**THE NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**Question 321**

**Mrs E N Ntlangwini (EFF) to ask the Minister of Trade and Industry:**

What was the contribution of artificial intelligence to the gross domestic product in 2018?NW341E

**Reply:**

1. Artificial intelligence (AI) is intelligence demonstrated by machines. At the present time, there is no globally agreed methodology for calculating the contribution of artificial intelligence to gross domestic product (GDP).
2. Nevertheless, it is expected that AI will impact economies in at least three inter-related ways. Firstly, on the production side the deployment of artificial intelligence capabilities will raise the productivity of firms by reducing costs, and/or production time, and/or improve product customisation.
3. Secondly, on the consumption side artificial intelligence will upgrade or fundamentally modify traditional goods and/or services, thereby increasing their utility and value to consumers. In additional, artificial intelligence will likely reduce the time required for routine tasks to be concluded, thereby freeing consumers’ time which can be spent on other activities including consumption of other goods and services.
4. According to Price Waterhouse Coopers (PWC), 2017, “AI to drive GDP gains of $15.7 trillion with productivity, personalisation improvements”, global GDP will be 14% higher in 2030 as a result of artificial intelligence.