



The perfect storm: A perspective on unlocking AI's value in Middle East

State of AI in the Middle East Report
By Deloitte AI Institute

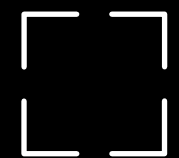
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Foreword

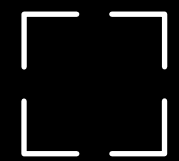
At Deloitte and MBZUAI, we stand united in our belief that technology has the power to fundamentally transform our world. The arrival of Generative AI (GenAI) marks a pivotal moment for industries worldwide, heralding an era of disruption and opportunity. As organizations navigate this evolving landscape, it becomes imperative to harness the power of both AI and GenAI to unlock unprecedented business value.

The insights contained within Deloitte's State of AI in the Middle East Report in collaboration with Mohammed bin Zayed University of Artificial Intelligence (MBZUAI) offer a timely and comprehensive snapshot of how governments and businesses in the region are responding to the rapid advancements in AI. This report sheds light on the myriad ways in which AI can supercharge efficiency and productivity, while also paving the way for entirely new products, citizen services and business models.

Operating in an era where the speed of technological evolution is unprecedented, business leaders are called upon to make strategic investment decisions that not only keep their organizations competitive but also maximize the potential of AI. This report reveals a critical disconnect — Middle Eastern organizations' high interest and perceived AI expertise often outpace their actual readiness in terms of talent, strategic planning and infrastructure.

Drawing on insights from over 155 business and technology leaders across Qatar, Kingdom of Saudi Arabia (KSA) and the United Arab Emirates (UAE), and supplemented by interviews with key industry figures, this report delves into the nuanced dynamics of AI adoption. It highlights the pressures driving the adoption of AI, identifies the challenges that hinder progress, and showcases the strategies being employed to manage risks and maximize value.

Despite high interest in AI, organizations need to invest in talent and infrastructure to bridge the gap between enthusiasm and readiness.



Foreword



Structured around three core themes — Demand, Supply and Enablement — this report offers a rich and detailed analysis of the factors influencing AI adoption. It examines the demand for AI solutions, explores the capabilities of the AI supply ecosystem in meeting these demands, and underscores the critical role of talent in successful AI implementation.

By providing this holistic perspective, Deloitte and MBZUAI offer business leaders in the Middle East a unique blend of practical insights and technological expertise to accelerate their AI adoption journey.

The Middle East stands at a pivotal moment in its AI journey. With significant government support, growing investment in AI infrastructure, including responsible and ethical practices, and an increasing focus on developing local AI talent, the region is positioning itself as a global leader in AI innovation.

This transformation catalyzes the region's shift towards knowledge-based economies, requiring organizations to fundamentally reimagine how they operate.

As we stand on the precipice of this exciting era, let us embrace the opportunities and challenges that lie ahead. Together, we can unlock the full potential of AI and drive meaningful, lasting impact across industries.

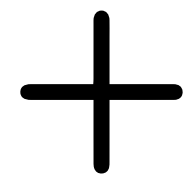
Mutasem Dajani
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+ Introduction

Organizations across the Middle East are rapidly increasing AI investments, yet many lack the foundational elements needed to realize its full value. Over 80 percent of organizations feel pressured to adopt AI, yet nearly a third of the leaders report insufficient talent and technology capabilities for successful scaling. This combination of pressure, significant investment, and inadequate talent and infrastructure readiness is creating a perfect storm for organizations across the Middle East, with 60 percent of leaders saying they are struggling to measure returns from their AI initiatives. Our research suggests that while AI presents significant opportunities for Middle East organizations, success requires building stronger foundations in talent, technology, and strategic capabilities while keeping pace with the region's ambitious pace of adoption.





Introduction (cont.)

The arrival of Generative AI (GenAI) heralds disruption and opportunity across industries. Organizations are exploring how both AI and GenAI can be used to unlock business value, supercharge efficiency and productivity, and open the door to entirely new products, services and business models. As business leaders contend with this new technology, they need to make decisions about where to invest and what to prioritize to not only stay competitive but how to maximize the potential of AI and GenAI.

Deloitte's State of AI in the Middle East Report provides a timely snapshot of how businesses in the region are navigating the rapidly evolving landscape of Artificial Intelligence (AI), particularly focusing on the transformative potential of GenAI. While business leaders in the Middle East are feeling pressure to adopt AI and increase investments, the report highlights a critical disconnect between ambition and having the talent and tools in place.

Despite a high level of interest and perceived expertise, many organizations lack the robust talent pool, strategic clarity and infrastructure frameworks necessary for successful AI scaling and value realization.

This report delves into this complex dynamic, exploring the pressures driving AI adoption, the challenges hindering progress and the strategies being employed to manage risks and maximize value. Drawing on insights from a survey of 155 business and technology leaders across Qatar, Kingdom of Saudi Arabia (KSA) and the United Arab Emirates (UAE) and complemented by interviews with 10 key industry leaders; the report provides a comprehensive view of the current state of AI in the region. From leading use cases being implemented to barriers hindering wider adoption, the report sheds light on the key trends shaping the AI landscape in the Middle East.

Structured around three core themes – Demand, Supply and Enablement – the report offers a nuanced understanding of the factors influencing AI adoption. It examines the demand for AI solutions, explores the capabilities of the AI supply ecosystem in meeting these demands, and analyzes the critical role of talent in enabling successful AI implementation.

By providing this holistic perspective, the report aims to equip business leaders in the Middle East with the insights needed to navigate the complexities of AI adoption, make informed investment decisions and unlock the transformative potential of AI for their organizations. In doing so, organizations can have the information needed to navigate the perfect storm around them and emerge successful.

[Learn more about the global series and sign up for updates at http://deloitte.com/us/state-of-Generative-ai](http://deloitte.com/us/state-of-Generative-ai)





“AI is the great equalizer for the Middle East region when it comes to advancing technology adoption and technology innovation”

Yousef Barkawie, AI and Data Leader,
Deloitte Middle East

+

Now: Key findings

1

Demand

AI ambition outpaces risk readiness

- 2 in 3 feel they have high expertise in AI
- All groups report high interest in AI, especially the C-suite & executive leadership
- Over 80% of respondents report moderate internal and external pressure to adopt AI tools
- A quarter of respondents believe AI will reshape their organization and their industry within the year
- 41% of organizations perceive AI as a significant threat to their current operational model
- More than half (58%) feel their organizations are adopting AI quickly

Artificial intelligence (AI) is rapidly transforming how businesses operate and has become essential across all industries. AI goes beyond improving efficiency, providing an opportunity to reimagine what is possible. Generative AI (GenAI) takes that even further and has the potential to fundamentally change how organizations operate. While organizations in the Middle East are ambitious to harness the potential of AI and GenAI, they struggle to realize the full value and benefits.

GenAI offers key benefits such as efficiency or generating new products and services, yet the most transformational benefit expected for organizations is for increased productivity (91%).¹ However, current GenAI efforts remain more focused on efficiency and cost reduction than on innovation and growth.

Focusing solely on short-term gains can hinder organizations from pursuing strategic advantages and fully leveraging emerging technologies like GenAI to drive growth and unlock new potential.

“While the region shows high demand and leadership commitment to AI transformation, success depends on organizations’ ability to balance immediate value creation with long-term strategic vision, while addressing practical challenges in data preparation, security and ROI demonstration.” stated the General Manager of a leading data science and AI platform provider.

Given the significant impact of AI and GenAI on organizations, it is no surprise there is considerable enthusiasm for AI.

Now: Key findings

Our survey revealed one in three C-suite and executive leaders report very high interest in AI. This was more keenly felt by respondents in Qatar, with half saying the C-suite had a very high level of interest. Along this high interest in AI, two in three organizations in the Middle East region report a high level of expertise. The majority of respondents feel their organization has a high level of expertise regarding AI (67%), with some saying their organization has very high expertise (16%).

Driven by the swift pace of technological advancement, over 80 percent of respondents report feeling pressure, both internally and externally, to implement AI tools. Yet organizations in Qatar perceive a much higher level of external pressure compared to KSA and UAE. Qatar respondents say they feel either extreme or a lot of internal pressure (65%) and external pressure (71%) – higher than KSA (42% internal/48% external) or UAE (58% internal/56% external).

Amid this high interest and pressure to adopt, a concerning skills gap exists, with one-third expressing concerns about their organization’s AI expertise. This urgency is fuelled by the belief that AI will rapidly reshape industries and organizational structures, with a quarter of Middle Eastern organizations anticipating this transformation within a year.

How soon AI will transform organizations and industries

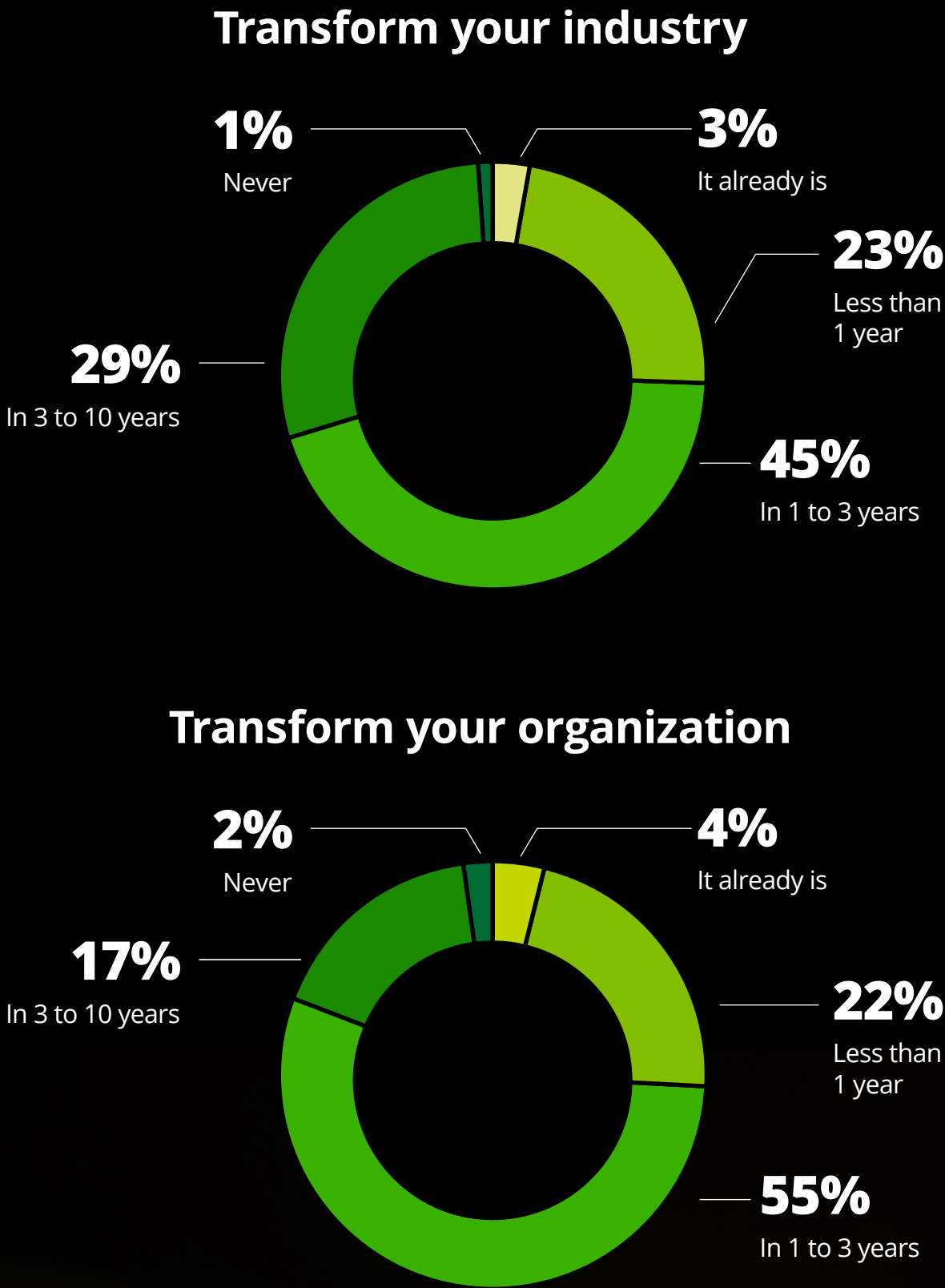


Figure 1
Q: When is AI likely to substantially transform your organization and your industry, if at all?
(N=155)
Source: Deloitte analysis, 2025.

Now: Key findings

Respondents claimed high levels of preparedness for technology infrastructure (71%), talent (68%) and strategy (69%). Risk and governance was slightly lower in terms of feeling highly or very highly prepared (63%). Interestingly, when only considering GenAI, global leaders felt much less prepared to address risk and governance concerned with a staggering 41 percent of leaders reporting they were only slightly or not at all prepared.² This suggests that organizations view GenAI with more caution than when considering all AI tools.

Despite a perceived readiness in technology and talent, nearly half (41%) view the widespread adoption of AI tools and application as a significant threat to their current business or operating model. Even with perceived readiness, the rapid pace of AI development and its unpredictable impact on industries can create a sense of unease. Businesses might fear being left behind or having their current operations, even if currently successful, becoming obsolete.

Level of preparedness for adoption AI tools and applications

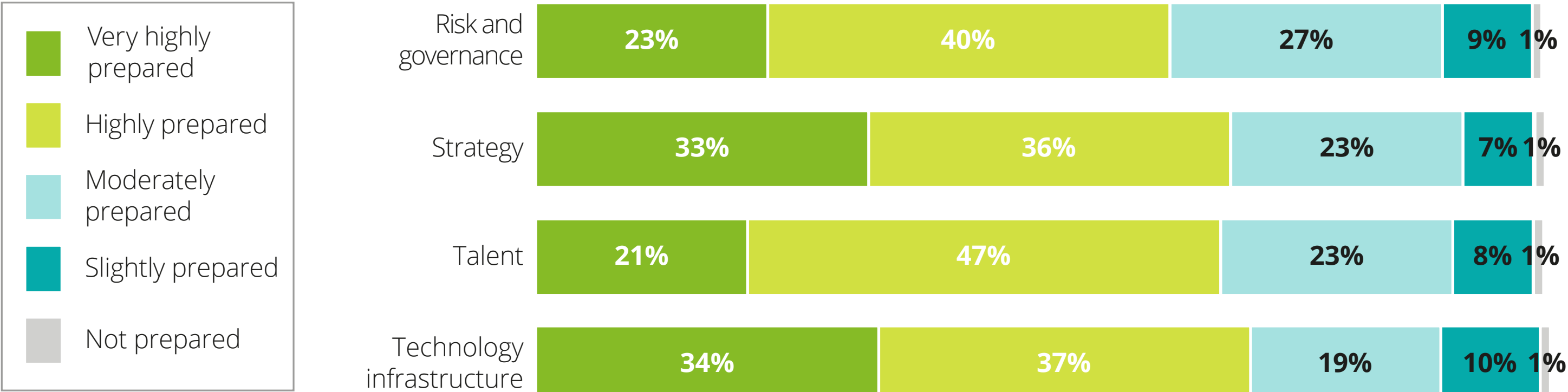


Figure 2

Q: Consider the following areas. For each, rate your organization's level of preparedness with respect to broadly adopting AI tools / applications?
(N=155)

Source: Deloitte analysis, 2025.

