

Apple unveils new AI-focused chip in upgraded iPad Pro

May 8, 2024

Online Desk: Apple unveiled its latest iPad Pro on Tuesday with a new chip for artificial intelligence computing as it rushes to catch up with its Big Tech rivals in a race to dominate the emerging technology, reports Reuters.

Debuting its latest chip in a tablet rather than its Mac laptops is unusual for Apple, and suggests it is eager to give app makers a head start creating AI-related software ahead of its annual software developer conference next month, analysts said.

The announcements did little to move Apple's stock, which was last up about 0.5 per cent after gaining as much as 1.8 per cent earlier in the day.

While Microsoft and Alphabet have dived headlong into AI and seen their stocks surge to record highs, Apple's shares have fallen 5 per cent in the year to date as it struggles with weak iPhone demand, and as investors wait for it to show how it will leverage AI technology.

Apple said the iPad Pro – its highest-priced model – will have upgraded displays and start at \$1,000 for an 11-inch (27.9-cm) model and \$1,300 for a 13-inch (33-cm) model.

It will come with an M4 chip with a larger “neural engine,” part of the chip specifically designed for the kind of computing required by AI features such as generating text or images.

Apple chips have featured a neural engine since 2017, but rivals such as Intel INTC.O and Qualcomm tout competitive technologies, which they refer to as neural processing units, or NPUs, for personal computers.

“With this level of performance, the neural engine and M4 is more powerful than any neural processing unit in any AI PC today,” Tim Millet, vice president of platform architecture at Apple, said during the presentation.

Apple also introduced new models of its mid-priced iPad Air, which will now come in a larger 13-inch screen size at \$800, as well as the 11-inch size it previously came in for \$600. Those tablets come with Apple's M2 chip, which came to market in Apple's MacBooks in 2022.

Precisely what AI features the new M4 chips could power might not become clear until June 10 at Apple's annual Worldwide Developers Conference, where it often shows new capabilities for Siri its voice assistant, as well as the rest of its operating systems.

“Essentially, (there was) a lot of foreshadowing on where they can or will go with generative AI on their hardware,” Ben Bajarin, chief executive of consulting firm Creative Strategies, said of Tuesday's product launch.

For now, many AI features – such as helping zoom in on a user during a video call – are not likely to inspire a wave of upgrades, according to some analysts.

“Is it really enough for people to look into it and buy them? Probably not,” said Mikako Kitagawa, an analyst at Gartner. “It has to be some kind of remarkable experience.”

Apple Chief Executive Tim Cook said last week the company is “very bullish about our opportunity in generative AI” and plans to make more announcements later this year.

Thomas Monteiro, senior analyst at Investing.com, said Apple has historically used the iPad line as a place to try new technologies with lower risk than bigger products like the iPhone or Mac.

“Against this backdrop, I do not think Tim Cook’s main aim here is to solve Apple’s sales problem with this line specifically, but rather to lay the groundwork needed for better, more innovative products in the months ahead,” Monteiro said in a statement.