

Far and Wide

Every week we share selection of six news from six continents that we believe will impact our world in the near or distinct future

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AI on the Regulatory Radar

Welcome to our third edition of the newsletter, *Far and Wide*, where we bring a collection of interesting stories from around the world. As we enter a new era of technological advancement, our lead story this week focuses on the pressing need for AI regulation. The rise of AI has led to unprecedented changes in our society, from autonomous vehicles to algorithmic decision-making. However, with great power comes great responsibility. And there are growing concerns about the impact of AI on society. Some of these concerns are coming from leaders who have leveraged technology to make a world a better place and hence the focus. The lead story is about the U.S. Senate member calling upon the CEOs of several artificial intelligence (AI) companies to discuss a framework outline regarding a new regulatory regime for AI and to prioritize security measures, address issues of bias, and ensure responsible deployment of new technologies. This story highlights the high stakes involved in regulating AI. The potential for AI to revolutionize industries and improve our lives is undeniable, but it also carries significant risks. There are rising concerns about the use of AI in surveillance and the potential for it to perpetuate bias and discrimination. As we consider the need for AI regulation, we must grapple with complex questions about the role of government and the responsibilities of private companies. How can we make sure that AI is used for the greater good, while minimizing its potential negative effects? How can we strike a balance between innovation and accountability? This story serves as a reminder that as we continue to expand the limits of technology, it is imperative to take a step back and consider the impact of these changes on society at large. We believe AI will in particular impact the services sector especially jobs (which in the case of India has been driving growth and more importantly jobs). While, it may be true that ever expanding AI will create new jobs, it also may be true that workforce in many countries (especially developing) may not be ready for what it takes to support the ever-growing AI Universe and its impact on jobs in the short terms can be significant. The future of AI regulation may very well shape the course of our society in the years to come. We hope you find this edition informative and thought-provoking.



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North America

Elon Musk discusses AI regulation with the US Senate Majority Leader Schumer

Elon Musk had a meeting with Senate Majority Leader Charles E. Schumer and other members of Congress to discuss artificial intelligence (AI) regulation. Musk has previously warned about the potential risks of AI and praised Schumer's efforts to regulate it. Schumer has been discussing a regulatory framework for AI, and his approach would require companies to review and test their AI technologies before publicly releasing them, as well as providing users access to the results. Schumer's regulatory proposal is expected to include four guardrails: "Who, Where, How, and Protect". The news follows Musk's recent announcement that he plans to build a product called "TruthGPT" as a counterweight to Microsoft and Google's dominance in the AI field.

Source: The Washington Post

<https://www.washingtonpost.com/technology/2023/04/26/elon-musk-capitol-hill-ai/>

Asia

China's Yuan Slowly Gains Adoption for International Payments, Potentially Challenging the Dominance of US Dollar

China's yuan currency is slowly gaining adoption for more international payments, which has the potential to create a parallel trade system to the dominant US dollar. More cross-border transactions with China were settled in yuan in March than in dollars for the first time, and Argentina has also announced its intentions to pay for Chinese goods in yuan rather than dollars. While it is unlikely that the yuan will replace the US dollar globally, more and more bilateral deals arranging yuan payments with China are gaining pace, which could potentially lift the yuan at the expense of the dollar. China has been trying to increase the yuan's share of global payments for a while now, but it has been unwilling to open its capital accounts, which makes the dollar, euro, and yen more convenient. Russia's war on Ukraine and resulting Western sanctions have accelerated the development of alternatives, with Russia becoming the fourth-largest yuan-trading hub outside China. However, for yuan usage to grow in scale, it may take 10 years or longer.



Source: Reuters

<https://www.reuters.com/markets/currencies/chinas-small-steps-offshore-use-yuan-are-starting-add-up-2023-04-27/>



Source: Reuters

<https://www.reuters.com/world/europe/eu-countries-approve-reform-blocs-carbon-market-2023-04-25/#:~:text=European%20Union%20members%20approved%20a,the%20EU's%20emissions%2Dcutting%20target gets.>



Europe

EU approves carbon market reform to cut emissions by 62% from 2005 levels by 2030

The EU has approved the largest reform of its carbon market to date, which aims to make it more expensive to pollute and improve the 27 member states' main tool for reducing CO2 emissions. The carbon trading system has cut emissions from power plants and factories by 43% since its introduction in 2005. The new reform will cut emissions by 62% from 2005 levels by 2030, meeting the EU's emissions-cutting targets. Heavy industries will lose their free CO2 permits by 2034, and airlines will lose theirs by 2026. The reform is also set to raise billions of euros through CO2 permit sales to invest in green measures.



South America

Brazil's Embraer to Partner with Portuguese Aerospace Company OGMA for NATO-Compliant Aircraft Production

Brazil's Defence Minister, Jose Mucio, has announced that planemaker Embraer will manufacture aircraft in partnership with Portuguese aerospace company OGMA, meeting NATO's requirements. Embraer holds 65% of OGMA's capital and produces several aircraft, including a light attack aircraft called the "Super Tucano". The company recently launched the A-29 Super Tucano with a NATO configuration, initially aiming to meet the needs of European nations. However, Mucio stated that manufacturing the aircraft in Brazil did not always meet all of NATO's requirements. Production in Portugal is important as it already meets NATO's prerequisites. Embraer also produces the KC-390 military cargo aircraft and is looking to expand its international sales. Mucio said President Lula aims to promote the Brazilian defence sector and enhance its investment.



Source: Reuters

<https://www.reuters.com/business/aerospace-defense/brazils-embraer-build-nato-approved-aircraft-portugal-2023-04-22/>



Australia

Australia Plans \$2.7 Billion Missile Program to Bolster Military

Australia will spend A\$4.1 billion (\$2.7 billion) to increase its long-range missiles and develop a manufacturing industry for guided weapons due to rising strategic competition in the Indo-Pacific. The government will buy long-range missiles, including HIMARS, and spend A\$2.5 billion on producing long-range missiles and other weaponry. The changes will improve Australia's military capabilities and bring the country into the "missile age" amid China's vast military buildup. The programs will be financed by reallocating existing defense budget outlays, and the domestic manufacturing plans will be delayed until mid-2024.

Source: Bloomberg

<https://www.bloomberg.com/news/articles/2023-04-25/australia-plans-2-7-billion-missile-program-to-bolster-military#xj4y7vzkg?leadSource=uverify%20wall>



Africa

East Africa's cross-border electric trains set to speed up intra-African trade

Tanzania and Burundi have issued a tender for a project to design and build a multinational electrified railway connecting the two countries, passing through the Democratic Republic of the Congo. The move is intended to help the nations tap into the African Continental Free Trade Agreement and create Africa's second multinational electrified railway after Ethiopia and Djibouti. About 282km of an electrified standard gauge railway line will be laid from Uvinza in Tanzania, across the international border to Musongati in Burundi. It is expected that the project will be finished within a period of five years and will require construction funding from the African Development Bank.



Source: Mail & Guardian

<https://mg.co.za/africa/2023-04-17-east-africas-cross-border-electric-trains-set-to-speed-up-intra-african-trade/>