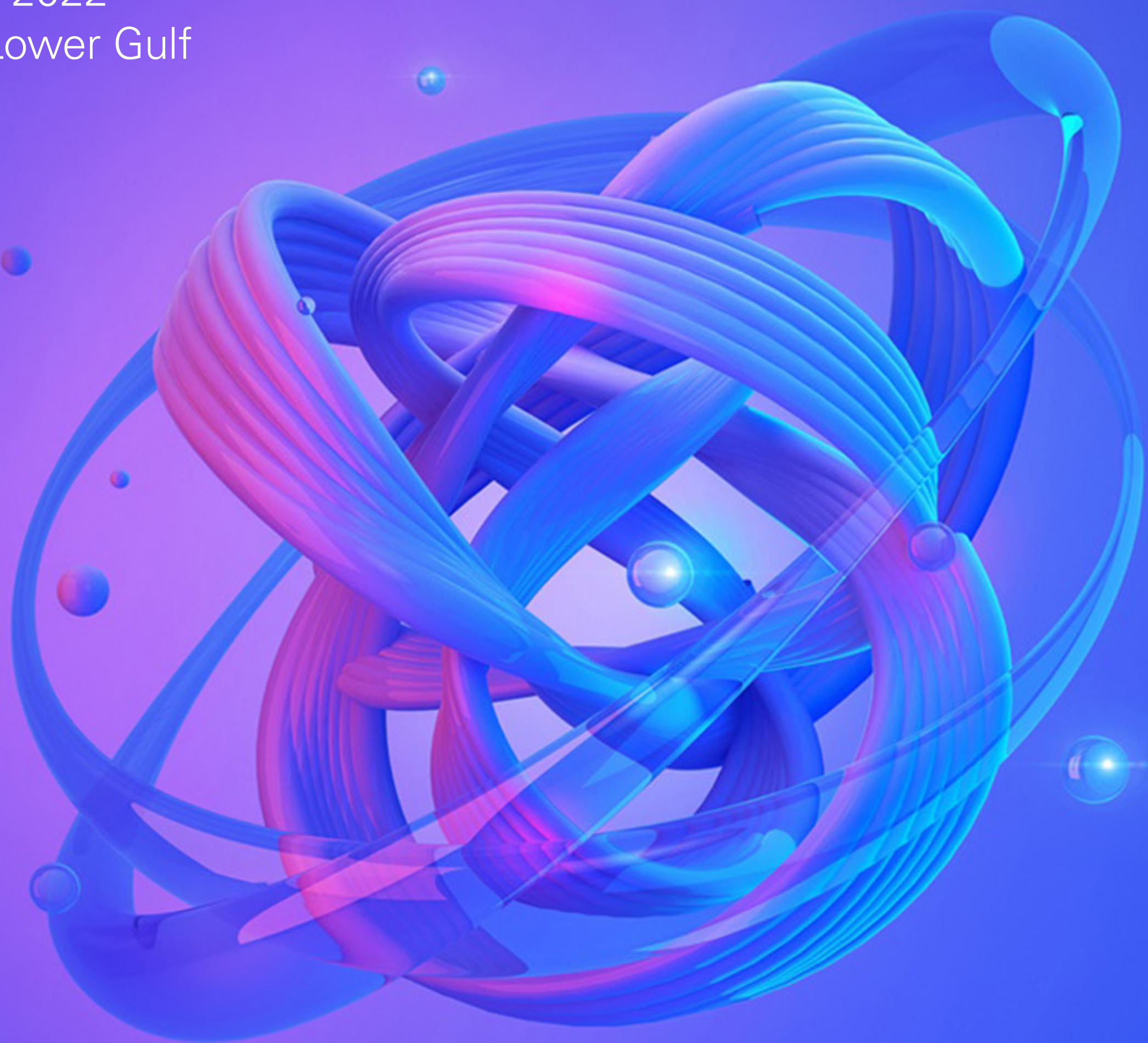




# KPMG UAE tech report 2022

**How tech leaders are shaping  
the future of business**

October 2022  
KPMG Lower Gulf



**Scroll down to view**



# Introduction

KPMG's latest tech report finds a resilient, forward-looking attitude among global technology professionals. Companies are enthusiastic about disruptive new technologies and determined to embrace digital transformation to enhance the customer experience.

At the same time, CIOs are increasingly concerned about challenges such as the talent gap, threats to cybersecurity, and competitive pressure.

For the third year in the United Arab Emirates (UAE), we bring a local perspective and surveyed industry experts to uncover the technology strategies businesses are using to outsmart their competitors in a time of unprecedented market volatility.

The widespread surge in digital-transformation abilities redefines what it means to be a digital leader in today's economy. Deeper examination of the behaviors we observed in many digitally advanced companies will be a key consideration for future editions.

We hope this report's insights give you a useful picture of how business tech leaders are approaching current and future technology, as well as the challenges they are encountering. We would be pleased to discuss its findings with you.



