Cloud, AI and Sovereignty: Building the Middle East's digital advantage

PwC's EMEA Cloud Business Survey: Middle East Findings

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01

Executive summary

Cloud adoption in the Middle East has entered a pivotal phase, evolving into a strategic enabler of resilience and innovation in the region. What began as a foundation for digital enablement is now influencing national competitiveness, supporting the large-scale deployment of artificial intelligence (AI). Insights from **PwC's 2025 Europe, Middle East and Africa (EMEA) Cloud Business Survey** based on responses from more than 1,400 business and technology leaders across 26 territories worldwide, nearly one-fifth of whom are from the Middle East, point to a clear shift from early adoption to optimisation.

As organisations across the region advance in cloud maturity, they are navigating increasingly complex trade-offs, particularly around data sovereignty, security requirements, innovation priorities and cost discipline.

The survey compares Middle East results with the wider EMEA region and was conducted prior to the recent Middle East conflict. While perspectives may have since evolved, the findings, now in their third year, remain highly relevant, given the growing focus on business resilience, security and sovereignty.

Four factors differentiate the businesses and organisations in the Middle East from their EMEA peers:

Cloud maturity is rising:

78%

of businesses and organisations report medium to high cloud maturity, indicating that the region is transitioning from adoption to optimisation, guided by strong government mandates, national digital strategies and fast-maturing private-sector ecosystems.

A sovereignty-first mindset:

51%

of business and organisations currently use or plan to adopt a sovereign public cloud, citing risk mitigation, operational resilience, disaster recovery, and integrated security controls among their top drivers. This emphasis on control and trust has positioned the region as a global leader in sovereign public cloud adoption and as trusted national cloud providers.

Rapid AI acceleration:

78%

already use cloud-based AI and machine learning capabilities, while 43% are implementing or scaling agentic AI, well ahead of their EMEA counterparts. They acknowledge that realising the benefits of AI-driven innovation will be highly challenging without the use of public cloud providers.

Revenue increase:

91%

of businesses and organisations expect revenue increases in the next 12 months, with results indicating a clear correlation between cloud maturity and financial performance.

02

The Middle East cloud landscape

In the Middle East, ambitious national digital agendas, large-scale transformation programmes and increasing regulatory maturity have positioned the cloud as a critical platform for long-term competitiveness and sustainable growth.

However, the operating environment has fundamentally changed. Heightened geopolitical uncertainty, evolving regulatory requirements and sustained cost pressures are reshaping how organisations think about cloud strategy.

The current Middle East conflict has turned the focus on resilience, security and operational continuity, bringing greater urgency to decisions around cloud architecture, data sovereignty and risk management. While this survey was fielded prior to the escalation of recent events, the findings already point to a trajectory that is now accelerating – reinforcing that investment in cloud security, resilience and control will only become more critical in the period ahead.

For leaders, the question is no longer whether to adopt the cloud, but how to do so in a way that balances innovation with risk, control and sovereignty while continuing to deliver measurable business value.

Against this backdrop, the survey explores how leading businesses and organisations are responding to the next phase of cloud maturity.

It highlights six forces shaping future cloud value creation:

- The shift from adoption to optimisation
- The growing impact of geopolitical and regulatory change
- The rising importance of sovereignty and trust
- The emergence of agentic AI as the next frontier of enterprise capability
- The increasing need for financial discipline in managing cloud economics
- Embedding sustainability into the cloud journey

Together, these forces signal a transition from cloud as a technology-led initiative to cloud as a strategic, enterprise-wide capability that demands sharper governance, clearer accountability, and a more deliberate approach to value realisation.

03

From adoption to optimisation: Cloud adoption at scale in the Middle East

Businesses and organisations across the Middle East are moving decisively from cloud strategy to execution. Following several years of foundational planning, pilot initiatives and targeted migrations, many have now scaled cloud adoption across core operations and mission-critical workloads.

As cloud becomes more deeply embedded across enterprise architecture and day-to-day business operations, leadership teams are shifting their focus from adoption to value – translating investment into measurable outcomes while strengthening governance and meeting evolving regulatory and sovereignty requirements.

Against this backdrop, the structural shifts explained below are shaping how businesses and organisations in the Middle East are advancing their cloud agendas:

3.1 Cloud maturity is rising:

Middle East findings of PwC's 2025 EMEA Cloud Business Survey indicate that regional organisations are steadily closing the cloud maturity gap with their EMEA peers. While 23% of Middle East respondents report low maturity (compared with 20% in EMEA), 53% indicate medium maturity, slightly below EMEA at 55%. At the advanced end, 24% classify as high maturity, closely tracking EMEA at 25% (see Figure 1).

