual risks and avoid the implementation of unnecessary measures. Precise rules should provide as much certainty as possible regarding their scope of application, while balancing the

[11] State of AI in Business 2025, Aditya Challapally, Chris Pease, Ramesh Raskar, Pradyumna Chari, MIT NANDA, July 2025

critical need for regulations to remain relevant as technology and use cases continue to advance. In addition, policymakers should provide SME-adapted implementation support for AI regulation, including practical guidance, dedicated regulatory sandbox tracks and standardised compliance toolkits.

- **Aim for compatibility**: In addition to ensuring the development of AI regulations that benefit from existing instruments, any new policy needs to pay particular attention to its compatibility and coherence with existing regulations in areas such as intellectual property (IP), data protection and governance. To achieve this, different regulatory bodies and agencies need to coordinate and cooperate towards common goals.

**Ensuring Global Interoperability** through Multistakeholder Engagement.

- **Commit to multistakeholder dialogue**: Given that AI solutions are adopted at a global scale, policy coordination needs to adopt an equally international approach to avoid fragmentation and allow businesses to flourish. Multistakeholder dialogues should remain the cornerstone of any regulatory effort around AI, bringing together governments, businesses, academia, civil society and technical communities. Such collaboration is key to ensuring that regulatory frameworks are both effective and practical, reflect diverse perspectives and can evolve alongside technological advancements.

- **Plan for coherence and interoperability**: As AI technologies evolve and increasingly intersect with other domains such as cybersecurity, data governance and emerging technologies, aligning national strategies with existing governance models and resources will be necessary to achieve coherent AI governance. At the same time, multilateral cooperation efforts need to anticipate new challenges and opportunities while avoiding fragmented or duplicative efforts and fostering consistency across global and regional approaches. Policymakers and businesses should work together to develop forward-looking guidance and interoperability mechanisms that not only safeguard trust and security but also ensure the scalability of AI solutions across borders.

**Strengthen Human Capital through Lifelong Skills Development** by encouraging investment in skill development for all, and evidence-based insights to better align AI supply with market and societal needs.

- **Encourage investment in upskilling and reskilling**: The successful and responsible integration of AI technologies relies on equipping all workers at all levels with the skills needed to adapt and thrive, including for the new roles being created with the digital transformation. Businesses are already investing significantly in training and lifelong learning programmes; public policies must help scale these efforts by creating incentives for reskilling and upskilling, supporting workforce transitions, and fostering collaboration between industry, academia and governments. These efforts should also extend to public authorities, including regulators and policymakers, whose understanding of AI systems and their practical implications is essential for the development of AI governance. Viewing training as strategic learning would enable people to become not only competent users but active agents of digital transformation. Special attention should be given to SMEs and underrepresented groups, ensuring they also benefit from upskilling opportunities.

- **Support workers as AI adopters**: Opening the participation of all in the AI economy will be essential to maximise the benefits of AI. This requires targeted strategies to equip workers with solid AI skillsets and understandings of its capabilities and limitations. Policies should encourage businesses to support lifelong learning in the workforce, career development and mobility.

- **Promote AI literacy across education systems**: Building foundational AI literacy from an early stage is essential to prepare future workers, citizens and entrepreneurs for an increasingly digital and data-driven economy. Policymakers should support the integration of age-appropriate AI and data education into school and university curricula, encourage collaboration with industry and research institutions and ensure that educators have access to the training and resources needed to teach confidently and responsibly.

## Enable Innovation through Investments

- **Promote environments that encourage R&D and responsible deployment**: Current levels of investment in innovation remain below what is needed to fully harness its economic potential. More must be done to close this gap and unlock and sustain private investment in research and development (R&D) and innovation. Policymakers should provide a supportive environment for private investment alongside funding AI innovation through targeted programmes. Businesses are already estimated to contribute roughly 70% of global R&D spending, not only by funding research but also by driving the commercialisation of innovations. Governments play a complementary role, not only by accounting for the rest of global R&D spending, but also by fostering enabling policy frameworks and supporting breakthrough research.

- **Encourage strategic investment throughout the AI value chain**: Developing and deploying AI systems requires investment in the entire innovation pipeline, including key infrastructures and compute capacities, high-quality datasets and a specialised workforce. Increasing compute capacities in particular require investments in hardware, software, data centres, and high-performance computing to support AI model training and deployment at scale.