**Fady Kassatly**  
Partner | Head of  
Digital & Innovation  
KPMG Lower Gulf



**Mohamad Majid**  
Partner | Digital  
& Innovation  
KPMG Lower Gulf

# Managing technology

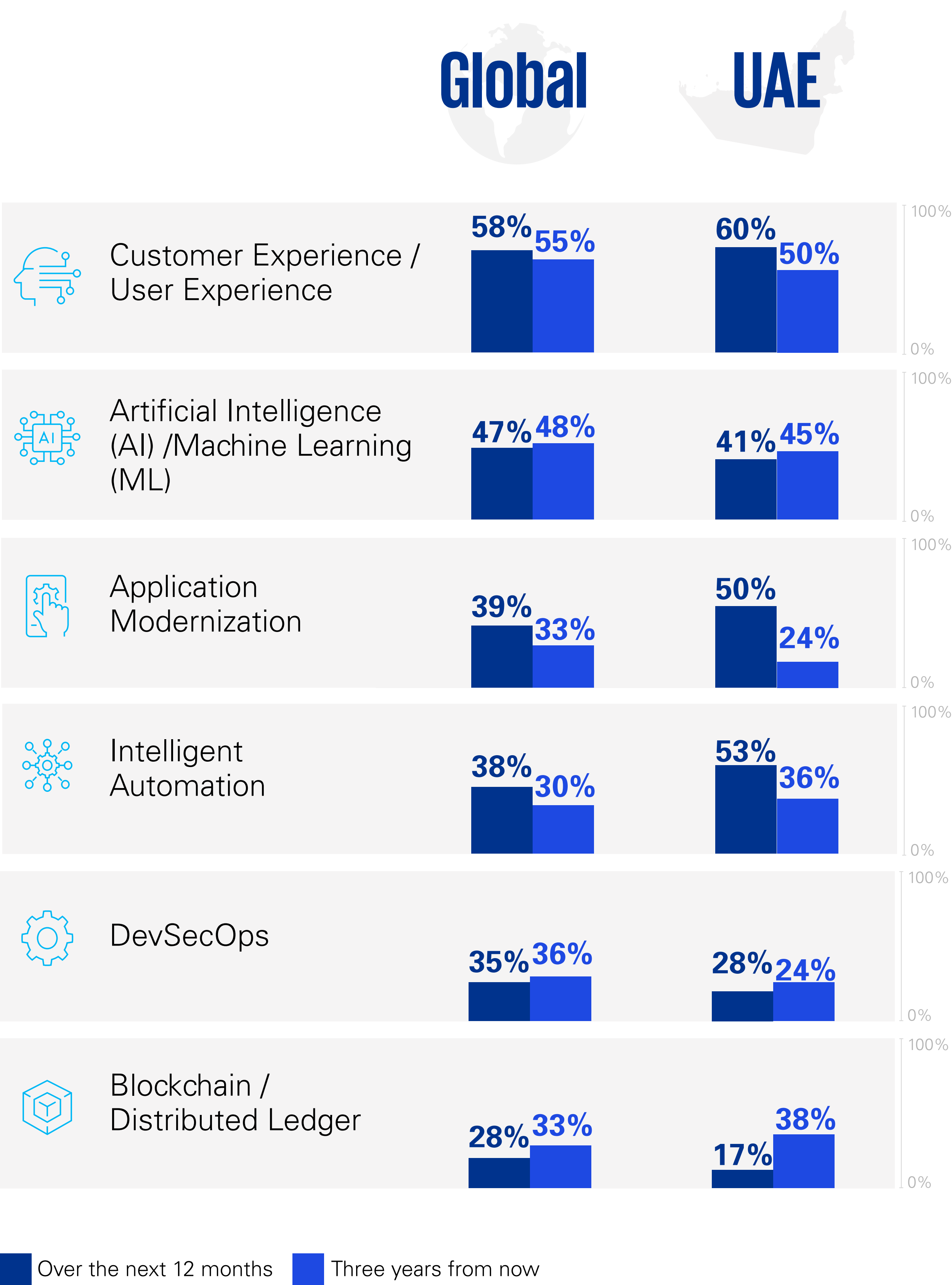




# Firms in the UAE are ahead in investment plans for IoT/Edge computing/5G and intelligent automation



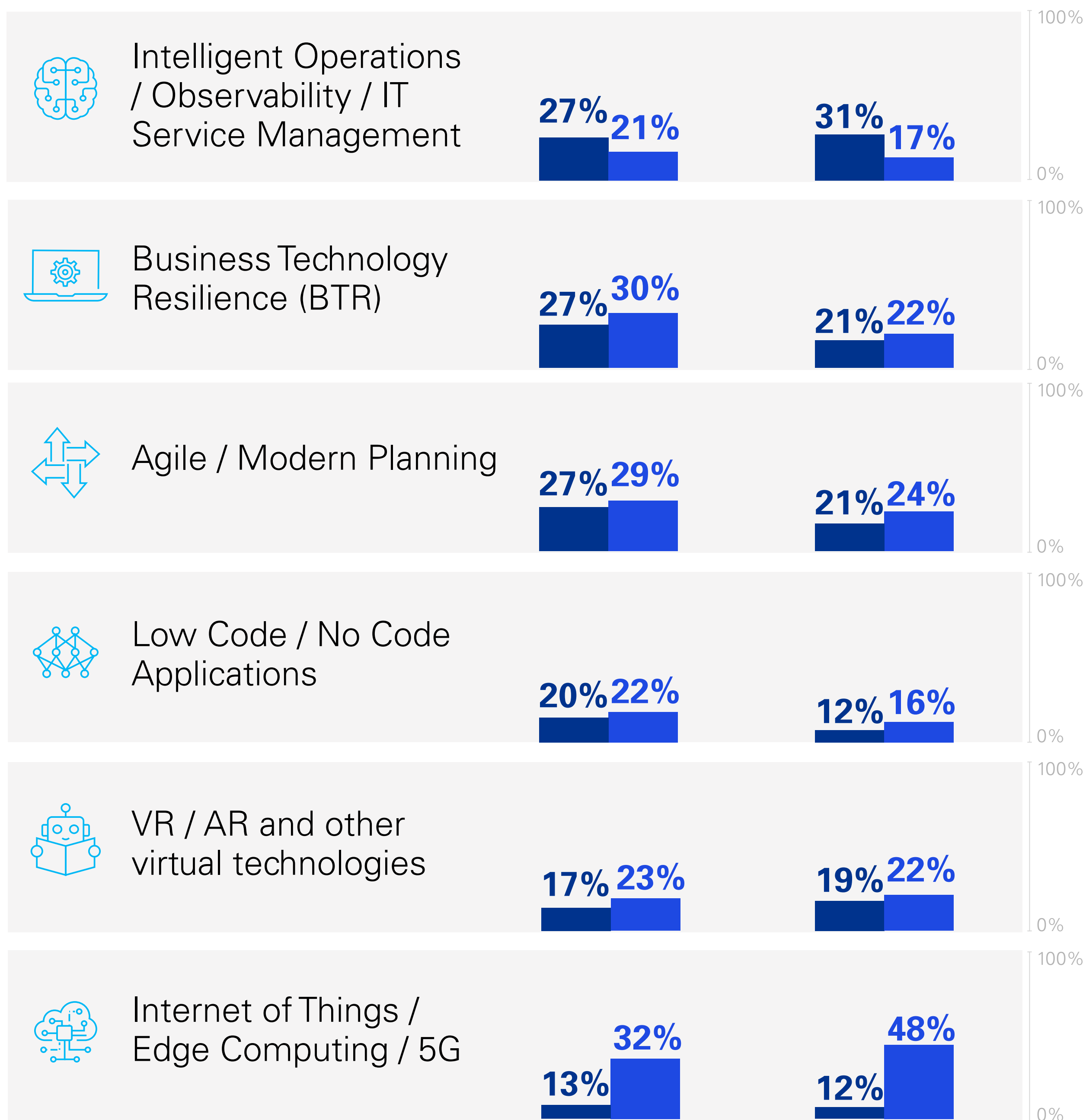
# Where will your organization invest the most over the next 12 months and three years from now?





Global

UAE



Firms in the UAE are ahead in investment plans for application modernization over the next 12 months (+11 %), IoT/Edge computing/5G (+16%) and intelligent automation (+6%), compared with their global counterparts. This could be supported by autonomous vehicles, drones and increasing the use of mobile technology in B2C strategies.

 Over the next 12 months  Three years from now

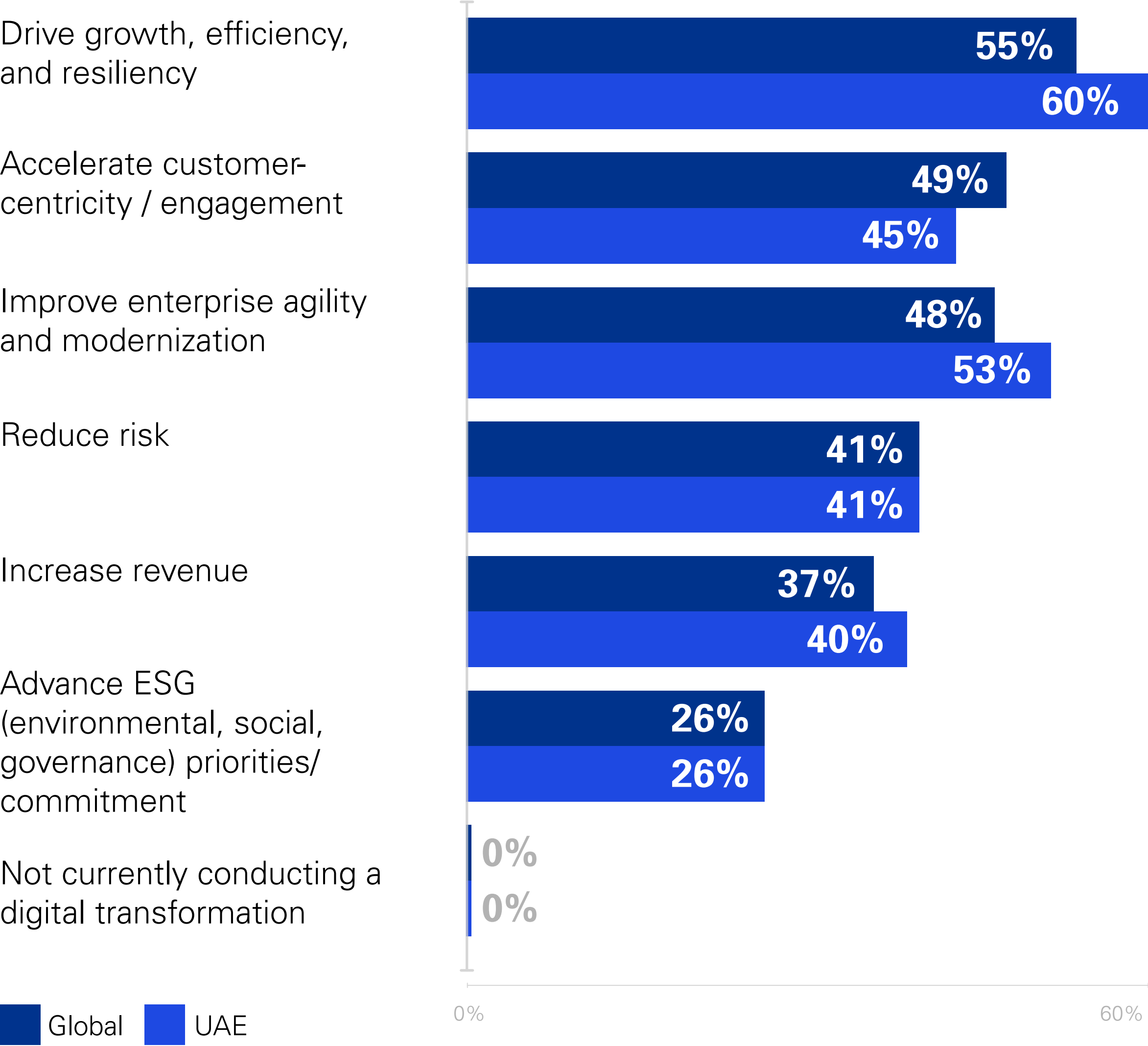




**Also, digital  
transformation  
investment will be  
driven by growth,  
efficiency, agility  
and modernization**



# What are the key drivers of your organization's digital transformation and corresponding investments?



Growth, efficiency, agility and modernization are the main drivers of investment in digital transformation. This may suggest a regional focus on growth and modernization, rather than reducing risk. Companies are also accelerating customer-centricity and engagement.

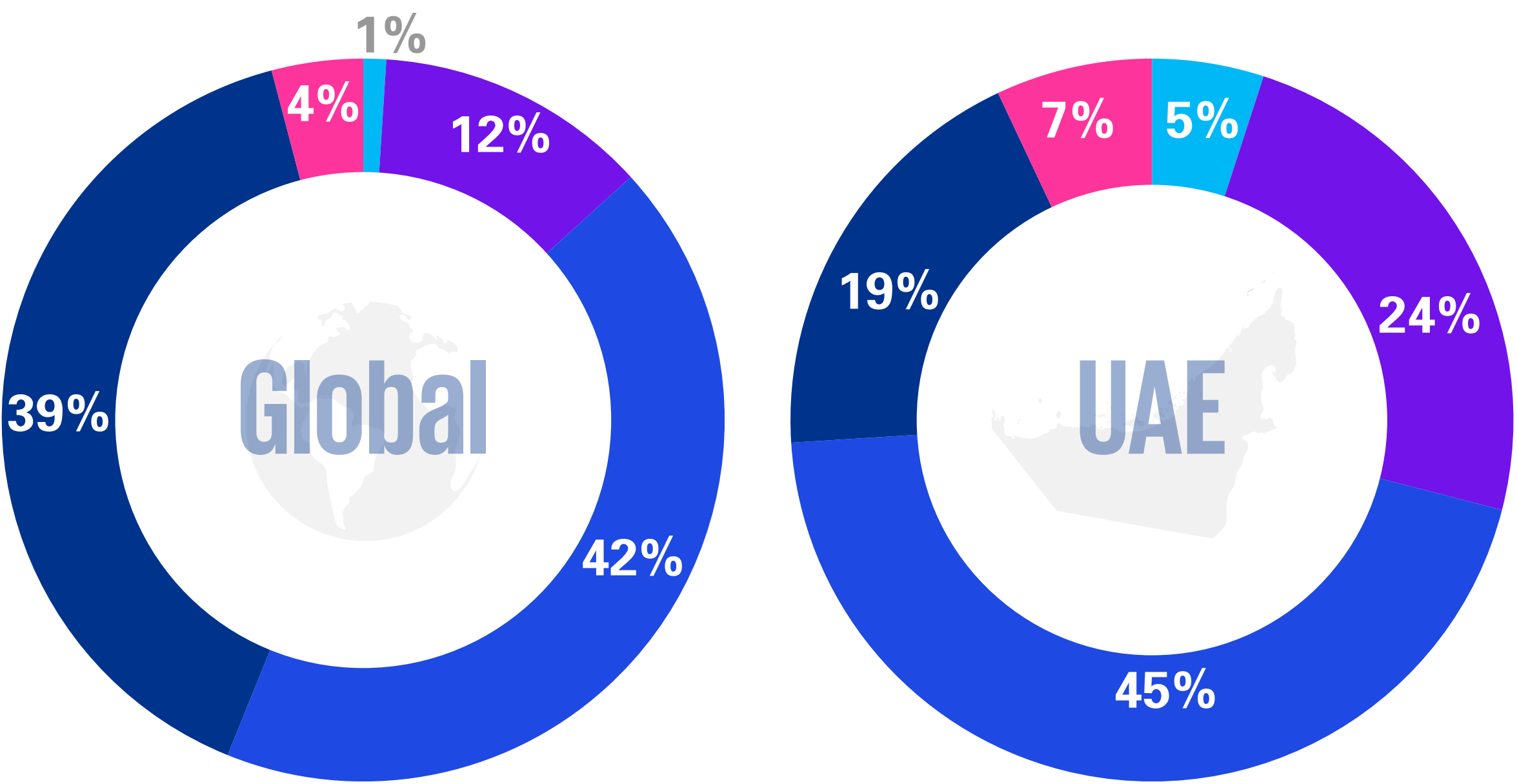


**Additionally,  
more than 90%  
of the leaders are  
planning to invest  
in the metaverse  
and Web3 in the  
next five years**



