



UNITED NATIONS  
INDUSTRIAL DEVELOPMENT ORGANIZATION



**SUSTAINABLE DEVELOPMENT GOAL 9**  
INDUSTRY, INNOVATION AND INFRASTRUCTURE

# SESSION 2: SMART PRODUCTION, ARTIFICIAL INTELLIGENCE AND INDUSTRY 4.0

**1<sup>st</sup> Forum on Artificial Intelligence and the Internet of Things in  
Smart Sustainable Cities in Latin America**

**Buenos Aires, Argentina, 29-30 May 2018**

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# Rapid urbanization taking place worldwide



## PEOPLE: INCREASING POPULATIONS

Cities occupy around 2% of land mass and host 51% of the world's population. By 2050 approximately 80% of the global population will live in urban areas. By 2030, the urban population of developing countries will double



## PLANET: RESOURCE USAGE

Cities consume around 80 % of planet's resources; 75 % of global primary energy  
Cities emit between 50 - 60 % of the world's total greenhouse gases.



## PROSPERITY: ECONOMIC GROWTH

Cities account on average for 75 % of a country's GDP and are the main engines of global economic growth.  
Top 600 cities, with 1/5th of the world's population, produce 60 % of global GDP.



# The 4<sup>th</sup> Industrial Revolution: Characteristics

## **INFORMATION TRANSPARENCY & DATA**

Data collection, big data and sensor data lets systems build virtual copy of the physical world

## **TECHNICAL ASSISTANCE**

Systems aid humans in problem-solving and decision-making, assist them with unsafe, dangerous tasks

## **ARTIFICIAL INTELLIGENCE**

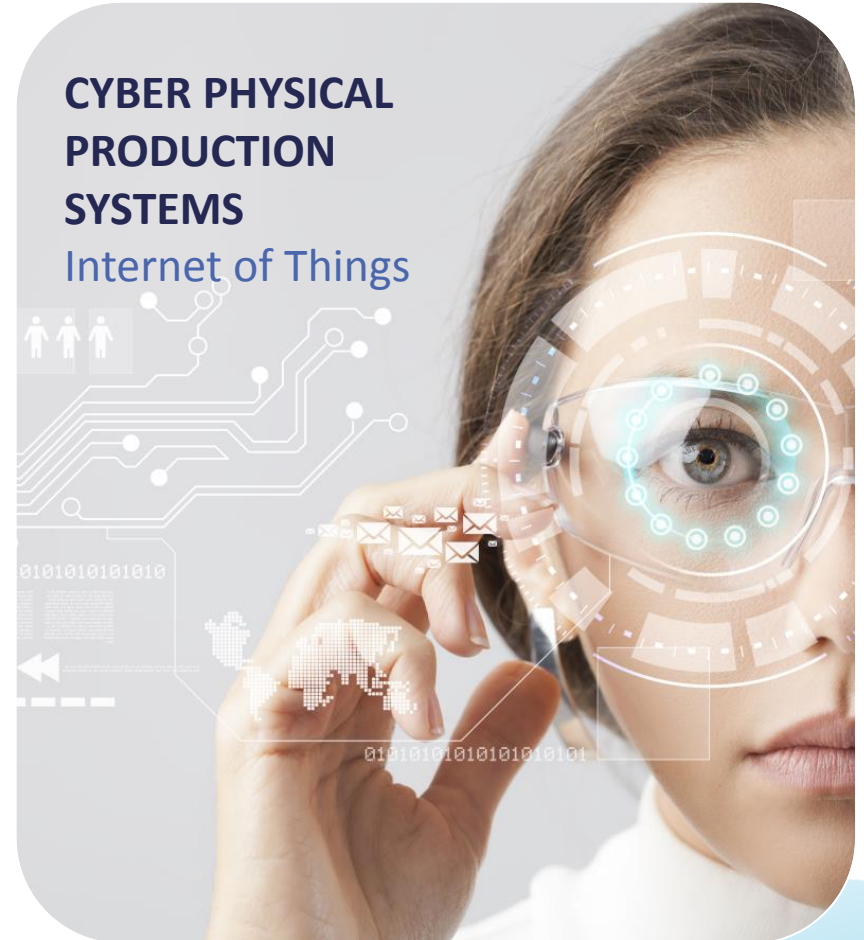
Cyber-physical systems are independent and make uncomplicated decision on their own

