

AI GLOBAL INDEX ANALYSIS

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requirements for the award of the degree
of
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BY

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Introduction

The Global AI Index is the first index to benchmark nations on their level of investment, innovation, and implementation of artificial intelligence. This report analyzes a dataset providing key indicators affecting the AI landscape in 62 countries. The dataset sources include scientific publications, investment reports, and government documents, offering a comprehensive view of global AI progress. Key dimensions evaluated include AI research, investment, talent availability, startup activity, and government strategies. This analysis aims to forecast future trends and identify countries likely to emerge as AI leaders.

The dataset draws upon a wide range of sources, including scientific publications, investment reports, and government documents, to provide a holistic overview of global AI progress. Countries are scored across several key dimensions: AI research (number of publications and citations), investment in AI (private and public spending), AI talent (availability of skilled AI professionals), AI startups and companies, and government strategies (such as national AI policies and regulatory frameworks). This multifaceted approach allows the dataset to capture not just technological advancement but also the broader economic, policy, and social contexts that drive AI development.

We have used predictive analytics to forecast future trends in AI development by analyzing the current data, providing insights into which countries are likely to emerge as AI leaders in the coming years. With the growing importance of AI in shaping industries and economies, datasets like this are crucial for stakeholders looking to understand the competitive AI landscape globally.

About Data and Methodology

The Dataset “**AI Global index**” includes The Global AI Index itself and seven indicators affecting the Index on 62 countries, as well as general information about the countries (region, cluster, income group and political regime).

The **Global AI Index** is the first index to benchmark nations on their level of investment, innovation and implementation of artificial intelligence.

Talent, Infrastructure and Operating Environment are the factors of **AI Implementation** group of indicators, which represents the application of artificial intelligence by professionals in various sectors, such as businesses, governments, and communities.

- ✓ **Talent** indicators focus on the availability of skilled practitioners for the provision of artificial intelligence solutions.
- ✓ **Infrastructure** indicators focus on the reliability and scale of access infrastructure, from electricity and internet to super computing capabilities.
- ✓ **Operating Environment** indicator focuses on the regulatory context, and public opinions surrounding artificial intelligence.

- ✓ **Research and Development** are the factors of **Innovation** group of indicators, which reflects the progress made in technology and methodology, which signify the potential for artificial intelligence to evolve and improve.
- ✓ **Research** indicators focus on the extent of specialist research and researchers; investigating the amount of publications and citations in credible academic journals.
- ✓ **Development** indicators focus on the development of fundamental platforms and algorithms upon which innovative artificial intelligence projects rely.
- ✓ **Government Strategy and Commercial** are the factors of **Investment** group of indicators, which reflects financial and procedural commitments to artificial intelligence.
- ✓ **Government Strategy** indicator focuses on the depth of commitment from national government to artificial intelligence, investigating spending commitments and national strategies.
- ✓ **Commercial indicators focus** on the level of startup activity, investment and business initiatives based on artificial intelligence.

```
#from google.colab import drive
#drive.mount('/content/drive')

import pandas as pd
import gdown

# Modify the Google Drive link to a downloadable format
file_url = "https://drive.google.com/uc?id=1JF7XyyL0fhe8vGds6UB_DayYh1PtJKz"

# Download the file using gdown
gdown.download(file_url, 'data.csv', quiet=False)

# Read the downloaded CSV file
df = pd.read_csv('data.csv')

# Display the first few rows of the dataframe
df.head()
```

Downloading...
From: https://drive.google.com/uc?id=1JF7XyyL0fhe8vGds6UB_DayYh1PtJKz
To: c:\SanDiego\Project\data.csv
100% [██████████] 6.38k/6.38k [00:00<00:00, 6.20MB/s]

	Country	Talent	Infrastructure	Operating Environment	Research	Development	Government Strategy	Commercial	Total score	Region	Cluster	Income group	Political regime
0	United States of America	100.00	94.02	64.56	100.00	100.00	77.39	100.00	100.00	Americas	Power players	High	Liberal democracy
1	China	16.51	100.00	91.57	71.42	79.97	94.87	44.02	62.92	Asia-Pacific	Power players	Upper middle	Closed autocracy
2	United Kingdom	39.65	71.43	74.65	36.50	25.03	82.82	18.91	40.93	Europe	Traditional champions	High	Liberal democracy
3	Canada	31.28	77.05	93.94	30.67	25.78	100.00	14.88	40.19	Americas	Traditional champions	High	Liberal democracy
4	Israel	35.76	67.58	82.44	32.63	27.96	43.91	27.33	39.89	Middle East	Rising stars	High	Liberal democracy

After the initial data inspection, we can confirm what conveys on the dataset

- ✓ The Global AI Index (GAI) is an indicator to rank countries based on the capacity for AI, specifically by measuring investment, innovation, and implementation levels. According to the previous and current values of the GAI, Tortoise Media divides countries into five clusters - power players, traditional champions, rising stars, waking-up players, and nascent players.
- ✓ According to the outcome of the above program you can see the two power players are on the map the United States and China
- ✓ The following two countries, the United Kingdom and Canada are traditional champions . Germany and France are the other two traditional champions

- ✓ The other rising stars are Australia, Irlandia, Finlandia, Denmark, Japan, and Spain, Israel, Singapore, South Korea, and the Netherlands
- ✓ All the other countries (among the analyzed 62 countries) except Sri Lanka, Egypt, Kenia, Nigeria, and Pakistan are the waking-up players; the last are nascent AI market players.

```
[3] df.info()
...
<class 'pandas.core.frame.DataFrame'>
RangeIndex: 62 entries, 0 to 61
Data columns (total 13 columns):
 #   Column           Non-Null Count  Dtype  
--- 
 0   Country          62 non-null    object  
 1   Talent            62 non-null    float64 
 2   Infrastructure    62 non-null    float64 
 3   Operating Environment 62 non-null  float64 
 4   Research          62 non-null    float64 
 5   Development        62 non-null    float64 
 6   Government Strategy 62 non-null  float64 
 7   Commercial         62 non-null    float64 
 8   Total score       62 non-null    float64 
 9   Region             62 non-null    object  
 10  Cluster            62 non-null    object  
 11  Income group      62 non-null    object  
 12  Political regime   62 non-null    object  
dtypes: float64(8), object(5)
memory usage: 6.4+ KB

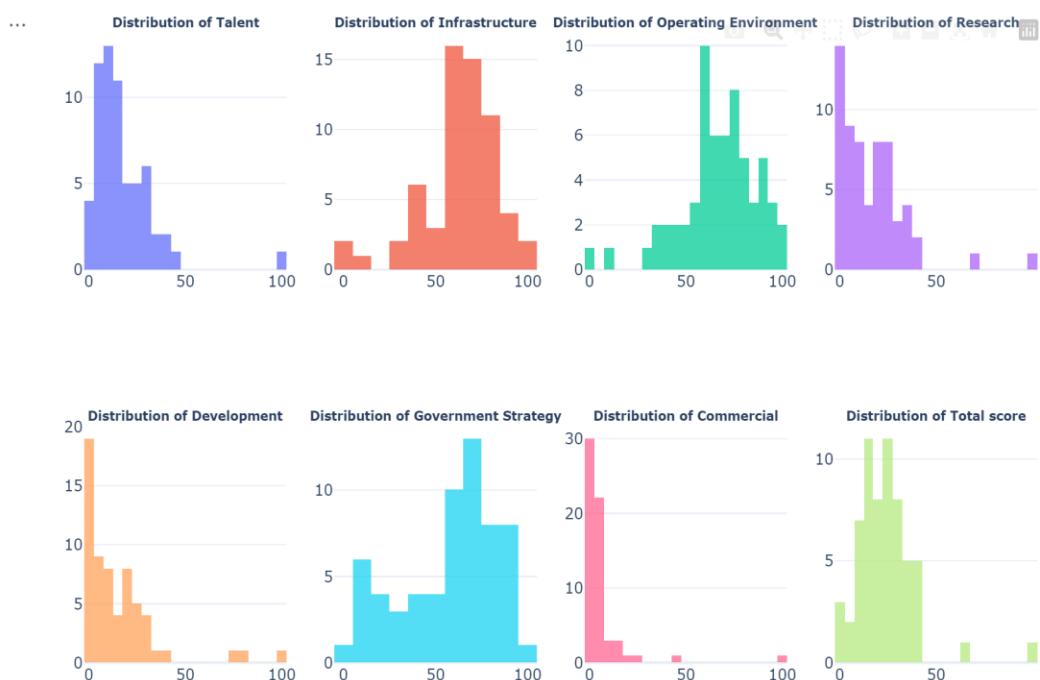
[4] df.describe()
...
   Talent  Infrastructure  Operating Environment  Research  Development  Government Strategy  Commercial  Total score
count  62.000000  62.000000  62.000000  62.000000  62.000000  62.000000  62.000000  62.000000
mean  16.803065  63.503710  66.925484  16.610000  14.824677  57.865645  6.171935  23.914677
std   15.214963  20.217525  20.000424  17.413996  19.419279  26.252448  14.029632  15.123586
min   0.000000  0.000000  0.000000  0.000000  0.000000  0.000000  0.000000  0.000000
25%   7.365000  55.857500  58.107500  3.032500  1.202500  41.030000  0.697500  14.805000
50%   13.445000  65.230000  69.505000  12.930000  9.005000  63.930000  2.585000  23.220000
75%   24.567500  75.947500  80.500000  25.412500  19.980000  77.952500  5.307500  30.487500
max   100.000000 100.000000 100.000000 100.000000 100.000000 100.000000 100.000000 100.000000
```

We can see using the above code is

- ✓ There are no missing values in the dataset, with 62 countries (records) presented there to describe their AI potential as of 2023
- ✓ There are 8 numeric and 4 categorical variables in the dataset
- ✓ All numeric variables have their values in the range from 0 to 100
- ✓ *Total score* variable can be the *target* variable whereas other variables can describe the various effects on it

1. Express EDA of Numeric Variables

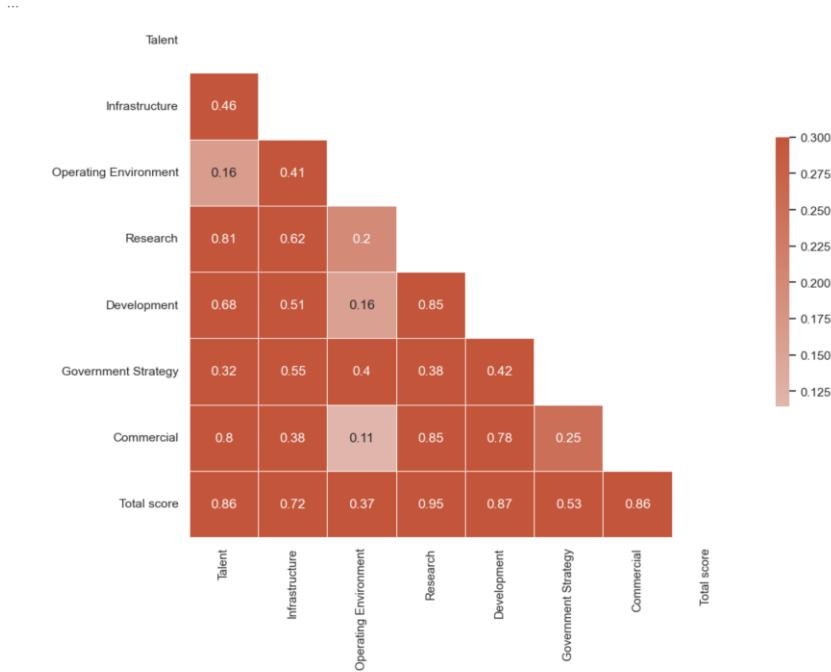
a. Univariate Analysis: Numerical variables



We find that

- ✓ Infrastructure and Operating Environment are skewed to the right a little
- ✓ Other numeric variables are significantly left-skewed
- ✓ The values of Talent, Research, Development, Commercial and Total score have clear outliers to the right side of the distribution (it is related to two countries in Power players cluster)

b. Multivariate Analysis: Correlation between numerical variables

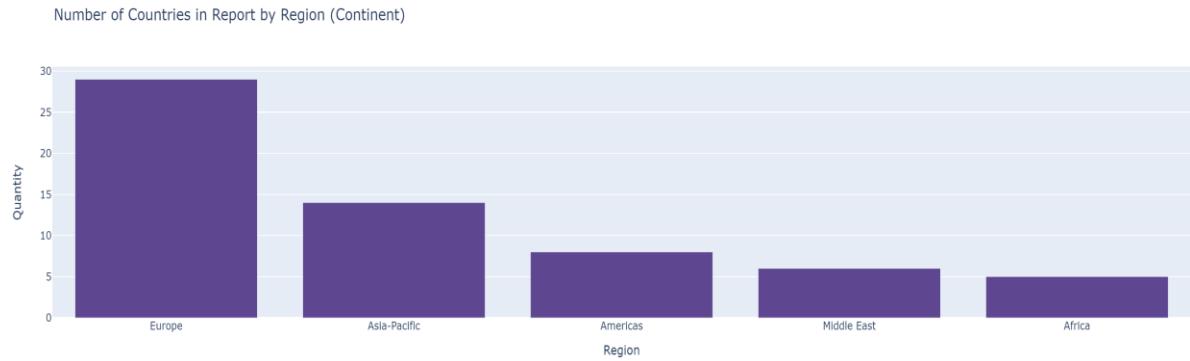


We find that

- ✓ Total score is highly correlated with Research (0.95), Development (0.87), Talent (0.86), and Commercial (0.86) variables
- ✓ Total scores display medium correlations with Government Strategy and Operating Environment variables (that is, the contribution of such variables to the Total score is less than the highly correlated variables)

2. Express EDA of Categorical Variables

a. Univariate Analysis: Categorical variables

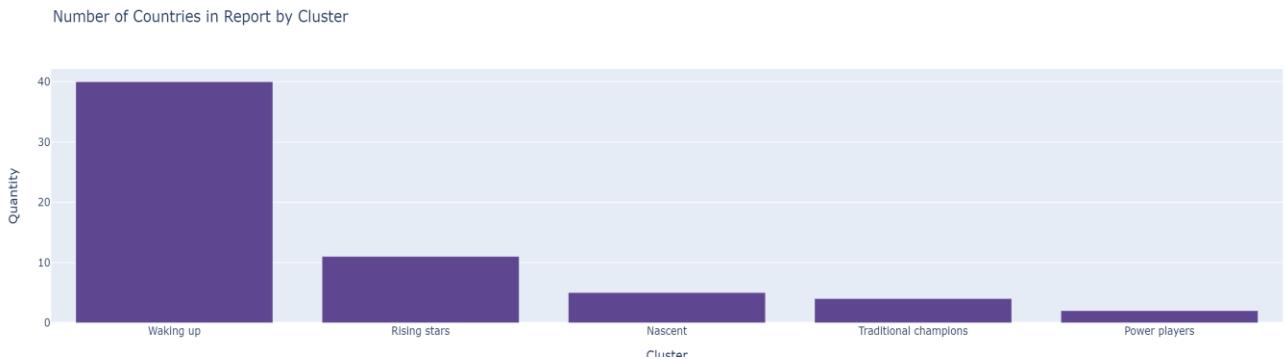


What We find

- ✓ We find that the dataset contains the information about - 29 countries in Europe - 14 countries in Asia-Pacific region - 8 countries in Americas region - 6 countries in the Middle East - 5 countries in Africa
- ✓ The data in this dataset is presented for the countries that decided to start serious efforts to adopt AI technologies. Countries that are not on the way to adapt AI technologies are not listed there.

