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How Metaverse will be the new engine of economic growth

3rd May,2023



It is still around a decade in the waiting for the Metaverse to mature. Yet, the Metaverse is leading the diffusion of innovation and is emerging as the next bankable engine of economic growth. There are reasons why governments and enterprises are buying in the Metaverse's three Ps- promise, potential and performance. By creating a fully immersive virtual world, the Metaverse has the potential to unlock new levels of economic activity. Also, it will generate new markets like virtual real estate and digital art which were nonexistent in the world of the 2D internet.

Recently, the South Korean government invested $18.1 million to create an exclusive fund of $302 million for Metaverse development. Titled 'Metaverse Fund', it is designed to help the country's indigenous players raise capital and compete for head-on with their global counterparts.

Before South Korea, the local government in Shanghai had planned to earmark an industry fund of $1.5 billion for Metaverse development. Shanghai wants to lead China's economic recovery by developing Metaverse products and services, low-carbon energy projects, and smart terminals.



Why Metaverse means good economics

Economic theory says that successful technological innovation makes scarce resources more efficient. Innovation changes the level and shape of what economists call the "production possibilities frontier". **Experts believe that if the Metaverse is adopted and grows in a similar way to mobile technology, it has the potential to contribute 2.8 per cent to global GDP after 10 years.**

The Market Boom and value to be unlocked

The Metaverse is too big for companies to ignore. The Metaverse could generate $5 trillion in value by 2030 (McKinsey). This massive online playground of interconnected technologies offers a market opportunity worth nearly $800 billion (Bloomberg). With social, persistent, shared, virtual 3D worlds, the Metaverse is the next evolution of the internet and social networks using real-time 3D. **A staggering $120 billion in investments have already streamed to the Metaverse till 2022. Metaverse bodes well for consumer engagement too. Seventy-nine (79) per cent of the consumers active on Metaverse platforms have made purchases. In a survey of senior corporate executives, 25 per cent of the respondents believe that 15 per cent of corporate revenue is expected to come from the Metaverse in the next five years**

Enterprise Metaverse- Aspirational but Evolving

Enterprise Metaverses are digital and often immersive environments that replicate and connect every aspect of an organization to optimize experiences and decision-making. Enterprise Metaverses are still aspirational, but the engines that will power them are already being developed: digital twins. As a result, the enterprise Metaverse will be powered by dozens of interconnected digital twins that can replicate everything, from physical assets (like products and office buildings) to people (like customers and employees) to core business processes and often interact with the physical environment without humans.

We are already witnessing the swift emergence of a Metaverse, singularly dedicated to the industry. Though in its nascent stages, this industrial Metaverse's prompt uptake of digital twinning has already borne fruit, elevating productivity and efficacy, augmenting safety, and enabling unprecedented degrees of flexibility in industrial domains not traditionally associated with nimbleness. A full-fledged industrial Metaverse can be established using organic assimilation of cyber-physical systems, digital twins, and cutting-edge technologies like Augmented Reality/Virtual Reality (AR/VR) empowered by 5G, AI computer vision, and low latency remote control, among other applications.

Once an industrial Metaverse is established, the factories of the future shall not only utilize AR and VR for auxiliary installations or skills enhancement at the site but also generate a virtual and immersive environment that simulates people working collectively in the digital realm, supervised by AI for validating outcomes and rectifying errors in real-time, sans the need to be present on-site.



Meeting the next growth frontier on Metaverse

Metaverse could be the next frontier in economic growth. In the Metaverse, you'll be able to create new markets, new forms of commerce, and new jobs. Besides enabling new forms of collaboration and community, it'll transform how we live and work. Even though there are still many challenges to overcome, the potential rewards are too great to ignore. The Metaverse could unlock the full potential of the digital age as we move into an increasingly digitized world. It's an exciting future, and the Metaverse is at the forefront.



AUTHOR:

Jayajit Dash

Senior Manager- Corporate Communications (Marketing)

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