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Artificial Intelligence-Driven Economic Changes in Military and Civilian Logistics

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Abstract. *Artificial Intelligence is transforming the global economy, influencing the labor market, competitiveness, and productivity. Initially developed for defense and medical purposes, AI has expanded into various fields, including logistics. This paper explores its applicability in both military and civilian logistics, with a focus on its economic impact, particularly in the European context.*
Research on this topic is still in its early stages, with limited national-level studies. At the European level, some research has been conducted by École de Guerre Économique in France and NATO, mainly focusing on military implications. Given the rapid advancement further investigation is necessary to understand its full potential.

The study employs a mixed-methods approach, incorporating qualitative content analysis and quantitative statistical research to test hypotheses and identify correlations. By examining AI-driven technological advancements, the research aims to assess their opportunities and challenges for logistics companies.

A key finding is that the war in Ukraine has created economic opportunities for logistics companies, accelerating AI adoption in the sector. These insights help entrepreneurs adapt to shifting economic conditions.

Ultimately, the research provides new strategic directions for entrepreneurs looking to integrate AI into their business models.

The results of the research aim to bring to light a new tactic in the entrepreneurs` market and future tips/directions for the entrepreneurs who want to adopt a new strategy in the economic market, a strategy from which they will be able to benefit by increasing the turnover and profitability of the companies.

Keywords: Market reshaping, profitability, Artificial Intelligence, civil logistics, military logistics.

Introduction

Artificial Intelligence was born in the military field to serve in areas such as logistics, and later adopted by private companies, it ends bringing considerable profits in the current context.

The article will address the following question: How does Artificial Intelligence influence the efficiency and economic outcomes of military and civilian logistics?

To test this, we propose the following hypotheses:

Hypotheses 1: The implementation of AI in logistics enhance operational efficiency and reduces costs in both military and civilian contexts.

Hypotheses 2: AI adoption in logistics firms in Eastern Europe has economic benefits but also raises cybersecurity and implementation cost challenges.

This topic has attracted the attention of civilian companies in Europe since February 2022, when the outbreak of the war in Ukraine. This conflict has increased the need for civilian companies to serve armies in case of war, as the capabilities of armies are overwhelmed by the

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scale of such conflicts. This has also brought to the surface major logistical problems which civilian companies can help to solve, but this requires knowledge of the technology used by the military in the field of logistics and the implementation of the necessary working methods. The companies have seen a major advantage in the knowing these elements, thus being able to take advantage of a new market and totally new working method, but with a significant impact in terms of increasing company profits.

The war in Ukraine has had a major impact of the European economy, leading to increased profits in sectors such as energy, defense and harbor industries.

For example, Shell, BP, Chevron, ExxonMobile, TotalEnergies have made cumulative profits of more than 281 billion dollars since the beginning of the conflict (Figure 1).

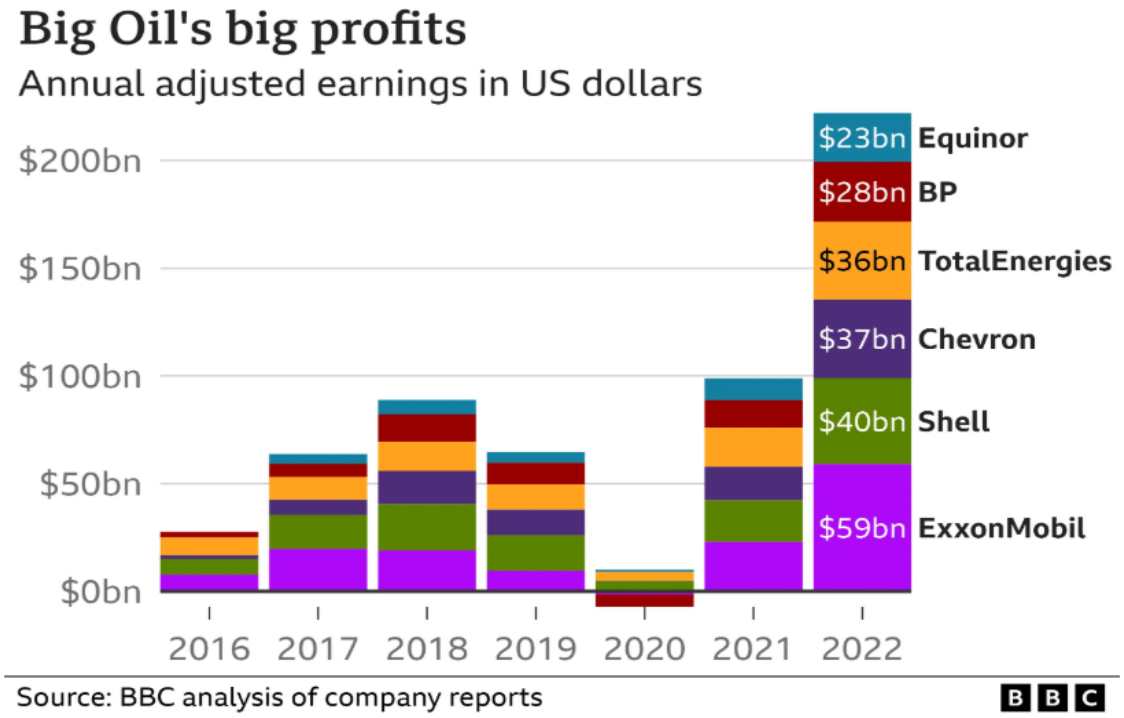


Figure 1. Profits of major oil companies

Source: www.ft.com.

As we can see in the figure 1, the graph shows the annual adjusted profits on the oil majors between 2016-2022 in US dollars. Some interesting aspects can be observed like the profit trends between 2016-2019, profits were relatively stable, with a peak in 2018. In 2020, in the context of the COVID 19 pandemic, profits fell sharply. After the 2020 fall we can see in 2021 and especially in 2022 a rapid recovery, profits a exploded to record levels, with ExxonMobil leading the way ($59 billion).

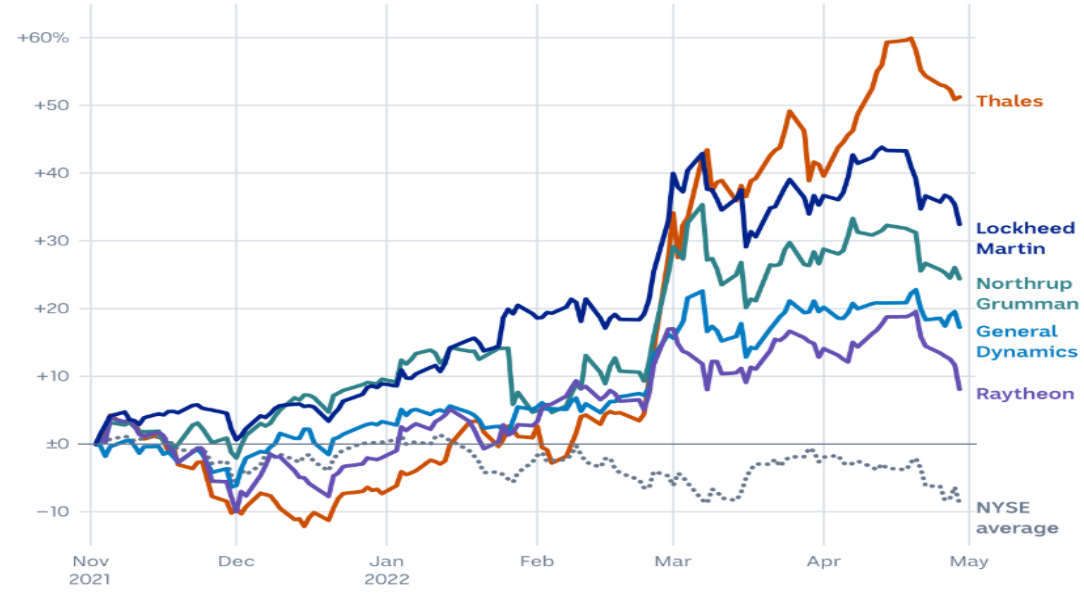
Equinor has the lowest, however, all companies have benefited from rising energy prices. The global context is likely linked to the energy crises triggered by the war in Ukraine, which has driven up oil and gas prices.