# To what extent do you think you will invest in the following technologies?

## Metaverse

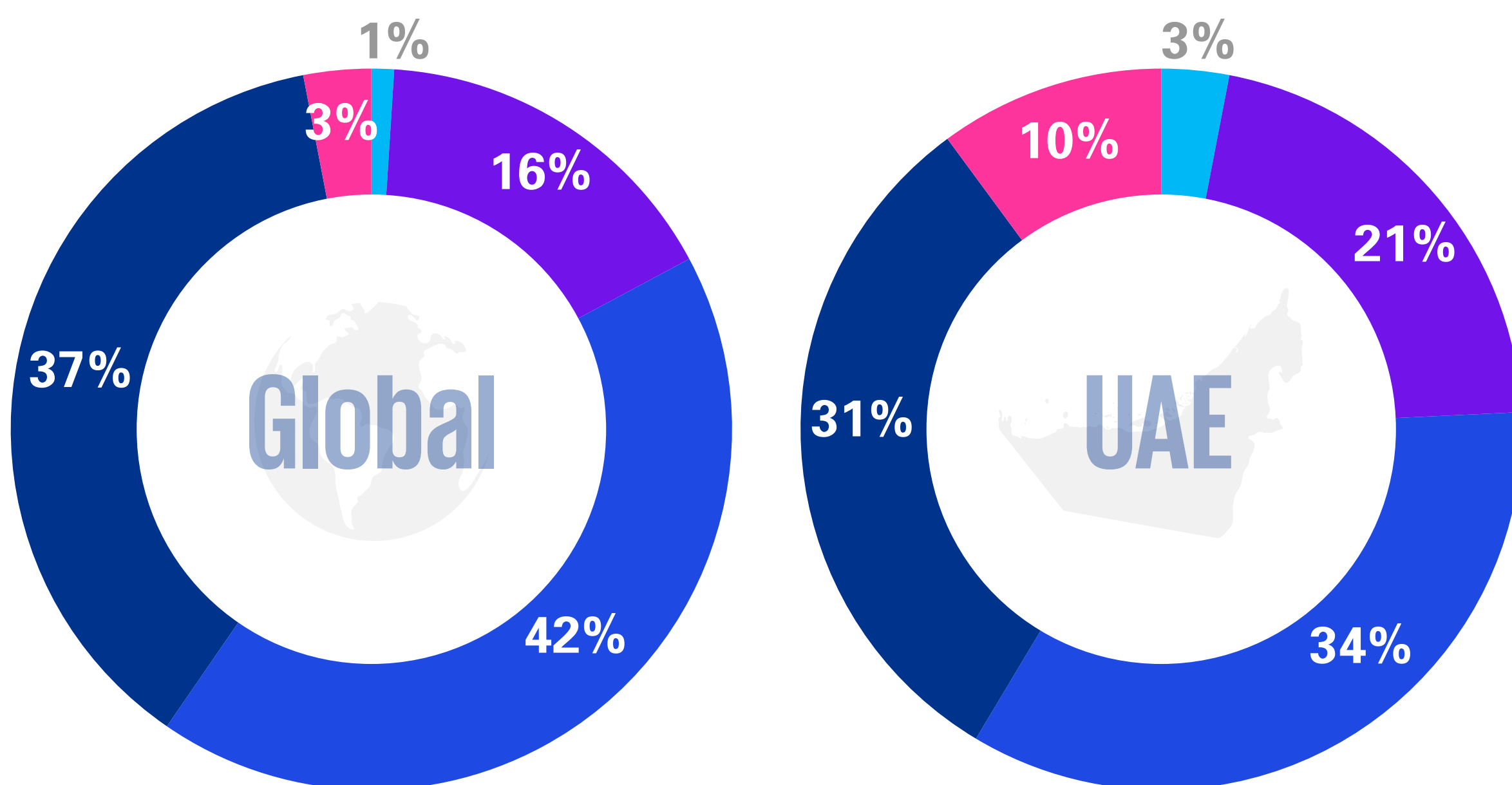


- No plan to invest or explore further
- Plan to invest in the next 3 to 5 years
- Plan to invest in 1 to 2 years
- Plan to invest in the next 6 months to 1 year
- Plan to invest in the next 6 months / currently evaluating an investment opportunity





## Web 3



- No plan to invest or explore further
- Plan to invest in the next 3 to 5 years
- Plan to invest in 1 to 2 years
- Plan to invest in the next 6 months to 1 year
- Plan to invest in the next 6 months / currently evaluating an investment opportunity

A resounding majority of UAE leaders are planning to invest in the metaverse (93%) and in Web3 (90%) within the next five years.

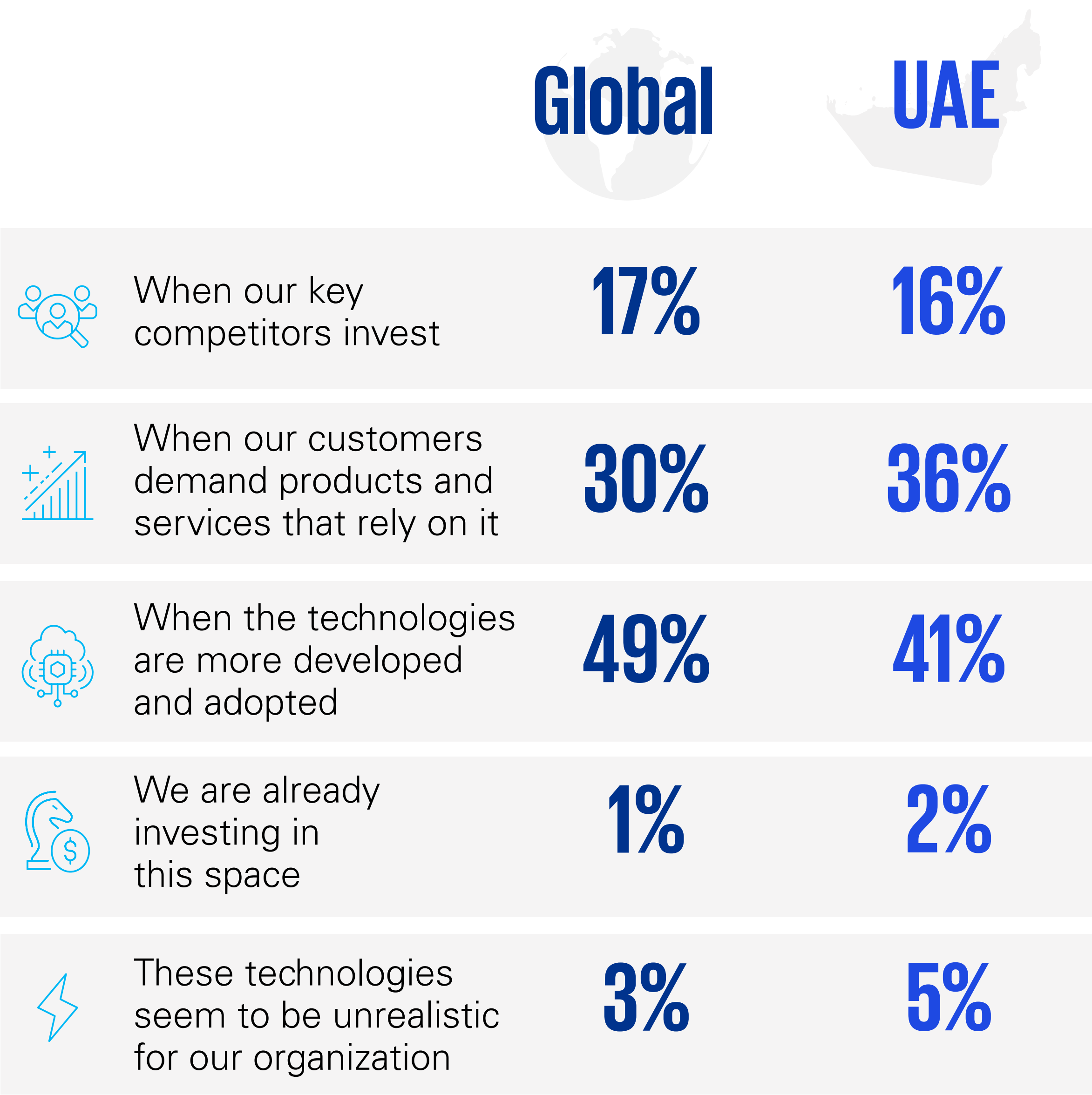
Of these, an encouraging number are poised to do so within the year—29% and 24% respectively—a higher proportion than their global counterparts. However, in the UAE, the investments are expected to be more short and medium term compared to global counterparts.

**This investment in the metaverse will be triggered by the development and adoption of technologies and customer demand**