We find that

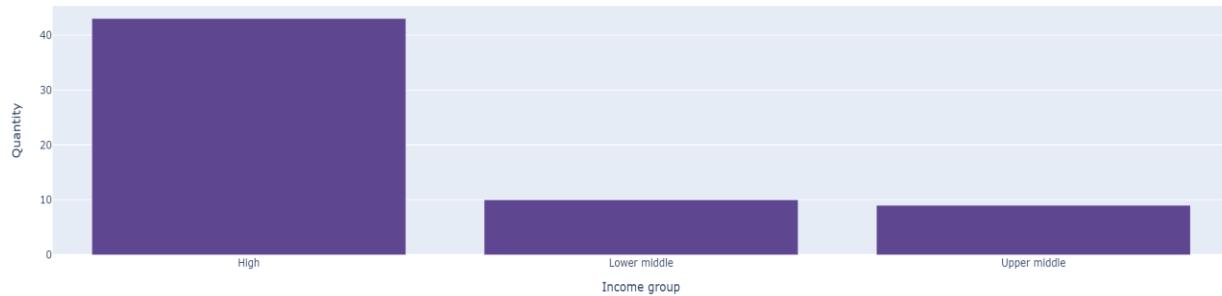
- *Power players* cluster contains two leading nations in terms of adopting the AI on a serious scale (these are USA and China)
- *Traditional champions* cluster unites 4 nations (UK, Canada, France, and Germany) that follow the power players
- *Rising stars* cluster aggregates 11 countries that are on a serious rise in terms of the AI development/commercializing progress
- *Waking up* cluster comprises 40 countries that just started smooth progress in AI
- *Nascent* cluster is a union of 5 countries that are at the very beginning of their way to adapt AI on the national level



We find that

- ✓ *Power players* cluster contains two leading nations in terms of adopting the AI on a serious scale (these are USA and China)
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- ✓ *Rising stars* cluster aggregates 11 countries that are on a serious rise in terms of the AI development/commercializing progress
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Number of Countries in Report by Income groups

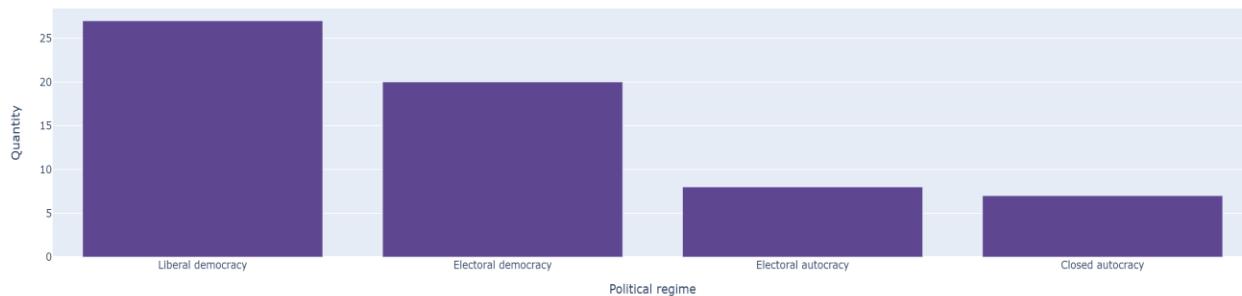


We find that

- ✓ There are *43* countries with *High* income level (out of 62 presented in the dataset)
- ✓ There are *9* countries with *Upper middle* level of incomes
- ✓ There are *8* countries with *Lower middle* level of incomes

As we can see, AI is expensive. Only countries with High- or Middle-level incomes can afford to participate in the AI races at the moment.

Number of Countries in Report by Political regimes

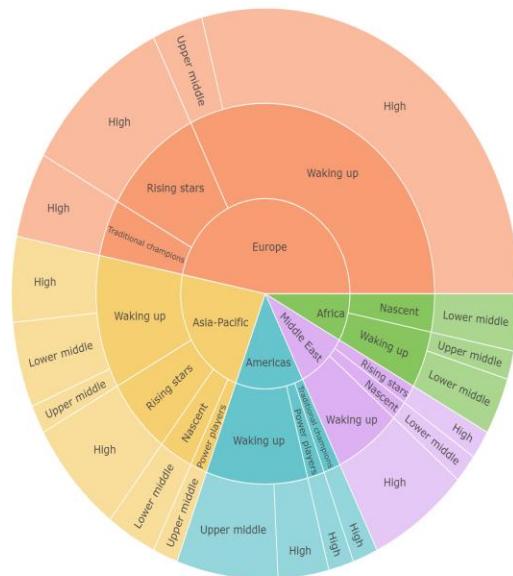


We find that

- ✓ *27* countries listed in the dataset operate under *Liberal democracy* regime
- ✓ *20* countries listed in the dataset operate under *Electoral democracy* regime
- ✓ *8* countries listed in the dataset operate under *Electoral autocracy* regime
- ✓ *7* countries listed in the dataset operate under *Closed autocracy* regime

b. Multivariate Analysis: Associations between categorical variables

Number of countries by region, cluster, and income group

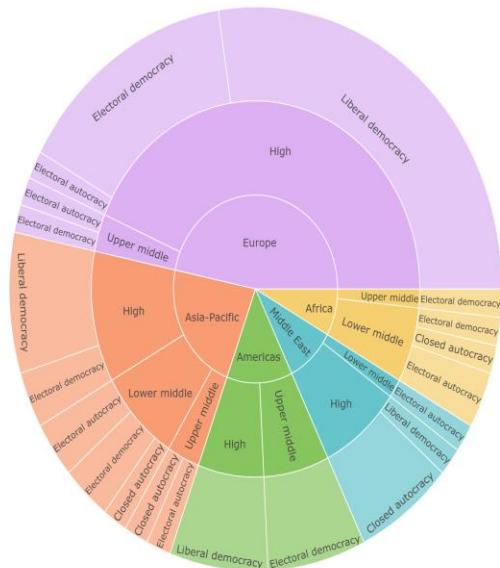


We find that

- ✓ The biggest group of the countries in the dataset are European countries with High income level, fitting into Waking Up cluster
- ✓ countries with High income level, fitting into Waking Up cluster, are the most numerous groups in Asia-Pacific and Middle East regions, too
- ✓ the most 'crowdy' group in Americas is Waking Up, with Upper middle-income level
- ✓ Traditional champions and Raising star countries are all with High level of incomes
- ✓ One of the Power players (USA) is with the High level of incomes, and another Power player (China) in Upper middle income group

Now, let's look at the separation of the countries in AI Index dataset by the income group and political regimes.

Number of countries by region, income group, and political regime

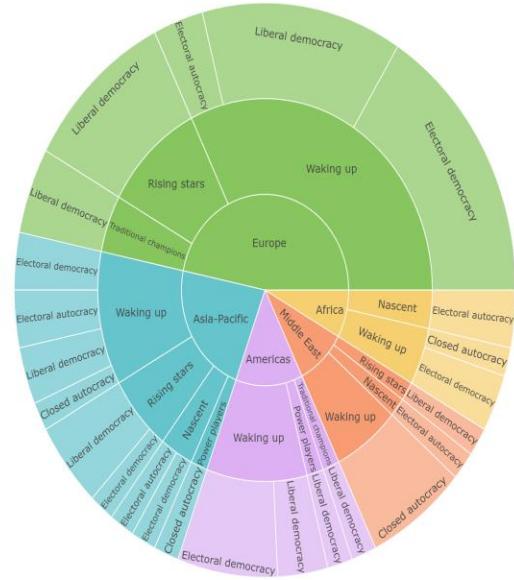


We find that

- ✓ The biggest groups in Europe and Asia-Pacific regions represent the countries with High income and either Liberal or Electoral democracy
- ✓ The biggest group of countries in Americas contains the countries with High income level and Liberal democracy as a political regime
- ✓ The biggest group of countries in Middle East contains the countries with High income level and Closed autocracy as a political regime

Now, let's look at the associations between the Region, Cluster, and Political regime.

Number of countries by region, cluster, and political regime



We find that

- ✓ Rasing stars and Traditional champions operate under Liberal or Electoral democracy, in every region
- ✓ One of the Power players (USA) operates under Liberal democracy, and another Power player (China) operates under Closed autocracy political regime

Deeper-Dive Insights

We are going look deeper at the business-level and public administration insights drawn from the data in AI dataset.

First of all, we are going to look at the relations between **Total score** and other variables in the dataset

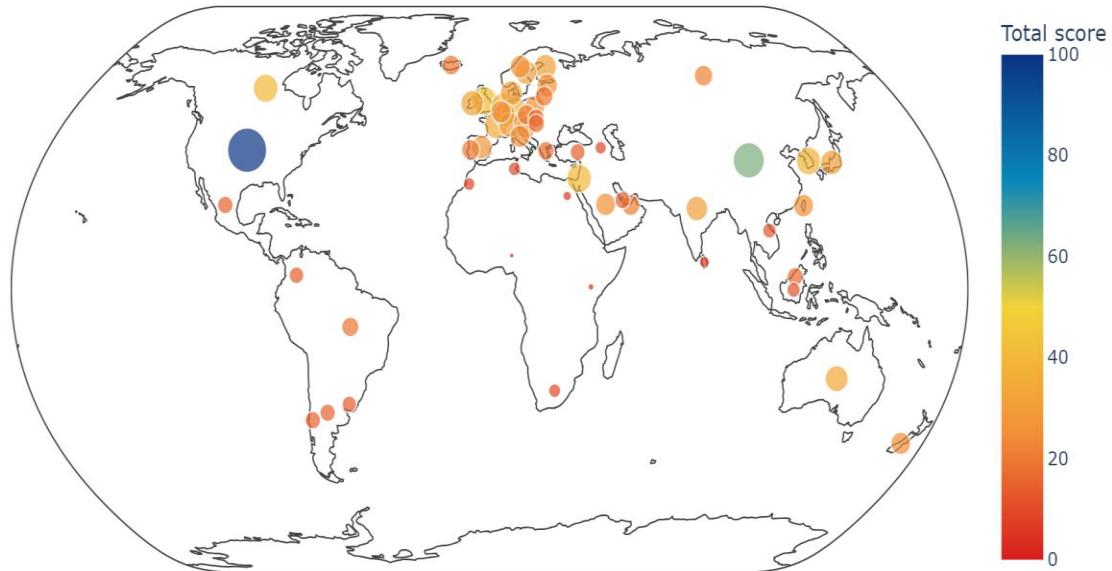
Then we are going to outline the holistic insights on

- ✓ AI Implementation
- ✓ AI Research and Development
- ✓ AI Governance and Commercial contexts

1. Total Score across the globe

...

AI Total Score Across the Globe



...

```
total_df.sort_values('Total score',
                     ascending=False)[
    [
        'Country',
        'Total score'
    ]
][:10].style.background_gradient(cmap='seismic')
```

[16]

	Country	Total score
0	United States of America	100.000000
1	China	62.920000
2	United Kingdom	40.930000
3	Canada	40.190000
4	Israel	39.890000
5	Singapore	38.670000
6	South Korea	38.600000
7	The Netherlands	36.350000
8	Germany	36.040000
9	France	34.420000

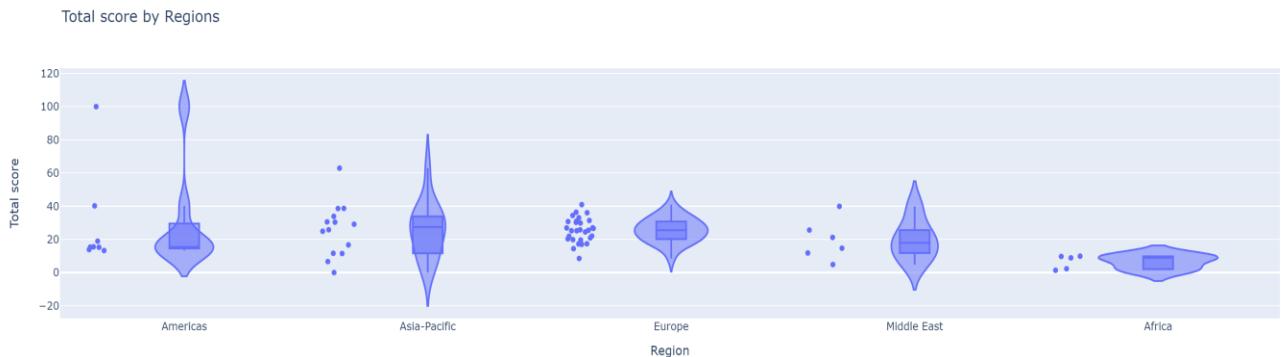
Python

We find that

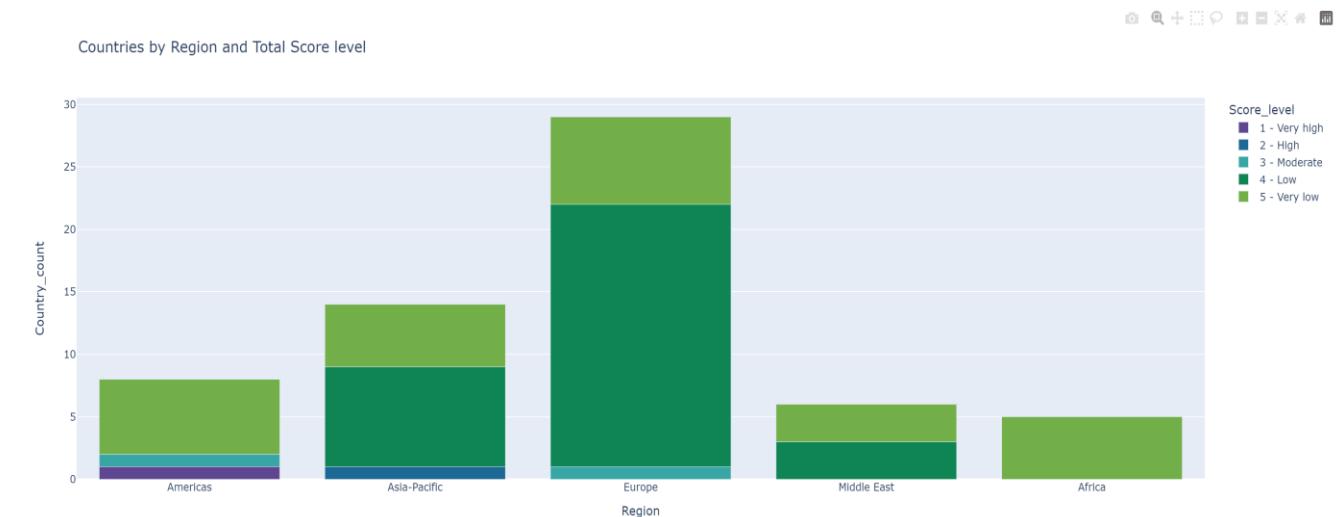
- ✓ The Power players (USA, China) lead the ranks , although the gap between the total score of USA and China is significant
- ✓ Some of the countries in Rasing stars cluster (Israel, Singapore, South Korea, The Netherlands) outperform some of the traditional champions (that is, Germany and France), in terms of the total score
- ✓ India does not fit into the top ten list of the countries by *Total score*, although it holds the second

position in terms of AI Talent score

2. Total Score by Regions



3. Countries by Region and Total Score level



We find that

- ✓ There is just one country with a Very high-level Total score (USA, in Americas region)
- ✓ There is just one country with the High-level Total score (China, Asia-Pacific region)
- ✓ There are just two countries with the moderate-level Total score (Canada, UK); however, they are less than 1-2 units above the bunch of traditional champions and raising star countries with the Total score of 38+ or 39+ (the latter countries classified as Low-level in terms of their Total score)
- ✓ the distribution of Total score in Middle East and Africa shows these regions has more countries

with lower Total score vs. Americas, Europe, and Asia-Pacific

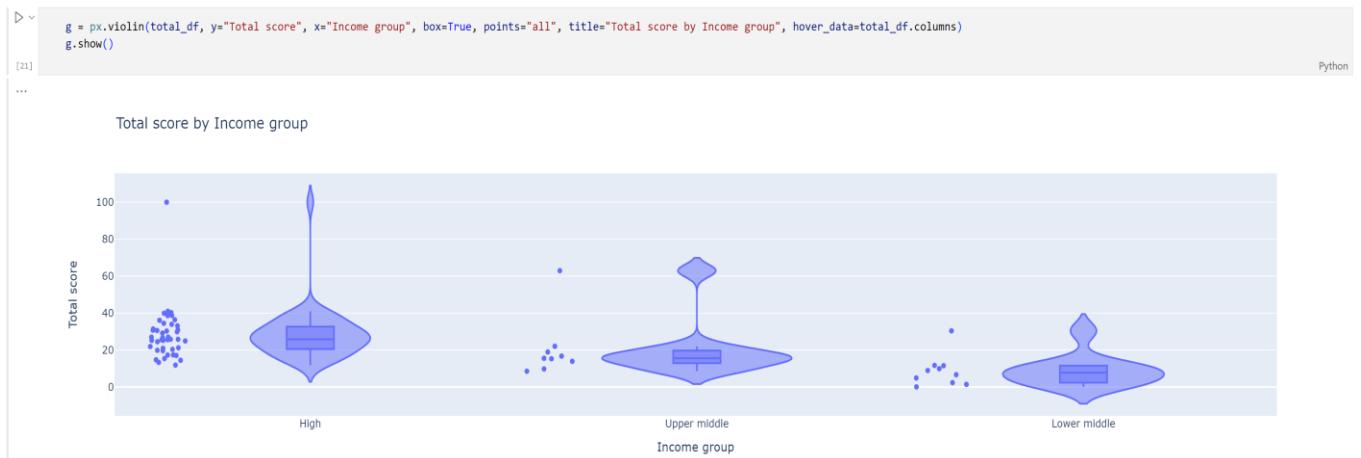
4. Total score by Clusters



We find that

- ✓ The average Total score is higher in Power players and Traditional champions clusters
- ✓ Some of the countries in Raising stars cluster are still scored higher than two of the traditional champions (Germany, France)