All in all, the oil industry has gone through a period of major volatility, but the 2022 profits demonstrate how profitable the sector can become in the favorable conditions such as war.

In the defense industry, the giant Thales has seen an increased growth in orders for military equipment and the company`s profits have seen huge profits since the beginning of the

conflict, only in the first half of 2024, a report of this company shows increases of 26% compared to the same half of the previous year, reaching a profit exceeding one billion euros.

In addition to this company that has increased it's stock market value, there are other arms manufacturers enjoying the same privilege on the stock exchange from February 2022, companies such as Lockheed Martin, Northrup Grunmman, General Dynamics or Raytheon (Figure 2).



The stock prices of many of the world's biggest arms manufacturers shot up in late February after Russia's invasion of Ukraine began. *(ABC News: Markus Mannheim/New York Stock Exchange/Euronext Paris)*

Figure 2. Stock exchange with major military equipment manufacturers

Source: www.abc.net.au.

Transport industry and port operators such as Socep Constanța (profits in 2023 – 56.87% higher than in 2022 - Figure 3), Transport Trade Services, Comvex (profits in 2023 – 82% higher than in 2022) and Romnav – these giants have increased their capitalization from 200 million dollars to 800 million dollars in just two years since the beginning of the conflict because these companies operate in the Danube and Black Sea ports.

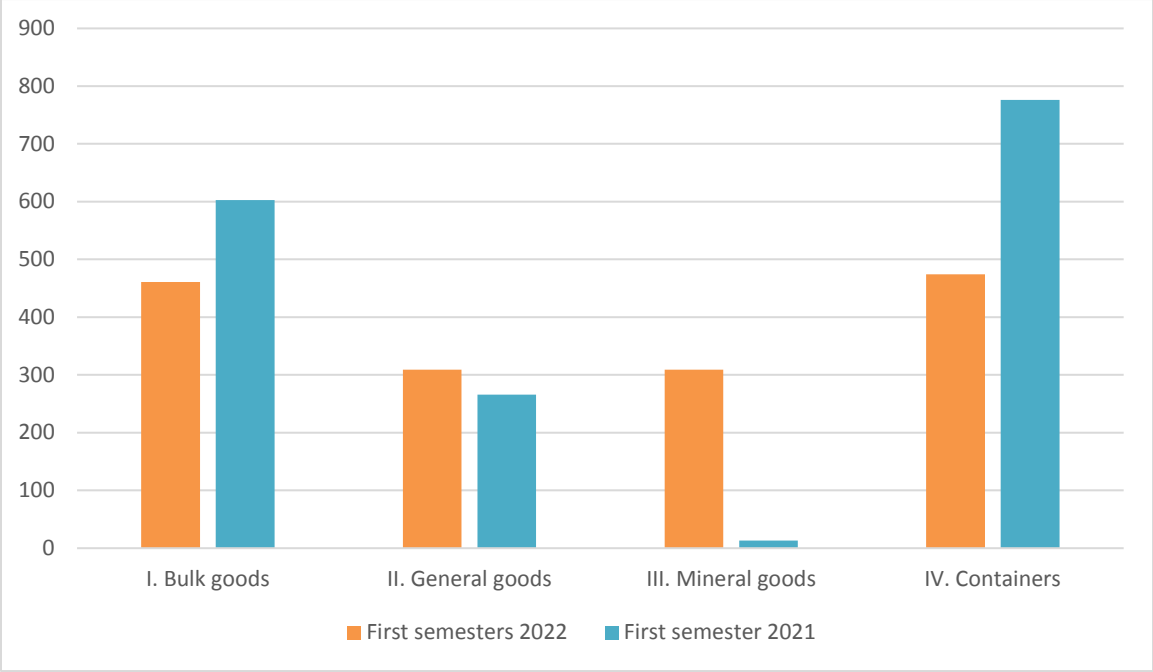


Figure 3. Traffic 1st semester 2022 versus Traffic 1st semester 2021 Socep Constanța

Source: Authors own research.

Nothing the geographical and strategic importance of logistics companies, we can conclude that the most logistics/transport companies operating in the South, East and South-East of Europe have taken or can take advantage of the current context, but for them to succeed they need more than just a favorable geographical position.

In a high-intensity conflict like Ukraine, the efficiency of military logistics can determine the outcome of operations. Recent studies have highlighted significant difficulties in stockpile management and resource distribution. To overcome these logistical coordination challenges, new technologies promise to transform supply chains through the miraculous coordination of the logistics software, weather installed on drones, ground vehicles and various monitoring equipment. For example, drones are being used for emergency transport of the medical supplies to hard-to-reach areas, and Artificial Intelligence can optimize transport routes, greatly reducing delivery times. As such, the Ukrainian military has started to deploy modified commercial drones for missions aimed at terrain reconnaissance or delivery of supplies, these techniques illustrate the potential of these solutions and the contribution of the Artificial Intelligence in these contexts.

In the civil sector, Artificial Intelligence is being integrated into commercial logistics, which was also noted in a recent McKinsey & Company study, which predicted that the total value added by Artificial Intelligence to the global economy across 19 industries and 9 business functions over the next 10 years is expected to be between 3.5 and 5.8 trillion dollars/year, and the logistics is no exception. Thus, global GDP is estimated to grow by up to 14% by 2030.

As the potential of Artificial Intelligence has been realized, private parties have started to invest in their own interest with a specific profiling by their field of activity in this technology, and the field of drone technology, cyber security or industrial automation.

Although the French publication Alternative Economiques has made economic measurements by country for the period 2013-2023 in terms of private investment in Artificial Intelligence and the results in descending order is: United States of America, China, United

Kingdom, Canada, Germany, Canada, Germany, India, France, South Korea, Singapore, Japan and Australia; the Panorama publication gives us a more accurate picture of how these private investments were divided by sector from 2017 to 2022.

