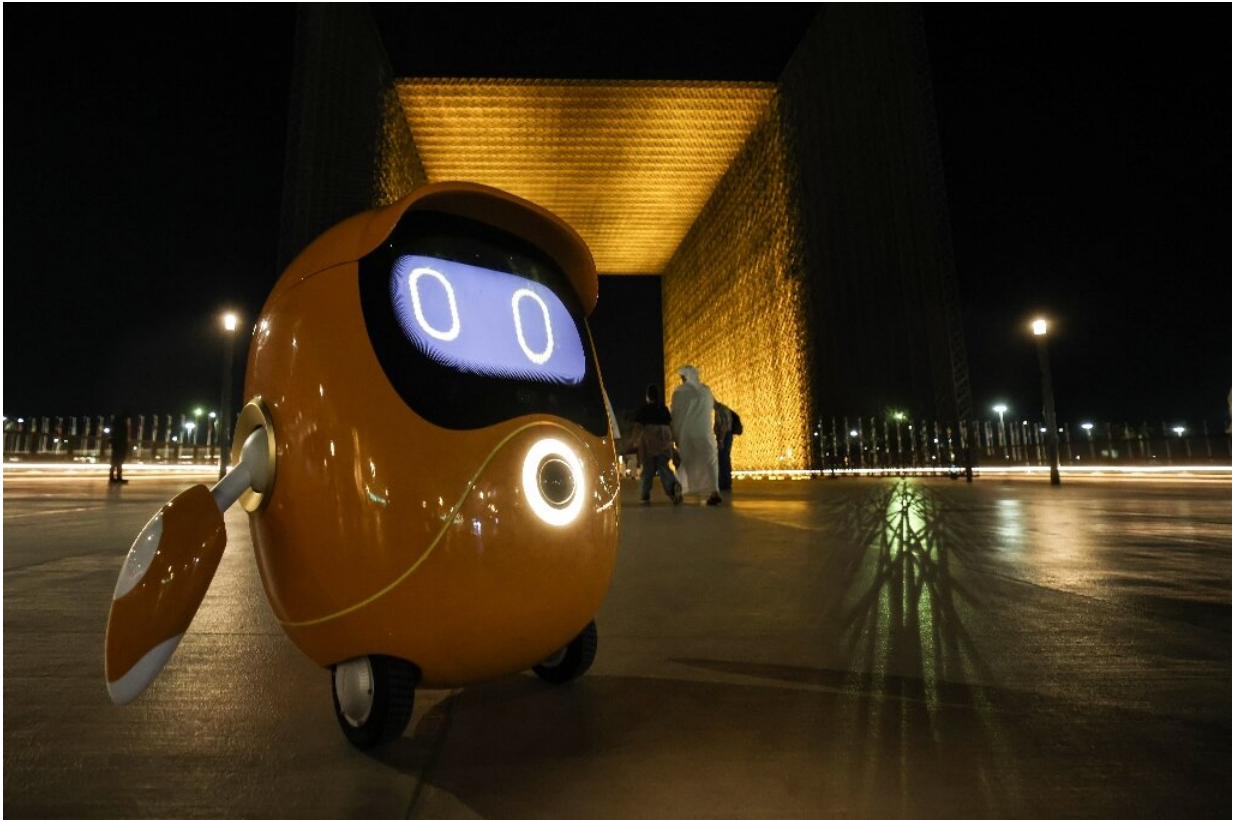


Robots, big data as Gulf nations bet on AI

November 17 2021, by Salim Essaid



Gulf countries are investing heavily in artificial intelligence as they seek to move away from their reliance on fossil fuels.

Robots puttering around Dubai's hi-tech Expo site could be a sign of things to come for the Gulf, where new cities are being built from scratch with artificial intelligence at their core.

The 5G-enabled Expo, covering an area twice the size of Monaco, will remain as a "city of the future" and tech industry hub, Expo's chief told AFP before its grand opening last month.

