

# Machine Learning-Driven Analysis of Low-Carbon Technology Trade and Its Economic Impact in the USA

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## Abstract

*The transition to sustainable energy is paramount for addressing climate change, and low-carbon technologies play a pivotal role in this shift in the USA. The prime objective of this research paper was to apply the capabilities of machine learning in an examination of America's low-carbon technology trading. With powerful analysis tools, we attempted to detect trends in exporting and importing, estimate the contribution of such technology to the economy, and estimate the effectiveness of supporting policies. The scope of our activity was U.S. low-carbon technology trade, both its imports and its exports. Examining a rich dataset including volumes of trade, technological categories, and economic factors, we try to unveil deeper trends driving this new sector. The dataset for analysis in such a case involved in-depth information drawn from a range of reliable sources, including U.S. trade reports, economic statistics, and global databases for sustainability. Trade volumes, in terms of value and quantity of low-carbon technology exported and imported, form one of the key variables in such a dataset. There was extensive information about carbon emissions, providing an analysis of the impact on terms of the environment through such technology, and policy incentives, in terms of government actions for encouragement of low-carbon alternatives. In selecting machine learning models for examining low-carbon technology trade, three candidates—Logistic Regression, Support Vector Machines (SVM), and K-Nearest Neighbor (KNN)—stood out for their particular strengths. In terms of accuracy, the SVM model is the top scorer, closely followed by KNN, while Logistic Regression takes a considerable drop, indicating its relatively lower predictive capability. Precision measurements also rank similarly, with SVM and KNN recording high precision values, suggesting that they are reliable in predicting true positives. Recall scores also indicate the strength of SVM and KNN in recalling all instances, while the Logistic Regression model records lower recall, particularly in predicting the class. Finally, the F1 score, being the trade-off between precision and recall, further reinforces the superior performance of SVM and KNN, as both models record high scores, with Logistic Regression lagging. To enhance the U.S. position in the global low-carbon technology market, a multi-faceted approach must be taken. Firstly, efforts must be made to drive innovation through increased investment in research and development (R&D). For business firms and investors, the transition to a low-carbon economy presents a plethora of market opportunities in the low-carbon technology sector. U.S. firms can leverage growing consumer demand for green products by developing product lines to cater to renewable energy systems, energy-efficient appliances, and electric vehicles. For investors, an understanding of the dynamics of the low-carbon technology market is essential for risk management through predictive economic modeling. It is necessary to synchronize trade policy with U.S. and global carbon reduction objectives to foster a sustainable economy.*

**Keywords:** *Low-Carbon Technologies, Machine Learning, Trade, Sustainable Energy, Economic Impact, USA.*

## Introduction

According to Anona et al. (2023), the global transition towards renewable energy is one of the most important challenges of today, spurred by the imperative to mitigate climate change and reduce greenhouse gas emissions. Low-carbon technology, such as renewable sources of solar, wind, and hydropower, and technology for energy efficiency, is at the heart of such a transition. Not only can such technology reduce carbon footprints possible, but it can even contribute to energy security, economic robustness, and public

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well-being. In America, the development and application of low-carbon technology have gained momentum, supported by national and state policies to drive innovation and investment in cleaner forms of energy.

Hasan et al. (2024), reported that trade in low-carbon technology is an integral part of this narrative, through which countries can swap expertise, assets, and innovation. For the U.S. economy, being in the global marketplace for low-carbon technology is both an opportunity and a challenge. Imports of technology from abroad can energize industries locally, and U.S. exports can enhance America's competitive edge in the new international green economy. As such, an awareness of trends in trading these technologies is critical for estimating its impact on the economy and shaping climate policy. Analysis of low-carbon technology trade, however, is complex, with numerous factors at play such as international free-trade agreements, technological advances, and shifting consumption trends (Hossain et al., 2025).

### *Problem Statement*

Regardless of the growing awareness of low-carbon technology trade value, its economic contribution is difficult to assess accurately with traditional approaches, partly because such approaches have a problem in describing and representing dynamically changing technology, marketplace, and policy relations in a coherent form. Traditional approaches rely on static hypotheses and outdated information, and such an analysis can make incorrect inferences. For one, traditional approaches cannot react to quick technological change and new marketplace creation, and thus an incomplete view of low-carbon technology trade's contribution to jobs and overall economic development can follow (Sumon et al., 2024b) Moreover, traditional analysis methodologies have limitations that can overshadow the beneficial contribution of low-carbon technology. For example, even when increased imports of solar panels will initially generate competitive pressure for domestic producers, it can lead to lowered energy costs and widespread access to renewable sources, benefiting the economy at large. As such, an imperative is for new methodologies with an ability to present a deeper analysis of low-carbon technology trade and its impact on the economy (Chowdhury et al., 2024)

### **Research Objective**

The prime objective of this research paper is to apply the capabilities of machine learning in an examination of America's low-carbon technology trading. With powerful analysis tools, we will attempt to detect trends in exporting and importing, estimate the contribution of such technology to the economy, and estimate the effectiveness of supporting policies. There will be several objectives guiding the research: first, developing predictive models for future trading trends through examination of past trends and current marketplace dynamics; second, an analysis of the economic impact of low-carbon technology trading, including job creation, sector growth, and trends in investments; and third, providing actionable information for policymakers who seek to enhance the effectiveness of trading policies regarding climate change.

### *Scope and Relevance*

The scope of our activity is U.S. low-carbon technology trade, both its imports and its exports. Examining a rich dataset including volumes of trade, technological categories, and economic factors, we try to unveil deeper trends driving this new sector. Besides, through machine learning techniques such as regression analysis, clustering, and predictive modeling, we will derive insights capable of shaping future trade and economic policies. The relevance of such a study reaches policymakers, leaders in industries, and environmentalists who care about knowing about the economic contribution of low-carbon technology trade. In an increasingly climate-action-focused world, employing machine learning to expose the nuance of trade can inform smarter decision-making and drive a wiser future economy that is both economically and environmentally healthy. As America shifts, such a study's work will become part of a larger discussion regarding the contribution of trade towards a low-carbon economy and will shape both national and international actions toward climate change.

## Literature Review

### *Low-Carbon Trade and Global Markets*

As per Hu et al. (2024), the advent of low-carbon technology is a revolutionary change in the global energy mix. Solar energy infrastructure, wind farms, electric vehicles (EVs), and carbon capture and storage (CCS) technology are amongst the most prevalent of such emerging technologies. Solar energy, in the form of photovoltaic (PV) technology, is a backbone of renewable energy generation, transforming sunlight into electricity with a zero-carbon footprint. With a significant fall in solar panels' price, through technology improvements and economies of scale, widespread application not only in America but globally became a reality. Simultaneously, wind power gained traction, with both off-shore and on-shore wind farms producing a significant portion of electricity in most regions of the country and abroad. America is rich in enormous wind resources, predominantly in the coastal and Great Plains regions, and a leading producer of wind power (Barua et al., 2025)

Electric vehicles form an important part of a low-carbon technology mix, offering a competitive alternative to traditional gasoline-powered cars. There are a variety of factors supporting a transition towards EVs, such as technological development in batteries, incentives, and growing awareness regarding environment-related issues among consumers (Li et al., 2022). Electric cars The U.S. marketplace is developing at a quick pace, with big car manufacturers investing big in electric cars. Besides, technology for carbon capture and storage is becoming a tool for controlling emissions in both fossil-fuel-fired power and industrial processes. By storing and utilizing captured CO<sub>2</sub>, CCS can make a big contribution to controlling greenhouse gas emissions in sectors that have proven resistant to decarbonization (Al Mukaddim et al., 2024)

Ge et al. (2024), argued that the trade-in of such low-carbon technology is critical in spurring international cooperation and enhancing the consumption of sustainable technology for energy use. Those countries with high production and exporting of such technology stand a chance to dominate international markets, create jobs, and drive innovation. For instance, America has played a significant role in exporting renewable technology, including solar panels and wind farms, and in importing high-tech parts and systems from other countries. That interdependence mirrors the imperative for free-trade policies in spurring development in low-carbon technology markets.

### *U.S. Trade Policies for Sustainable Energy and Clean Technology*

American trade policies have become vastly different in terms of the growing demand for renewable energy and clean technology. There have been many programs at the national level to create and export low-carbon technology. Most noticeably, both the Energy Policy Act and the American Recovery and Reinvestment Act have involved considerable investments in renewable energy development and research, allowing U.S. companies to develop and sell in international markets. Trade and tariffs have been leveraged in defending U.S. industries and supporting international collaboration at the same time (Khaligh et al., 2023).