## **INTEROPERABILITY**

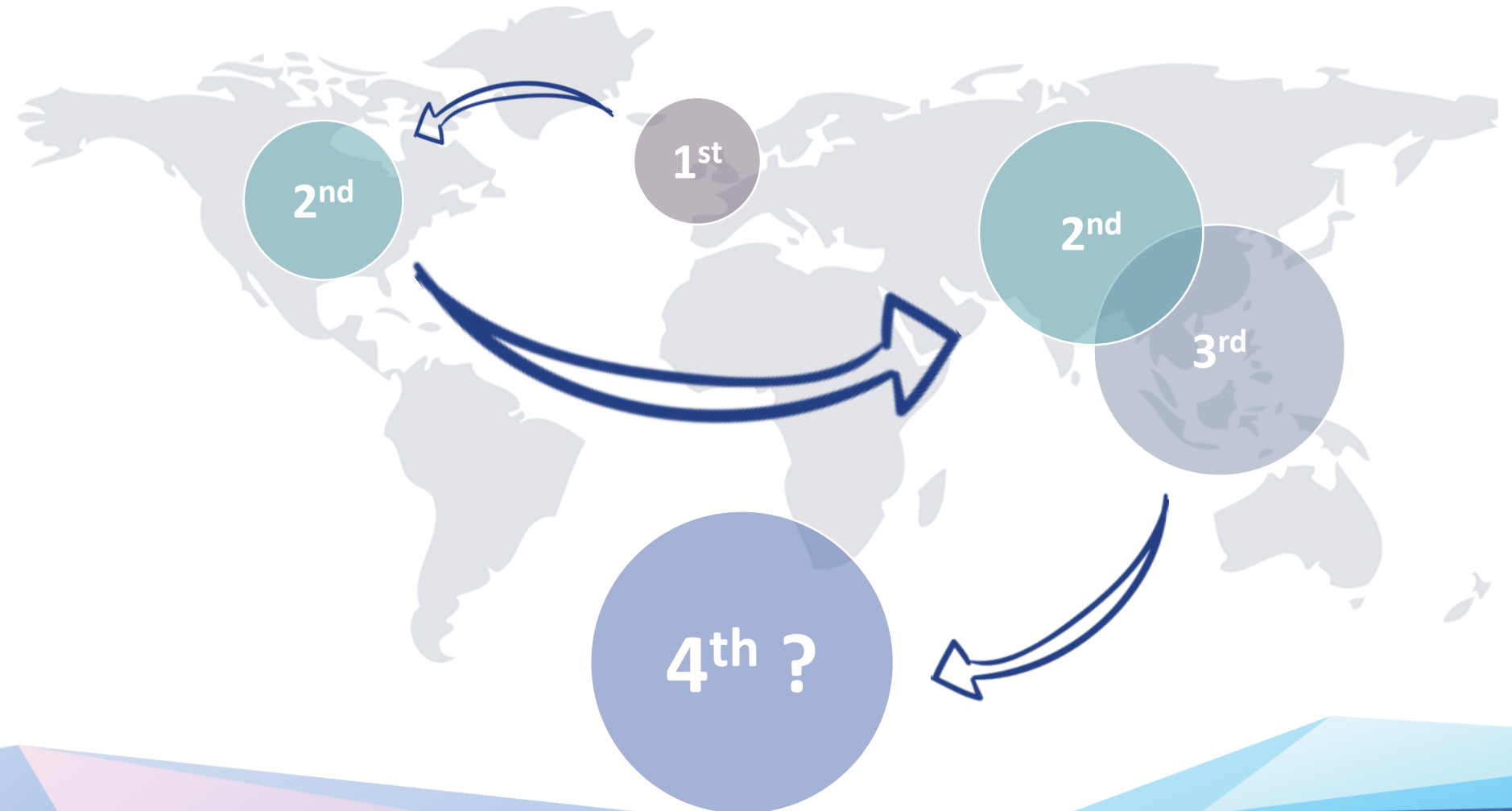
Devices, sensors, machines and people connect and communicate, thereby working together