# Which of the following would be the primary trigger for your organization to invest in the metaverse?

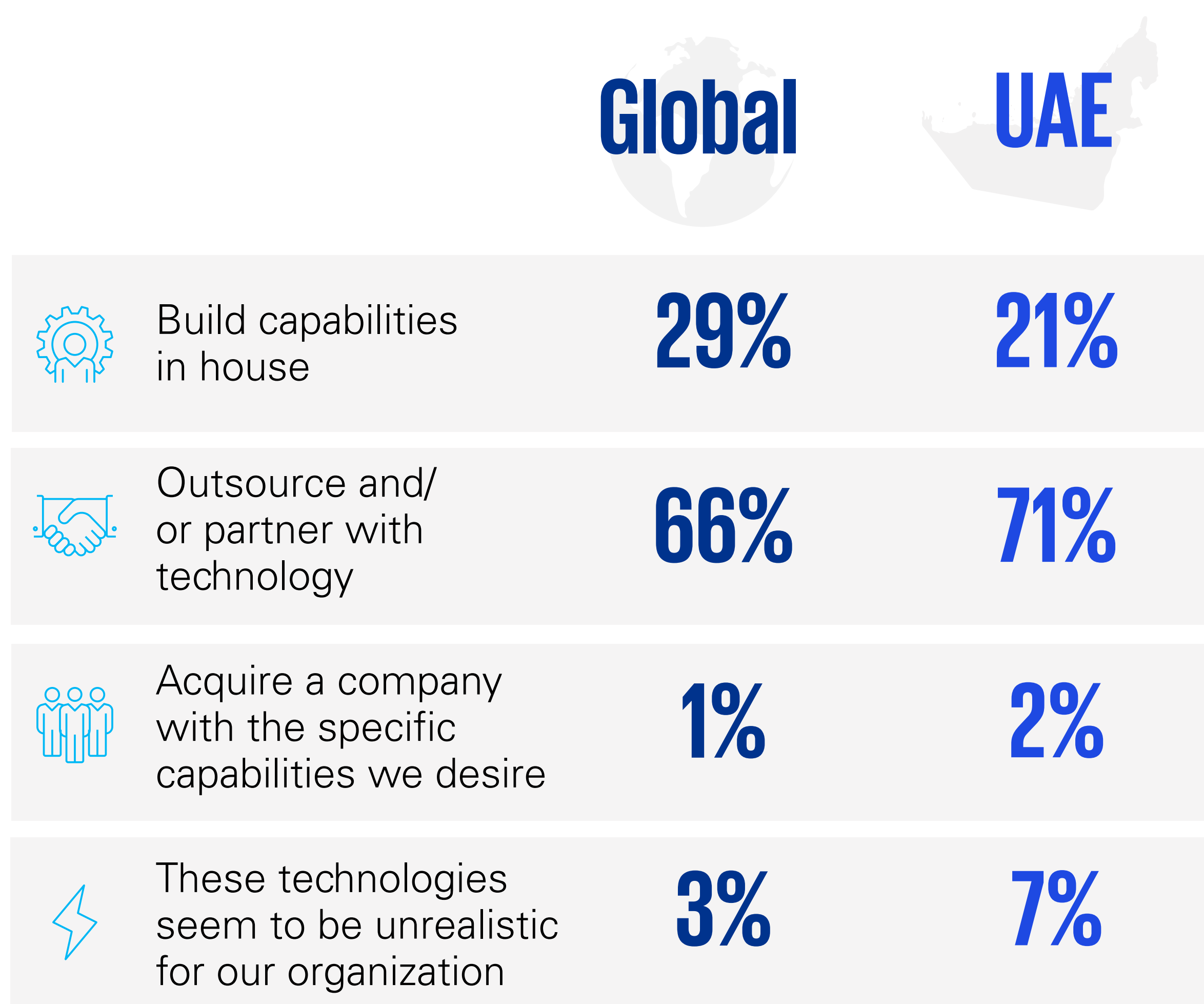


UAE leaders are more responsive to the needs of their customers, being 6% more likely to invest in the metaverse when their customers demand products and services that rely on it.

Meanwhile global leaders will tend to wait (+8%) until the technologies are more developed.



# Regarding metaverse and Web3 technologies, how would you plan to build and deploy these assets?



As organizations increasingly invest in the metaverse and Web3, the majority (7 in 10) are planning to outsource these services to, or partner with, technology companies. In contrast, a slightly higher proportion (+8%) of global tech leaders are looking to build these capabilities in-house.



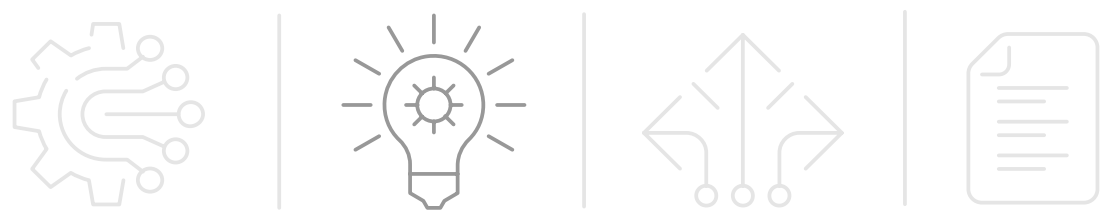
# Being a technology leader





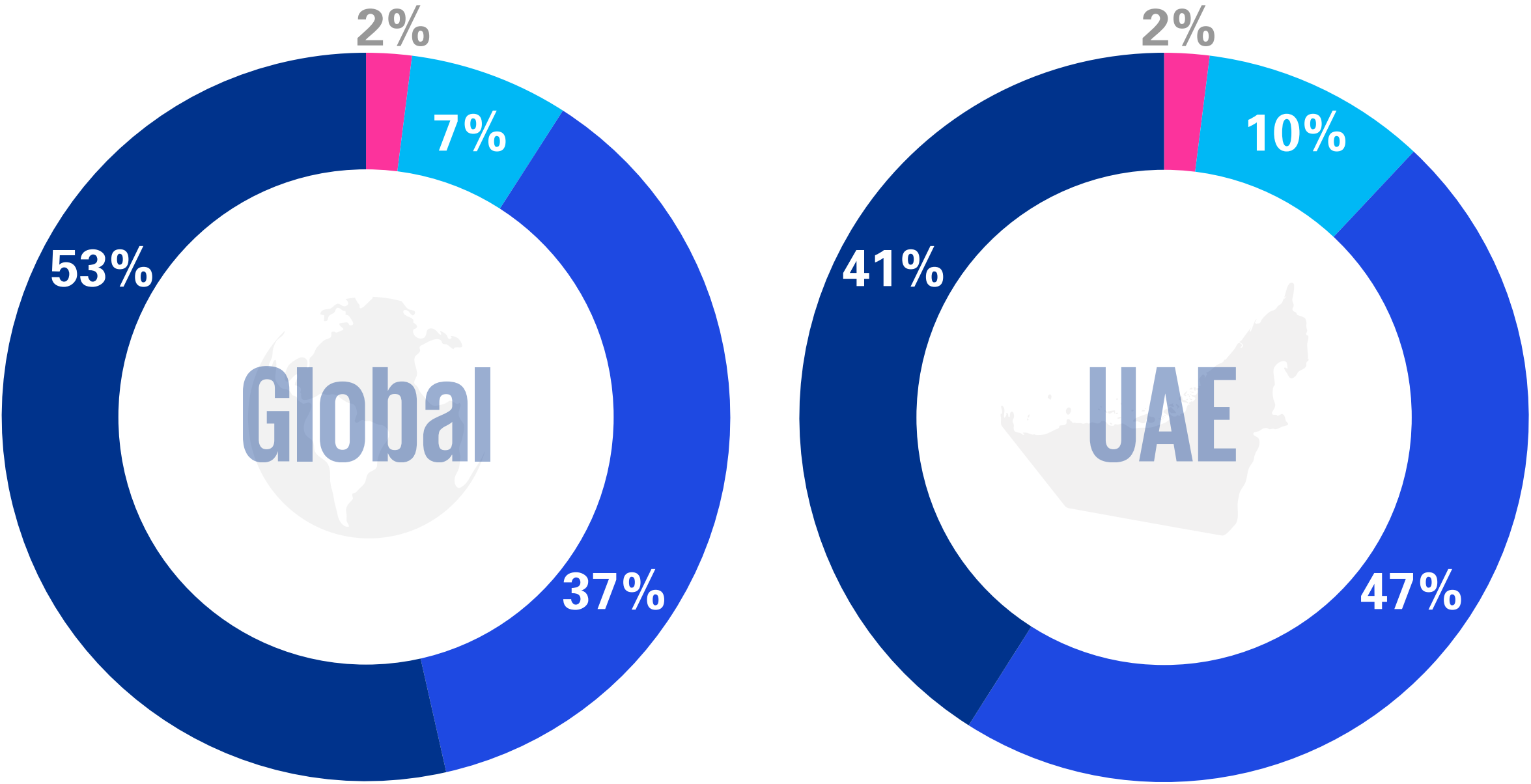
**75% believe  
their companies  
have adequate  
leadership  
support, or are  
progressing vs  
their strategy  
in D&A / AI**





# How would you describe your organization's position today in each of the following areas?

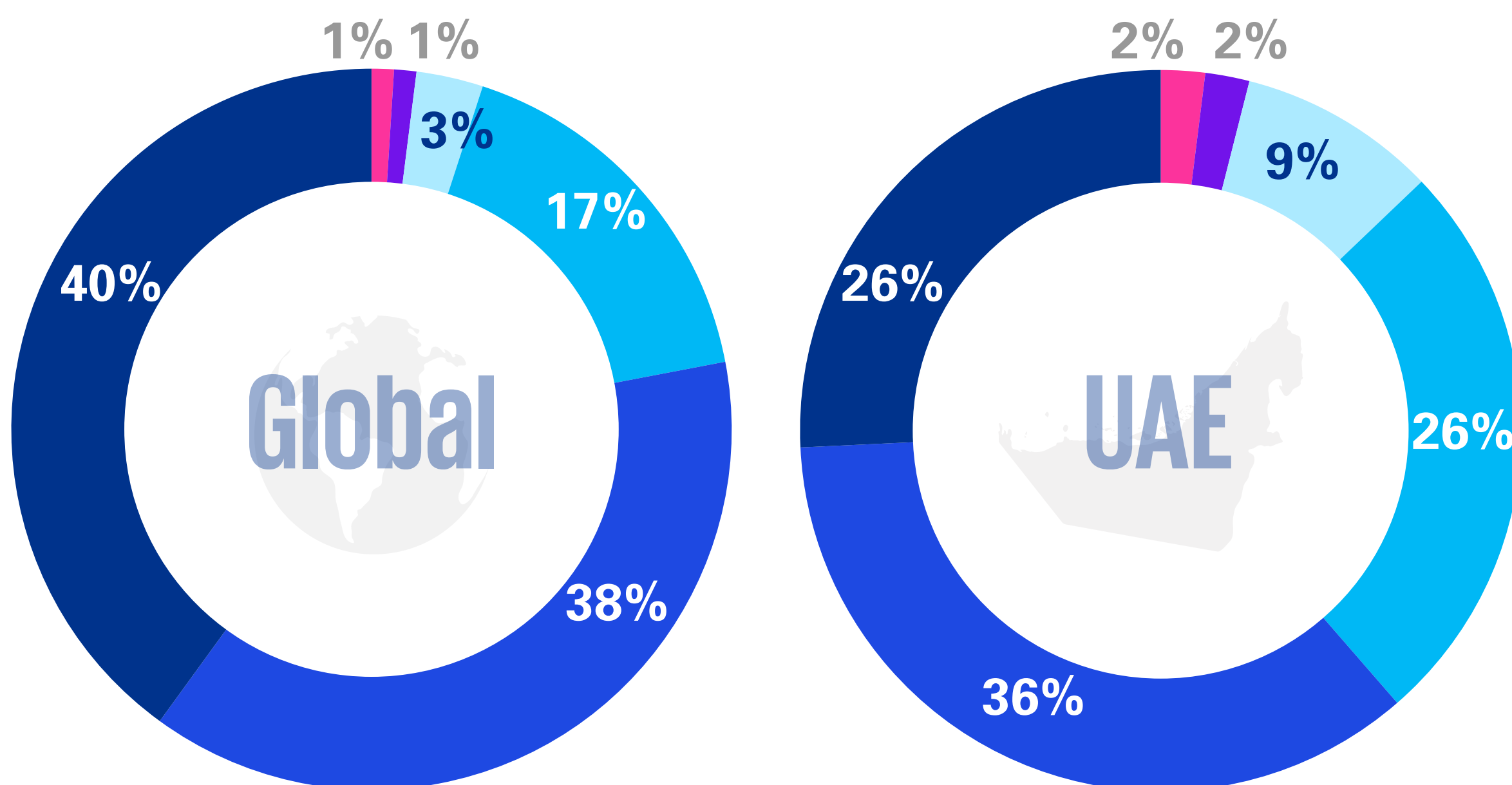
## Data & Analytics









-  We are currently designing our strategy, but a broad initiative has not yet started or we have a few areas where it is being evaluated prior to further roll-out
-  A strategic vision for the entire organization has taken shape but overall executive buy-in and/or investment approval is limiting progress
-  Leadership supports and has provided funding for the overall strategy, yet its implementation is slower or behind our expected schedule
-  We are proactive in progressing against our strategy and are continually evolving