Nahid et al. (2024), asserted that the recent campaign for environmentally friendly trading policies can be witnessed in such actions as the Biden Administration's campaign for a clean economy for energy. There have been vows to reduce greenhouse gas emissions, make energy efficient, and produce jobs in the clean energy field in terms of jobs in terms of millions. Policies in the administration aim at enhancing domestic production of low-carbon technology, to keep America competitive in terms of its position in the global marketplace. Trade agreements, such as the U.S.-Mexico-Canada Agreement (USMCA), include provisions for supporting environmentally friendly approaches and the use of clean technology.

Despite these advances, persistent challenges face America. America is competing with countries that have become leaders in low-carbon technology, such as China, a dominant force in solar panels. There is therefore a persistent controversy over whether U.S. trade policies have an effective role in generating a competitive edge in low-carbon technology. Policymakers must navigate international trade with an eye towards opening doors for domestic industries to develop and contribute towards national climate goals (Reza et al., 2024).

### *Economic Impact of Green Technologies*

Oladapo et al. (2024), articulated that the economic value of low-carbon technology extends outwards to encompass not only its beneficial impact on the environment, but also important job creation, industrial development, and innovation in a variety of sectors. Time and again, studies have proven that investments in green technology can have a net creation of jobs, not least in installation, maintenance, and jobs in manufacturing. Solar and wind industries, for instance, have become a source of considerable employment, with numerous jobs in solar panel installation and wind farm operations and maintenance. Renewable energy jobs, according to the U.S. Bureau of Labor Statistics, are amongst the fastest-growing occupations, a reflection of increased demand for cleaner sources of energy. Moreover, the growth in green technology has spurred industrial development, generating new industries and entrepreneurial ventures. Sun et al. (2024), stated that industries dealing with renewable energy, efficiency, and cleaner processes have become a magnet for investments, generating a robust innovation ecosystem. For example, technological improvements in batteries not only make it easier for development in electric cars but also drive innovation in energy storage technology, a key technology for grid integration of renewable energy. That such a synergistic relationship between low-carbon technology and industrial development can exist reflects a future for a responsible economy with a robust emphasis on innovation and the environment.

According to Sizan et al. (2024), the relationship between expansion in the marketplace, free trade agreements, and incentives in government are also critical in shaping the economic environment for green technology. Government incentives in terms of providing grants, subsidies, and tax credits for renewable energy investments can stimulate marketplace expansion and private investment. Trade agreements that allow countries to exchange low-carbon technology can stimulate access to international markets, allow U.S. companies to expand and become competitive, and extend marketplace access for U.S. companies in foreign countries. For instance, provisions for clean technology in free trade agreements can allow countries to collaborate and innovate with ease, driving a transition towards cleaner energy worldwide in the long term. The interplay between free-trade agreements, expansion in new markets, and government incentives is sophisticated and warrants careful examination. Government incentives play a significant role in de-risking investments in low-carbon technology, providing companies with financial support to undertake research and development work. Incentives can manifest in numerous forms, including renewable installation tax credits, grants for new and emerging ventures, and funding for research and development programs. By lowering financial impediments to new ventures, incentives drive expansion in green technology markets and enable companies to develop and compete effectively (Xu et al., 2024)

Tripathi (2024), contended that trade agreements have a significant role in creating a conducive environment for expansion in the marketplace. By reducing tariffs and non-tariffs, such agreements simplify goods and service flows, and nations can access each other's markets with ease. For example, imposing trade policies that allow for low-carbon technology exchanges can make U.S. companies competitive in the global marketplace. Not only can such agreements stimulate collaboration between nations, but technology and information diffusion and quick acceptance of environmentally friendly techniques can follow too. However, the intersection between free trade agreements and government incentives is not controversy-free. Policymakers must navigate a thin line between protecting domestic industries and cooperating with the international community. Trade deals can open new markets, but in the same breath, expose domestic industries to competition from abroad. That can generate tension, with industries lobbying for protective tariffs in a bid to insulate them from competition in other countries. Successful trade policies must therefore have consideration for long-term ends of sustainability and expansion, to open domestic industries for growth and benefit from international trade in the same breath.

### *Machine Learning in Trade and Economic Forecasting*

The integration of artificial intelligence (AI) and machine learning (ML) in the analysis of economic impact and analysis of trade is a key development in researching complex trends in economies. With its capacity for processing enormous datasets and identifying trends and relations not apparent through traditional econometric analysis, ML can contribute to a deeper analysis of complex trends in economies such as low-carbon technology trade. For instance, predictive modeling can be leveraged to make future forecasts of

trading trends through an analysis of past trends and current trends in the marketplace (Jahangiri et al., 2024). By analyzing factors such as technological advancement, demand, and government policies, forecasts can be constructed through machine algorithms that can guide governments and companies in decision-making processes. Similarly, clustering algorithms can identify trends in low-carbon technology consumption in regions, and regions with high intervention requirements can be identified through them (Anona et al., 2023).

Moreover, Barua et al. (2025), held that machine learning can make assessments of economic impact even more reliable through its integration with a variety of factors that motivate both trade and economic growth. For example, with information regarding labor markets, investments, and environmental performance, models can present a complete picture of the low-carbon technology trade and its contribution to the economy. Policymakers can utilize such information, for example, in developing effective interventions that will have high payoffs for green technology and at least counteract any involved risks. While the application of machine learning in trading and forecasting economies is full of many beneficial factors, it is not problem-free. One of its greatest assets in leveraging machine learning is its effectiveness in processing a high level of information at a high velocity. With such a characteristic, researchers can identify sophisticated relations and trends that cannot be noticed with traditional methodologies. Besides, algorithms in machine learning can adapt and learn new information, with predictive accuracy improving over some time (Al Mukaddim et al., 2024)

However, challenges in applying machine learning to economic modeling have not yet been resolved. Most significant, perhaps, is the interpretability of ML models. Unlike traditional econometric models, whose output tends to disclose relatively transparent information regarding variable relations, machine learning algorithms can act as "black boxes," and it can then become difficult for both researchers and policymakers to understand processes generating forecasts. Transparency can become a problem, eroding trust in output and limiting generalizability in real-life decision processes. Additionally, the application of big datasets is not free of complications (Ge et al., 2024). Quality and availability of information can differ enormously and can impact the integrity of machine learning algorithms. For low-carbon technology trade, having proper and complete information about trade flows, marketplace trends, and economic factors is important for generating sound insights. As such, researchers must ensure that information in use in ML algorithms is reflective and high in quality in an attempt to counteract biases and inaccuracies (Hasan et al., 2024)

#### *Data Collection and Preprocessing*

The dataset for analysis in such a case involved in-depth information drawn from a range of reliable sources, including U.S. trade reports, economic statistics, and global databases for sustainability. Trade volumes, in terms of value and quantity of low-carbon technology exported and imported, form one of the key variables in such a dataset. There was extensive information about carbon emissions, providing an analysis of the impact on terms of the environment through such technology, and policy incentives, in terms of government actions for encouragement of low-carbon alternatives. There was information about job market impact, in terms of the impact of jobs involved in developing the low-carbon economy. With its multi-dimensional nature, such a dataset can effectively assess the impact of the economy through low-carbon technology trade and enable a deeper analysis of the intersection between trade and efforts towards sustainability.

S/No	Feature/Attribute	Description
01.	Country	Name of the nation participating in low carbon technology trade.
02.	Indicator	Type of economic indicator related to low carbon technology trade.
03.	ISO2	2-letter ISO nation code.
04.	ISO3	3-letter ISO nation code.
05.	Unit	Unit of measurement (e.g., US Dollars, Percent).
06.	CTS_Code	Classification code under the Carbon Technology Segment.



07.	<b>CTS_ Name</b>	Name of the classification under the Carbon Technology Segment.
08.	<b>Trade Flow</b>	Indicates whether the data refers to exports or imports.
09.	<b>Scale</b>	The scale of the data (e.g., Index, Percentage).

