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How AI can power economic recovery and overcome challenges in Malaysia

ARTIFICIAL intelligence (AI) is progressively being recognised as the new general purpose technology that will bring about revolutionary economic transformation similar to the Industrial Revolution.

However, the transformational value of AI for any country or economy can only be realised when the market begins to understand and trust the technology.

AI offers new revelations and solutions with government data that may not be achievable by traditional analysis and methods. Traces of AI are already appearing in the banking and manufacturing industries and even in simple daily things, such as the autocorrect features and chatbots that we often take for granted.

However, beneath the surface, AI is also playing a critical part in transforming the culture of the future.

Post-pandemic Malaysia, as one of the main manufacturing supply chains in the world, lags behind other countries in terms of worker productivity, R&D and a tertiary-educated labour force.

Malaysia has reported a sluggish adoption rate of Industry 4.0 with only 15% to 20% of businesses having really embraced it. Global management consulting firm McKinsey & Co found that 50% of work in Malaysia is repetitive actions that can be automated.

The government has set out frameworks for the incorporation of AI by numerous sectors of the economy. These comprise the Malaysia Artificial Intelligence

Roadmap 2021-2025 (AI-Rmap) and the Malaysian Digital Economy Blueprint (MDEB), spearheaded by the MyDIGITAL Corporation and the Economic Planning Unit.

AI will double the rate of innovation and improve workers' output by 60% in Malaysia (Digital News Asia, 2019). AI will also assist Malaysia's economic growth by attracting international investments.

The National Industrial Revolution 4.0 (4IR) Policy is estimated to increase the country's output by 30% across all sectors by the end of 2030, with AI playing a substantial role in attaining that target.

Government initiatives like MyDIGITAL under MDEB offer a digital upskilling platform for Malaysians across various social classes. This will need the support of the masses as government initiatives can only bear fruit with commitment from the public.

Hence, AI will gradually transform our education system and way of thinking, serving as an important force to narrow the inequality among various social classes and putting Malaysia more on par with advanced nations in the digital arena.

The AI-Rmap Survey conducted by the Science, Technology and Innovation Ministry last year revealed inadequate expertise and constraints in financing as the two top challenges faced by Malaysian companies in implementing AI.

Although Malaysia may not be ready to implement AI across the entire enterprise or big agencies in the government, we can see its presence in immigration projects, as well as biometric information or image analysis.

AI also curbs the threat of possible cyberattacks, allowing these to be headed off with speed and accuracy.

Malaysia can learn from the developments of AI technologies in China. China's usage of AI in national intelligence will help government officials pinpoint tendencies and pressures in the country's social delivery system.

AI tools can extract information from social media, satellite imagery, communication signals and other data sources in a more intelligible, comprehensible and actionable manner.

China synthesises a gigantic amount of data involving talent, companies, research and capital to shape the world's foremost AI ecosystem.

Its government maintains the utmost strictness on AI integrity by certifying digital businesses such as Baidu, Alibaba and Tencent.

Moreover, the central government gazettes the locations for gathering and exchanging data among these corporations.

The results are encouraging, where China has the biggest capital marketplace for AI start-ups, publishes the greatest number of research documents on AI, introduces concrete data rules and trains the most AI talent.

In early 2019, the AI Organization revealed China's strategies to empower Huawei's role in the Belt and Road Initiative (BRI) by linking an AI digital brain to robotics and drones through the 5G network.

The cooperation with Huawei in 5G technology will hasten Malaysia's implementation of Industry 4.0 technology and boost economic growth. Malaysia can also learn from China in the fields of robotics, cloud computing and AI.

The Kuala Lumpur City Council has decided to collaborate with the cloud computing arm of e-commerce giant Alibaba on "City Brain" systems via big data and AI to make management and transportation better organised in Malaysia's capital.

Kuala Lumpur is the first city outside China to implement this technology, which may also be useful to other Malaysian cities.

Besides, there is a project to create an AI hub in Malaysia with the help of Chinese AI unicorn SenseTime. The US\$1bil hub is aimed at helping local businesses create robots and speech recognition systems as well as nurture tech talent.

It is to be jointly developed by China Harbor Engineering Company, G3 Global Berhad and SenseTime.

SenseTime will provide technical expertise and technical support to G3 Global Berhad, while also working with the latter to develop educational materials for schools in the country.

Developers maintain that the AI park will foster local AI talents and develop a commercial AI ecosystem in Malaysia.

To conclude, Malaysia needs to overcome various challenges in order to advance in the development of AI. The Malaysian government has always been interested in China's technological advancements in areas such as AI, big data and robotics and hopes to increase the investments in these areas.

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