



**FISCAL AFFAIRS**

# **GenAI for Trade Facilitation: Future of Trade and Customs Services**

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## Key questions addressed

- What specific needs can (and does) generative AI address in customs?
- What is the difference between generative AI and predictive AI, from a customs administration perspective?
- Is generative AI an opportunity to leapfrog, and what are the challenges for customs?

# AI in customs administrations

- **Continuity from digitization to data and Artificial Intelligence (AI)**
  - ▶ automation was the reform in the 1990s'
  - ▶ data became the resource in the 2010s'
  - ▶ since 2020: AI
- **Focus on the detection of non-compliant activities** (“targeting”, “risk analysis”, ...)
  - ▶ from expert systems to analytical/statistical models, and now to AI.
- **General assumption: AI will be at the core of the administration’s functioning**
  - ▶ a virtuous reform cycle: automate - digitize - analyze
  - ▶ being “data-driven” and “evidence-based”

# GenAI: new uses

- **GenAI current uses in use in some customs and tax administrations**
  - chatbots
  - preprocessing of communication with taxpayers
  - classification and summarization of legal documents
  - classification of goods.
- **GenAI as an individual assistant**
  - writing and project assistant
- **GenAI as the portal to data and information**
  - for risk analysis (segmentation of traders, exploration of data by analysts)
  - Agentic AI (LLMs, SQL, trained for customs data – embedding ML)

# GenAI: a conceptual shift for the users

## Predictive AI (Machine Learning)

- generates scores / probabilities
- focused on a single task (risk analysis)
- integrated into decision-making (selectivity)
- relies on structured data
- has measurable error rates
- trained on data collected automatically during administrative procedures

## Generative AI (LLMs...)

- generates text, images, sound, etc.
- eclectic but customizable (fine-tuning)
- “agentic”, can handle AI systems
- processes structured and unstructured data
- makes unpredictable errors
- trained on human-curated information

# GenAI and Predictive AI: key differences

## Predictive AI (Machine Learning)

- no major change in the administration's organization
- human-machine interaction limited to data specialists
- training corpus relatively easy to obtain

## Generative AI (LLMs...)

- broad applications to assist civil servant
- interaction with all civil servants (and the public)
- training corpus is more critical than ever

# GenAI: consequences and challenges for customs

- **Democratization of Data Access**
- **Leapfrogging to GenAI as a holistic reform?**
  - **AI becoming the administration's memory** (ingestion of textual data, fraud reports, internal notes...).
  - **Establishing the truth.** Need to select and classify the information that becomes part of the AI training corpus (“the truth”).
  - **Making administration more consistent.** To standardize customs processes across the organization (example of valuation).
  - **Re-organization of work.** Need to define what constitutes a successful AI implementation. AI is only effective if accompanied by a reorganization of work.

# GenAI: consequences for customs

- **Practical questions for customs**

- ▶ What is the future of data analysis? Where to invest?

- Many customs are transiting to provide data analytics skills to analysts and investigators
- Going directly to genAI can also be a trap if poor knowledge of domain data

- ▶ What is the future of training?

- Provide managers with more knowledge on technologies
- Minimal knowledge in coding, maximal capacity for critical thinking

- **Additional AI-related questions – conceptual but impacting customs**

- ▶ Does genAI challenge open governance policies?

- ▶ To what extent must AI be explainable?

- ▶ How can we ensure the neutrality of the training corpus?



# Thank you

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