### *Data Preprocessing*

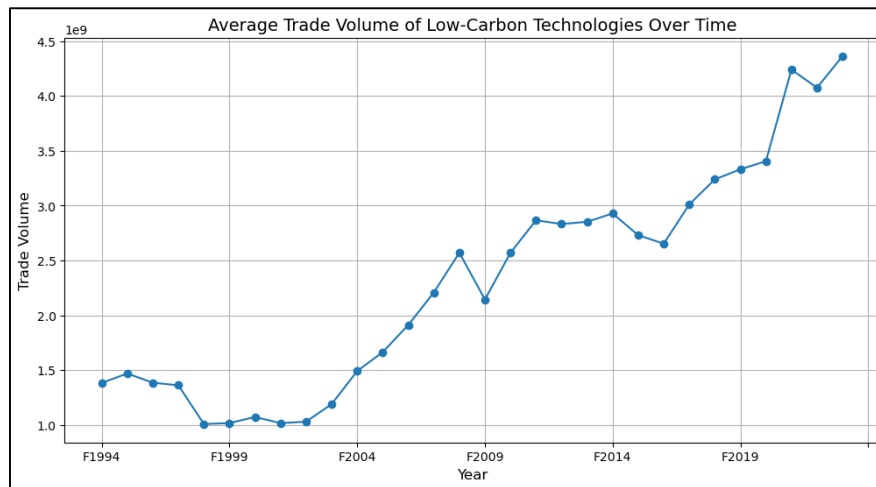
The code fragment in Python performed a general preprocessing pipeline for data with Python modules including pandas, numpy, and scikit-learn. It began with loading modules for manipulating, model selection, preprocessing, and oversampling. Second, the pipeline targeted dealing with missing values with Simple Imputer with several strategies for numerical and categorical features. Thirdly, categorical values were then handled with Label-Encoder. Fourth, insignificant columns were eliminated, and feature scaling with Standard Scaler was conducted excluding the "Trade Flow" target variable. Fifth, the target variable "Balance Trade" was processed for any possible class imbalance with oversampling with SMOTE. Ultimately, the data was then split into training and testing sets, and the shape of the sets produced was printed, providing an overview of dimensions at each stage.

### *Exploratory Data Analysis (EDA)*

Exploratory Data Analysis (EDA) is a pivotal stage in the investigation process that involves the examination and plotting of datasets to expose hidden trends, patterns, and outliers in anticipation of model development and testing hypotheses in a proper manner. With a variety of techniques, such as summary statistics, visualization, and correlation analysis, EDA helped researchers gain an awareness of the form of the data, understand variable relations, and identify outliers and biases in the data. Not only does EDA inform the selection of relevant analysis, but it helps in general awareness of the background of the data, guiding future investigation phases and assuring that results will be meaningful and reliable. By providing a platform for more sophisticated analysis, EDA is a key to successful investigation-intensive work.

### *Average Trade Volume of Low-Carbon Technologies Over Time*

This code script utilized Python's matplotlib module to generate a plot of a line for a trend in years in terms of trade volume. The script generated a figure with a specific size (12x6 inches) with `plt.figure()`. `Df [year_cols].mean().plot()` was the basis of the plot, choosing information in a pandas DataFrame (df) for column(s) in year\_cols, taking a mean for a specific year, and plotting them in the form of a line plot. Markers ('o') and a continuous line ('-') adorn the plot. Labels for the title ("Average Trade Volume of Low-Carbon Technologies Over Time"), the x-axis ("Year"), and the y-axis ("Trade Volume") are added with `plt.title()`, `plot. Label ()`, and `plot.ylabel()` respectively, with specific font sizes. For easier reading, a grid was added with `plt.grid(True)`, and then a plot was displayed with `plt.show()`. The plot effectively plotted the average trade volume in terms of years for low-carbon technology in years in the dataset.

*Output*

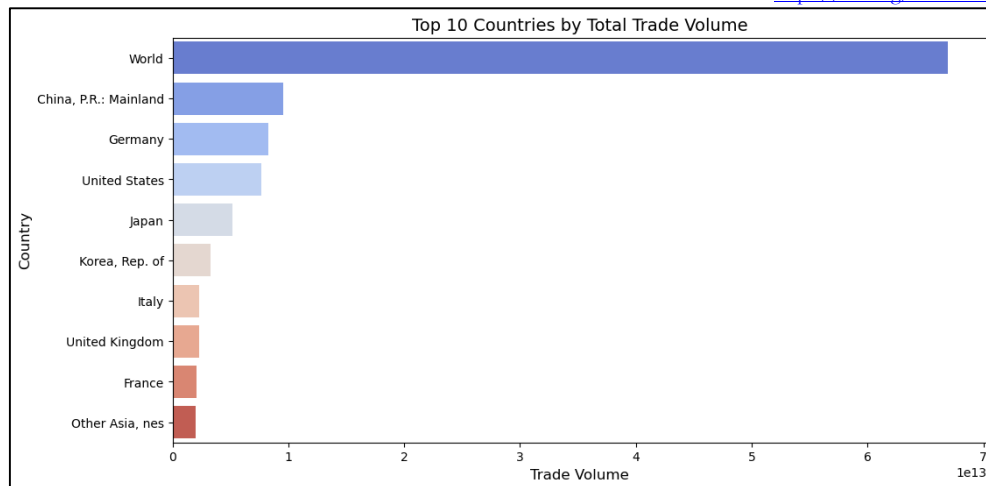
**Figure 1. Average Trade Volume of Low-Carbon Technologies Over Time**

The graph "Average Trade Volume of Low-Carbon Technologies Over Time" shows trends in terms of trade volume between 1994 and 2019, with significant fluctuations and a general upward direction. In 1994, at first, the average trade volume was about 1.0 billion USD, with a slow but steady growth till 1999. There was a sharp drop in 2009, with a drop in trade volume for a short period to about 1.5 billion USD, possibly an impact of the financial crisis worldwide. Yet, post-crisis, a strong rise in the trade volume can be seen, with a steady rise to about 4.0 billion USD in 2019. With an overall rise, it can be seen that a growing market for low-carbon technology reflects an increased role for sustainable sources of energy in international trade and a growing potential for the economy in terms of such an economy. According to the data points, investments in low-carbon technology have increased over the years, in compliance with international objectives and policies for curbing greenhouse emissions and fighting climate change.

#### *Top 10 Countries by Total Trade Volume*

The code script calculated and plotted the top 10 countries in terms of overall trading volume with pandas and seaborn in Python. First, it calculated "Total Trade" for each country by summing trading volumes for several years (which have been stored in year\_cols, presumably) and storing them in a new column 'Total Trade' in Data Frame df. Next, Data Frame df was grouped by 'Country', summed 'Total Trade' for each country, and utilized .largest(10) to receive the top 10 countries with the largest overall trading volume, storing them in top\_countries. A bar plot was generated with sns.barplot(), with trading volumes on the x and country names on the y-axis. Keyword palette="cool warm" sets a gradient for colors for the bars. The plot was supplemented with a title, "Top 10 nations by Total Trade Volume," and with axes labels for "Trade Volume" and "Country," both with specific font sizes. The plot was then displayed with plt.show(), with a readable graphical ranking of the top 10 countries in terms of overall trading volume.

#### **Output:**



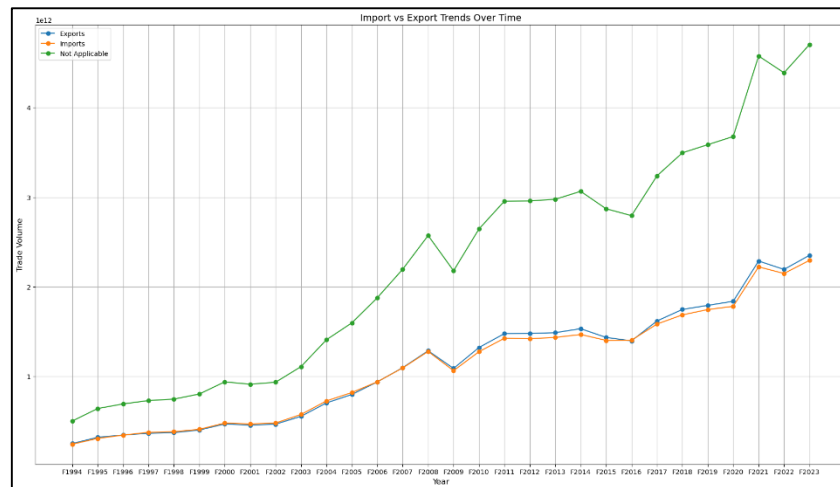
**Figure 2. Top 10 Countries by Total Trade Volume**

The graph reflects a definite pecking order of top nations involved in low-carbon technology trading, with the statistics underlining China's leadership in terms of dominating the worldwide marketplace. China, P.R. Mainland, boasts a high overall trading volume of about 7.0 billion USD, a figure much larger than any other country. In its position as a secondary player, Germany comes in with a trading value of about 2.0 billion USD, with its high level of contribution towards exporting sustainable technology. Fourth in position comes the United States, with a trading value of about 1.5 billion USD, with its high but relatively lesser contribution in terms of worldwide trading. Japan, South Korea, and the United Kingdom follow, with each contributing between 0.5 and 1.0 billion USD. With such a distribution of trading value, one can see that competitive dynamics in terms of low-carbon technology trading reveal that, even with its position, America is not alone in its role but is challenged in its position by countries such as China and Germany, who dominate in terms of developing and exporting low-carbon technology for a sustainable future.