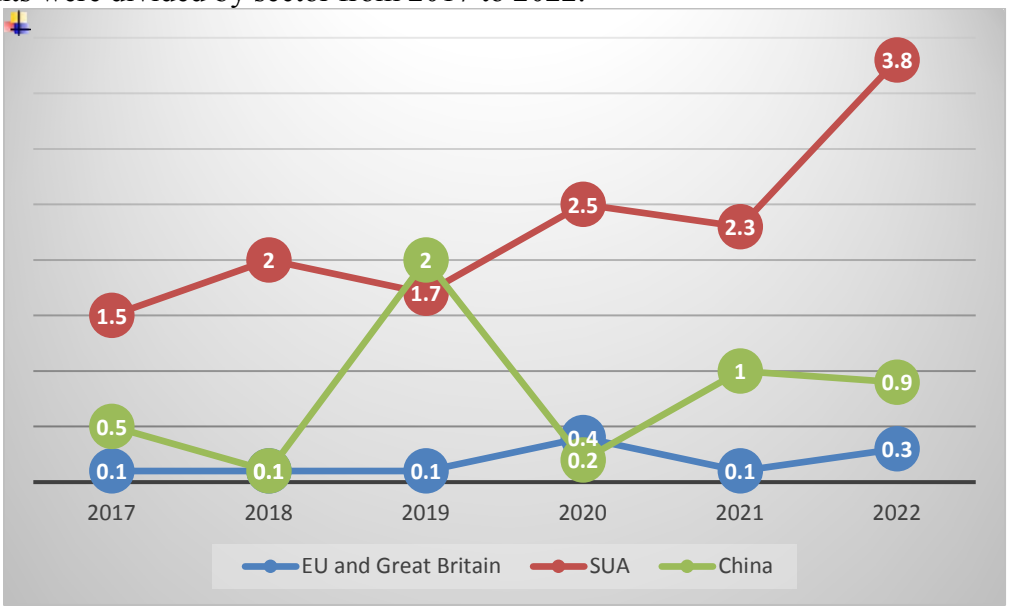


Figure 4. Private investment in cybersecurity by region

Source: Authors own research.

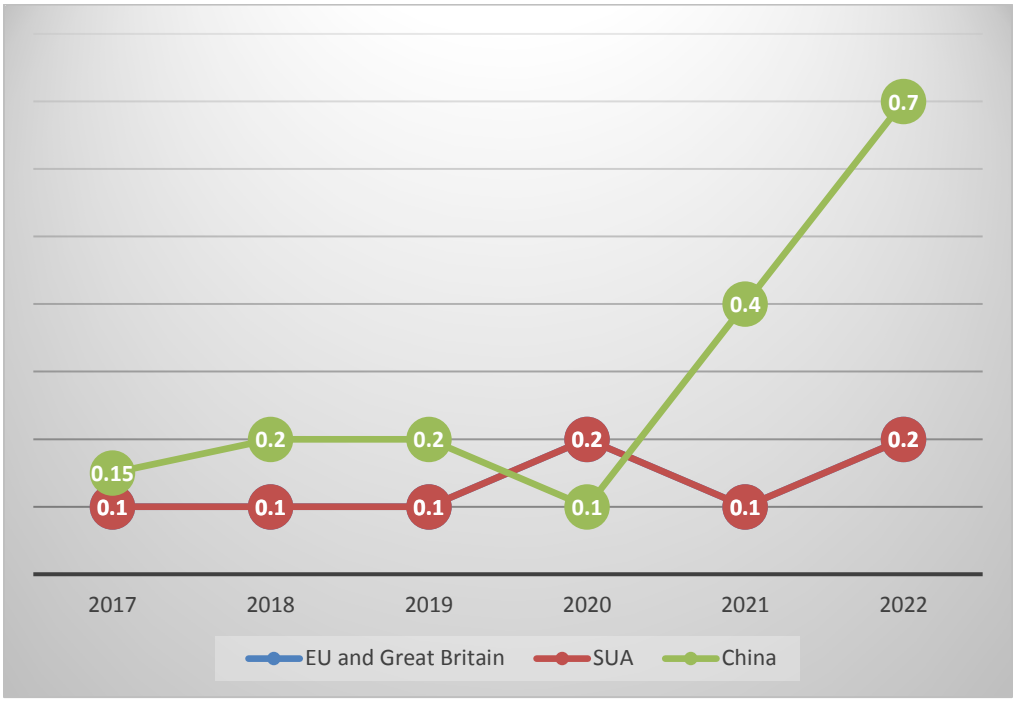


Figure 5. Private investment in drone technology by region

Source: Authors own research.

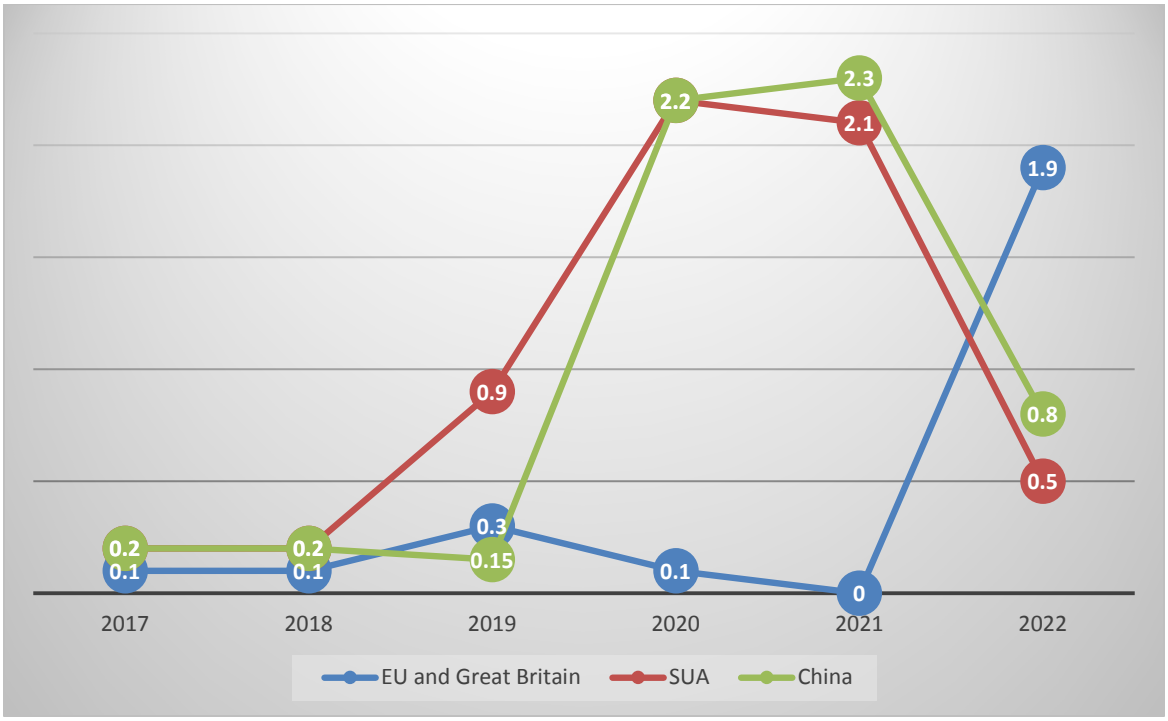


Figure 6. Private investment in industrial automation by region

Source: Authors own research.

Although the United States is investing the largest amount of money in Artificial Intelligence, as Alternative Economiques argues, we are seeing a growing trend for sectors that are concerned with technologies used in warfare, and the European Union and the United Kingdom have a growing interest in industrial automation from 2022 own words, which includes the use of logistics software. Although logistics automation is often seen as a related field of industrial automation, both play a crucial role in streamlining industrial processes.

