

# The Terminator Economy: Enter AI and Humanoid Robotics

by **Nathaniel Tsang Mang Kin**, Chief Operating Officer at **Stewards Investment Capital**

**The Terminator franchise paints a chilling picture of a future dominated by artificial intelligence fused with robotic bodies. Skynet unleashes cyborgs like the T-800 machines that combine superior intellect with unbreakable physical resilience to overthrow humanity. It is a story of convergence: intelligent software directing durable hardware toward relentless objectives, resulting in total disruption and, ultimately, annihilation.**

For a Mauritian of my generation, this remains one of the most vivid metaphors to describe the profound changes that AI and humanoid robotics are about to bring to our economy. As investment professionals in a services-driven nation, we must confront this emerging “Terminator Economy” head-on. Mauritius has built its success on adaptability from sugar plantations to an International Financial Centre (IFC) and the same resilience will be tested as these technologies reshape our workforce, sectors, and growth model.

## The Rise of the Artificial Brain

We are already witnessing the software side in action. Advanced large language models and agentic AI systems now handle complex reasoning, strategic planning, and multimodal tasks, processing text, images, video, and data with performance that rivals or surpasses humans in many areas. Global capital continues to pour into AI at unprecedented levels, sustaining this rapid trajectory. Projections from sources like PwC suggest AI could add up to \$15.7 trillion to the world economy by 2030, with productivity gains and new consumption patterns driving the bulk of that value.

## AI's Immediate Impact on the Service Economy

In the short term, over the next three years, AI will embed deeply into everyday business operations. Supply-chain forecasting will become more accurate, financial advice more personalised, and administrative routines fully automated.

These changes will strike directly at the core of Mauritius's economy, where services dominate and knowledge work underpins much of our GDP contribution.

## The Arrival of the Artificial Body

On the hardware side, embodied AI took centre stage during the 2026 Chinese Spring Festival Gala. Unitree Robotics deployed its G1 and H2 humanoid models in a groundbreaking autonomous kung fu performance. Dozens of G1 units executed dynamic cluster movements, including backflips, nunchaku swings, and coordinated formations, while H2 models appeared in Monkey King attire, “riding” simulated somersault clouds atop quadruped robots to deliver New Year blessings.

Watched by hundreds of millions, the show demonstrated remarkable advances in balance, fault recovery, real-time adaptation, and seamless human-robot interaction far beyond earlier prototypes.

Unitree's CEO has indicated ambitions to ship between 10,000 and 20,000 units in 2026 alone, following more than 5,500 shipments in 2025, which ranked the company first globally in humanoid deliveries. With unit costs declining rapidly, humanoid robots are shifting from laboratory curiosities to commercially viable products ready for deployment across industries.

## When AI Meets Robotics: The Terminator Analogy

This fusion of AI's “brain”, capable of decision-making and learning, with a humanoid “body” directly echoes the Terminator archetype. Advanced algorithms enable self-correction during complex actions and precise coordination, much like Skynet's creations pursuing goals without fatigue or hesitation. Unitree's Gala performance vividly illustrated this synergy: robots recovering from dynamic stumbles, adapting in real time, and integrating cultural elements flawlessly.



As embodied AI matures, it positions itself as a transformative force for efficiency, mirroring the cinematic terminators' persistent, unyielding capability.

## Phase One: AI Disrupts Knowledge Work

In Mauritius, these developments will reshape the economic landscape in distinct phases. In the near term, AI software will disproportionately impact knowledge-intensive sectors that rely on information processing, decision support, and routine cognitive tasks.

### The BPO Sector: First in the Line of Fire

The Business Process Outsourcing (BPO) sector stands first in line. With over 34,500 people employed across more than 950 companies, BPO has been a cornerstone of our ICT/BPO cluster. AI platforms are already automating customer interactions, data entry, basic analytics, and query resolution, core activities that define much of the industry's value. Margins for both multinational and local operators could come under pressure as clients shift toward cost-effective AI alternatives.

