Unlocking Potential: How GCC Organizations Can Convert AI Momentum into Value at Scale

Build for the Future

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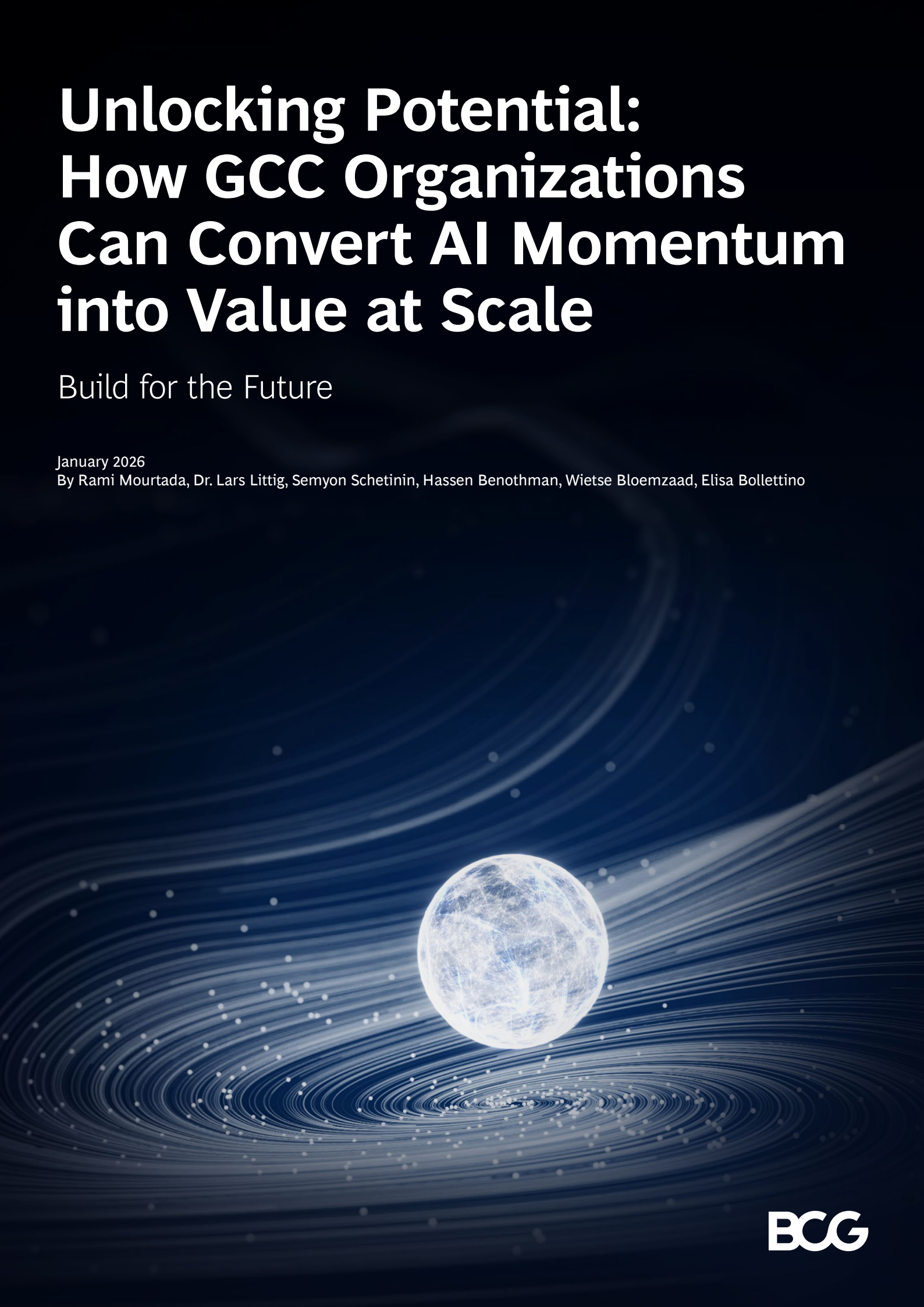

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Introduction

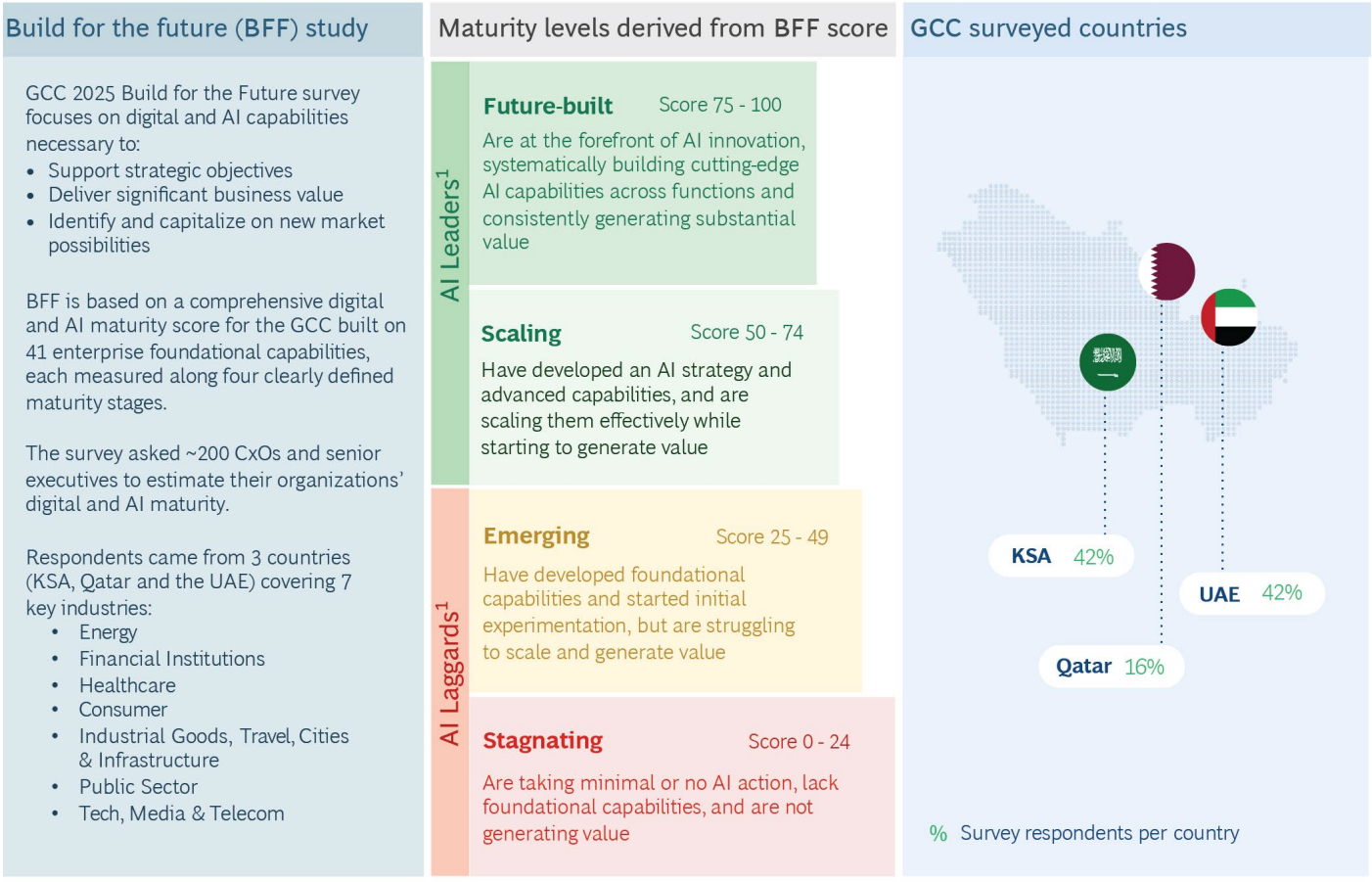
About the 2025 Build for the Future survey

BCG's annual Build for the Future (BFF) study has been taking stock of digital and AI progress around the world since 2017. This regional deep dive continues the examination of GCC's digital development and explores how its organizations can convert growing digital and AI momentum into value on a larger scale, benchmarking around 200 organizations across Qatar, KSA, and the UAE.

