KPMG

KPMG Saudi Arabia tech report 2026

Scale, confidence and acceleration

KPMG. Make the Difference.

June 2026

Foreword

Across the region, technology continues to move decisively from aspiration to execution. In Saudi Arabia, through its national transformation agenda Vision 2030, has translated this into sustained investment, increasingly sophisticated operating models, and rising expectations for measurable value. Technology is no longer a supporting function, it is a central determinant of competitiveness, resilience, and delivery at scale.

This report captures a moment of transition. Organizations across Saudi Arabia 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.

Our findings show that respondents from Saudi Arabia are outperforming global peers across several dimensions: organizational resilience, investment scale, maturity of core technology capabilities, and confidence in value realization. Notably, this performance has been achieved through predominantly fast-follower strategies - prioritizing proven technologies and disciplined execution over first-mover experimentation.

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, where expectations for near-term return on investment are the strongest observed in the survey. At the same time, sustainability considerations are now deeply embedded in technology decision-making, far exceeding global benchmarks.

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.

> **"Across the region, organizations are building stronger digital momentum, supported by sustained investment and increasing executive alignment. The next phase will be defined by how effectively leaders embed these capabilities into day-to-day operations and decision-making."**

We draw on insights from a global survey of **2,500 technology leaders**, **including 70 respondents from Saudi Arabia**, spanning government and public sector, financial services, energy, healthcare, manufacturing, technology, and consumer industries. The survey findings are structured around six themes to reflect the survey's findings within the region. The structure mirrors the regional journey: **translating top-down vision into scaled, measurable outcomes.**

Robert Ptaszynski
Partner
Head of Technology
KPMG Middle East

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Highlights

71%

of respondents from Saudi Arabia identify as fast followers, with only 23 percent see themselves as innovators or early adopters.

39%

invest between US$100–249.9 million annually, indicating a higher investment ceiling than most global peers.

69%

of respondents report optimized cybersecurity maturity, well above global levels, with similar leads in cloud and data.

93%

centralize decisions on new technologies, far exceeding global norms.

51%

are willing to take bold risks, well above the global average (36 percent), supported by high levels of structured experimentation.

76%

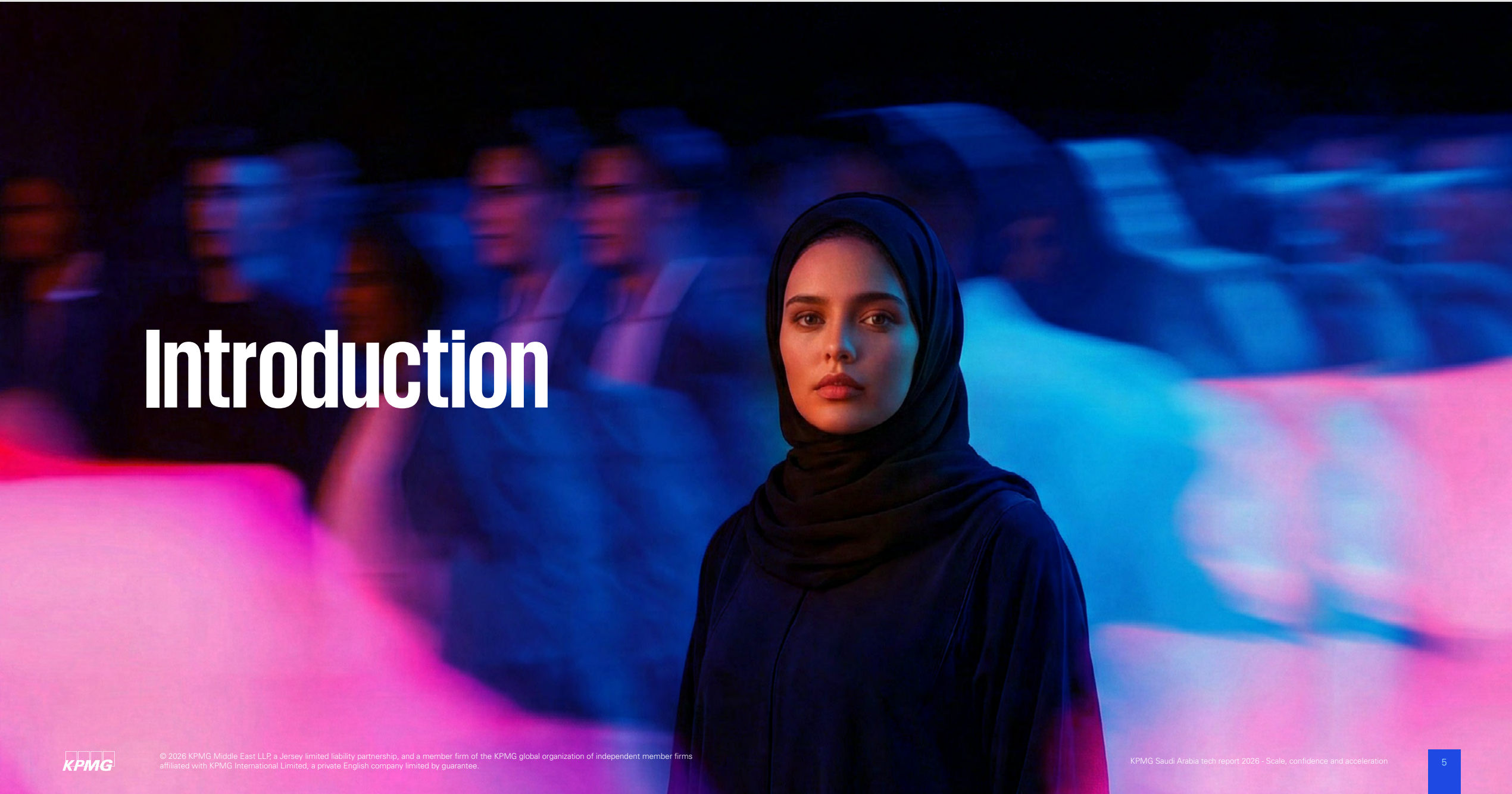
expect AI to deliver ROI at scale within 12 months, the highest level among regions.

Resource scarcity is the leading current AI risk **(32 percent)** while biased data is a top future concern **(32 percent).**

Organizations prioritize accelerated innovation **(41 percent)** and operational efficiency **(44 percent)** more than global peers.

Disclaimer: Figures are rounded up to the nearest number throughout the report. Some figures may not add up to 100 percent due to rounding.

Introduction



Saudi Arabia's technology landscape is defined by scale, confidence, and acceleration. Survey findings show that organizations in the Kingdom are entering a phase where strong digital foundations are translating into faster adoption, greater risk tolerance, and rising expectations for enterprise-wide value realization.

This confidence is visible at a strategic level. **Seventy-one percent of tech leaders in Saudi Arabia describe themselves as fast followers**, while only **23 percent identify as innovators or early adopters**. This positioning reflects a deliberate emphasis on deploying proven technologies rapidly and reliably across large, complex organizations. At the same time, ambition remains high: **96 percent report having a long-term, innovation-led technology strategy**.

Foundational maturity underpins this posture. **Sixty-nine percent report optimized cybersecurity maturity**, materially above global benchmarks, with similarly strong performance across cloud infrastructure and enterprise data platforms. These capabilities are not viewed as endpoints, but as enablers of scale. As a result, Saudi Arabia records a markedly higher willingness to commit to disruptive technologies once value has been established: **36 percent of organizations report adopting disruptive technologies at scale**, nearly double the level seen in global averages.

Investment patterns reinforce this momentum. **Thirty-nine percent invest between US$100–249.9 million annually in digital technologies**, placing the Kingdom at the upper end of global investment bands. Crucially, this investment is closely tied to outcomes. Saudi Arabia reports the **highest average financial value realized from digital technologies**, at approximately **US$200 million**, with no respondents reporting zero or negative returns. Budget allocation further signals intent, with a larger share directed toward growth and transformation rather than maintenance.

AI is emerging as the clearest expression of this scale-driven model. **Seventy-six percent of organizations in the Kingdom expect AI to be deployed at scale and delivering measurable ROI within the next twelve months**, the highest level recorded in the survey. This optimism is matched by execution discipline: **99 percent follow formal processes for evaluating and adopting emerging technologies**, and **93 percent centralize decision-making for technology selection and prioritization**, enabling consistency and speed across the enterprise.

Risk appetite in Saudi Arabia is elevated but governed. **Fifty-one percent report a willingness to take bold technology risks**, compared with **36 percent globally**, while governance gaps and resource constraints are openly acknowledged as execution challenges rather than ignored.

Eighty-three percent of respondents indicated strong organizational resilience, with confidence spanning their ability to manage regulatory change, market volatility, and rapid technological disruption. This strength appears to be underpinned by more structured operating models rather than ad hoc innovation. Organizations are increasingly relying on centralized governance, disciplined execution, and sustained investment in core digital platforms to maintain stability. The findings suggest that resilience is becoming an embedded enterprise capability, closely tied to strategic alignment and operational consistency.

This trajectory closely aligns with Saudi Arabia's Vision 2030, which emphasizes building a vibrant society, a thriving economy, and an ambitious nation grounded in accountability, efficiency, and long-term transformation. As organizations strengthen their resilience foundations, they are also better positioned to support national priorities focused on social development, economic diversification, and high-performing, transparent governance.

Technology strategy and organizational posture

How are organisations across the region define their technology posture at a strategic level?

This question brings together 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

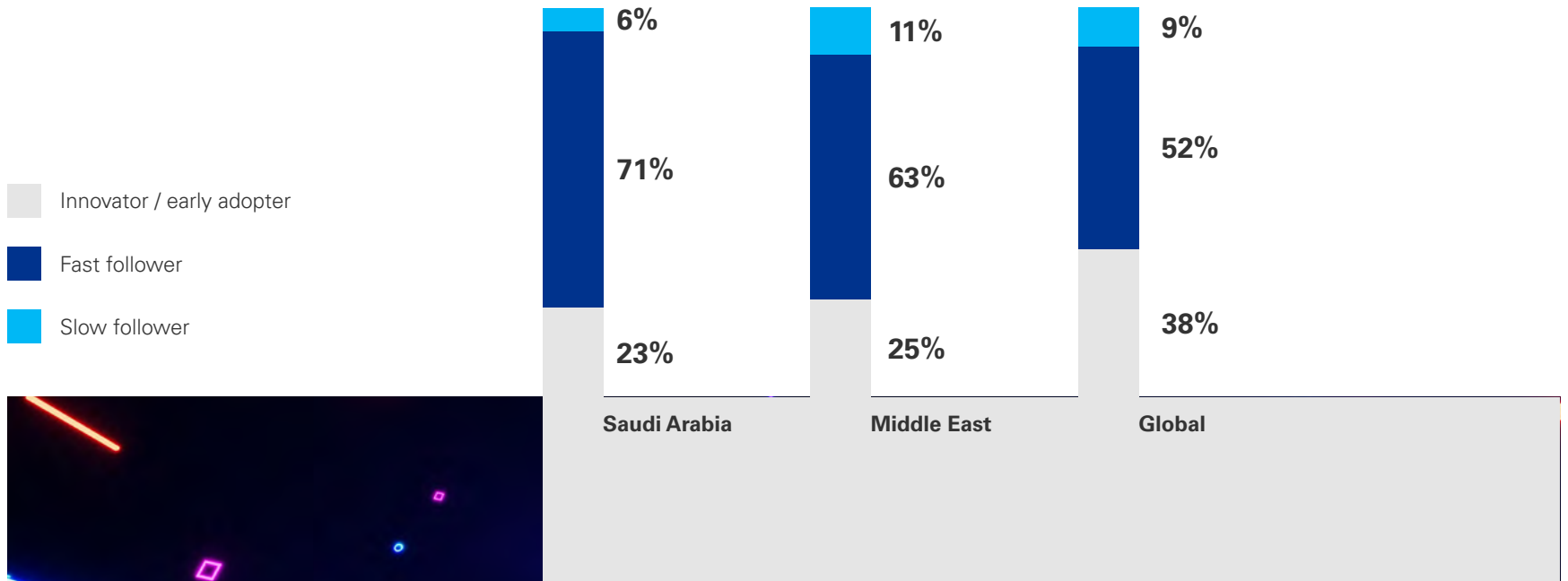
- Fast-follower strategies dominate in Saudi Arabia, with around seven in ten organizations prioritizing proven technologies over early adoption.
- Organizational resilience exceeds global benchmarks
- Long-term, innovation-led technology strategies are near-universal.

