

Abstract of the paper: We study the impact of demand-forecasting AI on productivity of taxi drivers. The particular AI we study provides navigation routes to drivers based on demand-forecast when vacant taxi is searching for customers. We find that the AI shortens the time of search by 10% to 20% on average. Moreover, we find that the improvement is larger for low-skilled drivers. This implies that AI is complement to low-skilled labor, suggesting that AI may not enhance skill-biased technological change at least in this context.