KPMG UAE tech report 2026

Scale, confidence and acceleration

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June 2026

Foreword

Across the region, technology continues to move decisively from aspiration to execution. In the United Arab Emirates, national transformation agendas have translated into sustained investment, increasingly sophisticated operating models, and rising expectations for measurable outcomes. Increasingly, technology is being positioned not merely as a support function, but as a strategic partner and enabler to the business - shaping decision - making, accelerating innovation, and directly contributing to value creation. Technology has become a core driver of competitiveness, resilience, and the ability to deliver at scale.

This report captures a moment of transition. Respondents across the UAE have built strong digital foundations and now display high confidence in their ability to absorb disruption, manage risk, and realize returns from technology investment. At the same time, the nature of leadership challenge is evolving. The question facing executives is no longer whether to invest in technology, but how to govern it effectively, scale it responsibly, and convert ambition into durable performance gains.

We draw on insight from a global survey of **2,500 technology leaders, including 70 respondents from the UAE**, spanning government and public sector, financial services, energy, healthcare, manufacturing, technology, and consumer industries.

Our findings show that organizations in the UAE are outperforming global peers across several dimensions: organizational resilience, investment scale, maturity of core technology capabilities, and confidence in value realization. 90 percent of respondents considered their organization 'highly resilient' – well above global benchmarks. They exhibit exceptionally high confidence in their ability to navigate uncertainty. The findings point to a business environment that prioritizes agility, risk management, and sustained performance, particularly within an economy deeply integrated into global markets and supply chains. Notably, this performance has been achieved through predominantly fast-follower strategies: prioritizing proven technologies and disciplined execution over first-mover experimentation.

> **"The 2026 findings show that organizations across the region are entering a new phase of technology-led transformation. Strong digital foundations and sustained investment are translating into greater confidence, faster adoption, and a clear shift from experimentation toward value realization. The focus for leaders is now firmly on execution discipline, governance, and scaling what works."**

Artificial intelligence (AI), cloud platforms, and data-driven capabilities are the pivotal enablers in this next phase. AI in particular is rapidly moving from experimentation to enterprise deployment. When breaking down different AI tools, GenAI and agentic AI are shown to be embedded, not only in technology but also business function across the UAE. For example, 97 percent of respondents in UAE state that they are embedding AI agents into workflows, products, services and value streams. GenAI is no longer a peripheral innovation but a core component of how UAE organizations operate, compete, and deliver value.

Our report aims to support that leadership task: providing a clear, evidence-based view of where organizations stand today, how they are responding to complexity, and what will matter most as they move from maturity to momentum.

Robert Ptaszynski
Partner
Head of Technology
KPMG Middle East

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Highlights

69%

of organizations in the UAE position themselves as fast followers, with 23 percent identifying as innovators or early adopters and 8 percent as slow followers or laggards.

47%

show a high-risk appetite, exceeding global benchmarks, while maintaining balanced experimentation.

66%

report optimized cybersecurity maturity, still well ahead of global benchmarks.

40%

cite system and process integration as a top collaboration barrier, higher than global averages.

80%

centralize architectural enforcement.

96%

agree that managing AI agents will become an important skill within the next five years.

60%

expect improved cybersecurity outcomes, alongside strong emphasis on innovation benefits.

90%

plan to expand and strengthen their tech ecosystem and partnerships to have the expertise needed.

Resilient, pragmatic technology leadership

The UAE presents a technology transformation model shaped by complexity, connectivity, and control. As a highly internationalized economy, UAE organizations balance sustained innovation with the demands of integration, cybersecurity, and regulatory alignment – producing a technology posture that is confident, disciplined, and deliberately paced.

At a strategic level, 69 percent identify as fast followers, while 23 percent position themselves as innovators or early adopters, reinforcing the prevalence of pragmatic, value-led technology strategies across the Gulf. Strategic alignment remains strong: 96 percent report having a long-term, innovation-led technology strategy.

Resilience is a defining characteristic of UAE leaders. Ninety percent of organizations rank themselves in the top two resilience tiers, the highest level recorded across all surveyed regions. This confidence is supported by strong foundational maturity, with 66 percent reporting optimized cybersecurity capability, well above global benchmarks, alongside advanced cloud and data readiness.

Despite this maturity, organizations in the UAE adopt a more measured approach to scaling disruption. Only 20 percent report adopting disruptive technologies at scale, broadly aligned with global norms. This caution reflects integration realities rather than capability constraints. Indeed, 40 percent identify system and process integration as their top collaboration barrier, significantly exceeding global averages, highlighting the operational complexity of multi-vendor, multi-jurisdictional environments.

Investment levels remain substantial but balanced. Fifty percent of organizations in the UAE invest between US$50-99.9 million annually in digital technologies, supporting steady modernization and innovation. Confidence in returns is high, with no respondents reporting zero or negative value realization, and value distributed more evenly across foundational platforms, AI-enabled technologies, and selected emerging use cases.

Artificial intelligence adoption in the UAE reflects this disciplined trajectory. Sixty percent expect AI to be deployed at scale and delivering ROI within the next twelve months, aligned with global expectations. Risk perceptions differ accordingly. Thirty-four percent rank AI transparency as a top future concern, the highest level globally, while 32 percent identify intellectual property exposure through open-source use as a current AI risk. These concerns point to a strong emphasis on trust, explainability, and control as AI becomes more embedded in operations.

Operating models reinforce this balance. Eighty percent centralize architectural standards and governance. Workforce transformation is advancing rapidly, with the UAE reporting the largest planned increases in digital and AI-enabled workforce capacity among surveyed regions, alongside high levels of IT–security collaboration.

Any analysis of the UAE's technology transformation would be incomplete without acknowledging the unique structural forces that shape its trajectory. Unlike purely market-led or regulation-led models seen in many Western economies, the UAE operates under a deliberate, state-orchestrated framework where national strategies actively enforce technology agendas. At least three overarching national mandates - the Centennial 2071 vision, "We the UAE 2031," and the UAE Artificial Intelligence Strategy 2031 – provide clear, top-down drivers that accelerate and prioritize specific technology investments, including AI, cloud, and digital government capabilities. This means the 'estate' of technology in the region is not simply responding to market signals or compliance requirements; it is being actively shaped by long-term state direction that aligns public and private sector efforts. Consequently, the confidence, discipline, and deliberate pacing observed in UAE organizations are not merely outcomes of internal strategic foresight – they are also products of a coordinated national ecosystem where technology agendas are reinforced from the highest levels of government.

Strategy and organizational posture

We explore how the organizations across the UAE define their technology posture at a strategic level, analyzing three closely related dimensions drawn directly from the survey: how organizations approach technology adoption, how they position themselves on a spectrum from defensive to disruptive, and the degree of internal alignment around technology's long-term role.

Taken together, these questions provide a structured view of technology strategy not simply as an investment decision, but as an organizational stance. They reveal how leadership teams balance ambition and caution, how resilient they believe their organizations are to disruption, and how consistently technology strategy is understood across the enterprise.

Highlights

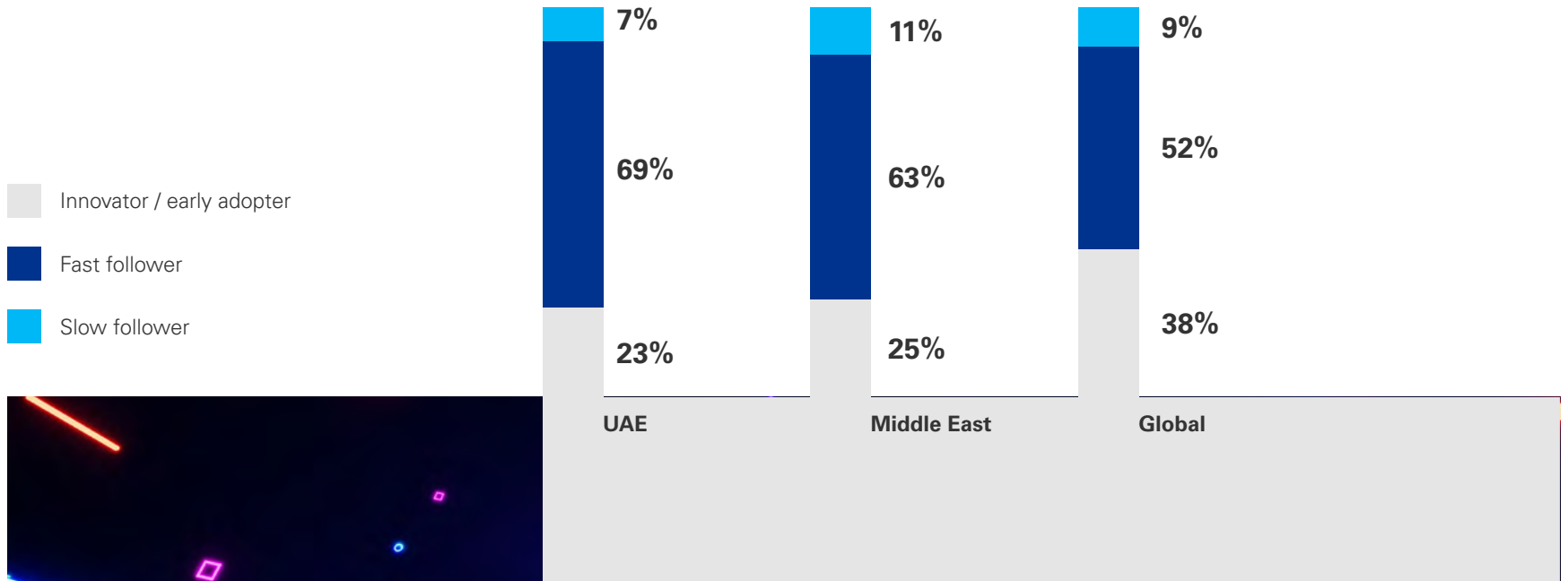
- Fast-follower strategies dominate in the UAE, with around seven in ten organizations prioritizing proven technologies over early adoption.
- Organizational resilience exceeds global benchmarks, with the UAE reporting the highest resilience levels in the survey.
- Long-term, innovation-led technology strategies are near-universal.

