Looking Forward in a New Landscape

Trade, Development, and Technology

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Where the middle-income world stands

The climb is getting steeper, with aging populations, rising protectionism, and the cost of the energy transition pressing at once, now compounded by the Middle East conflict and a spike in energy prices.

108

economies stuck in the middle-income band at the end of 2023, home to six billion people

34

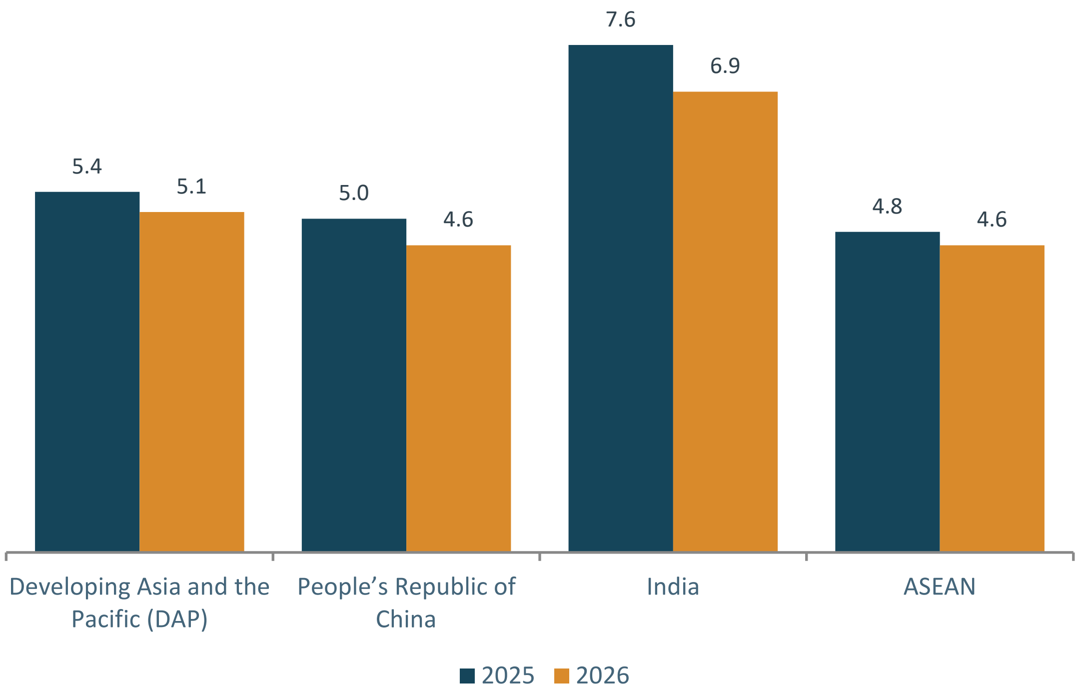
have climbed from middle income to high income since 1990

Below 10%

is where the typical middle-income economy's income per person has remained, compared to the United States, since 1970

World Bank, World Development Report 2024

Real GDP growth, percent



ADB, Asian Development Outlook, April 2026

Growth remains resilient, but the path to high-income status is becoming more complex

Three forces are rewriting the rules

Trade, development, and technology no longer move on separate tracks.

01

Green transition

Climate policy has folded into trade policy. Carbon rules, product standards, and the contest over critical minerals now sit inside the trade agenda rather than beside it.

02

Artificial intelligence

AI is an economy-wide force, not a single-sector story. IMF estimates suggest nearly 40% of global jobs are exposed to AI, rising to around 60% in advanced economies, with benefits and disruptions likely to be unevenly distributed.

03

A new geoeconomics

The logic of globalization has moved from chasing the lowest cost to securing supply. Trusted partners, critical minerals, and resilient chains now decide where production goes.

IMF, Gen-AI: Artificial Intelligence and the Future of Work, 2024

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Where policies collide, and where they can align

Policy tensions VS Policy synergies

Policy tensions

Openness versus security
Governments increasingly invoke security to justify turning inward, and that fragments the markets everyone relies on.

Green ambition versus green capacity
Many developing economies lack the technology and finance to decarbonize, so climate rules can widen the gap instead of closing it.