5. Total score by Income groups



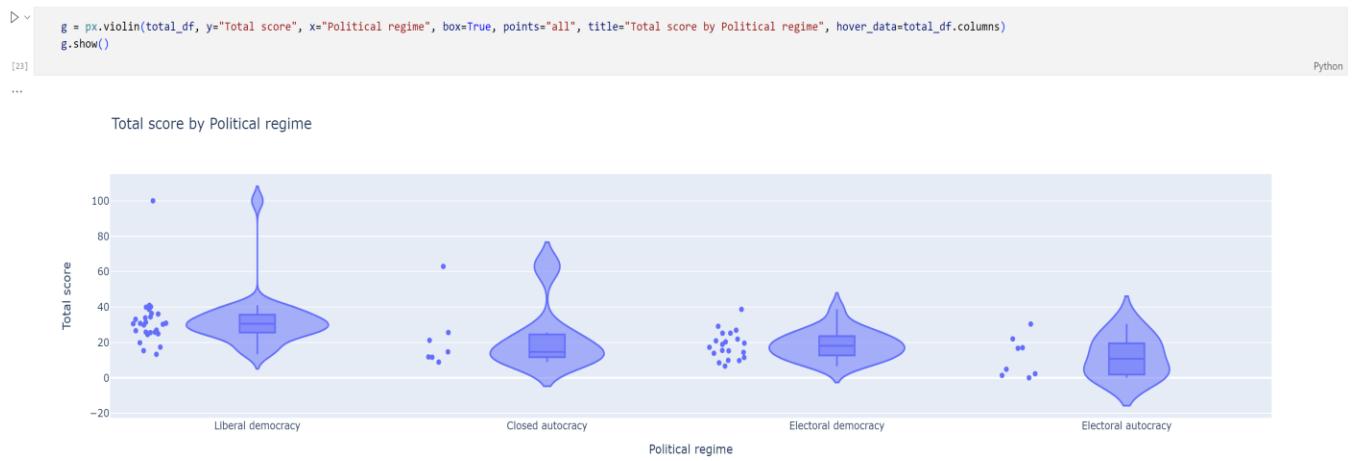
6. Countries by Income group and Total score level

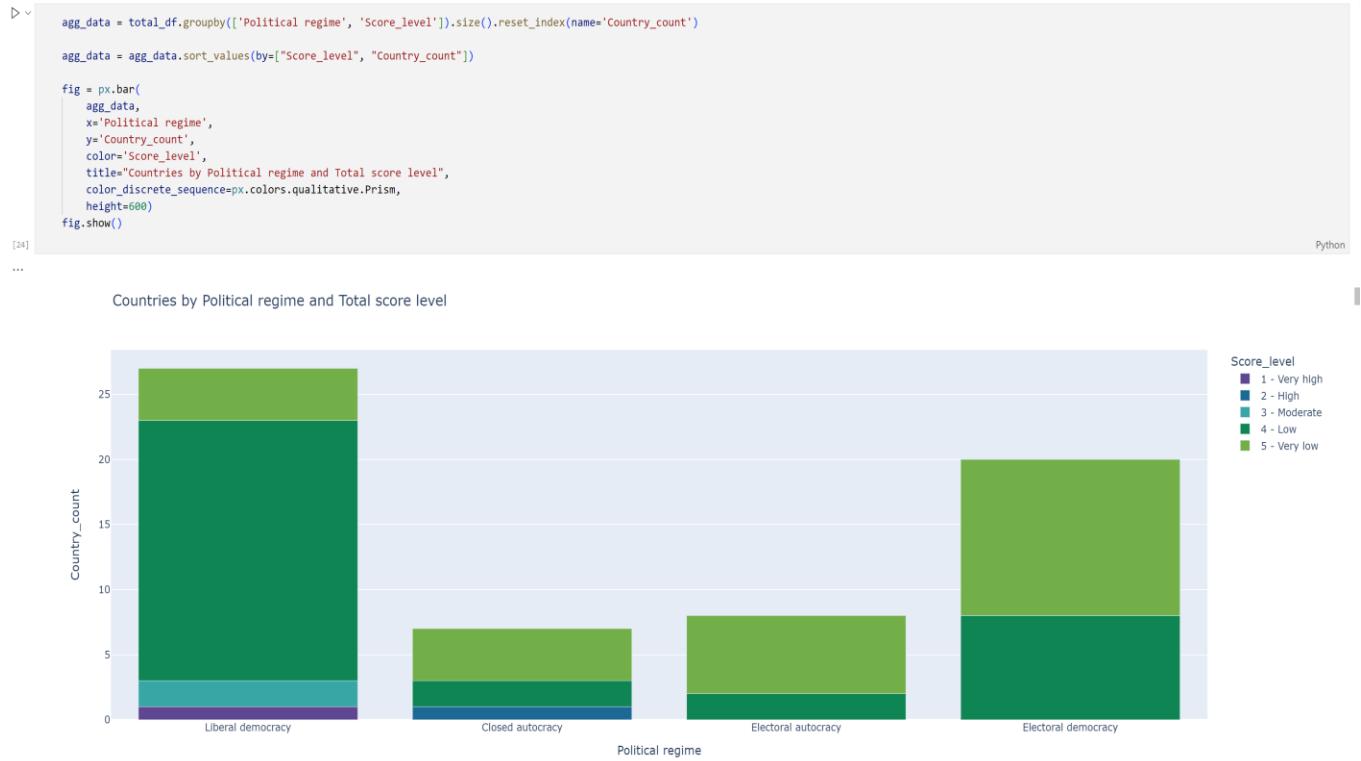


We find that

- ✓ The overall trend is, the countries with High income level have higher average Total score vs. other income groups
- ✓ There are notable outliers in every income group
- ✓ USA, one of the Power players, stands out of the 'crowd' of the countries with the High-income level
- ✓ China, another Power player, severely outperforms the rest of the countries in Upper middle-income group
- ✓ India strongly outperforms the rest of the nations in Lower middle-income group; actually, its score is higher than the score of all countries in Upper middle-income group (except for China), and 75% of the countries in High income group

7. Total score by Political regime





We find that

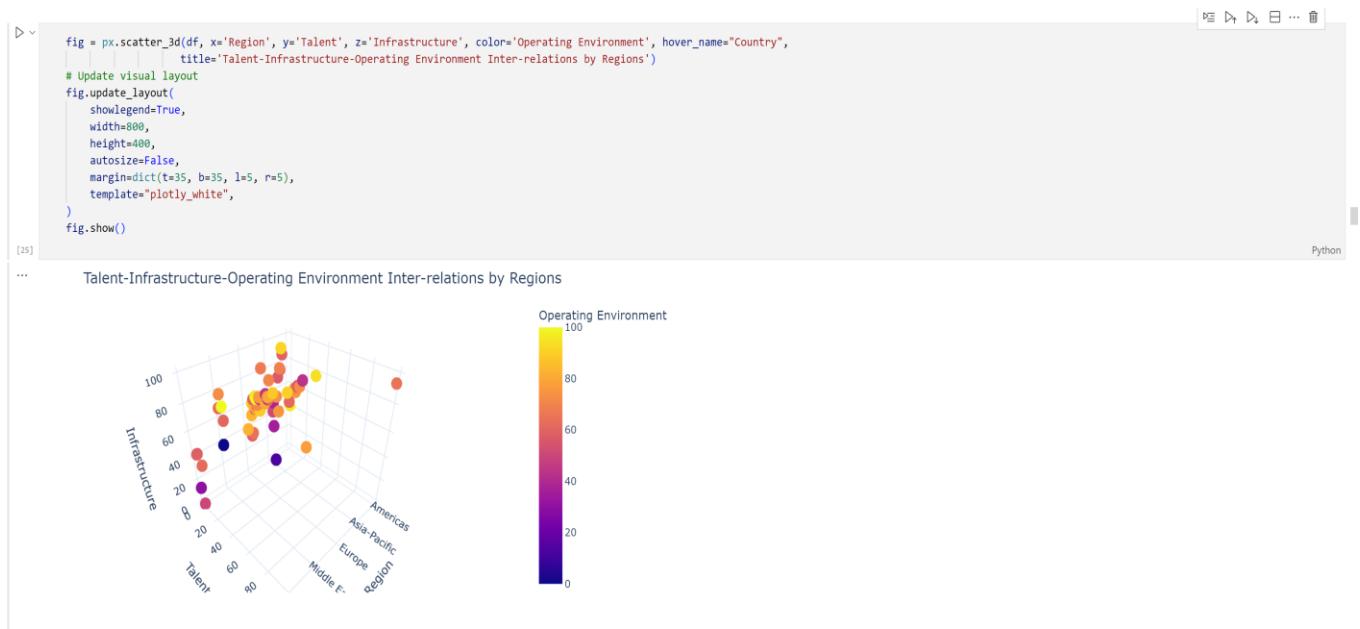
- ✓ There are much more countries with political regimes of Liberal democracy and Electoral democracy that ranked higher Total score in the list (the leading Power player, USA, is among them)
- ✓ At the same time, we can see some of the countries with autocratic regimes to be quite successful in AI, too (China, another Power player, is an example of that)

Holistic View on AI Implementation

Implementation metrics represent the application of artificial intelligence by professionals in various sectors, such as businesses, governments, and communities. The implementation factors group may be divided into three smaller groups

- ✓ Talent,
- ✓ Infrastructure, and
- ✓ Operating Environment.

1. Talent-Infrastructure-Operating Environment Inter-relations by Regions



2. Talent-Infrastructure-Operating Environment Inter-relations by clusters



3. Talent-Infrastructure-Operating Environment Inter-relations by Income Groups



After the analysis of the visualizations above, we can confirm what [Global AI Race: Dominant Players and Aspiring Challengers] conveys on the AI Implementation indicators

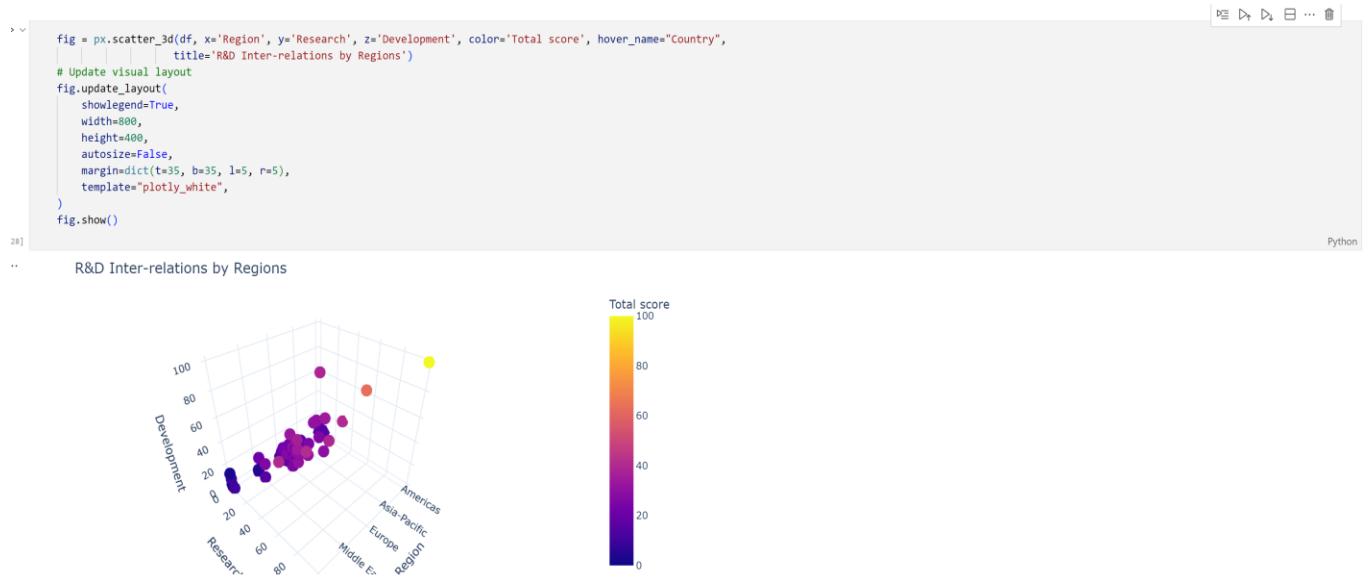
- ✓ Americans Are Most Talented in AI The talent factors group emphasizing the presence of proficient experts who can deliver artificial intelligence solutions. They include the absolute and relative numbers of AI engineers, Data Scientists, and Machine engineers, commits related to AI on GitHub, and IT graduates, etc. According to the provided dataset, the United States is the top country in the number of AI talents (an average score of all factors is 100). The following country with the lower score is India (a score of 45,3). The other three countries in the top-5 countries with skilled practitioners in AI are Great Britain, Singapore, and Israel, with almost equal scores (~40). The law scores of leaders and score median of 13.45 demonstrate an unfavorable state of the AI experts market for most countries.
- ✓ China's Infrastructure Is Most Appropriate for AI Infrastructure factors focus on the dependability and scalability of the access infrastructure, ranging from electricity and internet to supercomputing capabilities. These factors include the ratio of the total population with access to electricity, the internet, the level of 5G implementation, etc. As data say, China is better prepared for AI technologically (a score is 100). Hong Kong, Luxemburg, and the United States are just a little behind, with scores higher than 90. Ireland ends the top-5 rating with a score of 89.5. 80% of the analyzed countries have an Infrastructure indicators score higher than 50, while just one country has a total score of the Talent group indicators higher than 50. It illustrates the high global level of infrastructural capacity in comparison with the deficit of AI specialists.
- ✓ Saudi Arabia's Society Is Most Friendly to AI The Operating Environment group of factors concentrates on the regulatory environment and the public perception of artificial intelligence. The group consists of such factors as the level of data privacy legislation, gender diversity of AI professionals, the share of people who trust AI, etc. Generally, the world society is optimistic about AI (85% of the analyzed countries have an Operating Environment group score higher than 50); the five most benevolent countries are Saudi Arabia (a score is 100), Poland, Mexico, Slovenia, and Canada.
- ✓ Under weights for each indicator group, the Top 5 countries with the highest AI implementation level are the United States, The Netherlands, Canada, China, and Great Britain. Only 35% of analyzed countries have an implementation score higher than 50.