The 2025 edition assessed 41 capabilities of digital and AI maturity across 7 industries, revealing four distinct maturity levels: Future-built, Scaling, Emerging, and Stagnating (Exhibit 1). We also use two clear organization archetypes to guide the maturity analysis: AI Leaders (covering Future-built and Scaling organizations) and AI Laggards (covering Emerging and Stagnating organizations).

EXHIBIT 1

BCG's Build for the Future 2025 study covers digital and AI maturity across 41 capabilities in the GCC – across KSA, Qatar, and the UAE



1. The report refers to AI Future-built and Scaling organizations collectively as AI Leaders, and similarly to AI Emerging and AI Stagnating organizations as AI Laggards
Source: BCG Build for the Future 2025 GCC Study (n=196)

GCC advances significantly in digital and AI maturity

As technology continues its rapid global advancement, digital and AI are moving from promise to practice, reshaping how services are delivered and how organizations compete. Sustained investment in digital infrastructure, AI solutions, data, and specialized talent - underpinned by ambitious national transformation agendas and organizational ambitions - have further consolidated the GCC's position as a regional hub for digital & AI leadership.

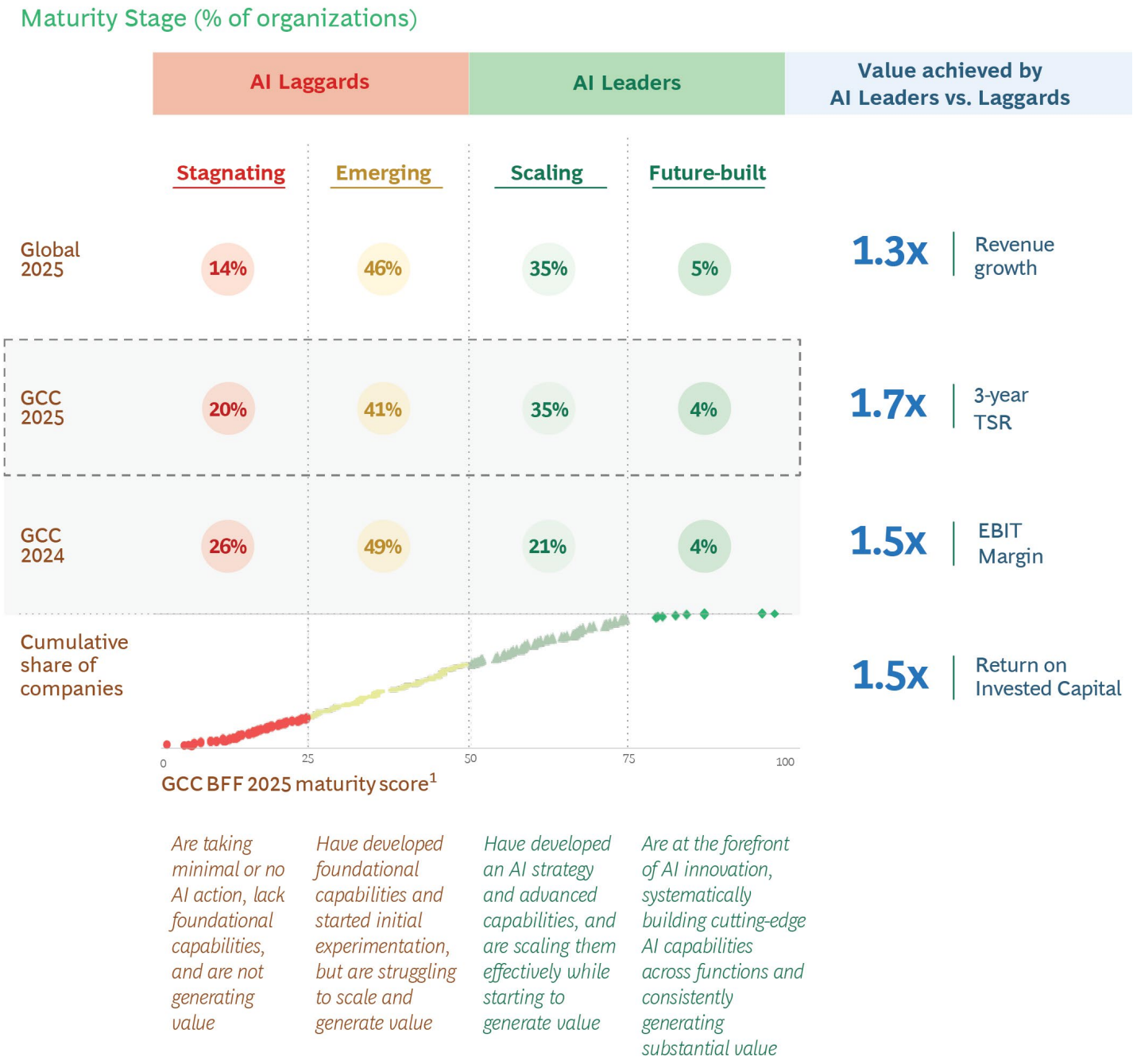
Thirty-nine percent of GCC organizations now qualify as AI Leaders (just under the equivalent 40% global level), consistently unlocking measurable business impact and operational efficiency. Sixty-one percent are AI Laggards (vs. 60% for global peers), still in the early-development phases of maturity, with limited ability to deploy or scale AI solutions or capture material impact.

The GCC's current digital and AI maturity reflects rapid progress organizations have made over the past year, with marked shift from AI Laggards to AI Leaders (Exhibit 2). This is driven by a notable rise in Scaling organizations (+14 percentage points, compared to +8 percentage points globally), as more start expanding their AI initiatives from limited programs to widespread deployment. GCC countries are now driving ambitions wide-reaching efforts to raise AI maturity across all industries, not just in isolated use cases.

This momentum is being reinforced by large-scale AI investments across the GCC that include establishing national champions, expanding AI-ready data center capacity, and strengthening cloud, data, and talent foundations to lift productivity, improve service delivery, and deploy latest emerging tech to maintain innovation. Already translating into greater value creation, GCC AI Leaders are capturing significantly more impact, than AI Laggards across key economic metrics.

EXHIBIT 2

GCC organizations are advancing in AI maturity, generating higher value and closing the gap with global peers



Question: What is your organization's maturity across 41 capability questions covering strategy, innovation, customer experience, operations, technology, data, op model and people?