In the context of the current crisis, some logistics and technology companies have seen an increase in their activities due to Ukraine`s increased transportation and reconstruction needs.

As the conflict has brought to light a number of logistical challenges, some entrepreneurs have wanted to come up with solutions to increase their turnover, but the process is not simple as it sounds and is met with many barriers, including legal ones.

The legal regarding Artificial Intelligence present a risk for investors in the European Union, as the Union tends to over-regulate the use of this technology, which may lead to legislative gaps and slower developments of this technology on the European continent. The intention of drafting these regulations is to reduce the risks to which companies operating in the logistics and transportation sectors may be exposed, while at the same time they tend to eliminate both the risks and the potential gains from the assumption of the risks by investors.

While the re-focusing of entrepreneurs on applications during COVID 19 involved a series of clear instructions to be followed, such as technical specifications for medical products, obtaining permits or changing the activity code, all these steps were facilitated by a series of laws and emergency ordinances designed to ease all processes, even those of sale and purchase. On the other hand, there are difficulties encountered in adapting to doing business in the military sector in many aspects because in this sector of activity there are a number of rigors that must be

respected and the legislation is not at all permissive, so that the retreat is slow if the entrepreneur is not familiar with the military sector.

In addition to the fact that defense legislation at national and NATO level is very complex, it also involves obtaining specific certificates and authorizations confirming compliance with the highest NATO standards (for example: industrial security certificate, NATO Commercial and Government Entity Code, Allied Quality Assurance Publications certification, NATO classified information access authorizations, authorization for trade in military products, specific export licenses, registration in the NATO procurement system, ISO certifications, etc.).

In order for a contractor to be able to execute contracts in the NATO procurement system, it needs thorough training before initiating such steps, but it seems that for many companies they have been successful, as they have the necessary certifications, authorizations and training in the field beforehand or they have obtained them later and it seems that hey are of great benefit to each of them.

These entrepreneurs who have embraced new market demands also have advanced software systems that use artificial intelligence to optimize supply chains, predict needs and manage inventories in real time, which NATO has also flagged as extremely important through various studies published in the form of military reports. This alliance explains in several of the reports the use of Artificial Intelligence to track stocks in real time, which has not only made it possible to anticipate supply needs, but has also helped to identify critical points in supply chains.

Returning to the implementation of military logistics companies mentioned above, we mention that civilian logistics companies used military logistics as a model to develop and optimize their own process because military logistics was considered one of the most advanced and well-organized forms of logistics, being highly efficient even in crisis situations full of unpredictability. These techniques over time had influenced the private sector in many ways, from supply chain planning and management to transportation and technology.

Today, the current shape of the market pushes us to return again to military logistics, applied in its form and adjusted by small interventions from the civilian sector, all to improve our own company`s performance, both in terms of knowledge and economics, the profitability from these contexts being a major one.

By combining these methods, the study will highlight both the benefits and the encountered pitfalls or difficulties of these emerging technologies and new optics on today`s logistics.

Literature review

The economic implications of Artificial Intelligence in logistics

Artificial Intelligence has become an essential element of the economic transformations in logistics, be it logistics in civil or military logistics.

Recent studies highlight an interest in investing in this sector, particularly on the European continent. It has been demonstrated in several research studies that this technology helps to reduce costs and increase efficiency by optimizing operational flows. This is also supported in a study by McKinsey and Company in 2023, publications from the École de Guerre Economique and the International Center for Defense and Security in Estonia or Forbes magazine through several publications.

Artificial Intelligence in military logistics.

Military logistics rely on such technology to manage complex operations in uncertain environments.

Various studies, one even conducted by the United Nations in 2022 show that the integration of the Artificial Intelligence in military logistics has reduced the time by up 30% in critical missions and the International Center for Defense and Security in Estonia calls the conflict in Ukraine as „The first Artificial Intelligence War", which is also supported by Vera Bergengruen in Time magazine on 08 February 2024 in the publication „How Tech Giants Turned Ukraine Into an AI War Lab".

Artificial Intelligence in civil logistics.

The implementation of the Artificial Intelligence in civil logistics brings global benefits, and Romania is no exception.

The Logistics Performance Index shows that there is a growing interest in increasing logistics competence in Romania. There measurements by The World Bank are based on several key elements that summarize the logistics performance of each country. Even though Romania does not excel to the same extent as other countries in terms of infrastructure, in terms of Tracking and Tracing, Timeliness and Logistics competence technologies such as Artificial Intelligence. Other South East European countries seem to have increases on the same performance indicators from 2023.

Methodology

The methodology of this paper is descriptive analysis by presenting data through IBM SPSS Statistics and economic trends in logistics through charts and graphs from relevant journals (Panorama, Time, Alternative Economiques, Les Echos, Ports et corridors, École de Guerre Economique, Forbes, McKinsey and Company), and historical analysis to see transformations over several years using The World Bank – Logistics Performance Index platform.

Also, comparative analysis is relevant for this study through economic variables between regions and countries (Logistics Performance Index through comparative graphs). In addition to these methodologies, it is also relevant to compare military and civilian logistics from the perspective of Artificial Intelligence and SWOT analysis method by comparing strengths and weaknesses, opportunities and threats driven by the use of this technology in logistics.

And last, but not last, the qualitative analysis through an interview with a military logistics specialist, the Deputy Commander of a Logistic Battalion, a specialist in the field (Major Hațegan Răzvan-Alexandru) in order to provide insights into the challenges and benefits of Artificial Intelligence in military supply, and, of course, literature studies and analysis of other documents on this topic.

Results and discussions

Interest in logistics performance is growing globally, and this can be seen by looking at the international scoring of the six key dimensions for assessing logistics performance.

The six dimensions calculated through The World Bank platform are: efficiency and clarity of processes (speed, predictability of formalities, simplicity, etc.), ease of organizing shipments at comparative prices, competence and quality of logistics services, ability to track shipments and timeliness of deliveries (reaching the destination within the scheduled or estimated delivery time).

At the level of our country, according to the information collected for the logistics performance indicators, an increasing trend can be observed for Timeliness, Tracking and Tracing, Logistics competence and international shipments. These are the most strongly noticeable indices, which are determined by the digital transformations in the business

environment. They are relevant to support the impact of Artificial Intelligence as this technology helps to accurately track orders (such as smart end-user applications, but also inside business applications).