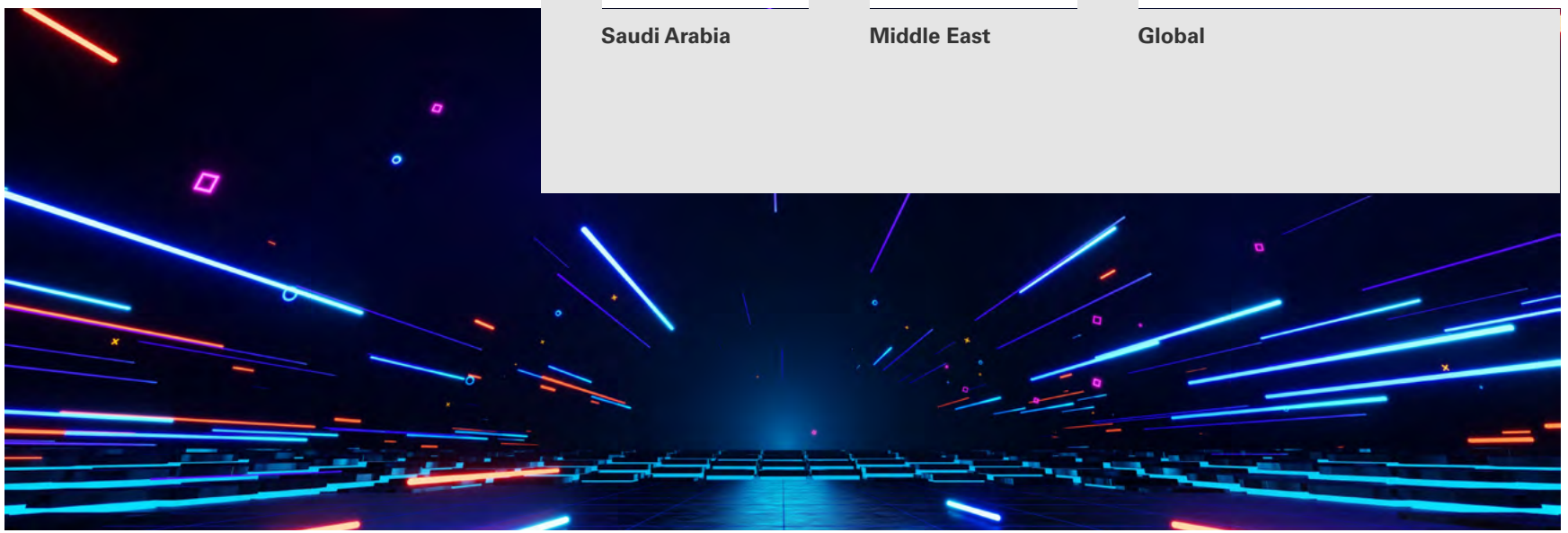
Fast-follower positioning as a deliberate choice

Survey responses indicate that technology strategy in Saudi Arabia is firmly anchored in a fast-follower model. Seventy-one percent of organizations describe themselves as fast followers, while only 23 percent identify as innovators or early adopters. This proportion of innovators is materially lower than the global benchmark, where 38 percent position themselves at the leading edge of adoption.

Rather than signalling conservatism, the data suggests a deliberate strategic choice. Respondents appear to prioritize technologies that have been validated elsewhere and can be deployed at scale with greater certainty, aligning with broader objectives around execution speed, reliability, and national transformation.

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



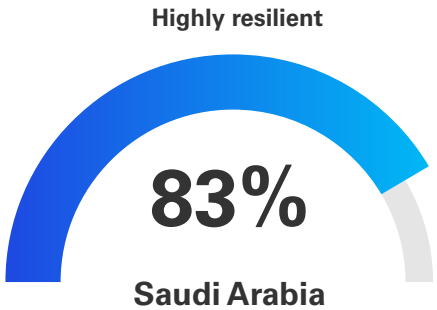


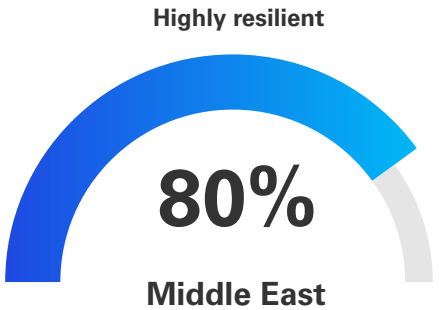
Strong organizational resilience

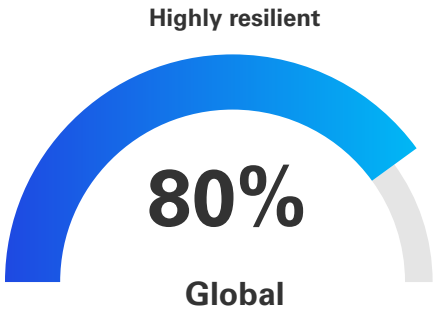
In the Kingdom, 83 percent of respondents rank themselves in the top two resilience tiers. This indicates a high degree of confidence in their ability to absorb regulatory change, market volatility, and technology disruption.

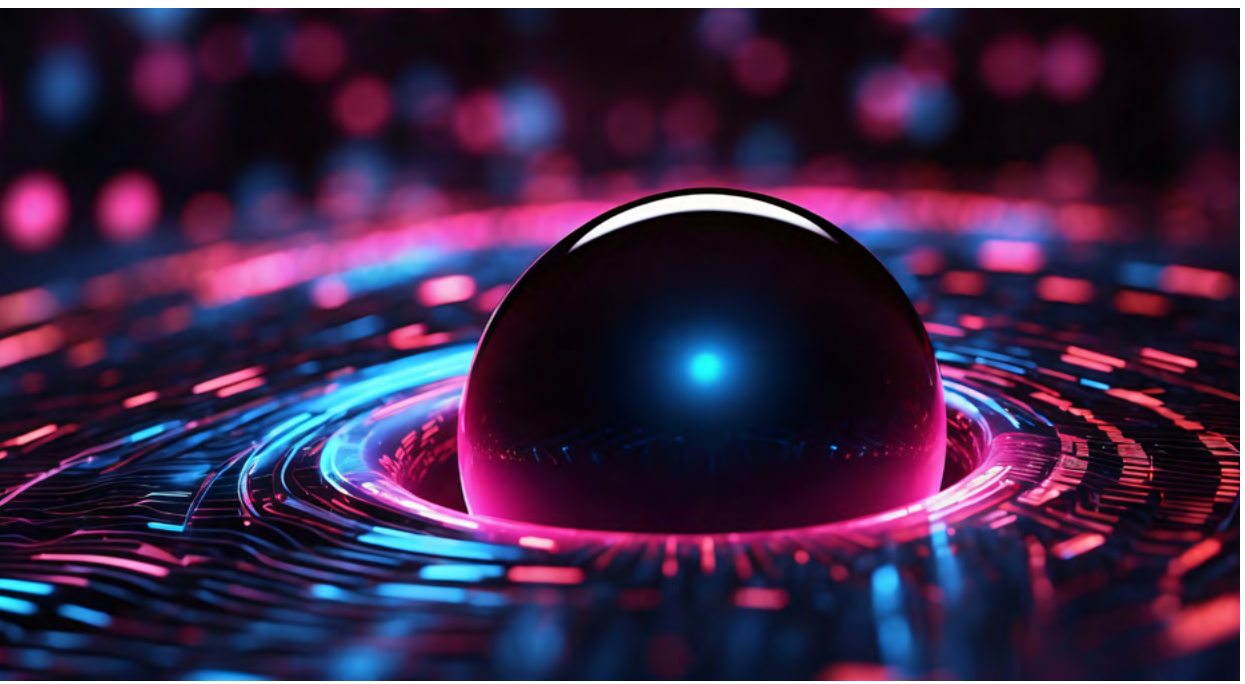
Survey responses suggest that this resilience is closely linked to centralized decision-making, disciplined governance, and sustained investment in core digital platforms, rather than reliance on adhoc innovation.

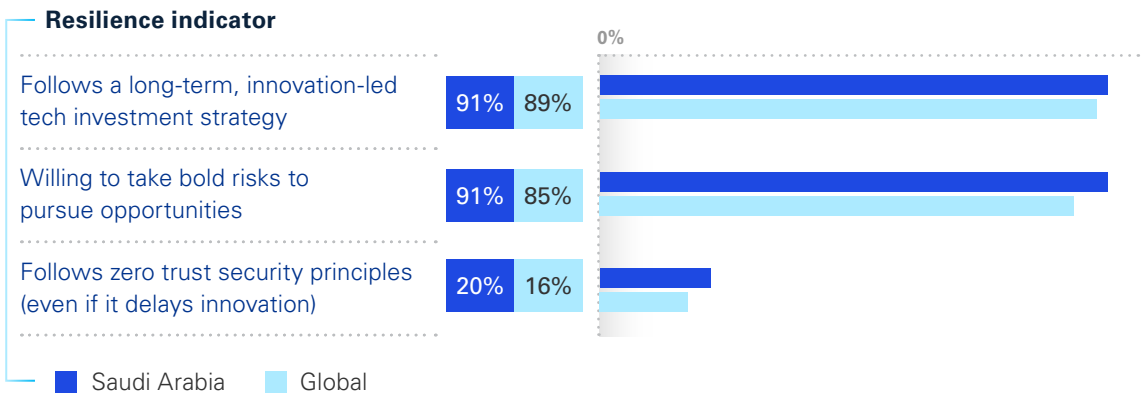
Where would you place your organization on the following scale?