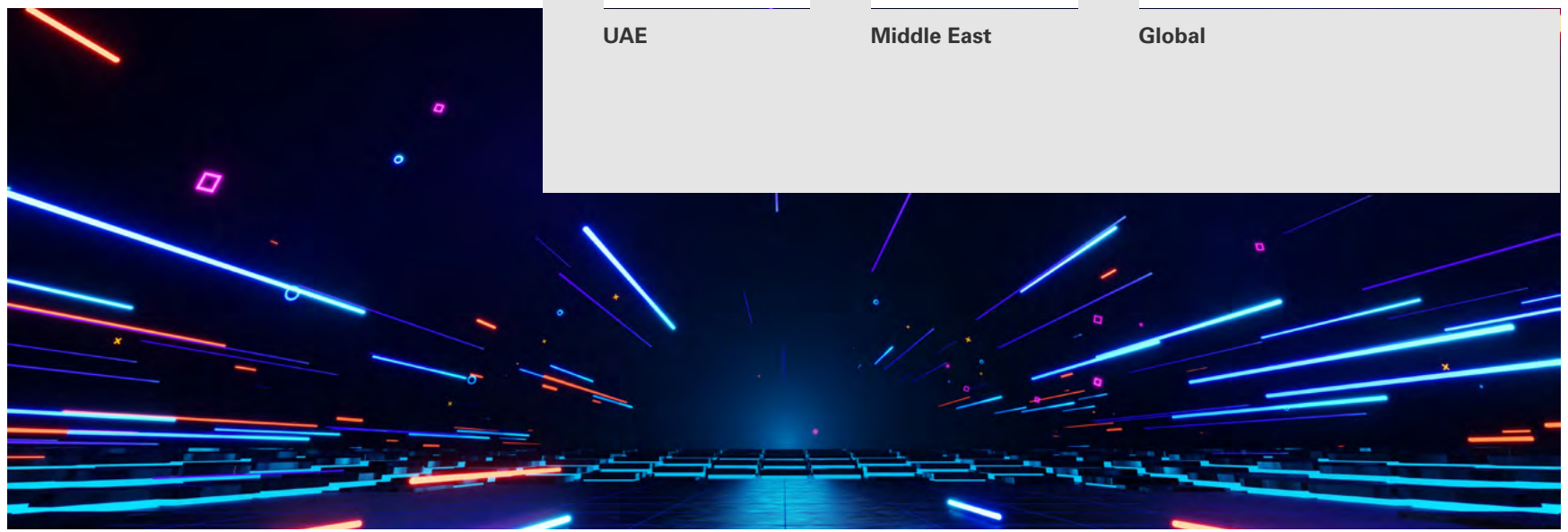
Fast-follower positioning as the prevailing model

Organizations in the UAE display a technology posture similar to the wider region in terms of adoption strategy. Sixty-nine percent identify as fast followers, while 23 percent describe themselves as innovators or early adopters, contrasting with the more evenly distributed adoption patterns observed globally.

The data reinforces the prevalence of a pragmatic, value-focused approach to technology adoption across the Gulf region, where proven impact and scalability are prioritized over first-mover advantage. This posture does not indicate slower capability – rather, it enables more consistent returns on technology investments and faster scaling once a technology's value is validated.

Which of these terms best describes your organization's approach to adopting new technologies?





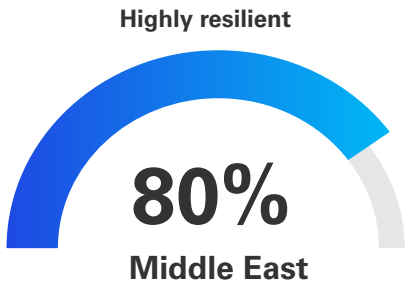
Exceptionally high resilience to disruption

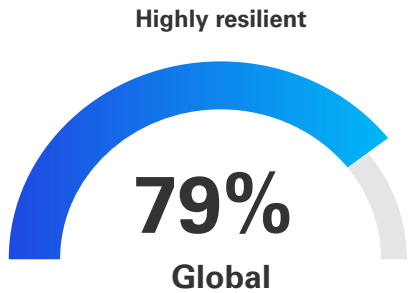
The UAE records the highest reported resilience levels in the survey. Ninety percent of organizations place themselves in the top two resilience tiers, exceeding global benchmarks. This reflects strong confidence in preparedness for disruption and underscores the importance placed on continuity, security, and operational stability in a highly interconnected and internationally exposed economy.

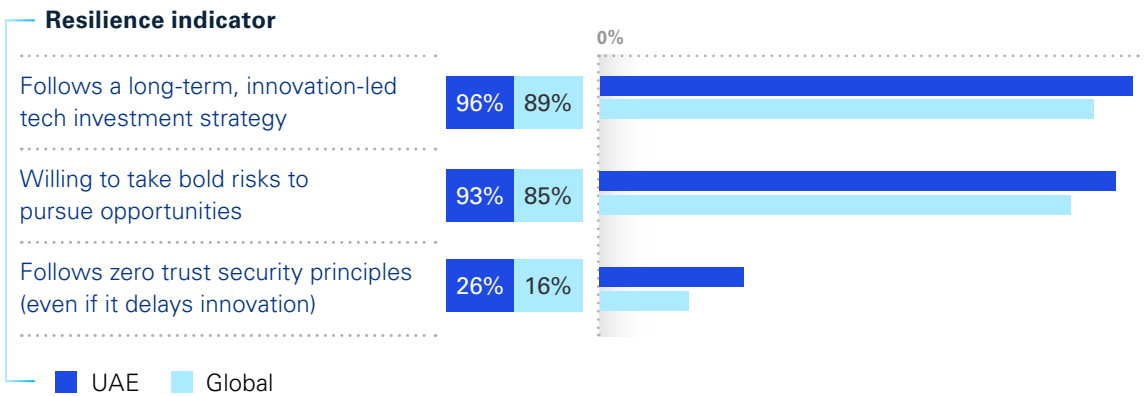
In the UAE, resilience is defined by strategic confidence, proactive governance, and a willingness to take bold risks without compromising control—and it significantly outpaces global norms across nearly every dimension.

It is revealing how UAE organizations achieve this resilience: they are far more likely to follow a long-term, innovation-led tech investment strategy (96 percent in UAE vs. 89 percent globally) and to take bold risks to pursue opportunities (93 percent vs. 85 percent globally). At the same time, UAE firms demonstrate a more disciplined security posture, with 26 percent following zero-trust principles even if it delays innovation, compared to just 16% globally.

Where would you place your organization on the following scale?



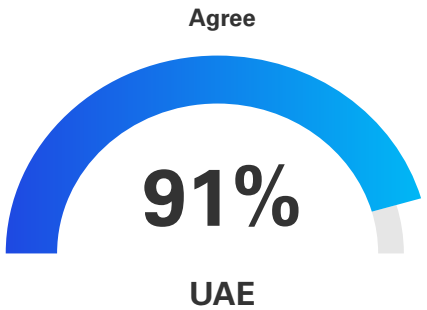


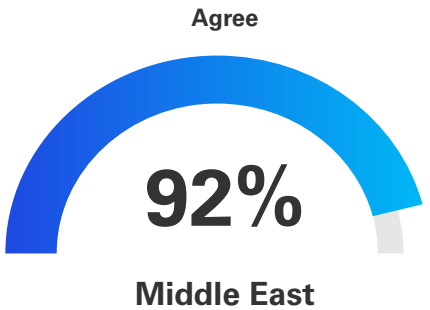


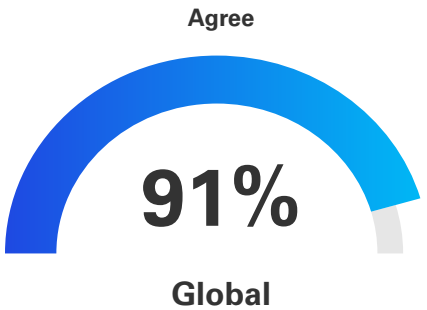
Consistent commitment to long-term innovation

Long-term, innovation-led technology strategies are reported by 91 percent of UAE organizations. While broadly in line with global averages, the concentration of responses suggests a higher degree of internal consistency than in many other markets. Technology strategy appears to be well embedded across leadership levels, even as execution remains measured.

Agreement with strategic statements on technology's role







Investments and financial value

In the UAE, AI investment is evolving into a broader enterprise modernization agenda. Organizations are embedding AI alongside cloud, data, and cybersecurity to accelerate innovation, improve agility, and enhance customer and operational performance, with a growing focus on integrating AI into core business platforms rather than treating it as a standalone initiative."

Maher Kilani
Partner, Digital Foundation
KPMG Middle East

Following posture, the question emerges of how organizations across the region are converting technology ambition into financial commitment and measurable value. To understand the full investment and financial value story the questions centre on how much organizations are investing and what value they are realizing, where that value is coming from across technology types, how budgets are allocated between maintaining operations and driving change, and which technologies are being prioritized for future investment.

Viewed together, these dimensions move beyond headline spend figures to reveal how technology investment decisions are being translated into return on investment, where organizations are seeing tangible benefits today, and how capital is being positioned for future growth and transformation.