#### *Import vs. Export Trends Over Time*

The code snippet plotted trends in import and export over years using matplotlib in Python. First, it grouped a Data Frame (df) by "Trade Flow" and summed volumes for each year (year-cols) for each flow. It then transposed the result in trade flow summary with .T such that years became a column and flows became a row and stored it in trade\_flow\_summary. It then created a figure with a large size (22x12 inches). It then iterated over the columns of trade\_flow\_summary (i.e., for each flow of trade), and plots each year's trade volume with a line with markers ('o') and a label for each flow type. It then set a title, "Import vs Export Trends Over Time," and axis labels ("Year" and "Trade Volume") with specific font sizes. It then set a legend to differentiate between the lines, a grid for easier reading and then plotted with plt.show(). The plot generated revealed a comparison of how volumes of both imports and exports have changed over the years.



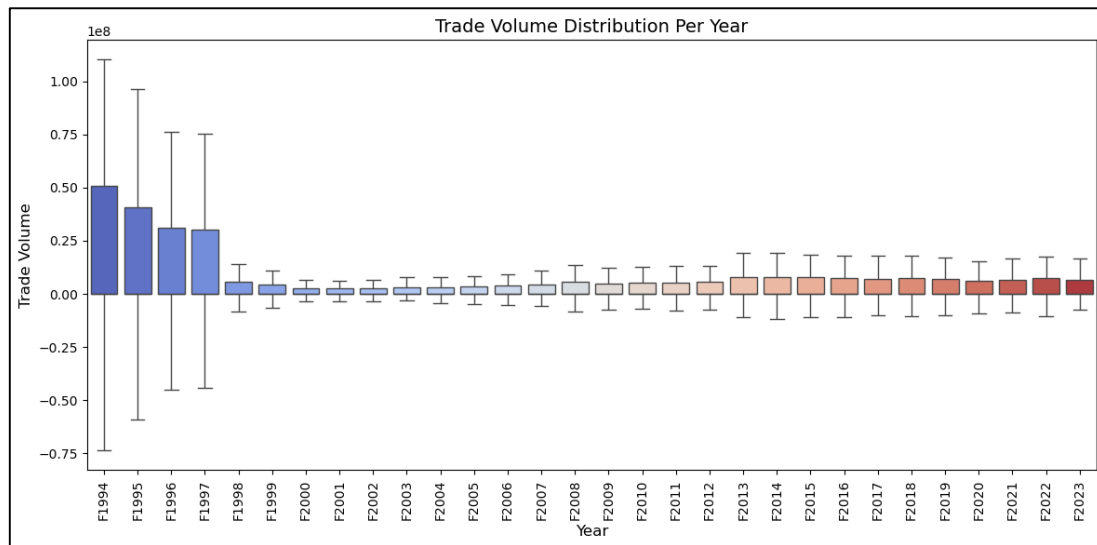
*Output*

**Figure 3. Import vs. Export Trends Over Time**

The plot above reflects trends in trading in low-carbon technology between 1996 and 2022, with a striking contrast between trends in exporting and importing. The steadily rising green line for imports climbs enormously, growing from about 1.0 billion USD in 1996 to about 4.5 billion USD in 2022, indicating a growing use of foreign low-carbon technology in America. In contrast, the less predictable, but steadily leveling, orange exporting line begins at about 1.0 billion USD and plateaus at a little over 2.5 billion USD in 2022. That contrast identifies a critical imbalance in trading, with a strong outpacing of imports over exports, and an indication that America, a strong importer of low-carbon technology, hasn't balanced such demand with equivalent exporting volumes. Blue markers, for years with no relevant data, mark stopgaps or reporting gaps, but overall, the graph identifies a need for developing U.S. competitiveness in exporting low-carbon technology in a global marketplace.

#### *Trade Volume Distribution Per Year*

The computed code in the Python program generated a box plot for depicting the distribution of volumes of trade per annum with pandas and seaborn in Python. First, Data Frame df was reshaped in a long format from its present form in a wide format with `pd.melt()`. Reformatting aggregated volumes of a single year (identified in `year_cols`) in one column with the name "Trade Volume," with "Country" kept as an id variable. Data Frame `df_long` was then used in generating a box plot with `sns.boxplot()`. "Year" was represented in the x-axis, and "Trade Volume" was represented in the y-axis. `showfliers=False` not including outliers, and `palette="coolwarm"` used a cool warm-colored palette for plotting boxes. X-tick labels had a 90-degree orientation for easier reading. The plot had a title, "Trade Volume Distribution Per Year," and axes with labels and specific font sizes, and then plotted with `plt.show()`.

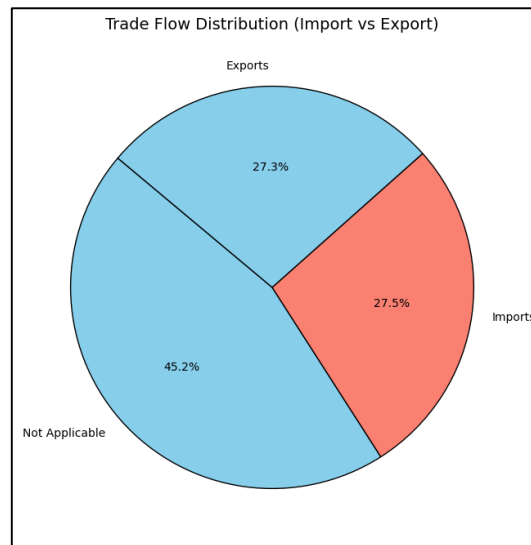
*Output*

**Figure 4. Trade Volume Distribution Per Year**

The graph "Trade Volume Distribution Per Year" employed box plots to illustrate the annual distribution of trade volumes between 1994 and 2022, offering information about both central trends and variations over the years. In each of the box plots, the median for trade volumes is represented by the line in the box, accompanied by the interquartile range, depicting 50% of most central trade volumes aggregated in each instance. As seen, considerable expansion in volumes of trade started in 1994, with 2008 to 2010 years having a sharp rise, possibly fueled by growing worldwide interest in low-carbon technology. Trade volumes' range is represented in terms of the whiskers extending outwards from each box, with outliers in a few years, such as 2012 and 2015, having particularly high volumes traded in them. Despite that, trends from 2020 to 2022 years illustrate a lesser distribution, with an indication of uniformity in traded volumes, depicting a stabilizing marketplace.

*Trade Flow Distribution*

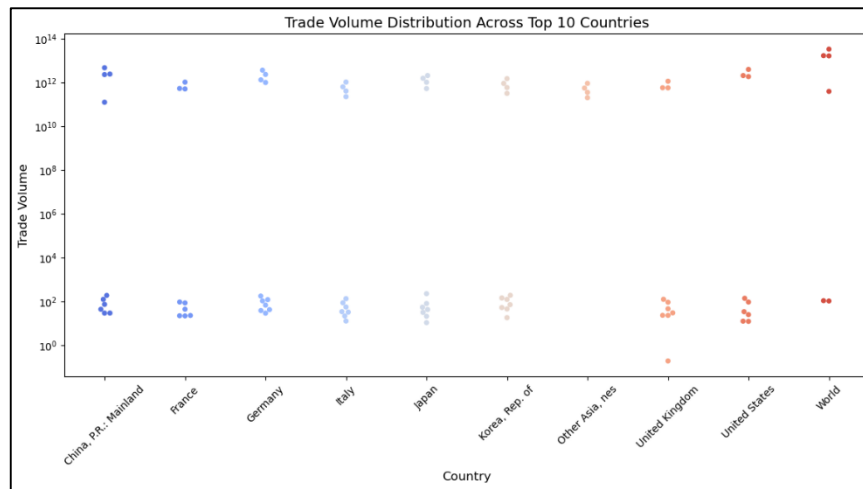
The implemented code snippet generated a pie chart of proportionate representations of disparate trade flows for each trade flow category (import and export, presumably) in Data Frame df. The script first generated a count of each of the "Trade Flow" column's unique values with `.value_counts()` and stored it in `trade_flow_counts`. It then created a figure with dimensions 8x8 inches for a pie chart. It then plotted a pie chart with calculated counts, labels taken from the index of `trade_flow_counts` (the categories of trade flow), and one decimal place in its percentage representation with `autopct='%1.1f%%'`. It colored the slices sky blue and salmon and set `startangle=140` to position the starting point of the first wedge at 140 degrees. It then labeled a title, "Trade Flow Distribution (Import vs Export)," with a 14-point font and plots with `plt.show()`.