This indicates the region is moving beyond early-stage adoption and progressively aligning with more established markets, positioning Middle East players to compete more effectively on optimisation, AI integration and
long-term value creation.

Larger organisations are materially more advanced in their cloud journeys. Nearly one-third (32%) of organisations with revenues of US$1bn or more report having fully scaled cloud across the enterprise, compared with just 17% of organisations with revenues below US$1bn.

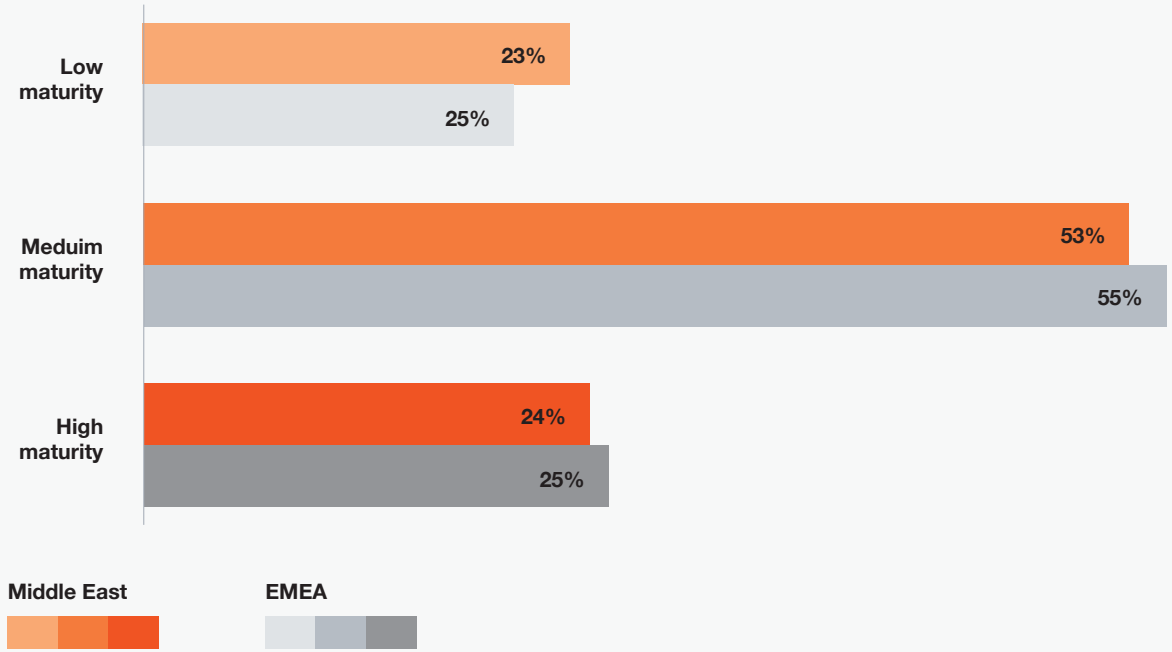
Notably, cloud maturity across the Middle East has also advanced significantly over the past two years. In 2025, 78% of organisations in the Middle East report medium or high maturity (all-in-cloud), up from 53%[1] in 2023, underscoring the pace of advancement across the region.

Figure 1.

Which of the following best describes your organisation's use of cloud?

Key fact:

Middle East players are **beginning to catch up** in the cloud maturity with their wider EMEA peers.



3.2 Beyond migration, momentum remains strong:

Cloud momentum across the Middle East extends well beyond initial migration programmes. Organisations are increasingly shifting their focus in embedding cloud capabilities across business functions. As a result, cloud is moving from a transformation milestone to an integral part of how organisations operate and compete.

According to the Middle East findings of PwC's 2025 EMEA Cloud Business Survey:

Application migration is now well underway, with 77% of organisations having migrated applications to the cloud across some or many parts of the business, slightly behind EMEA benchmark.

Cloud-based AI and machine learning tools are already in use across some or many parts of the organisation for 78% of Middle East respondents, exceeding the EMEA average of 75%.

