



The space economy looks ripe for utilizing AI to improve security. (UBS)

VIDEO: Why does A.I. in space matter?

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Remember the space race in the 1960's? Well, fast-forward to 2024 and we have different countries going back to the moon. Why are they spending all this money to do so? What's the point of it? And why should you care?

As the world hurries to adopt AI, we see some similarities between the “AI arms race” and the 1960s space race. This is not solely due to governments racing to embrace AI just as they did space-tech in the 60s, but because AI, security, and the space economy are increasingly intertwined, fueled by the vast amount of data collected via satellites. This time, it's not just the US and Russia; the EU, China, India, and Japan are making bigger forays into space, too. NASA's budget is approaching levels last seen in the early 60s. While the conversation has shifted from the moon landing to AI, governments are likely to keep building out their technological capabilities to protect national interests, requiring further investment in AI, cybersecurity, and related space-based infrastructure.

AI and machine learning can be used for a wide range of military applications, from logistics to more precarious applications like autonomous weapons that carry considerable moral and ethical risks. The US Department of Defense released an AI adoption strategy in November 2023, aiming to advance AI capabilities. As AI takes the main stage, conversations regarding how to address these sustainability risks are likely to follow. In a similar vein, higher payloads in low Earth orbit underline robust activity but serve as a reminder of the rising risk of space debris

The space economy looks ripe for utilizing AI to improve security in another sense, for example in Earth observation and natural disaster response. AI can quickly analyze satellite data for a variety of applications, from flood prediction to landslide detection.

Investment takeaways

- The rapid build-out of AI infrastructure should continue to be a tailwind for the "Enabling technologies" and "Digital data" themes.
- Space infrastructure becoming mission critical should support the government sector, and use cases for satellite data are proliferating. This should be a positive backdrop for the "Space economy" theme, but many risks exist. Beyond sustainability considerations, another risk stems from the occurrence of an accident severe enough to deter future exploration, like the rising threat of space junk or a test flight failure.
- Finally, in addition to AI's use in physical security, its development enforces the need for cybersecurity and introduces new ways to improve it.

[CLICK HERE](#) to view the video on the UBS Studios page.

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