Now: Key findings

AI also often necessitates significant changes to workflows, job roles and even organizational structure. This internal disruption, while potentially positive in the long run, can be perceived as a threat. While businesses might feel prepared in terms of technology and talent, AI brings a degree of uncertainty. The lack of a clear understanding of AI’s full potential and potential downsides can fuel anxiety about its impact on the business model.

Within this perceived operational threat, Qatar organizations feel this more strongly compared to KSA and UAE.

Overall, more than half believe their organizations are adopting AI quickly, with very few adopting a ‘wait and see’ approach. This suggests organizations see the value in AI tools and applications and are keen to gain a competitive edge and harness the benefits. Organizations are also responding to the pressure to adopt, but may be adopting without a clear strategy. In interviews with industry leaders, several spoke about how organizations in the Middle East lack a clear AI strategy and struggle to identify high-value use cases beyond surface-level applications.

Regional comparison of perceived operational threat from AI tools and applications

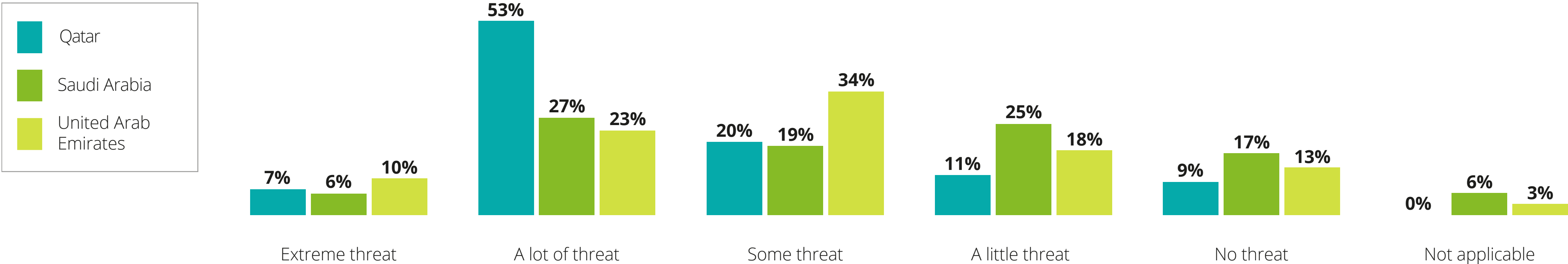


Figure 3

Q: Under how much threat is your organization’s current business / operating model by the widespread adoption of AI tools / applications?

(N=155)

Source: Deloitte analysis, 2025.

Now: Key findings

Pace of AI adoption

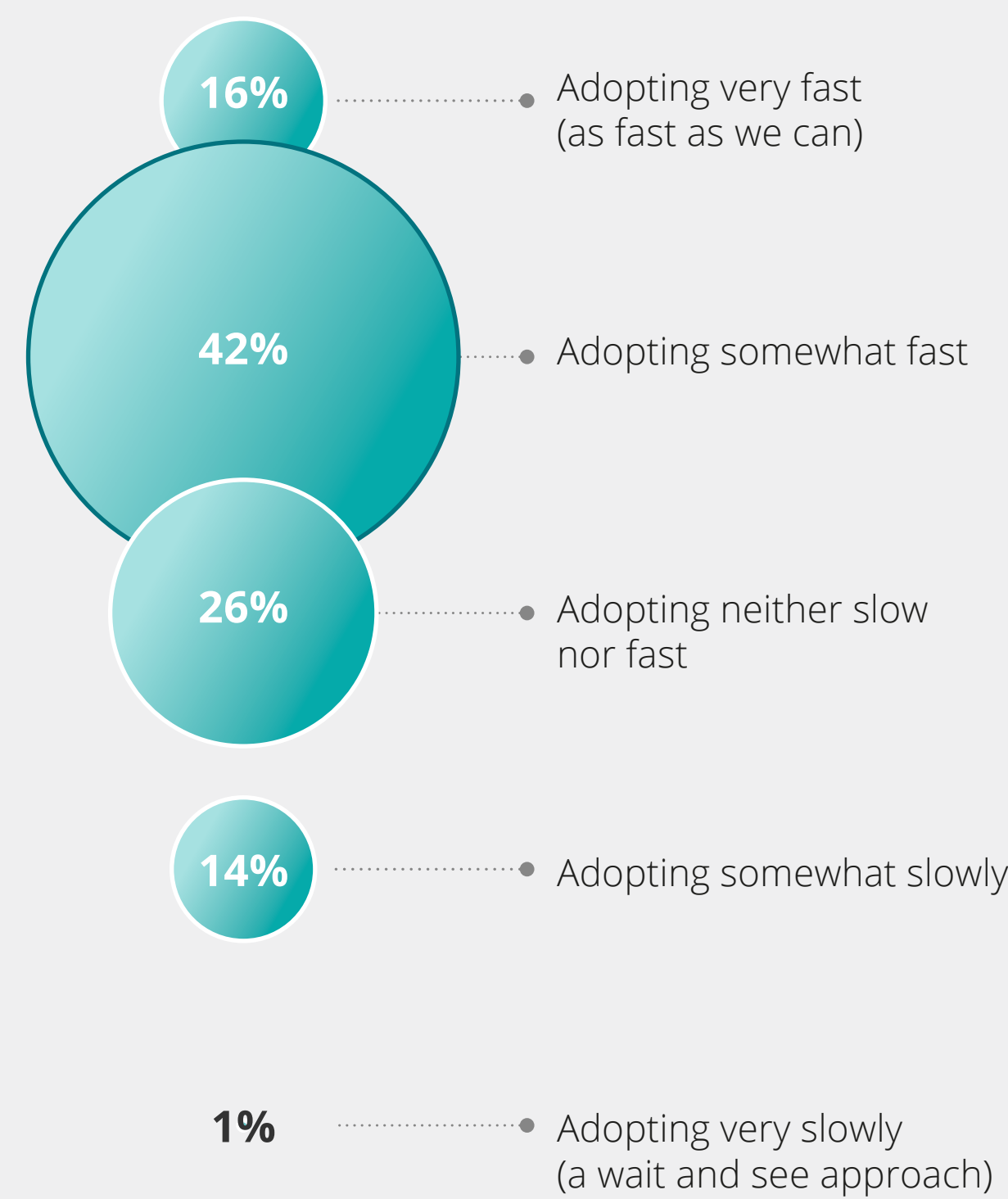


Figure 4

Q: Please indicate the pace at which your organization is adopting AI

(N=155)

Source: Deloitte analysis, 2025.

Significant interest but implementation at scale lags

- Most functions are still piloting or at limited implementation in their adoption of AI
- Leading use cases are content generation and summarization

Across the Middle East, most organizations are still piloting or have limited implementation in their adoption of AI across different functions. When we interviewed industry leaders, they echoed this and describe AI adoption as still in relatively early stages across most industries across the region, but there is significant interest and investment happening.

The top three functions where adoption is being implemented at scale are operations, IT/Digital and strategy. Many organizations are still in the ‘proof of concept’ or early implementation stage with few examples of large-scale production AI systems. Overall, most organizations are in the “cautious recognition of value” stage of AI – they see the potential but are still working on strategy and foundation for larger implementation.

Within the Middle East, there were differences between each country in terms of where organizations are seeing the most at scale implementations. UAE organizations have a higher adoption level for at scale implementation particularly for functions in IT/Digital (34%), strategy (32%) and operations (29%). Qatar has the highest at scale implementation for operations (31%), IT/Digital (29%), product development (27%) and supply chain/manufacturing (27%). KSA differs as their top at scale implementation is strategy (27%), operations (25%) and product development (25%).

Although there are many different use cases for AI tools and applications, our survey found that the leading use cases are content generation and summarization. Within use cases, there were regional differences.

The top use case for UAE was content generation, which differed from Qatar who reported coding as their leading use case, and KSA reported content summarization as their leading use case.

Now: Key findings

Rate of implementation
across function

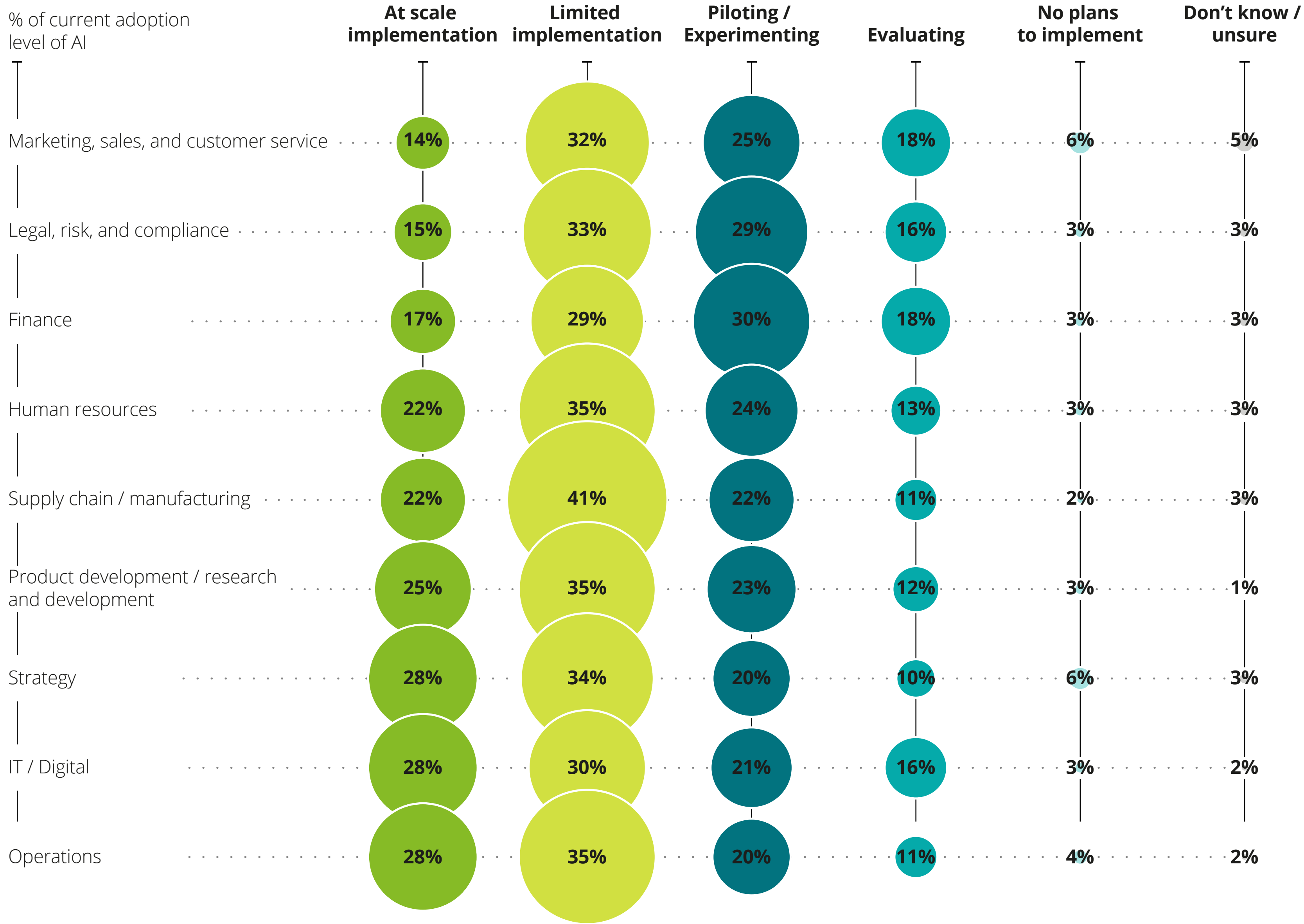


Figure 5

Q: What is your organization's current adoption level of AI across the following functions? If the function does not apply to you, choose "Don't know / unsure."

(N=155)

Source: Deloitte analysis, 2025.

Now: Key findings

Content generation and summarization lead in use cases

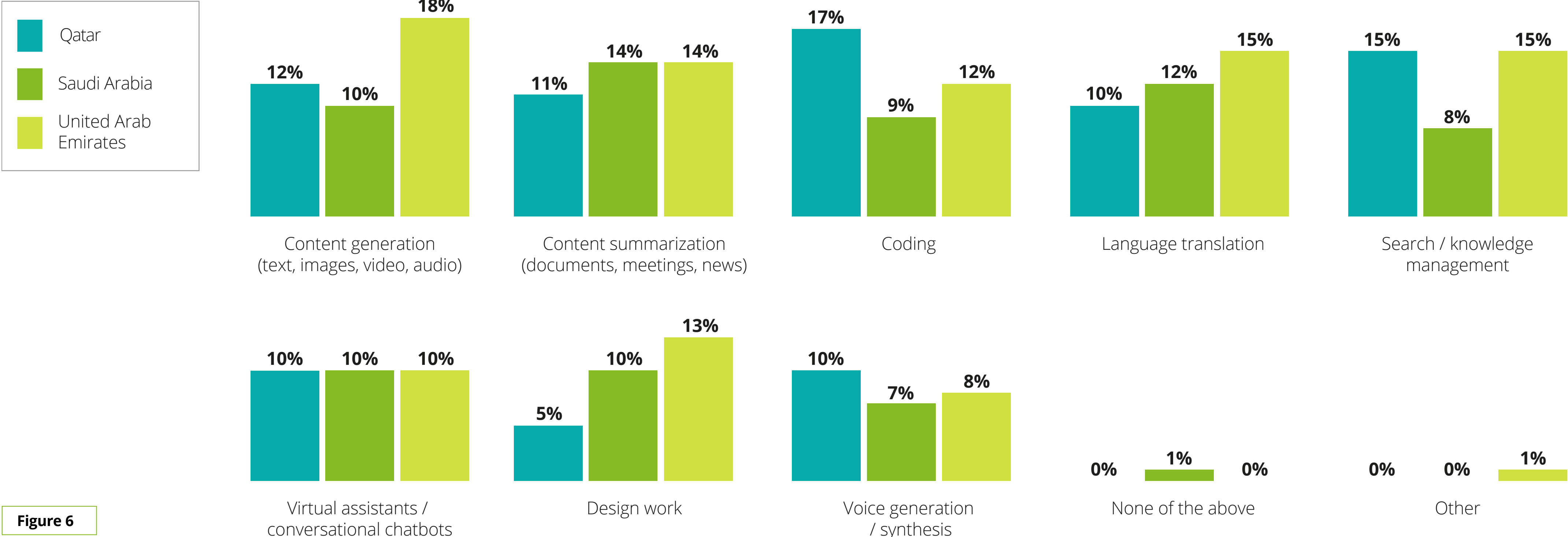


Figure 6

Q: For which of the following use cases is your organization currently using AI tools / applications?