1. Digital and AI maturity is assessed through 41 dimensions

Note: AI Leaders are the top two categories AI Scaling and AI Future-built organizations, and AI Laggards are in AI Stagnating and AI Emerging organizations

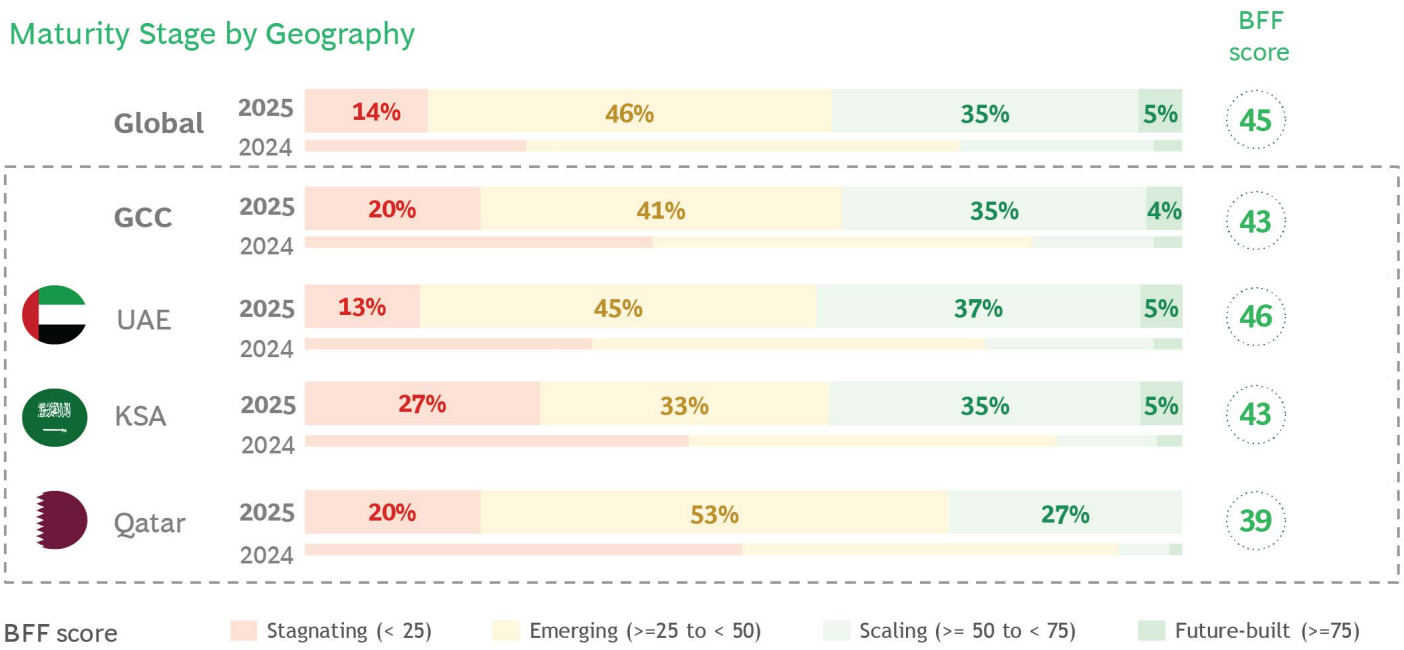
Source: BCG Build for the Future 2025 GCC Study

AI momentum builds and gaps widen across countries and key sectors

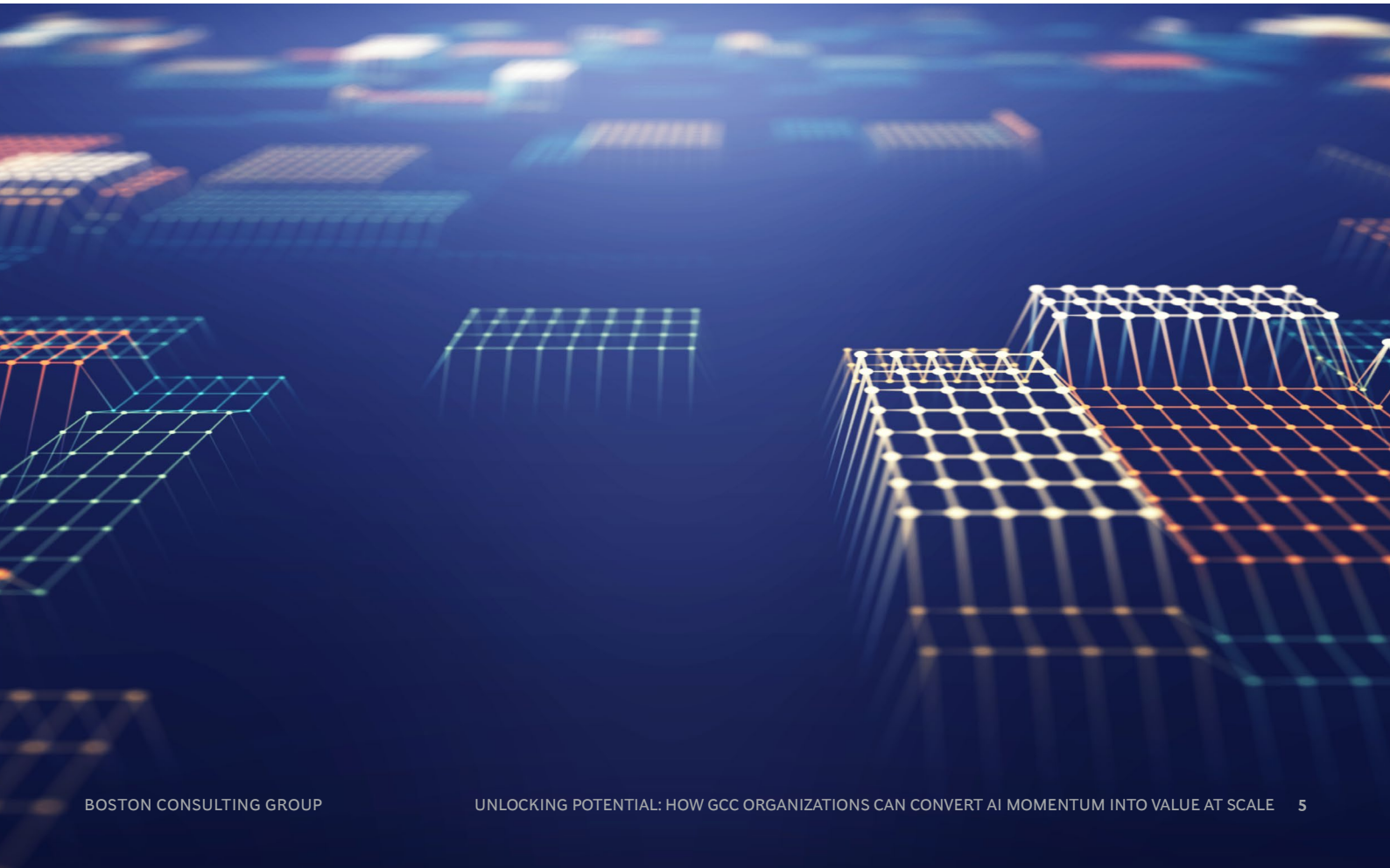
The trend toward increasing digital and AI maturity is consistent across surveyed GCC countries (Exhibit 3). The UAE and KSA stand out as most aligned with global maturity levels (40-42% are AI leaders, above global peers), with KSA having a higher proportion of Stagnating organizations. Qatar's trajectory is promising, with a growing base of Emerging organizations (+10 percentage points compared with 2024).

EXHIBIT 3

Across the GCC, we observe a significant shift from Stagnating to Scaling organizations, based on improving BFF scores



