



**UNIVERSITY OF GHANA BUSINESS SCHOOL, UNIVERSITY OF
MAURITIUS, STELLENBOSCH UNIVERSITY 2ND EMERGING COUNTRIES
INTERNATIONAL CONFERENCE ON BUSINESS, FINANCE AND
ECONOMICS**

**THEME: THE INTERSECTION BETWEEN AI, PRODUCTIVITY AND
GROWTH IN EMERGING COUNTRIES**

KEYNOTE SPEECH

BY

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**The Faculty of Law and Management, University of Mauritius,
The Faculty of Economic and Management Science, Stellenbosch University,
The University of Ghana Business School,
Distinguished guests, students, ladies and gentlemen,**

1. A very good morning to you all. At the outset, let me say that it's a great pleasure to be able to join you today at this 2nd Emerging Countries International Conference on Business, Finance and Economics. Let me begin by thanking the conference organizers: The Faculty of Law and Management at the University of Mauritius, The Faculty of Economic and Management Sciences, at Stellenbosch University, and the University of Ghana Business School, for bringing together such a distinguished audience to discuss **"The Intersection Between AI, Productivity and Growth in Emerging Countries"**.
2. Mr Chairman, the topic being discussed today reminds me of a similar conference I attended in Singapore in 2023, where I played the role of a resource person discussing the implications of AI in monetary policy conduct. For me, this discussion on the intersection between AI, productivity and growth in Emerging Market Economies is a second-order symposium which closes the loop for me on how AI impacts inflation and its associated monetary policy response and on the real economy (productivity and growth). And so, I feel very excited.
3. In my brief remarks this morning, I will do four things; first I will first highlight how AI is offering unprecedented opportunities for enhancing productivity and driving economic growth. But before turning my attention to the challenges posed by the widespread adoption of AI and what countries in the Sub-Region must do in terms of policy measures to mitigate the risks posed by AI, I will touch on the role of AI in supporting monetary policy conduct and provide an example of how AI has permeated work at the Bank of Ghana. In the final section, I will give some concluding points.
4. **AI and Productivity enhancements:** The AI transformative process is taking place organically. This is a revolution that cannot be stopped. The past decade has witnessed significant shifts in the technological space driven by rapid advancements in Artificial Intelligence. As a result, the global economy is slowly being transformed and opportunities are being created in the process through revolutionizing productivity and driving growth.

Artificial Intelligence (AI) is transforming the global economy, revolutionizing productivity, and driving growth. Today, there is no issue of whether AI will shape our future; it already is. AI is now more than just a buzzword; it is a catalyst for systemic transformation. Across these sectors, AI is driving innovation and reshaping industries globally. AI is transforming the finance, healthcare, agriculture, manufacturing, education, transportation, and energy sectors by enhancing efficiency, personalization, and decision-making. It is enabling breakthroughs like early diagnostics, precision farming, autonomous systems, and smart energy grids among interesting outcomes.

5. From 2022 to 2024, AI has significantly influenced various sectors, driving innovation and prompting critical discussions on its societal impact. AI has come to stay and so let us embrace its positive impact on the economy and allow it to shape our future. There are those who harbour the destructive fears of AI on labour dynamics. While many studies have predicted the likelihood that jobs will be replaced by AI, what we do know in fact is that in many of the cases that have examined, AI is likely to complement human work. This complementarity is expected to enhance productivity in the long run.
6. Evidence shows that the real impact of AI on the economy cuts across many sectors of the economy. AI is transforming the finance, healthcare, agriculture, manufacturing, education, transportation, and energy sectors by enhancing efficiency, personalization, and decision-making. It is enabling breakthroughs like early diagnostics, precision farming, autonomous systems, and smart energy grids among interesting outcomes.
7. In Ghana, for example, the introduction of AI-enabled digital banking services is being harnessed to simplify credit scoring, allowing SMEs to access much-needed financing. This, in turn, boosts entrepreneurial activity, spurs job creation, and strengthens the economy.
8. Agriculture remains the backbone of many economies in the sub-region, employing a significant proportion of the population. In Ghana, Startups like Farmerline, use AI-powered platforms to provide farmers with weather forecasts, market prices, and access to funding. Similarly, AI-driven drones are helping to monitor crop health and optimize irrigation practices, significantly boosting productivity.
9. In healthcare, AI is being used to address critical gaps in infrastructure and workforce shortages. For example, the Ghanaian company mPharma uses AI algorithms to predict

medication demand and manage pharmaceutical supply chains, ensuring that essential drugs are available when and where they are needed. AI tools are also being used to enhance diagnostic capabilities and improve patient care in countries like South Africa, where medical professionals are scarce. Such innovations not only save lives but also optimize healthcare delivery systems

