WHY ARTIFICIAL INTELLIGENCE IS THE FUTURE OF GROWTH

DIRECTORS' FORUM
29 MARCH, THE SHARD

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OPENING KEYNOTE
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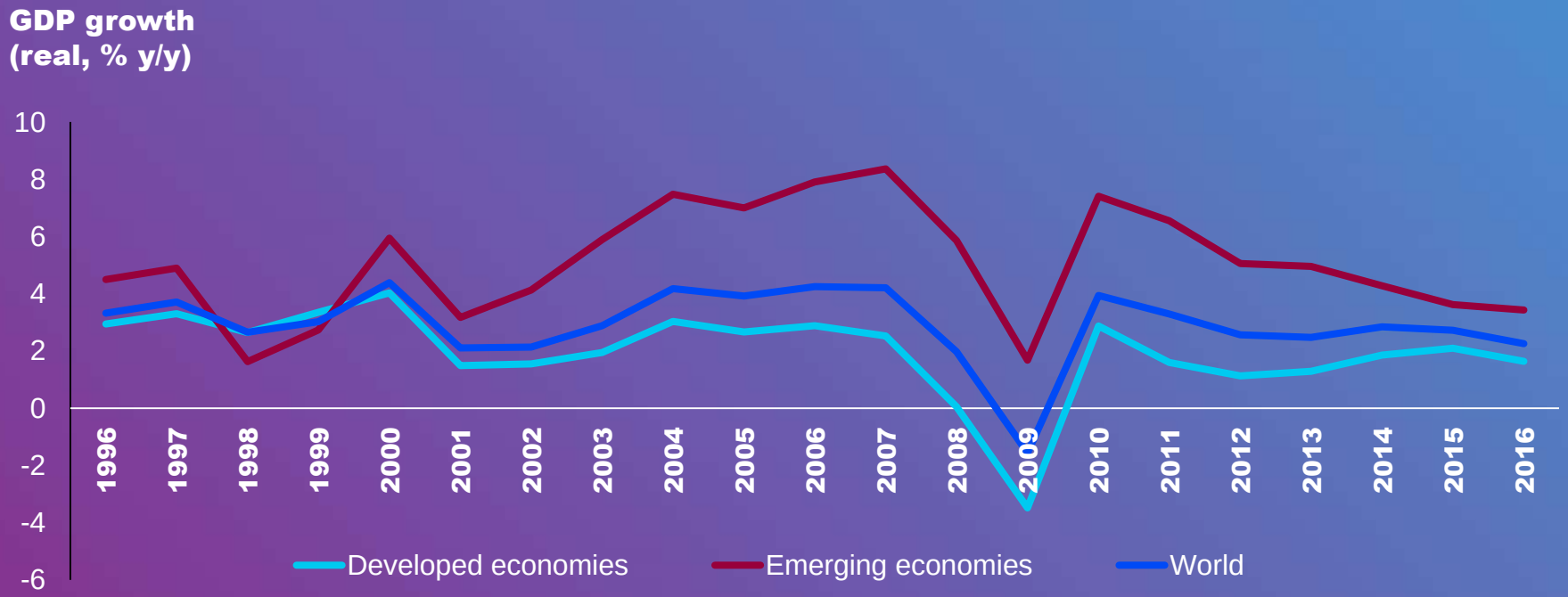
Mark leads Accenture's research into a wide range of macroeconomic and geopolitical issues shaping the CEO agenda, and has published widely on topics such as globalization, international competitiveness, economic growth, and jobs.

Mark, who is based in London, also leads a variety of economic briefing and analysis projects on behalf of Accenture.