## **CYBER PHYSICAL PRODUCTION SYSTEMS**

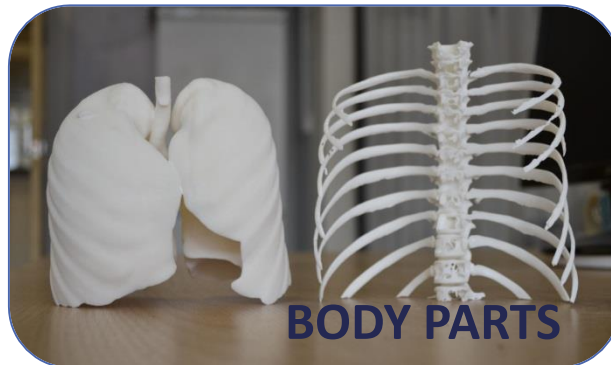
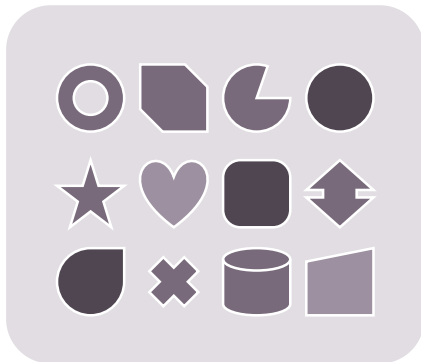
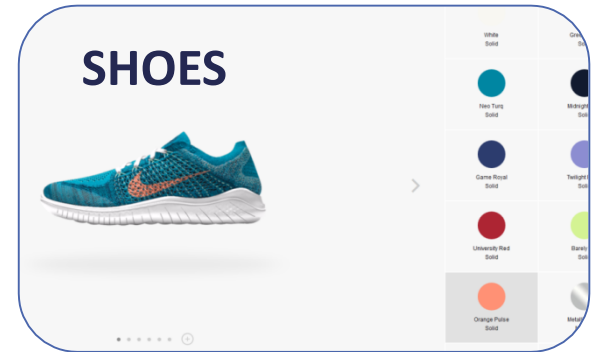
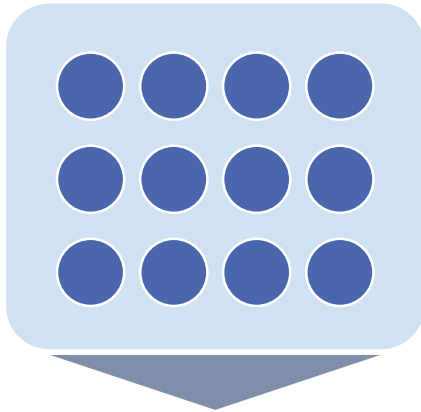
Internet of Things