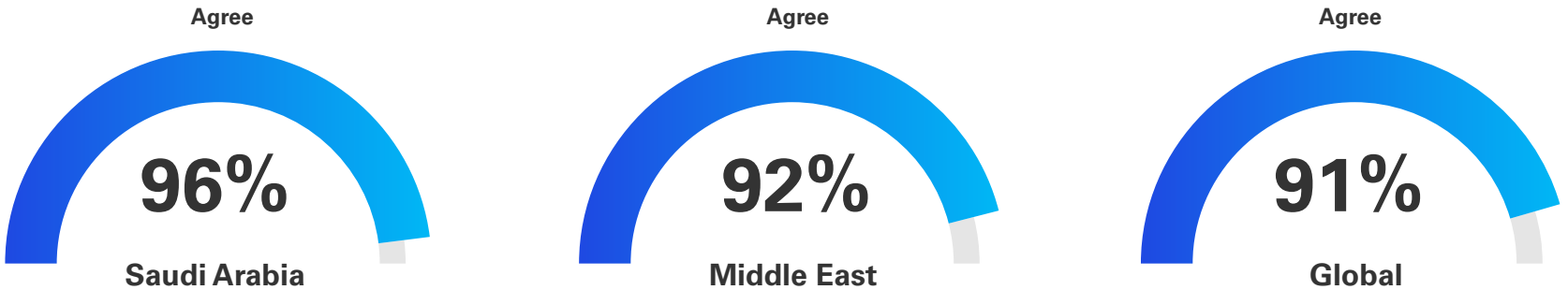


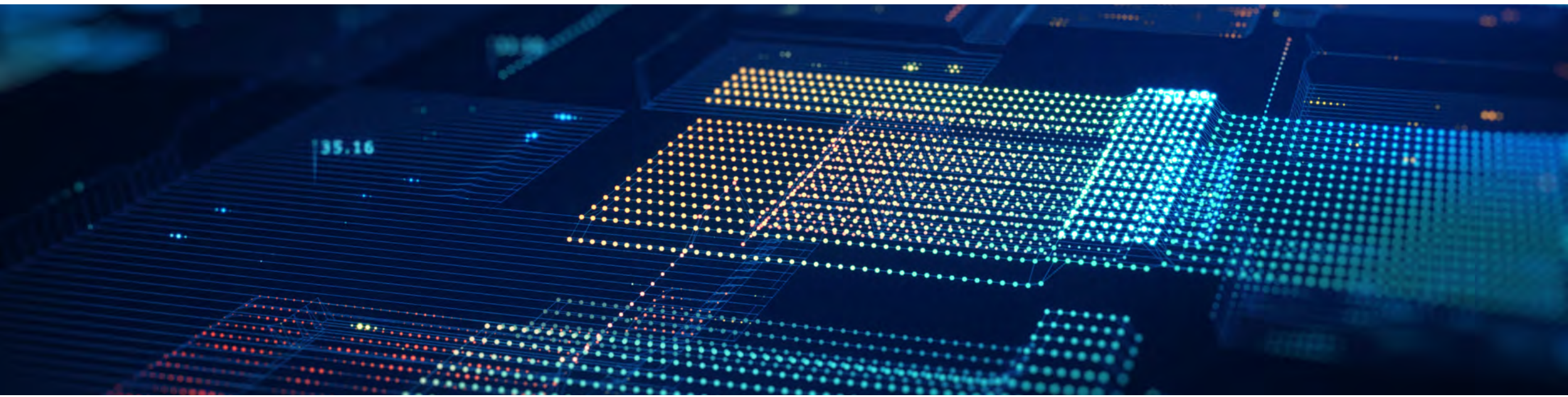
Near-universal strategic alignment

Alignment around the long-term role of technology is exceptionally strong in Saudi Arabia. Ninety-six percent of respondents report having a long-term, innovation-led technology strategy. This level of consensus is among the highest observed in the survey and points to a tightly coordinated relationship between executive leadership, boards, and technology functions.

Such alignment reduces fragmentation across business units and supports large-scale, multi-year transformation programs, particularly in environments where technology is closely tied to national and sector-level priorities.

Agreement with strategic statements on technology's role





Technology investments and financial value

Saudi Arabia's approach to AI is increasingly defined by scale, execution discipline, and value realization. Organizations are investing with confidence, but that investment is being anchored in strong digital foundations, centralized governance, and a clear expectation that AI delivers measurable operational and strategic outcomes at enterprise scale."

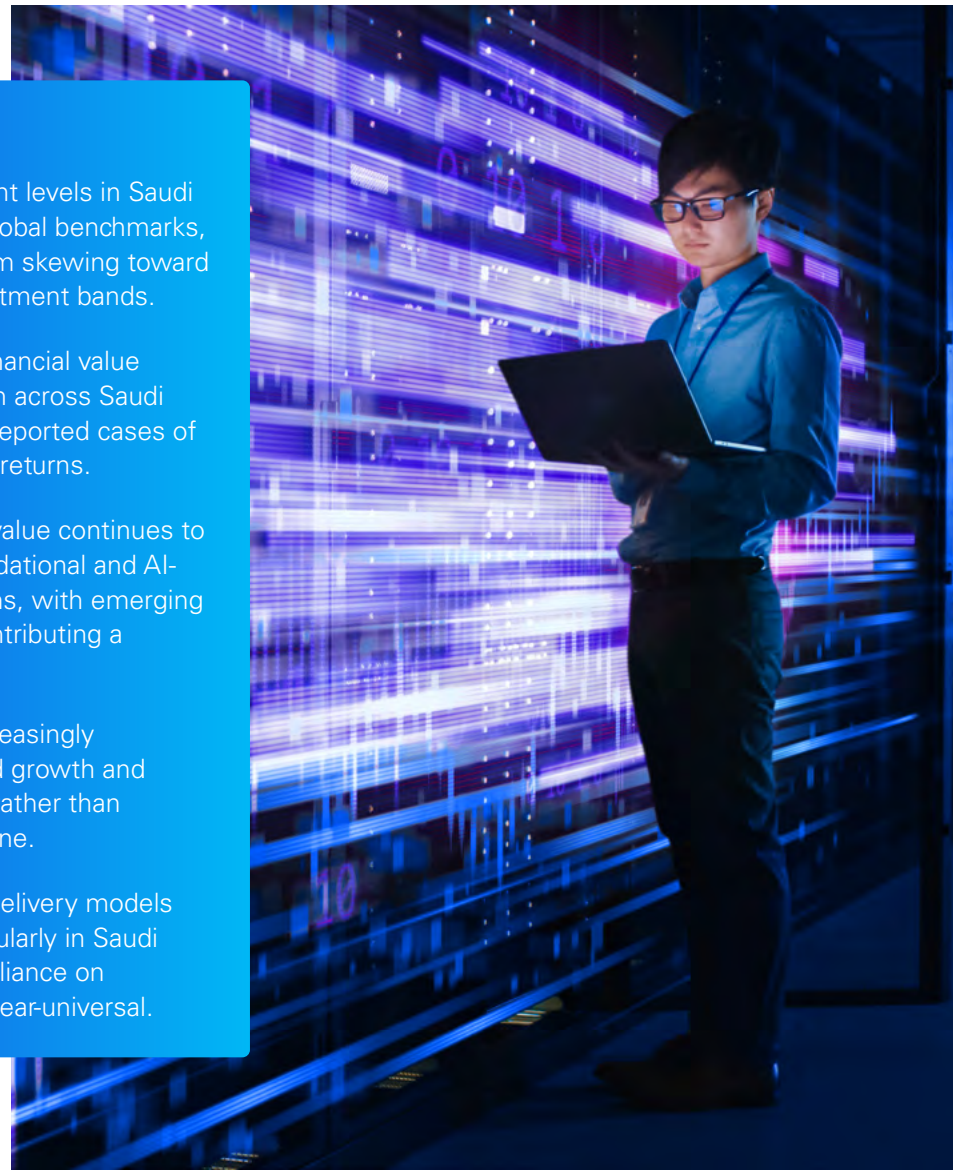
Mazhar Hussain
Partner, Technology
KPMG Middle East

Following posture, the question emerges of how organisations 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 levels in Saudi Arabia exceed global benchmarks, with the Kingdom skewing toward the largest investment bands.
- Confidence in financial value realization is high across Saudi Arabia, 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.
- Ecosystem-led delivery models dominate, particularly in Saudi Arabia, where reliance on partnerships is near-universal.



Concentration of large-scale digital investment

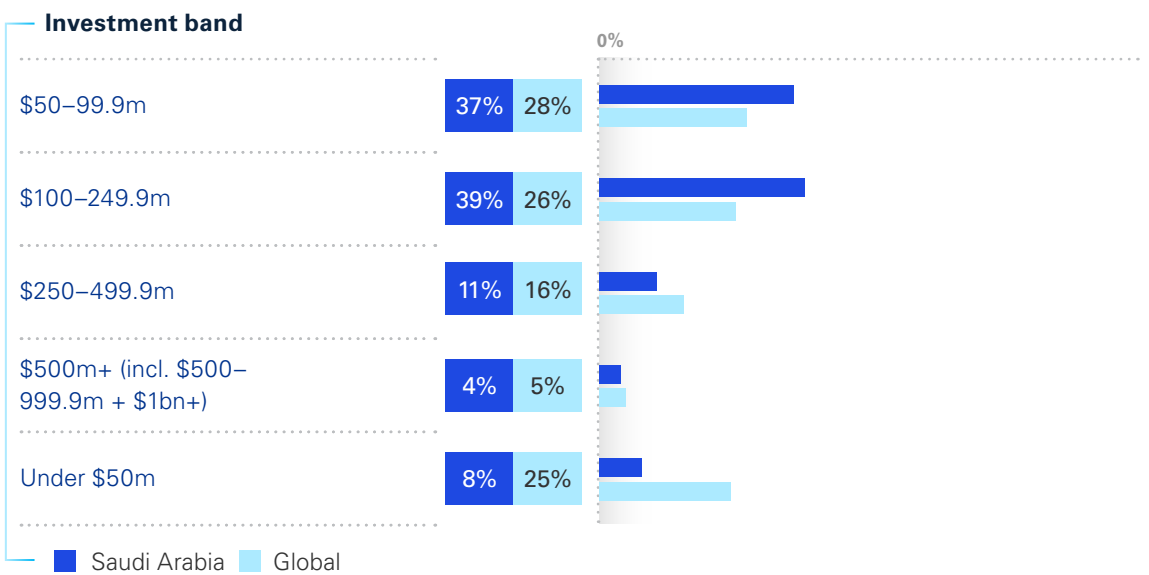
The results show that organizations in Saudi Arabia are investing at a scale that exceeds global benchmarks. Thirty-nine percent report typical annual digital investments in the range of US$100–249.9 million, placing the Kingdom at the upper end of the global investment spectrum. This concentration in higher investment bands reflects the scale and ambition of transformation programs underway.

Value concentrated in foundational and AI-enabled platforms

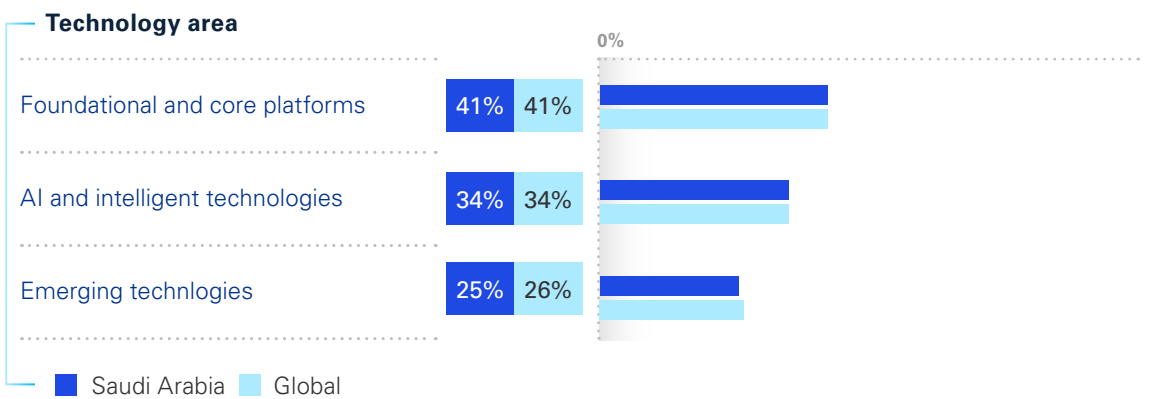
Survey responses indicate that the majority of realized value in Saudi Arabia continues to come from foundational and core technology platforms, such as cloud infrastructure, enterprise resource planning (ERP), and customer relationship management (CRM) systems, alongside a rapidly growing contribution from AI and intelligent technologies. Emerging technologies contribute a smaller but meaningful share of total value, indicating that experimentation is underway but that returns remain anchored in more established platforms.