THE YEAR OF BIG SHOCKS

GLOBAL ECONOMIC GROWTH IS WEAKENING



Source: Oxford Economics

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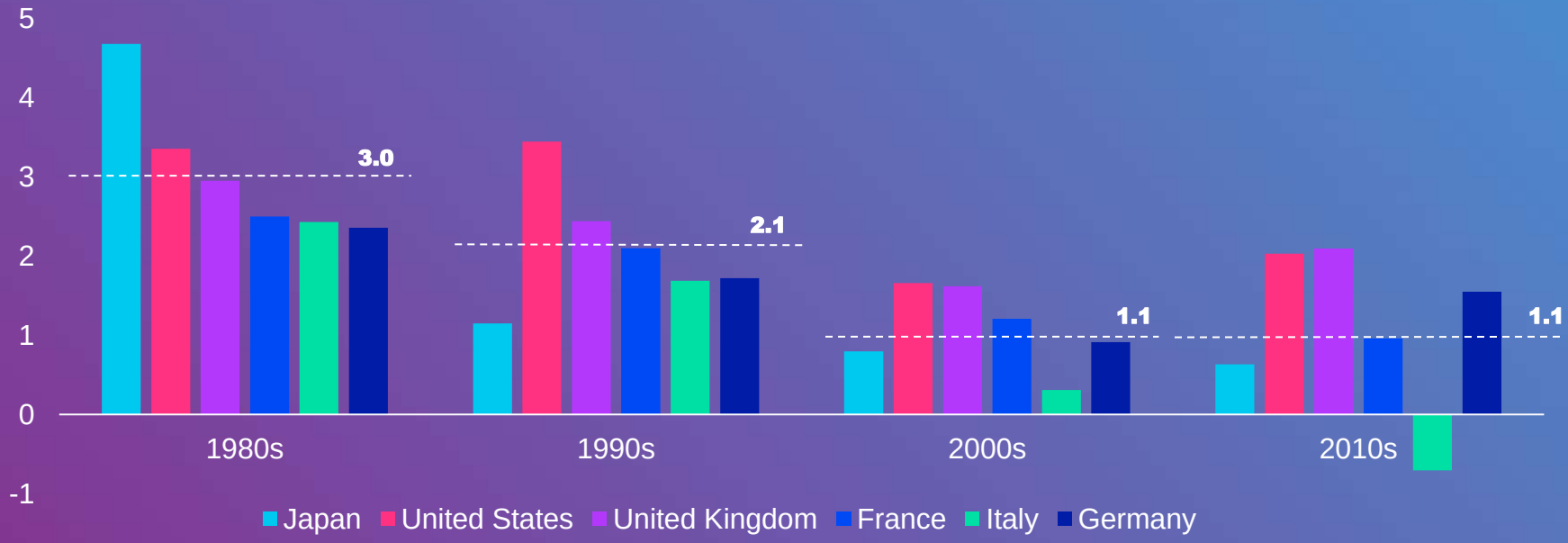
GDP GROWTH HAS STEADILY SLOWED IN MANY LARGE ECONOMIES SINCE THE 1980S

Real GDP growth
(%, annual average over the period)



NB: Data points across the dashed lines indicate the average for the six countries.
Source: Oxford Economics

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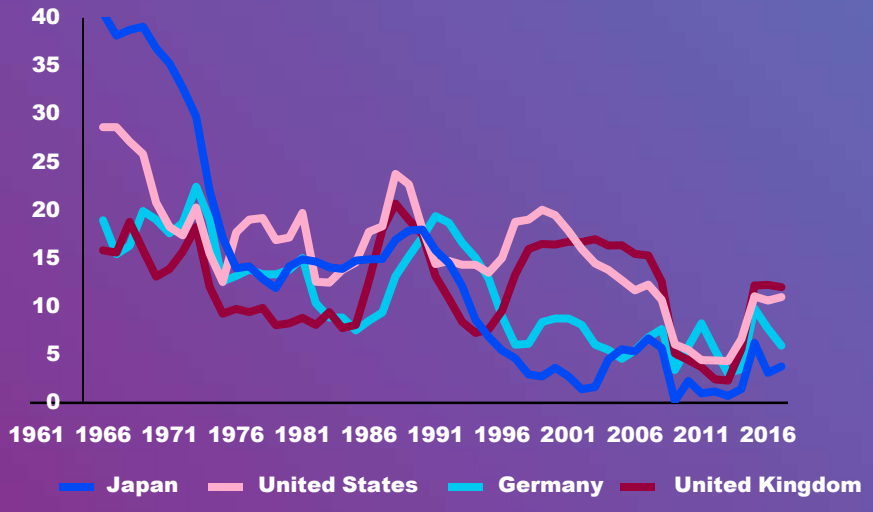
THIS IS BECAUSE THE TRADITIONAL FACTORS OF PRODUCTION ARE UNDER PRESSURE