Holistic View on AI Innovations

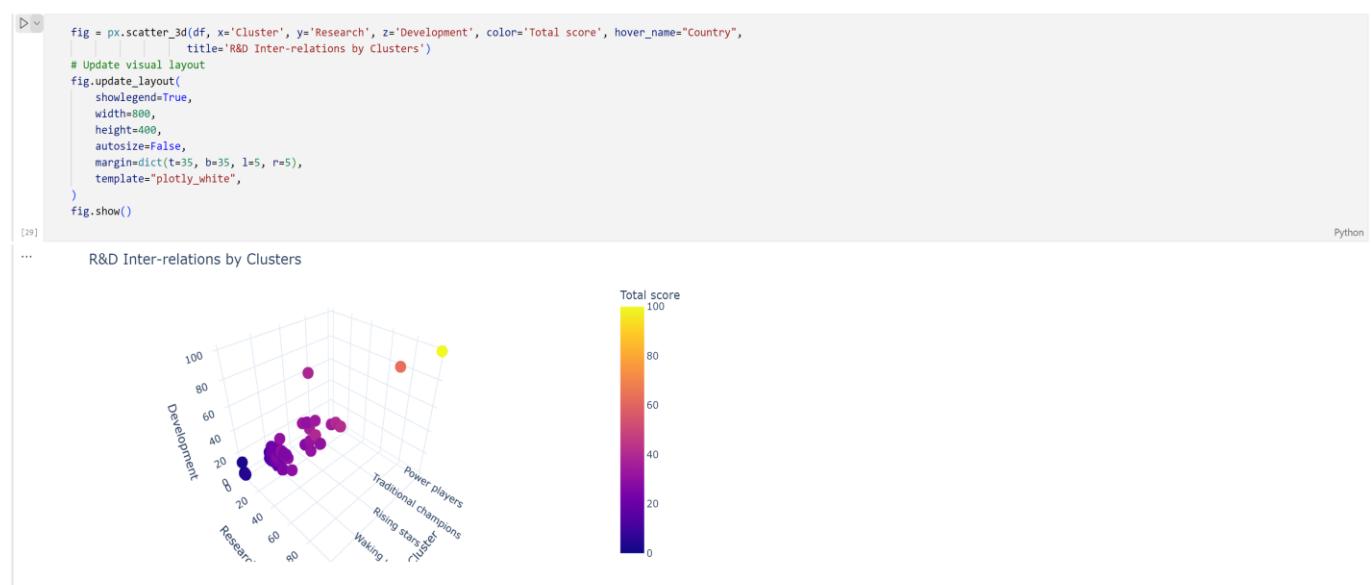
Innovative metrics reflect the progress made in technology and methodology, which signify the potential for artificial intelligence to evolve and improve. According to Tortoise Media, the innovation metrics are divided into two smaller groups

- ✓ Research
- ✓ Development

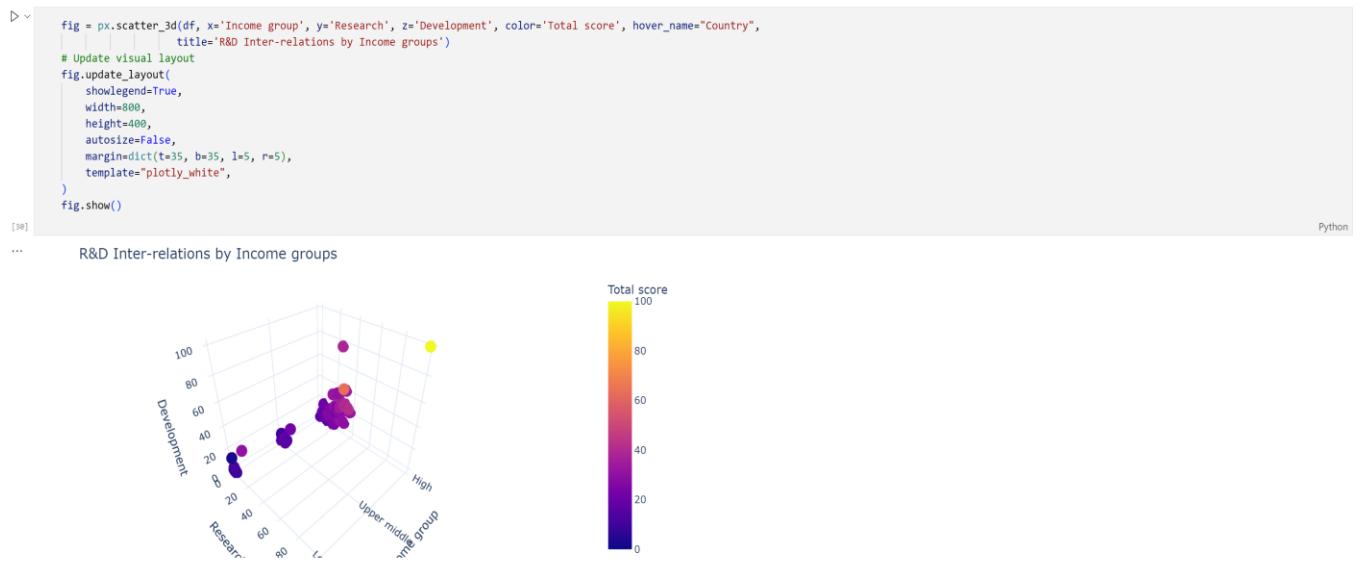
1. R&D Inter-relations by Regions



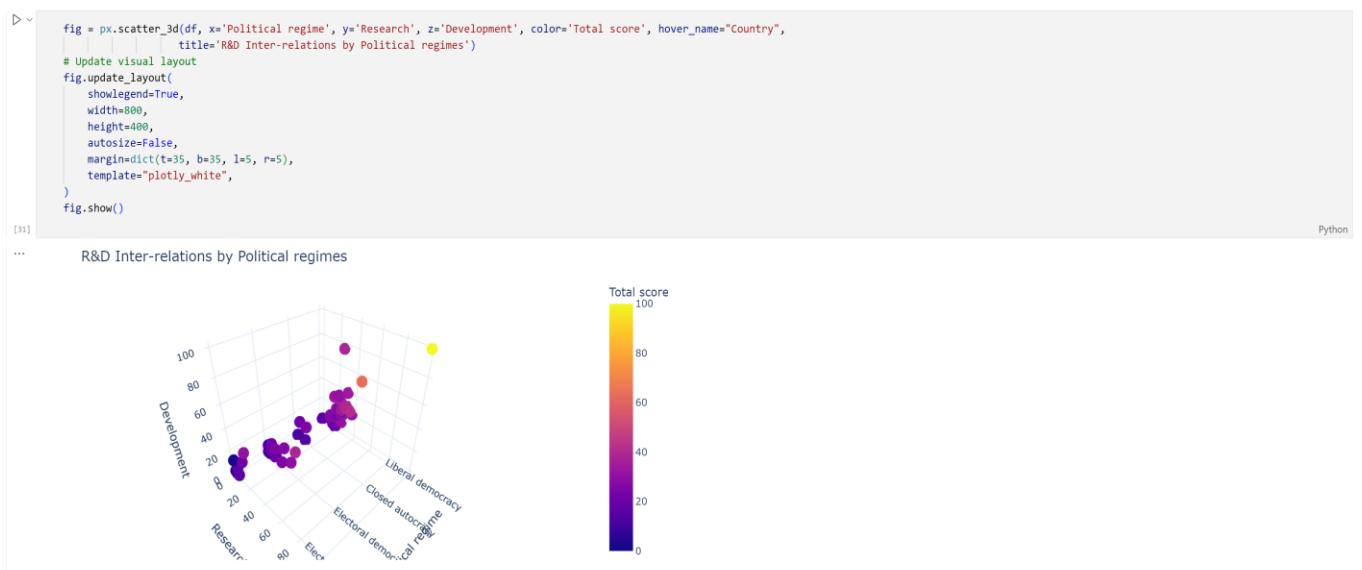
2. R&D Inter-relations by Clusters



3. R&D Inter-relations by Income-Group



4. R&D Inter-relations by Political regimes



The charts above confirms what [Global AI Race: Dominant Players and Aspiring Challengers]conveys on the AI Innovation indicators

- ✓ **US Specialists Are Generating** More AI Ideas. The Research indicator analyzes the degree of specialization among researchers and their research activities, specifically focusing on quantifying the number of publications and citations in reputable scholarly journals. This complex indicator accounts for total spending on research and development, the absolute and relative number of AI-related articles, researchers, and universities with AI-related courses. The global state of the AI Research indicator is unpleasant — only two countries have scored higher than 50, one of which is the United States (a score is 100). It's not surprising since we have already found that the country has the most specialists related to AI. The second country is China (a score of 71,4); it has been investing heavily in AI and technology education in recent years to become a global leader in the AI sphere. The following three countries on the top-5 list are Switzerland, Singapore, and the United Kingdom.

- ✓ **AI Development in the USA** Is at the Highest Level. The group of Development indicators focuses on fundamental platforms and algorithms development upon which innovative artificial intelligence projects rely. It includes the absolute and relative number of software developers who are core creators of open-source "AI packages," the number of commits to "open-source AI packages," the number of patents relating to "AI," etc. Globally, only three countries are on a high level of development in the AI field; they are the USA (a score is 100), China (a score is 80), and South Korea (a score is 77,3). The score of other countries is lower than 50. To complete the top-5 list, - the last two countries are Australia and Japan.

- ✓ The Top 5 countries with the highest level of innovation in AI are the United States, China, South Korea, Australia, and Switzerland. However, only the first two have an innovation score higher than 50. It testifies to the low level of AI development among the countries (in comparison with the leader - the USA) despite the shreds of evidence of AI worldwide exponential growth.

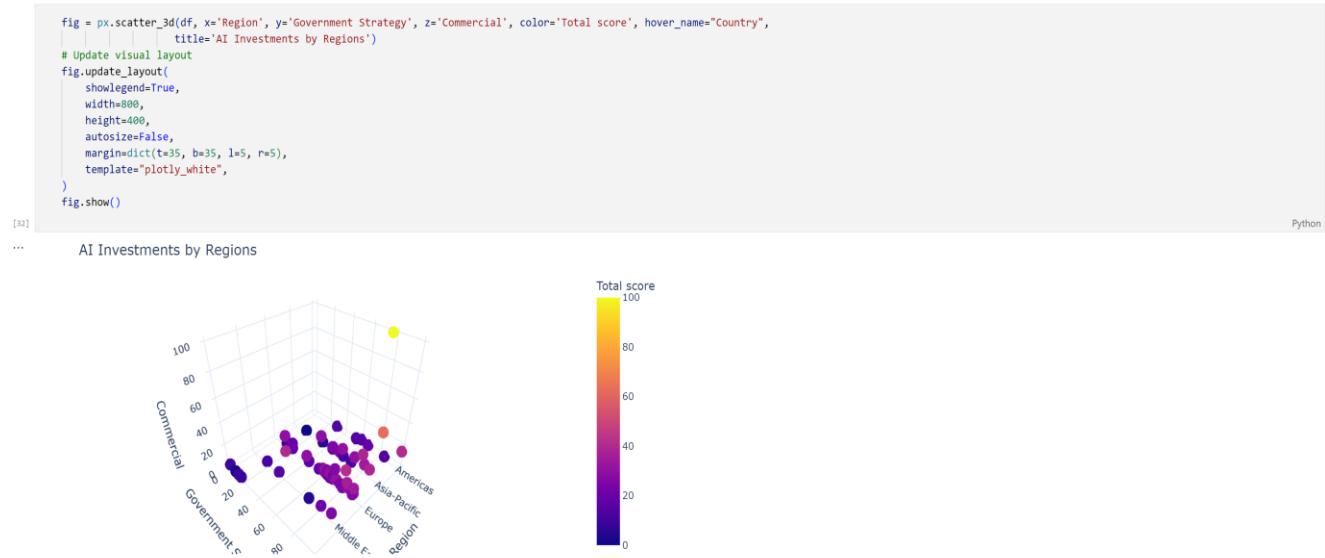
- ✓ Additionally, we can observe the interesting 'outlier' represented by South Korea. This country

demonstrates quite a low value of AI Research while its AI Development index is within the top 5 list for the entire dataset. It can indicate the country to become a powerful hub for prototyping various AI-centric solutions, products, and hardware where the ideas/patents proposed by the specialists from other countries are being 'productized'/validated by the practical applications.

Holistic View on AI Investments

Investment metrics reflect financial and procedural commitments to artificial intelligence. Tortoise Media divides these metrics into two groups of indexes - Government Strategy and Commercial.

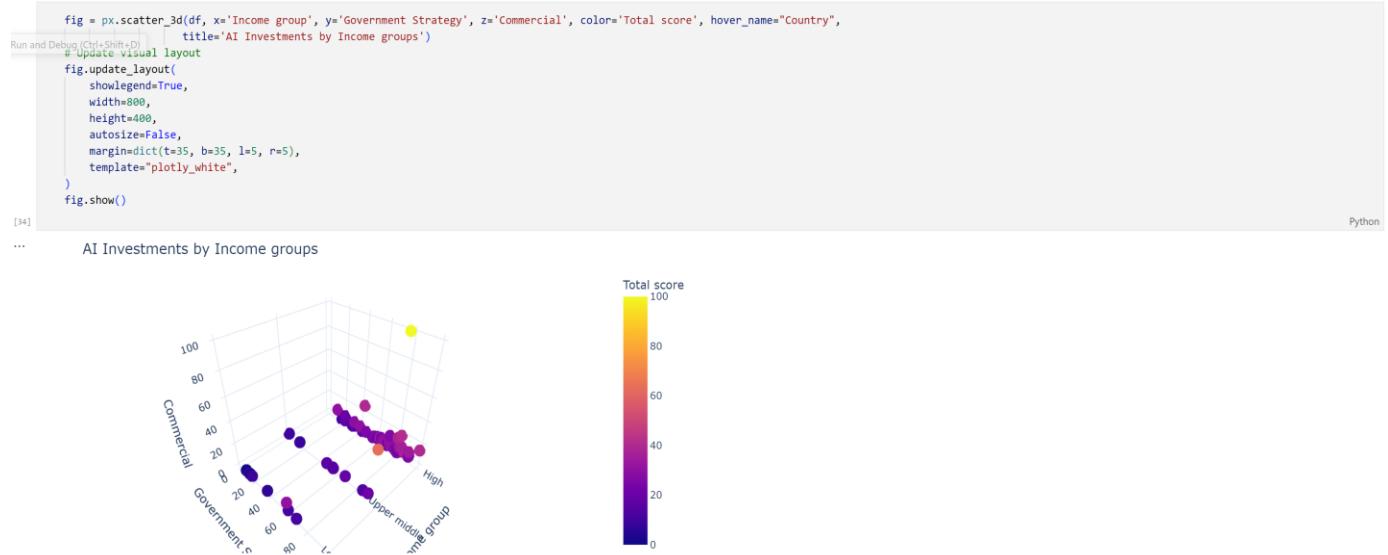
1. AI Investment by Regions



2. AI Investment by Clusters



3. AI Investment by Income-Group



4. AI Investment by Political Regimes



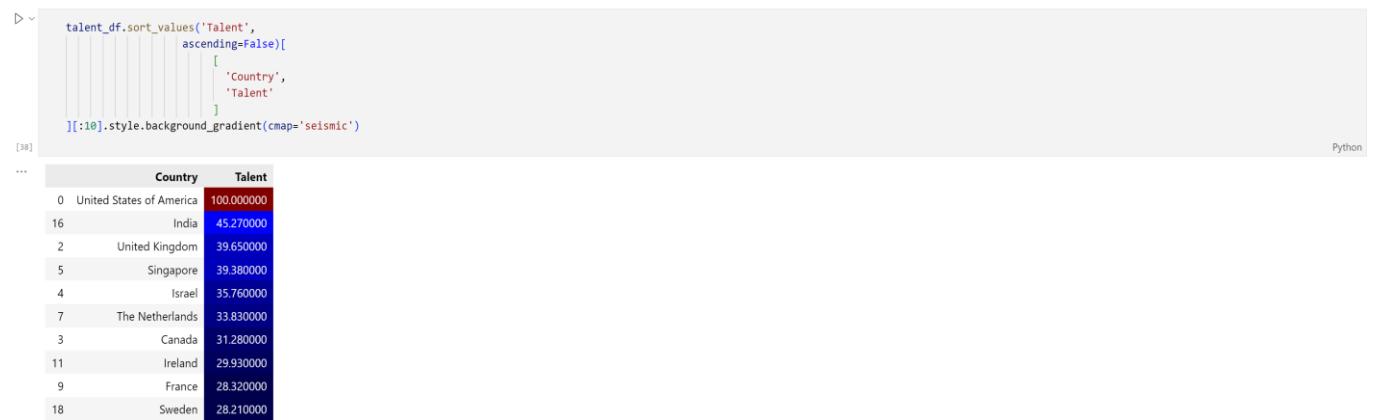
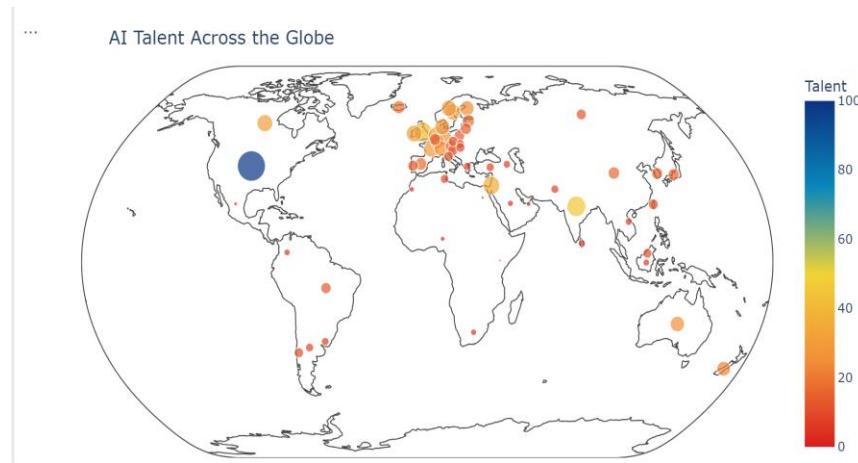
The charts above confirms what [Global AI Race: Dominant Players and Aspiring Challengers]conveys on the AI Investment indicators