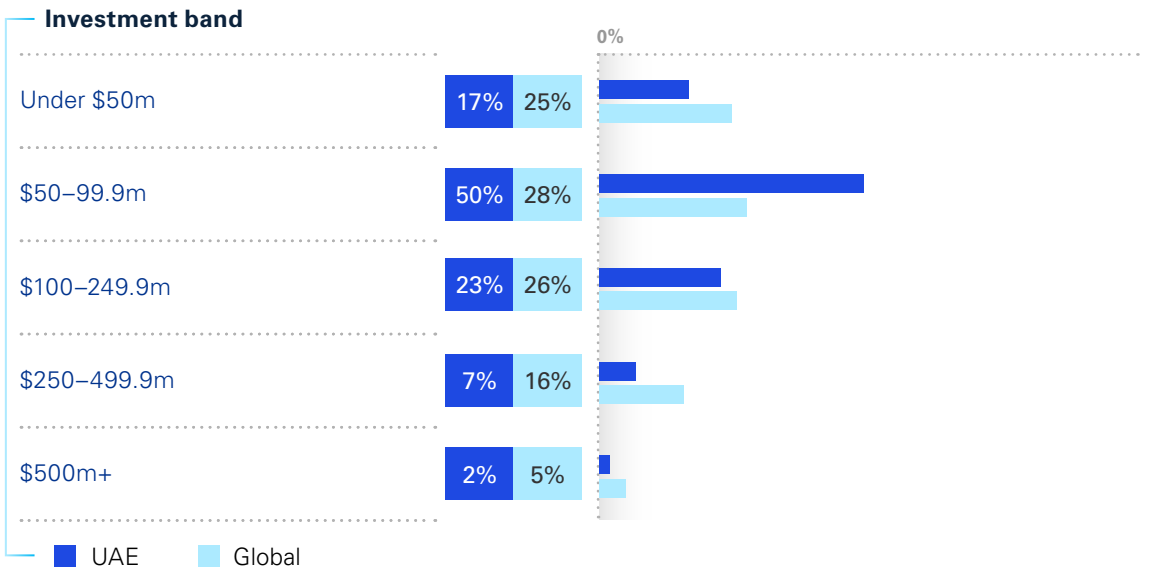
Highlights

- Digital investment in the range of US$50-99.9 million in the UAE greatly exceed global benchmarks.
- Confidence in financial value realization is high, with no reported cases of zero or negative returns.
- The majority of value continues to come from foundational and AI-enabled platforms, with emerging technologies contributing a smaller share.
- Budgets are increasingly weighted toward growth and transformation, rather than maintenance alone.

Concentration in mid-to-large investment bands

Organizations in the UAE also demonstrate strong and sustained digital investment. 50 percent report typical annual investments in the range of US$50-99.9 million, indicating consistent funding of modernization and innovation initiatives across the market.

Typical annual investment in digital technologies



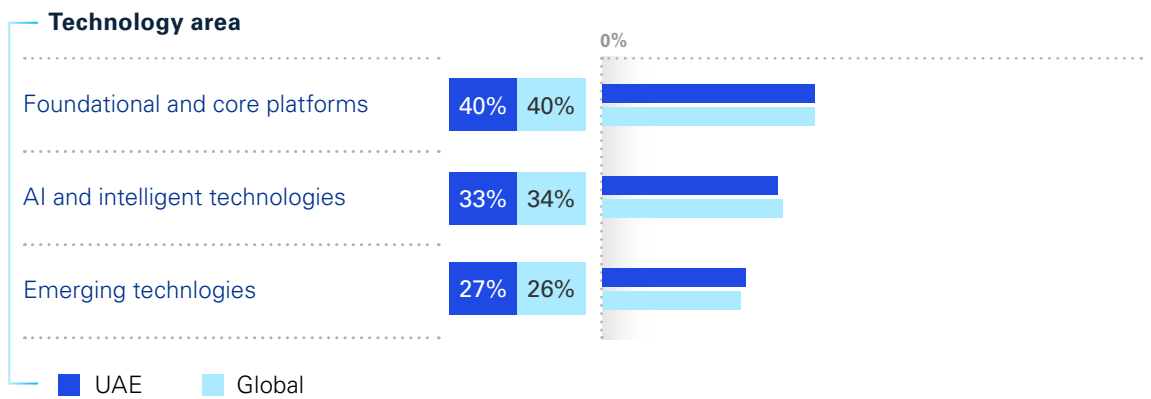
High confidence in digital value realization

UAE organizations report high confidence in the financial value generated by digital investments, broadly aligned with Middle East performance; no respondents report zero or negative returns. This consistency reinforces the perception of technology as a reliable driver of value rather than a speculative investment.

Balanced value mix across technology types

The distribution of realized value in the UAE mirrors global patterns. Foundational platforms continue to account for the largest share of value, while AI and intelligent technologies represent a growing but balanced contribution. Emerging technologies contribute a smaller portion, suggesting a cautious but active approach to newer technologies.

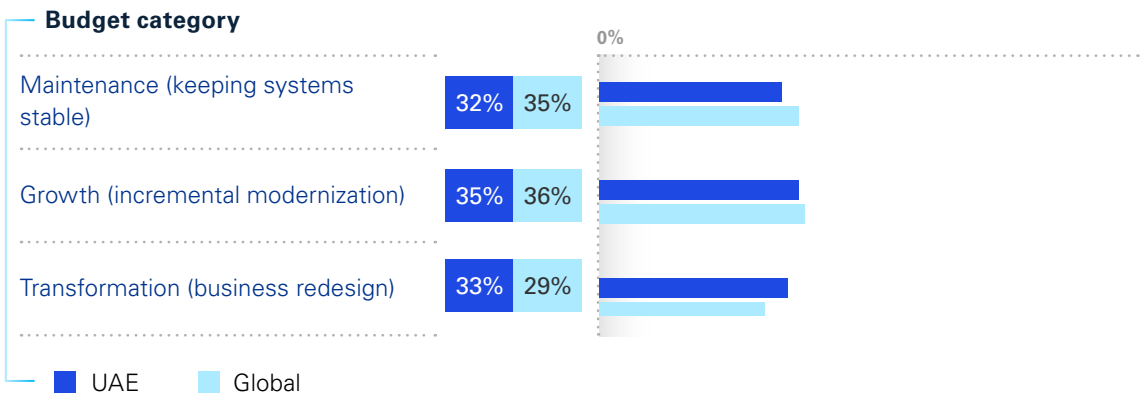
Breakdown of value by technology category



Budget allocation supports steady modernization

Budget allocation in the UAE reflects a balanced posture. While maintenance remains an important component of overall spend, a substantial share of budgets is directed toward growth and transformation initiatives. This indicates sustained commitment to modernization, while maintaining operational stability in complex and highly regulated environments.

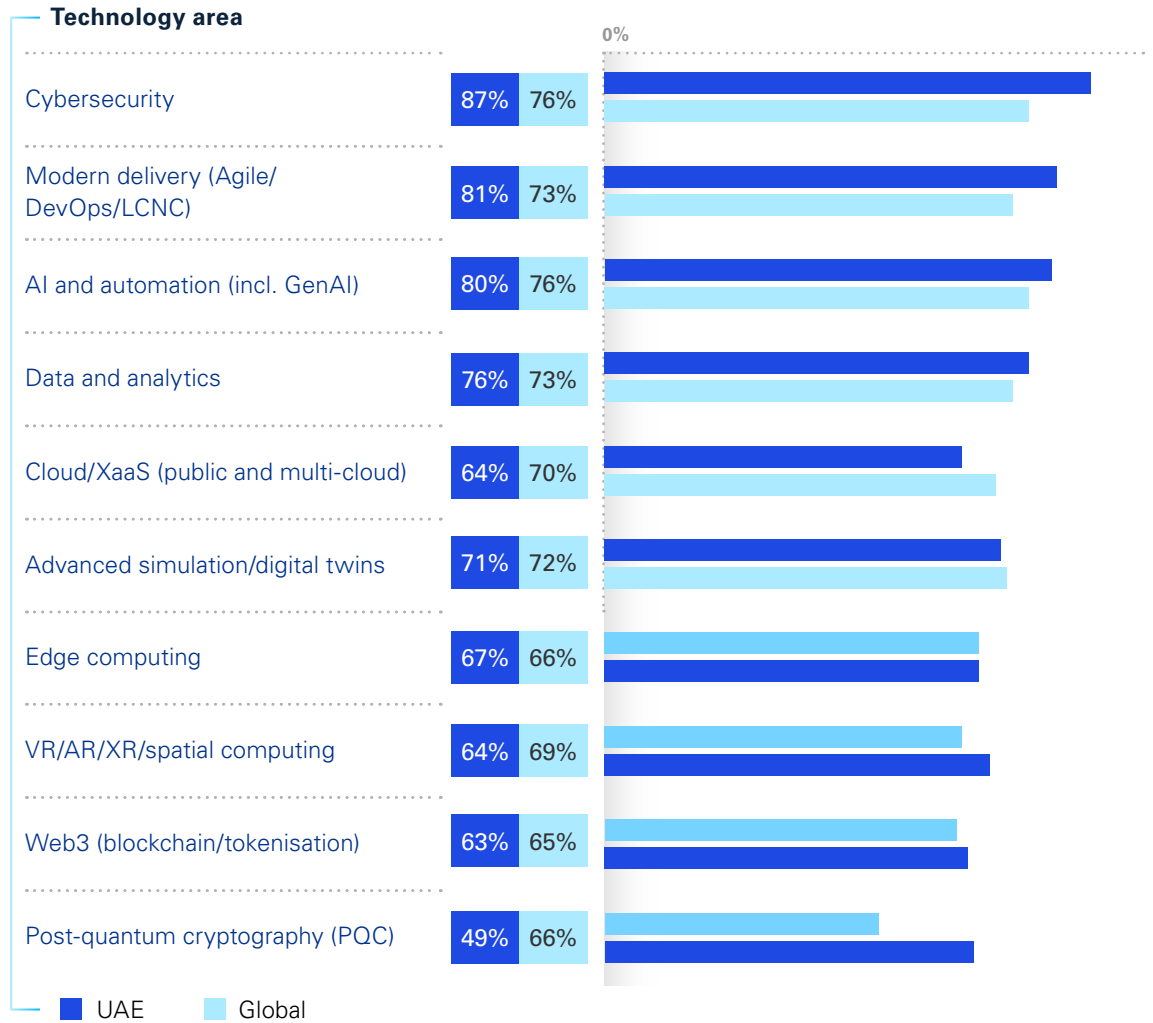
Tech budget allocation: maintenance vs. growth vs. transformation



Clear prioritization of advanced technologies

Looking ahead, UAE organizations report strong prioritization across a wide range of advanced technologies. AI and automation, data and analytics, cybersecurity, cloud and XaaS platforms, and modern delivery approaches all feature prominently. This breadth of focus suggests that investment strategies are designed to strengthen core capabilities while selectively advancing into emerging areas.

Technologies prioritized for investment over the next twelve months



Technology adoption and maturity

Digital transformation in the UAE is increasingly defined by readiness and resilience. Organizations have built strong foundations in cybersecurity, cloud, and data, and are choosing to scale advanced technologies when customer needs, regulations, and business values are clear. The UAE's approach to disruptive technology is defined not by hesitation, but by strategic patience – focusing on core infrastructure today to enable faster, more confident adoption tomorrow."