(N = 155; Total does not add to 100%; Select all use cases that apply)

Source: Deloitte analysis, 2025.

Now: Key findings

Organizations see early AI wins, but risk and value measurement remain critical

- AI adoption helping improve efficiency, productivity and innovation yet risk management lags behind
- Organizations use a range of actions to generate value including developing creative and differentiated applications and deploying the latest technology
- Organizations use a range of actions to measure and communicate value

GenAI and AI tools have brought about many benefits for organizations. Our survey revealed that the three most important benefits achieved through AI initiatives are improved efficiency and productivity, developing new products and services and improving existing products and services.

While AI offers numerous advantages, benefits such as cost reduction and enhanced fraud detection and risk management are yet to be fully realized.

Regional comparison of actions used to measure and communicate value

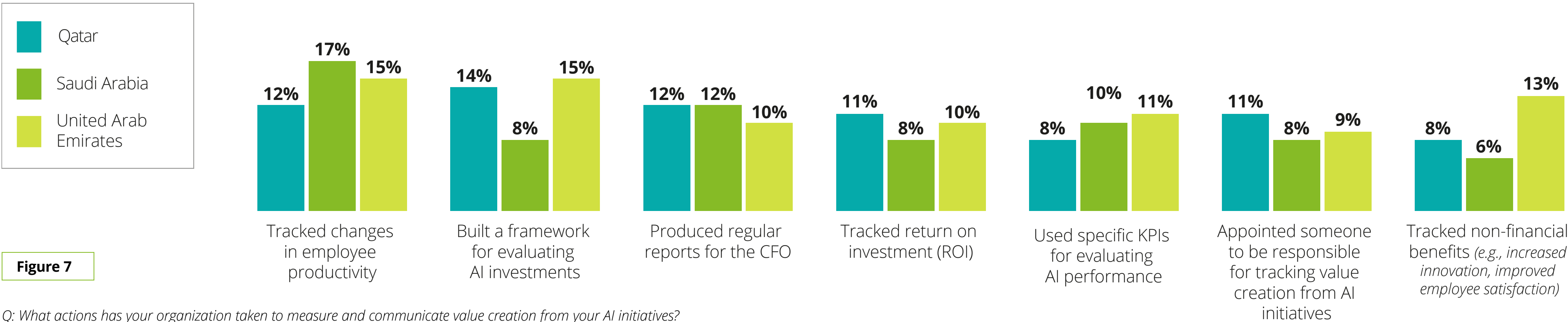


Figure 7

Q: What actions has your organization taken to measure and communicate value creation from your AI initiatives?

(N = 155; Total does not add to 100% - Select all that apply)

Source: Deloitte analysis, 2025.

Now: Key findings

There were interesting differences between the regions. UAE respondents reported seeing more benefits from increased revenue and Qatar reported their top benefit was encouraging innovation. KSA reported a stronger benefit for AI initiatives from enhancing relationships with clients and customers compared to the other two countries.

It can take time for benefits from AI initiatives to be fully realized. During that time, it is critically important for organizations to be able to not only measure but to also communicate the value to stakeholders. Our survey found that organizations use a range of actions to measure and communicate value with the most reported actions including tracking employee productivity, building a framework for evaluating AI investments and producing regular reports for the Chief Financial Officer.

There were some regional differences with UAE tracking non-financial benefits such as increased innovation and improved employee satisfaction more than the other regions.

Looking ahead, our survey asked what actions will drive the most value from AI initiatives for your organization. While the responses indicate organizations use a range of actions to generate value, the most reported action to drive value was developing creative and differentiated applications and deploying the latest technology.

Value creation from innovative applications and cutting-edge technology



Figure 8

Q: Which behavior / action will drive the most value for the AI initiatives in your organization?

(N = 155)

Source: Deloitte analysis, 2025.

Now: Key findings

Technology and infrastructure holding organizations back from AI adoption

- AI Adoption held back most by technology selection, talent gap and use case identification
- Data misuse and reliability top concerns for organizations
- Organizations are fostering trust in Generative AI through different initiatives
- Organizations are mitigating AI implementation risks through independent audits, targeted staff training and assigning dedicated AI risk management roles

Several key challenges to large-scale AI implementation in the region were highlighted across the interviews. These include data quality, availability and governance. Many organizations are still working on building proper data infrastructure, improving data quality and implementing data governance frameworks. This foundational work needs to be in place for AI to be effective. There are also limitations in the availability of high-performance computing resources needed for advanced AI, though this is improving with investments in cloud and data centre infrastructure. However, many organizations lack a clear AI strategy and struggle to identify high-value use cases beyond surface-level applications.

“The GCC region, led by Saudi Arabia and UAE, is heavily investing in AI with strong government commitments. Yet widespread adoption faces challenges in scaling beyond POC stages due to infrastructure, regulatory issues and a consumer mentality. The region has an opportunity to leverage AI as an equalizer in global tech innovation, but needs to shift from adoption to innovation mindset.”

Yousef Barkawie, AI and Data Leader,
Deloitte Middle East



Now: Key findings

A significant hurdle faced by organizations developing and deploying AI tools is selecting the right technologies, as highlighted by 34 percent of respondents. Given the complexity of the available AI solutions, it can be difficult for business leaders to know which applications align best with organizational objectives.

Another major challenge, difficulty identifying use cases (26%), is closely linked, as organizations grapple with how AI can benefit their business. Lack of technical talent and skills (28%) is the second highest ranking barrier. Without sufficient technical expertise, business leaders may lack the knowledge to select and support the development and deployment of AI tools.

Barriers to AI development and deployment

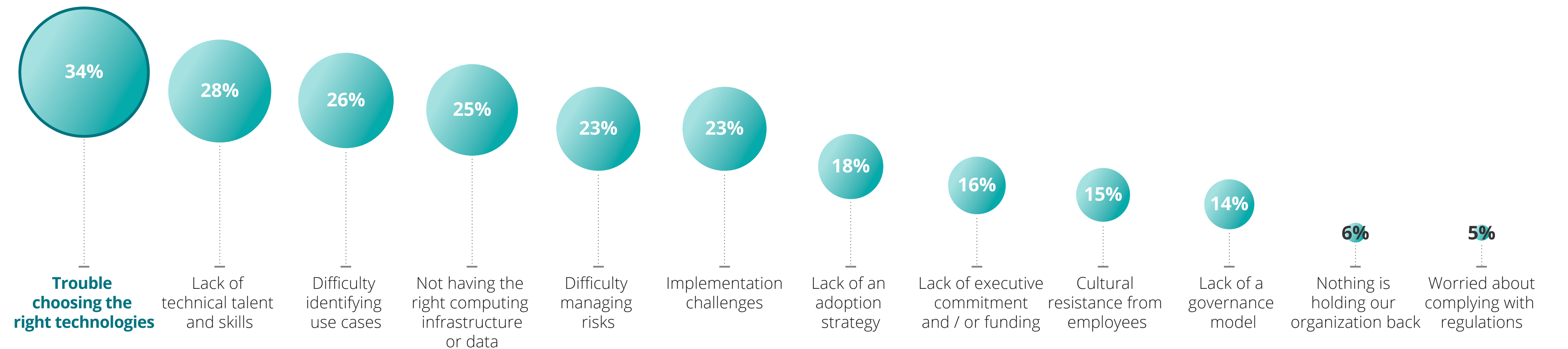


Figure 9 Q: What, if anything, has most held your organization back in developing and deploying AI tools / applications?
(N = 155; Total does not add to 100%; Select up to three challenges)
Source: Deloitte analysis, 2025.

Now: Key findings

Organizations also have a range of concerns around the potential risks relating to AI tools. Misuse of customer or client data and lack of confidence in results are the two most common concerns among organizations in Middle East. Given the multitude of concerns which they harbour, organizations are taking active steps to manage the risks around their AI. Over half of the organizations sampled report they are using outside vendors to conduct independent audits and test their AI tools (53%). Other common risk mitigation strategies include training staff who work on AI how to recognize risks (53%) and having a specific executive responsible for managing AI related risks (53%).

Interestingly, how organizations in the Middle East are managing risks related to AI and GenAI differs significantly from their global peers. Global leaders said they most often managed risk from GenAI implementation by monitoring requirements and ensuring compliance (47%), which was the least selected option for the ME. Similarly, global leaders selected establishing a governance framework for the use of GenAI tools as their second most common action (46%), and again for the Middle East region, this was quite far down the list of actions taken.

How organizations are managing risks of AI

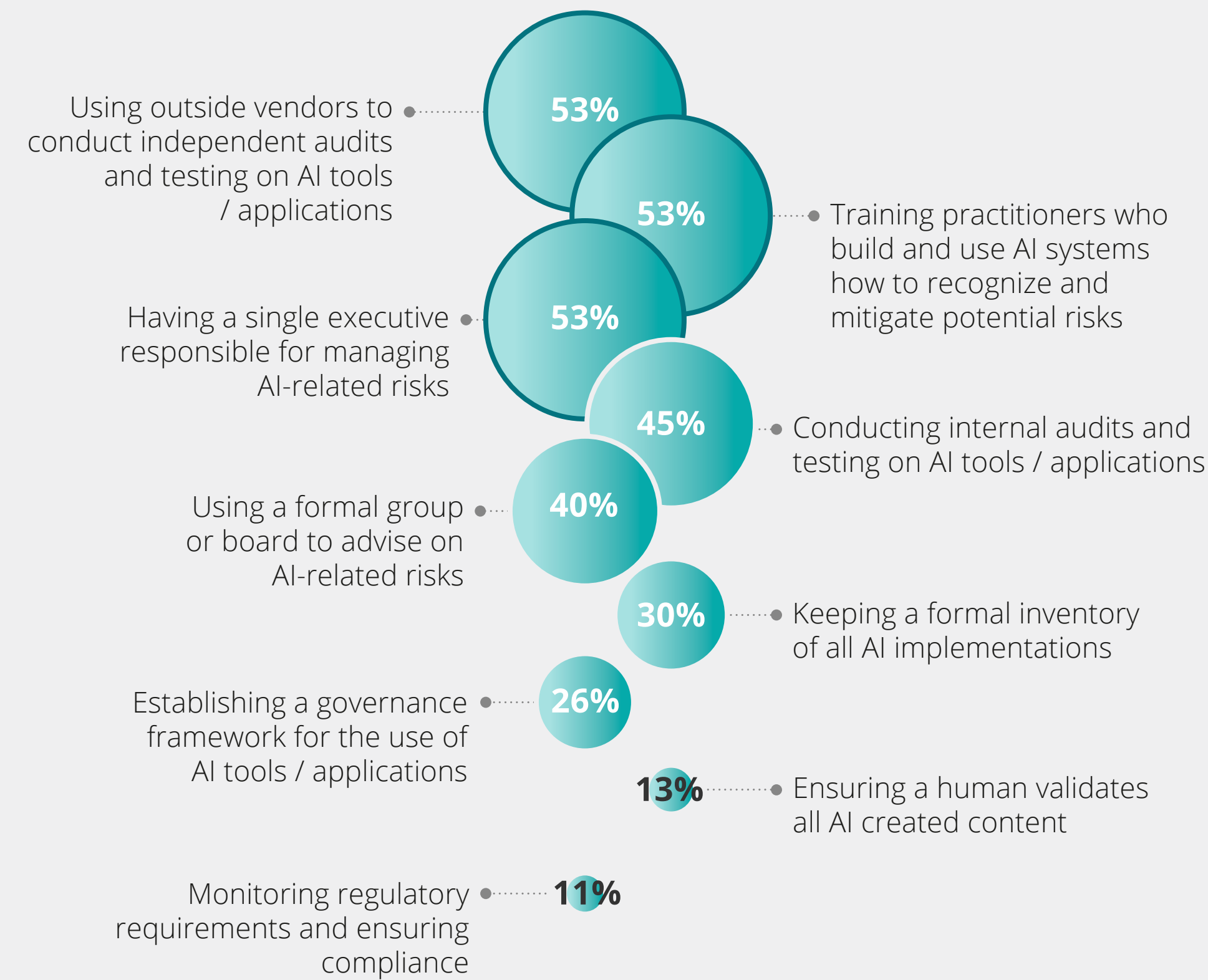


Figure 10

Q: What is your organization currently doing to actively manage the risks around your AI implementations?
(N = 53; included only those whose function is in Technology / IT / Cybersecurity or Data Science/Digital; Total does not add to 100% - Select all that apply)
Source: Deloitte analysis, 2025.

Now: Key findings

Data fuels AI ambition but security and regulation holding organizations back

- Two-thirds of respondents believe that their organization excels at utilizing data insights for informed decision-making
- Data concerns are holding organizations back from developing and using AI
- Managing data security and complying with regulations are the leading concerns
- Organizations are prioritizing the shift to more flexible data architectures and the refinement of data quality practices to enhance data capabilities

Many organizations are confident in how they utilize data for business needs, with two-thirds of respondents stating they believe their organization excels at leveraging data insights for informed decision-making. Moreover, organizations are taking active steps to enhance data capabilities, such as prioritizing the shift to more flexible data architectures (44%) and the refinement of data quality practices to enhance data capabilities (41%).