This distribution highlights the importance of strong digital foundations in enabling advanced use cases, particularly in AI.

Typical annual investment in digital technologies



Breakdown of value by technology category



Budget allocation favors growth and transformation

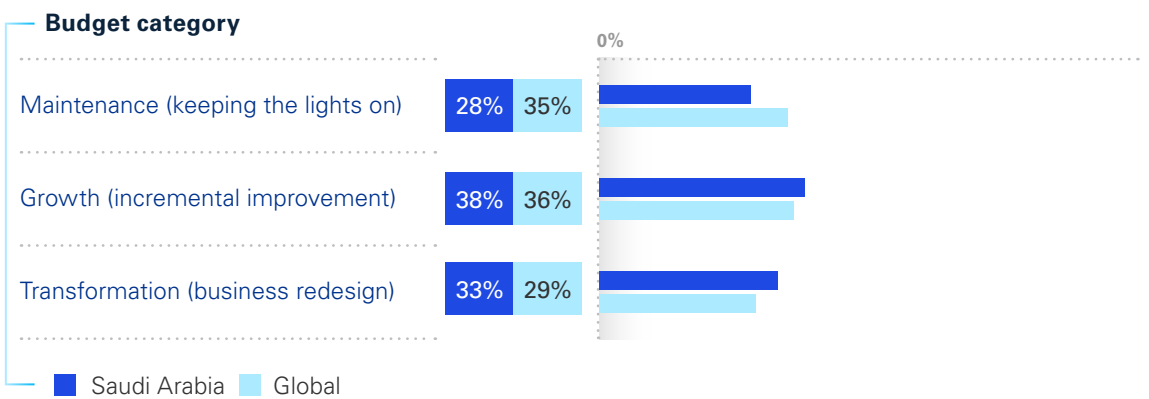
Budget allocation patterns reinforce this focus on value creation rather than maintenance. Organizations in Saudi Arabia allocate a relatively smaller share of their technology budgets to maintaining existing systems, and **a larger share to growth and transformation initiatives.** This indicates a clear strategic intent to use technology as a lever for modernization and business change, rather than simply "keeping the lights on."

Ecosystem-enabled execution at scale

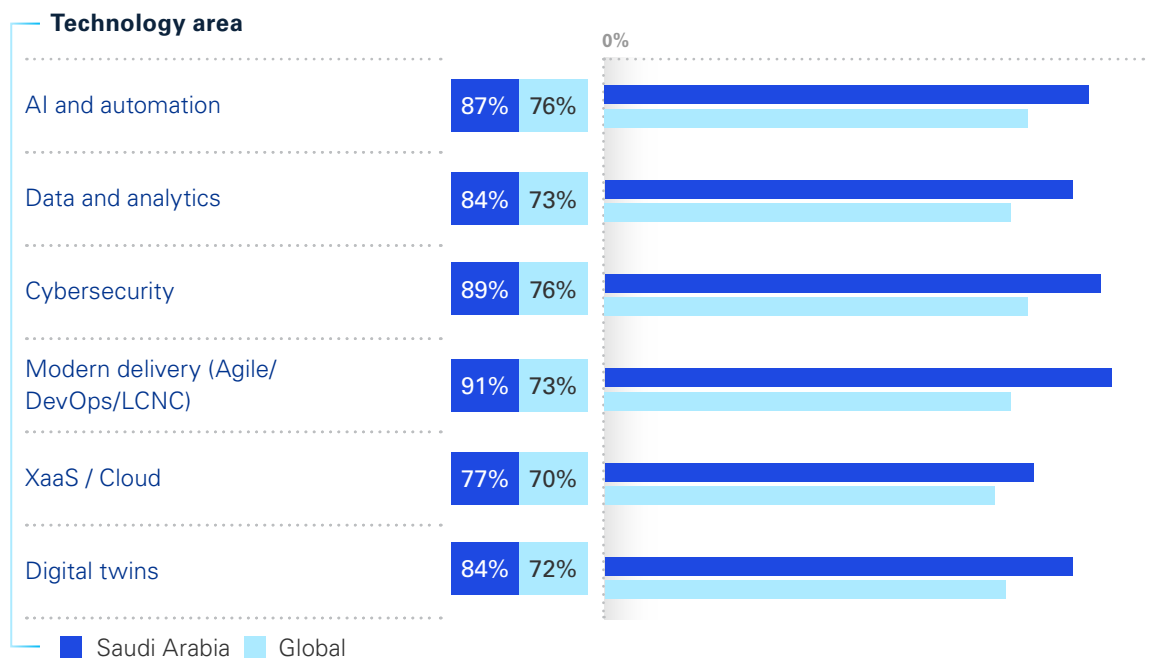
Execution of large-scale technology programs in Saudi Arabia is characterized by **broad, simultaneous investment across multiple advanced technology domains**, rather than reliance on a narrow set of in-house capabilities. Survey responses show that Saudi organizations are prioritizing and increasing investment in AI and automation (87 percent), cybersecurity (89 percent), data and analytics (84 percent), modern delivery models such as Agile and DevOps (91 percent), and cloud-based XaaS platforms (77 percent)—consistently above global benchmarks.

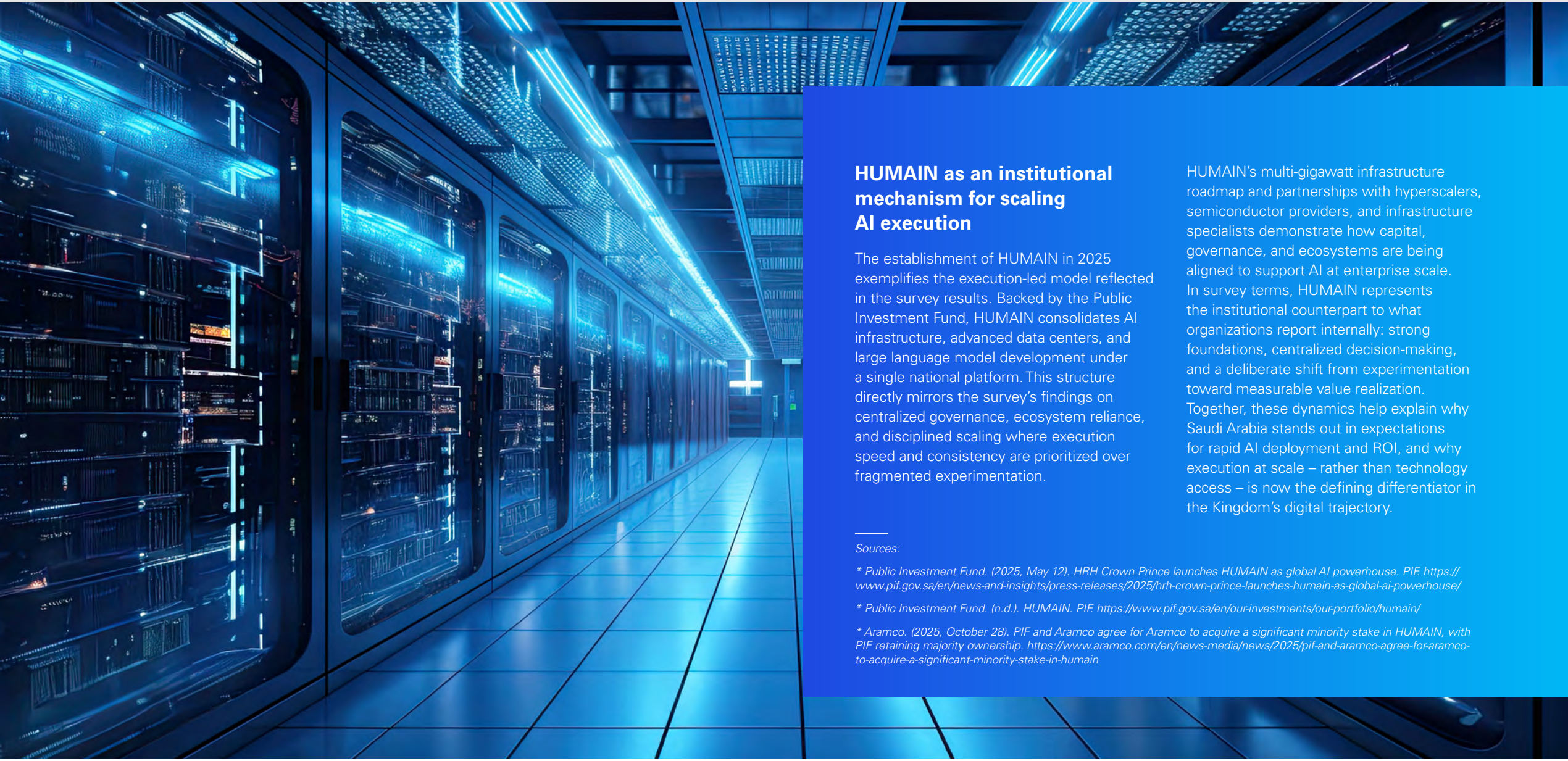
This breadth and intensity of investment suggests that delivery at scale is **ecosystem-enabled by necessity**, reflecting the complexity of transformation agendas and a pragmatic focus on accelerating capability through external expertise, platforms, and partners rather than purely organic build-out.

Tech budget allocation: maintenance vs. growth vs. transformation



Which technologies are being prioritized for investment





HUMAIN as an institutional mechanism for scaling AI execution

The establishment of HUMAIN in 2025 exemplifies the execution-led model reflected in the survey results. Backed by the Public Investment Fund, HUMAIN consolidates AI infrastructure, advanced data centers, and large language model development under a single national platform. This structure directly mirrors the survey's findings on centralized governance, ecosystem reliance, and disciplined scaling where execution speed and consistency are prioritized over fragmented experimentation.

HUMAIN's multi-gigawatt infrastructure roadmap and partnerships with hyperscalers, semiconductor providers, and infrastructure specialists demonstrate how capital, governance, and ecosystems are being aligned to support AI at enterprise scale. In survey terms, HUMAIN represents the institutional counterpart to what organizations report internally: strong foundations, centralized decision-making, and a deliberate shift from experimentation toward measurable value realization. Together, these dynamics help explain why Saudi Arabia stands out in expectations for rapid AI deployment and ROI, and why execution at scale – rather than technology access – is now the defining differentiator in the Kingdom's digital trajectory.

Sources:

** Public Investment Fund. (2025, May 12). HRH Crown Prince launches HUMAIN as global AI powerhouse. PIF. https://www.pif.gov.sa/en/news-and-insights/press-releases/2025/hrh-crown-prince-launches-humain-as-global-ai-powerhouse/*

** Public Investment Fund. (n.d.). HUMAIN. PIF. https://www.pif.gov.sa/en/our-investments/our-portfolio/humain/*

** Aramco. (2025, October 28). PIF and Aramco agree for Aramco to acquire a significant minority stake in HUMAIN, with PIF retaining majority ownership. https://www.aramco.com/en/news-media/news/2025/pif-and-aramco-agree-for-aramco-to-acquire-a-significant-minority-stake-in-humain*

Technology adoption and maturity

In Saudi Arabia, digital transformation is increasingly defined by scale and execution. Organizations are leveraging mature cloud, data, and cybersecurity foundations to move advanced technologies—particularly AI—from proof of concept into enterprise-wide deployment at pace."