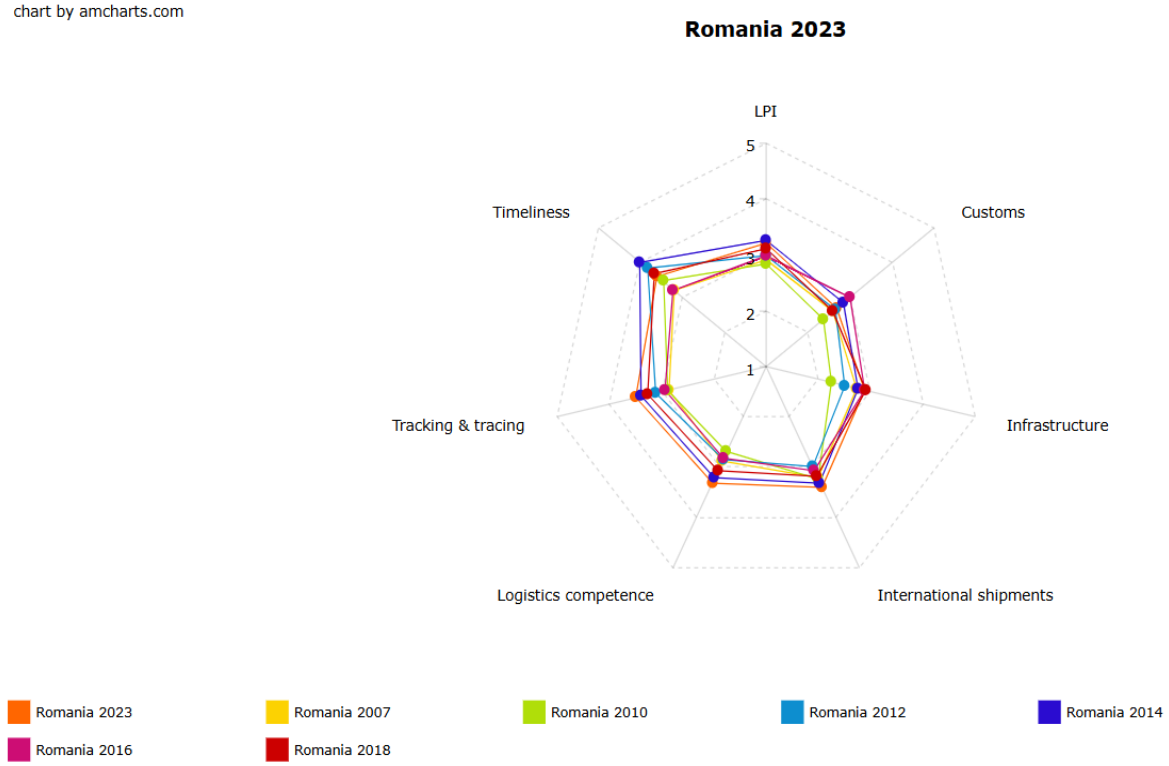


Figure 7. Romania`s trend on logistics performance indicators in 2023

Source: www.lpi.worldbank.org.

The study highlights an increasing interest in AI-driven logistics performance. Figure 7 presents Romania`s logistics performance indicators, showing a notable rise in efficiency and tracking capabilities due to digital transformation. However, infrastructure challenges remain a bottleneck for further progress. Although Romania fails to excel impressively on the infrastructure side or on the efficiency and clarity of customs processes, private parties have made efforts to improve logistical performance in other directions/dimensions.

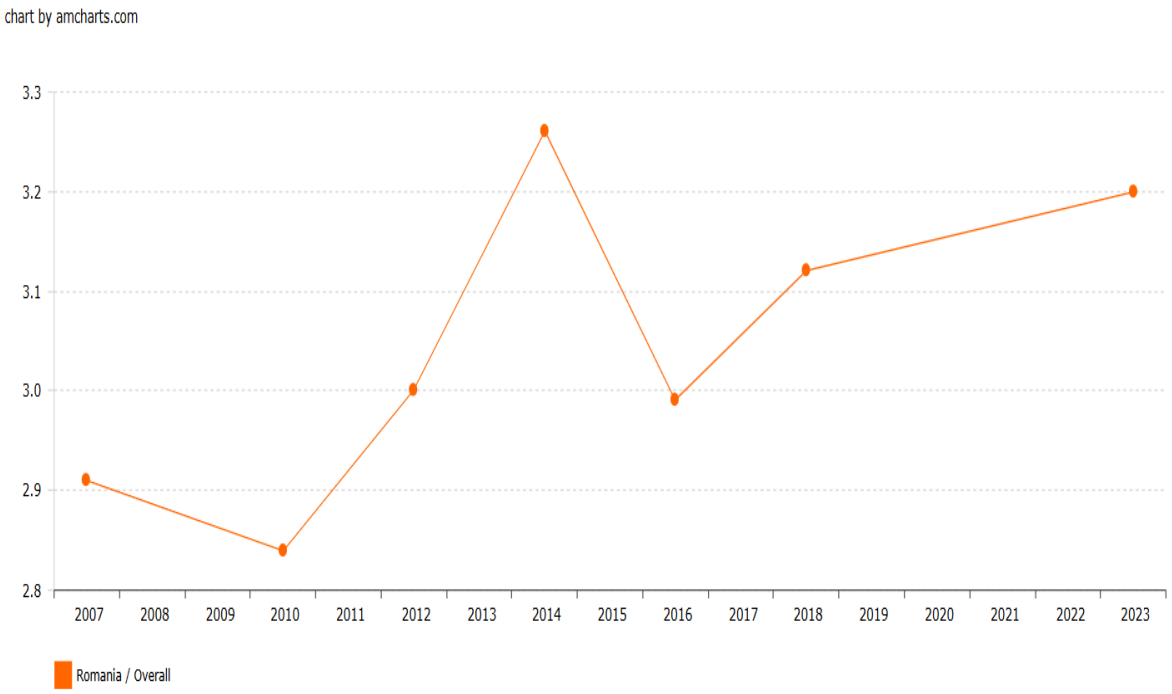


Figure 8. Romania`s trend by logistics performance indicators 2007-2023

Source: www.lpi.worldbank.org.

As can be seen in Figure 8, a 16-years historical analysis, we can observe that since 2018, Romania has been on an upward slope in terms of logistics performance indices, and the COVID-19 (2020) and the border war situation (2022) were motivating factors for improving logistics software, the tools that contributed to the increase in performance indices (this is observed in Figure 7 through the 4 key indices

Regarding the implementation of Artificial Intelligence in business in Europe Eurostat has collected data from 223-2024 from which it emerges that there is an interest in the adoption of this technology in business environments, but somewhat slower than on other continents such as the United States, which are leading both in investments in this field and in the adoption of the technology in businesses.

