

*Below are extracts from two recent AI-focused news articles: the first discusses a business survey on the impact of AI on revenue streams (Irish Tech News, 22nd May), and the second details Samsung's profit increase due to the AI-induced boost in semiconductor prices (RTE.ie, 5th July).*

**This week, our news feature focuses on the impact of AI on business expansion, highlighting a survey of business executives regarding AI adoption and its emphasis on generating revenue. Additionally, we explore the influence of AI on global semiconductor prices and the advantages for corporations like Samsung Electronics.**



## **86% OF EXECUTIVES HAVE ALREADY DEPLOYED ARTIFICIAL INTELLIGENCE TO ENHANCE REVENUE – TCS GLOBAL AI STUDY**

**This week, Irish Tech News (2024) reported on a Tata Consulting Services (TCS) survey of global business executives regarding AI's impact. Businesses are generally optimistic about AI's influence, especially in terms of innovation and revenue generation, with less emphasis on productivity benefits. Notably, results from Ireland and the UK indicate that a remarkable 93% of executives surveyed are pursuing AI projects with the goal of increasing revenue.**

A new study by Tata Consultancy Services (TCS), a global leader in IT services, consulting, and business solutions, reveals that more than 8 out of 10 (86%) of senior business leaders have already deployed artificial intelligence (AI) to enhance existing revenue streams or create new ones. This compares to a staggering 93% of surveyed executives from Ireland and the United Kingdom (UK) region, who currently have AI projects aimed at growing revenue.

The 'TCS AI for Business Study', a comprehensive report on the state of AI adoption and its impact on businesses, also finds that 69% of businesses are more focused on using AI to spur innovation and increase revenue than on productivity improvement and cost optimisation. For respondents from Ireland and the UK, this figure was significantly lower at 59%.

Executives are generally positive about the impact of AI, with 57% globally reporting excitement or optimism about the potential impact of AI on businesses. This figure is slightly lower in Ireland and UK at 50%. Executives are generally positive about the impact of AI, with 57% globally reporting excitement or optimism about the potential impact of AI on businesses. This figure is slightly lower in Ireland and UK at 50%.

Among all respondents in the study, 45% expect up to half their employees will need to use generative AI capabilities to do their job in three years' time — and another 41% think even more will do so. Most (65%) believe AI will augment and enhance human capabilities, enabling people to focus on higher-value activities that require creativity and strategic thinking.

Irish Tech News (2024)

**The 2024 Irish Tech News survey, encompassing nearly 1,300 CEOs and senior executives with profit and loss responsibilities across 12 industries in 24 countries, indicates a lingering apprehension about AI and its potential to revolutionise business. This is also true for performance indicators and metrics designed to measure AI's impact. Overall, the survey uncovers a consensus among business leaders that cultivating an AI-savvy enterprise is a marathon and not a sprint**

Business leaders are less certain about the path to transformation. Only 4% of global respondents use AI in a way that has transformed their business, this figure is slightly higher in Ireland and UK at 5%. Nearly a quarter (24%) of global respondent say they haven't even moved beyond the initial exploratory phase; this is even less among Ireland and UK respondents at 15%.

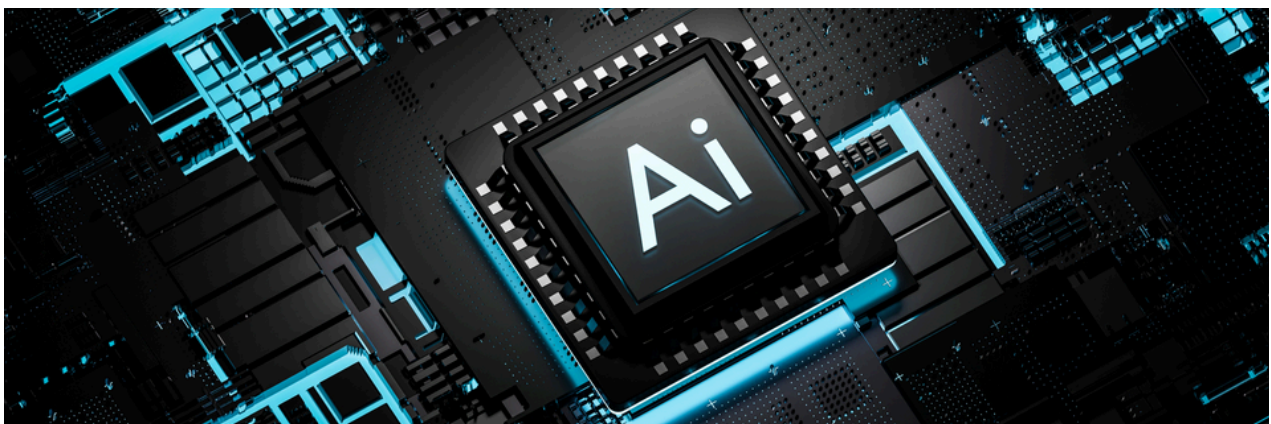
The report finds that top barriers to business success include current corporate IT infrastructures and customer expectations. Organisations also recognise the need to move beyond existing metrics to measure the success of AI implementations; nearly three-fourths (72%) of global respondents and over three-fourths (77%) of Ireland and UK respondents say they don't have the right metrics. The survey also highlights the need for businesses to take a strategic approach to AI adoption and develop the right performance indicators to measure the impact of the technology on their business.