Actions taken to improve data-related capabilities to support AI

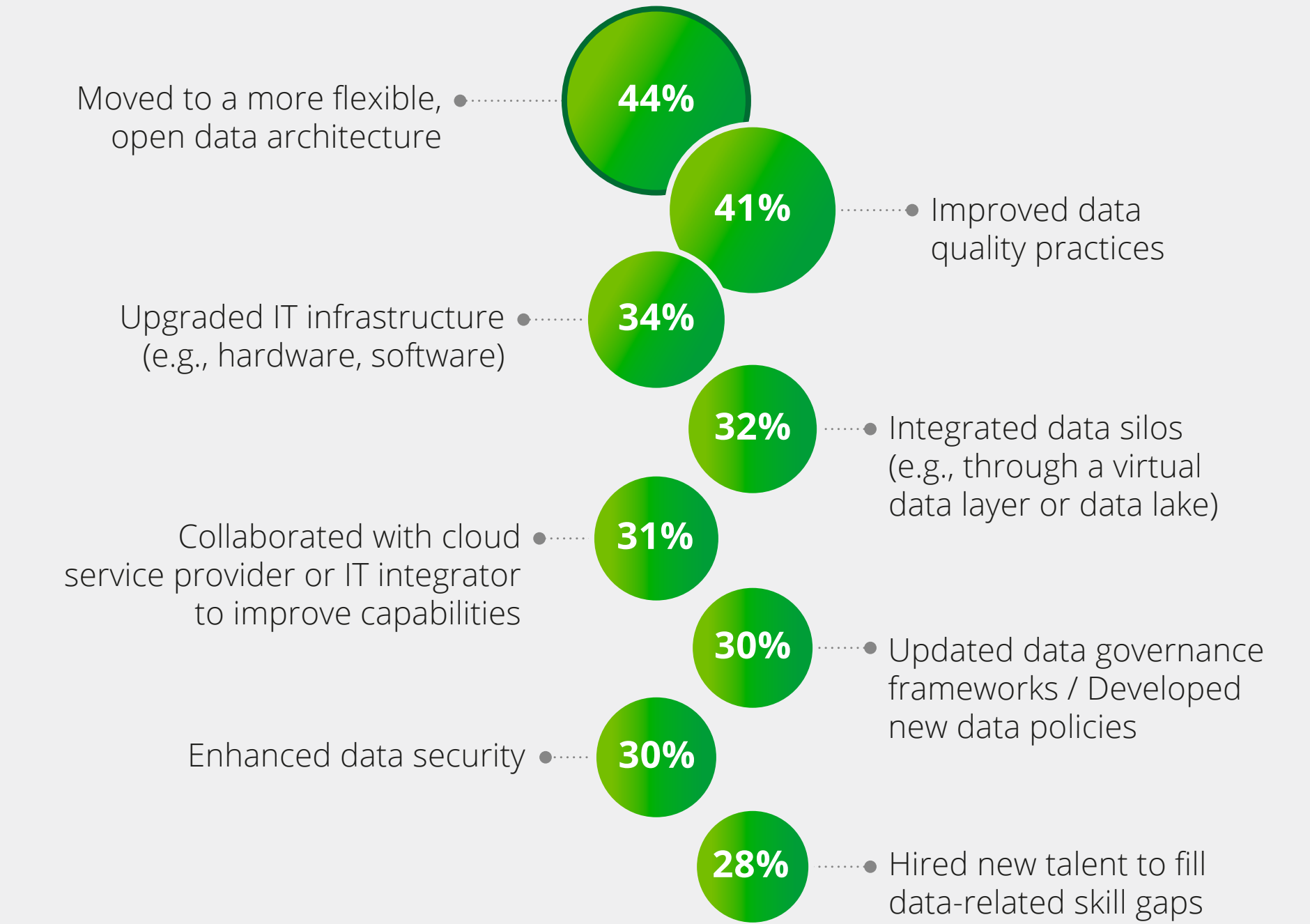


Figure 11

Q: What specific actions has your organization taken to improve its data-related capabilities to support its AI initiatives?
(N = 155; Total does not add to 100% - Select all that apply)
Source: Deloitte analysis, 2025.

Now: Key findings

While organizations may be confident in extracting insight from data, they are cognizant of how concerns pertaining to data usage and management may be influencing their progress in adopting AI. Of those sampled, 63 percent agree somewhat or strongly that data concerns are slowing down their organizations AI efforts. Part of the reason why data is slowing down AI efforts is that it can be complex to manage and be a source of potential risk. When it comes to data management for AI implementations, organizations are most concerned about managing data security (65% at least high level of concern) and complying with regulations (67% at least high level of concern).

Concerns pertaining to data management for AI implementations

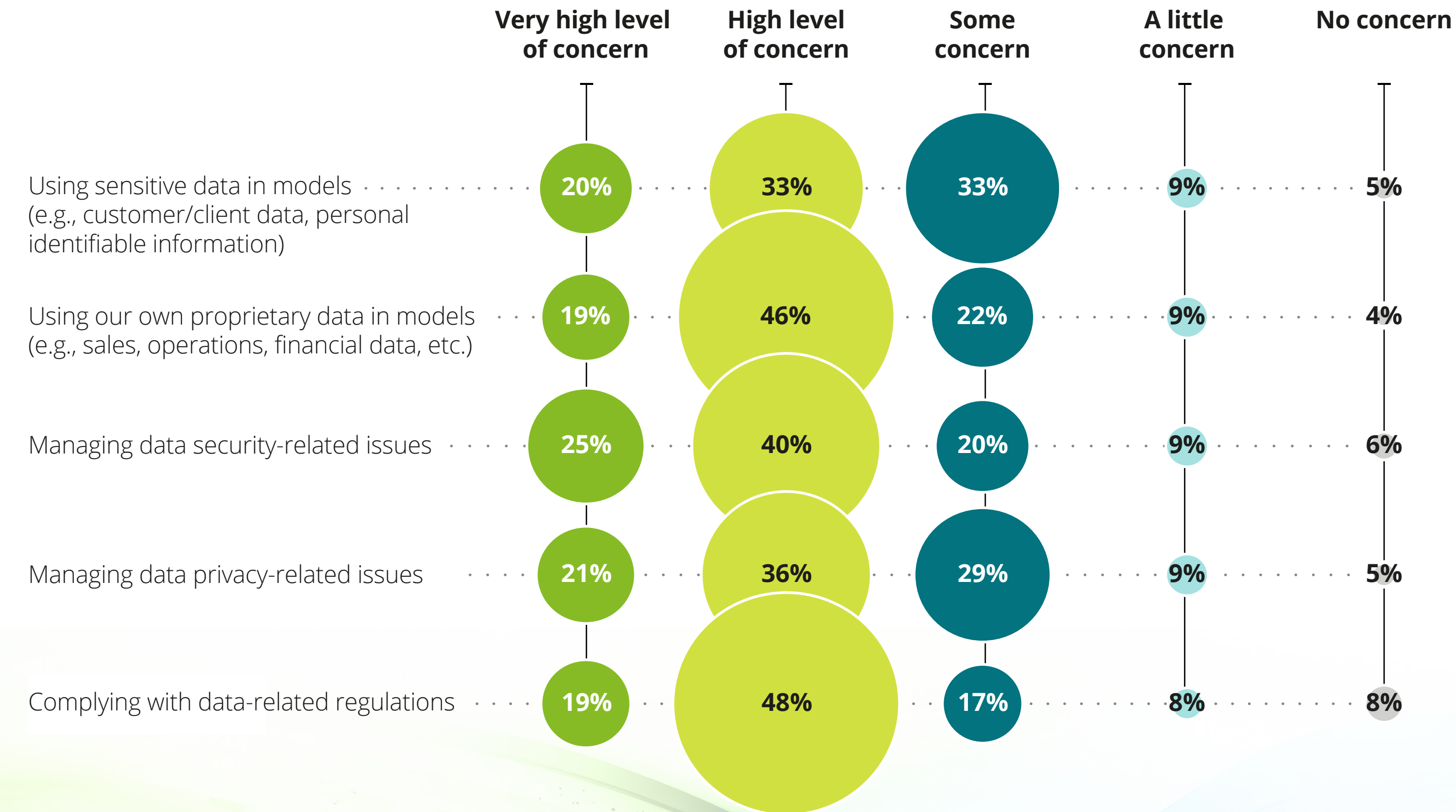


Figure 12

Q: For the following, how much concern does your organization have with respect to its data management for AI implementations?

(N=155)

Source: Deloitte analysis, 2025.

Now: Key findings

Investment surge with external tools dominating yet ROI remains elusive

- AI Investment surge expected: 69% of organizations plan to increase investment in AI technologies next year
- 1 in 3 organizations are spending more than half their AI budget on Generative AI
- Middle East organizations are spending more than other geographies on Generative AI
- 72% of organizations boost investment following strong returns despite difficulty quantifying impact
- 1 in 3 UAE organizations struggle to define and measure impact from AI
- Buying over building: 42% of organizations opt for external AI tools more than they build themselves
- In-house AI development driven by data concerns and customization
- External AI solutions offer more advanced tech and faster time to market
- Most organizations are increasing tech investments with AI & ML capabilities, cyber security and communication networks slightly higher



Now: Key findings

Investments in AI technologies in the Middle East region are expected to surge, with 69 percent of respondents expecting their organization’s investment in all AI technologies to increase in the next fiscal year. The region has ambitious targets for investment in AI and data.³

Compared to global organizations, those that see stronger value to date in the Middle East are more aggressively investing with 32 percent of firms saying they will increase significantly (more than 20%) compared to 26 percent for global.⁴ This increase comes despite the trouble organizations have in measuring the impact of AI, with more than half of respondents agreeing at least somewhat that their organization has struggled to measure the exact impact from its AI initiatives.

Three-quarters of organizations boost investment following strong returns despite difficulty quantifying impact

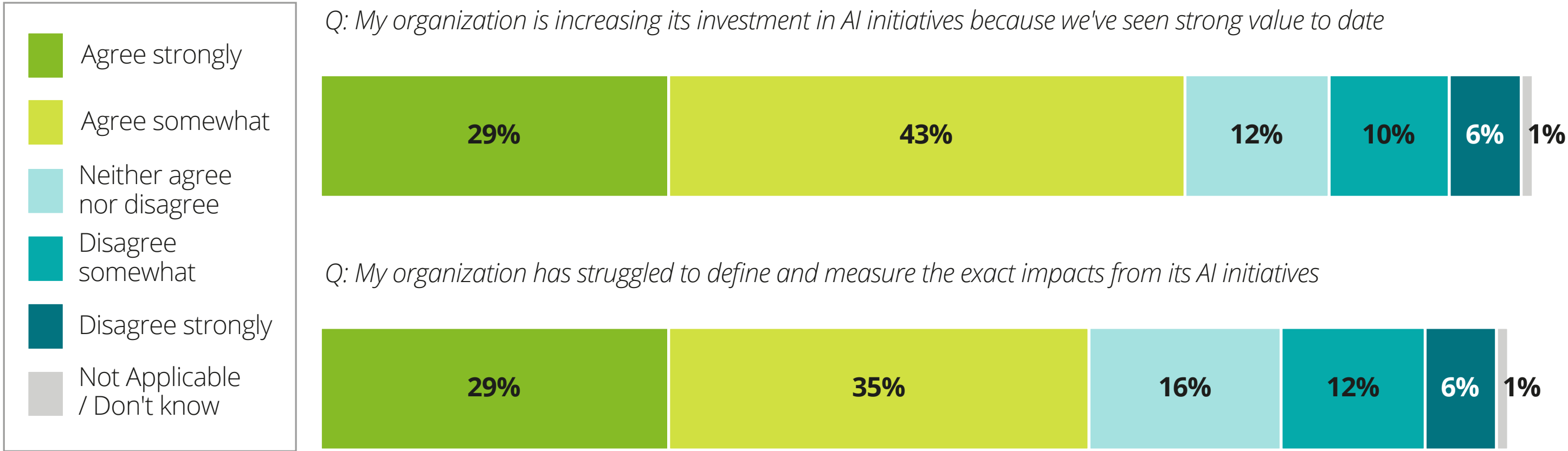


Figure 13

(N=155)
Source: Deloitte analysis, 2025.

Now: Key findings

We identified that organizations seeing stronger value are increasing investment across all AI technology compared to those not seeing value yet. Almost half of those firms seeing strong value to date are increasing their investment significantly (20% or more). Overall, one in three organizations are spending at least 60 percent of their AI budget on GenAI.

Middle East organizations are spending significantly more than other geographies on GenAI. One in three are spending more than 60 percent of their budget on GenAI, compared to data showing most (72%) global organizations are spending less than 40 percent.⁵ This reflects the strong ambition in the Middle East region and the desire to fully realize the value from GenAI.