- ✓ The Canadian Government Is the Most Inclined Toward the AI Growth. The Government Strategy indicator focuses on the extent of national commitment to artificial intelligence by examining both spending allocations and national-level plans. It factors in the amount of dedicated investment in AI by the government, the level of tax credit for research and development, dedicated spending on AI, etc. Almost 70% of the countries in the dataset are ready for AI evolution at the governmental level; their Government Strategy indicator score is higher than 50. The first five countries in the rate are Canada, China, Saudi Arabia, Spain, and France (it is 5 out of 6 countries with a score higher than 90).
- ✓ The United States Is an Absolute Leader in the AI Commercialisation. Commercial indicators evaluate the degree of startup engagement, investment, and business ventures that rely on artificial intelligence. These indicators include the absolute and relative numbers of AI companies and startups, their total and average funding, etc. The United States is leading in the commercialization of AI and has no direct competition in this field. China is the closest country to the USA but is 66% behind. The three following countries are Israel, the United Kingdom, and Singapore; their commercial scores are lower than 30.
- ✓ Although the United States Government Strategy in AI is not even in the top-5 of the strongest

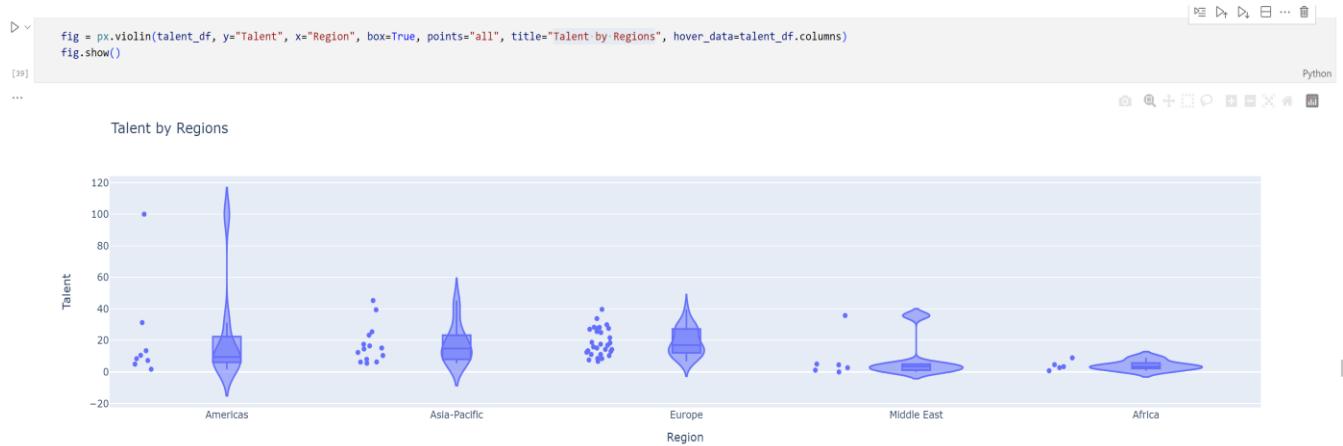
ones, it is scoring high on Investment indicators and is ranking first. The following four countries are China, Israel, the United Kingdom, and Canada; their investment level is far behind the USA.

Talent Insight

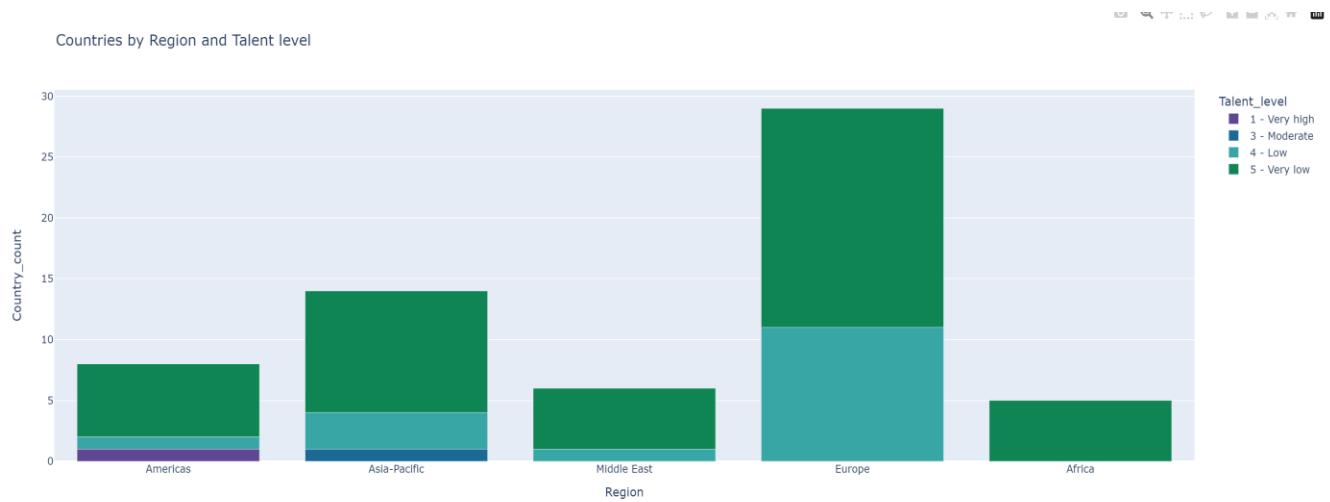
1. Talent: Geospatial view



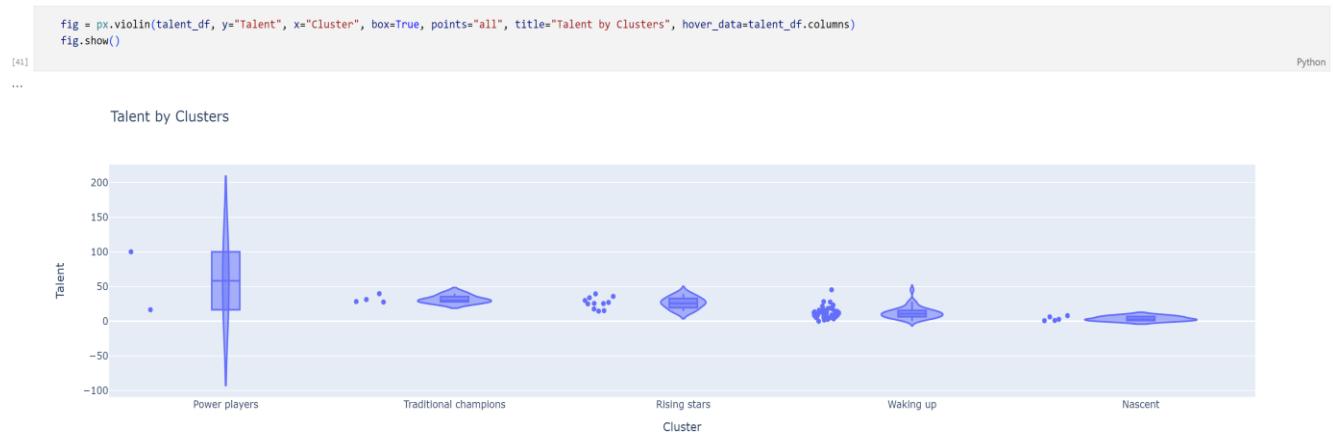
2. Talent by Regions



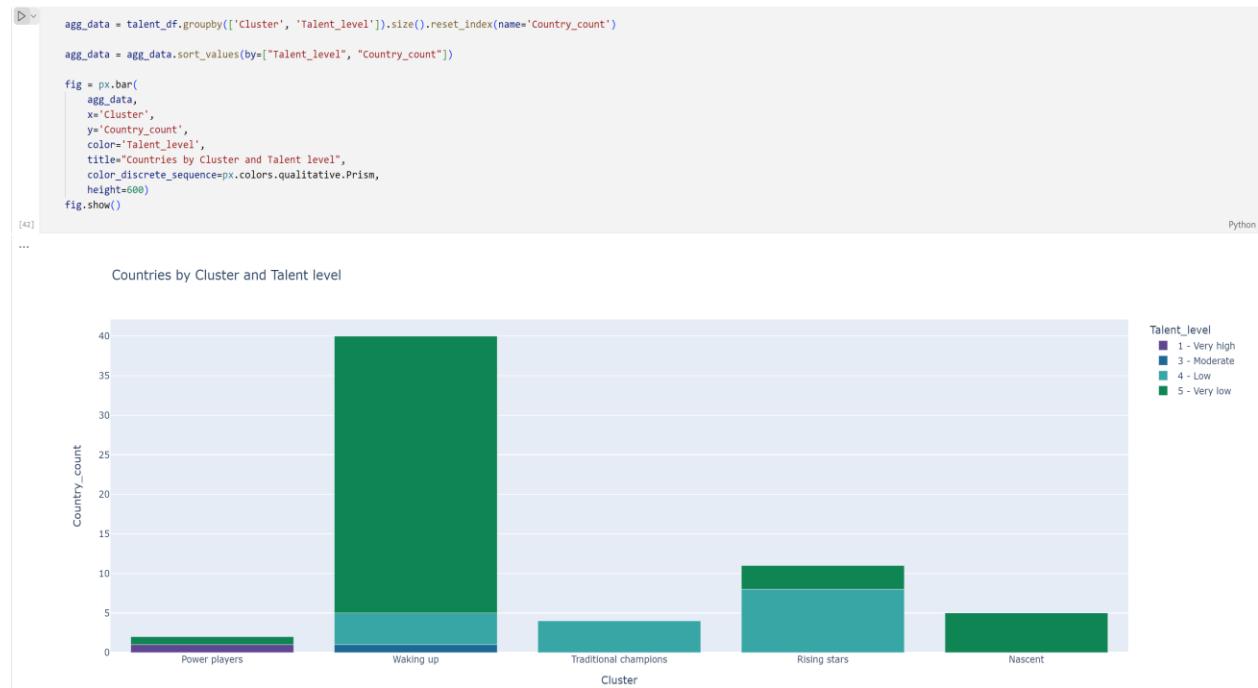
3. Countries by Region and Talent level



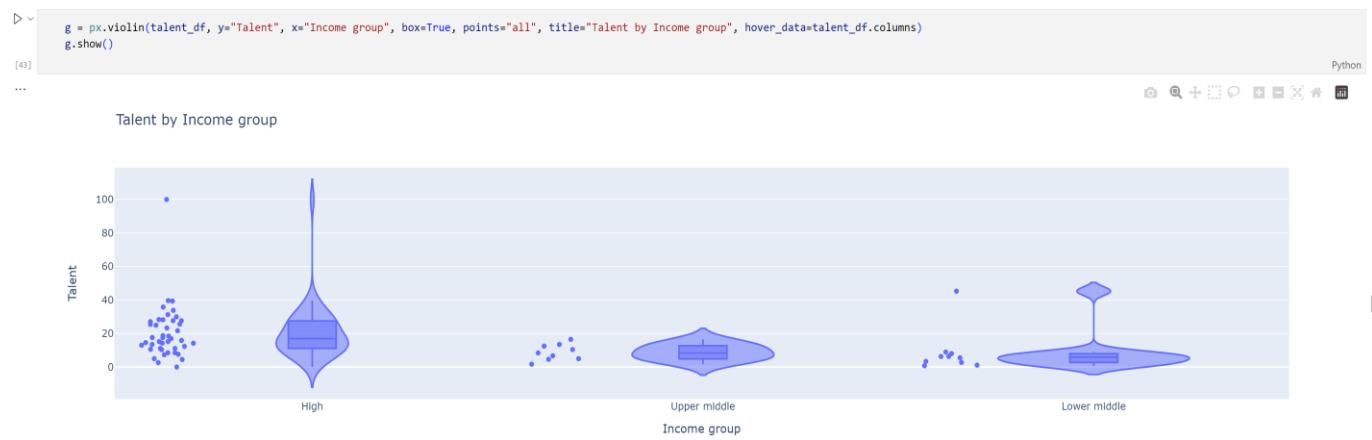
4. Talent by Clusters



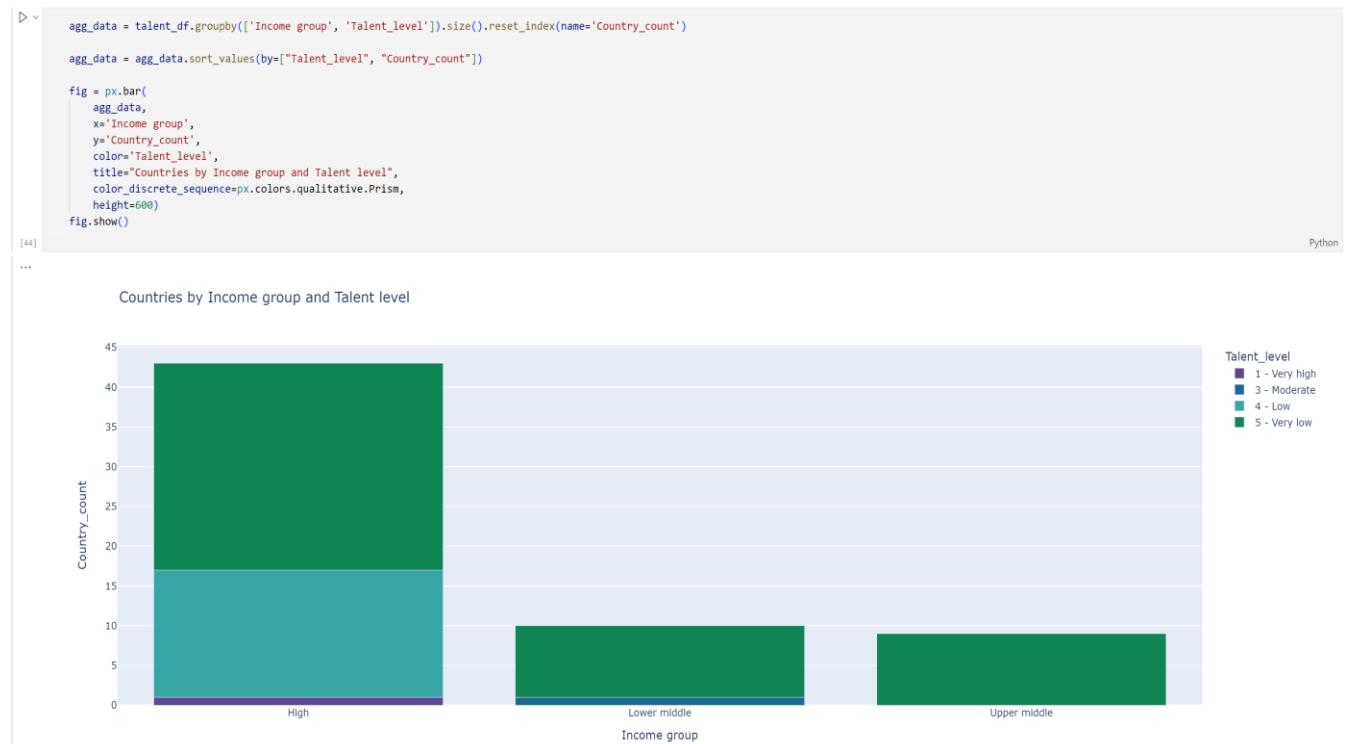
5. Countries by Cluster and Talent level