*Output***Figure 5. Trade Flow Distribution**

The chart employs a pie chart to paint a picture of the composition of trade flows in low-carbon technology, comparing and contrasting between imports and exports. As per information, 45.2% of the total trade flow comes through imports, representing a high level of dependability in the marketplace for low-carbon technology in terms of imports. Nearly equivalent in value, 27.3% of the overall comes through exports, representing that, even with America being an active participant in the global low-carbon technology marketplace, it is not exporting but taking in a lot in terms of low-carbon technology. "Not Applicable," at 27.5%, most likely represents instances in terms of information when a trade flow could not possibly have been placed in a category, again representing a challenge in tracking trends in terms of trade dynamics. This distribution portrays a trade imbalance, representing a need for policies focused on developing competitiveness in terms of producing low-carbon technology at a domestic level and minimizing dependability in terms of imports.

*Trade Volume Distribution Across Top 10 Nations*

The executed code generated a swarm plot for depicting the distribution of volumes of trade in the top 10 countries. The script first extracted the top countries' list out of top\_countries and stored it in the top\_countries list. It then generated a filtered Data Frame df with 'Country' presented in the top\_countries list, storing it in filtered\_df. Subsequently, it generated a 14x6-inch figure. The core of the plot employs sns.swarmplot(), plotting 'Total\_Trade' volumes over 'Country' for filtered\_df, with "coo lwarm" for colors. X-axis labels (country labels) were rotated 45 degrees for easier reading. It is then augmented with a title, "Trade Volume Distribution Across Top 10 Countries," and axis labels with specific font sizes. Most importantly, it logarithmic scales the y-axis with plt. Scale ("log") for plotting data with a range of orders of magnitude, ideal for such scenarios. It is then plotted with plt.show(). The generated swarm plot effectively communicated the distribution of volumes for each of the top 10 countries, with comparisons between both the mean and range of volumes possible.

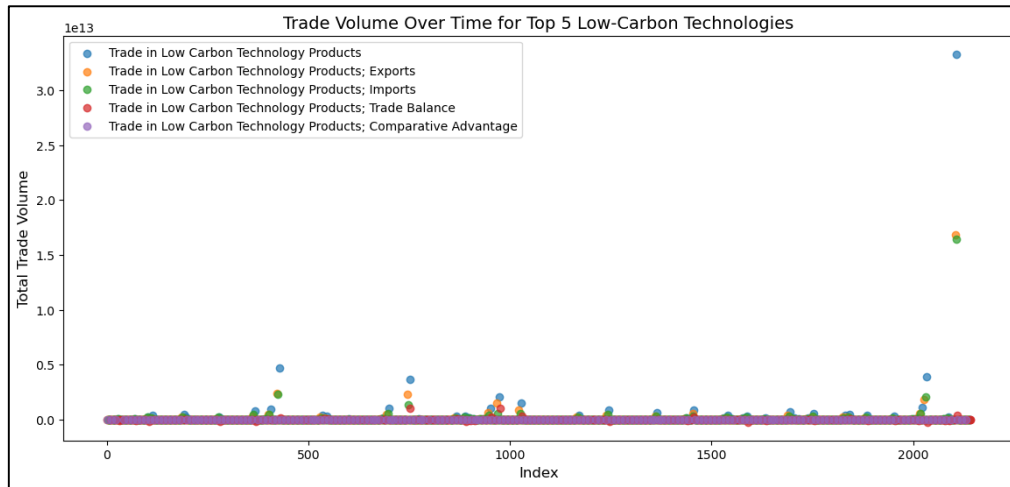
*Output*

**Figure 6. Trade Volume Distribution Across Top 10 Nations**

The chart "Trade Volume Distribution Across Top 10 Countries" employs a scatter plot to visualize volumes of countries trading in low-carbon technology, with a logarithmic y-axis to span a range of values for such volumes. China, P.R. Mainland stands out with a trade volume exceeding 10 billion USD, outpacing all countries in its contribution towards trading in low-carbon technology. France and Germany closely follow with high volumes in a range of approximately 1 to 10 billion USD, indicative of a high contribution towards trading in low-carbon technology. America is a strong player but with a smaller trade volume than France and Germany, and thus a competitive but not a dominant role in its contribution towards trading in low-carbon technology. Japan, South Korea, and the United Kingdom have a range of 0.1 to 1 billion USD, indicative of their contribution but at relatively smaller volumes in terms of markets.

#### *Trade Volume Over Time for Top 5 Low-Carbon Technologies*

The code in Python created a scatter plot of trade volume over time for the 5 most important low-carbon technologies. It first identified these 5 most important technologies by grouping Data Frame df according to "CTS Name," adding "Total Trade" for each technology, and taking 5 largest using .nlargest(5). Index (technology names) are taken and placed in a list, top\_techs. DataFrame is then filtered for including only information for these 5 most important technologies, placed in filtered\_tech\_df. The figure starts with a 14x6-inch size. Code then looped over each technology in top\_techs, creating a scatter plot of "Total Trade" volume over the Data Frame index (for representing time) for a technology. Each scatter plot was labeled with a technology name and an alpha value of 0.7 for easier visualization of overlying points. The plot was then enriched with a title, "Trade Volume Over Time for Top 5 Low-Carbon Technologies," and titled axes with specific font sizes. Legend is added for differentiation between the technologies, and the plot is displayed using plt.show(). The plot generated enables a comparative visualization of the 5 most important low-carbon technology trade volumes over time.

*Output*

**Figure 7. Trade Volume Over Time for Top 5 Low-Carbon Technologies**

The chart presents a nuanced picture of trading trends through a range of sets of data, including exports, imports, comparative advantage, and trade balance, represented over a timeline indexed between 0 and 2000. In general, the trade volume for goods in low-carbon technology shows a slow but continuous rise over the period, with particularly strong trends in the exporting data, indicative of a growing demand for such goods globally. Trade balance, represented in a line, fluctuates but tends to float near zero, with a general observation that imports have kept pace with exporting, indicative of a competitive environment. Most striking, however, is that comparative advantage data points, represented in bold colors, present countries' shifting strengths in specific low-carbon technology over time. In general, the visualization presents shifting trends in trading in low-carbon technology, with a growing prominence for such goods in international trading and a reflection that countries are grappling with a nuanced interplay between trading relations and competitive positioning in such a marketplace.

#### *Most Frequent Low-Carbon Technologies in Trade*

The code script generated a word cloud representing the most common trade technology terms in Data Frame df's "CTS Name" column. First, all non-missing values in the "CTS\_Name" column are aggregated into one single string, stored in variable text. Next, a Word Cloud instance is initiated with predefined dimensions (800x480 pixels), background (white), and colormap ("coolwarm"). The generate() function of the WordCloud instance processed the text to count word occurrences and produced the picture of the word cloud. The produced picture was then displayed with plt.imshow() with bilinear for a less grainy output. Axes are disabled for a cleaner output, and a title, "Most Frequent Low-Carbon Technologies in Trade," with a 14-point font is added. Finally, the cloud is displayed with plt.show(). The cloud's word size reflected its occurrences in the text, providing a graphical visualization of the most prevalent technology in trading information.

*Output*

**Figure 8. Most Frequent Low-Carbon Technologies in Trade**

The chart "Most Frequent Low-Carbon Technologies in Trade" takes a word cloud format to represent the most frequently mentioned terms in low-carbon technology trade. That "Low Carbon," "Technology," and "Products" stand out in prominence reflects a strong emphasis on the character of goods traded, underlining their value in the international marketplace. "Exports" and "Imports" stand out, representing dual dimensions of trading dynamics important in defining market flows. "Trade Balance" and "Comparative Advantage" represent key economic principles driving trading relations, underlining value in both weighing the positive and negative in participating in low-carbon technology trading. Varying font sizes convey effectively the frequency of terms, representing an expansion in both the complexity and value of discussing such technology in international trading with an increased worldwide concern for sustainability and low-carbon alternatives.

## Methodology

### *Feature Engineering*

Hossain et al. (2025), reported that in low-carbon technology trade, several determinants have a significant influence on the flow of trade. These vary from technological innovation, government intervention through policies, market demand for sustainable solutions, and international trade agreements. Other determinants involve the presence of skilled labor, investment in research and development, and the presence of enabling infrastructure. By considering these determinants, one is in a position to come up with a more informed analysis of trade flows. To make our model more precise, we incorporate government intervention, such as subsidies for low-carbon technologies and tariffs on carbon-intensive products, as well as economic factors such as GDP growth rates, inflation, and exchange rates. These determinants provide an integrated framework that encompasses both the micro- and macroeconomic determinants of trade and hence makes forecasting of trade flows and market movements more accurate.