Irish Tech News (2024)

### Some of the other key results from the global report, include the following:

- Executives believe the impact of AI will be greater than or equal to that of the internet (54%) and smartphones (59%).
- Corporate functions with the most completed AI projects: Finance/comptroller (completion rate of 29%); HR (completion rate of 28%); Marketing (completion rate of 28%).
- 65% of senior executives say their competitive advantage will still come from humans — with their creativity, intuition, and strategic thinking unleashed by AI's augment and assist capabilities.
- Over half (55%) said they were actively making changes right now to their business or operating models, or to their products and services, due to the potential benefits and risks of AI.
- 81% of executives highlight the need for global AI standards and regulations.
- 93% of executives surveyed in the Ireland & United Kingdom said they have AI projects aimed at growing revenue. Executives in other regions are equally enthusiastic with 89% in North America, 88% in APAC, 83% in Continental Europe, and 80% in Latin America.

Irish Tech News (2024)



### **Samsung flags better-than-expected profit rise as AI boom lifts chip prices**

**RTE (2024) reports that Samsung Electronics, the world's largest memory chip, smartphone and TV maker has today estimated a more than 15-fold rise in its second-quarter operating profit, as rebounding semiconductor prices driven by the Artificial Intelligence boom lifted earnings from a low base a year ago:**

Samsung estimated its operating profit rose to 10.4 trillion won (\$7.54 billion) in the quarter ended June 30, from 670 billion won a year earlier. The profit beat a 8.8 trillion won LSEG SmartEstimate, which is weighted toward forecasts from analysts who are more consistently accurate, and the quarter was its most profitable since the third quarter of 2022.

In addition to higher chip prices, the better-than-expected profit likely reflected Samsung reversing its previous inventory writedowns on its books, as the value of its chip inventory has rebounded in accounting terms, analysts said. Revenue likely rose 23% in the second quarter from the same period a year earlier to 74 trillion won, Samsung said. The company is due to release detailed second-quarter earnings on July 31. Samsung's key semiconductor division likely posted its second consecutive quarterly profit, improving on the first quarter, as memory chip prices keep rising from a mid-2022 to end-2023 trough that was caused by weak post-pandemic demand for gadgets that use the chips.

Explosive demand for high-end DRAM chips such as high bandwidth memory (HBM) chips used in AI chipsets, as well as chips used in data centre servers and gadgets that run AI services have helped buoy chip prices, analysts said.

RTE (2024)

**According to RTE (2024) it is likely that the rise in memory chip prices may slow in the third quarter. This reflects a slowing in demand for older, legacy chips as AI-driven demand for high-end chips, such as HBM and solid-state drives (SSDs), is expected to outperform the rest of the market during this period.**

Samsung has been lagging behind South Korean rival SK Hynix in the supply of high-end HBM chips to customers like Nvidia. US memory chip rival Micron Technology beat estimates for its latest quarterly revenue last week driven by a demand surge from the AI industry, although its current-quarter forecast disappointed investors who had been even more upbeat.

Investors are awaiting news of whether Samsung's latest fourth-generation HBM chips will receive approval to supply Nvidia after they failed earlier tests due heat and power consumption problems, according to sources. Samsung in May replaced the chief of its semiconductor division in a bid to overcome what it called a "chip crisis".

RTE (2024)

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