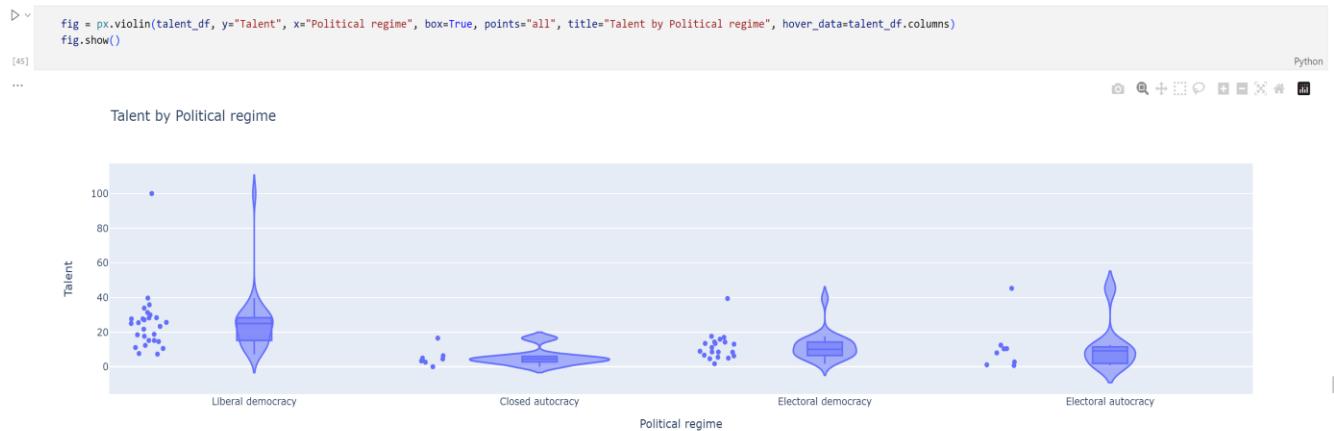
6. Talent by Income Group



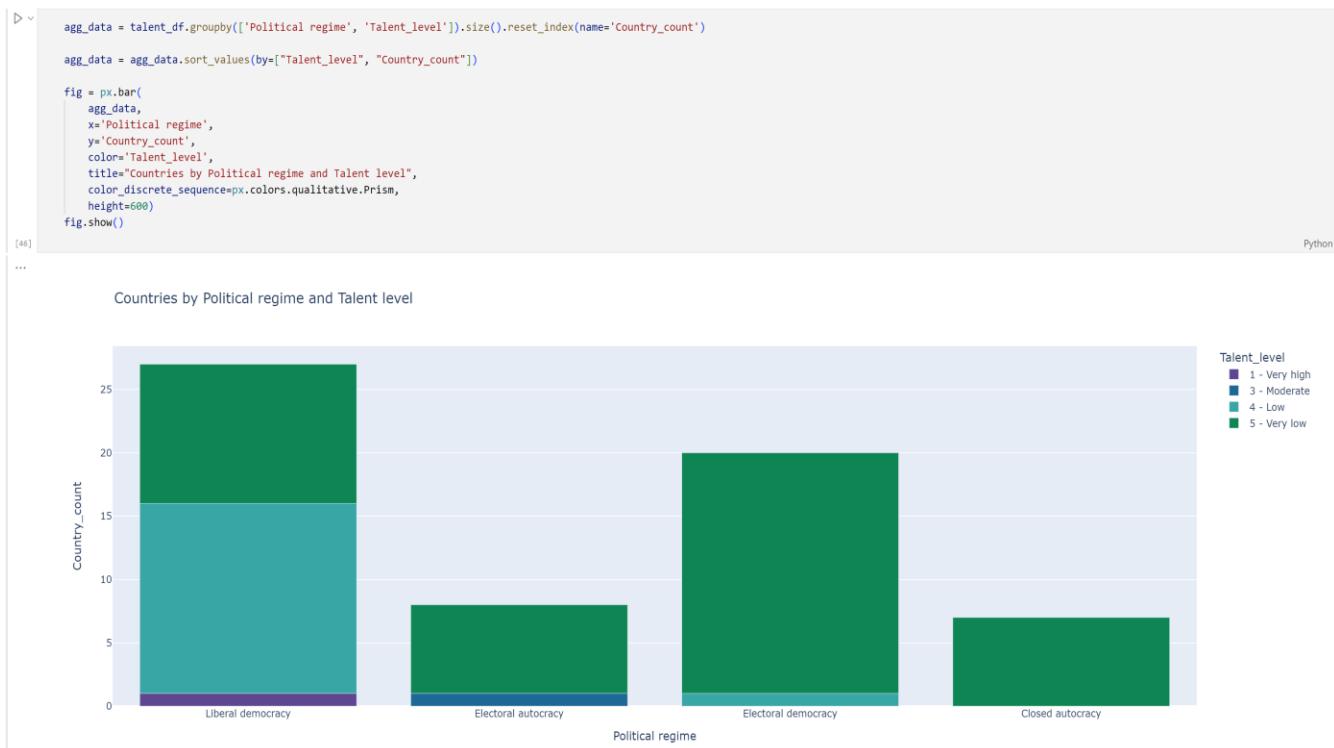
7. Countries by Income group and Talent level



8. Talent by Political regime

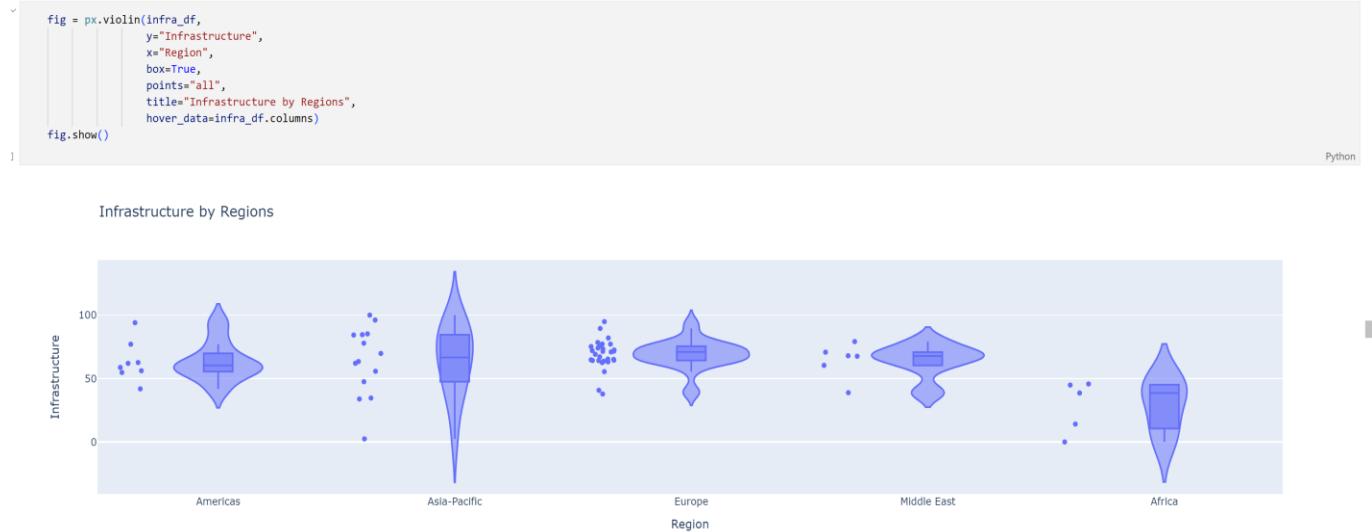


9. Countries by Political Regime and Talent level

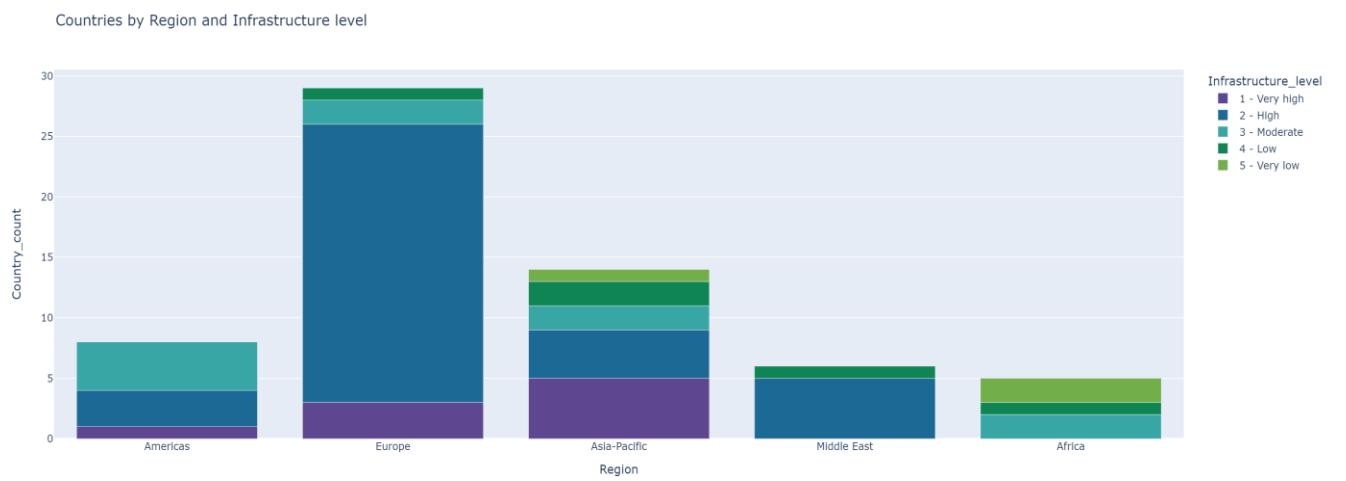


Infrastructure Insights

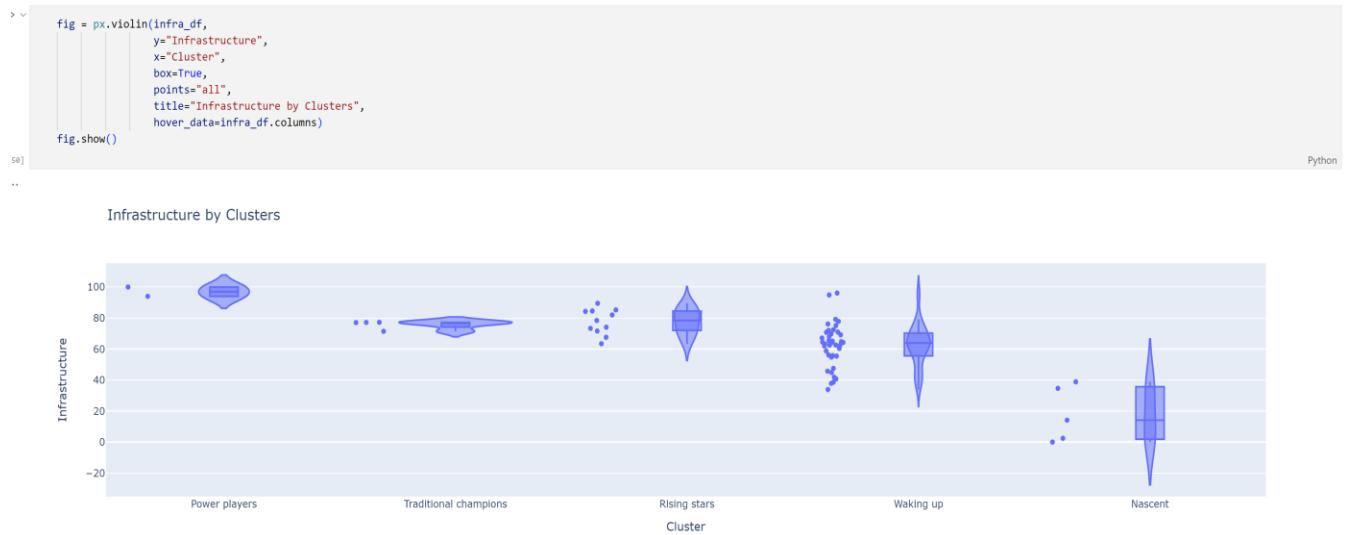
1. Infrastructure by Region



2. Countries by region and Infrastructure level



3. Infrastructure by Clusters



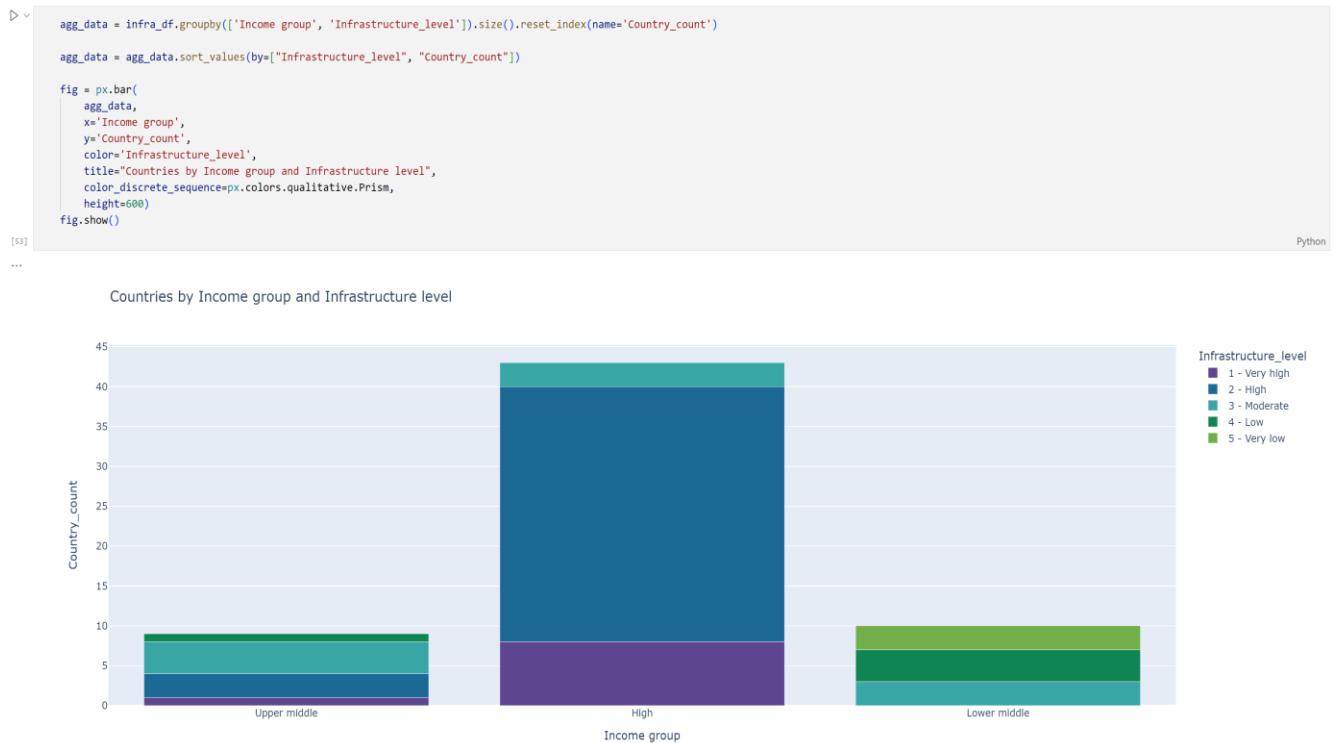
4. Countries by Cluster and Infrastructure level