Mohamad Majid
Partner, Digital Transformation
KPMG Middle East

Organizations in the region are progressing from strong foundational technology capabilities toward the adoption and scaling of advanced and disruptive technologies. The analysis is structured deliberately in three layers: baseline maturity across core technology functions, adoption posture and momentum across key technologies, and the trajectory of artificial intelligence deployment. Together, these dimensions illustrate not only where organizations stand today, but how confidently and quickly they expect to move next.

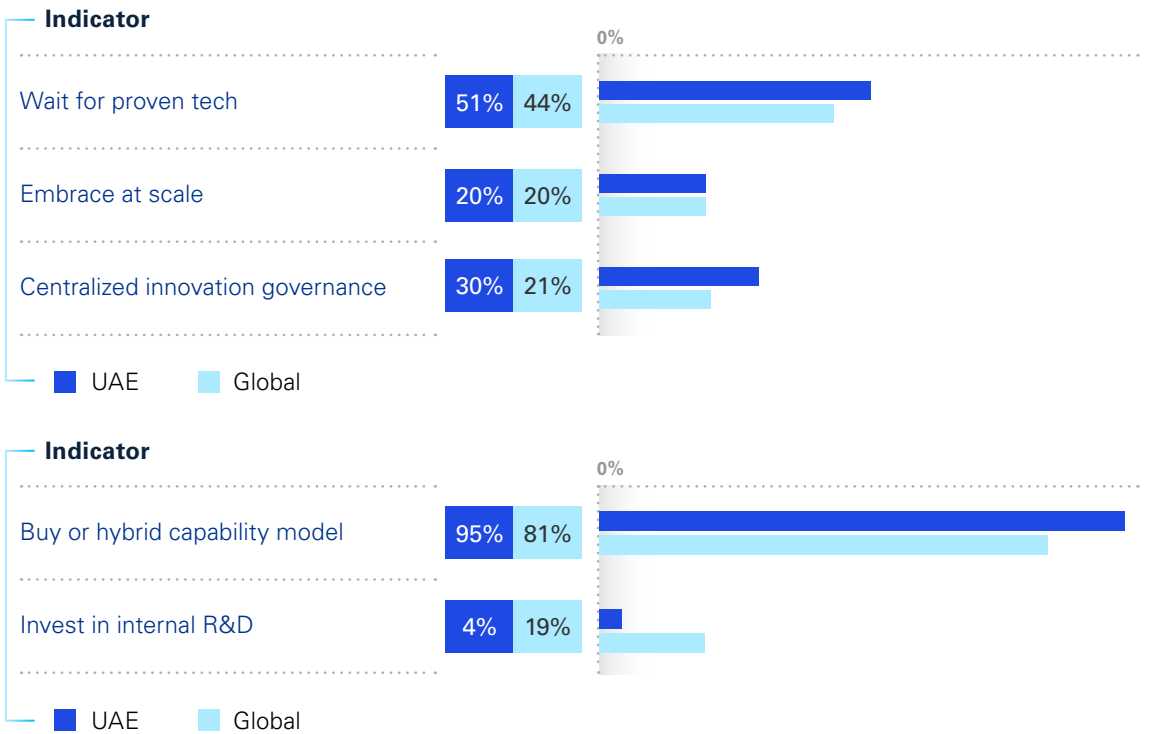
Highlights

- The UAE exhibit higher maturity across cybersecurity, cloud, and data capabilities than global peers.
- Artificial intelligence is expected to deliver near-term value.

More measured scaling of disruptive technologies

Respondents in the UAE demonstrate a more cautious approach to scaling disruptive technologies. While 20 percent would embrace a breakthrough technology at scale (in line with the 20 percent global average), a significantly larger share prefer to wait until technologies are proven. This patience is reinforced by centralized innovation governance and a strong preference for buying or hybrid capability development (95 percent), with only 4 percent investing in internal R&D (vs.19 percent globally).

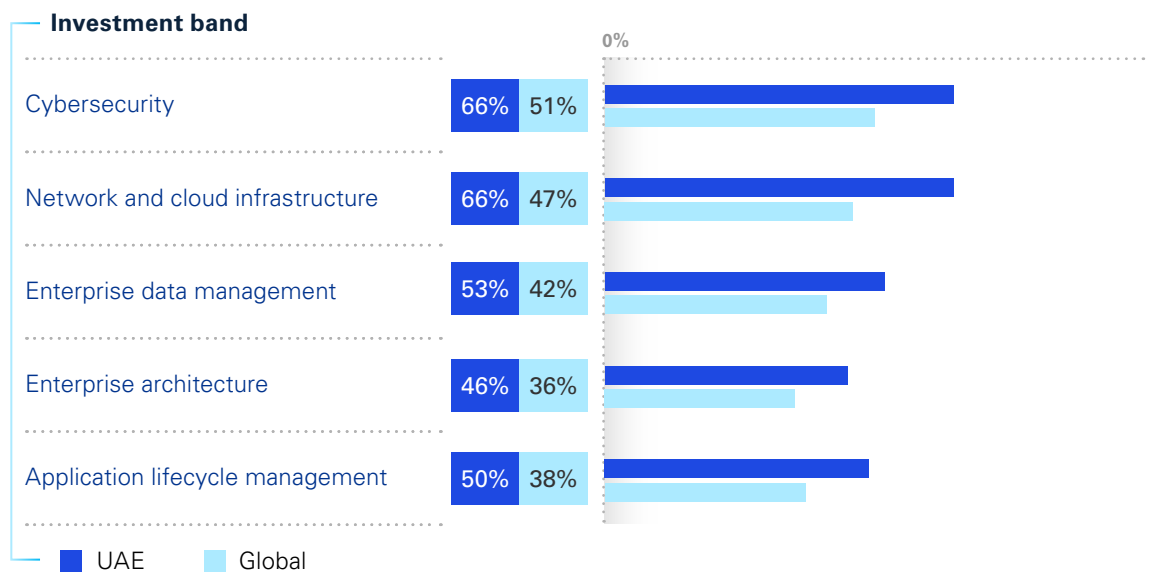
How would your organization respond to a breakthrough technology that disrupts your current business model?



Strong maturity across foundational capabilities

Despite a more measured adoption posture, respondents in the UAE report high levels of maturity across core technology functions. Sixty-six percent indicate optimized cybersecurity maturity, well above global benchmarks. Comparable performance is observed across cloud and data capabilities, positioning organizations to accelerate adoption when regulatory, operational, or strategic conditions are favorable.

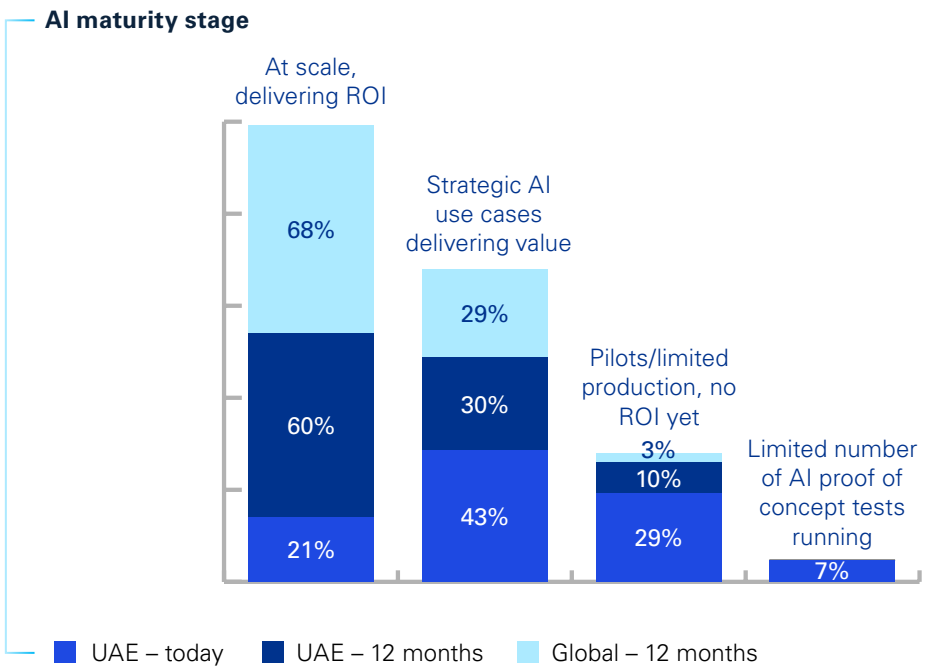
Highest optimized maturity across core technology functions



Steady progression toward AI value realization

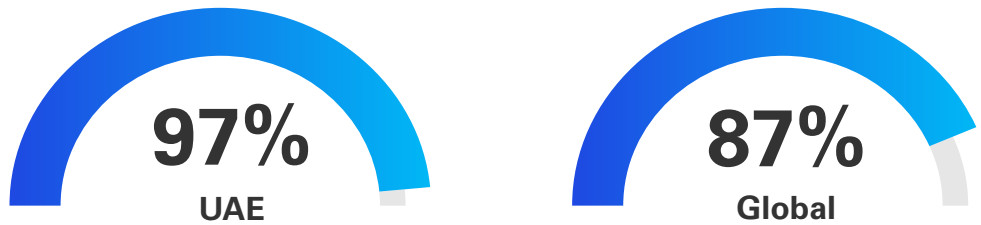
Artificial intelligence adoption in the UAE is advancing at a steady pace. Sixty percent of organizations expect AI to be deployed at scale and delivering return on investment within the next twelve months. This remains broadly aligned with global expectations and reflects a pragmatic focus on value realization rather than rapid expansion alone.

Which of the following best describes your organization's current level of AI adoption, and where do you expect to be in twelve months?