CAPITAL EFFICIENCY

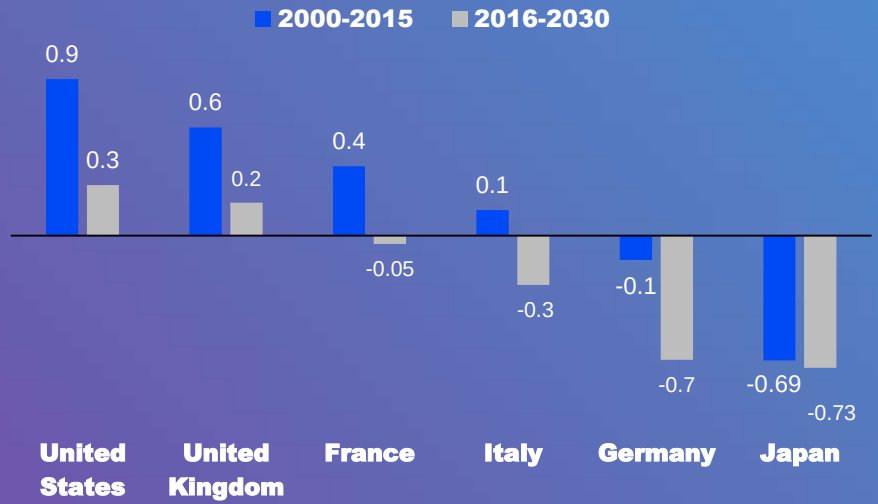
Marginal capital efficiency (%, 6-yr moving average)



Source: European Commission, Annual Macroeconomic Database

LABOUR

Growth in working age population (%, annual average over the period)



Source: Oxford Economics

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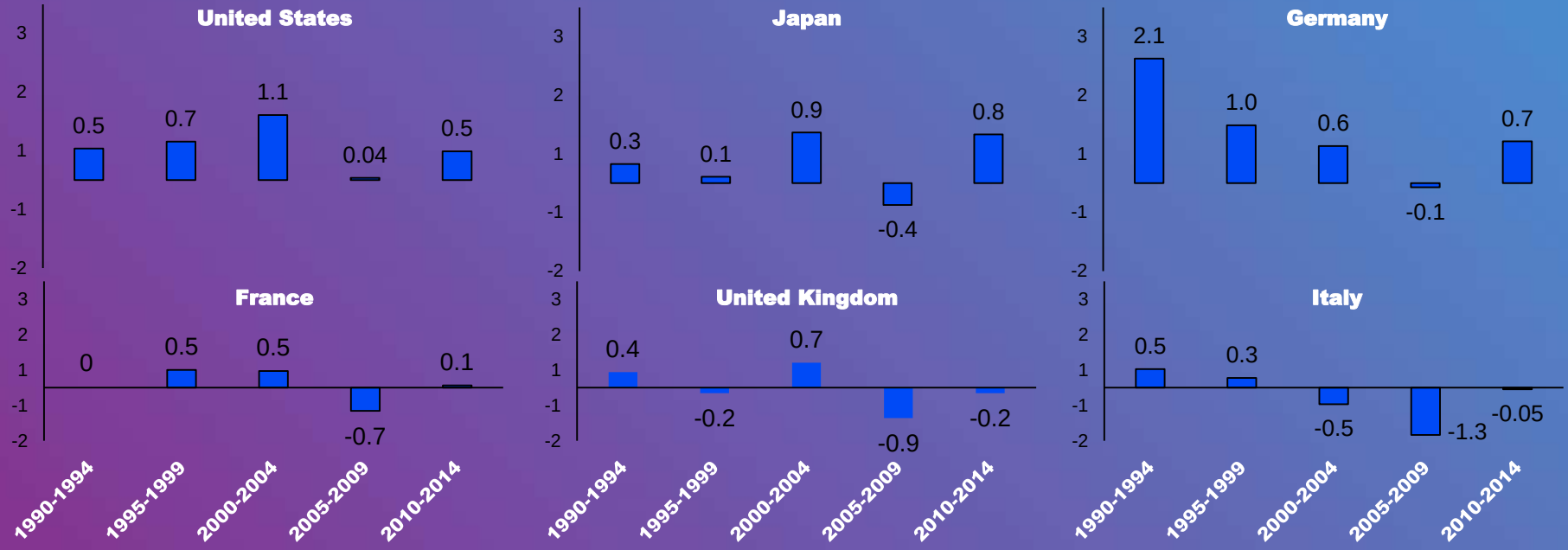
AND PRODUCTIVITY GROWTH IS TRENDING DOWNWARD