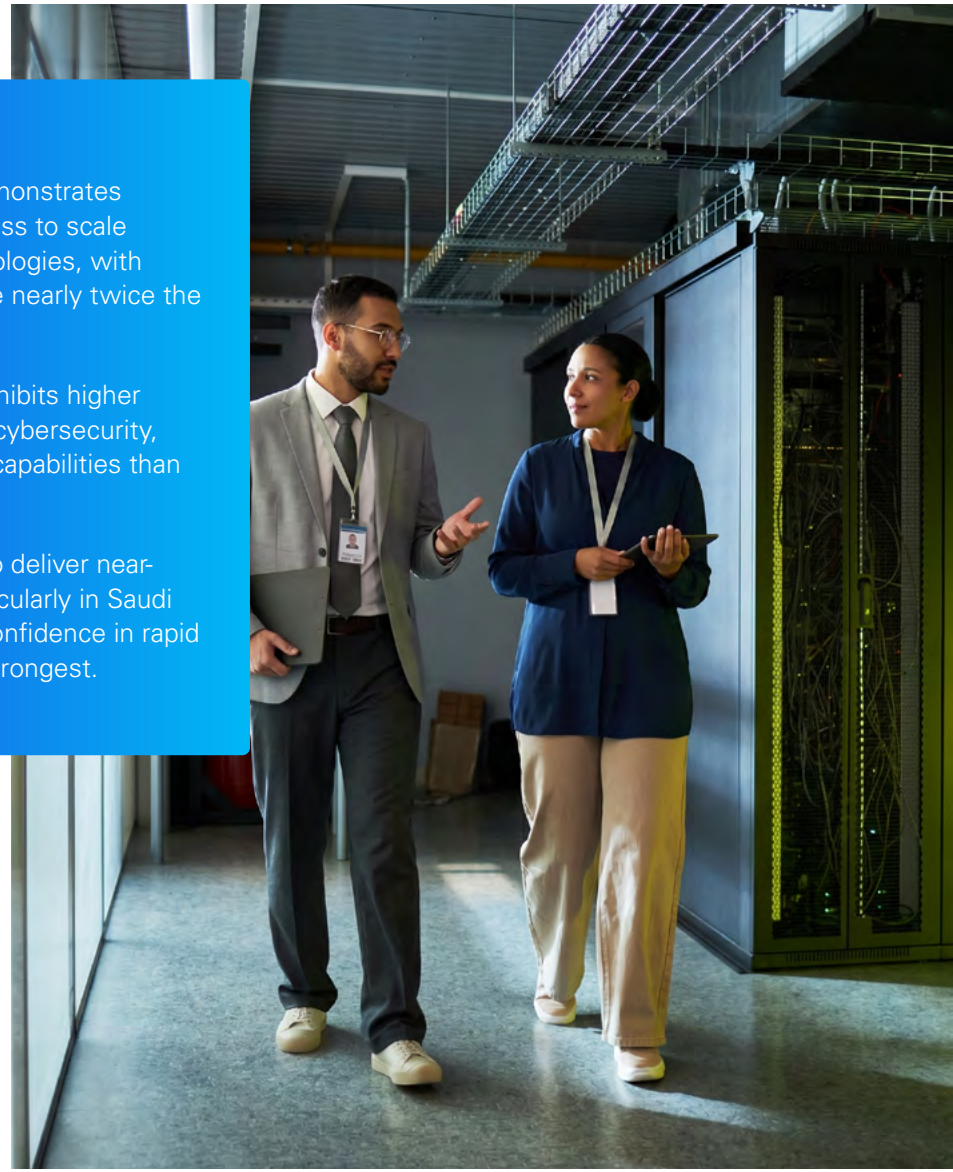
Fadi Al Sheikh
Partner, Technology
KPMG Middle East

This section examines how organizations in the region are progressing from strong foundational technology capabilities toward the adoption and scaling of advanced and disruptive technologies.

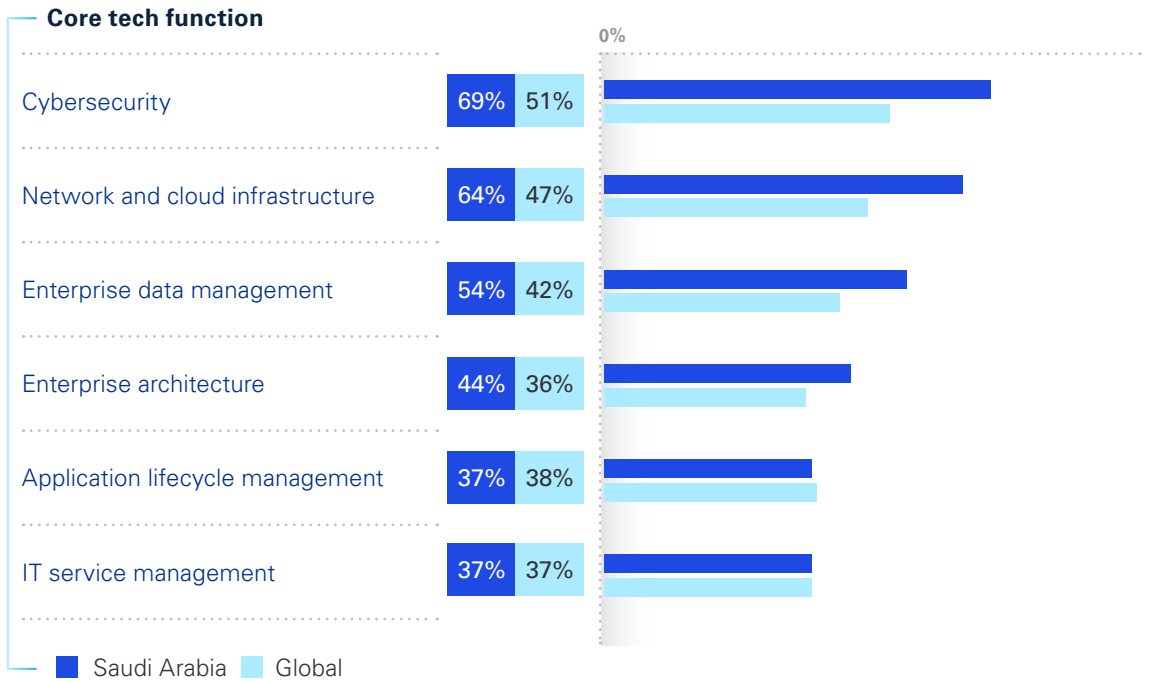
The analysis is structured deliberately in three layers: baseline maturity across core technology functions, adoption posture and momentum across key technologies, and the trajectory of artificial intelligence deployment. Together, these dimensions illustrate not only where organizations stand today,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

Highlights

- Saudi Arabia demonstrates greater willingness to scale disruptive technologies, with adoption at scale nearly twice the global level.
- The Kingdom exhibits higher maturity across cybersecurity, cloud, and data capabilities than global peers.
- AI is expected to deliver near-term value, particularly in Saudi Arabia, where confidence in rapid deployment is strongest.



Which of the following best describes your organization's maturity across the following core technology functions?

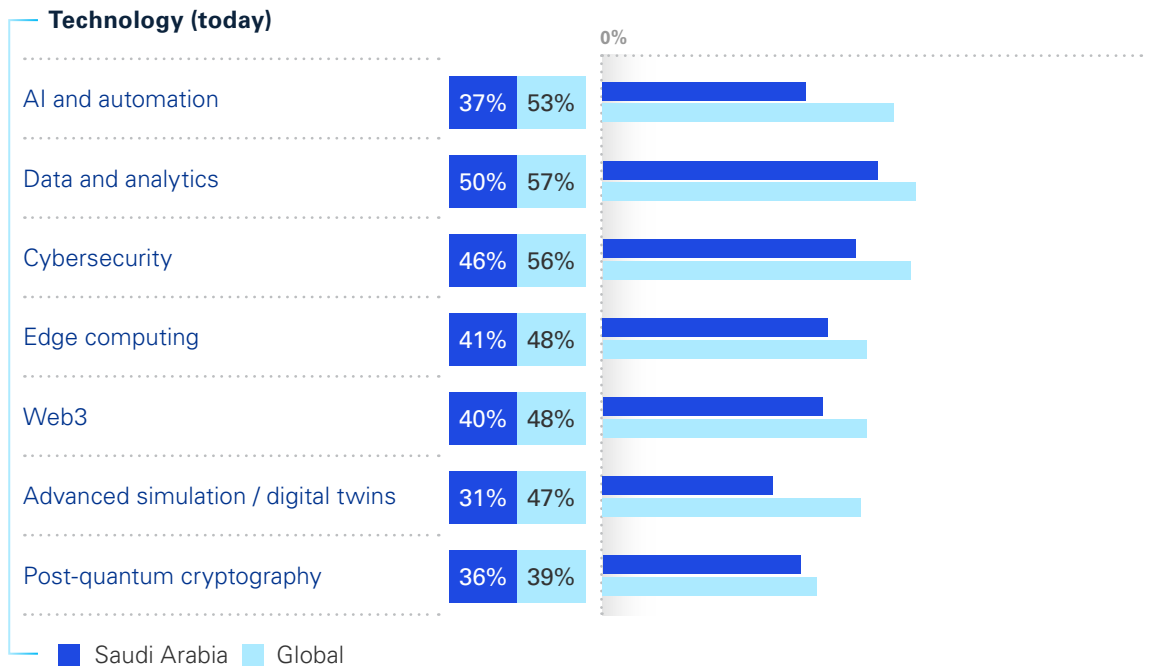


Readiness to scale advanced technologies

Survey results show that organizations in Saudi Arabia report stronger near-term scaling intent across major advanced technology areas than many peers, particularly in AI and automation (87 percent), data and analytics (84 percent), cybersecurity (89 percent), and modern delivery methods such as Agile/DevOps/low-code (91 percent). This breadth of prioritization suggests a market that is not only experimenting, but actively building the funding and attention needed to convert high-potential technologies into enterprise-wide capabilities.

To understand whether this intent is translating into real execution maturity, the below question provides a useful indicator of "beyond-pilot" progress. Today, organizations report meaningful scaling depth in several areas—for example data and analytics (50 percent "on track with scaling-up" or "fully scaled") and AI and automation (38 percent)—showing that the push into advanced capabilities is already underway in a substantial share of organizations.

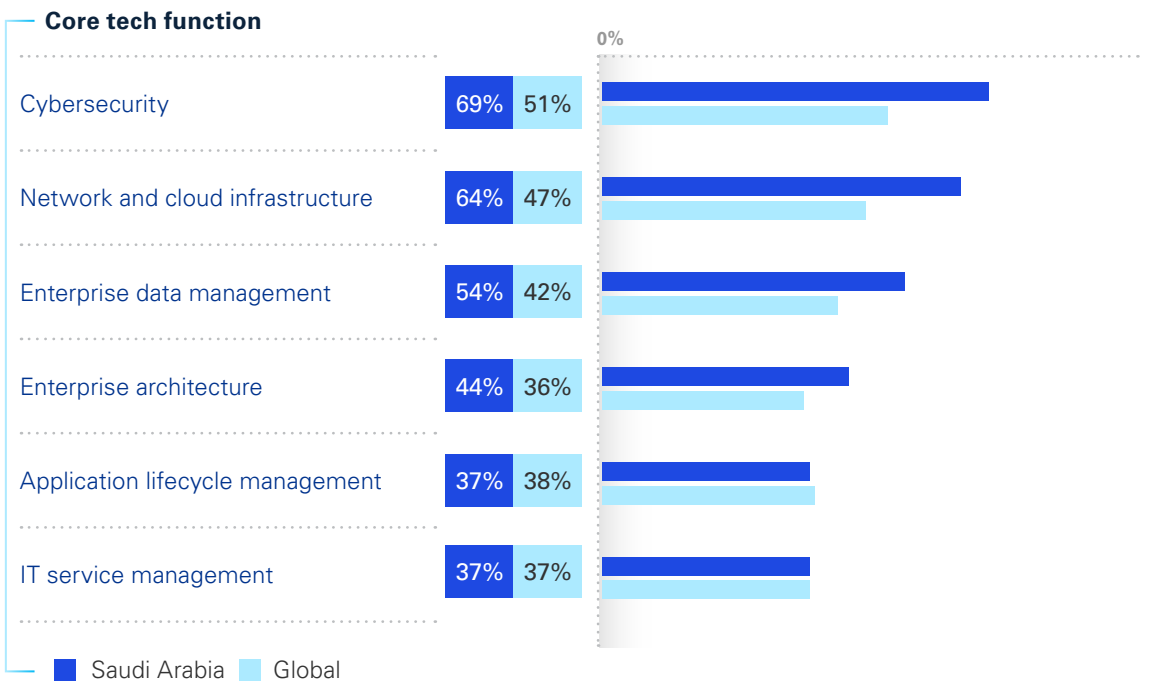
Readiness levels of organizations against technologies



Advanced maturity across core technology capabilities

This appetite to push forward is supported by comparatively strong maturity across foundational technology domains. In particular, 69 percent of organizations report optimized maturity in cybersecurity, which means that processes are continuously improved through innovation, automation and best practices. Organizations across the Kingdom also report high optimized maturity in the enabling foundations required for modern platforms—network and cloud infrastructure (64 percent) and enterprise data management (54 percent)—both meaningfully higher than global levels (47 percent and 42 percent, respectively). Together, these results indicate that many organizations have built the baseline resilience, platform capability, and data discipline needed to pursue more ambitious adoption and scaling strategies.