## Strengthen Public-Private Collaborations

- **Join forces through targeted projects and procurements**: AI development has shifted from primarily government-led research to dynamic private sector-driven innovation, redefining the way technology progresses. The rapid pace of AI advancements requires that public organisations also adopt practical best practices, clear implementation roadmaps and robust collaborative partnerships with the private sector. Structured collaboration between government agencies, private companies and academic institutions, such as joint research initiatives, shared technology development and information-sharing platforms, can foster a vibrant ecosystem that leverages interdisciplinary expertise. Public-private partnerships (PPPs) can play a central role in ensuring AI is developed and deployed ethically, sustainably and inclusively, while also supporting broader economic and social goals.

- **Make use of innovative approaches and tools to advance regulatory policies for innovation**: To balance innovation with responsible oversight, policymakers should promote the use of regulatory sandboxes and experimentation environments that allow businesses to test

AI applications under real-world conditions while maintaining safeguards. Sandboxes provide a space for regulators and innovators to collaborate, share insights and co-design solutions that are both practical and aligned with societal values, while accelerating go-to-market for solutions that meet social needs. These tools can also help identify emerging risks early, build regulatory capacity and reduce uncertainty for businesses, particularly start-ups and SMEs, by clarifying compliance requirements in a fast-evolving landscape.

## Bridge the Infrastructure Gap

- **Better connectivity infrastructure for AI competitiveness**: Network capabilities can be decisive when choosing AI infrastructure partners. Modernising network infrastructure, particularly through high-speed, low-latency and secure connections, is essential for AI adoption and value creation. It enables business operations to get faster and more responsive, while building their resilience and global reach.

- **Enable access to energy resources and the grid**: Access to stable, affordable and clean energy is at the basis of trustworthy AI development. Ensuring a reliable electricity supply is needed to support the infrastructure that powers this technology. Today, energy security remains a major barrier to participating in the AI economy for many regions. Policymakers, alongside businesses, should prioritise expanding access to clean and secure electricity, as well as investing in grid resilience and modernisation with a view to the development of sustainable energy solutions that will also meet tomorrow's needs.

- **Enhancing computing capacities in all regions, sustainably**: Data centres are the foundation of both the development of AI systems and the access of users to AI solutions. They provide the infrastructure needed for organisations of all sizes, including start-ups, SMEs and individuals. As demand for AI systems increases, policymakers and businesses should work together to ensure that data centre infrastructure is both scalable and sustainable. This can be done by investing in energy-efficient solutions, promoting geographic coverage to reduce latency and working with smaller players to ensure their access to critical resources. Policies should also encourage transparency around the environmental impact and foster PPPs to expand access in underserved regions.

## Support responsible cross-border data transfers

- **Ensure AI models can be trained on geographically diverse data**: AI models are developed and deployed across countries and the data used to train AI models often originates from multiple sources around the world. Companies should be encouraged to use diverse sources of data, which can improve the accuracy, reliability and representativeness of their AI models. Restrictions on cross-border transfers can limit access to training data or push companies towards training AI models on biased datasets, which can skew an AI tool's output.

  Using globally relevant data to train AI models is important across industries. In health care, AI tools trained on medical information from multiple countries can improve patient care and better respond to new disease outbreaks. In cybersecurity, AI tools can more easily recognise bad actors in new locations if they are trained on data about incidents across the globe. Because training data frequently originates from geographically dispersed sources, it is imperative to ensure that this data can move seamlessly and securely across borders.

- **Ensure companies deploying AI can transfer data across borders to access leading global technologies**: Companies cannot adopt new AI solutions if they are subject to data localisation requirements or other restrictions on the cross-border transfer of data. As such, policymakers should avoid data localisation requirements and promote the responsible and trusted transfer of data across borders, including the appropriate use of privacy-enhancing technologies (PETs). While increasing openness is important, it should not result in a race to the bottom regarding regulatory or compliance standards. Instead, international cooperation should focus on aligning baseline requirements and fostering consistent, robust approaches to data protection, security, and accountability across different jurisdictions.