Industrial upgrading versus fiscal/institutional capacity
Indonesia, with around 60% of global nickel production, shows that capturing greater value takes more than processing capacity: **it also needs deeper technology transfer and domestic capability.**

Policy synergies

Regional cooperation
Connecting digital standards and linking supply chains across the region lowers the cost of staying open.

From evidence to decisions
The biggest opportunity is closing the distance between research and policy. Institutions like ADBI can turn models into practical guidance on which industrial and green policies actually deliver an inclusive transition.

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The road ahead

What should anchor the research community over the next five to ten years.

1. Help policymakers choose instruments, not only diagnose problems

Which policy instrument to use, under what conditions, and with what trade-offs.

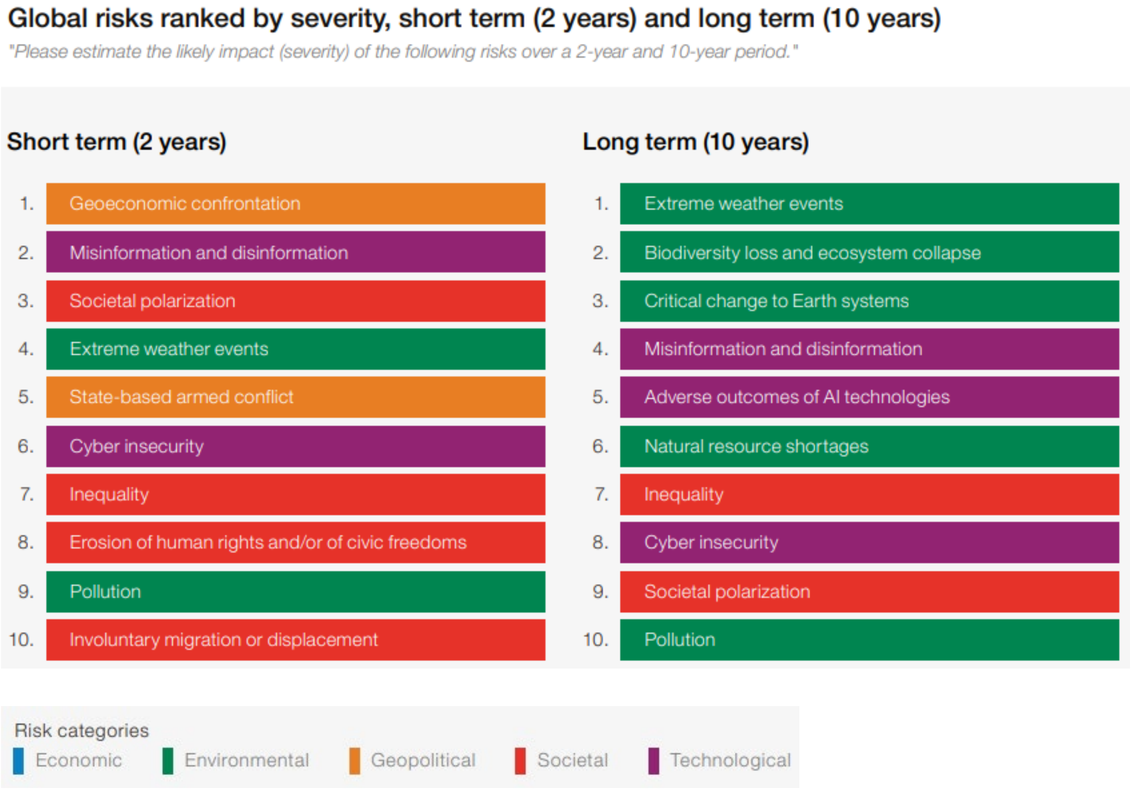
2. Model how trade, technology, climate, and distribution interact

Trade policy is now also a technology policy and a climate policy. The question is how they work together within one development strategy.

3. Translate evidence into practical guidance

What can be implemented now, with what institutional capacity, and at what risk of failure. ADBI can be the bridge between research and policy, turning knowledge into capacity building, policy dialogue, and regional cooperation.

The task ahead is to move from diagnosis to decision support: which instruments work, under what conditions, and for whom.



WEF, Global Risks Report 2026, World Economic Forum Global Risks Perception Survey 2025-2026

Thank you!

Visit ADBI's website for more information