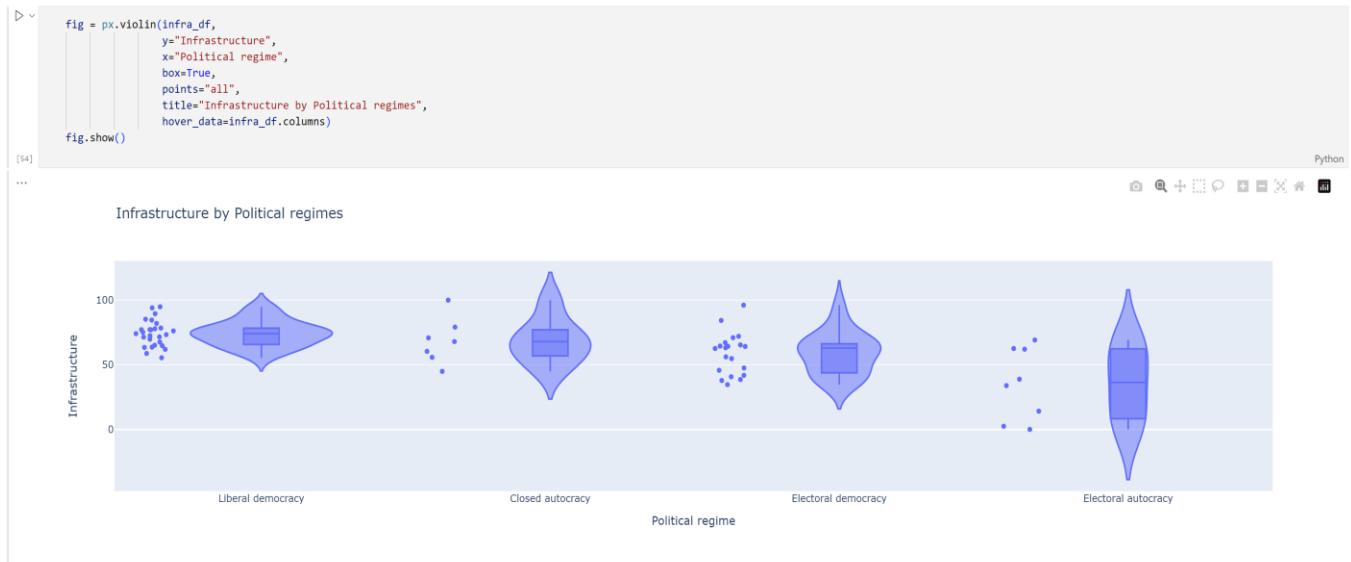
5. Infrastructure by Income groups



6. Countries by Income group and Infrastructure level



7. Infrastructure by Political regimes



8. Countries by Political regime and Infrastructure level

```

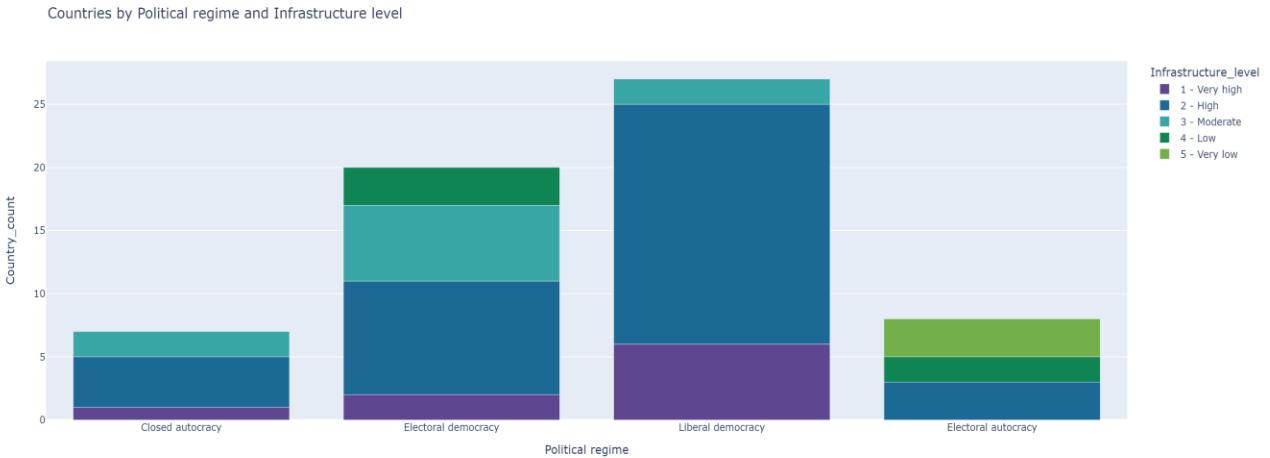
    agg_data = infra_df.groupby(['Political regime', 'Infrastructure_level']).size().reset_index(name='Country_count')

    agg_data = agg_data.sort_values(by=["Infrastructure_level", "Country_count"])

    fig = px.bar(
        agg_data,
        x='Political regime',
        y='Country_count',
        color='Infrastructure_level',
        title="Countries by Political regime and Infrastructure level",
        color_discrete_sequence=px.colors.qualitative.Prism,
        height=600)
    fig.show()

```

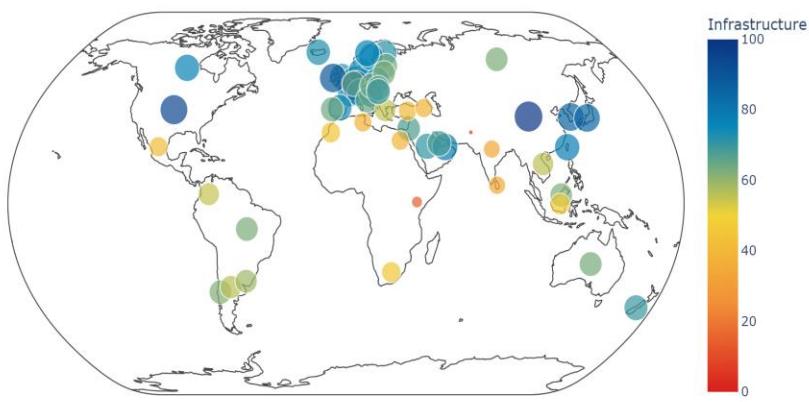
[38] ...



9. AI Infrastructure Across the Globe

...

AI Infrastructure Across the Globe



```

infra_df.sort_values('Infrastructure',
                     ascending=False)[
    [
        'Country',
        'Infrastructure'
    ]
][:10].style.background_gradient(cmap='seismic')

```

	Country	Infrastructure
1	China	100.000000
19	Hong Kong	96.110000
14	Luxembourg	94.880000
0	United States of America	94.020000
11	Ireland	89.500000
6	South Korea	85.230000
15	Japan	84.580000
5	Singapore	84.300000
7	The Netherlands	81.990000
33	United Arab Emirates	79.160000

Operating Environment Insights

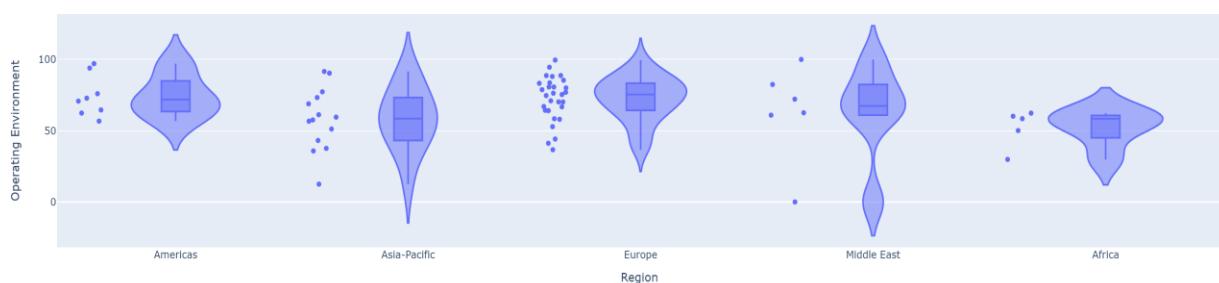
1. Operating Environment by Regions

```

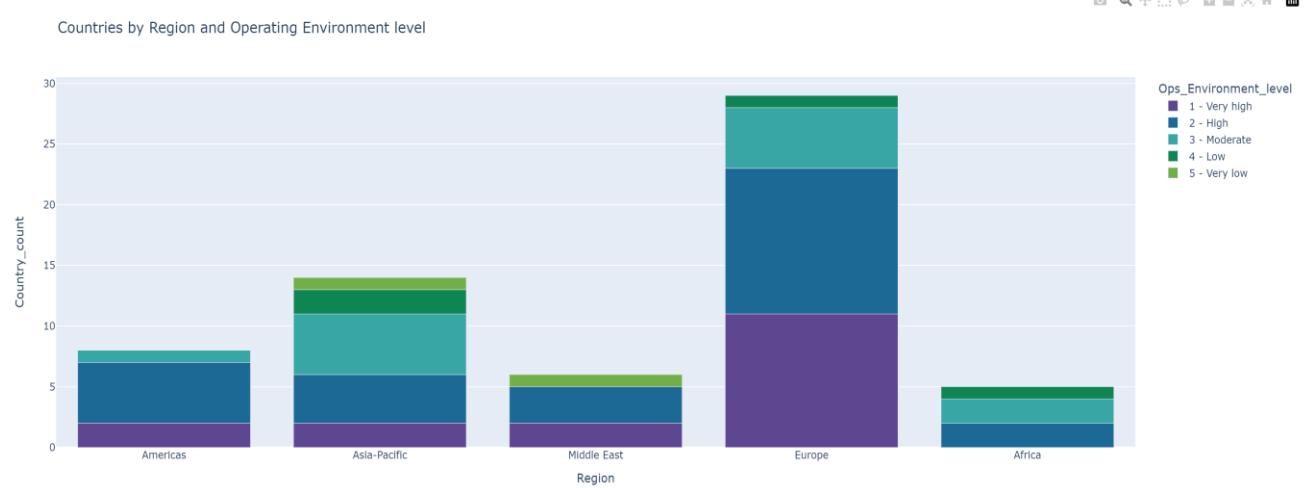
> fig = px.violin(ops_df,
                  y="Operating Environment",
                  x="Region",
                  box=True,
                  points="all",
                  title="Operating Environment by Regions",
                  hover_data=ops_df.columns)
fig.show()

```

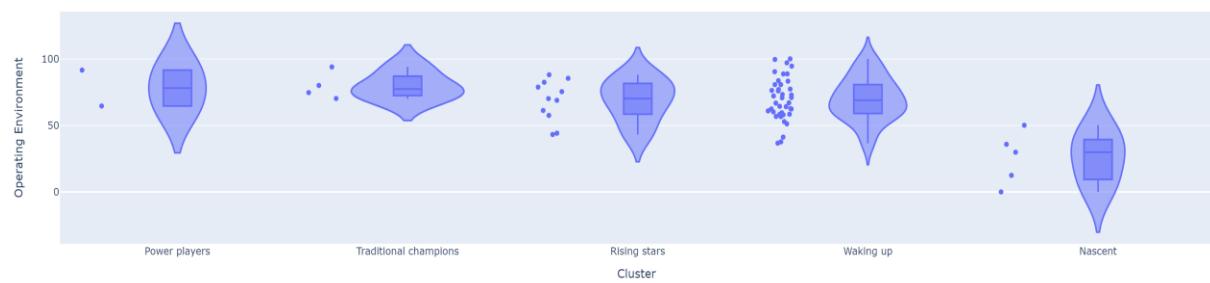
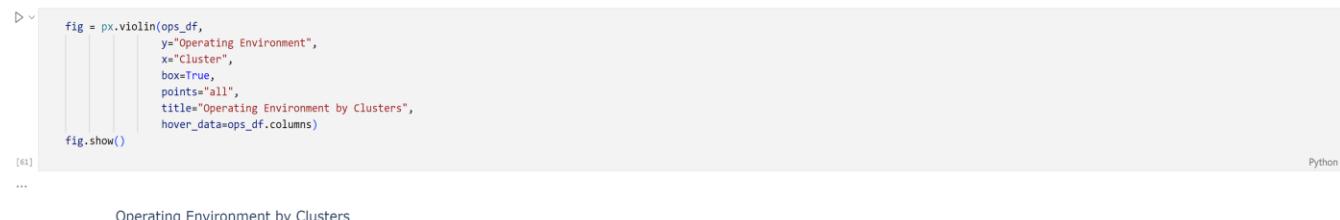
Operating Environment by Regions



2. Countries by Region and Operating Environment level



Operating Environment by Clusters



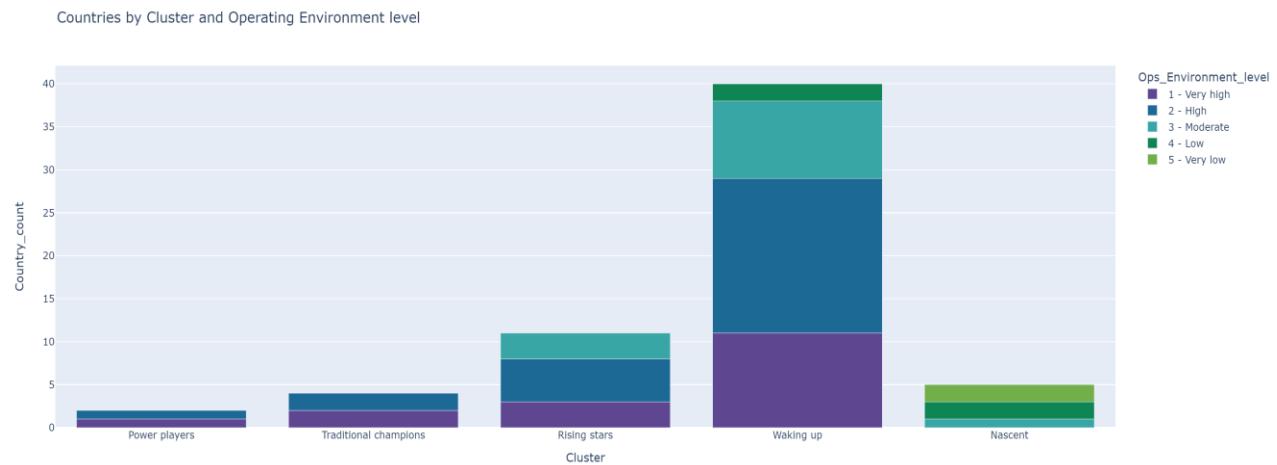
3. Countries by Cluster and Operating Environment level

```
[> v agg_data = ops_df.groupby(['Cluster', 'Ops_Environment_level']).size().reset_index(name='Country_count')

agg_data = agg_data.sort_values(by=["Ops_Environment_level", "Country_count"])

fig = px.bar(
    agg_data,
    x='Cluster',
    y='Country_count',
    color='Ops_Environment_level',
    title="Countries by Cluster and Operating Environment level",
    color_discrete_sequence=px.colors.qualitative.Prism,
    height=600)
fig.show()
```