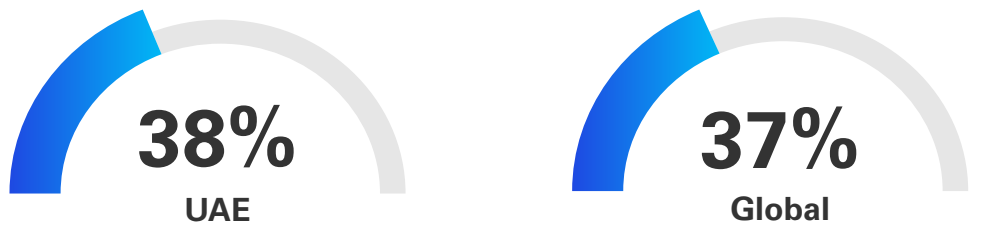


While the UAE's AI scaling trajectory is more measured than global peers (60 percent expect AI at scale in twelve months vs. 68 percent globally), the country leads decisively in embedding GenAI and Agentic AI into business functions (97 percent vs. 87 percent globally). This reflects a strategic choice: prioritize deep integration and consistent value.

Embedding AI agents into workflows and value streams



GenAI for product design and customization (24 months)



National strategy as a driver of measured AI scaling in the UAE

The UAE's approach to AI adoption cannot be fully understood without reference to the UAE National Strategy for Artificial Intelligence 2031, which provides an important structural backdrop to the survey findings in this section. The strategy sets out a long-term framework for embedding AI across priority sectors while placing equal emphasis on governance, data infrastructure, talent development, and ethical use. This balance between ambition and control helps explain why organizations in the UAE report high maturity across foundational capabilities - particularly cybersecurity, cloud, and data - while adopting a more measured approach to scaling disruptive technologies.

The survey's findings reflect strategic sequencing rather than hesitation. Strong foundational readiness allows organizations to delay large-scale deployment until integration, transparency, and regulatory considerations are resolved, while still maintaining confidence in near-term value realization. The finding that 60 percent of organizations expect AI to be deployed at scale and delivering ROI within twelve months aligns with a national model that prioritizes reliability and trust as prerequisites for scale.

Challenges, risks, and barriers

Cybersecurity risk in the Middle East is increasingly shaped by complexity rather than capability. As organizations integrate diverse platforms, partners, and AI models, the challenge is less about deploying controls and more about maintaining visibility, transparency, and protection across interconnected ecosystems."

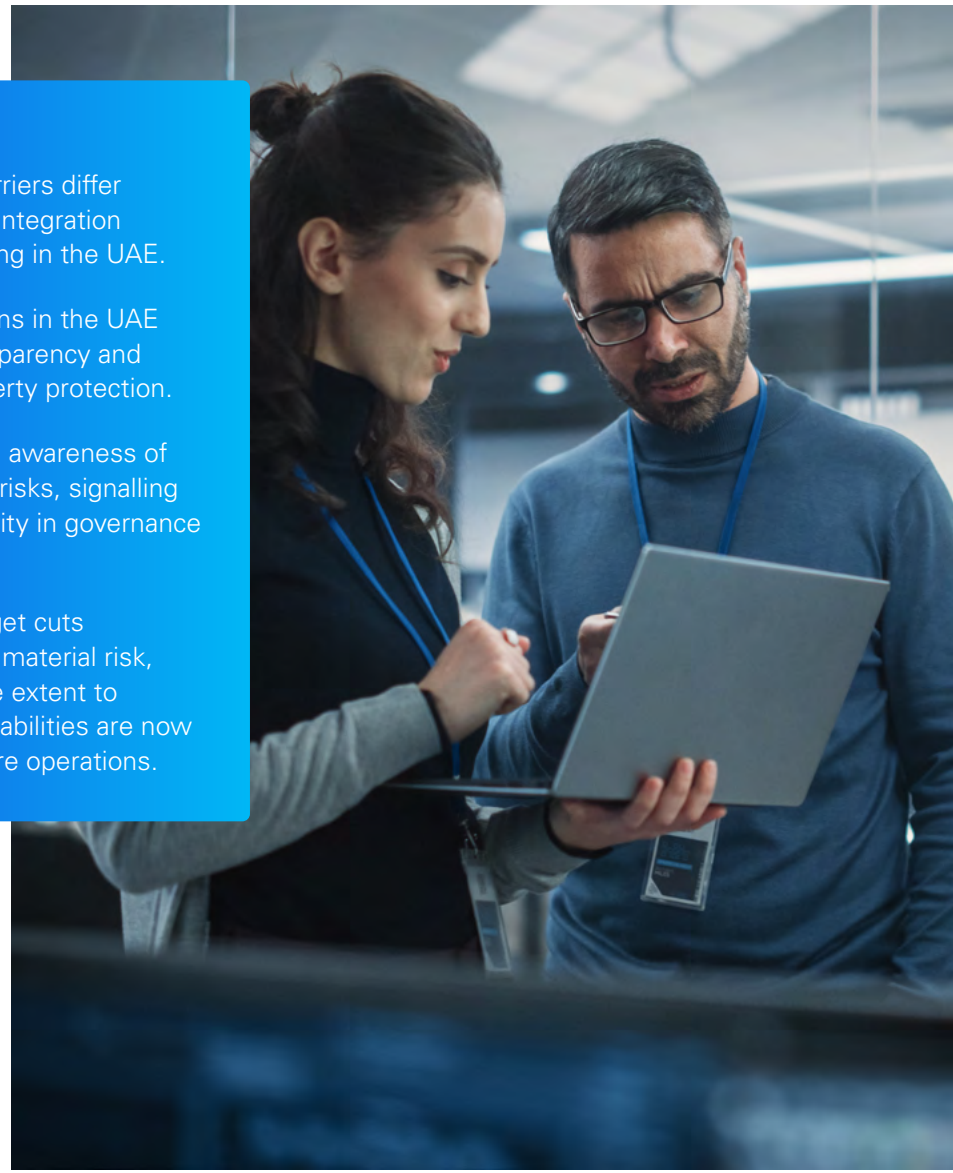
Timothy Wood
Partner, Digital Trust
KPMG Middle East

With the ever-accelerating growth of technology and its limits come ever greater risks. Organizations face several constraints as they scale digital and artificial intelligence initiatives. While the UAE benefits from strong investment levels, advanced maturity, and confidence in value realization, there are limits to execution. We explore where risks are emerging, where capability gaps persist, and where collaboration becomes difficult as technologies grow more complex.

We have identified four dimensions of constraint. Our analysis begins with collaboration barriers, which reflect external and ecosystem-related friction. It then explores AI-specific risks, distinguishing between current concerns and those expected to intensify over the next two years. Finally, it considers organizational vulnerability under budget pressure, highlighting where technology cuts would pose the greatest operational and strategic risks.

Highlights

- Collaboration barriers differ by market, with integration complexity leading in the UAE.
- AI risk perceptions in the UAE emphasize transparency and intellectual property protection.
- There is growing awareness of non-technical AI risks, signalling increasing maturity in governance and oversight.
- Technology budget cuts would introduce material risk, underscoring the extent to which digital capabilities are now embedded in core operations.

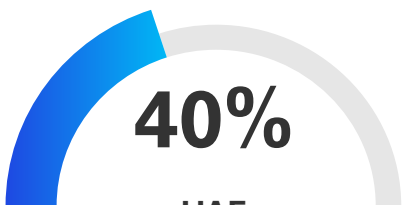


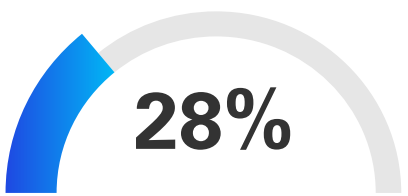
Integration complexity as the primary collaboration barrier

In the UAE, integration complexity emerges as the dominant constraint. Forty percent of organizations rank integration challenges among their top three collaboration barriers, compared with 28 percent globally. This reflects the highly interconnected nature of UAE operating environments, where organizations frequently manage heterogeneous technology stacks across multiple jurisdictions, vendors, and regulatory regimes.

Biggest barriers to greater collaboration between organizations on emerging technologies

Integration complexity/ incompatible tech stacks



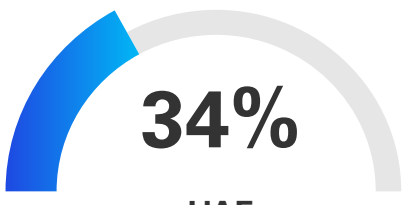


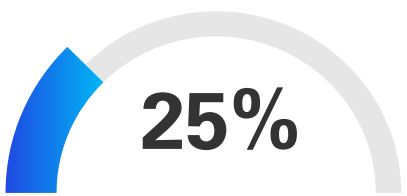
Elevated concern over AI transparency

UAE is well above the global aggregate regarding AI transparency as a future risk. Thirty-four percent rank transparency among their top three AI-related concerns, compared with 25 percent globally. This emphasis reflects the importance placed on explainability, accountability, and trust, particularly in regulated sectors and internationally exposed organizations.

Top concerns about AI-related risks

Lack of transparency in decision-making



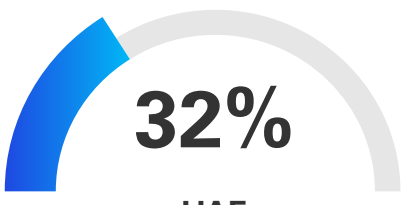


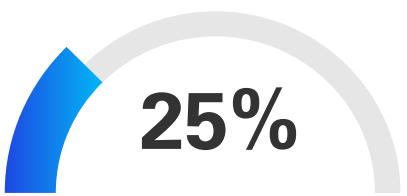
Intellectual property exposure through open-source use

Intellectual property risk linked to open-source technologies features prominently in the UAE's current AI risk profile. Thirty-two percent of respondents identify intellectual property (IP) leakage through open-source use as a top AI risk today, compared with 25 percent globally. This highlights the tension between rapid innovation and the need for stronger controls over proprietary data, models, and codebases.