Without open global flows, models become parochial, less accurate and less resilient. For example, AI systems deployed for environmental science and agricultural planning rely on integrating global geospatial, remote sensing, weather, soil, hydrological and satellite datasets. In precision agriculture, AI tools integrate soil, crop and climate data from multiple regions to optimise farming practices and resource use. AI technologies trained on data from one agroecological zone can suggest adaptive innovations in another. The same global reach is important for AI systems used to identify cyberattacks and fraudulent financial activity, which are inherently transnational. AI-driven cybersecurity tools are needed to meet these challenges, but restrictions on cross-border data flows undermine resilience and weaken AI-enabled protections.

# Priority Areas for OECD Action

Building on the OECD's leadership in advancing responsible AI, this section outlines nine priority domains where the Organisation and its member countries can support innovation, address risks and foster international cooperation. Strengthening this dialogue between policymakers and the private sector will be critical to shaping a coherent and forward-looking agenda on AI that supports competitiveness, resilience and inclusive growth.

## AI & Innovation:

*Advancing Openness, Protection and Progress*

Artificial Intelligence is driving a new wave of innovation across all sectors, but its development is dependent on data availability and computing power. As AI systems, including the next generation of agentic AI systems capable of autonomous task execution and reasoning, become increasingly integrated into business operations and value chains, the policy frameworks that support innovation must evolve in parallel. Effective intellectual property (IP) frameworks and open-source approaches both play essential and complementary roles in enabling creativity, investment and knowledge sharing. Policymakers should therefore provide legal certainty and effective protection of IP rights to sustain long-term private investment in AI, while also supporting transparency and open innovation models that responsibly use open-source software, datasets and responsible release of open-weight AI models. Together, these approaches can reinforce AI research, interoperability and competitiveness.

Ensuring that AI innovation continues to advance responsibly, therefore, requires adaptable and coherent governance frameworks that reflect the diversity of approaches to innovation. Policymakers and businesses should work together to facilitate responsible data access and model development, while ensuring that IP regimes remain robust, effective, predictable, inclusive and aligned with international guidance. The OECD can help advance this agenda by fostering international dialogue on the interaction between AI, IP and open innovation, supporting evidence-based guidance that promotes both protection and sustainable progress in the global digital economy.

### *Recommendations*

- **Promote clear and predictable IP frameworks for AI innovation:** Policymakers should provide clear, effective, and predictable intellectual property frameworks that protect rights while enabling sustained private investment in AI innovation. These frameworks should be aligned with international guidance to ensure coherence across jurisdictions and support global competitiveness.
- **Support responsible open-source and open innovation ecosystems:** The OECD should support open innovation models, including the responsible release and use of open-source software and datasets and open-weight AI models. This includes facilitating lawful access to high-quality data and encouraging collaborative approaches that improve AI research, interoperability and market dynamism.

## AI & Trade:

### *Trade as both a facilitator and a beneficiary of successful AI deployment*

The relationship between AI and trade is bidirectional. While AI can radically transform many aspects of international trade, international trade policy can serve either as an impediment or a boon to AI diffusion. In fact, a recent OECD study emphasised that AI innovations are highest in more tradable sectors, further underscoring the strong link between trade and AI[12].

Reducing barriers to trade can positively impact the creation and dissemination of AI. Nearly 91% of AI-related patents are concentrated in highly tradeable sectors. Crucial inputs that drive AI innovation forward, such as ICT goods and services, cross-border data flows and highly skilled labour, are increasingly facing greater restrictions in movement. Given that the successful deployment of AI systems hinges on hardware, expertise and an abundance of data, easing barriers to trade can be a crucial mechanism to foster the uptake of AI technologies.

Similarly, AI holds the potential to augment trade logistics and advantage digitalised supply chains. Through logistics optimisation, customs enforcement streamlining, paperless trade facilitation and more, AI can be leveraged to enhance supply chains and achieve greater efficiency[13]. However, AI can serve as a critical diverging force, significantly advantaging the comparative productivities of highly digitalised societies and leaving those that have weaker connectivity infrastructures behind[14].

To best harness the transformative power of AI, businesses should be mindful of existing barriers to its successful integration, creation and implementation. As such, it is crucial to consider not only the benefits that AI can bring to trade efficiency, but also the ramifications that trade policy can have on the potential of AI.