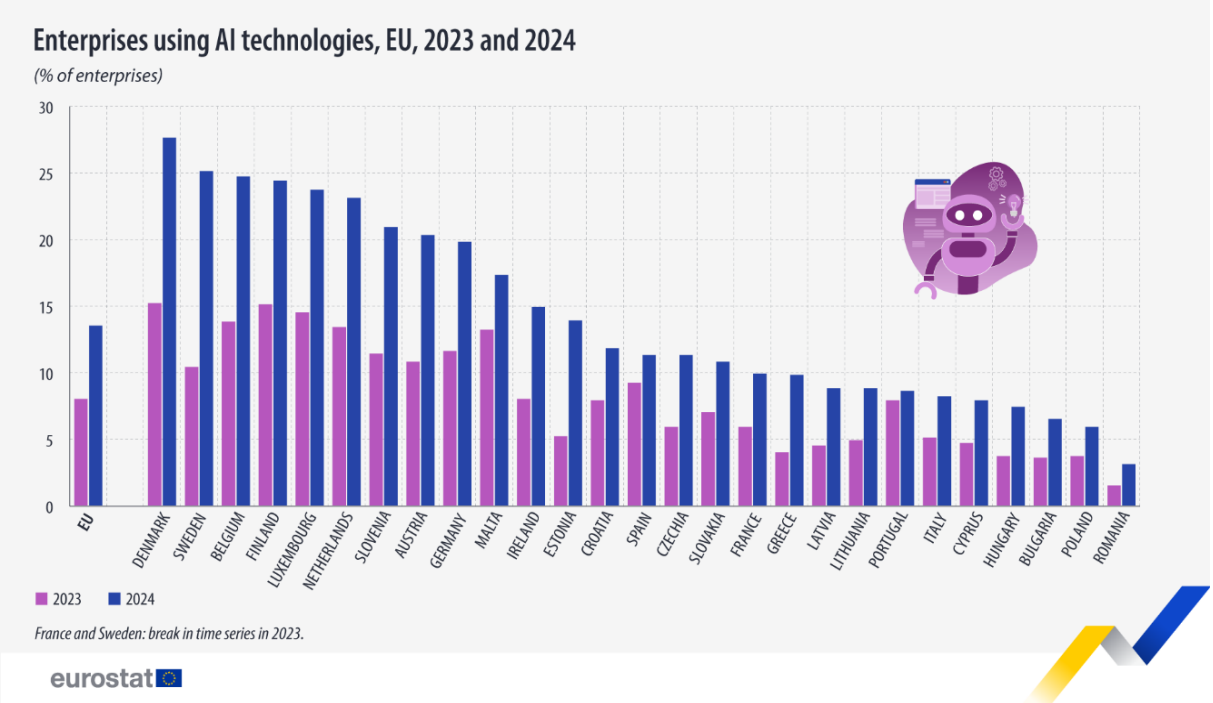


Figure 9. Businesses using Artificial Intelligence at European Union level, 2023 and 2024

Source: www. economedia.ro.

According to Eurostat data published in January 2025, only 13,5% of businesses in the European Union were using the Artificial Intelligence in 2024, and the countries of South-Eastern Europe are also among them.

The trends for these technologies are growing as its advantages have been noticed by several specialists, although it is shown to be a rather costly investment, this investment over time will reduce costs by reducing labor costs and operational errors, and from a competitiveness point of view it is clearly a hard to neglect advantage.

Among the European Union countries participating in the logistics performance benchmarking and also strategically well placed to benefit economically from the conflict in Ukraine, we selected 10 countries in South East Europe to see whether their interest in increasing performance benchmarks has increased over time.

These 10 countries approached for the study include countries that have not adopted the new technology as well as countries that have. Thus, we observe that in this period 2018 – 2023 there is an increase in the level of logistics performance indices in most of them, both in the statistical range in the maximum performance indices (Table 1 – Descriptive statistics).

Table 1. Descriptive statistics of logistics performance indices of 10 countries in South-Eastern Europe in 2023

Descriptive Statistics

	N	Range	Minimum	Maximum
LPI2018	10	1.20	2.50	3.70
LPI2023	10	1.30	2.44	3.74

Source: Authors' own research.

As we can see in table 1, the maximum LPI value increased slightly, from 3.70 in 2018 to 3.74 in 2023, indicating improvements in at least one country analyzed. The minimum decreased slightly, from 2.50 in 2018 to 2.44 in 2023, suggesting that some countries have regressed in logistics performance.

The range increased from 1.20 (in 2018) to 1,30 (in2023), indicating greater divergence between the countries analyzed, while some have progressed, others have stagnated or experienced declines.

Countries that have grown in LPI are likely to have invested in digitalization, logistics infrastructure and automation, possibly including the use of Artificial Intelligence.

Countries with declining LPI could be affected by economic instability, poor infrastructure or lack of effective logistics modernization policies.

This table suggests a general trend of improving logistics performance in South-Est Europe, but with significant differences between countries. This variation can be explained by investments in infrastructure, digitalization and AI adoption

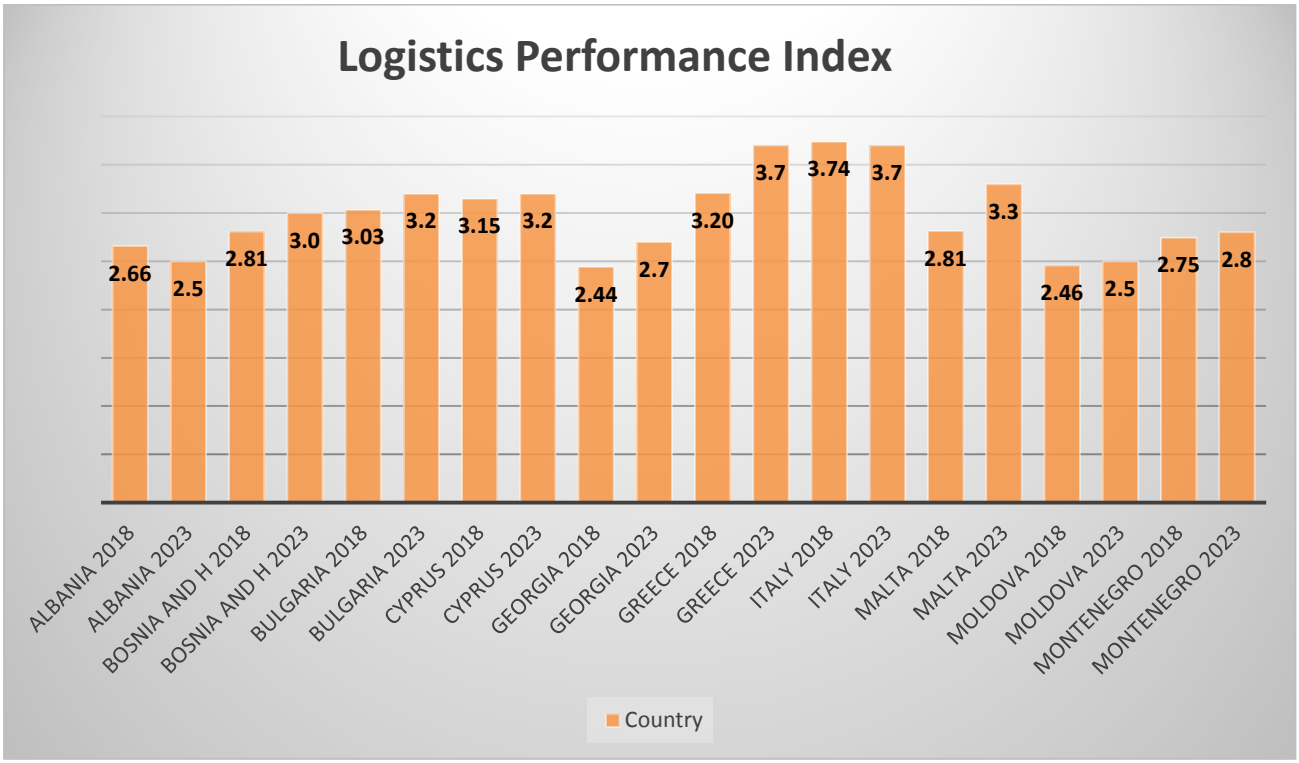


Figure 10. Logistics performance indices of 10 South-Eastern European countries 2018 versus

Source: Authors own research.

Although these indicators are an average of several key elements for assessing performance in logistics, we can observe countries that have had a decrease in this index, and of these, most of them have not invested in Artificial Intelligence. We can observe that countries that have adopted this technology (according to Eurostat data) have higher increases in terms of logistics performance, countries such as Greece, Malta or Bulgaria.

