e& and IBM study focuses on MENA’s opportunity to lead AI transformation despite tech readiness challenges

65% of MENA CEOs say they are accelerating Gen AI adoption & 54% view advanced GenAI as crucial for competitive advantage

A new study from e& and the IBM Institute for Business Value highlights transformative trends in AI adoption and opportunities poised to redefine digital transformation across the Middle East and North Africa (MENA).

Titled “MENA’s AI advantage: Opportunity to leap ahead and lead,” the report explores insights gathered from interviews with key regional CEOs and policymakers in the UAE, Saudi Arabia, and Egypt shedding light on the nuanced opportunities and challenges unique to the region's dynamic economic and technological landscape.

The report shows that the conditions for AI adoption in the MENA region are highly favourable, with 65 per cent of MENA CEOs pushing their organisation to embrace Generative AI (GenAI)—outpacing the global average of 61 per cent. Key factors contributing to this momentum include robust government support, focused research, investments in infrastructure, strategic upskilling, and cross-sector collaboration. Governments are particularly enthusiastic about AI due to the significant economic value it promises, further accelerating its integration across industries.

Harrison Lung, Group Chief Strategy Officer, e&, said: “As the MENA region stands on the brink of an AI-driven future, the timing of this research collaboration between e& and IBM could not be more crucial. This report serves as a roadmap for CEOs and policymakers to bridge the gap between ambition and execution, enabling the MENA region to cement its position as a global leader in AI innovation.”

While 54 per cent of MENA CEOs recognise advanced GenAI as critical to gaining a competitive edge, the report also reveals significant barriers, including challenges in tech readiness, data privacy, security, and talent development. These obstacles underscore the need for a strong focus on foundational capabilities—such as upskilling talent, and scaling infrastructure and data systems to match regional ambitions.

“We are proud to partner with e&, to capture the region’s readiness to accelerate AI’s impact across sectors. Together, we are helping CEOs and boards navigate the AI frontier, with a clear focus on building infrastructure, scaling talent, and unlocking data to fuel business success,” said Saad Toma, General Manager, IBM Middle East and Africa.

Other key findings include:

- While CEOs across the region recognise the importance of digital infrastructure, confidence in its ability to support scaling and deliver new investments has sharply declined—from 82 per cent in 2023 to 64 per cent in 2024.
- 54 per cent of tech leaders in the region believe their organisations have the necessary technology risk tolerance to successfully execute AI strategies—lagging the global figure of 63 per cent.
- MENA CEOs cited organisational resistance to change from top management (41%) and employees (43%) as barriers to innovation.

Five priorities for AI transformation

The report also outlines five key priorities to drive AI transformation in the MENA region, helping CEOs accelerate their AI initiatives and scale effectively.

- While public partnerships are helping, organisations must align their talent strategies with business needs to stay competitive in the AI-driven future.
- Modernising data architecture is a critical focus, with 46 per cent of MENA CEOs recognising its importance for achieving AI goals in the next three years.
- Talent acquisition and retention remain a challenge, with only 23 per cent of MENA CEOs prioritising talent strategy. While public-private partnerships are helping, organisations must align their talent strategies with business needs to stay competitive in the AI-driven future.
- Responsible AI is increasingly important for sustainable growth. With rising concerns over data privacy and regulatory compliance—identified by 48 per cent and 43 per cent of MENA CEOs as top barriers to GenAI adoption—organisations must implement robust AI governance frameworks to ensure compliance and build trust.
- The MENA region’s national AI strategies and public-private partnerships are pivotal for advancing AI adoption. By leveraging government support, the region can build an integrated ecosystem that aligns strategy, infrastructure, and talent while fostering an innovation-driven mindset.

“With visionary leadership, abundant resources, and a digitally empowered population, the region is uniquely positioned to chart its own transformative AI journey. However, turning this potential into measurable impact requires bold, pragmatic action—investing in tailored infrastructure, nurturing talent, and embracing collaboration to address regional nuances,” Harrison added.

To unlock AI's full potential and drive regional transformation, the report also identifies key imperatives that bridge strategy and execution. These imperatives offer a blueprint for regional CEOs to align leadership, integrate resources, optimise operations, and leverage public-private collaboration to create a dynamic and sustainable AI ecosystem.

- Leadership alignment: Successful AI integration demands cohesive C-suite leadership, aligning business goals, technology, and financial strategies with clear objectives and adaptive decision-making.
- Integrated strategy: A comprehensive AI strategy links infrastructure, data, and talent to business goals, ensuring adaptability to regulations and market demands.
- Operational excellence: Balance quick wins with long-term growth through agile decisions, scalable solutions, and clarity on internal versus external capabilities.
- Public-private partnerships: Building on public sector AI investments fosters collaboration, aligns innovation, and drives shared progress across the region.

AI adoption demands a tailored approach

The MENA region is diverse, with significant differences in economic structures, regulatory environments, and technological readiness. As a result, AI strategies must be tailored to individual markets rather than applying a one-size-fits-all approach.

What sets the region apart is its unique combination of ambitious national visions, substantial investments, and strengths like abundant capital, energy resources, and a tech-savvy, youthful population eager to embrace the future. Governments are leading AI adoption by crafting models suited to their specific needs, supported by collaborations with global tech giants, which drive the development of essential AI infrastructure.

Download the complete research report from e& and the IBM Institute for Business Value:MENA’s AI advantage: Opportunity to leap ahead and lead

Study Methodology:

The IBM Institute for Business Value (IBM IBV), in collaboration with Oxford Economics, conducted two rounds of survey-based interviews with over 3,000 CEOs and 2,500 C-suite technology leaders, including Chief Technology Officers (CTOs), Chief Information Officers (CIOs), and Chief Data Officers (CDOs). Executives represented more than 30 countries and 26 industries and included 149 CEOs and 149 C-suite technology leaders from across the UAE, Saudi Arabia, and Egypt. The primary phase of surveys for both groups, conducted between December 2023 and April 2024, focused on leadership, technology, talent, industry disruption, and emerging enterprise strategies with an emphasis on the role of AI-driven technologies.

e& and IBM IBV then analysed global and regional IBM IBV survey data to further explore insights specific to the MENA region. e& supplemented and strengthened findings by conducting deep-dive qualitative interviews with six CEOs and policymakers from the UAE, Saudi Arabia, and Egypt to capture current regional perspectives and to highlight rapidly-changing industry trends in the MENA region.

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Founded in Abu Dhabi over 48 years ago, e& has evolved from a telecom pioneer into a technology group. Its footprint now spans 38 countries, offering a comprehensive portfolio of innovative digital services ranging from advanced connectivity, entertainment, streaming and financial services to AI-powered solutions, cloud computing, ICT, cybersecurity and IoT platforms.

The Group is structured around five core business pillars:**e& UAE**, **e& international**, **e& life**, **e& enterprise** and **e& capital**, each catering to distinct customer and market needs. These pillars empower e& to lead in various sectors, from telecom and digital lifestyle to enterprise services and venture investments. The ongoing strategic investments in AI, IoT, 5G and cloud services reinforce its leadership in the global technology landscape, driving the future of smart connectivity and innovation.

Driven by innovation, sustainability and a commitment to digital empowerment, e& is set on creating a smarter, more connected future for individuals, businesses and communities.

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