The OECD should continue to promote open, free and non-discriminatory trade, particularly as related to the movement of AI-related goods, services and talent, along with continuing to identify the policy gaps hindering the digitalisation of trade documents and processes[15]. Furthermore, the OECD should build upon its existing data and metric repositories by seeking to resolutely quantify the comparative efficiency gains that can be possible when the potential of AI is fully leveraged.

### *Recommendations*

- **Support the digitalisation and modernisation of trade processes**: Governments should work collaboratively to accelerate the adoption of AI-enabled trade facilitation tools, including paperless trade systems, automated customs procedures and digital logistics solutions. The OECD can play a leading role in identifying best practices and approaches that enhance efficiency and interoperability across borders.
- **Promote open and interoperable trade environments that enable AI diffusion**: The OECD should continue to advocate for open, transparent and non-discriminatory trade policies that facilitate the cross-border flow of AI-related goods, services, data and talent. The OECD should also identify potential regulatory frameworks that serve as enablers for promoting AI diffusion, such as mutual recognition agreements for conformity assessment and the use of internationally recognised, industry-developed consensus standards. Policymakers should aim to reduce barriers that impede access to critical enablers of AI, such as data localisation requirements, mandated disclosure of model weights or source code, and restrictions on cross-border data flows, while safeguarding trust and security.

## AI & the Public Sector:

Governments worldwide face compounding pressures: ever-increasing citizen expectations for personalised, digital-first services coupled with constrained resources and high administrative workloads. AI, particularly agentic AI, presents a profound opportunity for the public sector to modernise government services, enhance constituent experiences and drive greater mission efficiency, serving as an important role model for trusted AI adoption across the economy.

AI agents can perform high-volume, repetitive, low-value tasks such as processing routine inquiries, simplifying tax filing, streamlining benefits applications and managing compliance directives. This frees dedicated public servants to focus on higher-value, complex items requiring human judgment, empathy and strategic decision-making.

Importantly, the public sector can also act as a model for private sector adoption of AI, by providing exemplars of trustworthy AI deployment.

### *Recommendations*

- **Implement AI-first government strategies:** Governments should adopt AI-first approaches to transforming public administration, with clear measures to encourage AI adoption for all government agencies. This should include ensuring that government technology systems are modernised and AI-ready by supporting the preconditions that smooth the path to adoption of AI agents, including by redoubling efforts to ensure internally coherent and interoperable data systems and integration strategies.
- **Modernise public procurement:** Governments should review procurement procedures to ensure flexible, outcome-based approaches that do not inadvertently hinder the procurement of innovative solutions. Memoranda of Understanding or similar framework agreements with technology suppliers can help streamline the adoption of AI tools at scale by easing the path for procuring agencies to verify compliance of these solutions with procurement guidelines or other requirements. To help procurement officers traverse the AI learning curve and gain confidence, governments should establish processes to share information and best practices in government AI use cases, contracting and management.
- **Equip public sector employees with the right skills:** Governments should prioritise AI training and facilitate knowledge diffusion among all public sector employees, particularly those officials who will design, use, oversee and make critical decisions regarding AI systems.
- **Governments should model responsible use of AI** by demonstrating high-quality governance practices that strengthen the public's experience and trust in AI-enabled solutions.

[12] Artificial Intelligence and International Trade, Some Preliminary Implications, OECD Trade Policy Paper n°260, April 2022
[13] The Impact of AI on International Trade: Opportunities and Challenges, Ozcan Ozturk, College of Public Policy, Hamad bin Khalifa University, Doha P.O. Box 34110, Qatar Economies 2024, 12(11), 298; https://doi.org/10.3390/economies12110298
[14] How digitalization can drive sustainable supply chains, Ratnakar Adhikari, Rupa Chanda, World Economic Forum, 2 September 2024
[15] The Digitalisation of Trade Documents and Processes, Going Paperless Today, Going Paperless Tomorrow, OECD Trade Policy Paper n°297, September 2025

## AI & SMEs:

A forthcoming OECD report describes digitalisation as an important source of resilience for SMEs against economic shocks, as a tool for experimenting with and adopting new, innovative and sustainable business practices and as a lever to increase productivity, scale up and compete with larger companies[16].