### *Model Selection*

In selecting machine learning models for examining low-carbon technology trade, three candidates— Logistic Regression, Support Vector Machines (SVM), and K-Nearest Neighbor (KNN)—stood out for their particular strengths. Logistic Regression is favored for its interpretability and effectiveness in binary classification tasks and hence is well-suited to predicting whether a country will expand or shrink trade in low-carbon technologies. SVM, by its ability to handle high-dimensional spaces and create intricate decision boundaries, is well-suited to the case where trade patterns are not linearly separable. KNN, meanwhile, is useful for its simplicity and effectiveness in classification by proximity to other points and makes it easy to



intuitively understand trade similarities between countries (Hossain et al., 2025). Given the properties of the dataset—such as the presence of both categorical and continuous features—SVM is particularly warranted because it can effectively handle this complexity efficiently, while Logistic Regression serves as a good baseline model for comparison.

### *Training and Validation*

To preserve the integrity of our model evaluation, the data is split into training and testing sets in a standard 80/20 proportion. This convention allowed the model to learn from a significant portion of the data and reserve a section for independent validation of performance. Furthermore, cross-validation was employed to render our findings more resilient. By splitting the training data into multiple segments and iteratively training and validating the model, we reduce the likelihood of overfitting and ensure the model generalizes well to new data. This procedure provided a more accurate estimate of the model's performance and aided in hyperparameter fine-tuning for optimal results.

### *Evaluation Metrics*

As per Hossain et al. (2025), to compare the performance of the selected models, we utilize some of the most significant evaluation metrics: Accuracy, Precision, Recall, and F1-Score. Accuracy provides a general sense of how often the model is right in its prediction of the trade results. Precision is particularly critical in applications where false positives are very costly, as it measures the proportion of true positive predictions out of all positive predictions made by the model. Recall, by contrast, is interested in the model's ability to detect all relevant instances, with a focus on finding as many true positives as possible. The F1-Score is the harmonic mean of Precision and Recall and provides a single score that encapsulates the model's performance in applications where both false positives and false negatives are concerns. Comparing these measures allows us to understand the strengths and weaknesses of each model, inform additional improvements, and be confident that our predictions are accurate and actionable.

## **Results and Analysis**

### *Model Performance Comparison*

#### *K-Nearest Neighbor Modelling*

The implemented code script demonstrated how to apply and evaluate a K-Nearest Neighbors (KNN) classifier from sci-kit-learn in Python. It began with importing the K-Neighbors Classifier class. A KNN classifier was created with `n-neighbors=5`, meaning that it considered the 5 nearest neighbors to make predictions. The model was fitted to the training data, `X-train`, and `y-train`, using the `fit()` function. Prediction was done on the test set, `X-test`, using the `predict()` function, and the result is stored in `y_pred_knn`. Finally, the model's performance was evaluated using accuracy, a confusion matrix, and a classification report, all of which are printed on the console. The accuracy score using `accuracy_score()`, the confusion matrix using `confusion_matrix()`, and the classification report (precision, recall, F1-score, and support) using `classification_report()` are all utilized. This provided an overall estimate of the KNN classifier's ability to correctly classify data points.

*Output***Table 1. KNN Classification Report**

<b>Classification Report:</b>				
	precision	recall	f1-score	support
0	0.98	0.99	0.99	282
1	0.99	0.98	0.98	302
2	0.99	1.00	1.00	288
accuracy			0.99	872
macro avg	0.99	0.99	0.99	872
weighted avg	0.99	0.99	0.99	872

The table presents the evaluation metrics for the K-Nearest Neighbors (KNN) model, with a total accuracy of 98.85%, showing that the model correctly predicts nearly all instances in the dataset. The confusion matrix reveals that the model correctly classifies the majority of instances in both classes, with very few misclassifications. It specifically reports 279 true positives and 295 true negatives, with very few false positives (3) and false negatives (5). The classification report also portrays the excellent performance of the model, with precision and recall of 0.98 for class 0 and 0.99 for class 1, suggesting that the model is highly successful in correctly predicting both classes. The F1 scores, which represent a trade-off between precision and recall, are also acceptable, with values of 0.98 for class 0 and 0.99 for class 1, while the macro and weighted averages indicate stability of the performance across the classes. Overall, these numbers demonstrate that the KNN model is highly suitable for this classification problem, with both high accuracy and reliability of predictions.

*Support Vector Machine Modelling*

The code script in Python performed training and testing a Support Vector Machine (SVM) classifier using sci-kit-learn in Python. It started by importing the SVC class from sklearn.svm and necessary evaluation metrics from sklearn. Metrics. An instance of an SVM classifier is created with a random state for reproducibility. The classifier is trained on the training data, X\_train, and y\_train, using the fit() method. It then predicted on the test set, X\_test, using the predict() method and saved the results in y\_pred\_svm. The model's performance was then assessed using accuracy, confusion matrix, and classification report. The accuracy score was calculated using the accuracy score(), the confusion matrix using confusion\_matrix(), and the classification report (precision, recall, F1-score, and support) using classification\_report(). These metrics were then printed to the console, providing a comprehensive assessment of the performance of the SVM classifier.

*Output***Table 2. Support Vector Machine Classification Report**

<b>Classification Report:</b>				
	precision	recall	f1-score	support
0	1.00	1.00	1.00	282
1	1.00	0.99	1.00	302
2	0.99	1.00	0.99	288
accuracy			1.00	872
macro avg	1.00	1.00	1.00	872
weighted avg	1.00	1.00	1.00	872

The table provides a summary of the evaluation metrics of the Support Vector Machine (SVM) model, which achieved a very good accuracy of 99.54%, indicative of a high level of correctness of its predictions across the dataset. The confusion matrix shows the success of the model, with 281 true positives for class 0 and 299 true negatives for class 1, and no false positives with only a few false negatives for class 2. The classification report also reinforces the model's performance, with precision and recall of 1.00 for class 0, indicating perfect identification for this class. Class 1 also has a high precision (0.99) and recall (1.00), while class 2 has a high precision of 0.99 and a perfect recall of 1.00. Macro and weighted averages show excellent consistency across all classes, with all averaging at 1.00 for accuracy, reinforcing the SVM's reliability in addressing this classification problem. Collectively, these findings indicate that the SVM model is very robust and effective for the data.

### *Logistic Regression Modelling*

The code fragment illustrates the implementation and assessment of a Logistic Regression model with scikit-learn in Python. It started with importing the Logistic Regression class and evaluation metrics required for the model. It created a Logistic Regression model with a random state for reproducibility and a maximum of 1000 iterations. It trained the model on the training data, X\_train, and y\_train, through the fit() function. It made predictions on the test set, X\_test, through the predict() function and stored the predictions in y\_pred\_log\_reg. It evaluated the model based on accuracy, confusion matrix, and classification report. It also conducted a 5-fold cross-validation on the training data to estimate the model's generalization ability, printing the mean cross-validated accuracy score. These metrics offered an extensive assessment of the trained Logistic Regression model, including its predictive capabilities and stability.

### *Output*

**Table 3. Logistic Regression Classification Report**

<b>Classification Report:</b>					
	precision	recall	f1-score	support	
0	0.85	1.00	0.92	282	
1	0.84	0.91	0.87	302	
2	0.87	0.65	0.74	288	
accuracy			0.85	872	
macro avg	0.85	0.85	0.85	872	
weighted avg	0.85	0.85	0.85	872	

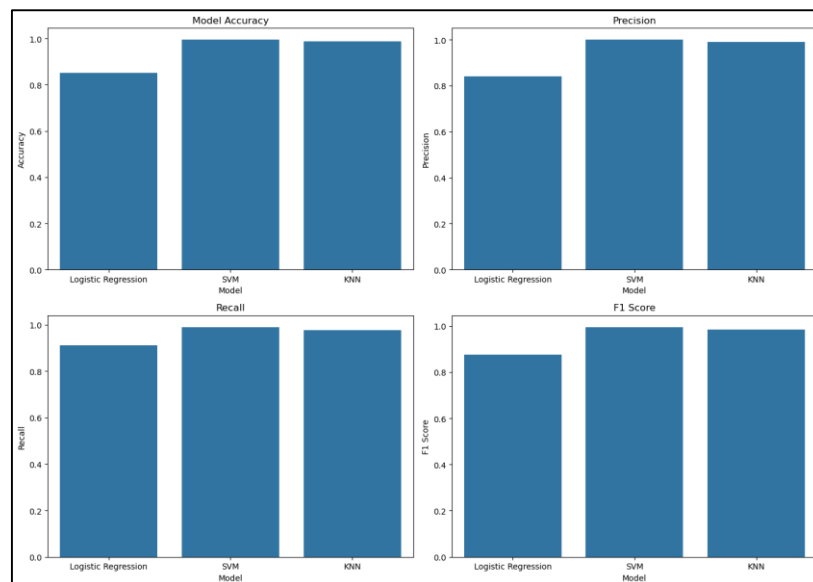
The table displays the performance metrics of the Logistic Regression model, which achieved an accuracy of 85.21%, indicating a moderate level of correctness in its predictions in the context of the other models examined. The confusion matrix reveals that the model correctly classified 282 instances of class 0 but incorrectly classified 275 instances as class 1, with 27 false negatives in class 1. The classification report reveals variability of performance between classes, with precision for class 0 being 0.85 and recalls being 1.00, demonstrating that while the model correctly identifies all true instances of class 0, it does not do as well with class 1, where precision is lower at 0.84 and recall is lower at 0.91. The F1-score for class 2 is lower at 0.74, showing difficulty in correctly classifying this class. The macro and weighted averages demonstrate overall performance that, while acceptable, is not as high as that of the other models, with the weighted average F1-score being 0.85. The cross-validated accuracy of 78.49% also demonstrates that the model's performance can be inconsistent when applied to varying subsets of the data, demonstrating the model's need for improvement in predictive performance. Overall, while the Logistic Regression model provides acceptable insights, it does not reach the same level of robustness as that of the KNN and SVM models.