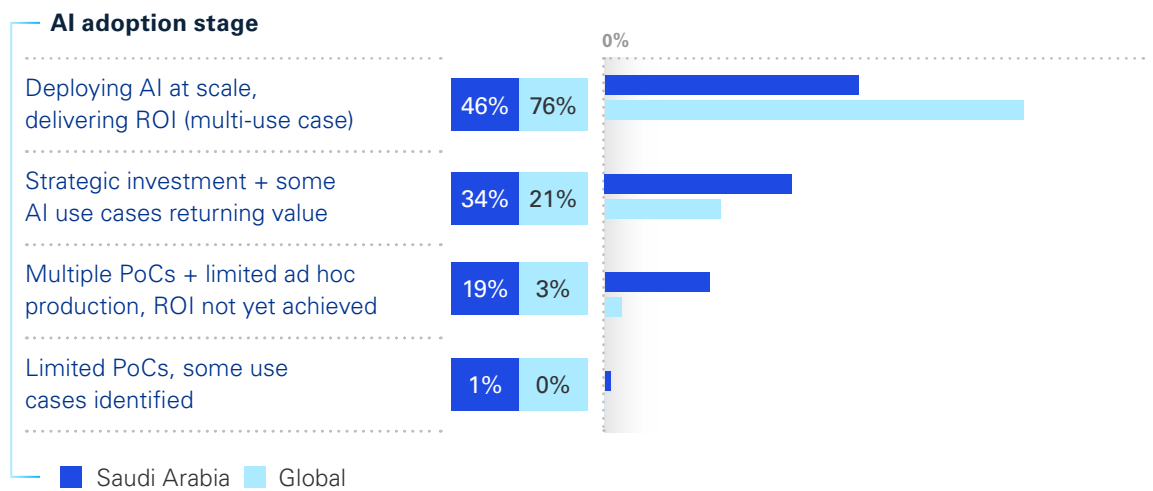
Highest optimized maturity on core technology function



Accelerated AI deployment trajectory

Saudi Arabia stands out most clearly in its expected AI scaling trajectory. Today, 46 percent of organizations report that they are already deploying AI use cases into production at scale and delivering ROI across multiple use cases. Looking ahead, 76 percent of organizations expect to be at this "at-scale ROI" level within the next twelve months. This points to unusually high confidence in the operating model and foundations required to operationalize AI at enterprise scale, not just run pilots.

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



Challenges, risks, and barriers

As digital ecosystems in the region grow more interconnected, the hardest risks to manage are no longer technical: they are matters of governance, accountability, and trust across an expanding network of partners and AI systems."

Tareq Dreiza
Partner, Digital Trust
KPMG Middle East

With the ever-accelerating growth of technology and its limits come ever greater risks. Here the survey analysis presents the constraints organizations face as they scale digital and artificial intelligence initiatives. While earlier sections highlight strong investment levels, advanced maturity, and confidence in value realization, this theme focuses on the limits to execution: where risks are emerging, where capability gaps persist, and where collaboration becomes difficult as technologies grow more complex.

The section is structured around four dimensions of constraint. It 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

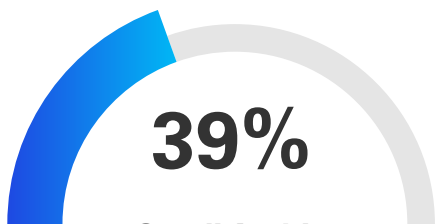
- Collaboration barriers differ by market, with geopolitical pressures and internal governance gaps most prominent in Saudi Arabia.
- AI risk perceptions diverge, with Saudi Arabia focused on resource availability and data bias.
- The Kingdom shows growing awareness of non-technical AI risks, signalling 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.

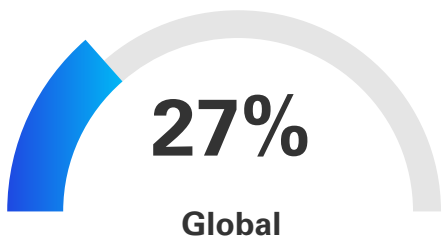
Geopolitical pressures constraining collaboration

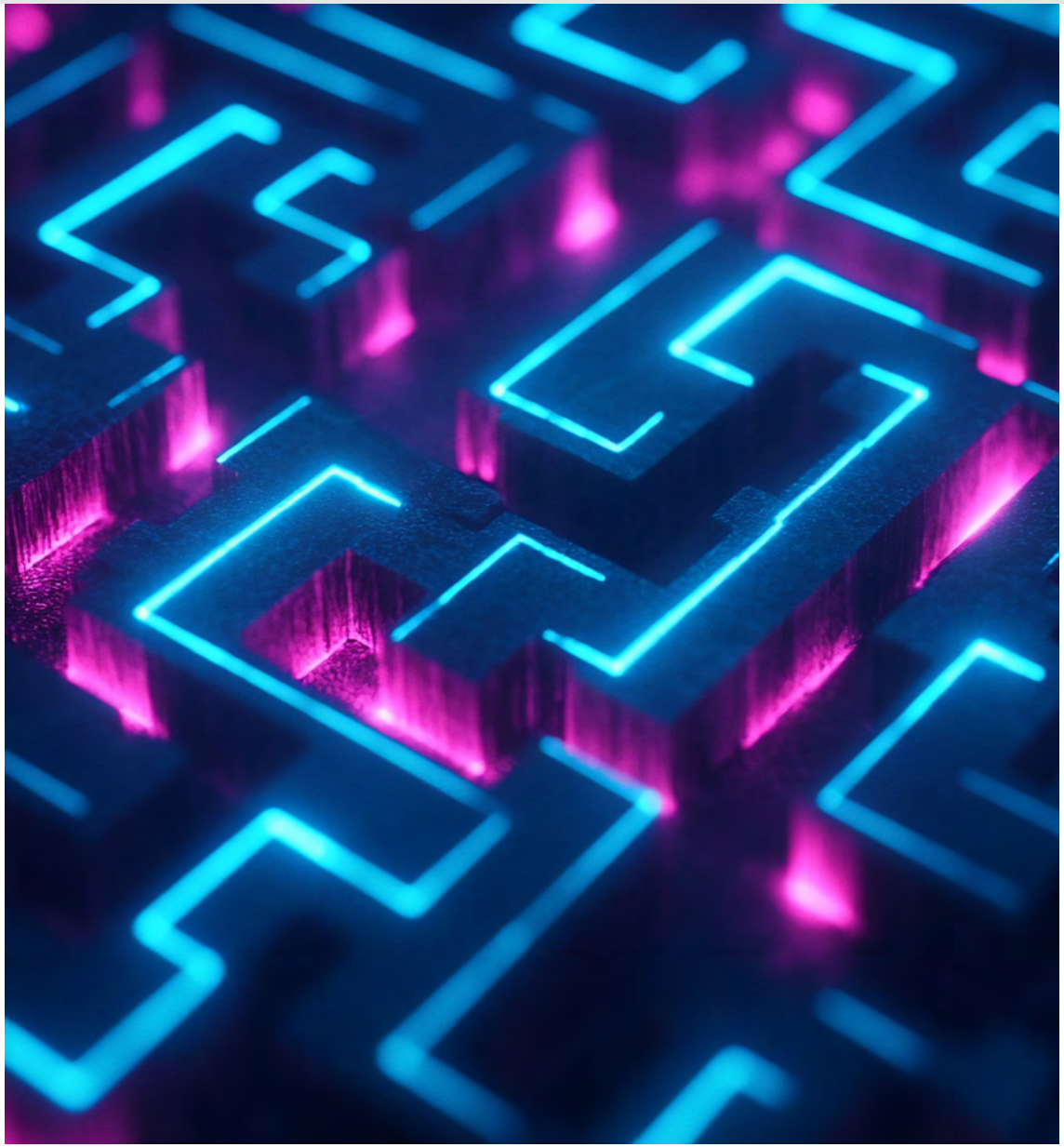
Survey responses indicate that geopolitical factors are the most significant collaboration barrier for organizations in Saudi Arabia. Thirty-nine percent of respondents rank geopolitical tensions among their top three challenges, compared with 27 percent globally. This elevated concern reflects the Kingdom's increasing integration into global technology ecosystems, alongside the complexity of managing cross-border partnerships, supply chains, and data flows at scale.

Biggest barriers to greater collaboration between organizations on emerging technologies

Geopolitical tensions





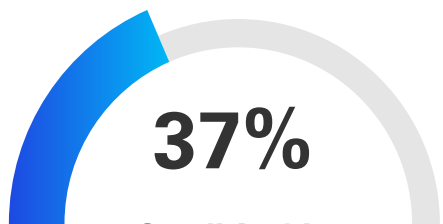


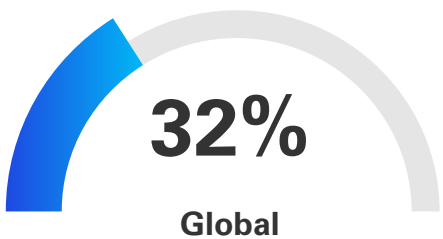
Internal governance gaps affecting execution

Beyond external pressures, internal governance emerges as a material constraint. Thirty-seven percent of respondents identify governance gaps as a top collaboration barrier, exceeding the global average of 31 percent. This suggests that, while strategic alignment is high, organizations continue to refine internal decision rights, accountability structures, and operating models as digital and AI initiatives expand in scope and criticality.

Internal governance and expertise as a collaboration barrier

Absence of internal governance / limited in-house expertise



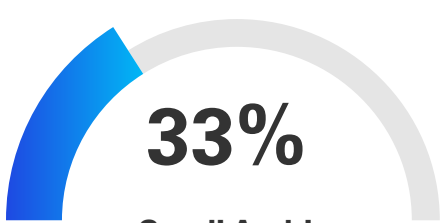


Resource scarcity as a current AI risk

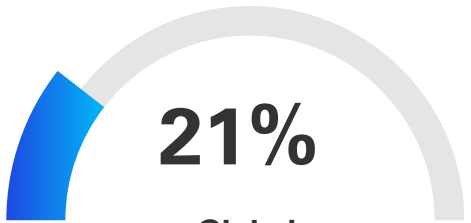
When assessing AI-related risks today, respondents show heightened concern around access to critical resources. Thirty-three percent rank scarcity of resources among their top current AI risks, compared with 21 percent globally. These pressures relate not only to specialized talent, but also to infrastructure capacity, energy requirements, and data readiness as AI moves from pilot phases into enterprise-wide deployment.