Budget allocation for GenAI as percentage of overall AI budget

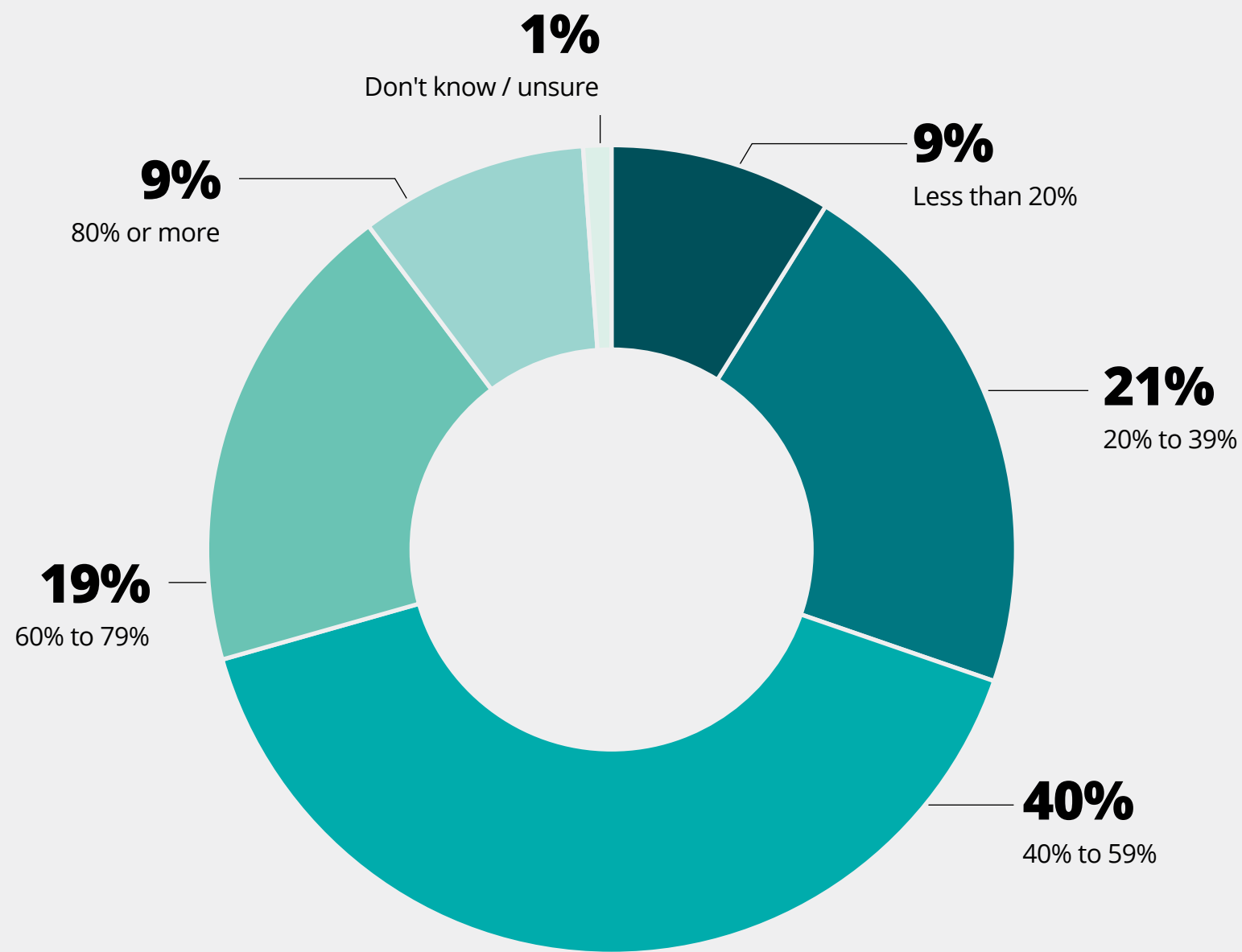


Figure 14
Q: In your estimation, what percentage of your organization's overall AI budget is currently dedicated to generative AI?
(N = 155)
Source: Deloitte analysis, 2025.

Now: Key findings

Buying most or all GenAI tools is favored over building solutions in-house by 42 percent to 28 percent. In line with the current emphasis on tactical benefits from GenAI, the vast majority of respondents are relying on off-the-shelf solutions. While 29 percent of organizations use an even blend of buying and building tools, while those who choose to build tools externally are driven by access advanced infrastructure and latest AI models (61%), and faster deployment (52%). However, those who build internally are motivated by enhanced security and regulatory compliance (56%) and greater customisation (47%). UAE builds slightly more in-house AI tools compared to Qatar and KSA.

For those that build their own AI solution internally (n=43), we asked them their typical timeframe and budget range. The survey revealed in-house AI development takes 6-12 months and costs \$100,000-\$500,000. The average return on investment for AI initiatives is about 6-12 months when comparing with global peers,⁶ so the Middle East is performing similarly. For those spending up to \$1million, the time frame stretches to 1-2 years.

Many organizations are buying off-the-shelf AI tools and applications without a comprehensive long-term strategy in place. Having a clearly defined AI strategy is the difference between buying tech because you think you need it and achieving real, transformative outcomes for your business.⁷

In the rapidly evolving landscape of AI, a clear strategy and roadmap is essential for harnessing its full potential in the Middle East. Establishing a well-defined AI strategy will enable countries in the region to align their AI initiatives with national priorities, ensuring sustainable economic growth and societal benefits.

Buy vs build AI tools and applications

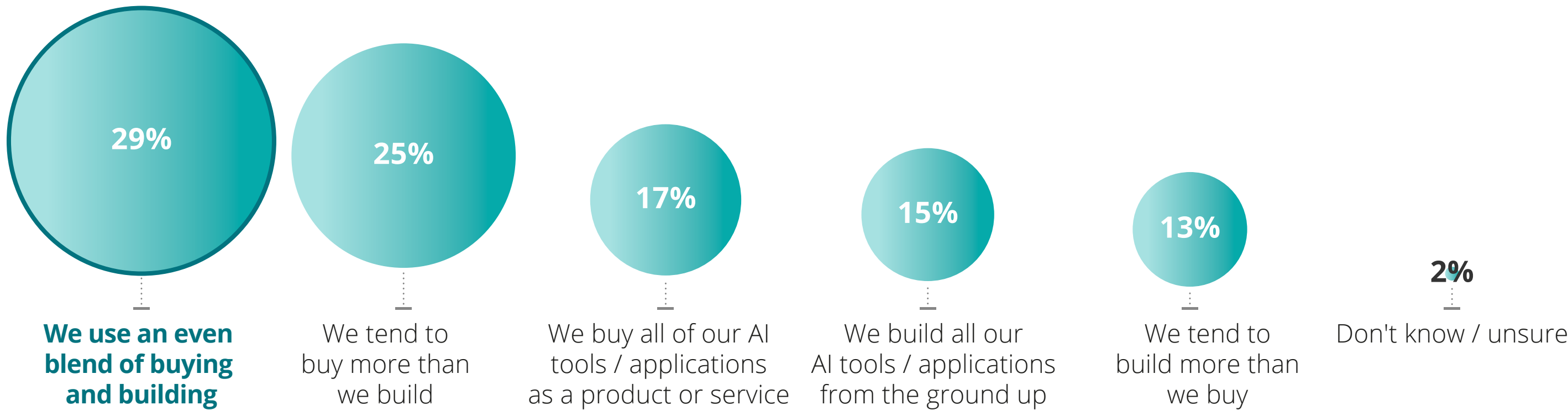


Figure 15

Q: For your organization's AI tools / applications, do you tend to build more internally or buy more from vendors?

(N = 155)

Source: Deloitte analysis, 2025.

Now: Key findings

A comprehensive roadmap will guide policymakers, industry leaders and educational institutions in fostering innovation, building robust AI infrastructure, and developing a skilled workforce. Moreover, it will provide a framework for ethical AI deployment, addressing privacy, security, and inclusion concerns, ultimately positioning the Middle East as a competitive and responsible player in the global AI arena.

Respondents report that their organization’s AI strategy has led to an increase in investment in a range of technologies including AI & Machine Learning capabilities (73%), cyber security (74%) and communication networks (73%).

“GCC needs to transition from being AI consumers to makers, from AI buyers to AI providers”

TMT Executive

Change in technology investments due to AI strategy

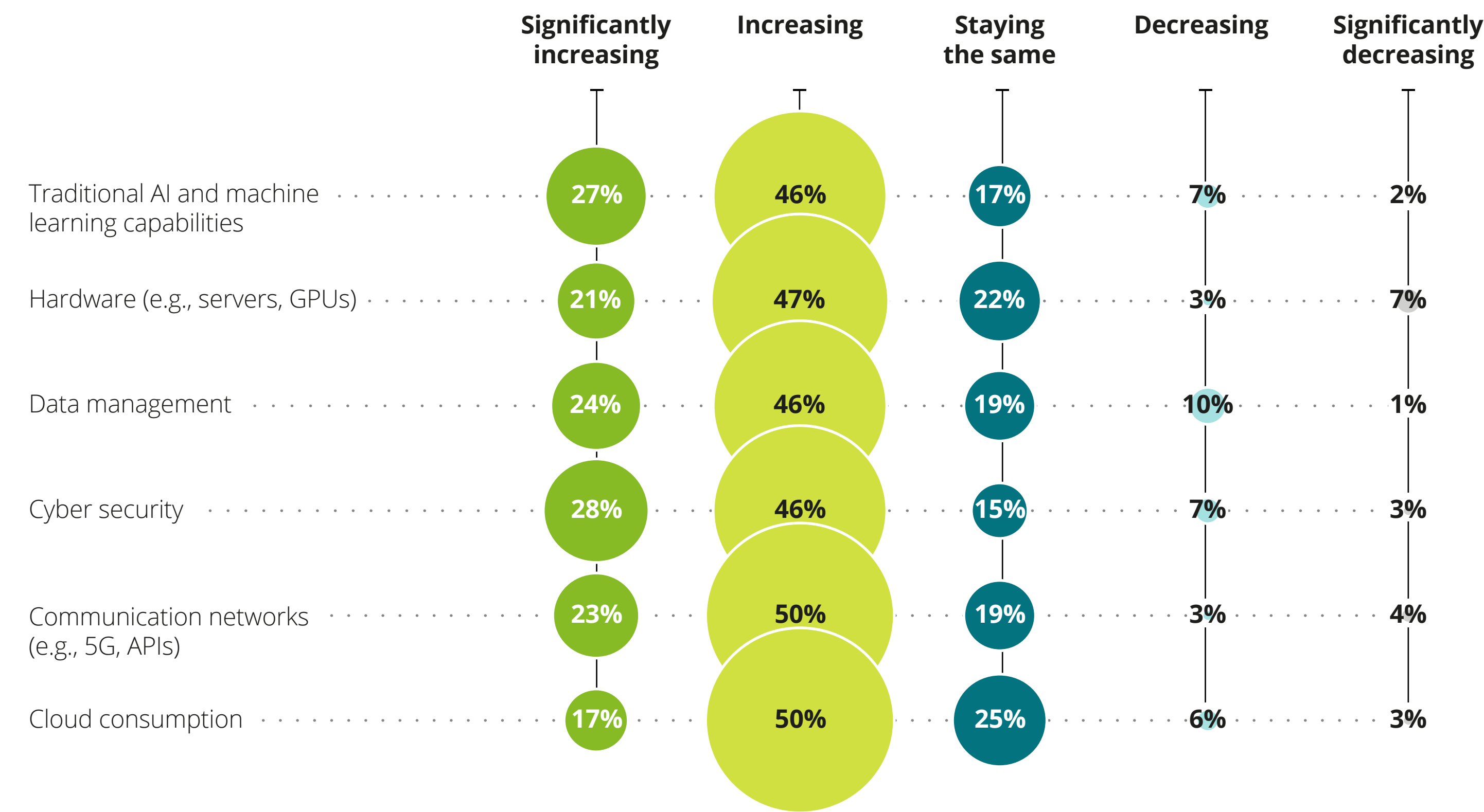


Figure 16

Q: To what extent are technology investments in the following areas impacted as a result of your organization’s enterprise-wide AI strategy?

(N = 155)

Source: Deloitte analysis, 2025.

“Organizations need to focus on both short-term and long-term strategies. Short-term to simplify data layers and leverage pre-built solutions to reduce reliance on scarce talent. Long-term they need to invest in developing local talent through enhanced university programs and educational infrastructure”

Technology industry expert

Now: Key findings

Key recommendations:

Prioritize strategy. While enthusiasm for AI is high, businesses must prioritize developing a clear AI strategy aligned with business objectives. This includes identifying high-value use cases beyond basic applications and establishing a robust governance framework for AI development and deployment.

Prioritize measurement. Organizations that have seen strong value from their initial AI initiatives are confidently investing a significant portion of their budget in GenAI. However, to ensure continued investment and successful large-scale deployment, establishing robust mechanisms for measuring and communicating both qualitative and quantitative value derived from AI is crucial. While qualitative metrics suffice in early stages, demonstrating tangible value through quantitative metrics becomes essential as organizations move beyond proof-of-concept and seek to scale their AI implementations.

Focus on data management and security. Recognize that data quality, availability and governance are critical for successful AI implementation. Prioritize building robust data infrastructure, improving data quality and implementing strong data governance frameworks. Address data security and privacy concerns proactively. Implement appropriate safeguards and ensure compliance with relevant regulations to build trust and mitigate risks.

Adopt a balanced approach to AI investment. While external AI tools offer advantages like advanced technology and faster deployment, consider a balanced approach that includes building in-house capabilities for greater customization, security and control over data. Move beyond a focus on short-term efficiency gains and explore the transformative potential of AI for innovation, growth and new product/service development.



2 Supply

High AI Deployment rates across the region

- AI implementation high with over a quarter of organizations reporting at least 80% of experiments have been deployed
- Intelligent automation, cybersecurity and text chatbots are the most deployed applications
- Edge service providers is the leading place for hosting AI applications
- Microsoft, OpenAI and Amazon are the leading AI providers
- Top reasons for AI model selection are support/access to expertise, accuracy, speed, trust and cost, with overall performance ranking surprisingly low
- All types of data used with document data most prominent
- Google Looker most used development resource followed by Microsoft Power BI, IBM DataStage, Amazon Sagemaker and Google CloudML

To fully understand the state of AI in the Middle East, we needed to determine how the industry ecosystem is operating. We wanted to find out not only what customers want from AI, but we also needed to find out how the supply side is fulfilling this demand. To do this we developed targeted survey questions for respondents working specifically in technology and data science that went deeper into technical knowledge. We then interviewed 10 industry leaders in UAE to find out their practical experience across the AI stack and ecosystem.

We discovered that the Middle East has a high level of AI implementation with over a quarter of organizations reporting at least 80 percent of experiments have been deployed. While AI deployment is high, we were surprised that performance was ranked as the lowest reason for AI model selection. The main reasons for AI model selection are support/access to expertise, accuracy and speed. Other reasons selected are overall trust in the tool/model and cost/pricing model. This suggests having access to expertise and being accurate reflects the developing AI ecosystem, with performance becoming more important over time.

Now: Key findings

Key criteria for AI model selection

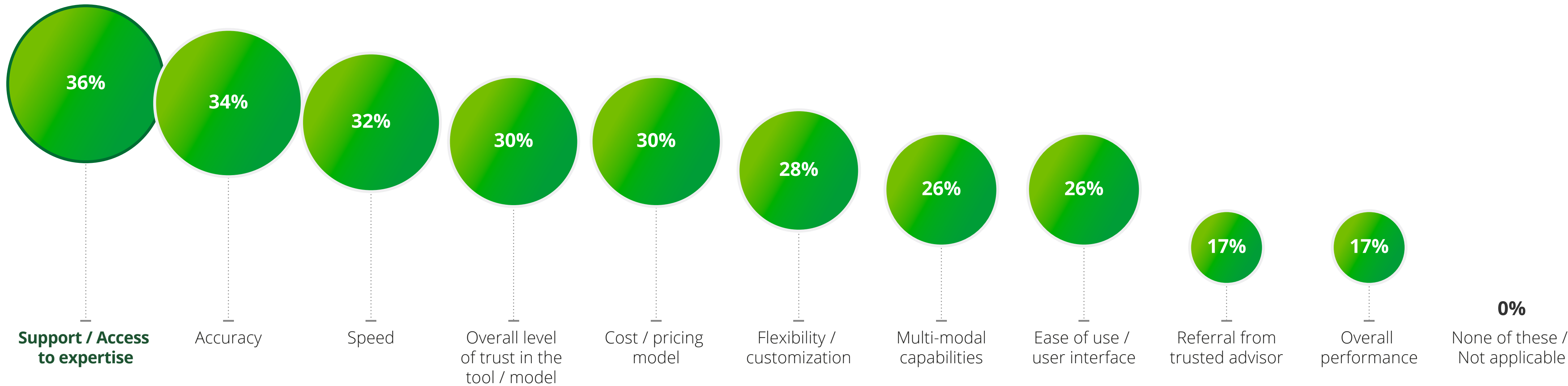


Figure 17 Q: In general, what are the top 3 reason(s) your organization selected the AI models that it decided to use?