Total factor productivity
(%, annual average over the period)



Source: The Conference Board, Total Economic Database

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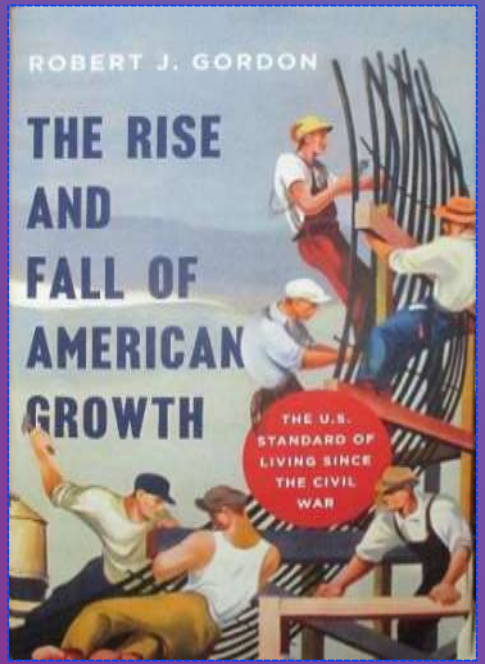
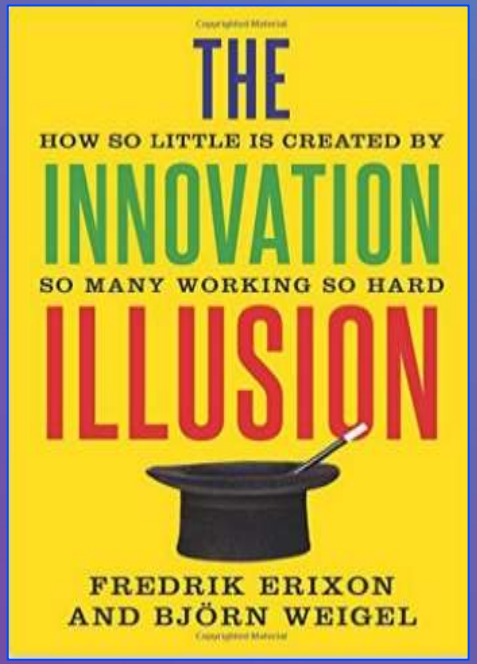
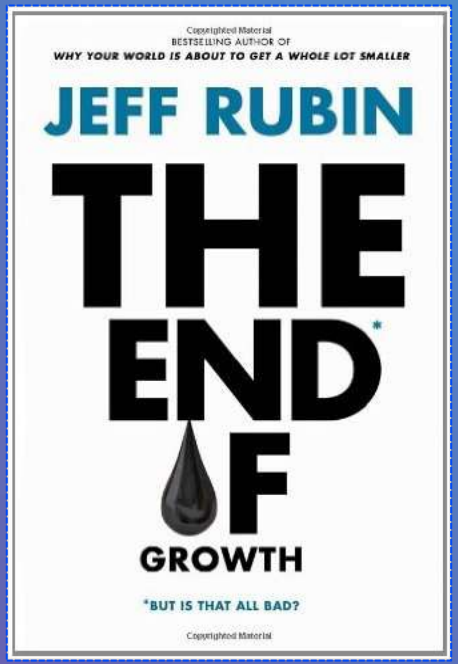
THE END OF GROWTH AND PROSPERITY?