Top concerns about AI-related risks

Scarcity of resources (energy, water, tech components)



Saudi Arabia



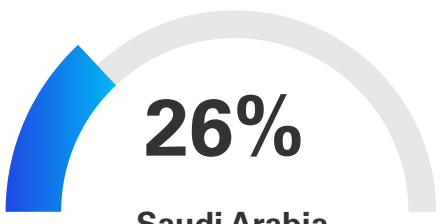
Global

Data bias as a growing future concern

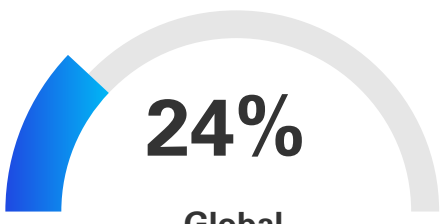
Looking ahead, respondents increasingly emphasize data-related risks. Twenty-six percent rank biased data among their top AI risks over the next two years. This forward-looking concern highlights growing awareness that long-term AI performance and trust will depend on data quality, representativeness, and governance, rather than model capability alone.

Top concerns about AI-related risks

Biased responses / data



Saudi Arabia



Global

Operating model and execution

This section examines how technology strategy is operationalized across governance structures, decision rights, talent models, and workforce practices. While earlier sections establish strong alignment, investment, and maturity, this theme focuses on how effectively organizations execute: who owns decisions, how consistently processes are applied, how capacity is sourced, and how AI is reshaping the workforce.

The section is organized around four execution lenses drawn from the survey. It 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.

Enterprises are moving toward more centralized and coordinated technology operating models, reducing execution friction while accelerating adoption. At the same time, AI is reshaping workforce structures, leadership expectations, and how performance is measured across the organization."

Raad Alamad
Partner, Digital Transformation
KPMG Middle East

Highlights

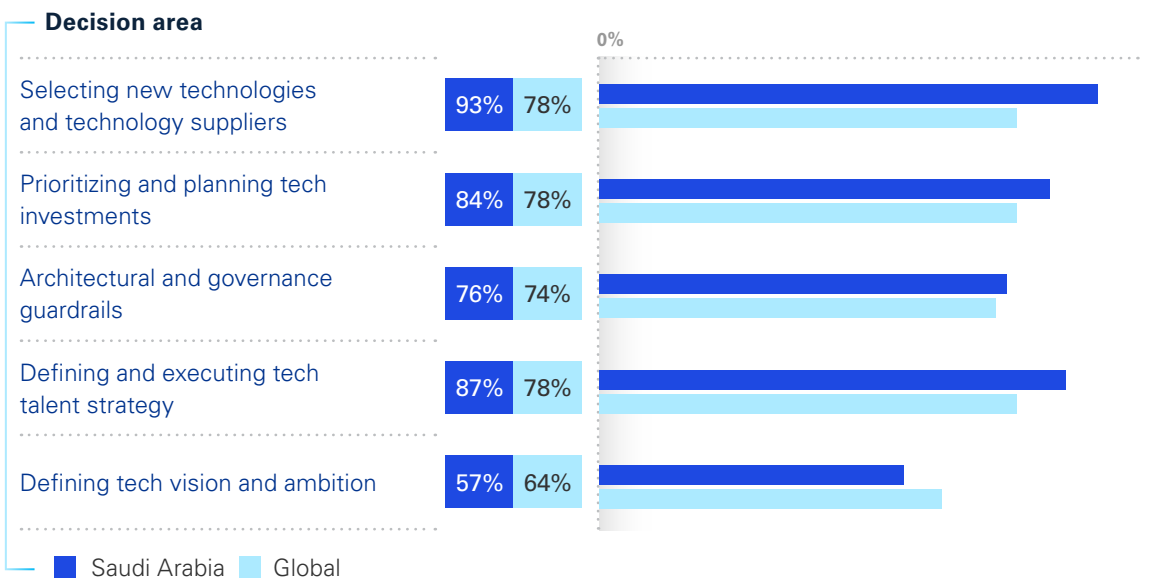
- Technology governance is highly centralized.
- Execution discipline is high, supported by formal evaluation processes and lower levels of operational friction.
- Workforce models are shifting toward hybrid human and digital capacity, with rapid growth in AI agents and automation.
- AI is increasingly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

Highly centralized technology governance

Respondents from Saudi Arabia demonstrate exceptionally high levels of centralization across core technology decisions. Ninety-three percent report centralized control over selecting new technologies and suppliers, compared with 78 percent globally. Similar levels of centralization are evident in prioritizing investments, defining architectural standards, and setting technology vision.

This top-down model supports consistency, scale, and alignment with enterprise and national priorities. It also limits fragmentation across business units, enabling faster rollout of standardized platforms and large-scale transformation initiatives.

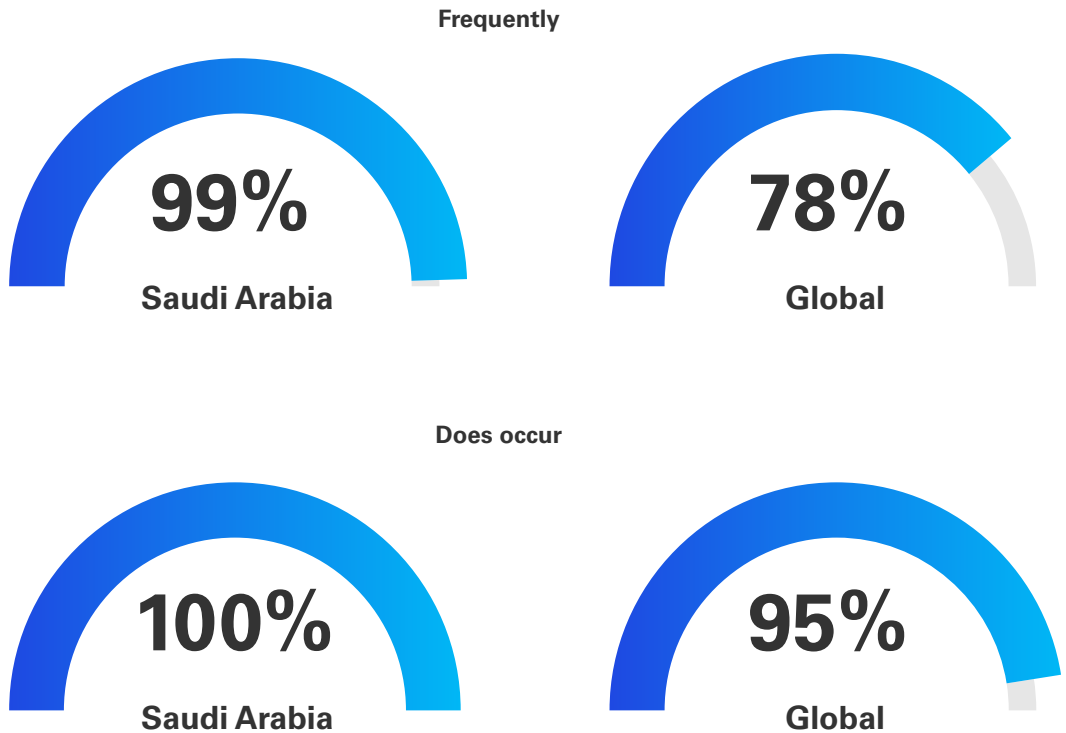
How is responsibility for the following technology-related decisions and activities structured within your organization?



Formalized and disciplined execution processes

Respondents from Saudi Arabia report strong adherence to formal processes in day-to-day execution. Ninety-nine percent follow established frameworks to evaluate and adopt emerging technologies, including advanced AI use cases.

How often do your organization follow established, formal processes to evaluate and adopt emerging technologies (e.g. agentic AI, web 3, metaverse, quantum computing) to drive future innovation and growth?



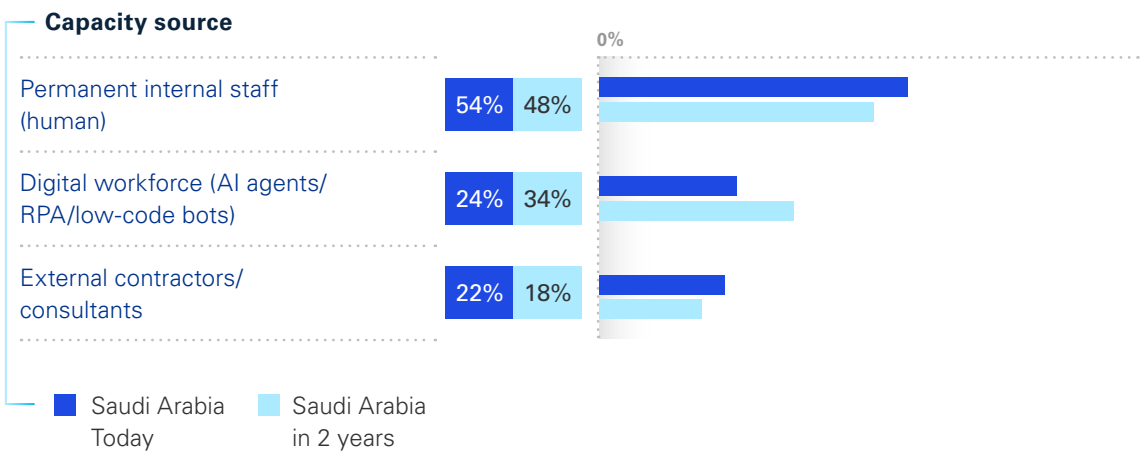
Internal capability anchored by structured external support

Saudi Arabia relies primarily on permanent internal staff for core technology capacity today, while also making selective use of external partners. Over the next two years, organizations expect a meaningful increase in digital workforce capacity, including AI agents and automation tools, alongside a reduction in reliance on external contractors.

This reflects a deliberate strategy to internalize critical capabilities while using ecosystems to accelerate scale where needed.

Please estimate the percentage of your core technology team's full-time equivalent (FTE) capacity that comes from each of the following sources.

Tech team capacity mix (means, % of FTE)

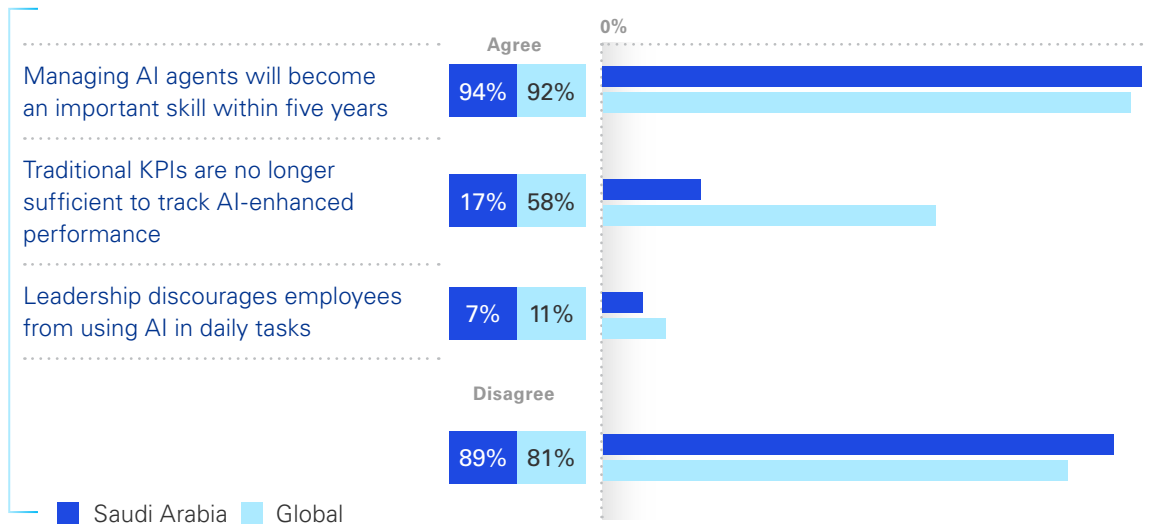


AI as an enterprise capability

Across the Kingdom, organizations show strong confidence in AI as a workforce enabler. Ninety-nine percent report active investment in agentic AI, and nearly all indicate that managing AI agents will become a critical skill within five years. Leadership teams overwhelmingly support AI adoption, with limited evidence of discouraging use in day-to-day work.

