

Building a Trusted and Sustainable AI Economy

The Fifth Annual Workshop of New Zealand APEC Study Centre
11 September 2026, New Zealand Asia Institute, University of Auckland Business School

Artificial intelligence is transforming how businesses operate, how people work, and how economies grow. Across the Asia-Pacific, AI is opening new opportunities for businesses and communities, while also raising important questions about trust, responsible use, energy demand, digital infrastructure and connectivity, and how the benefits of AI can be shared more broadly across the society.

The New Zealand APEC Study Centre at New Zealand Asia Institute hosted its fifth annual workshop, *"Building a Trusted and Sustainable AI Economy,"* on 11 September 2026. Organised by Dr Haiping Zhang, the event attracted more than 130 registrations for in-person and online participation from academia, business, government, policy institutions, and the diplomatic community across the Asia-Pacific. Hone Thorpe, Kaiārahi of the Business School, opened the workshop with a karakia, and Andrew Patterson, Deputy Dean of the Business School, delivered the welcome address, followed by a keynote from Professor Joshua Gans of the University of Toronto on *"The Bright Side and Dark Side of AI Disruption"*. Panel sessions moderated by Dr Alan Bollard and Rory McLeod of NZPECC brought together experts from the United States, China, Taiwan, Indonesia, and New Zealand. The workshop received highly positive feedback and provided a strong foundation for continued collaborative research and policy engagement on the AI economy.



Keynote Address: The Bright Side and Dark Side of AI Disruption

Moderated by **Dr Haiping Zhang**, Director, New Zealand APEC Study Centre

Joshua Gans, Professor of Strategic Management and Jeffrey S. Skoll Chair in Technical Innovation and Entrepreneurship, Rotman School of Management, University of Toronto; Chief Economist, Creative Destruction Lab



Joshua argued that AI represents a dramatic fall in the cost of prediction, but that turning this into economic transformation requires redesigning systems around it rather than simply bolting AI onto existing processes and that this kind of change unfolds over decades. He pointed out a central tension: is AI a labour-supply shock to be financed like a new workforce, or a tool that augments human judgment? He compared AI investment to historical infrastructure booms such as railways and electricity, warning of overbuilding risk, and raised concerns about the growing sophistication of AI-enabled cybersecurity threats.

Panel Session 1: Economic Impacts of AI and Trusted Governance

Moderated by **Dr Alan Bollard**, Chair, New Zealand Committee of the Pacific Economic Cooperation Council



AI and firm-level pricing behaviour.

The panel reviewed evidence on how firms are using AI to set prices, drawing on job-posting data showing a marked rise in AI-pricing roles relative to general AI hiring. Firms adopting AI for pricing tend to be larger and more capital-intensive, and show higher sales, employment and markups. Adoption also coincides with more frequent price adjustment and greater sensitivity of firm stock returns to monetary-policy surprises. It is relevant to how policymakers might read inflation and monetary transmission going forward.

Broadening AI adoption across economies.

Part of the discussion argued that AI's economic gains depend less on the pace of technological advance itself and more on how broadly AI is actually adopted and used across an economy. This requires physical and digital infrastructure, a skilled workforce, predictable regulation and permitting, resilient supply chains, secure data flows, and trusted, interoperable governance. Smaller and medium-sized enterprises were highlighted as facing the greatest constraints in going beyond surface-level use of AI, making the depth of adoption — not just the headline adoption rate — a key policy concern. The discussion pointed to a role for APEC in helping economies manage this through voluntary cooperation and capacity building, including possible tools such as an AI-readiness checklist, work on regulatory interoperability, a public-private dialogue on infrastructure, and better measurement of adoption and its effects across the region. Trade rules and digital services.

Trade rules and digital services.

The panel covered the scale of the opportunity in AI-enabled trade, referencing WTO projections of substantial gains in global GDP and trade from digital technologies. Alongside this, it mapped the current patchwork of regional trade and digital economy agreements that touch on AI, most of which are non-binding and leave gaps around agentic AI, IP treatment of open-weight models, compute and semiconductor access, and liability.

Trust, identity and AI agents.

A substantial part of the discussion addressed how to verify AI agents operating on people's behalf. It extended "Know Your Customer" and "Know Your Business" concepts to a "Know Your Agent" layer covering which agent is acting, for whom, with what authority, and how that authority can be revoked. This was framed against New Zealand's high rate of AI adoption, recent productivity trends, and the scale of scam losses nationally. Emerging reference points discussed included international guidance on agent identity, overseas legislation on state-endorsed digital identity, and a decentralised trust graph as a candidate technical standard, with interoperable, cross-border credentialling for AI agents identified as an area for further APEC-level work.

Panel Session 2: AI Investment and Sustainability

Moderated by **Rory McLeod**, Vice Chair, New Zealand Committee of the Pacific Economic Cooperation Council



Semiconductor supply chains.

The panel examined the concentration of advanced chip manufacturing in a small number of economies, and the significance of that capacity to the wider global supply chain. This was discussed alongside the resource demands (energy, water, land, talent) that underpin this capacity, and recent large-scale trade and investment arrangements between major economies in the sector.

Data centre infrastructure and power.

Global data-centre electricity demand was discussed as a fast-growing call on power systems, with power delivery — rather than land — identified as the main practical constraint, given the lead times involved in interconnection studies, transmission upgrades and transformer procurement. New Zealand's current and prospective data-centre load was discussed, with a proposed hydro-powered development considered as an example of how "strategic" investment might be assessed — on timeliness, energy security, local acceptance and economic additionality.

Regional dynamics in Southeast Asia.

The panel covered how data-centre capacity in Southeast Asia is concentrating in particular corridors, and how capacity in the wider region is expected to grow substantially in the coming decade. Power quality, cooling and grid diversification were identified as key challenges, with regional mechanisms such as the ASEAN Power Grid and DEFA discussed as potential coordination tools.

Measurement and efficiency.

A recurring theme was the difficulty of measuring AI's actual energy and water footprint — annual renewable energy purchases don't show whether a specific task ran on renewable power at that time and place — and the potential for smaller, more efficient and on-device models to reduce energy use meaningfully. This connected to New Zealand's possible positioning in the AI economy: less on hosting large-scale training and more on renewable energy, model efficiency, and its environmental and agricultural data assets.

Green AI tokens and people-centric AI.

Part of the discussion introduced a framing of AI production as combining data, compute, storage, algorithms and energy into "tokens" of AI output, distinguishing "green" tokens (produced using low-carbon energy) from "grey" tokens (produced using carbon-intensive energy). This made the energy source behind AI output visible and potentially subject to differentiated incentives or reporting requirements. This connected to a broader call for AI development to be people-centric, organised around guiding principles that AI should be inclusive, open, green, secure and equitable, along with more exploratory ideas such as whether shorter working hours or targeted taxation of very large AI firms could help ensure AI's gains are shared more broadly across the workforce.

Key Themes

- Realising AI's economic potential depends on broad adoption and trust as much as on the pace of technological advance
- Verifying who — or what — is acting online is emerging as a foundational challenge for AI-enabled trade and commerce
- The physical footprint of AI — power, water and infrastructure — is becoming as important a policy question as its digital capabilities
- APEC is well placed to support interoperability across economies rather than pursue uniform regulation
- Small open economies such as New Zealand have a distinct role to play, drawing on renewable energy, efficient AI models and trusted digital infrastructure