(N = 53; included only those whose function is in Technology / IT / Cybersecurity or Data Science Digital; Total does not add to 100% - Select up to 3)

Source: Deloitte analysis, 2025.

We asked respondents about the degree to which their organization is planning, developing, piloting or had already deployed different AI applications. This revealed organizations in the ME have already deployed applications across every category.

However, the results also indicate organizations are also still planning and piloting or not using AI yet for several applications and this reflects the hesitation noted earlier.

Organizations are under pressure to adopt and invest in AI and are buying off-the-shelf applications, but it's not being done as targeted and strategically as it needs to be to realize the full value.

Now: Key findings

AI application by stage of deployment

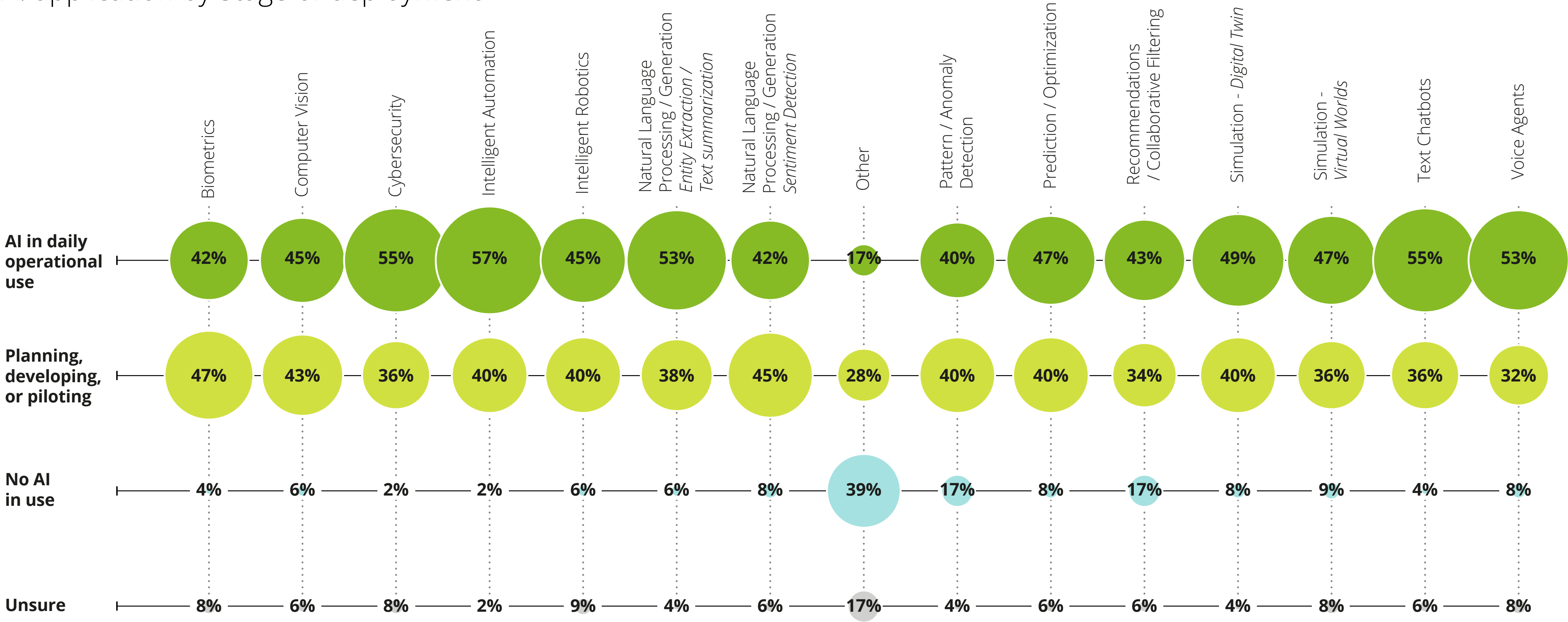


Figure 18

Q: For each AI application, please indicate the degree to which your organization is planning, developing, piloting, or has already deployed that application

(N = 53; included only those whose function is in Technology / IT / Cybersecurity or Data Science/Digital)

Note: 'Other' includes tub optics, virtual AI Integration with humans, customer service development, data analysis, recruitment, simulation, tax simulation, digital data research, security cloud computing, intelligent prediction, security

Source: Deloitte analysis, 2025.

Now: Key findings

There were some surprising regional differences. In Qatar, the most deployed applications are intelligent automation, cybersecurity and NLP, compared to KSA where the most deployed are voice agents, virtual world simulation and computer vision. This differs from UAE, where text chatbots and intelligent automation are the most deployed applications.

In terms of where organizations are hosting their AI applications, the leading place was on edge devices (57%), but cloud providers was second (49%) followed by the internet of things (47%).

The leading AI providers selected were Microsoft (45%), OpenAI (36%) and Amazon (36%). IBM (34%) and Google (Alphabet) (30%) rounded out the top five providers.

When asked what type of data is used most by their organization, respondents selected document data as the most used type (55%). The other most used types were sensor data (49%), textual data (47%) and open data (47%). The least used type of data was structured data/database/data warehouse (42%).

Given the rapid rate of development from GenAI, we asked respondents what development resources, tools and applications they were currently using. Google Looker was the most used development resource (38%) followed closely by Microsoft Power BI (32%), IBM DataStage (32%), Amazon Sagemaker (32%) and Google Cloud AutoML (30%).



Now: Key findings

Key recommendations:

Prioritize strategic alignment and performance evaluation. While it is positive that businesses are deploying AI applications, the low ranking of “performance” as a selection criterion for AI models raises concerns. Businesses should prioritize a more strategic approach to AI adoption, focusing on aligning AI solutions with specific business objectives and rigorously evaluating their performance against those objectives. Don’t just chase the hype of new AI tools. Instead, establish clear metrics for success and prioritize solutions that deliver demonstrable value.

Develop a comprehensive data strategy. Businesses should prioritize developing a comprehensive data strategy that encompasses data acquisition, quality control, governance and analysis. Investing in robust data infrastructure and skilled data professionals will be crucial to maximizing the value of AI investments.



Now: Key findings

3 Enablement

Organizations in the Middle East are actively working to build AI talent capabilities but face significant hurdles in recruitment, retention and skill development. Despite strong ambition and high levels of investment in AI technologies, organizations struggle to find and develop talent who can translate technical expertise into meaningful business outcomes. This challenge is exacerbated by rapidly evolving skill requirements and intense competition for experienced professionals. To fully realize the region's AI potential, organizations will need to focus on building sustainable talent pipelines while developing their existing workforce capabilities.

Talent gap limiting AI adoption

- More than half of organizations have developed a Centre of Excellence – demonstrating understanding of the value of AI
- 44% of organizations lack a robust talent pool – hampering AI adoption
- More than half of employees have access to AI tools at work
- Workforce lags in harnessing AI with 1 in 3 organizations only spending less than 40% of their time on AI and insights



Now: Key findings

Survey results suggest a significant disconnect between perceived organizational capabilities and actual talent resources. While more than half of respondents claim high or very high organizational AI expertise (58%), only 21 percent report being “highly prepared” for talent readiness—marking the lowest preparedness score compared to technology infrastructure (34%) and strategy (33%).

This discrepancy is reinforced by acute talent shortages, with 44 percent of organizations evaluating their current AI talent pool as insufficient. Despite these challenges, organizations remain ambitious in their talent growth plans, with many intending to increase headcount for AI initiatives in the coming year (69%). Nearly half of organizations report planning increased of more than 10 percent (40%).

These findings indicate that while Middle East organizations are embracing AI, the shortage of qualified professionals remains a bottleneck to stronger AI adoption. The gap between aspirations and actual capabilities underscores the need for organizations to align their talent strategies with AI ambitions. Without such alignment, investments in AI risk delivering limited returns and jeopardizing broader digital transformation objectives.

Changes to full-time employee head count in the next year

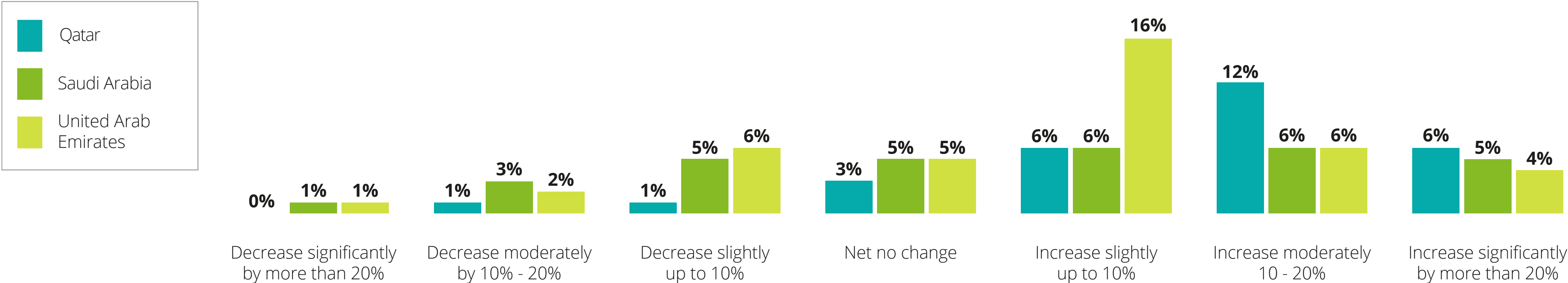


Figure 19

Q: Which of the following best describes the full-time employee head count change you anticipate will result over the next 12 months due to the implementation of your organization's AI strategy

(N=155)

Source: Deloitte analysis, 2025.



Now: Key findings

Organizations investing but face challenges in attracting skilled professionals

- Nearly 70% of organizations plan to increase the number of employees in the next year as a direct result of their AI strategy
- Organizations are tackling AI's impact on work by using performance incentives, aligning workforce planning with AI demands and launching AI skills development programs
- To attain and attract talent, organizations are focusing on development opportunities, flexible work and engaging projects
- Biggest challenges in attracting talent are high salary expectations and competition

Our survey revealed organizations in the Middle East present a strong preference for centralized approaches over distributed operating models. An overwhelming majority (93%) have either a Center of Excellence (54%) or fully centralized model (39%).

Very few organizations (7%) rely on a distributed model. This concentration of AI talent in central hubs is likely a response to talent constraints, as centralization allows organizations to maintain quality standards and prioritize high-impact projects with fewer full time employees.

However, relying exclusively on a centralized model may create future bottlenecks as central teams struggle to support growing enterprise demands. Moreover, centralization can limit innovation at the business unit level, where deep domain knowledge and understanding of specific use cases are crucial.

This is particularly relevant for GenAI, where success often depends on combining technical expertise with detailed business context and rapid experimentation. The results indicate Middle East organizations could benefit from a more hybrid approach that balances a degree of centralized governance with distributed innovation and implementation capabilities.

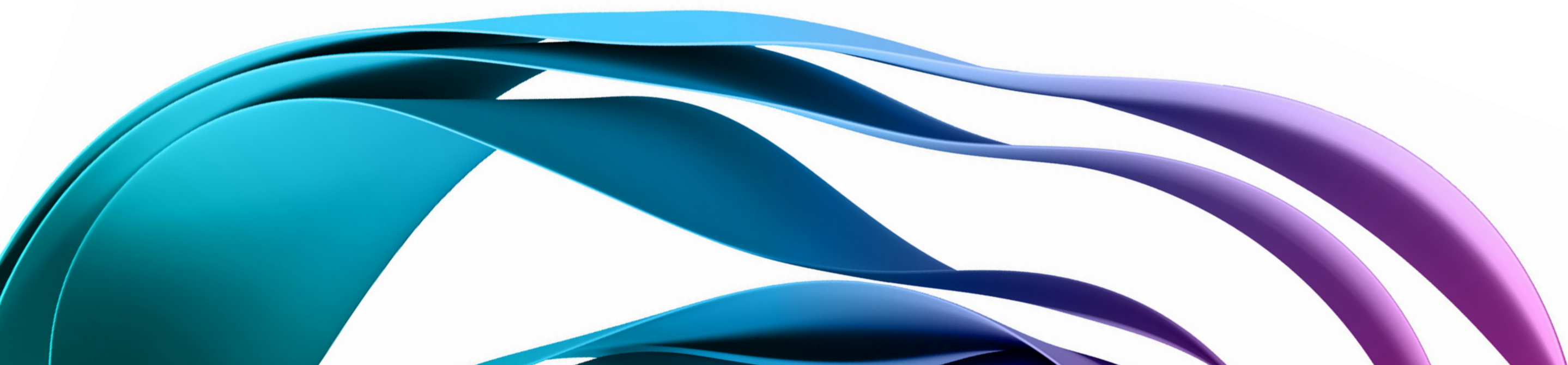


"There has been a persistent AI talent shortage in the GCC.



While organizations have strong ambitions and are investing heavily in AI technologies, they struggle to find people who can properly design and implement these systems. Without the right technical talent, organizations either move much slower than planned or end up with basic implementations that don't deliver the full value they could achieve."

General Manager for MENA at a leading data science and machine learning platform provider





Now: Key findings

The survey reveals how organizations are shifting their talent strategies to address AI talent constraints. The most common approach, reported by 42 percent of organizations, is the use of performance incentives to motivate employees to integrate AI into their work. Organizations are also investing in capability-building initiatives, such as launching AI fluency programs to enhance employee understanding and skills (40%) and redesigning career paths to support growth and mobility in an AI-driven workplace (39%).