## AI & Automation



-  We are not and are unlikely to pursue this or advance our current practices
-  We are aware of the need, but have not yet taken action to advance this
-  We are currently designing our strategy, but a broad initiative has not yet started or we have a few areas where it is being evaluated prior to further roll-out
-  A strategic vision for the entire organization has taken shape but overall executive buy-in and/or investment approval is limiting progress
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Compared to the rest of the world, the UAE is still maturing with respect to Data & Analytics (-12%) lower than global and particularly AI & automation (-14%).

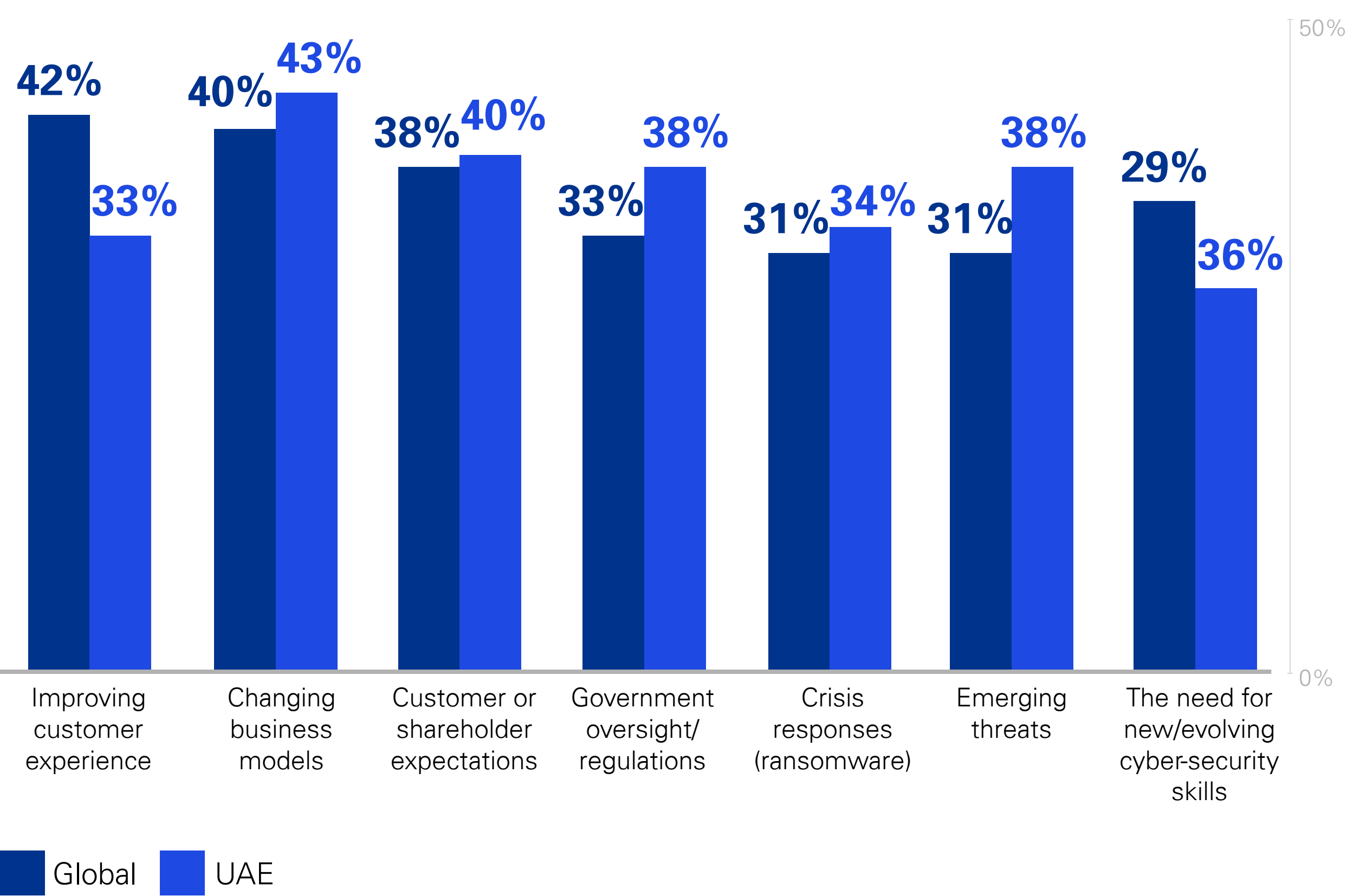
Nevertheless, on average, three quarters of UAE tech leaders believe their companies have adequate leadership support and funding, or are proactively progressing against their strategy in these two areas.



Changing business models are the most cited reason (43%) for increased cybersecurity spending



# What are the most influential drivers for increased cybersecurity spending within your organization?



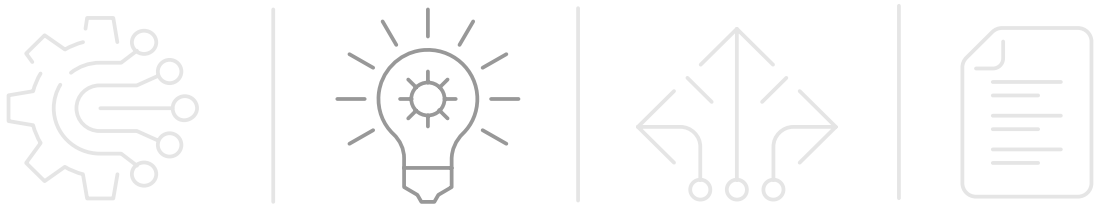
UAE respondents identified changing business models and customer expectations as priorities for future cyber security investments in their organizations.

However, compared to the rest of the world, competitive pressures, the need of cyber-security skills, and emerging threats become more relevant.

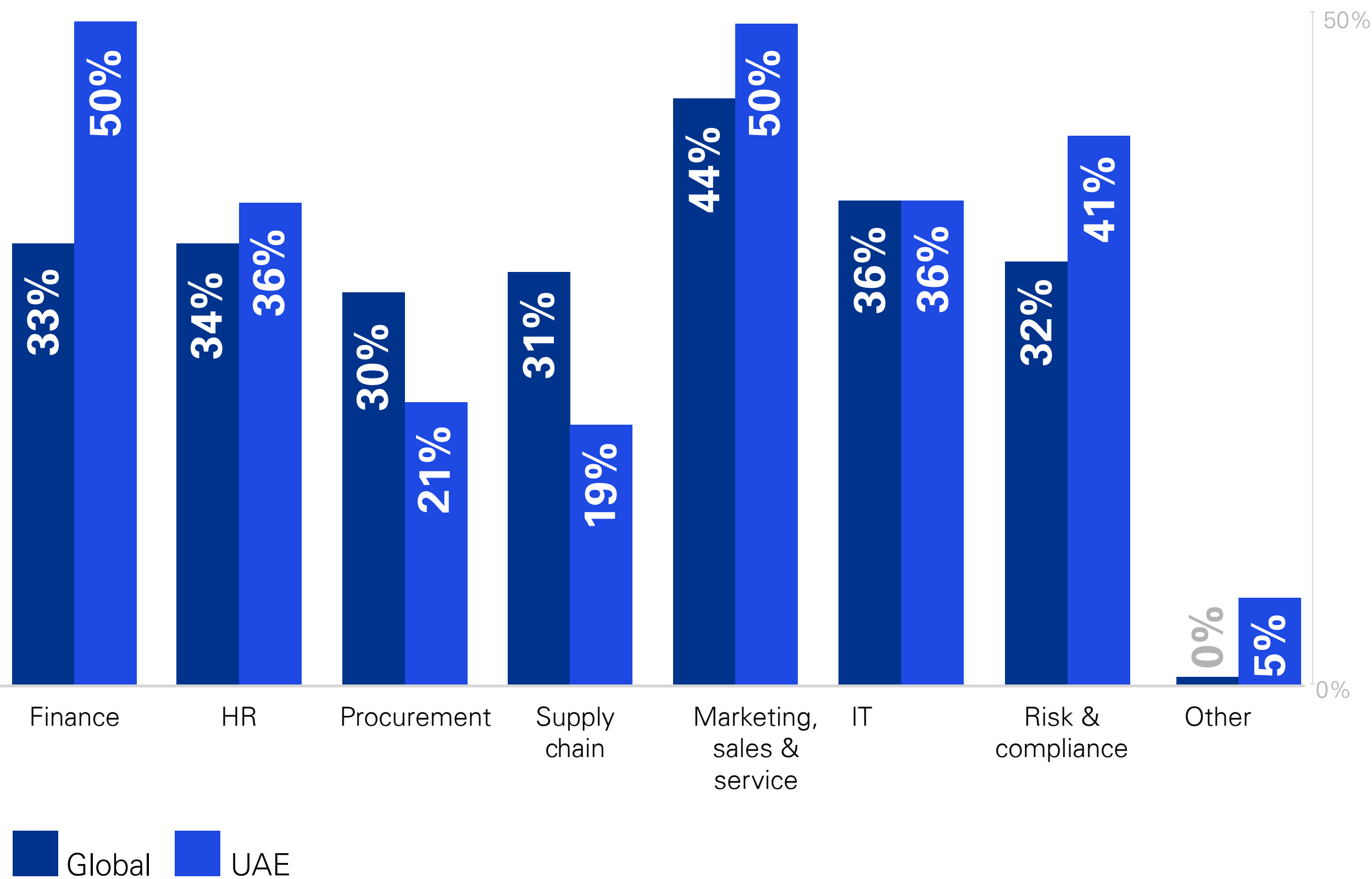
Technology and data strategies should therefore focus on protecting businesses from innovative cyber threats posed by issues such as IP theft/corporate espionage and the impact of so-called state-sponsored cyber warfare.