In order to see the impact of this technology in logistics performance we need to consider the indices that can be strictly influenced by Artificial Intelligence.

The evaluation elements that be influenced by Artificial Intelligence are: logistics quality and competence, Tracking and Tracing and Timeliness.

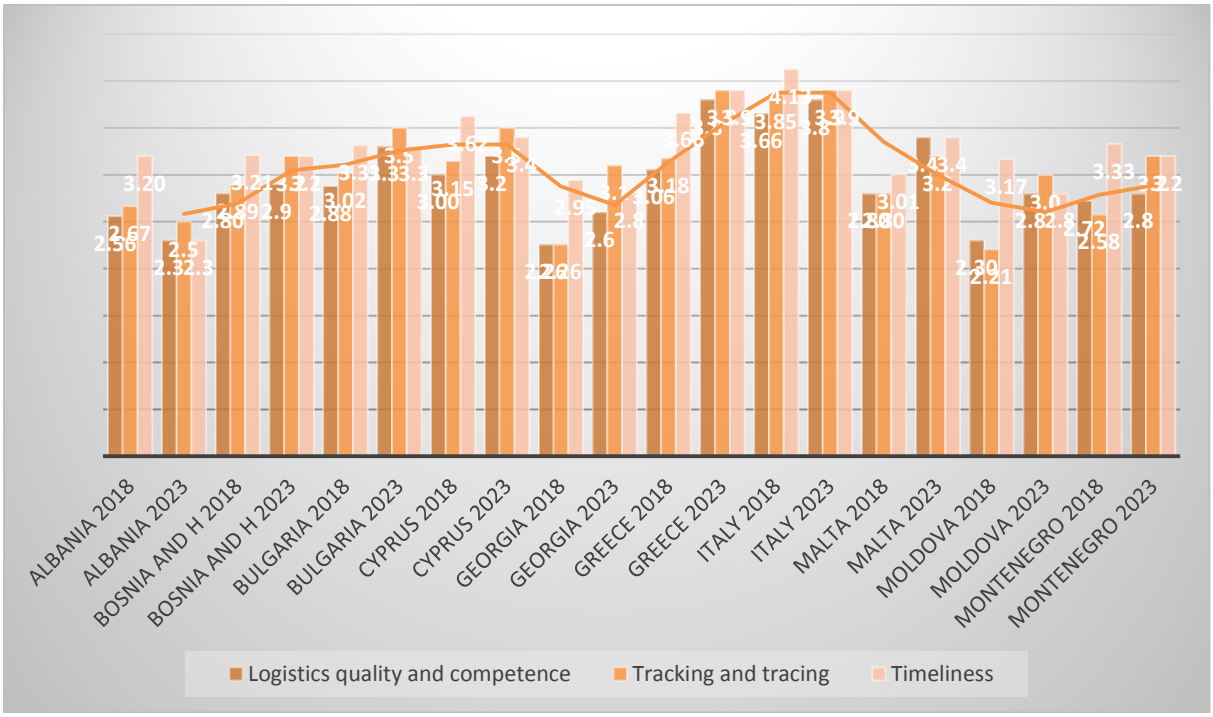


Figure 11. Logistics performance indices on 3 assessment dimensions that can be influenced by Artificial Intelligence of 10 South-Eastern European countries 2018 versus 2023

Source: Authors own research.

We observe in Figure 11 that logistics performance in countries such as Malta, Italy, Greece, Cyprus or Bulgaria we have countries whose indices are increasing, while countries that have not invested in Artificial Intelligence have predominantly decreasing indices.

The differences in indices from one period to another (2018-2023) can be seen in Figure 12.

Figure 12. Negative and positive values of the 3 evaluation dimensions that can be influenced by Artificial Intelligence of 10 SEE countries

Source: Authors own research.

There is significant variation in logistics performance across countries, suggesting differences in infrastructure, technology and logistics management.

While Artificial Intelligence had the potential to transform logistics, there are significant challenges the must be addresses: Cost (high initial investment in software, staff training and cybersecurity measures), workforce adaptation (implementation requires upskilling employees and restructuring existing workflows), cybersecurity risks (systems in logistics are vulnerable to cyberattacks that could disrupt supply chains), regulatory barriers (European Union policies on this technology are still evolving, creating uncertainty for businesses investing in Artificial Intelligence-driven logistics solutions)..

Despite the risks, this technology has already demonstrated improvements in predictive analytics, route optimization, and real-time inventory tracking, leading to increased efficiency and profitability.

In order to better substantiate the research, we spoke with Major Hațegan Răzvan-Alexandru, an active military officer with extensive experience in logistics, both in peacetime logistics and operational logistics. From the expert interview, Major Hațegan emphasized that military logistics faces unique regulatory constraints that make AI implementation more complex than in the civilian sector.

When we get in contact with him, he was seconded for a course at École de Guerre in Paris, France, and devoted 30 minutes to a short interview on Teams platform. Mr. Major had to answer the following questions:

1. What do you think about the European economic implications of the war that broke out in Ukraine in February 2022?

The war in Ukraine had had the profound economic implications across Europe, affecting areas of strategic importance and redefining geopolitical priorities. Supply chains have been severely disrupted, as Ukraine and Russia are major exports of grain, energy and rare metals. Europe, dependent on Russia natural gas, has faced an unprecedented energy crisis, leading to rising energy prices and thus widespread inflation.

The economic sanctions imposed on Russia also had a negative impact not only on Russia but also on European countries with which Russia had trade relations. The car industry and agriculture were hit by rising raw material costs and logistical disruptions. Germany, for example, felt these effects strongly as a colossus in the car industry. In the long term, the war had brought about major strategic changes, including enhanced EU cooperation on economic and military security, increased defense budgets and financial and logistical support for Ukraine.

2. Do you consider that logistics companies can make an important contribution in the event of a conflict, to be self-sustainable in every aspect?

Civilian logistics companies play an essential role in supporting military operations, and the idea of complete self-sustainability of the military is utopian, especially in today`s complex conflicts.

In a high-intensity military conflicts scenario, logistical requirements exceed the internal capacity of the army. Private companies provide additional infrastructure, expertise and capacity for transportation of equipment, fuel, food or medicine. For example, in US and French military operations, private contractors managed strategic transportation, built temporary bases and maintained equipment.

The collaboration must be strictly regulated to prevent corruption, financial loss or information security risks. In protracted conflict, private sector integration can make the difference between success and failure if there I a clear legislative framework.

3. What do you think about the public-private economic relations? Do you consider that there are wide discrepancies in logistic working methods?

Economic relations between the public and private sectors are essential for a healthy economy and for the development of logistics infrastructure. There are, however, significant differences in working methods.

The private sector is more flexible and adaptable because its primary motivation is competitiveness and profit. This allows optimization of processes and rapid implementation of innovations. On the other hand, the public sector is constrained by regulations, bureaucracy and slow decision-making processes, which can lead to delays.

Discrepancies are visible in the speed of service delivery, resources management and emergency response. For example, a private firm may quickly invest in a new IT system for warehouse management, while a similar project in the public sector may be held up by procurement procedures. However, public-private collaboration can bridge these gaps, especially when it comes to strategic partnership, where public resources combined with private expertise can significantly improve logistics infrastructure for effective crisis management, such as port concessions or highway construction.