# Changes in the Geography of Production

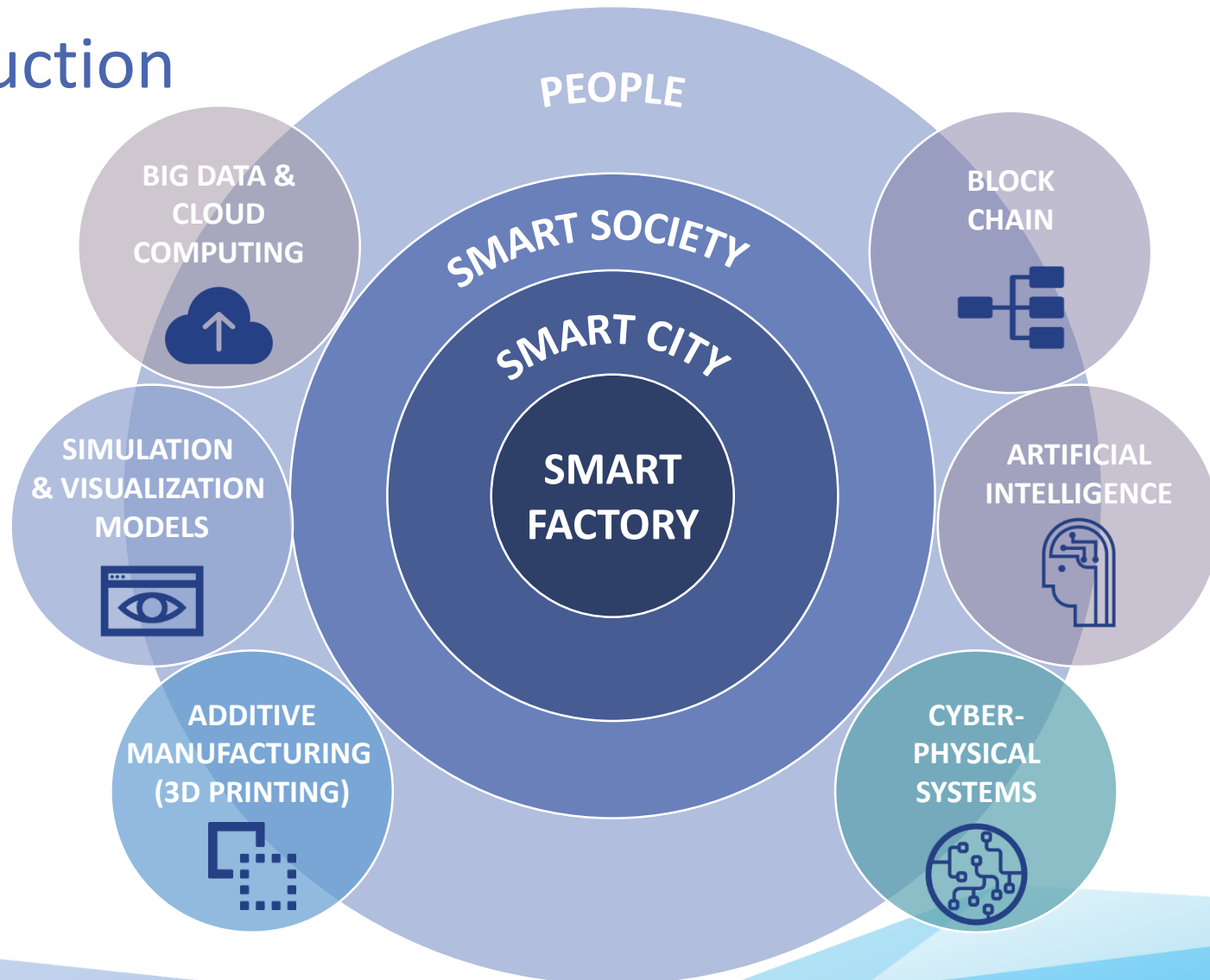


# From Standardized to Customized Products



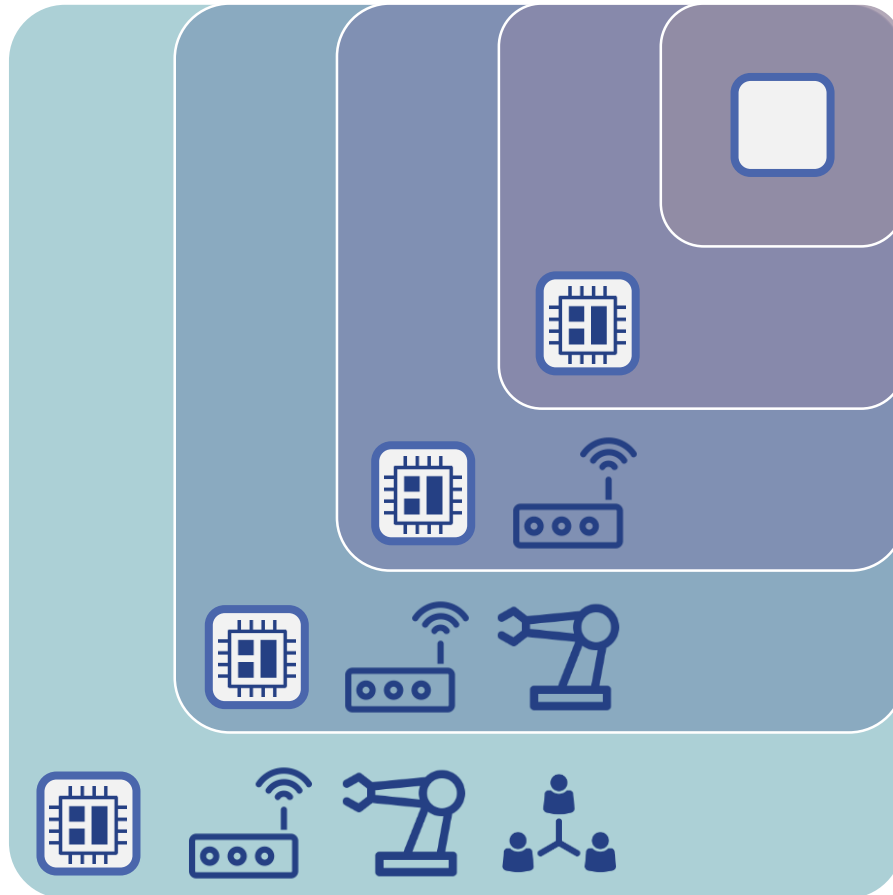
# Smart Production

The **smart city** integrates information and communication technology (ICT), and various physical devices connected to the network (the Internet of things or IoT) to optimize the efficiency of city operations, services, resources and connect to citizens.





# Industry 4.0: Smart Factory



## Technical System

Technical machinery

## Embedded System

Hardware & software

## Cyber-Physical System

Merging of physical + virtual

## Cyber-Physical-Production System

Application to manufacturing

## Smart Factory

Network of people, machinery and resources

Source: Fraunhofer Austria

# Benefits of a Smart Factory



**DRIVER FOR  
INNOVATION**

Smart factories are drivers for innovation, digitalization allows for new business models, products and processes



**INCREASED  
(RESOURCE)  
EFFICIENCY**

- Products can be designed and produced faster
- Machines can be repaired quicker
- Procurement processes are faster
- Resource usage is optimized



**CUSTOMIZATION**

Producers are directly linked to consumers, this allows for individual production and customization