AI: THE NEW FACTOR OF PRODUCTION

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WHAT IS ARTIFICIAL INTELLIGENCE?

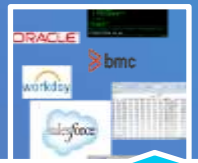
AI Technologies

- Sense
  - Computer Vision
  - Audio Processing
- Comprehend
  - Natural Language Processing
  - Knowledge Representation
- Act
  - Machine Learning
  - Expert Systems

Illustrative Solutions

Virtual Agents

Identity Analytics



Cognitive Robotics

Data Visualization

Recommendation Systems

Speech Analytics

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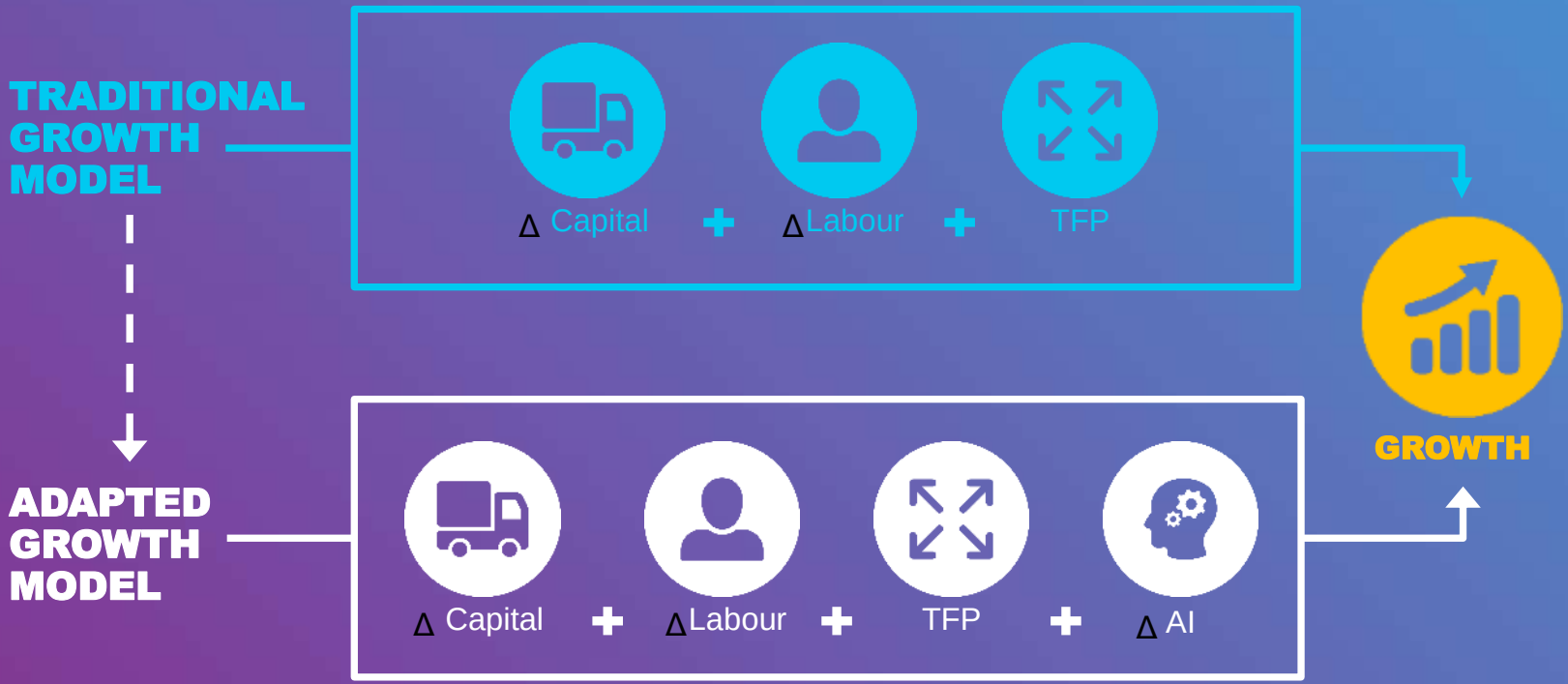
AI CHANGES GROWTH MODELS