However, the adoption of AI, and GenAI more specifically, requires digital skills and literacy, business processes and infrastructure that enable its efficient and safe deployment. This is supported by digital maturity assessments conducted in Europe, which reveal that firms are generally moderately advanced in their digital transformation when they begin adopting AI technologies like GenAI[17]. These assessments indicate that strategy, data management and digital skills are essential for fully leveraging AI and other advanced technologies.

Although digitalisation among SMEs has increased[18], SMEs still fall behind in adopting technologies like AI due to various factors, including insufficient access to finance and limited organisational capabilities. These can stymie investment in technical equipment as well as efforts to upskill and drive organisational change. The lower uptake of AI technologies by smaller enterprises can further widen the digital gap between SMEs and large corporations, leaving them less competitive, innovative and resilient.

As such, it is crucial that the OECD provide policy recommendations that are relevant for and considerate of SMEs, keeping them operational and competitive, while fostering their trust in AI solutions. This is particularly relevant to innovative policy solutions that allow for the unlocking of the financing, key skills and crucial knowledge needed for SMEs to grow their digital maturity, as well as fostering their trust. Additionally, the OECD should continue to facilitate a more structured approach to SME policymaking that remains grounded in reliable data and meaningful dialogue with small businesses, while remaining consistent in monitoring key trends, challenges and opportunities. This would enable more targeted and impactful reforms based on core and uniform understandings.

### *Recommendations*

- **Ensure SME-friendly AI policies and regulations:** Policymakers should adopt coherent, proportionate and innovation-friendly regulatory frameworks that enable SMEs to experiment with and adopt AI without facing disproportionate administrative burdens.
- **Facilitate access to finance, skills and infrastructure:** Targeted initiatives are needed to help SMEs invest in the digital skills of their workforce, strengthen data management practices and access the financial and technical resources required to scale AI deployment.
- **Strengthen trust and confidence in AI solutions for SMEs**: Governments should promote clear, transparent and practical guidance on the safe and responsible use of AI, including sector-specific standards, trustworthy deployment practices and user-friendly tools that help SMEs assess risks and benefits. Awareness-raising initiatives and trusted intermediaries can support SMEs in understanding AI's risks and opportunities, mitigating concerns and adopting solutions with greater confidence.

➔ See also: Empowering SMEs: Securing Competitiveness for our Economies, *Business at OECD (*2025)

[16] Generative AI and the SME Workforce: New Survey Evidence, Marguerita LANE, Carla RUGGIU
[17] Abendroth Dias, K., Arias Cabarcos, P., Bacco, F.M., Bassani, E., Bertoletti, A. et al., Generative AI Outlook Report - Exploring the Intersection of Technology, Society and Policy, Navajas Cawood, E., Vespe, M., Kotsev, A. and van Bavel, R. (editors), Publications Office of the European Union, Luxembourg, 2025, https://data.europa.eu/doi/10.2760/1109679, JRC142598
[18] Generative AI and the SME Workforce: New Survey Evidence, Marguerita LANE, Carla RUGGIU

## AI & the Finance Sector:

AI is transforming financial systems by improving risk assessment, enhancing fraud detection, supporting regulatory compliance and enabling more personalised financial services. These developments can strengthen financial stability and inclusion, but they also raise important policy questions around data governance, discrimination, fairness and explainability.

As in many data-intensive industries, the effective use of AI in financial services also depends on access to high-quality data and sound data governance. Financial institutions often operate across complex data environments shaped by legacy systems, cross-border operations and sector-specific obligations. Strengthening interoperability and promoting secure, trusted data-sharing arrangements supported by appropriate safeguards can improve the performance and reliability of AI systems, while reinforcing confidence among users, regulators and other stakeholders.

Ultimately, ensuring that AI is deployed in ways that support trust, fairness and competition will be essential for maximising its benefits within the financial sector. Continued dialogue between businesses and policymakers will be important to identify good practices and support the responsible scaling of AI across the sector.