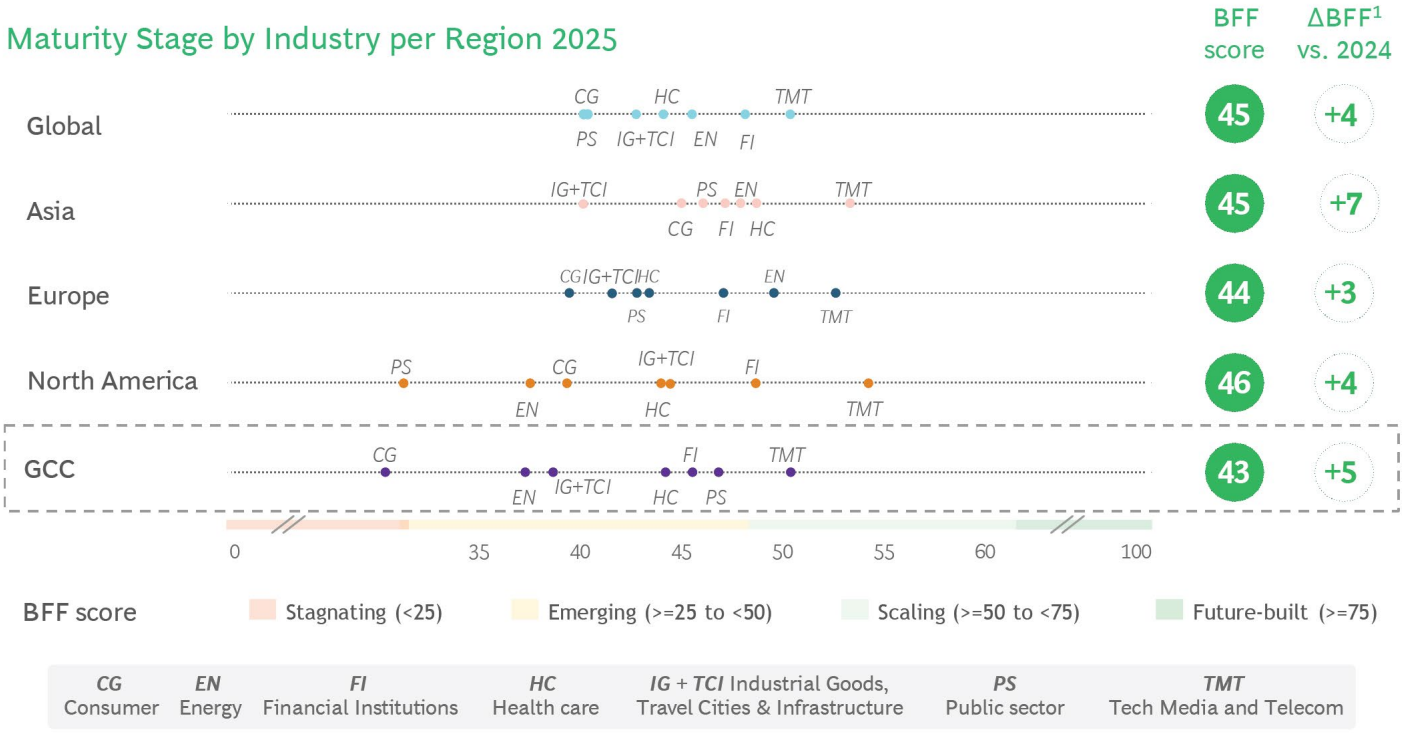
Question: What is your organization's maturity across 41 capability questions covering strategy, innovation, customer experience, operations, tech, data, op model and people?
Source: BCG Build for the Future 2025 Global Study; BCG Build for the Future 2025 GCC Study



GCC industries show a wider spread in maturity scores than in other regions (Exhibit 4), while the GCC's technology, media, and telco (TMT) industry leads in digital and AI maturity, consistent with other regions. Though several private sector industries lag behind global peers, the public sector in the GCC outpaces global maturity trends. In other regions, this is a traditionally slow-to-change sector, while in the GCC government sectors have been at the forefront of mobilizing for digital transformation and AI adoption.

EXHIBIT 4

Digital and AI maturity in the GCC is now comparable to other regions, with Public Sector outperforming global peers



Question: What is your organization's maturity across 41 capability questions covering strategy, innovation, customer experience, operations, technology, data, op model and people?
1. Δ represents the score change (delta) between the assigned periods of time
Source: BCG Build for the Future 2025 GCC Study

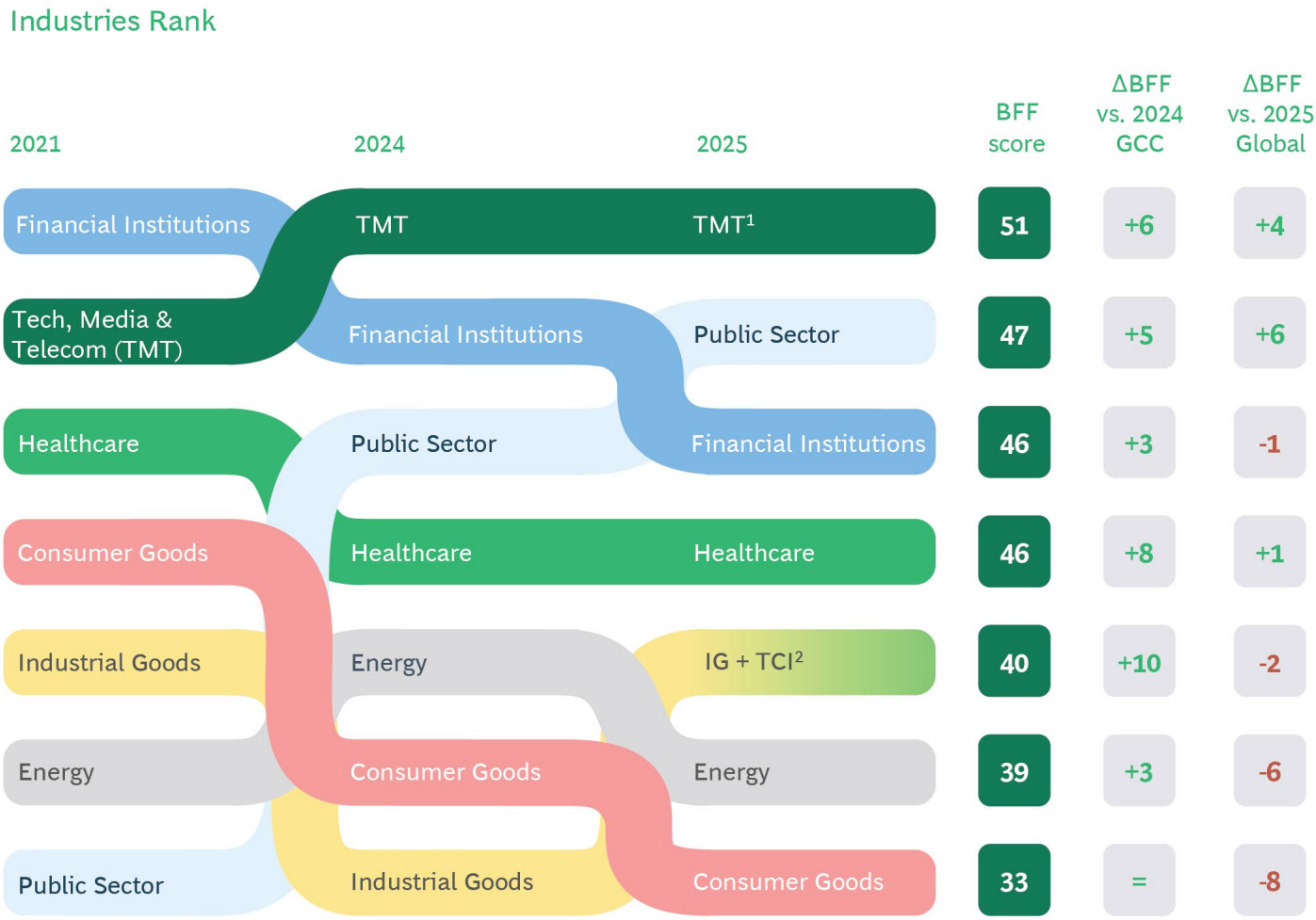
TMT maintained its 2024 maturity lead, sustaining strong annual growth (+6 percentage points) (Exhibit 5), and Public Sector shows the most remarkable shift, jumping five positions since 2021 to rank second in this year's edition of the GCC BFF. As noted above, the sector is outperforming its global peers, driven by ambitious cost-saving and productivity-enhancement initiatives across the region, coupled with national data and digital strategies already impacting government entities and their services.

Significant maturity gains are also evident in Industrial Goods, Travel and Infrastructure and in Healthcare.