Workforce planning plays a key role as well, with many organizations (41%) assessing changes in skill supply and demand and adopting diverse hiring strategies (37%), including contract or contingent workers. However, the low adoption of upskilling programs (21%) and AI-driven process redesign (15%) suggests organizations are missing opportunities to develop internal talent and optimize workflows.

Changes to talent strategies because of AI adoption

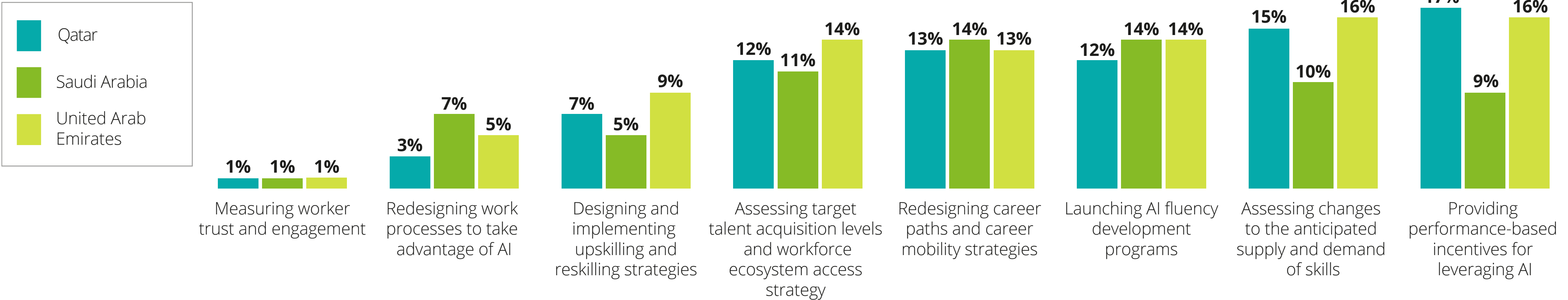


Figure 20

Q: How is your organization adjusting its talent strategies because of the adoption of AI tools/capabilities?

(N = 155; Total does not add to 100% - Select all that apply)

Source: Deloitte analysis, 2025.

Now: Key findings

The data suggests organizations are increasingly focusing on holistic, experience-driven approaches to attract and retain AI talent, rather than relying solely on salary-based incentives. Professional development (49%), flexible work (46%), and exciting projects (46%) lead the strategies to attract and retain AI talent, ranking significantly higher than competitive salaries (30%). The very low adoption of international recruitment strategies (8%) reflects a preference for local talent sourcing, likely due to lower costs, smoother cultural integration and stronger retention rates.

However, it may also point to immature talent acquisition strategies, as effective international recruitment requires clarity on the specific roles and skills needed. Without this clarity, organizations may struggle to define profiles for global hiring, limiting their ability to access diverse and highly skilled talent pools. Additionally, only 28 percent of organizations have established university partnerships to tap into the region’s growing pipeline of AI graduates. Given the increasing AI education output across the Middle East, there is a significant opportunity to work more closely with universities to source and develop local talent.

Main challenges in attracting AI talent

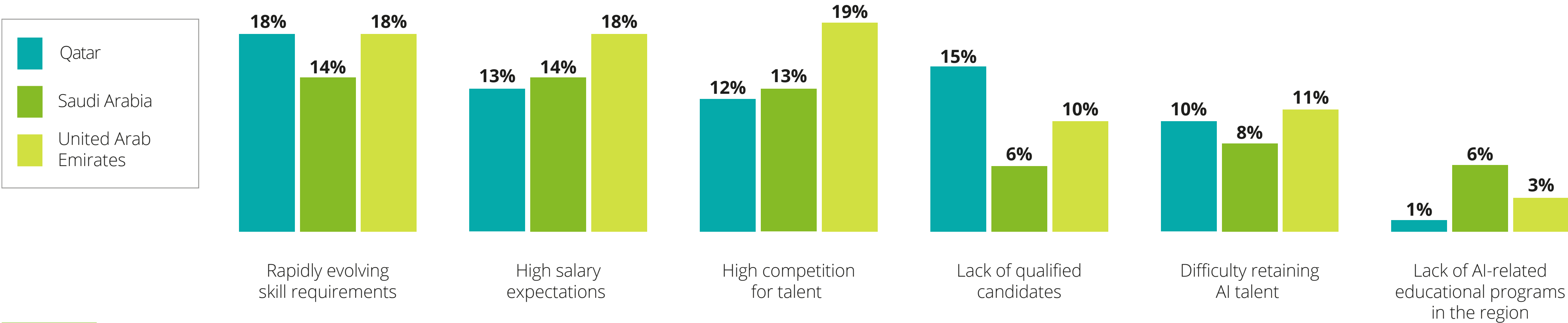


Figure 21 Q: What are the main challenges your organization faces in attracting/retaining AI talent?
(N = 155; Total does not add to 100% - Select all that apply)
Source: Deloitte analysis, 2025.



Now: Key findings

Despite these initiatives, organizations continue to face significant challenges in building their AI talent base. The main reported challenge is the rapid pace of change in skill requirements, cited by half of respondents as the top barrier to developing AI talent.

Second, organizations grapple with intense market competition, marked by high salary expectations (45%) and intense rivalry for talent (44%). Third, there’s a pipeline challenge, with 32 percent citing lack of qualified candidates, though only 9 percent blame insufficient educational programs in the region. The prominence of ‘rapidly evolving skill requirements,’ as a high challenge, coupled with lower reported talent pipeline (32%) and retention (29%) difficulties, provides further evidence that many organizations haven’t yet pinpointed the exact AI skills or roles they truly need. This lack of clarity can stem from an underdeveloped AI talent strategy, leading to ambiguous hiring requirements, misaligned talent acquisition and inefficient resource allocation. Without a clearly defined roadmap that outlines which specialized roles and competencies are necessary, organizations risk perpetuating skill shortages and failing to capitalize on their AI investments.

These challenges vary by region, with Qatar experiencing more acute talent pipeline insufficiency than the UAE and KSA, though all regions grapple with talent attraction issues.

Middle East organizations embrace research collaboration

- Middle East embraces AI collaboration, driven by data access and infrastructure needs, high level of willingness to collaborate with different research entities
- Wide variation of how much organizations are leveraging offshore resources
- Access to data and infrastructure a key motivation for collaborative AI development

Now: Key findings

The respondents in our survey reveal their organizations show a strong willingness to collaborate with research entities across the board, with consistently high openness ratings (74-78% rating 4-5) for private labs, government institutions, universities, and startups. However, this contrasts with earlier data showing relatively low actual implementation of university partnerships (28%).

The data revealed differences within the region for embracing collaboration. Qatar organizations are most open to collaborating with government entities, whereas KSA most open to collaborating with Private AI research labs. UAE organizations are most open to collaborating with Universities.

Given the challenges organizations face with rapidly evolving AI skills (50%) and competition for elite talent (44%), this gap between collaboration intent and execution represents a missed opportunity. More active research partnerships could help organizations access cutting-edge expertise, develop talent pipelines, and stay ahead of AI advancement without relying solely on direct hiring in a competitive market.

“There’s a tremendous opportunity for academic institutions and private organizations to work together on AI talent development in the region,” said an AI advocate at a major international cloud and technology provider.

“Universities can provide that steady pipeline of fresh graduates, while also helping upskill existing professionals through executive education and other programs. They can be true partners in innovation, collaborating directly with organizations on real-world AI projects. This kind of ecosystem is exactly what the region needs.”



Now: Key findings

Key recommendations:

Develop comprehensive talent strategies.

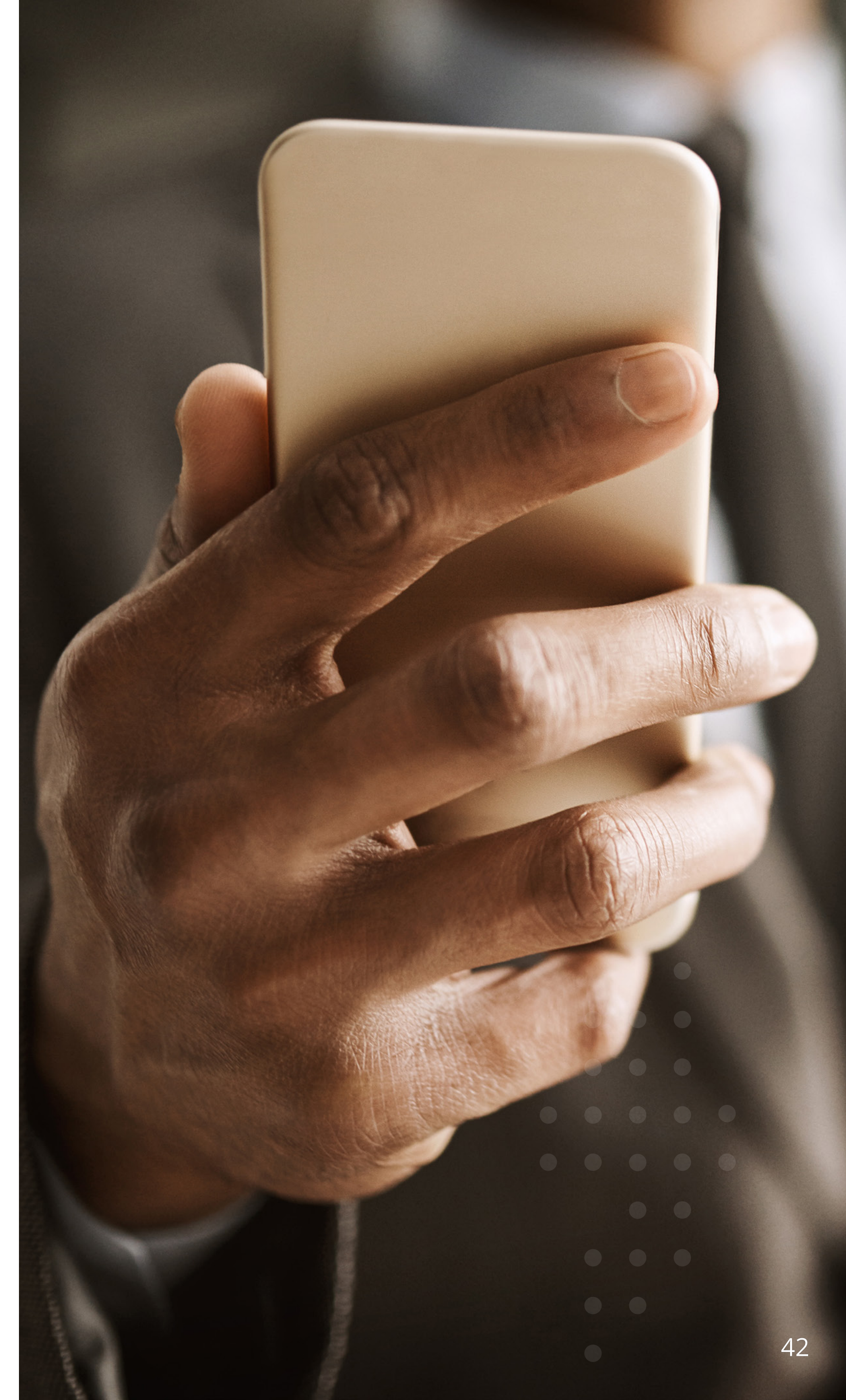
Organizations should align their talent development efforts with their overarching AI vision and mission. Talent strategies need to be directly connected to business objectives to ensure the right skills are identified and cultivated. Survey results reveal uncertainty among organizations regarding which AI-related skills to prioritize in hiring, underscoring the need for a clear and focused approach to workforce planning. Given the rapid evolution of AI capabilities, organizations must develop forward-looking talent strategies that anticipate future skill needs. Only reacting to current talent demands risks falling behind competitors who are already building capabilities for tomorrow's AI technology.

Build organization-wide AI capabilities. The data suggests organizations can significantly strengthen their AI capabilities by better leveraging their existing workforce.

Current approaches appear restrictive - only 26 percent of organizations provide AI tools to more than half of their workforce, while the strong preference for centralized operating models (93%) may be limiting innovation at the business unit level. Internal talent development also remains underutilized, with few organizations implementing upskilling programs, and only 15 percent adapting workflows to integrate AI effectively. Organizations should take a comprehensive approach to building internal capabilities: not just providing AI access and training but actively encouraging employees to experiment with and adapt AI tools to transform their work processes.

Strengthen talent pipelines through partnerships.

Collaboration with educational institutions is essential to addressing the talent pipeline challenge, yet only one in three organizations currently engage in such partnerships. Strengthening ties with universities and research centers can help organizations influence curricula, gain early access to talent, and ensure a steady flow of skilled graduates tailored to industry needs.



Now: Key findings

While talent remains a critical constraint for AI adoption in the Middle East today, the region has unique advantages that could help transform this challenge into an opportunity. As an AI practice leader at a global professional services firm noted, “AI represents a unique opportunity for the Middle East to compete globally in technology innovation. Unlike other technological advances, AI success depends more on having exceptional talent than large teams - with the right people, the region can deliver breakthrough innovations”. By focusing on clear talent strategies, investing in internal capability-building, and strengthening talent pipelines, organizations can address current skill gaps and position themselves to compete effectively in the global AI landscape. These efforts, combined with the region’s expanding educational ecosystem and innovation hubs, can enable the Middle East to not only address current talent shortages but to establish itself as a global hub for AI talent excellence, delivering transformative innovations and fostering economic growth.



Our view on AI regulation

The AI regulatory landscape is evolving at pace with over 300 AI-related laws, guidelines and regulations either implemented or under development worldwide.⁸ AI regulation is crucial due to the profound impact and potential risks associated with this rapidly evolving technology. As AI systems become increasingly sophisticated, concerns arise regarding potential biases embedded in these algorithms and as a result, incorrect output or result of the processing activity, lack of transparency in decision-making processes, potential for misuse and unforeseen consequences on employment and society.

Establishing clear regulatory frameworks is essential to mitigate these risks, ensure fairness and accountability, build public trust, and guide the ethical development and deployment of AI for the benefit of humanity. As regulatory frameworks evolve globally, Middle Eastern regulators find themselves facing the challenge of balancing technological innovation with ethical standards, mirroring the same global need for AI governance.