But the \$7 billion project, featuring robots that greet visitors and can be used to order food, is not alone in the wealthy Gulf, where petro-dollars are being invested heavily in a post-oil future.

Neighbouring Saudi Arabia is lavishing \$500 billion on NEOM, a brand new, next-generation Red Sea tech centre that will offer ultra-connectivity to its planned population of one million-plus, and is trialling airborne taxis.

AI is also at the heart of other Saudi developments including the Red Sea Project, a new tourist area that will use smart systems to monitor environmental impacts and visitor movements.

Analysts say the Gulf monarchies are willing to bet big on AI, knowing they must move away from their reliance on fossil fuel industries and become more active in tech, tourism and other areas.

"You've got very forward (-looking), somewhat risk-loving leadership that sees the need to transform," said Kaveh Vessali, a partner at consultancy firm PwC Middle East.

"I think that's just completely the opposite of what I see in the rest of the world."

Automated transport

Artificial intelligence courses in Bahrain primary schools, the UAE's plans for automated delivery drones and Dubai's ambition to have 25 percent of all transport automated by 2030 offer further evidence of the

Gulf's tech aspirations.



Gulf countries are playing the long game on AI, positioning themselves to leapfrog global players, according to analysts.

The Middle East is predicted to receive only two percent of the estimated \$15.7 trillion global AI economy by 2030, according to PwC.

But analysts say the Gulf countries—Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and UAE—are playing the long game, positioning themselves to leapfrog global players.

The annual growth rate of the Middle East AI market is about 20 to 34

percent, led by the UAE and then Saudi Arabia, PwC said in a report, predicting that more than 10 percent of each of the two countries' GDP will come from AI by 2030.

"Governments have the luxury of being more strategic," said Vessali, citing the 20 and 50-year plans which are a hallmark of Gulf governments.

"This is unheard of a) in the private sector, and b) in the West," he adds.

Vessali said most AI companies in Gulf states are fully, or at least semi, governmental, with comparatively low pressure to generate short-term returns.

However, the region has a history of investing in companies which did not become particularly profitable, outside a few core industries such as oil and gas, he warned.

'Streamlined' decision-making

While the region might be known as culturally conservative, its AI strategies are better characterised as liberal and aggressive, according to some local players.

In 2017, the UAE appointed its first minister of state for [artificial intelligence](#), Omar bin Sultan al-Olama, to spearhead the country's AI strategy, launched that same year.



While the region might be known as culturally conservative, some local players say its AI strategies are better characterised as liberal and aggressive.

The UAE has said it aims to become one of the leading nations in AI by 2031, creating new economic and business opportunities, and generate up to 335 billion dirhams (\$91 billion) in extra growth.

"The region seems to classify being left behind on new technologies as a bigger risk than anything else," said Cesar Lopez, the CEO of Datumcon.

"Taking the risk to do what others aren't has attracted and built business," he told AFP.

The data and AI solutions company based in the UAE and Saudi Arabia is using computer vision to scan and identify damaged containers at Jebel Ali port in Dubai, one of the world's busiest, operated by logistics company DP World.

But despite the Gulf's AI investments, the lack of reliable and accessible data sets, which are at the core of these systems, remain a barrier.

"It's going to take a few years to get there because the data isn't mature enough for it yet (in the region)," said Stephen Rawson, an associate at American consulting firm Oliver Wyman.

While Gulf countries have been better at centralising data across different governmental platforms, other leading countries have managed better data sets for longer.

But being newer to data collection has its advantages, said Rawson, as Gulf countries can generate cleaner data to create more streamlined AI systems.

"They are empowered to do this more than they would be in the West," said Rawson, because with private enterprises, "getting them to work and play nice will only work if there's a profit margin incentive for all of them."

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Citation: Robots, big data as Gulf nations bet on AI (2021, November 17) retrieved 3 May 2024 from <https://techxplore.com/news/2021-11-robots-big-gulf-nations-ai.html>

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