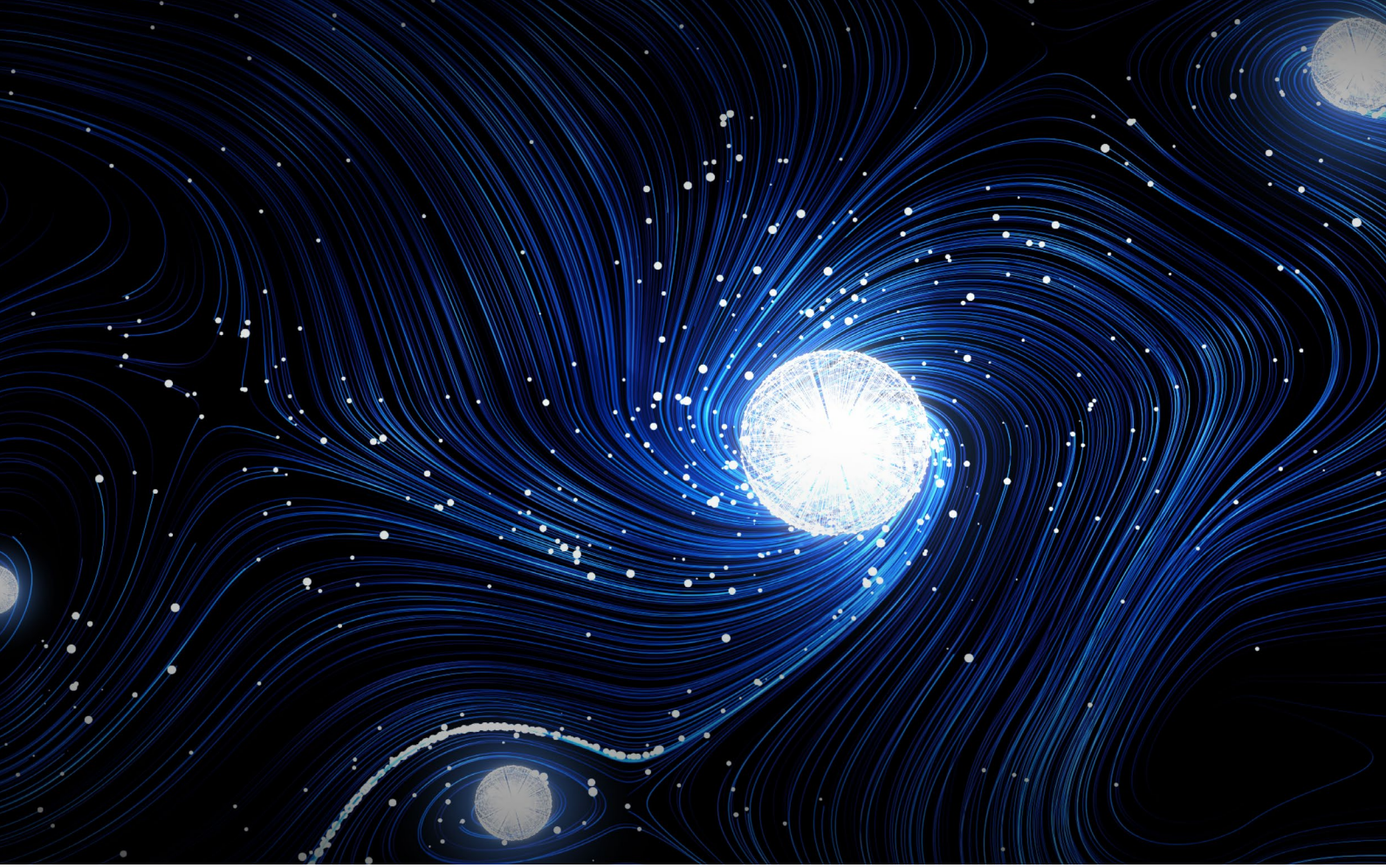
However, despite positive annual growth, Energy and Consumer Goods are losing ground relative to other industries with just 25% of organizations classified as AI Leaders.

EXHIBIT 5

TMT continues to lead in the GCC while Healthcare and Industrial, Travel & Infrastructure emerge as fastest growing industries



Question: What is your organization's maturity across 41 capability questions covering strategy, innovation, customer experience, operations, tech, data, op model and people?
1. Tech, Media & Telecom (TMT) combined; to facilitate comparison with global BFF score, 3 Organizations moved to TMT
2. Industrial Goods was expanded to include Travel, Cities and Infrastructure for 2025
Source: BCG Build for the Future 2025 GCC Study



GCC spearheads outcome-driven capabilities, yet foundational enablers lag behind

Overall, GCC organizations' digital and AI capabilities are at an emerging maturity level (scoring between 25 and 49 on our Build for the Future scale), but show rapid advancement in innovation, customer experience, and operations.

Many GCC organizations are already experimenting with and deploying AI. However, underlying enablers such as technology, data, operating model, and people continue to lag (Exhibit 6), constraining the ability to scale AI adoption and capture full value. Closing this gap will be critical if GCC organizations are to move from isolated AI wins to sustained, system wide transformation.

Compared to 2024, GCC organizations have further matured their innovation, strategy-setting and data capabilities, highlighting a greater emphasis on, and a more structured push, towards digital and AI transformation (Exhibit 6).

The GCC also shows higher maturity in the innovation, customer experience and operations domains than global peers (Exhibit 6). Though higher than global peers, maturity of the GCC operations domain declined compared to 2024, highlighting the need for renewed focus on core operations functions and processes as organizations scale up.

EXHIBIT 6

In 2025, the GCC is ahead in outcome-driven capabilities, yet foundational capability enablers need to catch up

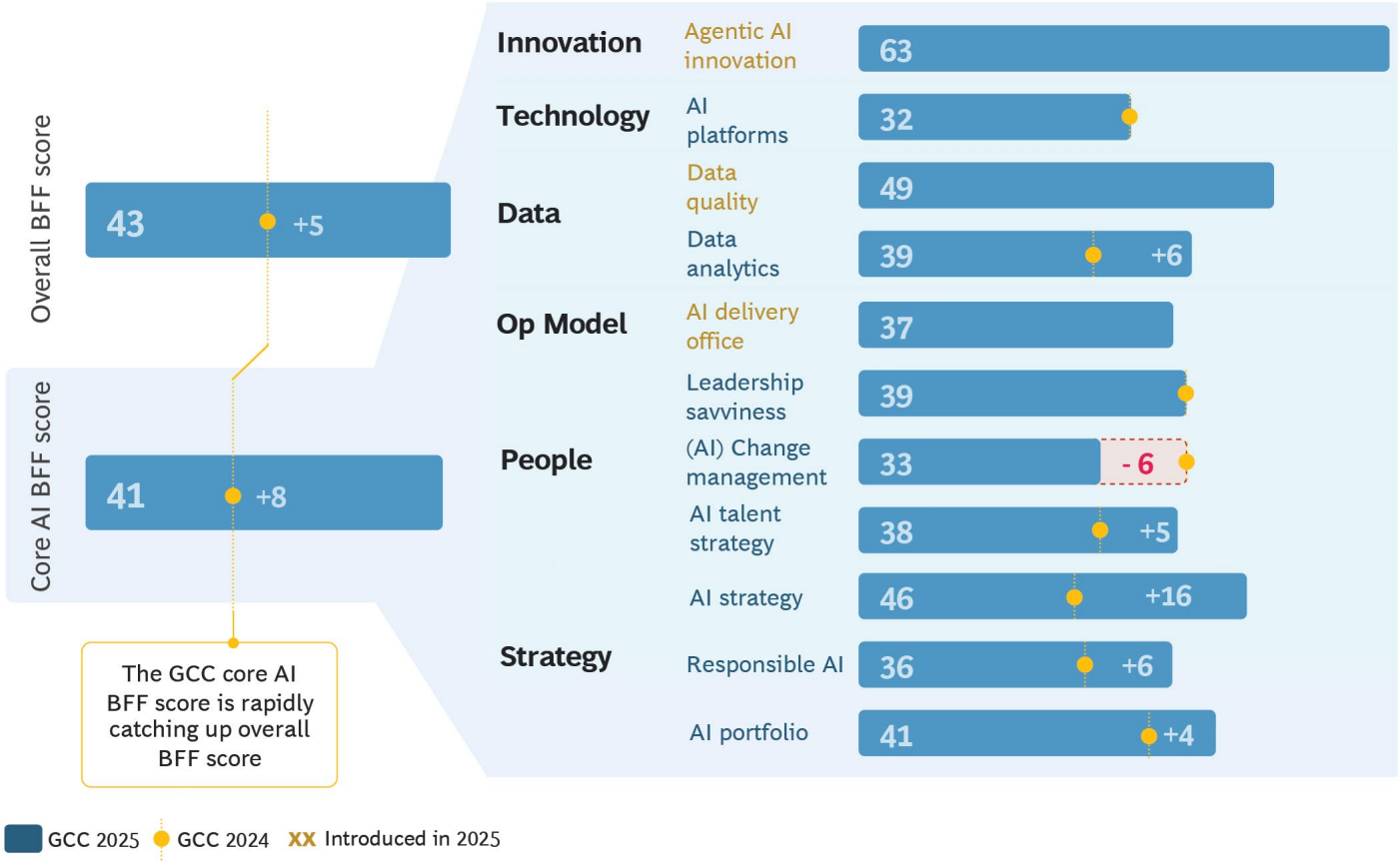
Question: What is your organization's maturity across 41 capability questions covering strategy, innovation, customer experience, operations, tech, data, op model and people?
Source: BCG BFF 2025 Global Study