**Technology  
leaders believe  
that marketing &  
sales, and finance  
are the functions  
that benefit the  
most from digital  
transformation**



# Which functional areas within your organization are benefiting the most from digital transformation?



Digital transformation is positively impacting the Finance (+17%) higher than global and Risk and Compliance (+9%) functions in the UAE. However, the survey, demonstrates a reduced benefit in Supply Chain and Procurement functions. This may suggest an opportunity to shift emphasis from finance/controls areas towards commercial functions.

Given the pandemic’s disruption to global supply chains, inflationary pressures and concerns around food security, businesses could also transform their Procurement and Supply Chain functions to mitigate interruptions to production and operations.

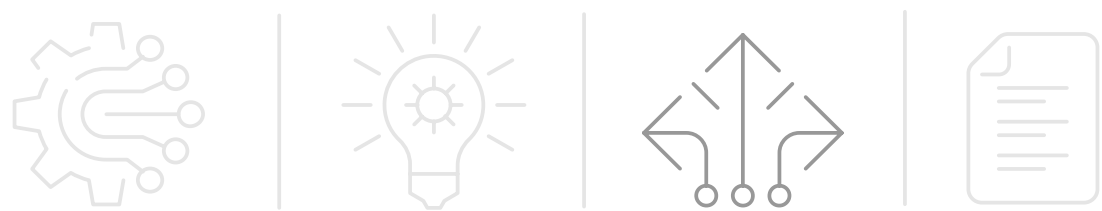


# Harnessing opportunities



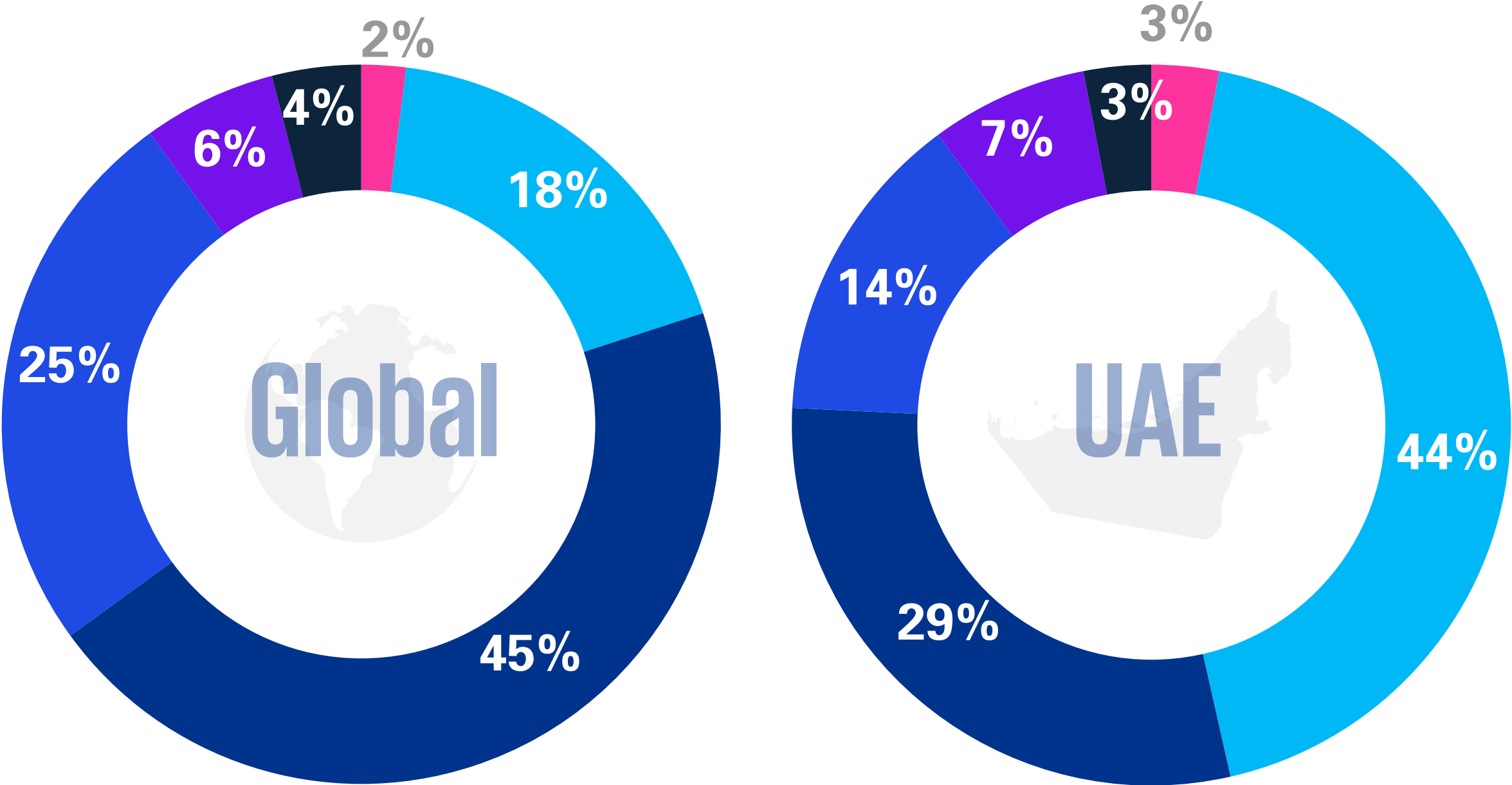
**Only one in ten  
believe their  
organizations have  
fully embraced  
emerging  
technologies**











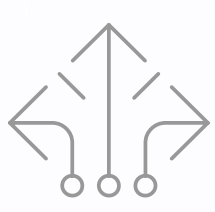
# How would you describe your organization's position today in each of the following areas?

## Emerging Technologies



-  We are not and are unlikely to pursue this or advance our current practices
-  We are aware of the need, but have not yet taken action to advance this
-  We are currently designing our strategy, but a broad initiative has not yet started or we have a few areas where it is being evaluated prior to further roll-out
-  A strategic vision for the entire organization has taken shape but overall executive buy-in and/or investment approval is limiting progress
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In stark contrast to the widespread implementation of more established tools like Data & Analytics and AI, a paltry 10% of tech leaders believed that their organizations had fully embraced emerging technologies. This figure was consistent for the UAE and the rest of the world.

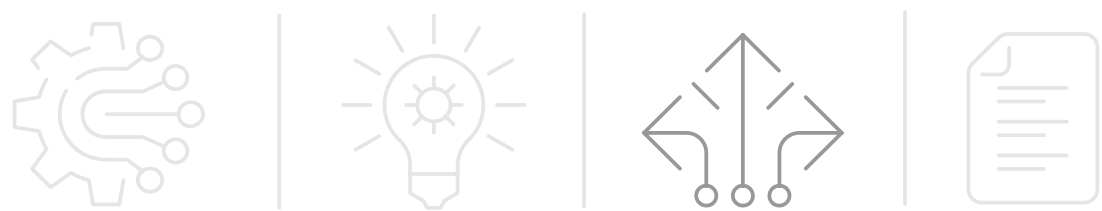
The majority of tech leaders are aware of the need to adopt nascent technologies, but have not yet taken action, or are still in the process of designing their strategy.