### *Recommendations*

- **Promote responsible and resilient AI deployment in financial services:** Policymakers should encourage financial institutions to adopt robust risk-management frameworks for AI systems, including appropriate testing, validation and monitoring practices. This can be facilitated through the establishment of clear expectations on model governance, documentation and human oversight and therefore can help ensure the safe use of AI in key functions such as credit scoring, fraud detection and portfolio management[19].
- **Strengthen data governance and interoperability:** To support innovation and the development of high-quality AI systems in the financial sector, governments can promote secure data-sharing mechanisms, globally interoperable standards and privacy-enhancing technologies. These efforts can improve data access for both incumbent institutions and new entrants while ensuring strong safeguards for consumers.

[19] TechDispatch #2/2025 - Human Oversight of Automated Decision-Making, September 2025, European Data Protection Supervisor

## AI & the Future of Work:

*Reskilling Today's Workforce for the Labour Market Transformation*

With an increasing number of job opportunities now having an AI focus, it is not surprising that job markets in OECD countries will need to adapt to this technological transformation[20]. The promise of increased productivity, along with enhanced job quality and safety, streamlined processes and personalised career guidance delivery, will reshape labour markets and workplaces. At the same time, the arrival of AI agents is set to profoundly transform the way people engage with their work. By creating more effective and time-saving processes, general-use AI, and AI Agents in particular, can assist workers with career development, recruitment and team management[21].

Although the anticipated benefits of AI are important, many businesses face challenges with leadership readiness and workforce transitions. Leadership must actively support training and communication to foster trust with their employees, including through social dialogue. Furthermore, AI deployment maturity is still evolving, with few companies fully integrating AI into workflows. These questions can particularly affect SMEs, for which the skills and resources required to implement the use of AI technologies in the workplace can be burdensome financially and require the upskilling of existing employees, as well as the recruitment of new skilled professionals.

AI is fundamentally reshaping the future of work and a strong commitment to promoting workforce adaptability, lifelong learning in this evolving AI-enhanced work environment is an important success factor to unlock the full potential of the workforce.

### *Recommendations*

- **Foster continuous learning and workforce adaptability:** Policymakers should promote national strategies that support lifelong learning, reskilling and upskilling in response to AI-driven labour market transformations. The OECD can help member countries identify effective policy tools—such as learning accounts, modular training systems and industry-education partnerships—to ensure workers can adapt to evolving skill needs.

  ➔ See also: Boosting Productivity and Business Growth: The Role of Artificial Intelligence (AI) Skills, *Business at OECD* (2025)

  ➔ See also: Nurturing Engaged and Resilient Lifelong Learners in a World of Digital Transformation, *Business at OECD* (2025)

[20] Bridging the AI skills gap: Is training keeping up? OECD 2025,

[21] Oracle AI Agents Help HR Leaders Boost Workforce Productivity and Enhance Performance Management, 6 September 2025

# AI & Education:

## *Building Skills for the Future*

As AI becomes a mainstream feature of economies and workplaces, the need for comprehensive, inclusive and forward-looking skills development has never been greater. Equipping employees, job seekers, and students with the skills to work alongside AI is a shared priority for businesses, educators and policymakers. At the same time, regulators and public authorities must also have the technical and practical understanding needed to design, implement and oversee AI policies effectively. The integration of AI into learning systems is already transforming how people acquire and refine skills, enabling more adaptable and personalised training experiences.

Businesses are leading innovation in this area by developing AI-powered learning platforms that tailor content to individual learners' needs. Tools such as AI coaching on LinkedIn, career recommendations from Workday and role-play sessions delivered by Salesforce are just a few examples of businesses using AI to create a targeted learning experience for both consumers and employees. These technologies provide real-time feedback, identify knowledge gaps and adapt learning pathways to improve both employee performance and engagement.

Artificial intelligence can also be used to design personalised training and educational programs for employees, educators, and students. AI-enabled feedback pinpointing knowledge gaps and areas in need of improvement for employees could dramatically improve productivity and retention. Investing in employees' skills and career development is important for the employee experience and aids in keeping employees within the organisation. As AI becomes more present within workplaces, employees and job seekers need to be equipped with the necessary skills to adapt to this changing environment.

For teachers, artificial intelligence could revolutionise their role. AI holds the promise of reducing administrative burdens and allowing teachers to focus on mentorship and meaningful feedback. When used as a collaborative tool, AI can enhance the educator experience, particularly in light of teacher shortages and skills gaps across OECD countries. By relieving educators of repetitive tasks, AI may also help improve retention and the overall quality of education systems.