Entry-level positions face the most immediate risk, but the disruption may extend further: entire departments or even smaller firms could find their traditional models "terminated" by scalable automation. To remain viable, Mauritian operators must accelerate the pivot to higher-value services such as specialised analytics, compliance consulting, or AI-augmented processes, leveraging our established global linkages and bilingual workforce.

### Financial Services: Reinventing the IFC

The financial services sector, the heart of our International Financial Centre, encounters similar pressures. AI is streamlining compliance monitoring, risk assessment, algorithmic trading, KYC procedures, and client onboarding. FSC guidelines already support fintech integration, but the net effect will reduce demand for certain administrative and mid-level roles.

Traditional back-office functions may become largely irrelevant as AI handles pattern recognition and decision support with greater speed and accuracy. Yet this shift also strengthens Mauritius's position: by

embracing AI-enhanced solutions, we can attract more capital inflows, solidify our role as a regional hub, and capitalise on fiscal incentives to draw innovative fintech players.

## Government and the Digital State

Even the civil service, the backbone of public administration, will feel the impact. Processing applications, issuing approvals, disseminating public information, these routine yet essential tasks are prime candidates for automation. In an era of ageing workforce and resource constraints, AI promises massive efficiency gains and cost savings. Political and administrative will to cling to outdated processes (the proverbial "fax machine era") will diminish rapidly. The Digital Mauritius 2030 framework supports this modernisation, but the transition must be managed carefully to preserve institutional knowledge and public trust.

### Phase Two: Robots Enter the Physical Economy

Looking five to ten years ahead, intelligent humanoid robotics will extend the disruption into physically oriented, repetitive, and labour-intensive segments, fully realising the Terminator analogy as cognitive intelligence merges with physical execution.

### Agriculture: The Rise of Robotic Farming

Agriculture offers a clear example. Seasonal manual work in cane fields, vegetable cultivation, and monitoring remains vital for exports and food security. Humanoids could take over planting, harvesting, weeding, and real-time crop surveillance, addressing labour shortages and climate vulnerabilities without relying on large-scale importation of unskilled workers from Africa or South Asia. This path becomes the realistic route to greater food self-sufficiency and resilience in a changing environment.

### Logistics and Retail: The Automation Wave

Logistics and retail will follow suit. Humanoid integration in warehousing, inventory handling, distribution, and even front-line roles (replacing waiters, store clerks, or packers) will cut errors, reduce operational costs, and improve throughput. For an island economy grappling with structural

trade deficits and global supply-chain dependencies, these efficiencies will be essential for maintaining competitiveness.

## Humanoids in the Home

Household and caregiving services present perhaps the most intimate transformation. With approximately 14% of the population already over 65 and projections indicating further ageing (potentially approaching or exceeding 20–25% by mid-century in line with demographic trends), affordable humanoid leasing for domestic chores, elderly companionship, and basic care could become not just feasible but necessary. These embodied solutions would ease family burdens in a society where traditional support structures are strained by emigration and smaller households.

## Managing the Disruption

The Terminator Economy will undoubtedly be disruptive.

It threatens to displace jobs across skill levels, widen inequalities if unmanaged, and challenge our social compact. Yet disruption is not destiny. Mauritius has repeatedly demonstrated the ability to adapt, transitioning from agriculture to services, building a reputable IFC, and embracing digital reforms. By aligning AI and robotics adoption with national priorities, such as the Renewable Energy Strategic Plan to power these energy-intensive technologies, robust reskilling programmes through public-private partnerships, and ethical governance frameworks, we can convert threats into advantages.

### Turning the Terminator Moment into Prosperity

For investment professionals, the path forward involves deliberate portfolio construction:

- Short term: diversification into resilient sectors
- Medium term: targeted exposure to AI and robotics ecosystems
- Long term: investment in human capital and sustainable innovation

Guided by resilience, prudence, and foresight, Mauritius can not only survive but lead in this machine-augmented era, turning the Terminator's shadow into a catalyst for renewed prosperity and inclusive growth.