NB: Data denotes the change in that factor.
Source: Accenture analysis

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AI BOOSTS ECONOMIC GROWTH

Three growth accelerators:

Intelligent Automation

Labour and Capital Augmentation

Innovation Diffusion

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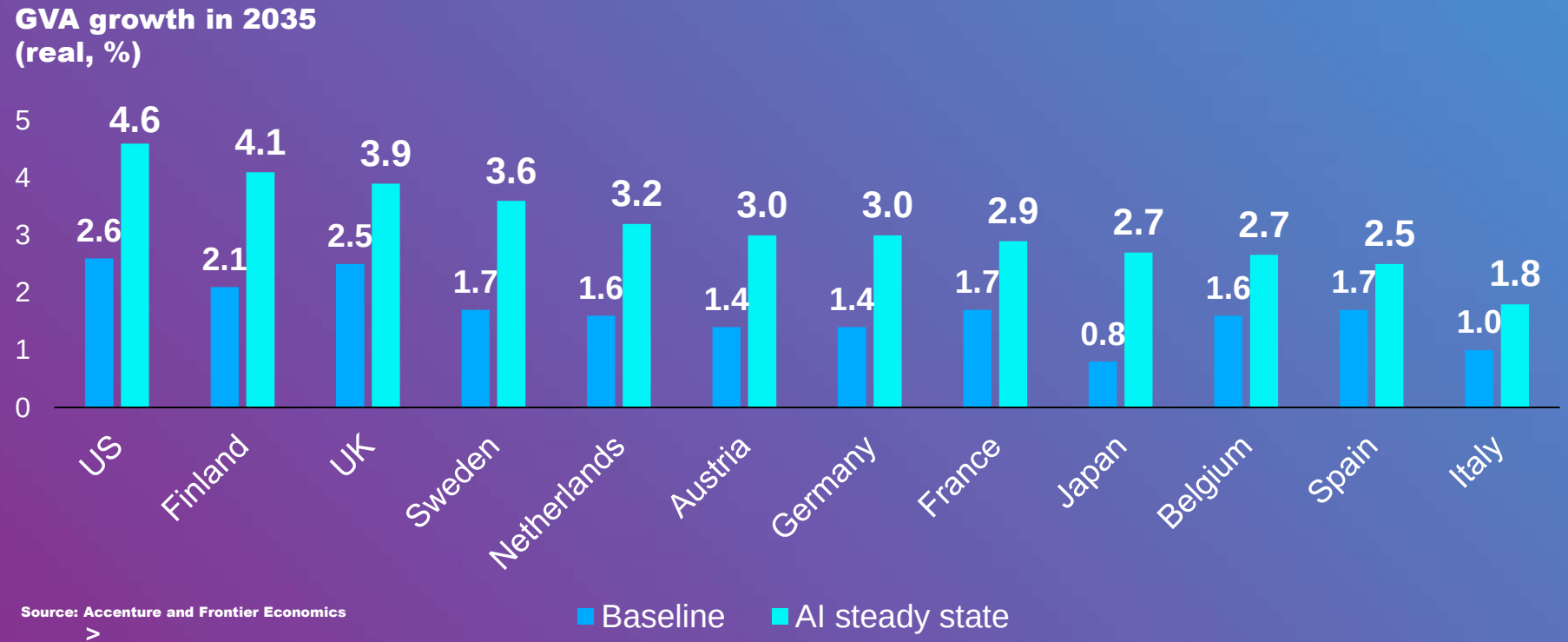
IN 2035, AI WILL:

DOUBLE ECONOMIC GROWTH

BOOST LABOUR PRODUCTIVITY UP TO 40%

AI HAS THE POTENTIAL TO DOUBLE ANNUAL GROWTH RATES IN THE 12 COUNTRIES ANALYSED

GROSS VALUE ADDED (GVA) IS A CLOSE APPROXIMATION OF GDP



Source: Accenture and Frontier Economics

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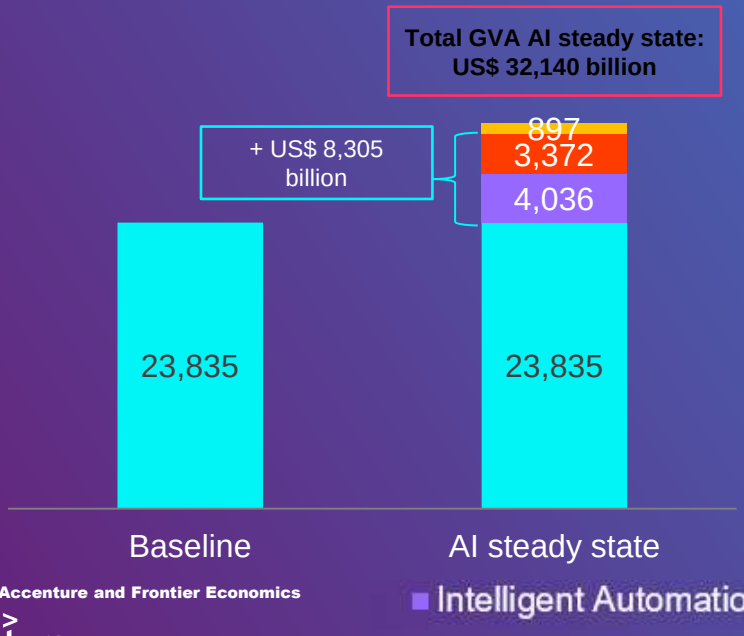
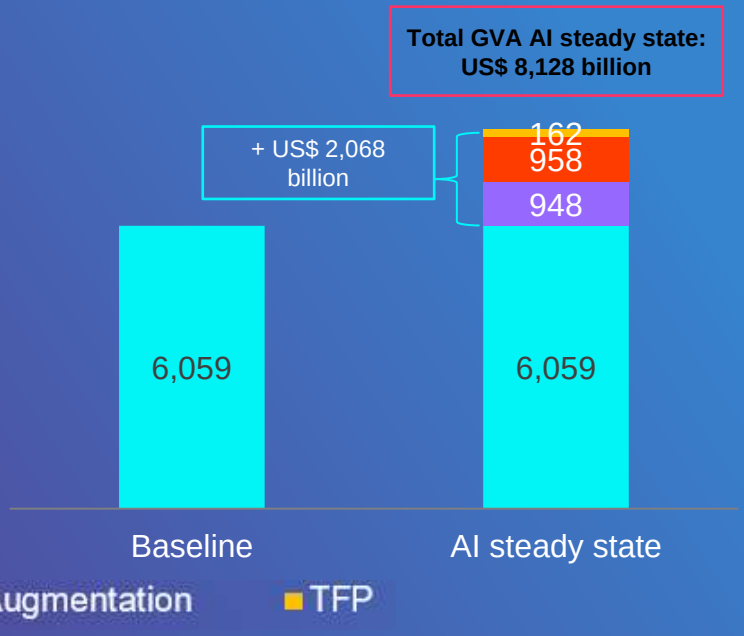
THE IMPACT OF AI WILL VARY ACROSS GEOGRAPHIES GIVEN THE STRUCTURAL DIFFERENCES IN THE MAKEUP ECONOMIES

