

# Artificial Intelligence Joint Venture /Partnership

INVESTMENT OPPORTUNITY

ICT

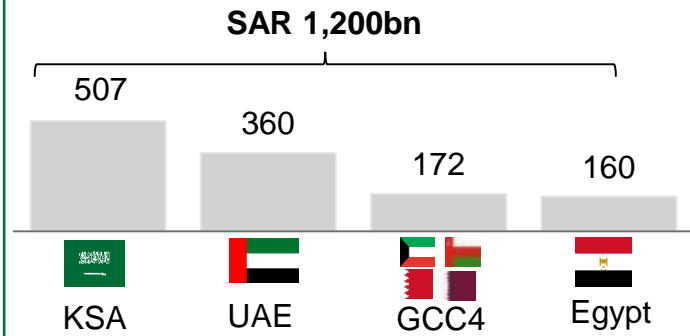


# Artificial Intelligence Joint Venture /Partnership

**OPPORTUNITY'S DESCRIPTION:** Establish AI partnerships in KSA focusing on the MENA region with global AI leaders in Machine Learning, Natural Language Processing / Understanding, Deep Learning and Smart City Solutions

## Impact

### AI CONTRIBUTION TO GDP IN 2030 (SAR BN)



### INVESTMENT HIGHLIGHTS

- Opportunity to consider different operating models and investment structures

## INVESTMENT OVERVIEW

### VALUE PROPOSITION

- Strong government focus on promoting AI in the kingdoms is demonstrated by the creation of SDAIA, which aims to drive adoption and enable the ecosystem
- AI adoption is critical to the next wave of the industrial revolution and expected to contribute up to SAR 21tn (\$5.7tn) globally across a range of industries
- AI adoption can contribute up to SAR 1.2tn (\$320bn) for Middle East GDP and up to SAR 507bn (\$135bn) for KSA GDP (equivalent to ca. 12%) by 2030
- Young population with high digital penetration will embrace AI as new functionalities are developed (70% of KSA population <30 years)
- AI partnerships will create high skilled jobs and develops new sector for diversification

### KEY DEMAND DRIVERS

- Demand for Smart City solutions in the Kingdoms Giga projects due to focus on next-generation technologies
- Large-scale infrastructure projects (e.g. airports, metros, others) that can adopt emerging technologies like AI and IoT
- Expanding tourism sector and hajj targets require sophisticated crowd management solutions, security and experience-enhancing solutions
- A significant industrial sector that can leverage new AI solutions to embrace industrial 4.0 evolution
- Significant health care spending, with the high cost and poor experience, leads to substantial addressable opportunity

## MARKET OVERVIEW

### MARKET READINESS AND COMPETITOR ANALYSIS

- Limited local competition in nascent market, with players focusing on B2C (e.g. consumer goods)

### GLOBAL TRENDS

- Global AI Market is growing rapidly, with countries recognizing its importance for sustainable advantage / critical success
- AI adoption is critical to the next wave of the industrial revolution and expected to contribute up to SAR 21tn (\$5.7tn) globally across a range of industries



AI

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## SUPPLY

### SCALABILITY AND LOCALIZATION

- KSA's Strong government focus on promoting AI and SDAIA's AI agenda optimally positions KSA to become MENA's AI tech hub

### VALUE CHAIN OVERVIEW



### KEY STAKEHOLDERS



## ENABLING FACTORS

### ENABLERS

SDAIA strategy aims to:

- Promote business friendly regulation and policies to promote AI and create localization incentives
- Stimulate Data and AI domestic and foreign investment and create data support services for AI players

# DEFINITIONS

#	SCORECARD SECTION	DEFINITIONS
1	Market size	Size of market in value/volume in KSA and/or Region (MENA/GCC) covering future projections based on available estimates from published /government sources
2	Business drivers	A select number of factors that will influence future demand for the related product/service
3	Investment highlights	An overview of key financial metrics summarizing the investment opportunity along with the expected return based on the suggested investment size
4	Value proposition	Summary of key differentiators that position KSA as a strategic choice over other regional/global peers
5	Market readiness	An overview of KSA market structure, market maturity and level of participation by local and global players
6	Global trends	Latest business developments within the sector/product category
7	Scalability and localization	Ease of scaling the business across the value chain or into new adjacent products or geographies that would maximize the opportunity's investment returns and the ability and potential to locally manufacture the product and its components
8	Import dependency	An overview of the countries from which Saudi Arabia is importing the product and their value/volume and share in total imports
9	Value chain analysis	The process or activities that would potentially need to be carried out to deliver the underlying product or service
10	Key stakeholders	Government institutions, organizations, and/or authorities that participate or influence the market for the underlying product/service
11	Enablers	Factors that enable investment in the underlying opportunity
12	Cost of doing business in KSA	Key factors that position KSA as a competitive destination for investment in the region. Productivity adjusted wages do not include cost of \$1.23/hour towards annual recurring charges including work permit, resident identity (iqama) and health insurance

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