4. Why should contractors be scared or what should contractors be trained to work to military standards?

Contractors who want to work with the military must be prepared for stringent requirements and high standards.

- Strict regulations – Military contracts require rigorous standards such as ISO 9001 and detailed technical specification.
- Increased security – Contractors must invest in physical and cyber security to prevent leaks of sensitive information.
- Bureaucracy and long timescales - The approval process and payment of invoices can be slower than in the private sector.

5. Do you consider that Artificial Intelligence can be a starting point for military-civilian commercial relations?

Artificial Intelligence has huge potential in developing military-civilian commercial relationships. It is already being used in data analysis, autonomous drone monitoring and supply chain optimization.

For example, military resource management algorithms can be adapted for civilian logistics, and private companies can help develop innovative solutions for the military. However, risks related to data security, ethical regulation and avoiding over-reliance on the private sector need to be considered. A balance in partnership and government control is essential to maximize the benefits of this collaboration.

For a better explain the impact of the use of Artificial Intelligence in the Military and Civilian Logistics we will make a SWOT analysis of the two. The SWOT analysis below is based on the above-mentioned data and studies (recent economic reports published by international institutions such as McKinsey & Company, NATO and the World Bank, as well as economic reports from reputable sources such as Alternative Économiques and Forbes), as well as

observations from the interview with the military logistics specialist. With all this information we made two tables to make the comparison easier.

In essece, this analysis is not just a theoretical exercise, but a synthesis of real trends and changes that are already redefining global logistics. We wanted to outline a clear and realistic picture of the impact of Artificial Intelligence in this sector, providing both a deep understanding of the market dynamics and a vision of future development directions.

Table 2. SWOT analysis – implementation of Artificial Intelligence in civilian logistics companies

Strengths	Weak points
Increased efficiency- by optimizing transport routes, reducing delivery times and fuel consumption **Automation-** reducing human error **Predictive analytics –** anticipating and forecasting stocks **Cost reduction** – lower operational costs **Improved decision making** – rapid and real-time decisions **Customization** – the ability to adapt to customer needs through data analytics	**High upfront costs –** high investment in software and staff training **Dependency on technology –** in the event of cyber-attacks or technical failures Artificial Intelligence **Lack of flexibility –** in special situations (natural disasters/global crises) algorithms may have difficulty adapting **Deficit de competențe –** nu sunt suficienți specialiști în soluții tehnice/gestionare AI **Ethical issues** – monitoring and massive data collection raises data privacy concerns
Opportunities	**Threats**
Expanding markets – facilitate entry into new markets by optimizing global supply **Sustainability** – Artificial Intelligence-driven solutions help reduce the carbon footprint **Emerging technologies –** integration with other technologies such as autonomous vehicles or drones offers opportunities for innovation **Improving customer experience –** by analyzing feedback and implementing it **Public-private collaboration –** opportunity to work with governments	**Bad regulations (in the EU) –** strict or delayed policies can create problems in adopting new technologies **Cyber-attacks –** the possibility of being targeted by hackers compromising sensitive data or even logistical operations **Economic changes –** crises or market fluctuations may limit investment in technologies **Human resistance -** human skepticism due to fear of job loss or inability to understand the technology **Increased competition –** rivals may accelerate competition in the deployment of Artificial Intelligence and this led to a need to keep up with the pace through constant investment in the technology

Source: Authors own research.

Table 3. SWOT analysis – implementation of Artificial Intelligence in military logistics

Strengths	Weak points
Increased operational efficiency - by optimizing mission planning, reducing time and resources for decision-making **Advanced analytics capability -** the ability to process large volumes of data providing critical information for strategic decision making **Predictive analytics -** stock anticipation and forecasting **Automation and precision -** military technology can execute complex operations with high precision **Reducing human risks -** reducing personnel exposure **Rapid response -** rapid responses to immediate threats **Long-term savings -** Although upfront costs are high, costs are reduced in the long run through automation and process optimization	**High upfront costs -** high investment in software and staff training **Dependency on technology -** complex infrastructure and vulnerabilities in case of technical failures/cyber attacks **Lack of interoperability -** possible difficulties in communicating with other nations' systems **Time to adapt -** large-scale deployment takes time **Ethical issues -** life and death decisions raise complex ethical and legal questions

Opportunities	Threats
Technological advances - facilitate entry into new markets by optimizing global supply chains **Sustainability –** Artificial Intelligence-driven solutions help reduce carbon footprint **Emerging technologies -** integration with other technologies such as autonomous vehicles or drones offers opportunities for innovation **International collaboration -** deploying Artificial Intelligence in military alliances **Pre-emptive security -** the possibility to neutralize threats before they become active	**The global race for Artificial Intelligence** **Enemy use of Artificial Intelligence -** hostile actors may use AI for cyber attacks **Asymmetric wars -** less technologically advanced nations may adopt unconventional war tactics to counter the advantage offered by Artificial Intelligence **Vulnerability to hacking** **Social and political impact -** decisions in the military context can translate into lives lost and lives saved, thus can create large public controversies and ethical/political issues **International regulations -** development of legal frameworks that can limit or delay the use of these technologies for military purposes

Source: Authors own research.

As we can see from the SWOT analysis, the implications of Artificial Intelligence in logistics, even if its military or civilian logistics, are not just about performance, but also reflect long-term savings.

In order to provide a comprehensive outlook, we could take in consideration also some future trends in AI-driven logistics, including: Autonomous Supply Chains with AI-power automation in warehouses and transporation networks; AI-driven procurement with predictive purchasing and demand forecasting using machine learning or blockchain integration with AI combined with blockchain for secure and transparent supply chain management.

Conclusion

As the study shows, Artificial Intelligence is influencing the economy and reshaping the global economy, and the way it is used is a very important factor in the current changes.

As major Hațegan points out, the current context of the war in Ukraine has reshaped the economic market, but at the same time it has given entrepreneurs the change to broaden their expertise and contribute significantly to logistical support in the region.

The common misconception that militaries have immeasurable capabilities and can be self-sustaining in the event of conflict is a false premise that has been created by a lack of knowledge in this area.

While some entrepreneurs knew or understood the dimensions of such a war campaign, especially those selling military-specific goods, other entrepreneurs only suspected or did not even look at conflict as a possible source of revenue multiplication for the type of business they were practicing.

The refocusing of some entrepreneurs on activities in areas that support the conduct of combat has brought revenue into their businesses, but it has also created an obligation to learn a different business technique, learn about the rigors of the military, methods of working in the field, and new standards of work.

As this article points, the impact of Artificial Intelligence has made its mark on the global economy and has already begun to effect change, and military conflicts have only hastened the evolution of such technology.

Because this prism of research is relatively new, that does not mean than its impact is not worth considering for the economic world, and as McKinsey & Company predicts, the total value

added by Artificial Intelligence to the global economy could increase global GDP by up to 14% by 2030. And from this follows the enormous potential it has in today's economy, but also in the not-too-distant future.

The result of this research and the contribution this paper seeks to make is to bring to the readers` attention new business tactics, advice and future directions for those who wish to operate in this field, a field that creates enormous possibilities and bring with it many challenges.

Future research should focus on longitudinal studies tracking AI`s economic impact over time, as well as on policy frameworks that support AI-driven logistics while addressing it`s risks.

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