[62] ... Python

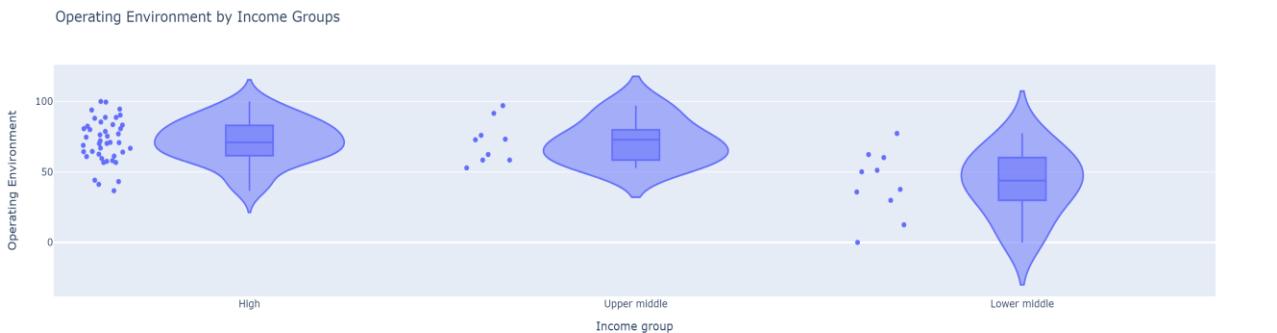


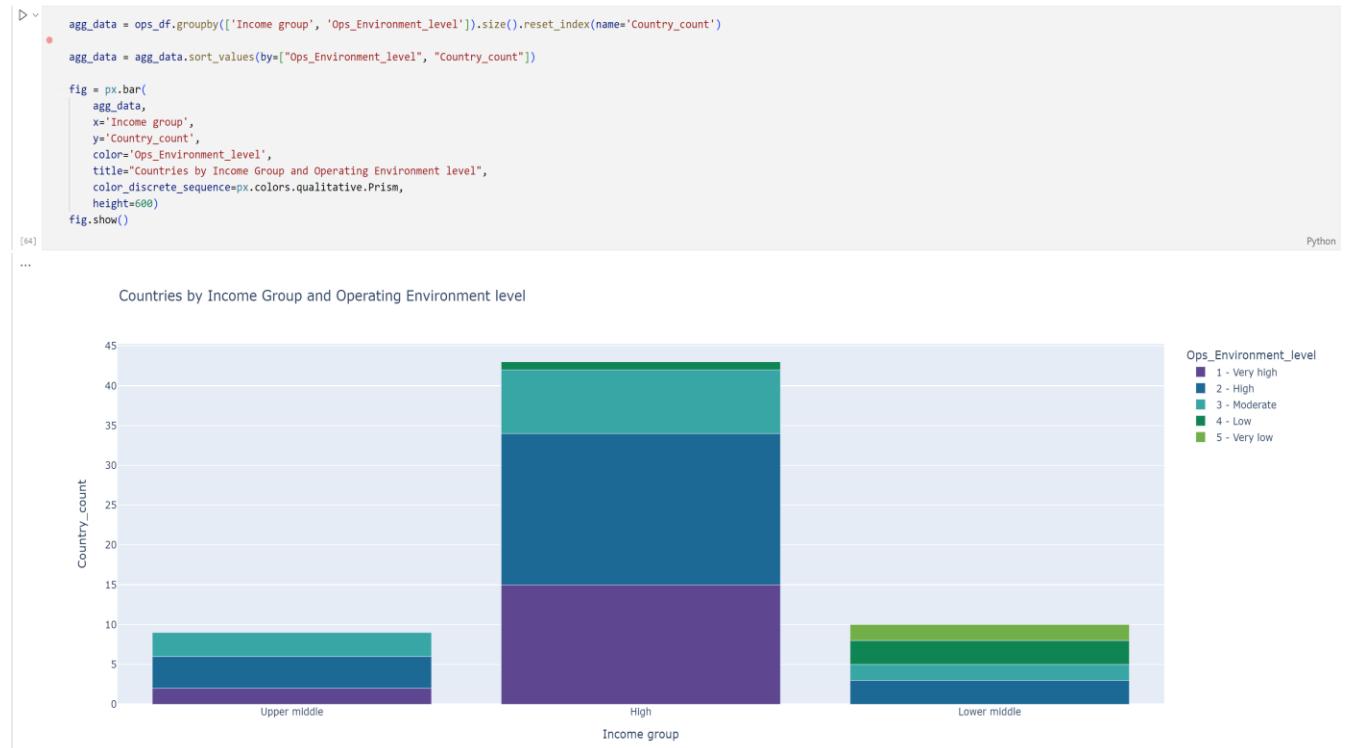
4. Countries by Income Group and Operating Environment level

```
[> v fig = px.violin(ops_df,
                    y="Operating Environment",
                    x="Income group",
                    box=True,
                    points="all",
                    title="Operating Environment by Income Groups",
                    hover_data=ops_df.columns)

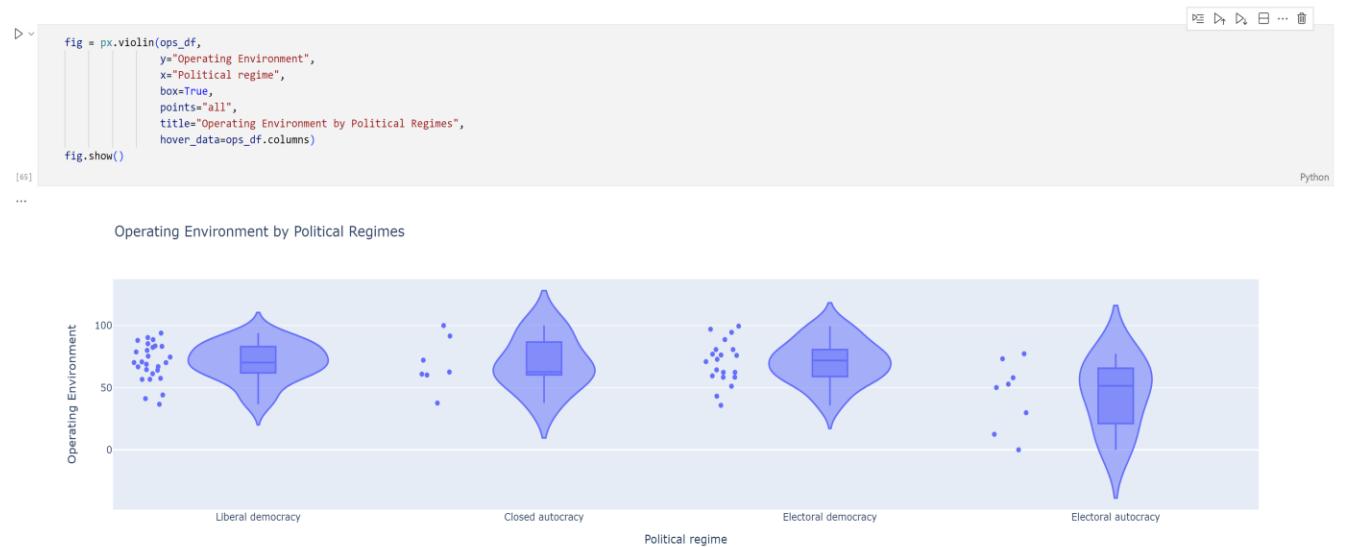
fig.show()
```

[63] ... Python



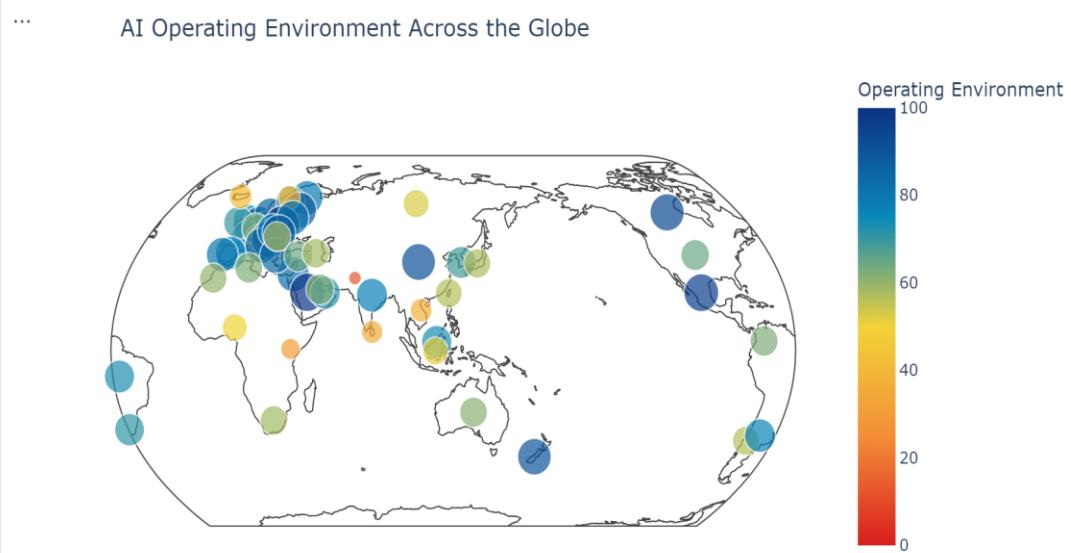


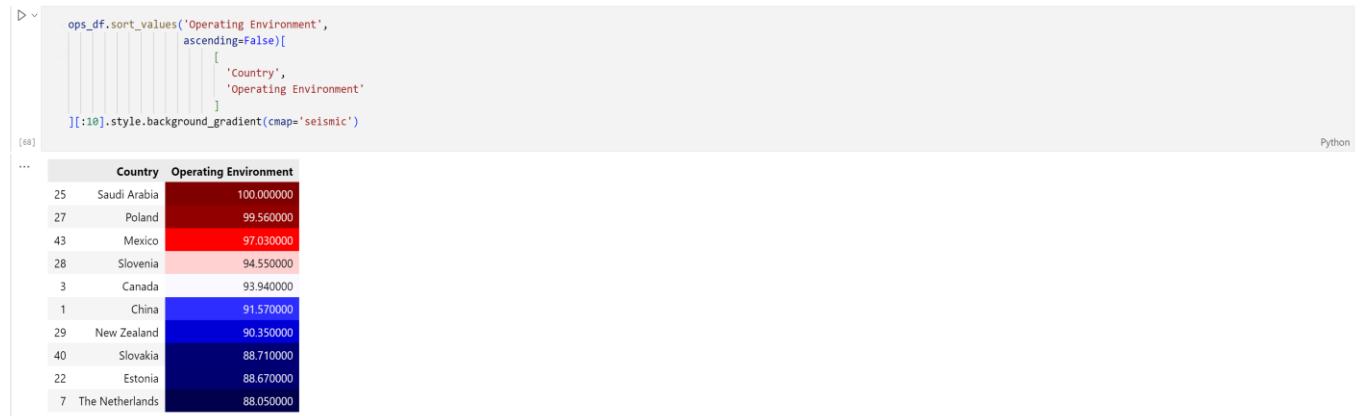
5. Countries by Political Regime and Operating Environment level





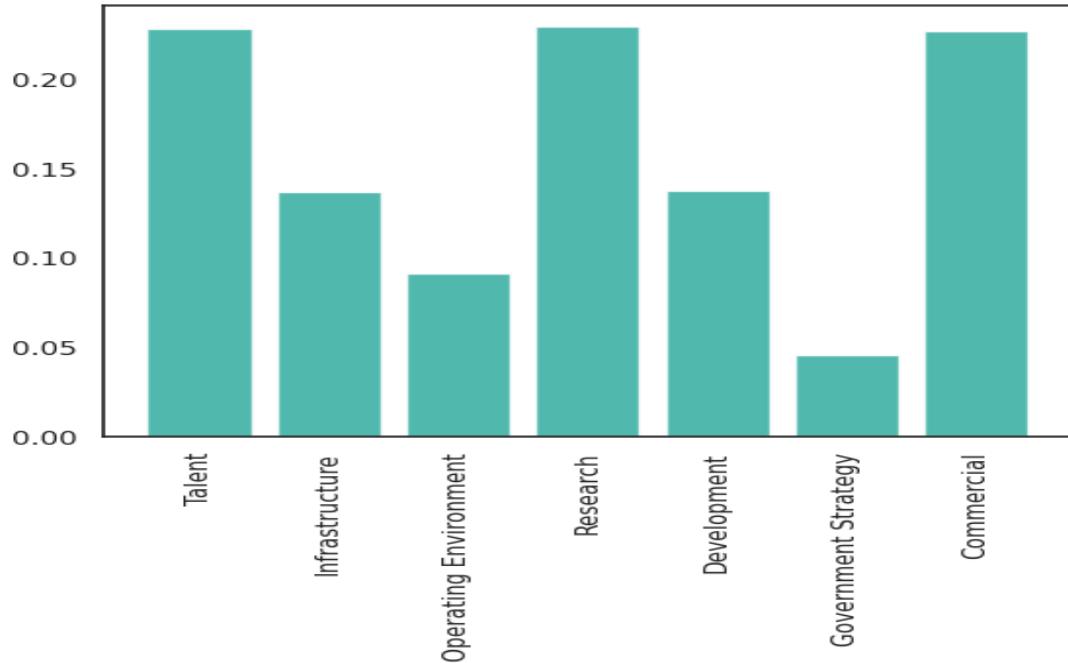
6. AI Operating Environment Across the Globe





Applying Linear Regression

- We used a 30-70 test-train split to make the first set of predictions using linear regressions as below
 Predictions: [25.79533183 11.61788696 30.25060742 26.59866239 40.93211759], Actual Values: [25.79 11.62 30.25 26.6 40.93]
 Predicted and actual values are closely matching.
- R^2 : 0.9999998271705571
 RMSE: 0.003736512423875227
- The features explain 99.9% of the Global AI Index values! It's obvious since we know the Global AI Index was calculated through the features indicators though we don't know the weights of each indicator).
- Cross-validation scores: [0.99999979 0.99999982 0.99999997 0.99999996 0.99999987 0.99999981]. By using cross-validation, we can see how performance varies depending on how the data is split. Actually, in our case the way we split the data doesn't change the accuracy significantly.
- Ridge regression performs regularization by computing the squared values of the model parameters multiplied by alpha and adding them to the loss function. Trying Ridge below
 Ridge scores: [0.9999998263154828, 0.9999998176264873, 0.9999996324400697, 0.9999879983575798, 0.9989687641394047, 0.9551200327529987]
- The scores don't appear to change much as alpha increases, which is indicative of how well the features explain the variance in the target—even by heavily penalizing large coefficients, underfitting does not occur.
 Let's see now which indicator has the highest weight for the Global AI Index.



Hence Research indicator has the highest impact on the Global AI Index following by Talent and Commercial indicators.

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- ✓ 'T-Minus AI': A look at the intersection of geopolitics and autonomy (Aug 17, 2020) - <https://www.c4isrnet.com/opinion/2020/08/16/t- minus-ai-a-look-at-the-intersection-of-geopolitics-and-autonomy/>
- ✓ Artificial Intelligence and Great Power Competition (Mar 28, 2023) - <https://www.cfr.org/podcasts/artificial-intelligence-and-great-power-competition-paul-scharre>
- ✓ AI is supposedly the new nuclear weapons — but how similar are they, really? (Jun 29, 2023) - <https://www.vox.com/future-perfect/2023/6/29/23762219/ai-artificial-intelligence-new-nuclear-weapons-future>
- ✓ U.S.-China tech battle entering its ‘primetime’ — and generative A.I. could be the next frontier (Jun 22, 2023) - <https://www.cnbc.com/2023/06/23/us-china-tech-war-why-generative-ai-could-be-the-next-battleground.html>
- ✓ MACHINE POLITICS: EUROPE AND THE AI REVOLUTION (Jul. 1, 2019) - <https://www.jstor.org/stable/resrep21907>
- ✓ Military Uses of AI: A Risk to International Stability? (Jan 1, 2021) <https://www.jstor.org/stable/resrep28649.5>
- ✓ Global AI Race: Dominant Players and Aspiring Challengers (Jun 26, 2023) - <https://intersog.com/blog/ai-dominant-players-and-aspiring-challengers/>
- ✓ State of AI Report - <https://stateof.ai>