Top concerns about AI-related risks

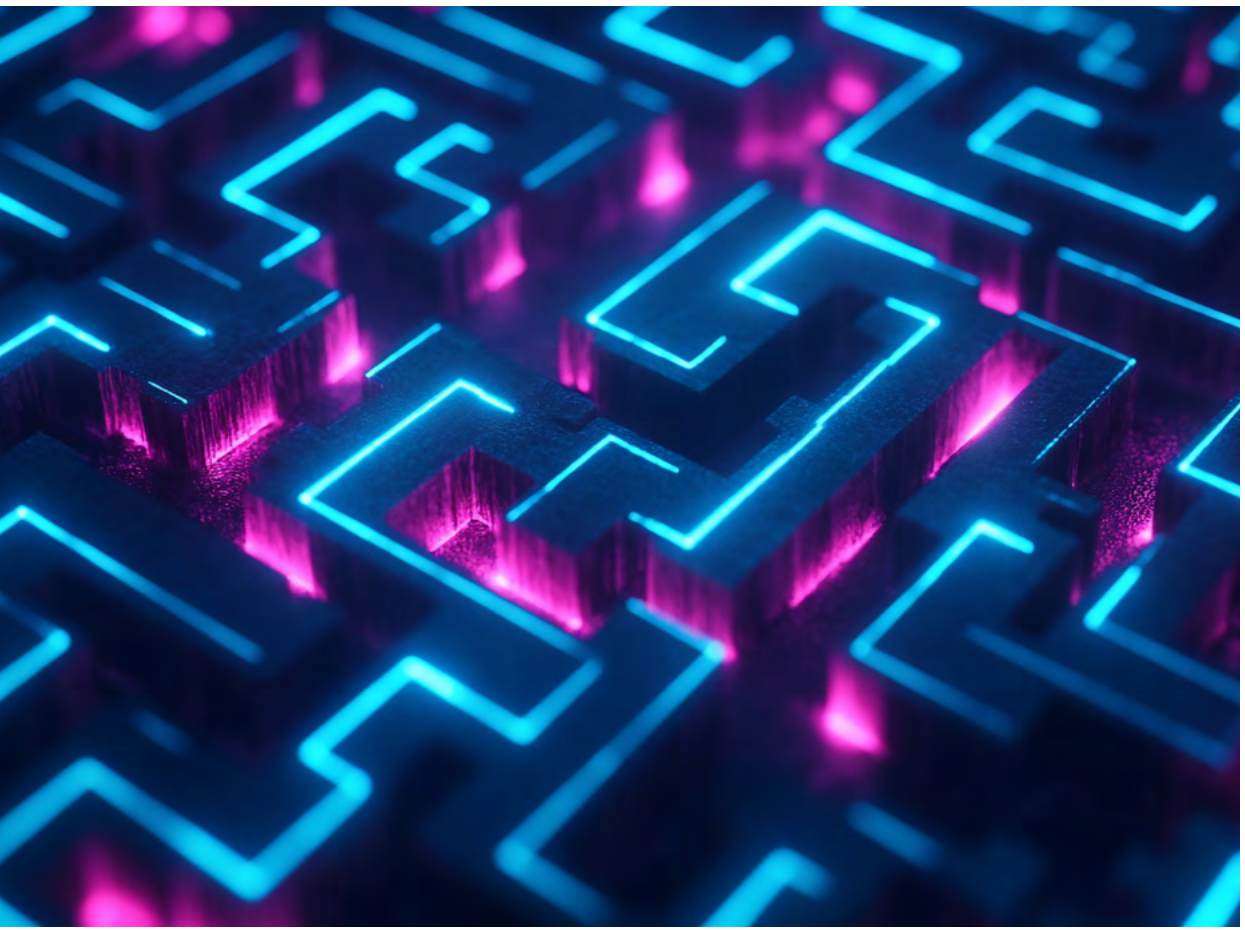
IP theft via open-source leakage





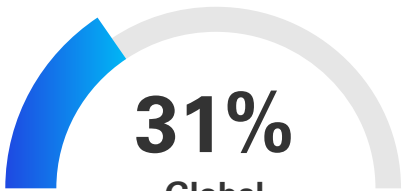
Vulnerability under budget pressure

Responses indicate that technology budget cuts would introduce significant operational and strategic risk. Respondents highlight concerns such as increased operational inefficiencies, slower time to market, higher cybersecurity exposure, and stalled transformation initiatives. These findings suggest that technology spend is now tightly coupled with core business performance, leaving limited room for discretionary cuts without material impact.

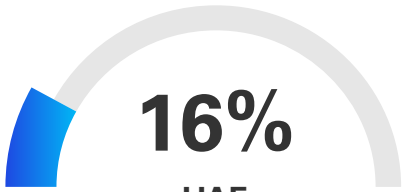


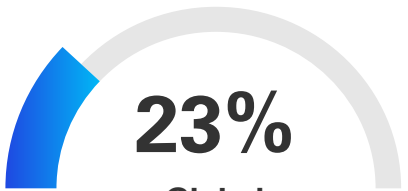
If your organization had to make technology budget cuts, which risks would concern you the most?

Increased operational inefficiencies

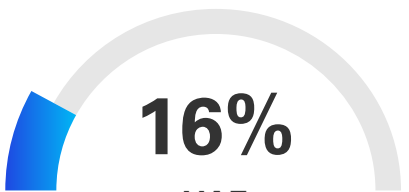


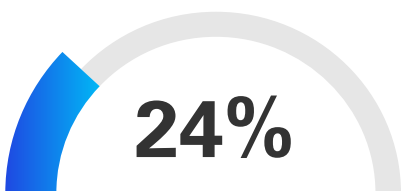
Stalled digital transformation initiatives



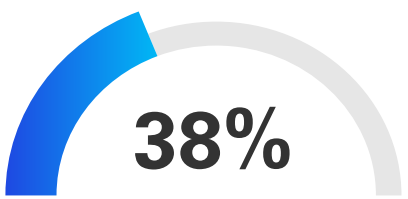


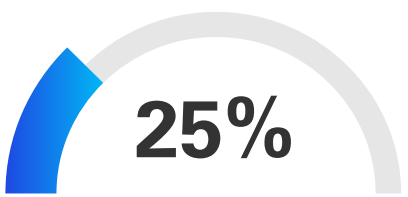
Slower time to market





Increased cybersecurity risks





Operating model and execution

How is technology strategy operationalized across governance structures, decision rights, talent models, and workforce practices? We focus on how effectively organizations execute: who owns decisions, how consistently processes are applied, how capacity is sourced, and how artificial intelligence is reshaping the workforce.

There are four execution lenses drawn from the survey. Our analysis begins with governance and decision ownership, then assesses operational effectiveness and friction in delivery. It moves on to technology talent sourcing before concluding with the workforce and change implications of AI.

Technology transformation is no longer about investment in platforms alone, but about embedding accountability, adaptable operating models, and workforce readiness into daily execution. As AI accelerates change, aligning governance, talent, and delivery is what turns strategy into results."

Goncalo Traquina
Partner, Digital Transformation
KPMG Middle East

Highlights

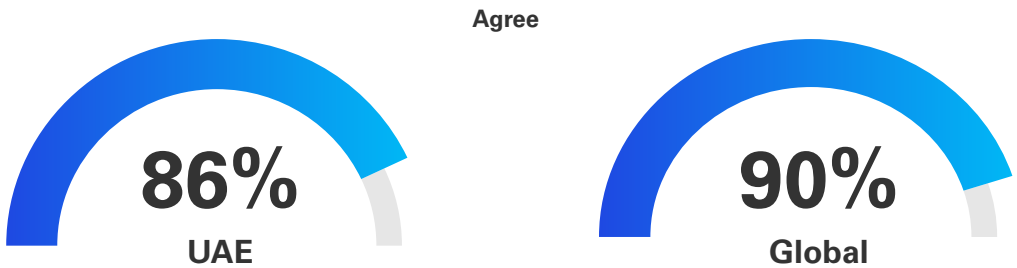
- Technology governance is highly centralized in the UAE.
- Execution discipline is high, supported by formal evaluation processes and lower levels of operational friction.
- Workforce models are shifting toward hybrid human and digital capacity, with rapid growth in AI agents and automation.
- AI is increasingly treated as an enterprise capability, requiring new skills, leadership models, and performance metrics.

Strong compliance orientation shaping execution

UAE organizations' operating models place pronounced emphasis on compliance, cybersecurity, and risk management. The UAE's 86 percent agreement rate on IT, security, and risk collaboration for AI deployment remains statistically significant and operationally strong, even if slightly below the global average of 90 percent. The 4-point gap suggests that as AI scales further, reinforcing cross-functional integration could close the distance to global leaders.

Q: To what extent do you agree or disagree with the below statement on how AI is impacting your workforce?

IT, security and risk teams collaborate to ensure AI is deployed securely and continuously monitored.

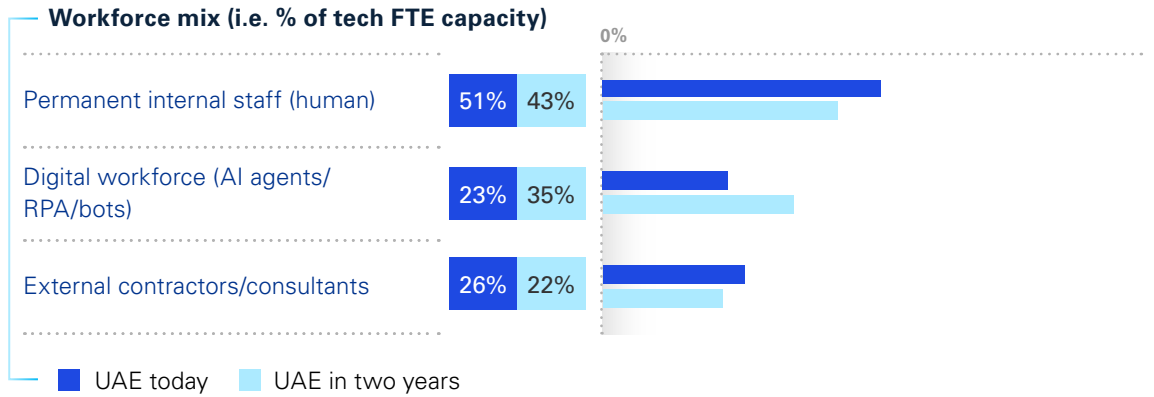


Rapid transition toward a hybrid workforce

Respondents from the UAE stand out for their workforce transformation trajectory. They report the highest planned increases in digital workforce capacity among surveyed regions, alongside continued reliance on permanent internal staff. External contractors remain part of the mix, but the overall direction points toward hybrid human and digital operating models.