Core AI capabilities are catching up, with Agentic AI expected to drive higher value

A closer look at core AI capabilities shows that the GCC is slightly behind compared to overall digital maturity, though the gap has narrowed significantly in the last year (now 2 percentage points, versus 5 percentage points in 2024). This progress is driven by rapid advances in AI strategy and a growing focus on Agentic AI innovation, supported by stable data and AI talent strategy maturity (Exhibit 7). However, many organizations still lack robust AI platforms to enable adoption and continue to struggle with AI-driven change management, which is a critical component for scaling adoption and impact.

EXHIBIT 7

Core AI capability[1] BFF score is catching up, driven by stronger strategy and Agentic AI innovation in the GCC



Question: What is your organization's maturity across 41 capability questions covering strategy, innovation, customer experience, operations, tech, data, op model and people?

1. Reflects a curated subset of the 41 overall BFF capabilities, focused on those that most directly shape AI maturity across organizations

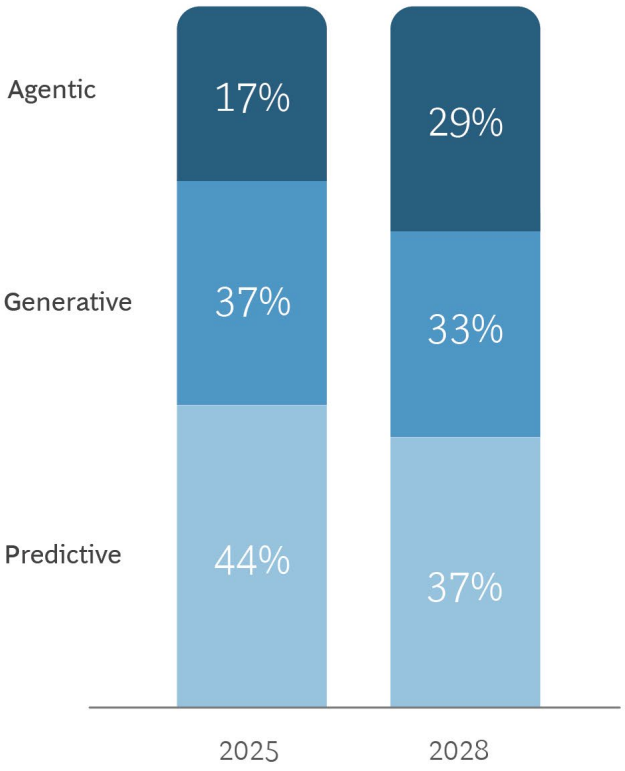
Source: BCG Build for the Future 2025 GCC Study

Agentic AI will be a key engine for future growth. While only 17% of GCC organizations' AI-driven value today comes from Agentic AI, this is projected to nearly double to 29% by 2028 (Exhibit 8), as organizations report rapidly rising adoption and experimentation with AI agents. Notably, experimentation levels are already on par with global peers despite much lower dedicated budgets.

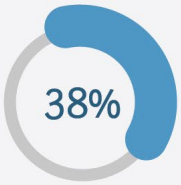
EXHIBIT 8

Agentic AI value in the GCC is projected to double by 2028, driven by experimentation on par with global peers

~2x more value expected to come from agentic AI by 2028[1]



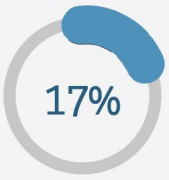
Organizations are experimenting with Agentic AI on par with global peers …



vs. 46% global

Of organizations are experimenting[2] with early pilots or deploying agents and 8% of organizations already demonstrating value

… even with lower budget allocation[3]



vs. 30% global

Of organizations spend over 15% of AI budget on agents

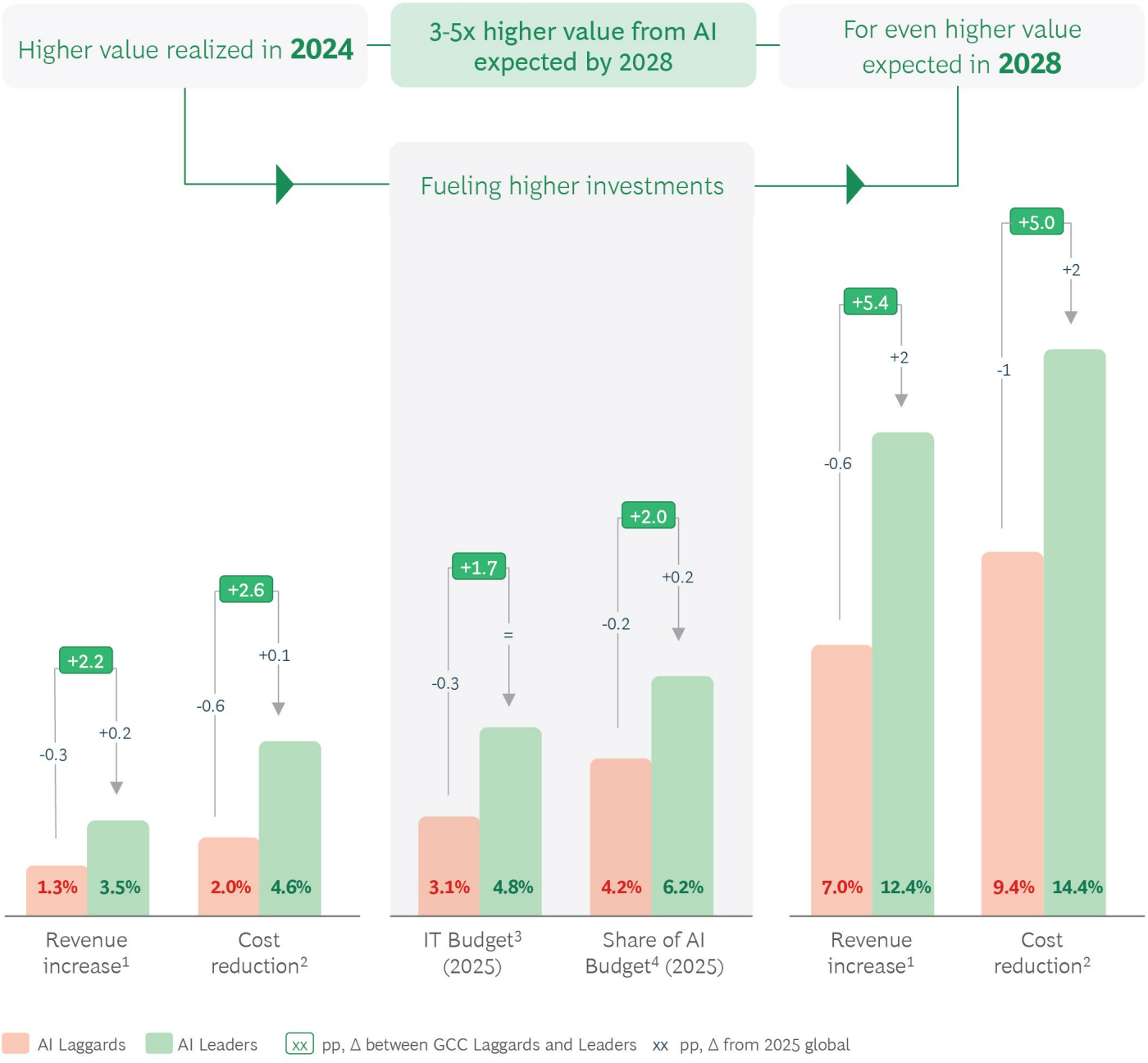
1. Question: How is the AI-driven value that reaches the bottom line split across predictive, generative, and agentic AI?
2. Results for organizations experimenting with AI might differ from BCG's AI at work report 2025, given different audience roles
3. What percentage of your AI budget is currently allocated to Agentic AI?