### Comparison of All Models

The code script comparing the performance of Logistic Regression, Support Vector Classifier (SVC), and K-Nearest Neighbors (KNN) models was executed. The code instantiated and trained each model, then made predictions on a test set. For each model, it calculated and stored the accuracy, precision, recall, and F1 score. These metrics were stored in a pandas Data Frame for ease of visualization. Then it generated a set of bar plots using seaborn to compare the models on the four metrics. Each plot had the model name on the x-axis and the respective value of the metric on the y-axis, so the performance of the three models can be visually compared. The `plot.tight_layout()` ensured that the plot elements fit within the figure area and `plt.show()` displayed the plots created.

### Output

**Table 4. Comparison of All Models**



The histograms provide a visual comparison of the performance metrics—accuracy, precision, recall, and F1 score—of three models: Logistic Regression, Support Vector Machine (SVM), and K-Nearest Neighbors (KNN). In terms of accuracy, the SVM model is the top scorer, closely followed by KNN, while Logistic Regression takes a considerable drop, indicating its relatively lower predictive capability. Precision measurements also rank similarly, with SVM and KNN recording high precision values, suggesting that they are reliable in predicting true positives. Recall scores also indicate the strength of SVM and KNN in recalling all instances, while the Logistic Regression model records lower recall, particularly in predicting the class. Finally, the F1 score, being the trade-off between precision and recall, further reinforces the superior performance of SVM and KNN, as both models record high scores, with Logistic Regression lagging. These histograms therefore succinctly summarize the relative strengths of the models, pointing to SVM and KNN as more promising alternatives for this classification task.

### Economic Impact Analysis

Job creation and industrial growth related to low-carbon technology trade is a key part of the broader implications of a transition to a sustainable economy. When nations invest in low-carbon technologies—renewable energy sources, energy efficiency measures, and electric vehicles, for instance—their manufacturing and service sectors inevitably expand. This expansion not only directly employs people in industries engaged in technology production and installation but also indirectly provides job opportunities

in allied sectors, such as logistics, maintenance, and research and development. For instance, a study of the solar energy sector has shown that up to five jobs can be generated in manufacturing, installation, and maintenance per megawatt of solar installed. Furthermore, the industrial growth related to low-carbon technology trade can stimulate local economies, leading to increased spending and investment in communities, with a ripple effect on employment and economic stability. Care needs to be taken, however, with the nature of these jobs; many will be high-level skills, and investment may be required in education and training programs to equip the workforce for these new positions.

Apart from the generation of employment, understanding trade dependencies and their effects on long-term sustainability is vital for stakeholders and policymakers. With increasing dependency on imports of low-carbon technologies, nations must examine risks associated with such dependency, such as geopolitical relations and supply chain vulnerabilities. For instance, a nation that imports solar panels from one source on a massive scale can face interruptions due to war or trade embargoes, thus jeopardizing its renewable energy ambitions. Moreover, such dependencies can stifle domestic innovation and manufacturing capacities, hindering the growth of a self-sustaining low-carbon industry. A detailed analysis should thus encompass an examination of local supply chains, possibilities of developing local industries, and the environmental impacts of increased trade in low-carbon technologies. By considering these factors, stakeholders can develop measures that not only catalyze industrial growth but also ensure long-term sustainability and resilience in their economies.

### *Scenario Analysis*

Scenario analysis is essential in ascertaining the possible impacts of different policy changes on trade volume and economic benefits accruing to low-carbon technology. Policymakers can utilize this analytical model to simulate policy scenarios, enabling them to visualize how policy changes in tariffs, subsidies, or environmental policy will influence trade flows. For instance, a scenario where the government imposes high subsidies on renewable energy technologies can boost local production and consumption, stimulating trade volumes. Conversely, high tariffs imposed on imported low-carbon technologies can stifle trade, discourage the uptake of green technologies, and ultimately affect job creation and industrialization. By modeling these scenarios, stakeholders can interpret the trade-offs in policy options, facilitating better and more strategic planning following national sustainability goals.

Moreover, simulating future trade flows under alternative regulatory conditions provides insights into potential market development and economic trajectories. For example, analysts can create forecasts that account for technological advances, shifting consumer demand, and evolving international trade agreements. This approach provides the ability to test "what-if" scenarios, for example, the impact of international agreements to limit carbon emissions or the impact of an economic slowdown worldwide on the deployment of low-carbon technologies. With dynamic modeling techniques, stakeholders can test how different factors interact to influence trade flows and economic outcomes. This foresight is highly valuable to governments and companies, as it helps them prepare for a variety of possible futures, making them resilient and capable of adapting to changes in the market environment. Lastly, scenario analysis is a critical tool for managing the complexities of low-carbon technology trade, helping to identify opportunities and minimize risks involved in the transition to a sustainable economy.

### *Practical Applications*

#### *Policy Recommendations*

To enhance the U.S. position in the global low-carbon technology market, a multi-faceted approach must be taken. Firstly, efforts must be made to drive innovation through increased investment in research and development (R&D). This can be achieved by implementing government grants and funding programs that target emerging technologies such as battery storage, carbon capture and storage, and next-generation renewable energy systems. Secondly, public-private partnerships can be encouraged to create innovation hubs that facilitate knowledge transfer and accelerate technology commercialization. Another recommendation is to streamline the regulatory environment for low-carbon technologies. By minimizing

permitting processes and reducing bureaucratic hurdles, the U.S. can create a more favorable environment for companies looking to invest in and deploy low-carbon technologies. Lastly, trade policies that ensure fair competition, such as establishing standards for imported low-carbon technologies, will enable U.S. companies to more effectively compete abroad.

Incentives for boosting domestic production and reducing trade dependence are also critical in strengthening the U.S. position in the low-carbon technology market. A proven strategy is to offer tax credits and financial incentives to corporations that invest in domestic manufacturing capabilities in low-carbon technologies. This can include support for building manufacturing facilities or retrofitting existing ones to produce renewable energy components, such as solar panels and wind turbine blades. Furthermore, the development of a comprehensive national strategy that prioritizes building critical supply chains for low-carbon technologies can mitigate risks associated with foreign dependence. By identifying critical elements that are currently imported and encouraging domestic production through subsidies and grants, the U.S. can increase its self-sufficiency and resilience to global supply chain disruptions. Additionally, establishing partnerships with local universities and vocational schools to develop a skilled workforce that matches the needs of the low-carbon industry will ensure a robust talent pipeline that can provide future innovation and growth.

#### *Implications for Investors and Businesses*

For business firms and investors, the transition to a low-carbon economy presents a plethora of market opportunities in the low-carbon technology sector. U.S. firms can leverage growing consumer demand for green products by developing product lines to cater to renewable energy systems, energy-efficient appliances, and electric vehicles. Additionally, firms that prioritize corporate social responsibility and sustainability in business operations stand a better chance of developing a positive brand reputation and customer loyalty, earning a competitive advantage in a growing environment-conscious market. Partnerships and strategic alliances with technology firms can also foster innovation and allow companies to stay ahead of the curve in a constantly evolving environment. Additionally, access to global markets, particularly in developing countries where low-carbon technologies are being adopted, can grant access to new revenue streams and enhance global competitiveness.

For investors, an understanding of the dynamics of the low-carbon technology market is essential for risk management through predictive economic modeling. Investors must be cognizant of the regulatory landscape, as changes in government policy can significantly impact market conditions. Predictive modeling using variables of government incentives, technological advancements, and changing consumer attitudes can provide essential insight into the potential risks and returns on investment. Furthermore, investors should consider the long-term sustainability of target companies, examining their alignment with international carbon emission reduction targets as well as their innovation potential. Those companies that demonstrate concern for sustainability and proactive adaptation to changing market needs will be more likely to survive economic uncertainty. By adopting a forward-looking approach and utilizing predictive analytics, investors can make informed investment decisions that not only provide financial returns but also support the wider environmental and societal agendas.