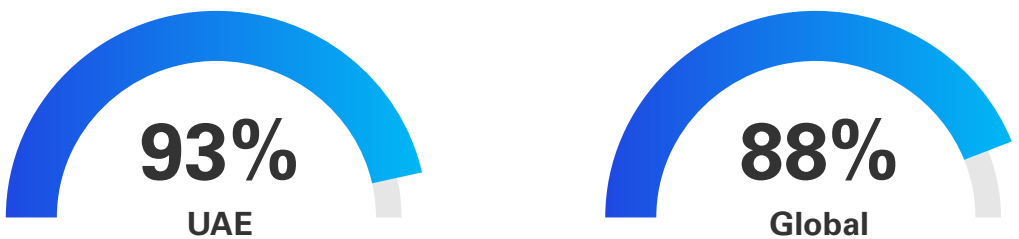
AI-native roles are widely embedded in talent strategies, and trust in AI output is sufficiently high to inform operational and strategic decision-making.

Sources of the core technology team's full-time equivalent (FTE) capacity



In which area is AI making an impact in your workforce?

Talent acquisition strategy includes AI-native roles (prompt eng, AI ethicists, MLOps etc.)



Future outlook and strategic priorities

With an eye to the horizon, we look ahead to how organizations in the region expect technology to shape performance, resilience, and competitiveness over the next phase of transformation. We study why organizations are investing, what they believe will determine success, and how they plan to adapt to external change.

Our analysis begins with the anticipated benefits of achieving technology ambitions, then examines critical success factors that leaders believe will matter most over the next twelve months. It explores likely strategic actions in response to macroeconomic and geopolitical shifts, before concluding with qualitative insight into the technology trends expected to have the greatest impact.

Highlights

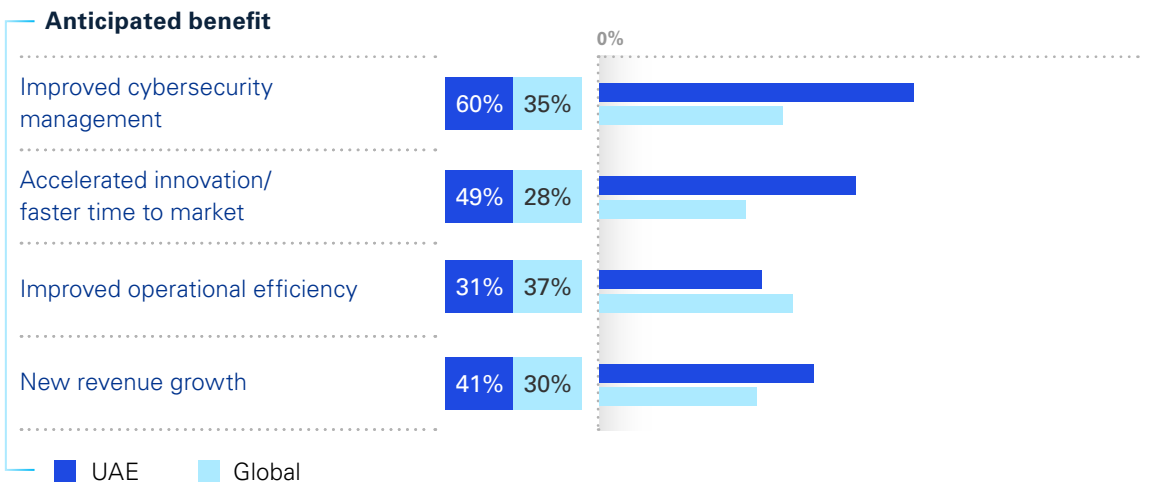
- The UAE emphasizes cybersecurity alongside innovation, reflecting a dual focus on growth and trust.
- Skills, talent, and strong data foundations are viewed as the most critical success factors.
- Organizations are proactively adapting to macro and geopolitical change, particularly through onshore hiring and data sovereignty measures.
- Artificial intelligence dominates the forward-looking narrative, with productivity and efficiency cited as its most significant impacts.

Security and innovation as joint priorities

Respondents from the UAE anticipate a broader mix of benefits from technology investment, with cybersecurity emerging as a defining priority. 60 percent expect improved cybersecurity outcomes, compared with 35 percent globally. At the same time, 49 percent identify accelerated innovation as a key benefit, well above global levels.

This dual emphasis reflects a strategy that seeks growth through innovation while maintaining trust, reliability, and risk control in highly regulated and internationally connected environments.

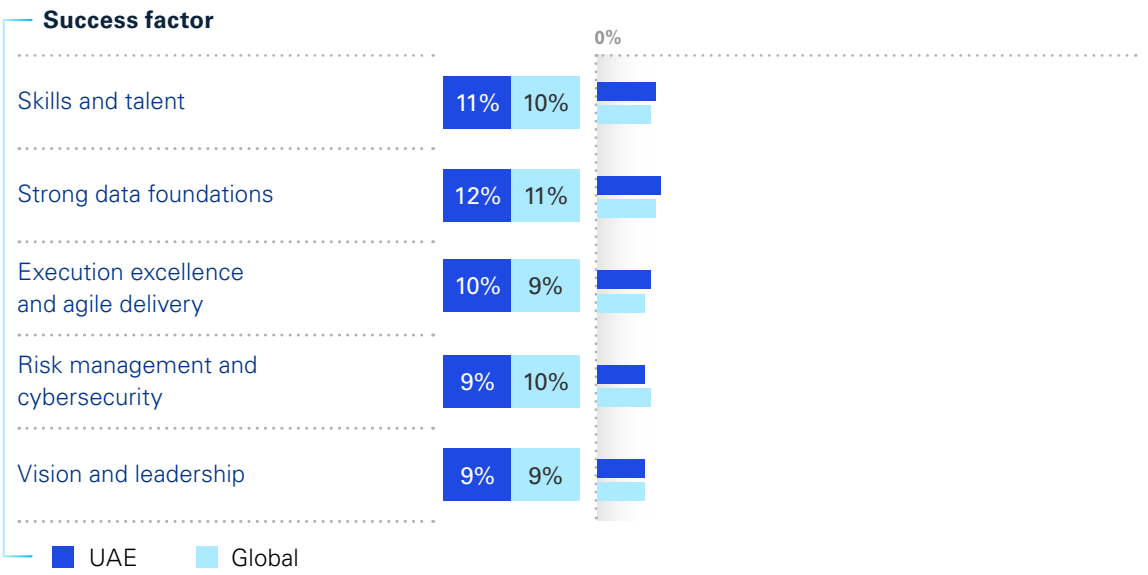
If your organization achieves its ambitions for these technologies by the end of 2027, what benefits do you anticipate your organization could achieve?



Capability, data, and execution excellence

Respondents from the UAE rank skills, talent, and strong data foundations among the most critical success factors for technology strategy. Execution excellence and agile delivery are also rated particularly highly, indicating that leaders view operational follow-through as essential to converting investment into value.

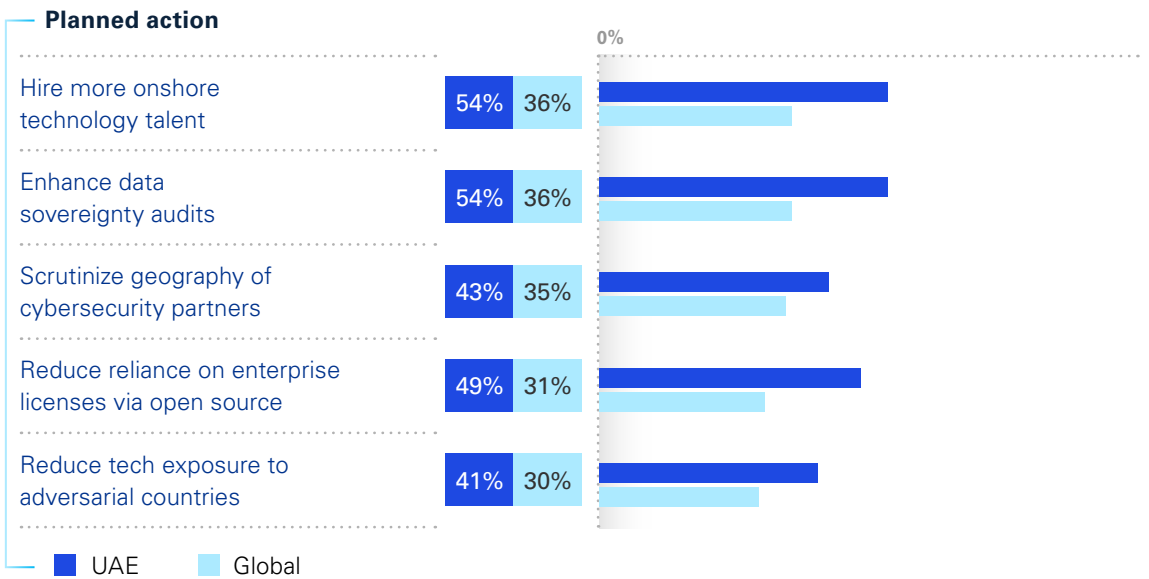
Which of the following factors will be most critical to the success of your organization's technology strategy over the next twelve months?



Active responses to geopolitical and regulatory pressure

Survey responses show that organizations in the UAE are taking tangible steps to adapt to external pressures. A significantly higher share plan to hire onshore technology talent, enhance data sovereignty audits across partner ecosystems, and apply stricter geographic scrutiny to cybersecurity and software suppliers. These actions suggest a deliberate effort to reduce exposure to geopolitical risk while maintaining openness to global innovation.