# Smart Cities are Sustainable



## PEOPLE

measures social performance including quality of life

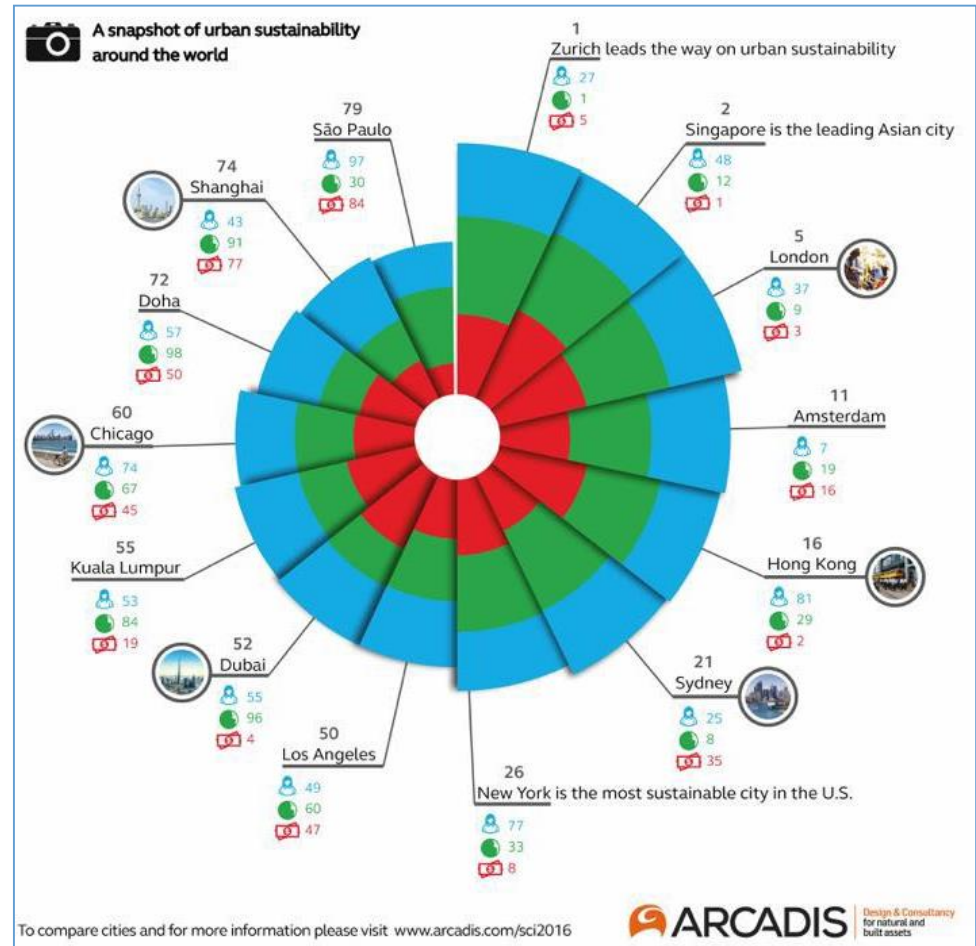
## PLANET

Captures "green" factors like energy, pollution and emissions

## PROFIT

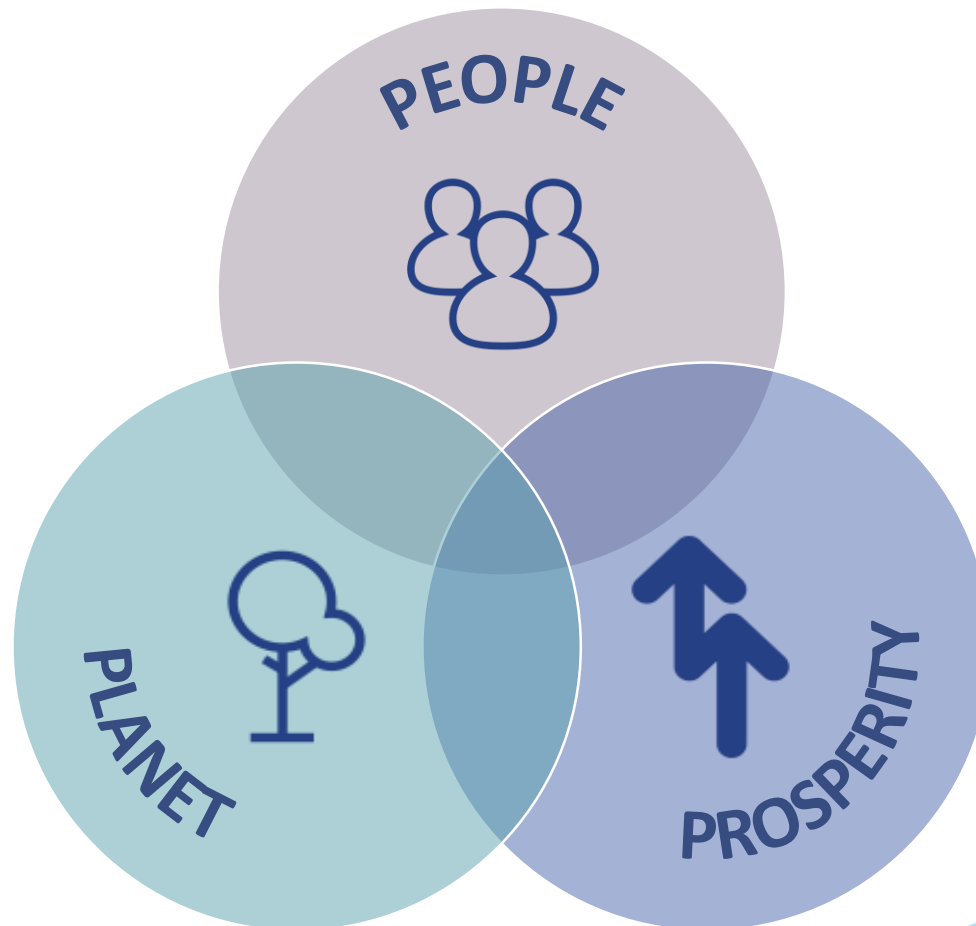
Assesses business environment and economic health

## ISO 37100 Sustainable Development in Communities





# For Cities to be “smart” they need to consider ...





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THANK YOU.



TRADE  
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INNOVATION