Realising these benefits, however, requires strong collaboration between the public and private sectors. Policymakers should promote frameworks that ensure equitable access to AI-enabled learning tools, integrate digital and AI literacy into national education strategies and support partnerships between industry, education providers and technology developers. Businesses, on their end, should embed continuous learning and reskilling into their corporate culture, ensuring employees remain adaptable as AI reshapes job roles and skill demands.

### *Recommendations*

- **Promote inclusive access to AI-enabled education and training:** Policymakers should focus on supporting access to AI training programmes across all communities, ensuring those most vulnerable to labour market exclusion are included. AI and data literacy training should be integrated into education systems and workplaces.
- **Enable evidence-based and data-driven policies:** The OECD should support member countries in developing metrics and monitoring tools to assess AI-driven skills gaps, workforce readiness and learning outcomes to best leverage AI and optimise educational outcomes globally.

  ➔ See also: Boosting Productivity and Business Growth: The Role of Artificial Intelligence (AI) Skills, *Business at OECD* (2025)

# AI & Healthcare:

## *Supporting Modern and Innovative Healthcare Systems*

AI is transforming the health sector, offering unprecedented opportunities to improve care delivery, foster innovation and contribute to resilient and sustainable health systems. Health systems face growing pressures from ageing populations, workforce shortages and rising demand. AI solutions can help address these challenges. For businesses, AI is both a strategic priority and a source of competitive advantage, enabling the development of new products and services, optimising operational processes and enhancing patient experiences.

However, adoption of AI in healthcare remains uneven, constrained by regulatory uncertainty, data fragmentation, legacy IT systems and ethical considerations. Businesses are working to overcome these barriers by investing in digital skills, implementing robust governance and ethical frameworks and fostering cross-sector collaboration with governments, healthcare providers and civil society. To achieve widespread acceptance and measurable impact, we need to build trustworthy AI systems that are transparent, clinically relevant and aligned with patient needs.

Policymakers and businesses must work together to ensure that regulations, global standards and investments support innovation while upholding patient safety and public trust. This requires enabling cross-border data flows for research and care optimisation, preparing workforces for AI adoption, promoting ethical and transparent AI design and building scalable AI solutions that enhance patient outcomes and operational efficiency. By aligning business innovation with OECD-led policy guidance, AI can deliver tangible benefits across countries, while supporting resilient and sustainable health systems.

## *Recommendations*

- **Develop clear regulatory guidance on professional liability and medico-legal issues:** More clarity will be needed to foster trust and encourage the adoption of AI by clinicians and healthcare workers. A significant number of practitioners have expressed concerns over professional liability and require more guidance.
- **Enable data interoperability and secure access to critical datasets:** To fully benefit from AI innovations in the healthcare sector, OECD governments should facilitate responsible and secure data sharing across health systems and research networks, while ensuring compliance with privacy standards.
- **Foster trust through transparency, ethics and patient-centred design:** The OECD should support frameworks that ensure AI healthcare systems are explainable, fair and aligned with clinical and patient needs. This includes guidance on bias mitigation, ethical AI deployment and stakeholder engagement. Security by design should be a fundamental principle for clinical AI. Health infrastructure needs to be ready to face AI-scale threats and the cybersecurity of health AI should be treated as patient security.
- **Drive cross-sector collaboration to de-risk and scale innovation**: Effective AI in healthcare requires coordinated action across the ecosystem. Strategic partnerships between pharmaceutical companies, technology firms, academic institutions, and healthcare payers and providers are essential to ensure AI solutions are clinically relevant, interoperable and designed with patients and clinicians at the centre. These collaborations reduce development risks, accelerate market readiness, and improve adoption at scale.
- **Support digital transformation and responsible AI adoption in healthcare**: A whole-of-government approach is required, bringing together health, digital, finance, labour, and education departments to support the transformation of healthcare with AI.

