Some Simple Economics of Artificial Intelligence

July 2020

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Based on the book Prediction Machines with Ajay Agrawal and Joshua Gans
Businesses’ Adoption of AI Is Expected to Surge

Within two years, nearly three-quarters of companies will be using AI or planning to do so, Deloitte says.

By John Murawski
April 25, 2019 5:30 a.m. ET | WSJ PRO

Adoption of artificial intelligence globally is about to experience a big increase in the next two years as the technology begins to prove itself in core business operations, predicts a new report from consulting firm Deloitte LLP.
The Economist asks: Ian McEwan

As AI advances, what are humans for?

In this week’s podcast we interview the novelist, Ian McEwan
What is Artificial Intelligence?
1995?
New Economy
Semiconductors

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1800 1960 2030
Semiconductors

$ \quad \text{Cost of Arithmetic}

1800 \quad 1960 \quad 2030
Expanding Range of Use of an Input
Expanding Range of Use of an Input
Expanding Range of Use of an Input
Substitutes
Complements
Prediction is valuable because it is an input into decision-making

Decision-making is everywhere

Prediction ≠ decision-making
Society
Strategy
Tools
Decision-making
Prediction
Tool => Strategy
A THOUGHT EXPERIMENT
METHOD AND SYSTEM FOR ANTICIPATORY PACKAGE SHIPPING

Assignee: Amazon Technologies, Inc., Reno, NV (US)

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ABSTRACT
A method and system for anticipatory package shipping are disclosed. According to one embodiment, a method may include packaging one or more items as a package for eventual shipment to a delivery address, selecting a destination geographical area to which to ship the package, shipping the package to the destination geographical area without completely specifying the delivery address at time of shipment, and while the package is in transit, specifying the delivery address for the package.

24 Claims, 11 Drawing Sheets
Thank you