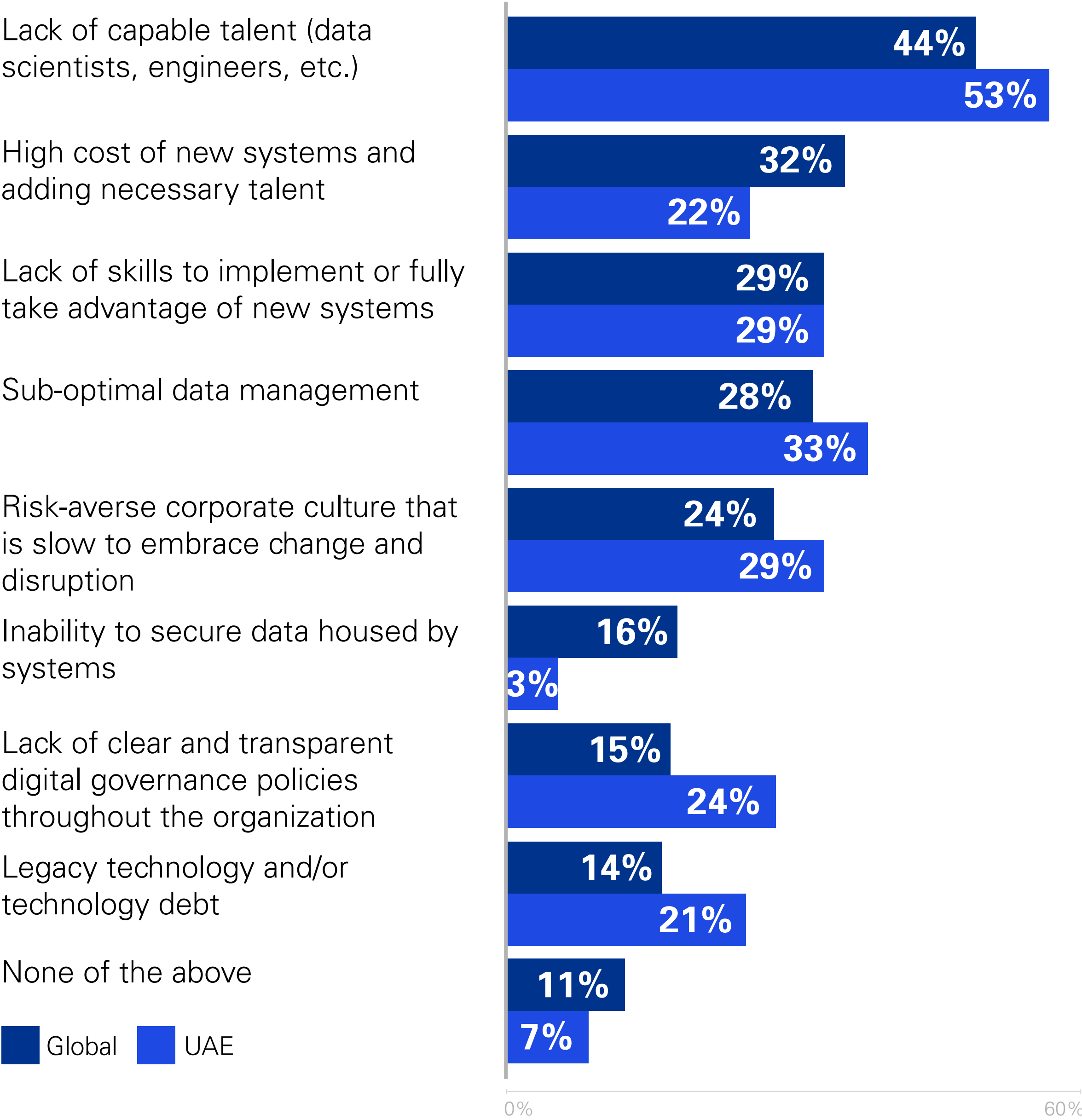




# The talent gap remains the biggest challenge to the effective adoption of new technologies



# What are the biggest challenges you face in your adoption of new digital technologies?



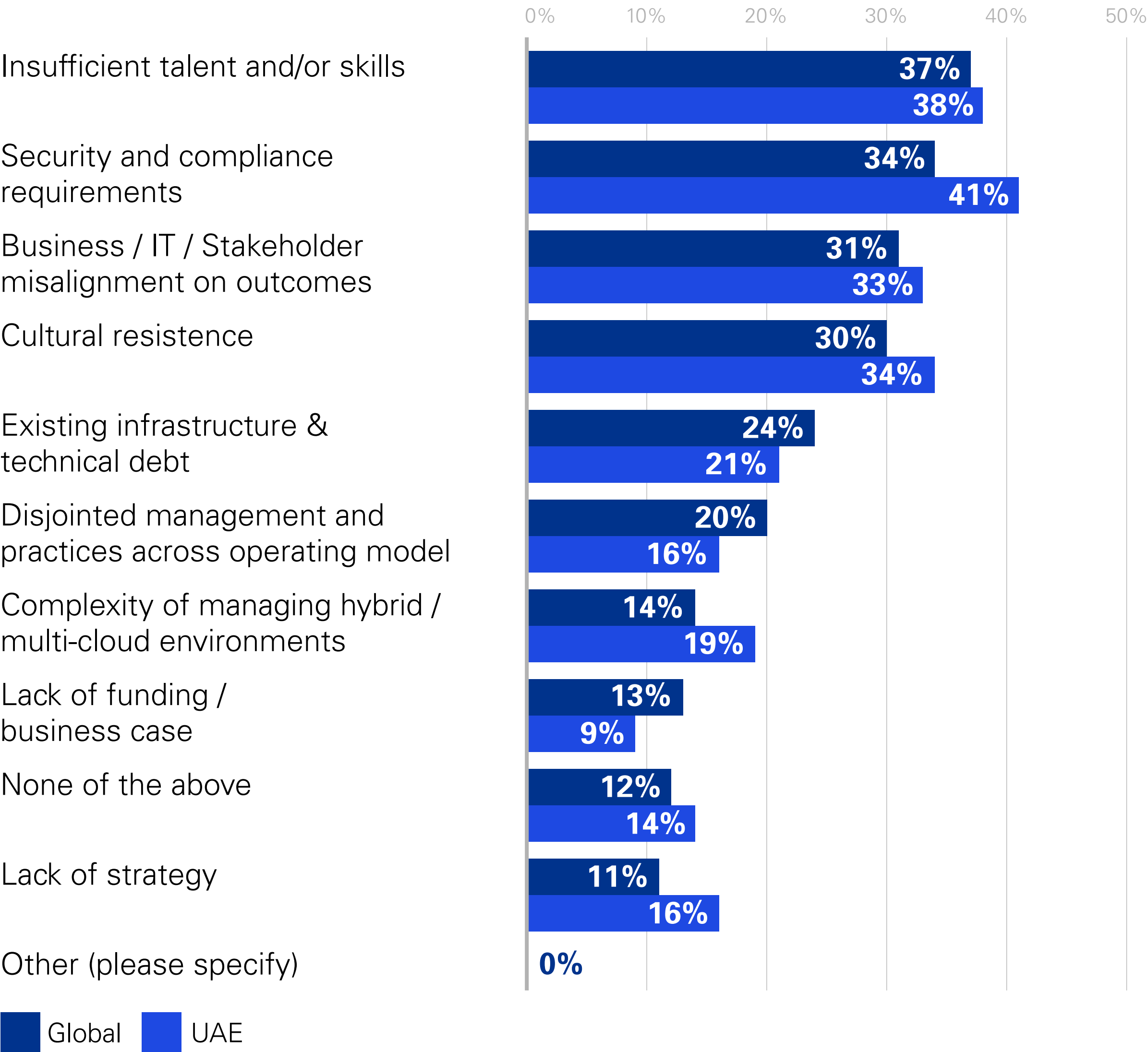
Firms in the UAE are operating in a more challenging environment with a talent gap (+9%) and a risk-adverse corporate culture (+5). This is an opportunity for businesses to focus on attracting and retaining the best people, considering the post-pandemic great resignation. From a people perspective, this could also include re-evaluating their internal work environment and culture as these two challenges can be correlated.



**Additionally,  
security &  
compliance is the  
main challenge  
that companies  
are facing in their  
cloud journey**



# What are the top challenges your organization is facing or has faced in your cloud journey?



A particular challenge associated with the cloud is Security and Compliance. This may be driven by the data environment peculiar to the UAE but should be of concern to technology leaders.

Customer data, company funds, intellectual property and online operations are becoming more subject to cyber attacks from state actors and ransom seekers. This is increasing the demand for a clear data strategy, cyber security and robust controls.