Source: BCG Build for the Future 2025 GCC Study

Suitable and timely AI investments have a huge role to play in extracting value from AI efforts. When comparing AI Leaders and Laggards, a clear performance gap emerges, with AI Leaders delivering +2.2 percentage points higher revenue growth and +2.6 percentage points increased cost reduction. This advantage is reinforced by a virtuous cycle in which greater investment in AI fuels an expected step-change in value delivery by 2028 (Exhibit 9). Recognizing this opportunity, AI budget momentum in the GCC has accelerated, with the region's AI budgets in 2025 reaching levels on par with global leaders.

EXHIBIT 9

Leaders experience a virtuous cycle of AI value creation by reinvesting funds, expecting higher value in 2028 in the GCC



Questions: (1) What % of revenue growth did you achieve/project in 2024, 2025 & 2028 (in % of annual revenue) through AI efficiency gains? (2) What % of cost reduction did you achieve/project in 2024, 2025 & 2028 (in % of total op. expenses) through AI efficiency gains? (3) What is your organization's approximate IT budget (% annual revenue) in 2025? (4) What % of your organization's overall IT budget in 2025 is dedicated to AI?
Source: BCG Build for the Future 2025 GCC Study

What GCC AI Leaders do differently

The GCC BFF study reveals that AI Leaders are executing five high impact moves that systematically differentiate them from Laggards (Exhibit 10):

Pursue multi-year strategic ambition. GCC AI Leaders clearly illustrate the pivotal role that managers play in AI success. They fully embrace AI, demonstrating 2.5x more leadership engagement than Laggards, and they are 4.5x more likely to appoint a Chief AI officer than Laggards.

Reshape and invent the business to maximize value realization. GCC's AI Leaders are 9x more likely than AI Laggards to invent AI-native products and reshape processes - a behavior consistent with global best practice - rather than simply deploying off-the-shelf tools. GCC's AI Leaders are 45% more likely to develop new AI-based products and services (vs. 38% globally), reflecting the region's increasingly innovation-driven agenda.

Implement an AI-first operating model. Business-centric ownership drives AI success and, accordingly, global AI Leaders are shifting away from IT-driven models. Along similar lines, GCC AI Leaders are starting to adopt an AI-first operating model (see sidebar) with 55% having business-centric ownership (compared to 65% globally). Moreover, they are proactive on responsible AI, being 2.4x more likely than Laggards to employ clear governance and 3.4x more likely to establish guardrails, putting GCC AI Leaders slightly ahead of global peers, supported in part by the region's firmer regulatory environment.

Secure the necessary talent and boldly upskill people. To ensure long-term success, GCC AI Leaders plan to upskill 1.8x more FTEs than Laggards over the coming year. They also place much greater emphasis on formal capability-building, being 3x more likely to run structured programs with protected learning time. This focus on developing a robust talent pool underlines their intent to build a sustainable AI advantage and focus on the key enablers required to scale.

Sidebar: What is an AI-first Operating Model?

An AI-first operating model is an enterprise-wide way of working in which AI is co-owned by business and IT, embedded in governance, and funded as a strategic program led by top management. It requires top-down leadership to provide speed, clarity, and certainty, avoiding fragmented efforts across small pilots that limits the potential of generating real sustained value.

Use fit-for-purpose technology architecture and data foundation. GCC AI Leaders take a more structured approach to selecting algorithms, building fit-for-purpose data and technology platforms, and enabling people and processes, making them 15% less likely than Laggards to face challenges in AI adoption.

EXHIBIT 10

What AI Leaders in the GCC do differently to stay ahead

Source: BCG Build for the Future 2025 GCC Study

When assessing the challenges GCC organizations face in scaling AI, it is useful to reference BCG's 10-20-70 model (Exhibit 11). The GCC BFF study shows that people, organization, and processes issues are the primary barriers to AI adoption (70% overall). Since 2024, the challenges that have intensified most are limited expertise in managing structured data, and weak alignment between AI initiatives and firm-wide strategy.

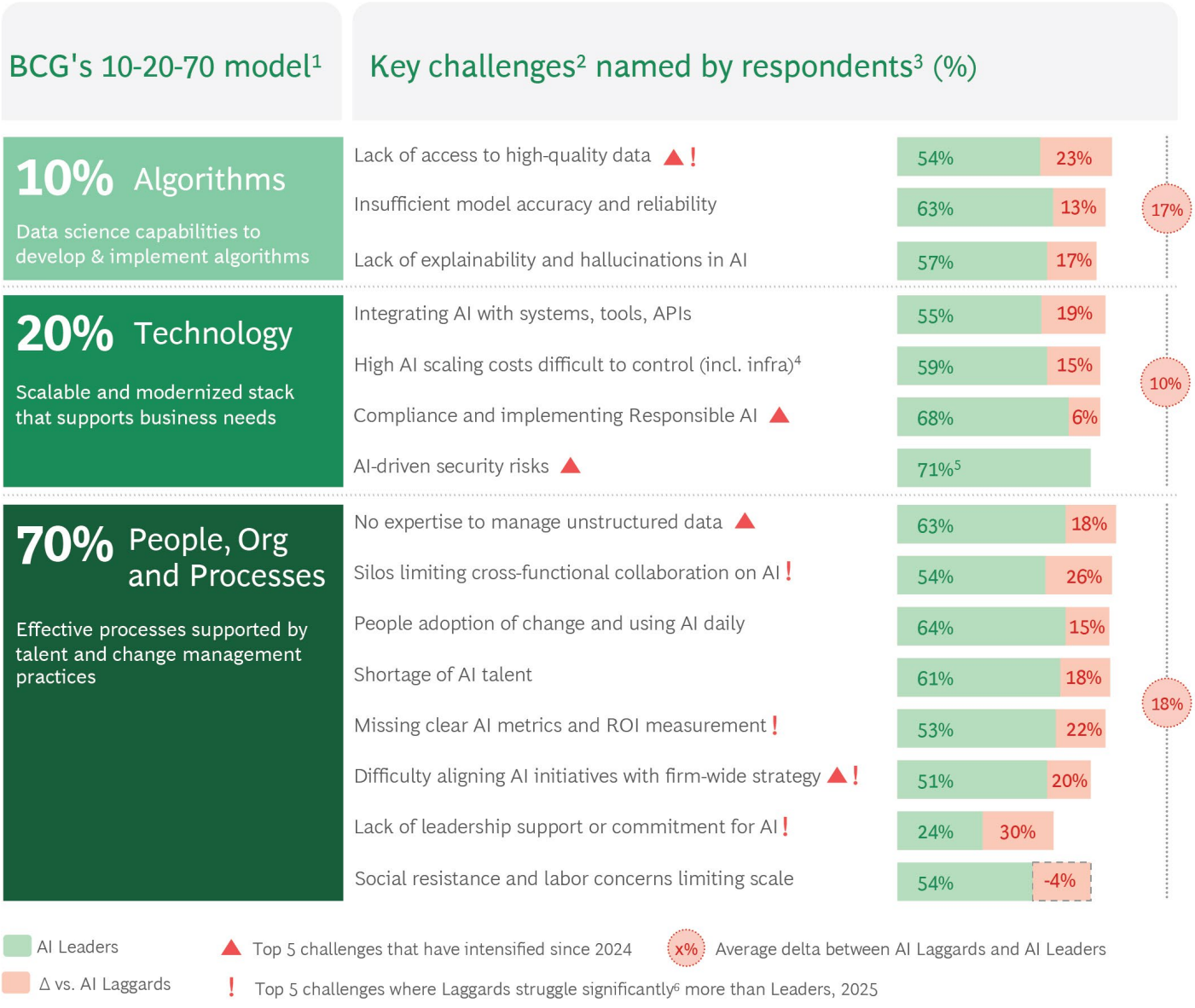
Despite the strong momentum, many GCC organizations continue to struggle in fostering their AI adoption. AI Laggards are a 17% more likely than AI Leaders to face difficulties in algorithm implementation, particularly due to limited access to, and availability of, high-quality data.