At the same time, organizations acknowledge the need for new performance frameworks, with traditional KPIs increasingly seen as insufficient for tracking AI-enhanced productivity.

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



Future outlook and strategic priorities

With an eye to the horizon, here the survey analysis looks ahead to how organizations in the region expect technology to shape performance, resilience, and competitiveness over the next phase of transformation. While earlier themes focus on strategy, investment, and execution, this theme addresses why organizations are investing, what they believe will determine success, and how they plan to adapt to external change.

The section is structured around four forward-looking lenses drawn from the survey. It 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 then 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.

Together, these perspectives provide a coherent view of future priorities grounded in both quantitative and qualitative evidence.

Highlights

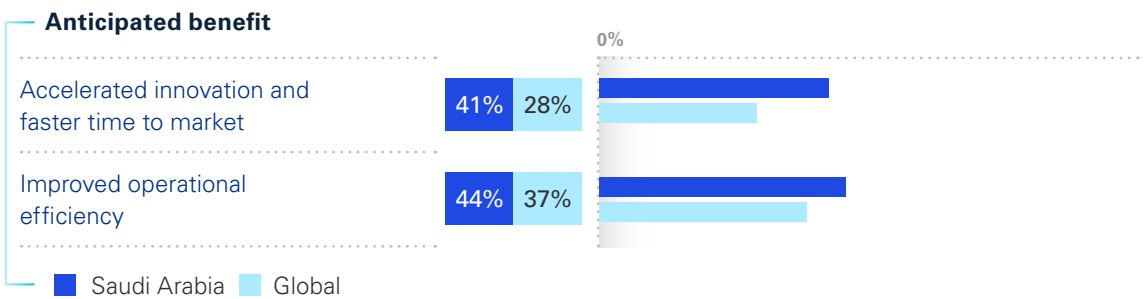
- Saudi Arabia prioritizes efficiency and accelerated innovation as the primary future benefits of technology investment.
- Skills, talent, and strong data foundations are viewed as the most critical success factors.
- Organizations are proactively adapting to macro and geopolitical change, particularly through onshore hiring and data sovereignty measures.
- Artificial intelligence dominates the forward-looking narrative, with productivity and efficiency cited as its most significant impacts.

Efficiency and innovation as primary outcomes

Respondents from Saudi Arabia place stronger emphasis than global peers on efficiency and accelerated innovation as the main benefits of technology investment. Forty-one percent identify faster innovation and time to market as a key expected outcome, compared with 28 percent globally. Similarly, 44 percent highlight improved operational efficiency, exceeding the global benchmark of 37 percent.

This focus reflects a strategic intent to use technology to modernize operations at scale, shorten execution cycles, and support productivity gains across complex organizations.

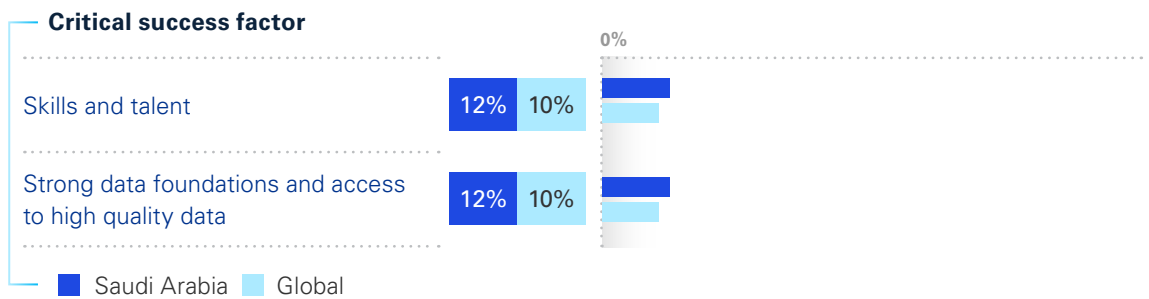
If your organization achieves its ambitions for these technologies by the end of 2027, what benefits do you anticipate your organization could achieve?



Talent and data as decisive success factors

When asked to identify the most critical enablers of technology success, organizations consistently prioritize internal capability. Skills and talent receive the highest importance scores in the survey, materially exceeding global averages. Strong data foundations are ranked almost as highly, underscoring the view that advanced technologies, particularly artificial intelligence, depend on high-quality data and internal expertise rather than tools alone.

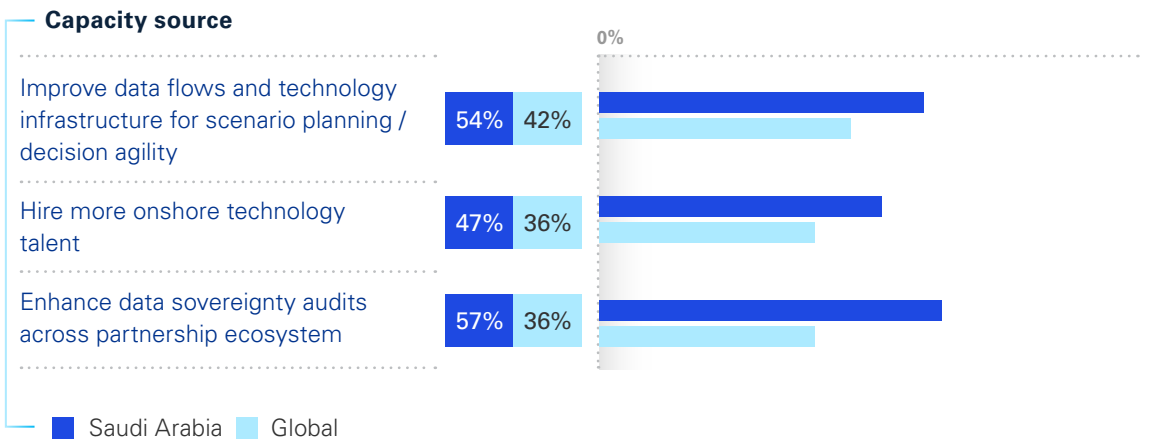
Which of the following factors will be most critical to the success of your organization's technology strategy over the next twelve months?



Proactive strategic adaptation to macro change

Organisations in the Kingdom also signal a proactive stance toward external disruption. Over the next twelve months, a majority expect to invest further in data infrastructure to support scenario planning and decision-making agility. Many also anticipate increasing onshore technology hiring, strengthening data sovereignty audits. These actions point to a forward-looking strategy that treats resilience and control as integral to long-term competitiveness.

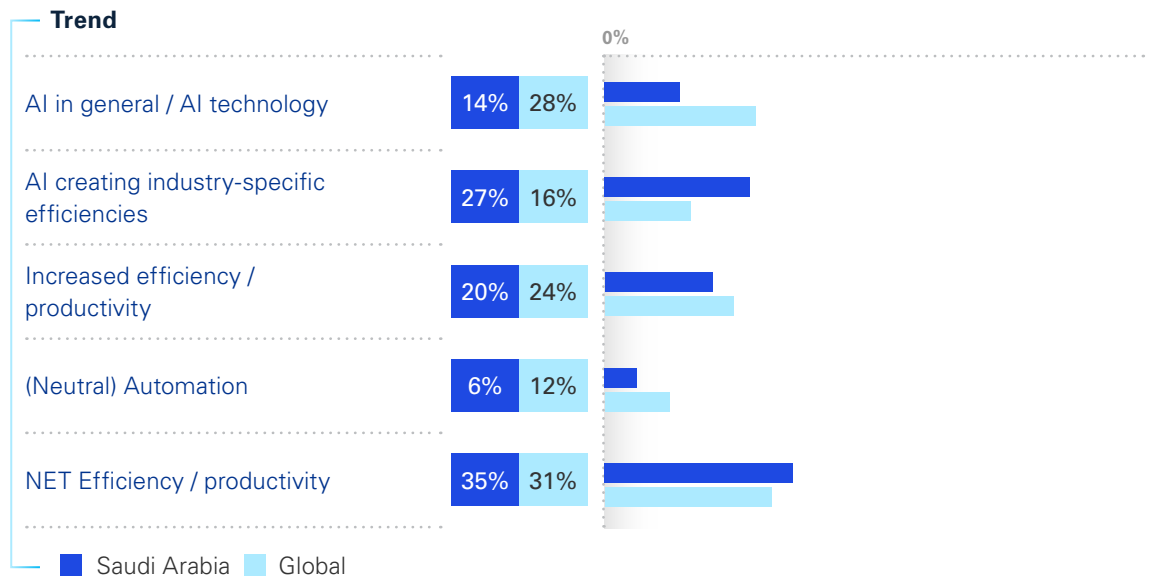
Which of the following actions is your organization likely to pursue over the next twelve months as part of its digital transformation efforts, in response to external macro environment changes?



AI as the defining technology trend

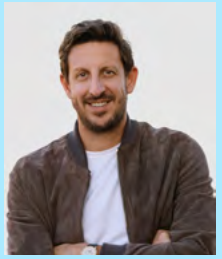
Saudi Arabia's qualitative outlook reinforces AI as the dominant lever for performance impact, but with a specific emphasis on applied efficiencies rather than abstract "AI in general." In open-ended responses on 2026 trends, 27 percent of respondents in Saudi Arabia cite AI-driven industry-specific efficiencies, and 35 percent reference efficiency/productivity gains (NET) linked to technology change.

What technology trend do you think will have the biggest impact on your organization or industry in 2026?



Insights from Zack Kass

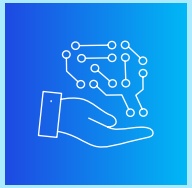
Navigating unmetered intelligence



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

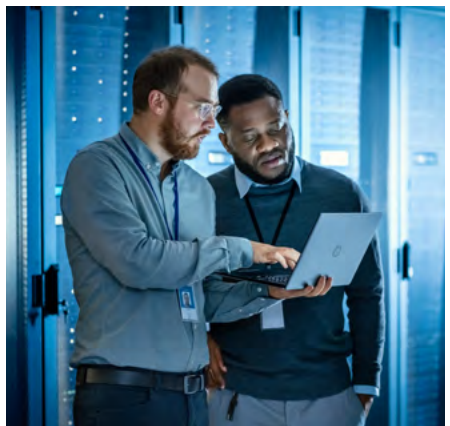
Multi-agent systems will coordinate entire value chains. Synthetic data will unlock personalization without breaching privacy. Edge deployments will bring intelligence to stores, clinics, and factories. Quantum-adjacent advances in optimization may compress compute-intensive planning problems.

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. Respondents 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 behavior, 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.

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 Our 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 aim to deliver growth with purpose. 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 delivering growth with purpose, 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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