Deloitte acknowledges these concerns and advocates for a responsible and ethical approach to AI development and implementation. Rooted in our Risk, Audit and Assurance heritage, Deloitte's Trustworthy AI™ framework emphasizes our commitment to ethical principles, risk management and stakeholder engagement. It is critically important for organizations in the Middle East to implement digital ethics and self-regulation for utilizing emerging technologies such as AI. Investing in a digitally ethical and trustworthy framework will help address and mitigate any harmful impacts of these technologies. By proactively managing these risks to the best of our current understanding of AI risk, companies can not only protect themselves but also potentially avoid future rework once formal regulations are introduced. A digital ethics framework encourages innovation while developing legal frameworks for data protection, privacy and ethical AI practices.



Such a framework ensures that AI systems are developed and deployed responsibly, aligning with ethical standards and existing legal requirements. This proactive approach fosters trust among stakeholders, enhances the company's reputation, and positions it as a leader in ethical AI practices. Additionally, it prepares companies for future regulatory landscapes, ensuring smoother transitions and compliance when new laws are enacted. By embedding ethical considerations from the outset, companies can innovate confidently while safeguarding against potential risks and challenges associated with AI technologies.

Mohamed bin Zayed University of Artificial Intelligence emphasizes that regulatory approaches must be grounded in a clear understanding of AI's dual nature as both a scientific discipline and a practical tool. While acknowledging safety concerns, we advocate for regulatory focus on AI-derived products and their tangible impacts rather than constraining foundational research.

Current regulatory discussions often overlook this crucial distinction, potentially hampering innovation in critical areas where AI could surpass human capabilities, such as in biological research and materials science. Rather than overemphasizing abstract risks or current limitations like non-explainability, regulatory frameworks should address demonstrated harms while fostering an environment conducive to scientific advancement.

This requires enhanced technological literacy among policymakers and greater involvement from the academic research community to ensure regulations are both effective and balanced. As a leading AI research institution in the Middle East, MBZUAI is committed to advancing responsible AI development while preserving the innovative potential essential for technological progress.

62%
**of businesses in the ME are using
AI in their organizations.⁹**





Next: Looking ahead

Next: Looking ahead

The Middle East exhibits a high demand for AI solutions, driven by the technology's transformative potential yet implementation primarily remains in the pilot phase. The pressure to adopt and invest in AI, coupled with a lack of robust talent and limited strategic thinking has created a perfect storm. To overcome these challenges, organizations should prioritize developing comprehensive talent strategies, building organization-wide AI capabilities, strengthening talent pipelines through partnerships and prioritizing data management to fully realize the benefits of AI. Just as a skilled captain navigates a ship through stormy seas, businesses must chart a strategic course, ensuring they have the right crew and tools to weather the challenges and harness the full potential of AI. To do this, **Deloitte proposes a 10-point action plan.** By integrating these steps, organizations can drive sustainable growth, enhance public services, and position the Middle East as a global AI leader.



Next: Looking ahead

Deloitte's 10-Point AI Action Plan for the Middle East

1 Develop a clear AI strategy and roadmap to value

Align AI adoption with national visions (e.g., Saudi Vision 2030, UAE Centennial 2071) and sector-specific goals. Avoid getting caught in the storm and have a clear plan to deliver value.

For private enterprises, identify high-impact business problems and solve using AI as a technology tied to profitability and revenue.

2 Foster Public-Private Partnerships (PPPs)

Collaborate on AI R&D through initiatives like setting up AI labs. Incentivize startups via grants, sandboxes, and accelerators focused on Arabic NLP and region-specific solutions.

3 Invest in AI Infrastructure

Build or buy secure, interoperable data ecosystems with cloud infrastructure and data-sharing protocols. Address data privacy laws and promote open datasets for innovation.

4 Establish Ethical AI Governance Frameworks

Create cross-functional AI ethics committees to ensure compliance with cultural values, regional regulations as described and global standards like UNESCO's AI ethics recommendations.

5 Engage Communities via AI Awareness Campaigns

Educate citizens on AI benefits (e.g., smart city efficiency) and risks (e.g., deepfakes). Use social media and local influencers to build trust in AI adoption.

6 Build AI driven Decision-Making Cultures

Invest in platforms to break silos and democratize access to insights. Train leadership teams to interpret AI outputs and integrate them into strategic planning.

7 Attract & Retain AI Talent

Offer competitive salaries for data scientists and AI engineers. Leverage immigration programs to bring in best of breed talent. Partner with universities for internships and joint research projects.

8 Upskill Workforce for AI Readiness

Partner with universities and private sector to launch AI training programs. Fund reskilling initiatives in AI literacy, data science, and automation tools.

9 Prioritize Explainable and Inclusive AI

Ensure transparency in automated decisions (e.g., loan approvals, hiring) and audit algorithms for bias. Develop inclusive AI tools for Arabic dialects and accessibility needs.

10 Strengthen Cybersecurity for AI Systems

Adopt AI-powered threat detection tools and invest in securing critical infrastructure against AI-enhanced cyberattacks.

Next: Looking ahead

+ How can my organization build AI expertise when things are moving so quickly?

In the race to deploy AI solutions, organizational attributes such as adaptation, experimentation and agility will be critical as new models, capabilities and use cases emerge. The key is to maintain a beginner's mindset—the belief that no matter how expert you think you are, there will always be much more to learn— even as your experience grows. Careful coordination across your organization will be needed to successfully shepherd AI transformation in the face of rapid change. Work to improve AI literacy throughout your organization, and lead using a cross-disciplinary approach. Actively collaborate with partners and third-party organizations. Also, gain experience with a variety of AI technologies—with innovation happening so quickly, it's nearly impossible to pick a clear winner today.

+ How should we balance buying vs. building?

When developing and deploying GenAI solutions, should you buy or build? The answer depends on many factors, including your overall goals and the scale, complexity and uniqueness of your solution and use case. Are you looking to monetize your model? What is your approach to open source? How much control over training datasets do you want? Questions like these will help you choose from the broad spectrum of approaches, which include: building large language models or LLMs from scratch, fine-tuning vendor provided models with your own data, or using enterprise software with generative AI built in. Each approach has its benefits and drawbacks, and you might end up choosing more than one. When deciding, be sure to consider your business strategy, desired investment level, risk tolerance and data readiness.



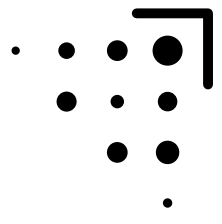
Next: Looking ahead

+ Build bridges to sustained ROI

AI initiatives are already delivering significant enterprise value, including improved efficiency, relationships and innovation. Measurable ROI varies widely for different use cases and functions. Some initiatives are already exceeding expectations, but others are currently falling short. The bridge to sustained ROI can only be built by establishing the right holistic strategies, building platform capabilities, being realistic about targets and timelines and taking some risks. Focusing on a small number of high-impact use cases in proven areas can accelerate ROI, as can layering AI on top of existing processes. Additionally, centralized governance can pave the way for smoother adoption and employee buy-in, which tends to yield better results and improves scalability. Finally, continuous iteration based on user feedback and real-world performance can help ensure sustained value creation. Ultimately, organizations need to move beyond isolated initiatives and integrate AI throughout. The goal should be to fundamentally reinvent business processes.

+ Make data an accelerator, not a barrier

Many organizations are learning that they can't even get started with GenAI until they address their data deficiencies. Activities such as LLM tuning and training require high-quality data that is free of issues related to privacy, confidentiality and intellectual property. In addition, many organizations likely haven't paid as much attention to external data as to existing internal data. As such, data life cycle management should be at the top of every organization's GenAI priority list. Focus on improving your data foundations (e.g., quality, security, privacy, extraction, labelling). Also, bolster strategic relationships with members of your data ecosystem (e.g., B2B partners, data end users, third-party data providers), just like you have with your key technology vendors.



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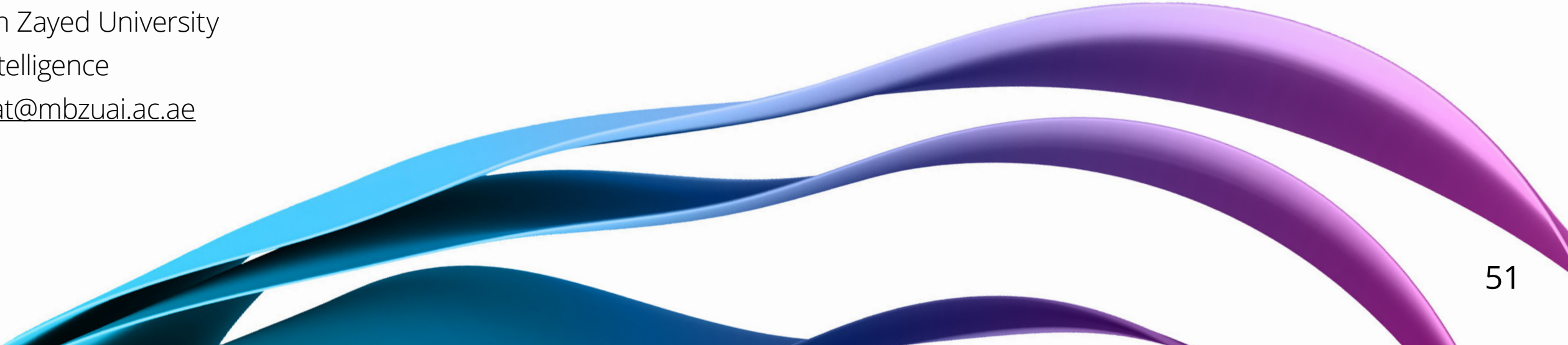
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+ About the Mohamed bin Zayed University of Artificial Intelligence

Mohamed bin Zayed University of Artificial Intelligence (MBZUAI) is a graduate, research-focused university in Abu Dhabi, and the first university dedicated entirely to the advancement of science through AI. Ranked among the top 10 globally in AI, MBZUAI empowers the next generation of AI leaders; driving innovation and impactful applications of AI through world-class education and interdisciplinary research.

MBZUAI has eight academic departments including computational biology, computer vision, computer science, statistics and data science, human computer interaction, machine learning, natural language processing, and robotics, in addition to a Master in Applied AI (MAAI), attracting top global talent and faculty. The university partners with industry and government to address real-world challenges and drive positive global impact, playing a key role in the UAE's vision to become a global AI hub.

[Learn more](#)

+ About the Deloitte AI Institute

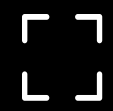
The Deloitte AI Institute™ helps organizations connect all the different dimensions of the robust, highly dynamic and rapidly evolving AI ecosystem. The AI Institute leads conversations on applied AI innovation across industries, using cutting-edge insights to promote human-machine collaboration in the Age of With™. The Deloitte AI Institute aims to promote dialogue about and development of artificial intelligence, stimulate innovation, and examine challenges to AI implementation and ways to address them. The AI Institute collaborates with an ecosystem composed of academic research groups, startups, entrepreneurs, innovators, mature AI product leaders and AI visionaries to explore key areas of artificial intelligence including risks, policies, ethics, future of work and talent, and applied AI use cases. Combined with Deloitte's deep knowledge and experience in artificial intelligence applications, the institute helps make sense of this complex ecosystem and, as a result, delivers impactful perspectives to help organizations succeed by making informed AI decisions.

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+ About the Deloitte Center for Technology, Media & Communications

The Deloitte Center for Technology, Media & Telecommunications (TMT Center) is a world-class research organization that serves Deloitte's TMT practice and our clients. Our team of professional researchers produce practical foresight, fresh insights, and trustworthy data to help clients see clearly, act decisively, and compete with confidence. We create original research using a combination of rigorous methodologies and deep TMT industry knowledge.

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Methodology

To obtain a view of how AI is being adopted in the Middle East by organizations on the leading edge of AI, Deloitte surveyed 155 leaders between November and December 2024. Respondents were senior leaders in their organization and included board and C-suite members, and those at the president, vice president and director level. Interviews were conducted in the UAE in October – December 2024 with 10 industry leaders and experts with a wealth of experience and knowledge on AI and Generative AI from the supply side. The survey respondents included leaders in Qatar (45), KSA (48) and UAE (62). Respondents represented a range of industries and ownership structures. Half of the organizations have an annual revenue of at least \$500million and over a quarter have revenue above \$1billion.

This was compared with the global sample of 2835 leaders sampled in wave 1 and 2773 in wave 4. The wave 1 survey was conducted between October and December 2023. Sixteen countries were represented: Australia (100 respondents), Brazil (115 respondents), Canada (175 respondents), France (130 respondents), Germany (150 respondents), India (200 respondents), Italy (50 respondents), Japan (100 respondents), Korea (11 respondents), Mexico (101 respondents), Netherlands (75 respondents), Singapore (76 respondents), Spain (101 respondents), Switzerland (50 respondents), the United Kingdom (200 respondents), and the United States (1,201 respondents).

The wave 4 survey was conducted between July and September 2024. Fourteen countries were represented: Australia (100 respondents), Brazil (115 respondents), Canada (175 respondents), France (130 respondents), Germany (150 respondents), India (200 respondents), Italy (50 respondents), Japan (100 respondents), Mexico (100 respondents), Netherlands (75 respondents), Singapore (75 respondents), Spain (101 respondents), the United Kingdom (200 respondents), and the United States (1,203 respondents).

All participating organizations have one or more working implementations of AI being used daily. Plus, they have pilots in place to explore Generative AI or have one or more working implementations of Generative AI being used daily. Respondents were required to meet one of the following criteria with respect to their organization's AI and data science strategy, investments, implementation approach, and value measurement. Respondents either influence decision-making, are part of a team that makes decisions, are the final decisionmaker, or manage or oversee AI technology implementations.

Generative AI is an area of artificial intelligence and refers to AI that in response to a query can create text, images, video and other assets. Generative AI systems can interact with humans and are often built using large language models (LLMs). Also referred to as "GenAI."

[Learn more about the global State of Generative AI in the Enterprise series](#)

Endnotes

1. [Now decides next: Insights from the leading edge of Generative AI adoption](#), Deloitte, 2024.
2. [Now decides next: Insights from the leading edge of Generative AI adoption](#), Deloitte, 2024.
3. [How can the GCC region position itself as an AI leader?](#), Deloitte Middle East, 2024.
4. [Now decides next: Generating a new future](#), Deloitte, 2025.
5. [Now decides next: Generating a new future](#), Deloitte, 2025.
6. [What Companies Succeeding with AI Do Differently](#), Harvard Business Review, 2025.
7. [How Businesses Should \(And Should Not\) Use AI: A Strategic Blueprint](#), Forbes, 2024.
8. [AI risk and approaches to global regulatory compliance](#), Deloitte, 2024.
9. [The state of AI in GCC countries – and how to overcome adoption challenges](#), McKinsey, 2023.





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