Additionally, infrastructure constraints – e.g. limited GPU availability – are further increasing the burden on organizations, together with high security risks and Responsible AI implementation challenges, with AI Laggards being 10% more likely to encounter technology limitations.

AI Laggards are also 18% more likely than leaders to face people, organization, and process challenges, often driven by limited cross-functional collaboration in AI, unclear AI value measurement, misalignment with enterprise strategy, or insufficient leadership commitment. These issues are compounded by practical workforce constraints. Many organizations find it difficult to create new AI-focused roles, and to hire skilled talent at market-competitive salaries, often reverting to out-staffing or outsourcing AI expertise as a stopgap.

EXHIBIT 11

A clear mandate is emerging for GCC organizations to prioritize addressing prevalent challenges in People, Org and Processes



1. The BCG 10-20-70 model is "Focus 10% of your AI efforts on algorithms, 20% on the underlying technology and data, and 70% on people and processes" 2. Question: Which of these challenges hinder adoption and scale of AI in your organization? 3. % of agree and strongly agree 4. Including infrastructural constraints such as limited local GPU availability and high prices 5. No delta between AI Leaders and Laggards 6. 20pp or higher

Source: BCG Build for the Future 2025 GCC Study (n=196)

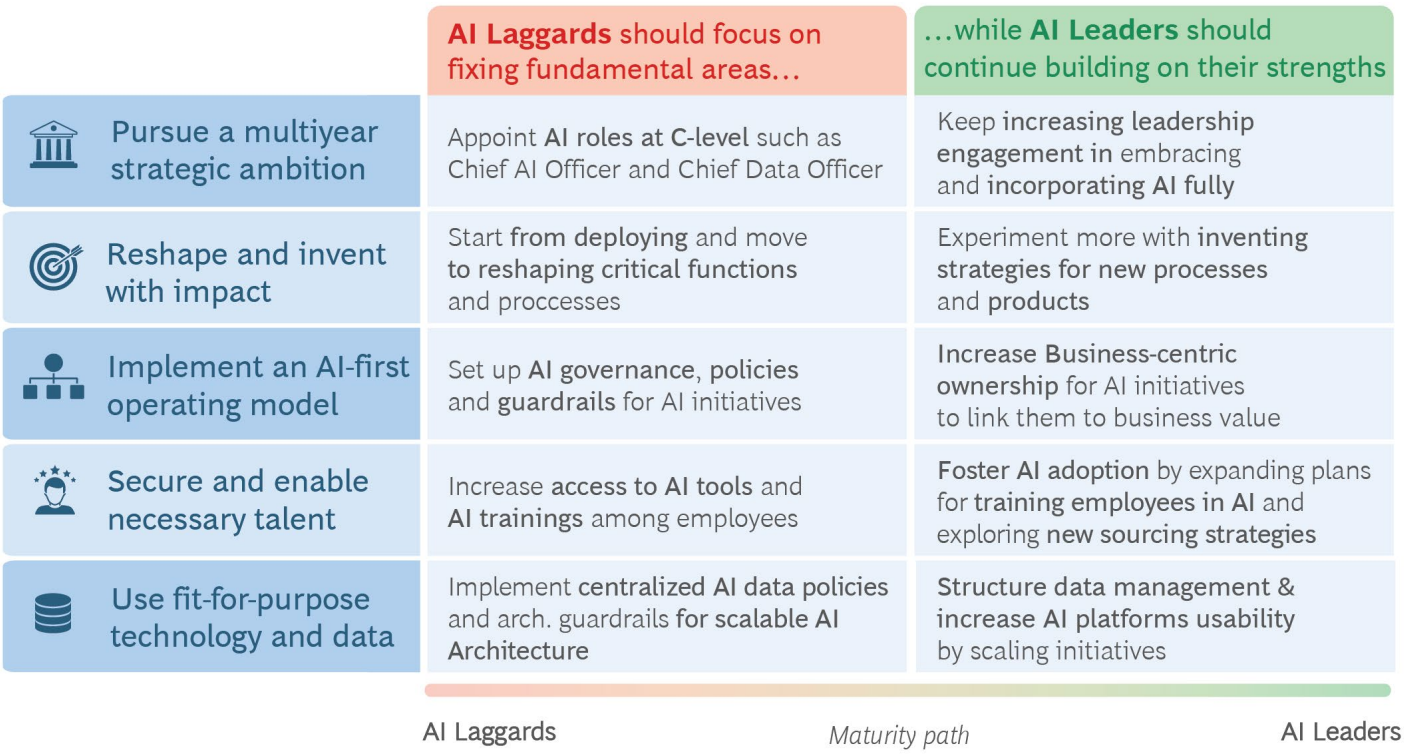
Building organizational strength for delivering AI value at scale

The GCC enjoys strong global positioning and positive momentum in the digital and AI space. Its priority now is to leverage those advantages: expanding its cohort of AI Leaders, converting digital and AI technology into measurable value, and strengthening enabler capabilities to ensure sustainable digital and AI leadership.

With rapid adoption of traditional, generative, and Agentic AI, and with ambitious upskilling plans, GCC organizations have laid strong foundations for the next wave of digitally led value creation. To move ahead, organizations that are early in their digital & AI journeys are encouraged to first reinforce the basics such as accountable executive leadership, governance safeguards, upgraded tech platforms, and redesigned priority processes where AI can quickly demonstrate tangible benefits while employees gain structured access to tools and training (Exhibit 12).

EXHIBIT 12

Activating proven strategic levers accelerates AI maturity for Laggards and sustains momentum for Leaders across the GCC



Source: BCG Build for the Future 2025 GCC Study

For more advanced AI Leaders, the priority is to continue coordinated efforts and move away from scattered pilots. This means keeping top management actively engaged, making business owners accountable for outcomes, expanding AI upskilling and talent acquisition efforts, exploring new sourcing strategies and partnership models, while building shared data and AI platforms.

By following this path, GCC organizations can narrow the remaining maturity gap with global peers and translate today's AI momentum into sustained improvements in growth, productivity, and value.

The GCC is entering a phase where digital and AI maturity can translate into clear, lasting value and competitive advantage. By building on past efforts, closing remaining gaps in enablers such as talent, data, and platforms, and scaling a structured, multi-faceted AI and digital transformation program, organizations can convert today's momentum into sustained value.

Those that move with vision and speed can help position the region not only as digitally advanced, but also as a global benchmark for turning AI ambition into impact at scale.

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