10. In the financial sector, AI-driven fintech solutions are promoting financial inclusion. Platforms like *Paystack* and *Flutterwave* use machine learning to detect fraud and simplify transactions for small and medium enterprises (SMEs). These innovations are not only boosting productivity, but also driving economic growth by enabling businesses to thrive.
11. In the education sector, intelligent tutoring systems are addressing teacher shortages by providing personalized learning experiences. In Uganda, AI is facilitating access to legal education for rural communities, empowering citizens who previously lacked resources.
12. Mr Chairman, I could go on and on, regarding the productivity impact on the economy. Permit me to briefly touch on AI and its supporting role in **Monetary Policy**. I will be brief here. As we navigate the complexities of modern economies and tries to understand economic interactions for decision making, AI can be exploited in enhancing decision-making, improving forecasting and optimizing policy implementation. In the area of monetary policy, AI can be used for predictive analysis, provide real time data analysis, help identify potential risks and vulnerabilities in the financial system and finally help optimize monetary policy instruments, such as interest rates and quantitative easing
13. At the Bank of Ghana, AI has been employed to help with forecasting and generate near-term forecasts. Through the development of algorithms and creation of crawlers, AI has been used in gathering prices of goods and services in firms that have an internet presence. The data is scrapped off the website of these firms that have internet presence, ship the data back to the office for processing. Our AI generated inflation provides us with real time inflation numbers, and this is novel and our peers in sub-region have requested technical assistance in this area to also help support work in their jurisdictions.
14. **Notwithstanding the Benefits, there are challenges to be tackled.** Mr. Chairman, a recent study by the IMF showed that AI exposure in advanced economies is 60 percent. In emerging markets and low-income countries, by contrast, AI exposure is expected to be 40 percent and 26 percent, respectively. From the statistics, although emerging market

and developing economies face fewer immediate disruptions from AI, they do not have the necessary infrastructure or skilled workforces to harness the benefits of AI. Therefore, leveraging the power of AI to increase productivity and growth in EMDEs will require a number of measures including but not limited to the following:

- **Tackling Energy-related Infrastructure gaps:** Reliable electricity and internet connectivity are prerequisites for AI adoption. These remain inconsistent in many parts of Ghana and Sub-Saharan Africa. Many emerging countries lack the necessary data infrastructure and quality data to train and deploy AI models effectively.
- **Digital Divide:** Access to digital tools and education remains unequal. Bridging this gap is critical to ensuring that AI benefits are equitably distributed.
- **Ethical and regulatory concerns:** The ethical implications of AI, such as bias, privacy, and job displacement, need to be carefully considered and addressed. Without robust regulations, AI could exacerbate existing inequalities or be misused. Developing ethical frameworks and policies is essential.
- **Capacity building:** There is a shortage of skilled AI professionals in emerging countries, hindering the development and adoption of AI solutions. We need to invest in human capital. Training programs, scholarships, and industry partnerships are vital to building an AI-ready workforce.

15. Policy Related Issues to support AI Development: To harness the full potential of AI while mitigating its risks, it is important to focus on implementing policies that would lay a solid foundation for effective adoption of AI solutions: These include

- **Investing in Digital Infrastructure:** We must prioritize investments in broadband connectivity and digital capabilities to create an environment conducive to AI innovation.
- **Enhancing Human Capital:** Upskilling our workforce through education and training programs will be essential. We need to equip our young population with the skills necessary to thrive in an AI-driven economy.
- **Fostering Local Innovation:** Encouraging homegrown tech startups will help build a resilient local ecosystem capable of developing solutions tailored to our unique challenges.

- **Establishing Regulatory Frameworks:** Policymakers should develop regulations that promote ethical AI use while protecting workers from potential job losses due to automation.
- **Promoting Collaboration:** Strengthening partnerships between governments, academia, and private sectors can facilitate knowledge sharing and drive innovation.

Conclusion:

16. Let me say that the AI picture evolving is not a bad one. By 2030, AI is expected to contribute over \$15 trillion to the global economy. While much of this growth is predicted to occur in advanced economies, emerging countries have unique opportunities to leapfrog traditional developmental trajectories by embracing AI. They can only do this by reforming, putting in place appropriate policies and institutions and developing capacity. The curricula at the universities must change to reflect these changing times.
17. To fully harness AI's potential priorities must be set. But these priorities will depend on each country's development level. A novel AI preparedness index shows that advanced and more developed emerging market economies should invest in AI innovation and integration, while advancing adequate regulatory frameworks to optimize benefits from increased AI use. For less prepared emerging market and developing economies, foundational infrastructural development and building a digitally skilled labour force are paramount. For all economies, social safety nets and retraining for AI-susceptible workers are crucial to ensure inclusivity.
18. In conclusion, let me reiterate that the intersection between AI, productivity, and growth in emerging countries presents a unique opportunity to accelerate economic development and improve the lives of millions of people. I am therefore encouraged that the organizers have brought together key stakeholders in this area to not only to look at trends in the adoption of AI, but also look into the future to assess what needs to happen in the medium-to-long-term to leverage on the rapid advancements in AI to confront some of the challenges of our time in agriculture, health, education, financial sector, and governance.

Thank you for your kind attention.