# Appendix

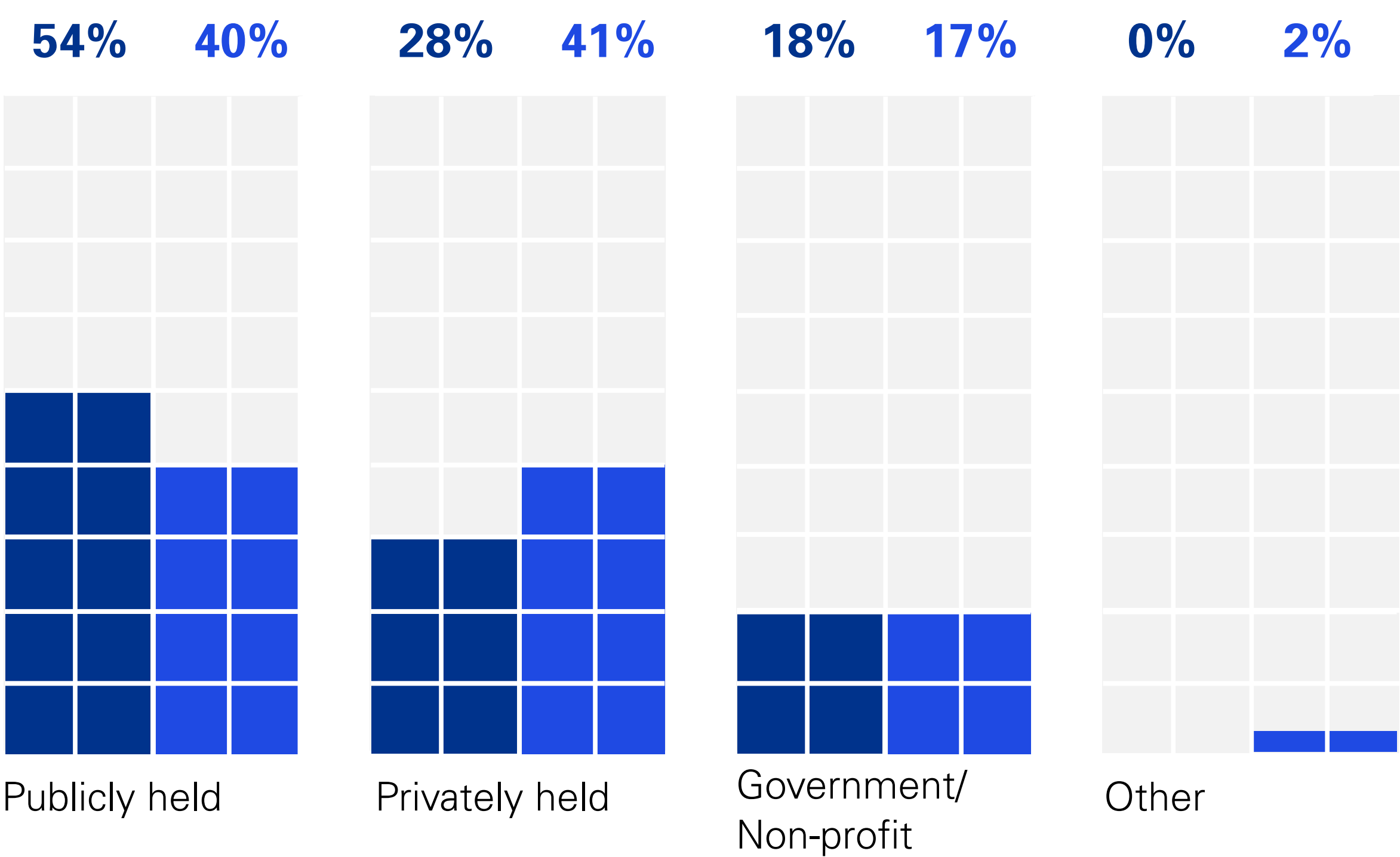




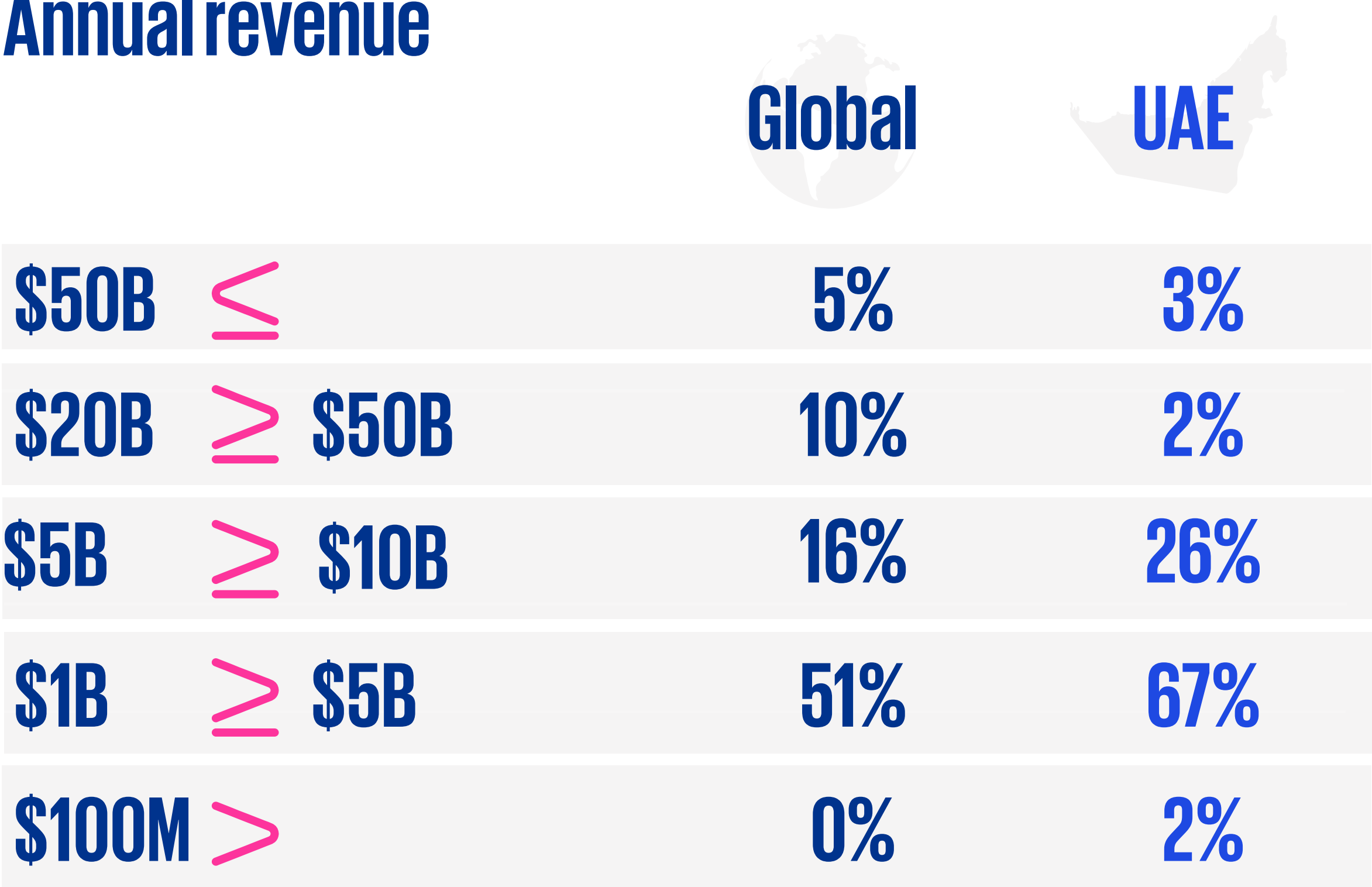
# Respondents' demographics

Tech leader respondents covered a range of industries, company revenue and employee size

## Public / Private / Government



## Annual revenue



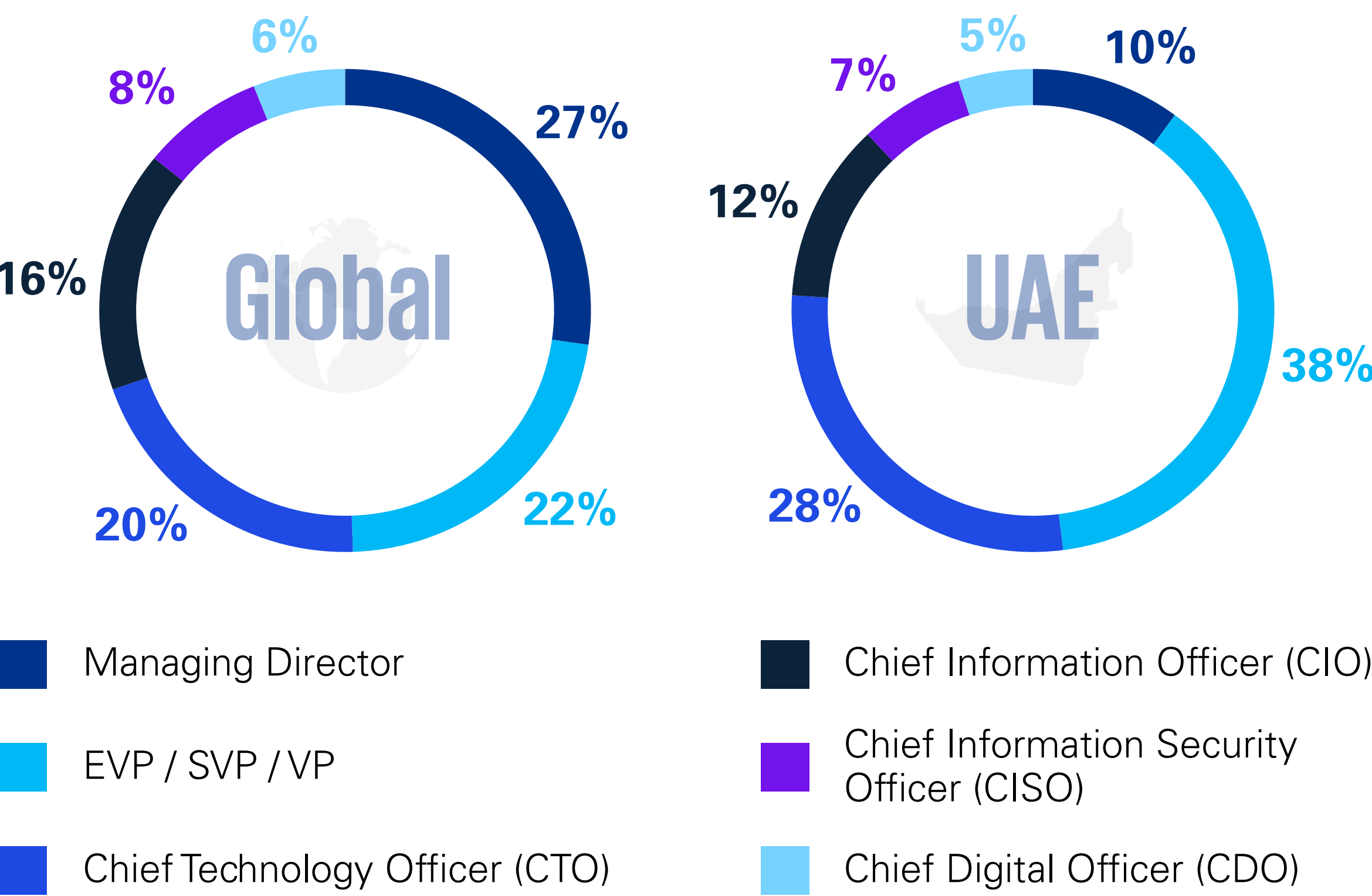




# Number of employees

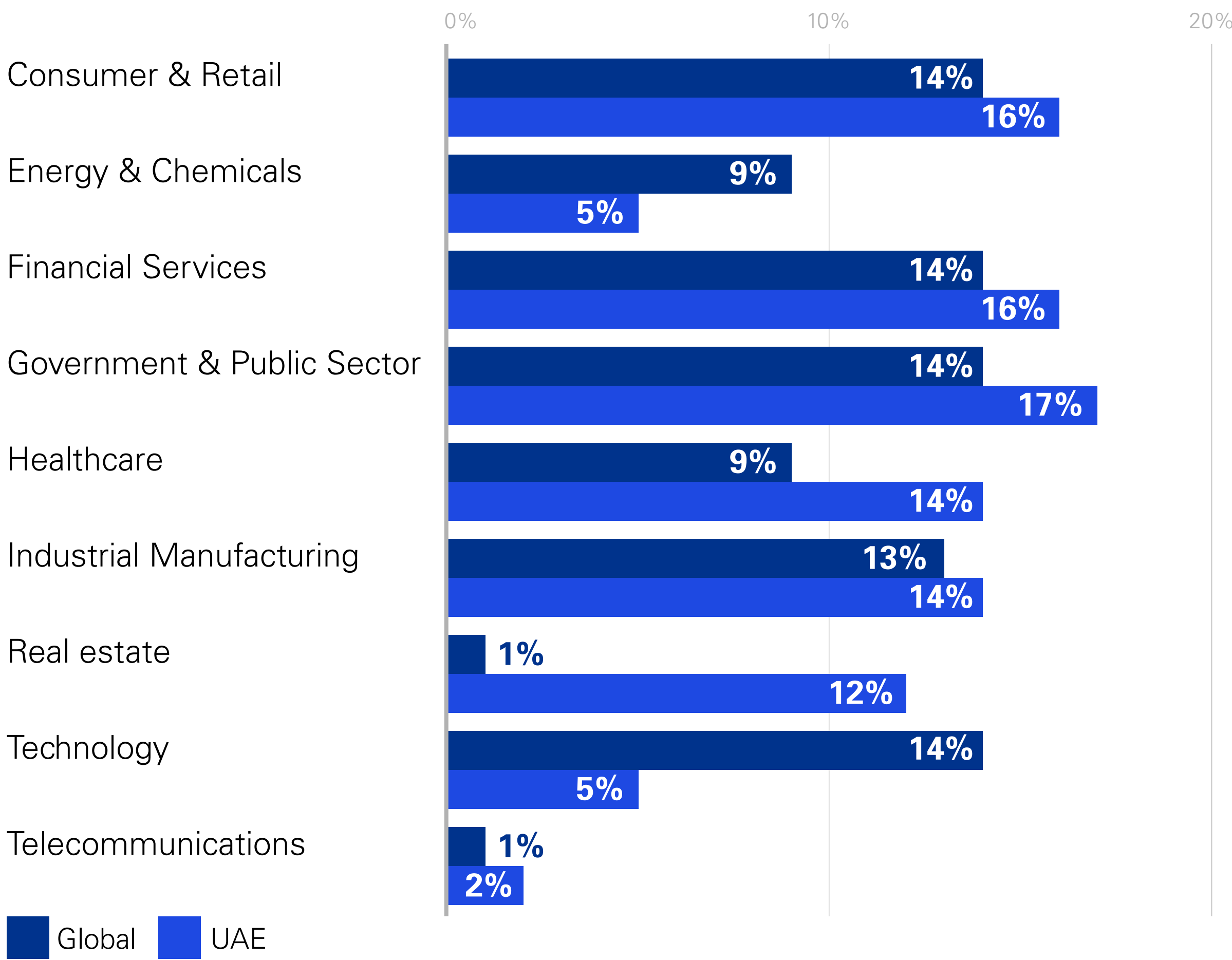


# Job role





# Sector



**2,200**  
**Respondents globally**  
(US, Canada, UK, Germany, China, Japan, Netherlands, Australia, France, India, Israel, Brazil, Spain, Saudi Arabia)

**58**  
**Respondents UAE**





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