



Press Release

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PwC research: AI to contribute \$320 billion USD to Middle East GDP by 2030

- *AI could contribute US\$320 billion to the Middle East economy in 2030, equivalent to 11% of GDP*
- *The Middle East is expected to account for 2% of the total global benefits from AI in 2030*
- *The greatest gains from AI are likely to be in UAE (contribution of up to 13.6% GDP in 2030) and KSA (12.4%)*
- *The biggest sector gains could be in retail, and the public sector including healthcare and education relative to current size*

Dubai, UAE: PwC Middle East reports that Artificial Intelligence (AI) will contribute US\$320 billion to the Middle East economy by 2030 - the equivalent to 11% of GDP.

Drawing on PwC research to illustrate the scale of economic impacts associated with AI, the report outlines that there are greater, untapped opportunities that could increase the impact of AI on the region's economy, moreover the impact could be even larger if governments continue to push the boundaries of innovation and implementation of AI across businesses and sectors between now and 2030.

That first wave consists of largely known technological innovations that are either adoption-ready or that are currently being fine-tuned or scaled for broader implementation. Beyond 2030, the scope of AI impacts on both the economy and society will almost certainly increase, so it is important for the Middle East to be strategically placed in order to provide a springboard for the future.

The most significant relative gains in the region are expected in the UAE where AI is expected to contribute almost 14% of GDP in 2030. This is followed by KSA (12.4%), the GCC4 (Bahrain, Kuwait, Oman and Qatar (8.2%)) and then Egypt (7.7%).

The contribution of AI estimated for Saudi Arabia and the UAE is similar to the contributions estimated for economies in Southern Europe and Developed Asia in our global analysis¹.

In the UAE, AI is at the forefront of the government's strategic plans, the initiatives to support the development of AI places it in a strong position as one of the leaders for AI in the region, and quite possibly the world. For example, Dubai's strategies include, amongst others: A smart Dubai Strategy, a Dubai 3D Printing Strategy and a Dubai Autonomous Transportation Strategy.

At the sectoral level, the most significant gains in absolute terms are expected in the construction and manufacturing sector. The sector is expected to account for almost a third of the entire benefits to the region, equivalent to almost USD100bn in 2030. Relative to their size, the retail and wholesale trade sector and the public sector (including health and education) stand to experience the most significant contribution from AI.

Richard Boxshall, Senior Economist at PwC Middle East, says:

“In the wake of the fourth industrial revolution, governments and businesses across the Middle East are beginning to realise the shift globally towards AI and advanced technologies. They are faced with a choice between being a part of the technological disruption, or being left behind.”

“The potential for AI adoption varies by industry, the difference is driven by factors such as infrastructure and access to skilled labour, which are considered key enabling factors for AI development.” **Adding** “The impact on productivity alone will be transformational and disruptive for a region like the Middle East which faces weak productivity levels. Investment in AI technologies could strategically position the region for the years to come and help it move away from its reliance on oil.”

Globally, PwC analysis has shown that AI could contribute up to \$15.7 trillion to the global economy in 2030, more than the current output of China and India combined. Of this, labour productivity improvements are expected to account for half of all economic gains to 2030, while increased consumer demand resulting from AI-enabled product enhancements will account for the rest.²

Full report: <https://www.pwc.com/m1/en/publications/potential-impact-artificial-intelligence-middle-east.html>

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¹ PwC (2017), 'Sizing the Prize: What's the real value of AI for your business and how can you capitalise?', Available at: <https://www.pwc.com/gx/en/issues/analytics/assets/pwc-ai-analysis-sizing-the-prize-report.pdf>

² PwC (2017), 'Sizing the Prize: What's the real value of AI for your business and how can you capitalise?', Available at: <https://www.pwc.com/gx/en/issues/analytics/assets/pwc-ai-analysis-sizing-the-prize-report.pdf>

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