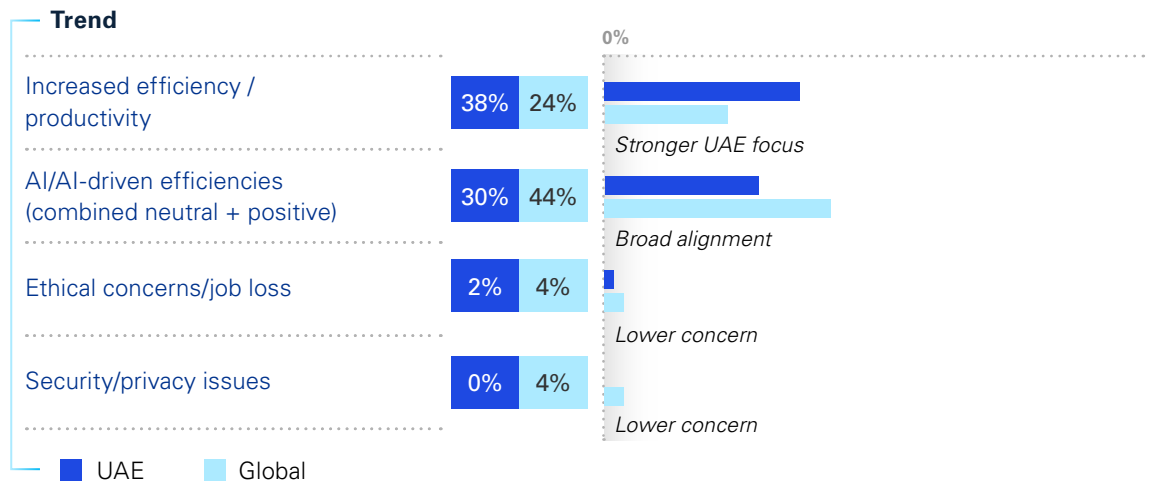
Which of the following actions is your organization likely to pursue over the next twelve months as part of its digital transformation efforts, in response to external macro environment changes?



AI and productivity shaping the future narrative

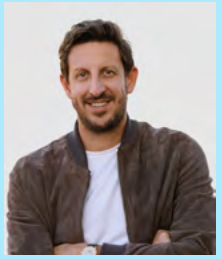
Open-ended responses from the UAE echo global themes around artificial intelligence, but with a stronger emphasis on efficiency gains, productivity, and real-time decision-making. AI is most often described in neutral or positive terms, with fewer references to ethical or workforce-related concerns, indicating a pragmatic and opportunity-led outlook.

What technology trend do you think will have the biggest impact (whether positive or negative) on your organization or industry in 2026?



Insights from Zack Kass

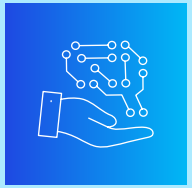
Navigating unmetered intelligence



Zack Kass
Global AI Advisor
Thought leader and Former Head of Go-to-Market OpenAI

We are entering a period of unmetered intelligence: Abundant cognitive capacity at near-zero marginal cost that can be composed into agents, copilots, and autonomous workflows. Advantage shifts from access to models to imagination, to the discipline and governance required to deploy them at scale.

The KPMG data shows tech executives expect a sharp move from pilots to ROI in the next year: High performers expect about half of their tech teams to be permanent human staff by 2027. This signals a future where small, durable human cores orchestrate large AI-augmented ecosystems. In this environment, tech leaders can take on board the following five tips.



Adopt a portfolio of bets with an explicit failure budget

Most AI pilots will not cross the chasm. That is acceptable when experiments are cheap and fast. Set quarterly 'throughput' targets for ideas tested, decisions made, and winners scaled. Publish kill criteria upfront. Treat time-to-value and cost-to-value as first-class metrics.

Invest in behavioral adaptability and humanistic skills

Tech will compound faster than organizations can rewrite job descriptions. Train for orchestration, prompt, and policy design, judgment and taste. The product in many categories becomes the 'bedside manner', with the emphasis on trust, clarity and empathy delivered at scale through human-led experiences that are amplified by AI. High performers' intention to maintain a strong human core is the right instinct for resilience and governance.

Build the AI-native operating model

Move from projects to products and from apps to agents. Design 'thin' interfaces over 'thick' orchestration: data contracts, retrieval patterns, evaluation harnesses, human-in-theloop controls, and incident playbooks. Give every critical workflow a default agent, a human owner, and a rollback plan. Measure agents by service levels: accuracy, latency, containment, and escalation quality.

Govern for scale

Create a single model and agent registry. Standardize evaluation, privacy, safety, and change management. Require pre-deployment testing on real tasks, shadow runs in production, and post-deployment drift monitoring. Tie every agent to an accountable owner and a KPI. Treat prompts, policies and guardrails as versioned assets.

Prepare for the next frontier

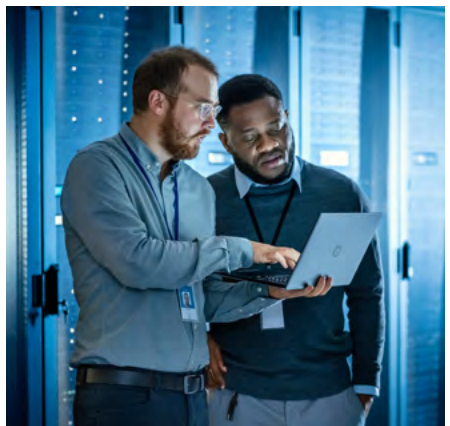
Multi-agent systems will coordinate entire value chains. Synthetic data will unlock personalization without breaching privacy. Edge deployments will bring intelligence to stores, clinics, and factories. Quantum-adjacent advances in optimization may compress compute-intensive planning problems.

The adoption curve will be uneven. Some organizations may chase hype and overbuild. Others may miss compounding returns by waiting for "perfect" tech. The path that wins is practical: many small bets, ruthless measurement, and fast scaling of what works. Translate unmetered intelligence into customer trust, resilient operations, and new revenue.

Looking ahead: Your 2026 agenda

Accelerate learning to build your new competitive moat

Be ready for the immense pace by treating organizational knowledge as strategic currency. Institutionalize rapid learning loops and shared knowledge.



Maximize value through data-driven investment

Make evidence-based decisions grounded in maturity assessments and external benchmarks, while continuously tracking and forecasting performance. Ensure KPIs are aligned with today's technology landscape and reflect the need for new approaches.

Build in adaptability through frameworks and culture

Streamline decision making, and pivot if tools are superseded. Build adaptable teams and an innovative culture that can support this ethos.

Build a future ready, agent-empowered workforce

Redesign a talent strategy that is focused on upskilling, building AI fluency, and cultivating the next generation of leaders who can effectively use, manage, and master AI.

Adopt an AI-first, trust-by-design mindset

Begin every design and decision with an AI-first mindset, and embed trust, transparency, and responsibility by design. Turn responsible AI into a competitive advantage, not just a compliance exercise.

From maturity to momentum

Across all six core themes, the survey reveals a consistent and reinforcing pattern across the region: **strong digital maturity is no longer an aspiration, but the foundation for acceleration, confidence, and scale.**

High levels of maturity across core technology capabilities–particularly cybersecurity, cloud, and data–form the baseline that underpins how organizations approach technology strategy and investment. These foundations enable fast-follower adoption strategies, deliberate risk-taking, and sustained commitment to large, multi-year transformation programs. Rather than constraining ambition, maturity is functioning as an enabler of pace, allowing organizations to move more quickly from validation to scaled deployment with greater certainty of return.

This maturity directly supports confidence in value realization. Organizations report sustained digital investment and strong belief in their ability to convert spending into measurable outcomes. Technology investment is increasingly treated as structural rather than discretionary, with spending decisions closely linked to productivity, resilience, and long-term competitiveness rather than experimentation alone.

As technology and AI initiatives scale, **risk awareness has become a defining feature of the operating environment.** Survey findings show heightened sensitivity to geopolitical exposure, integration complexity, cybersecurity threats, and AI-related risks such as transparency, data quality, and governance. Importantly, this risk awareness is not slowing adoption. Instead, it is reshaping how technology is governed and executed.

Operating models across the region reflect this shift. Organizations are strengthening centralized standards, architectural controls, and decision rights while refining execution models to support scale and consistency. Execution discipline–formal processes, clearer accountability, and tighter alignment between technology and business priorities–emerges as a critical differentiator, enabling organizations to pursue ambitious transformation agendas while maintaining control.

These operating responses feed directly into future strategic priorities. The region is moving decisively from experimentation toward value realization, with technology increasingly positioned as a driver of efficiency, innovation, and organizational resilience. Artificial intelligence sits at the center of this outlook, most often framed in terms of productivity gains, automation, and operational improvement rather than disruption for its own sake. Concerns around governance and workforce impact are present, but they are outweighed by confidence in the region's ability to manage AI responsibly and at scale.

Across the survey, one unifying conclusion stands out: **maturity is not an end state, and risk is not a brake on ambition.** Together, they are shaping a more disciplined, execution-led phase of digital transformation–one defined by scale, confidence in outcomes, and a clear shift from experimentation to sustained performance.

About KPMG Middle East

KPMG Middle East LLP is a part of the KPMG global organization of independent member firms that operate in 143 countries and territories and are affiliated with KPMG International Limited. We provide audit, tax and advisory services to public and private sector clients across Saudi Arabia, United Arab Emirates, Jordan, Lebanon, Oman, and Iraq, contracting through separate legal entities. We have a strong legacy in the region, where we have been established for over 50 years. KPMG Middle East LLP is well-connected with its global member network and combines its local knowledge with international expertise.

KPMG serves the diverse needs of businesses, governments, public-sector agencies, not-for-profit organizations, and the capital markets.

Our commitment to quality and service excellence underpins everything we do. We strive to deliver to the highest standards for our stakeholders, building trust through our actions and behaviors, both professionally and personally.

Our values guide our day-to-day behavior, informing how we act, the decisions we make, and how we work with each other, our clients, and all our stakeholders. Integrity: We do what is right. Excellence: We never stop learning and improving. Courage: We think and act boldly. Together: We respect each other and draw strength from our differences. For Better: We do what matters.

Integrity
We do what is right

Excellence
We never stop learning and improving

Courage
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For Better
We do what matters.

Our purpose is to inspire confidence and empower change. By inspiring confidence in our people, clients and society, we help empower the change needed to solve the toughest challenges and lead the way forward.

KPMG's Impact Plan guides our commitments to serving our clients, people and communities across four categories: Planet, People, Prosperity, and Governance. These four priority areas assist us in defining and managing our environmental, social, economic and governance impacts to create a more sustainable future. We unite the best of KPMG to help our clients fulfil their purpose and deliver against the United Nations Sustainable Development Goals, so all our communities can thrive and prosper.

We are dedicated to helping our clients achieve their goals, and advancing sustainable progress to ensure that all our communities thrive. Empowered by our values, and committed to our purpose, our people are our greatest strength. Together, we are building a values-led organization of the future. For better.

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