  ➔ See: AI for Health: Empowering and Reinventing the Health Sector for the Better, *Business at OECD Paper* (2026)

## AI & Agriculture:

*Towards Innovative and Resilient Food Systems*

The potential for AI to transform the agricultural sector is high, particularly in the areas of regenerative and precision agriculture. AI applications can support biodiversity restoration, optimise resource use, enhance productivity and help address climate-related challenges[22]. For businesses, these innovations not only drive operational efficiency but can also generate significant financial benefits. For example, analysis by the Boston Consulting Group found that regenerative farming practices supported by AI can yield profits up to 120% higher than conventional methods, highlighting the economic potential of AI-enabled approaches[23].

The adoption of AI in agriculture is increasingly supported by industry leaders, with 88% of respondents in recent research endorsing the integration of generative AI in production and supply chain optimisation[24]. However, challenges remain, particularly regarding access to training and education for smallholder farms, which provide a third of the global food supply[25]. Without inclusive policies, the benefits of AI may be concentrated among larger farms or specific regions, reinforcing existing inequalities.

The design and deployment of AI systems must also address algorithmic bias to avoid favouring particular operation sizes or geographic areas[26]. Policy responses should be grounded in local realities and cultural contexts, engaging stakeholders across the sector to ensure that AI adoption is both practical and inclusive. Supporting agri-SMEs, entrepreneurs and cooperative models can help mitigate high upfront costs, enhance productivity and strengthen financial resilience.

AI also plays a critical role in enhancing supply chain resilience, particularly for cold chain management and inventory control[27]. By providing real-time insights and predictive analytics, AI improves decision-making, reduces losses and enables more responsive and efficient operations. When coupled with regenerative practices, AI can support sustainable growth while generating measurable economic gains, ensuring that agriculture remains both profitable and resilient in the face of evolving environmental and market challenges.

The full integration of AI into agricultural processes requires coordinated public-private partnerships (PPPs), investments in rural digital infrastructure and international collaboration to establish globally interoperable data and technology standards. OECD policymakers should support a policy environment capable of making AI in agriculture a driver of resilience, sustainability, inclusivity and growth.

### *Recommendations:*

- **Promote inclusive access to AI-enabled agricultural innovation:** OECD policymakers should support the expansion of access to digital infrastructure, open agricultural data platforms and training for farmers and agri-SMEs. This includes supporting rural broadband connectivity and developing targeted funding mechanisms for smallholder adoption of precision and regenerative AI technologies.
- **Support the digitalisation of small and medium-sized farms:** Policymakers should provide additional financial support for small and medium-sized farms, as the transition for smaller entities is challenging due to a lack of resources and the required initial expenses and training.
- **Support responsible and sustainable AI deployment across agri-value chains:** Encourage policies that align AI deployment with sustainability objectives, including carbon reduction, soil regeneration and biodiversity restoration. The OECD should help governments develop measurable indicators to assess how AI contributes to the SDGs in agriculture.

# Conclusion

AI is set to play a lasting role in economic growth and its long-term impact will depend on the ability of policy frameworks to evolve alongside technological progress, while providing stability and clarity to stakeholders. Governance approaches grounded in practical use and informed by real-world deployment conditions can support adoption and contribute to confidence across markets and societies.

***Sustained engagement between policymakers and the private sector is needed to bridge principles and implementation.***

From a business perspective, effective AI governance is a practical exercise. It requires a recognition of the diversity in business models and maturity levels and coherence across jurisdictions. Where policy design is proportionate and coherent, it can lower barriers to investment, enable wider diffusion of AI technologies and ensure that benefits extend beyond a small number of frontrunners. Sustained engagement between policymakers and the private sector is needed to bridge principles and implementation.

Throughout this paper, *Business at OECD* has outlined priority areas where policy action can meaningfully support responsible AI adoption, including on the front of innovation ecosystems, trade and cross-border data flows, skills, infrastructure and sector-specific deployment.

Across all domains, a consistent message emerges: effective AI governance is not achieved through fragmented national regulations, but through internationally coherent approaches and a sustained focus on practical implementation.

***AI governance is achieved (…) through internationally coherent approaches and a sustained focus on practical implementation.***

The OECD is well placed to anchor this effort. By combining evidence-based analysis with structured multistakeholder dialogue, it can help shape AI policies that are both credible and long-term in an evolving global context.

Looking ahead, the business community calls for continued cooperation between governments and businesses through the OECD to ensure that AI supports open markets, inclusive growth and economic resilience over the long term.

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