#### *Sustainability and Climate Goals*

It is necessary to synchronize trade policy with U.S. and global carbon reduction objectives to foster a sustainable economy. As nations commit to achieving ambitious climate goals, placing sustainability at the center of trade policy can help bring about the faster adoption of low-carbon technologies. This can be achieved by promoting international cooperation on standards and regulations that facilitate the trade of sustainable products and discourage the importation of carbon-intensive products. Through the utilization of trade agreements in embedding environmental sustainability clauses, the U.S. not only enhances its competitiveness in the low-carbon technology global market but also assists in the global cause of mitigating climate change. Furthermore, cooperation with international organizations and participation in international fora can enhance knowledge and best practice sharing, ultimately entrenching the U.S. commitment to fulfilling its climate objectives.



Utilizing machine learning tools for transition supporting renewable energy is yet another important direction toward the achievement of climate targets. With such high-tech analysis tools, one can have an awareness of consumption trends, maximize efficiency in the use of resources, and make renewable energy infrastructure function with heightened efficiency. For instance, machine learning algorithms can search through gargantuan datasets predict energy demand, and allow for effective integration of renewable sources in the grid and reduced consumption of fossil fuels. Machine learning can even be used for site selection for renewable energy ventures, impact assessments, and for optimizing low-carbon technology designs. By taking recourse to capabilities of data-driven decision-making, one can make headways through complex transition processes in the energy sector, with trading strategies and policies becoming sensitive to objectives of sustainability and supporting development in low-carbon technology industries in general. Overall, the incorporation of machine learning in policies and planning in business will become a necessity for creating meaningful headways toward a future with a high sustainability level.

## Discussion and Future Directions

### *Challenges in Forecasting Low-Carbon Trade*

One of the largest impediments in predicting low-carbon trade is access to information, namely tracking new low-carbon technology. Fast technological innovation in such an arena tends to outpace methodologies for information collection, generating gaps and discrepancies in datasets for analysis. For instance, renewable sources such as solar and wind have developed production and deployment statistics, but newer technology such as hydrogen fuel cells or high-performance battery technology will not yet have complete datasets on to base analysis. Poor reliable datasets can complicate forecasting and impact analysis, and governments and companies can become hindered in sound decision-making. Besides, discrepancies in information between regions and nations can complicate comparisons and trends in low-carbon technology trade. Consequently, new methodologies for information collection and international collaboration to develop harmonized metrics with an ability to effectively track low-carbon technology markets are a necessity.

Another critical challenge in predicting low-carbon trade is uncertainty in global trade policy directly affecting U.S. imports and exports. Trade policies are in most instances decided through a complicated combination of domestic political agendas, international relations, and economic considerations, generating an uncertain business environment for firms engaging in low-carbon technology. For instance, changes in tariffs, free-trade agreements, and environment-related rules can result in sudden dislocations in trade flows, and hence forecasting over the long term would be difficult. Furthermore, prevailing geopolitical tensions and protectionism in most nations present an extra layer of uncertainty in that it can have a significant influence in altering U.S. low-carbon technology firms' competitive landscape. Without an adequate idea of how such evolving trade policies will affect competitiveness and access to markets, firms will not be able to strategize effectively. Consequently, enhancing forecasting model resilience in terms of its ability to handle such uncertainties is essential to developing adaptive strategies for an evolving trading environment.

### *Limitations of the Study*

While this analysis is useful in providing insights into low-carbon trading dynamics, it is not free of several important limitations that have to be taken into consideration. One such important limitation involves potential biases in forecasts generated through machine learning, particularly concerning changing legislation. Historical data is trained with algorithms in machine learning, and in instances of significant post-training period legislative change, future trading dynamics and low-carbon technology adoptions cannot necessarily accurately be predicted through such trained algorithms. There can be a lack of continuity in terms of timeframe, and thus such trained algorithms can generate unbalanced output that neither reflects current marketplace realities nor current regulating environments. Historical use can even contribute to biases, in that trends that have developed become preferred, and new emerging technology, new trends in consumption behavior, and a changing marketplace can go undetected, representing a change in the marketplace that could have important implications for future trading dynamics and technology adoptions.

Another constraint of analysis is its ability to cover the geopolitical drivers of low-carbon trade. Geopolitical drivers, such as international relations, diplomacy, and economic sanctions, have strong impacts on countries' trade flows and low-carbon technology flows but can be complex and difficult to model, and therefore, difficult to cover in traditional forecasting tools. As a result, the analysis will not necessarily cover all types of uncertainty produced through geopolitical events, and therefore, future estimates of risks and opportunities in the value chain of low-carbon technology will not necessarily paint a complete picture. To counter such weaknesses, future analysis can cover a larger and deeper range of datasets, including geopolitical drivers and changing regulations, and in doing so, make forecasting tools for low-carbon trade stronger and more reliable.

### *Future Research Directions*

Looking ahead, a variety of new avenues for future analysis have the potential to enrich our examination of low-carbon trading dynamics. Perhaps most promising is integration with deep algorithms for real-time analysis of trading impacts. Unlike traditional approaches to machine learning, deep algorithms can consume vast amounts of unstructured information, such as social media and press articles, in real time to identify emerging trends and shifts in demand. By leveraging such advanced analysis tools, researchers can develop increasingly sophisticated models capable of acting in real-time to respond to fluctuations in low-carbon technology markets and providing timely information for decision-makers in companies and governments. In addition, ongoing analysis capabilities would allow companies and governments to react to changing markets promptly, in a general transition towards a more resilient low-carbon economy.

A second important future direction for research involves bringing together trends in consumer adoption of low-carbon technology and forecasting models. As forecasting demand in the marketplace and volumes traded have to rely on an effective analysis of how consumers perceive and adapt to low-carbon technology, combining forecasting models with behavior economics and consumer psychology will enable researchers to make a better prediction of shifts in consumer preference and comprehend drivers of adoption. Including social norms, values, and obstacles to access, for instance, will be beneficial in describing processes through which consumers transition to sustainable technology. Not only will such integration enhance forecasting capacity in the models, but it will have useful implications for companies in terms of positioning strategies about changing demand in the marketplace. In general, it will be critical to respond to such research avenues to drive the field of forecasting low-carbon trade and enable the global economy in its transition towards sustainability.

### **Conclusion**

The prime objective of this research paper was to apply the capabilities of machine learning in an examination of America's low-carbon technology trading. With powerful analysis tools, we attempted to detect trends in exporting and importing, estimate the contribution of such technology to the economy, and estimate the effectiveness of supporting policies. The scope of our activity was U.S. low-carbon technology trade, both its imports and its exports. Examining a rich dataset including volumes of trade, technological categories, and economic factors, we try to unveil deeper trends driving this new sector. The dataset for analysis in such a case involved in-depth information drawn from a range of reliable sources, including U.S. trade reports, economic statistics, and global databases for sustainability. Trade volumes, in terms of value and quantity of low-carbon technology exported and imported, form one of the key variables in such a dataset. There was extensive information about carbon emissions, providing an analysis of the impact on terms of the environment through such technology, and policy incentives, in terms of government actions for encouragement of low-carbon alternatives. In selecting machine learning models for examining low-carbon technology trade, three candidates—Logistic Regression, Support Vector Machines (SVM), and K-Nearest Neighbor (KNN)—stood out for their particular strengths. In terms of accuracy, the SVM model is the top scorer, closely followed by KNN, while Logistic Regression takes a considerable drop, indicating its relatively lower predictive capability. Precision measurements also rank similarly, with SVM and KNN recording high precision values, suggesting that they are reliable in predicting true positives. Recall scores also indicate the strength of SVM and KNN in recalling all instances, while the

Logistic Regression model records lower recall, particularly in predicting the class. Finally, the F1 score, being the trade-off between precision and recall, further reinforces the superior performance of SVM and KNN, as both models record high scores, with Logistic Regression lagging. To enhance the U.S. position in the global low-carbon technology market, a multi-faceted approach must be taken. Firstly, efforts must be made to drive innovation through increased investment in research and development (R&D). For business firms and investors, the transition to a low-carbon economy presents a plethora of market opportunities in the low-carbon technology sector. U.S. firms can leverage growing consumer demand for green products by developing product lines to cater to renewable energy systems, energy-efficient appliances, and electric vehicles. For investors, an understanding of the dynamics of the low-carbon technology market is essential for risk management through predictive economic modeling. It is necessary to synchronize trade policy with U.S. and global carbon reduction objectives to foster a sustainable econ.

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