GVA in 2035 (US$ BN)





Intelligent Automation Augmentation TFP

Source: Accenture and Frontier Economics

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AI CHALLENGES

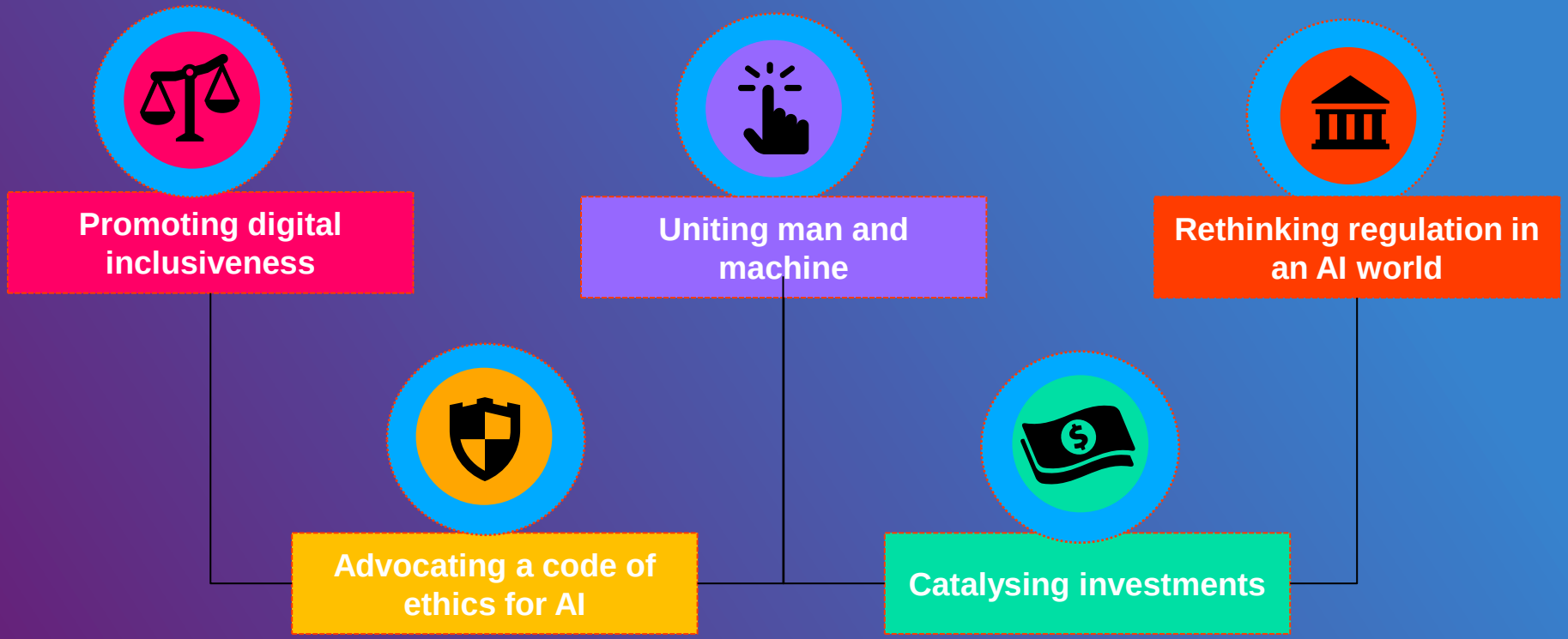
JOB LOSSES

ETHICAL CONCERNS

INCOME EQUALITY

DIGITAL DIVIDE

POSSIBLE RESPONSES



QUESTIONS?