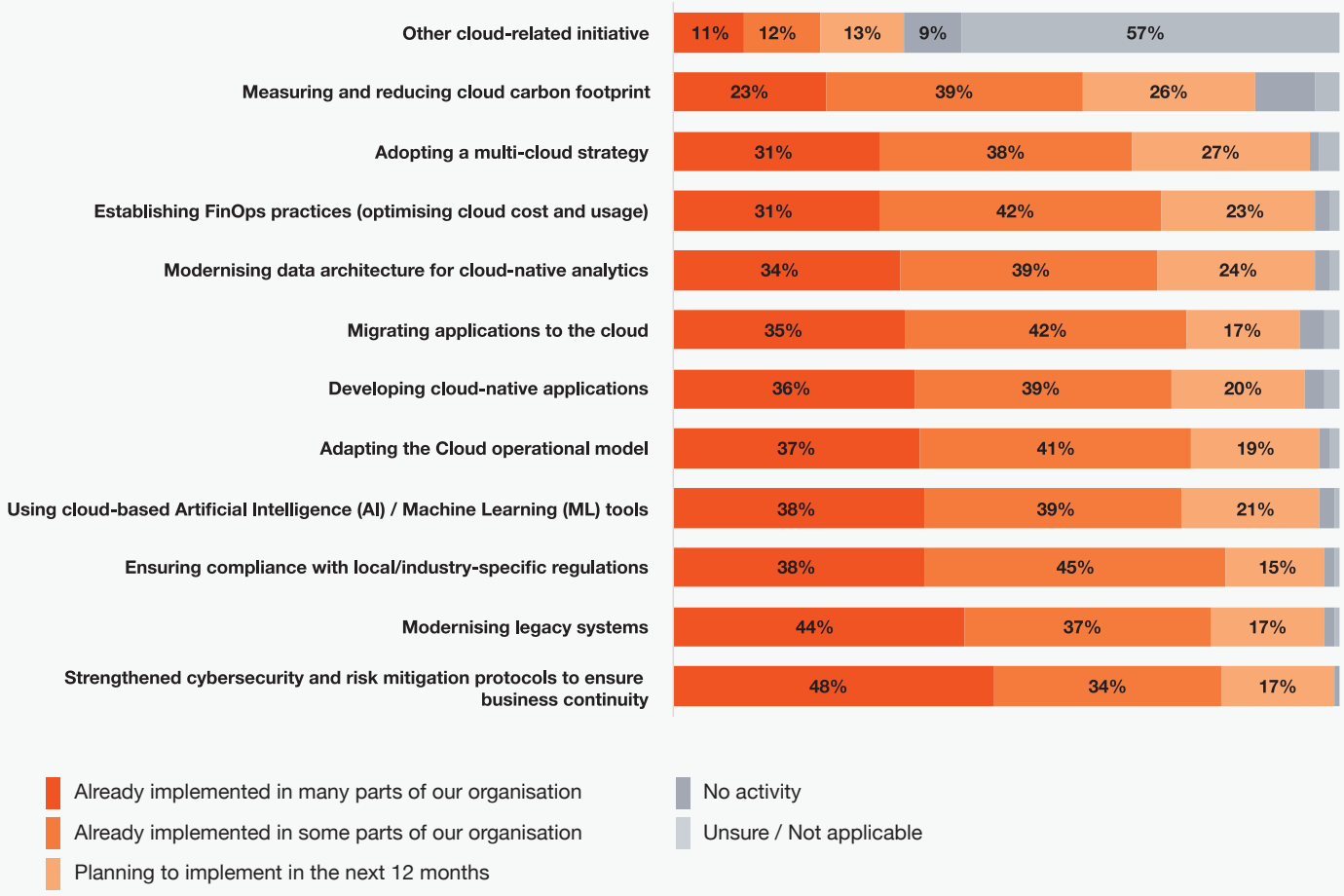
75% have developed cloud-native applications and 78% of organisations in the Middle East have already adopted a cloud operating model across some or many parts of their organisation, broadly in line with the EMEA average of 82%.

3.3 Legacy modernisation takes priority:

Modernising legacy systems is a widely adopted cloud initiative, with 81% of businesses and organisations in the Middle East having implemented it fully or partially, the highest across all initiatives. 73% of regional respondents reported to have updated their data architectures to support more advanced analytics and AI. In contrast, multi-cloud strategy records a lower level of full implementation at 31%; however, adoption increases to 69% when partial implementation is included, suggesting strong strategic intent but a more measured pace of execution (see Figure 2).

Figure 2.

Which, if any, of the following cloud-related initiatives has your organisation implemented or is planning to implement?



Base: Respondents in tech roles

3.4 Cloud spend is accelerating:

Cloud investment is accelerating across the Middle East, with 86% of regional businesses and organisations planning to increase spending over the next 12 months, in line with EMEA, signalling that digital infrastructure has become a strategic priority in the region.

Notably, 20% of organisations in Saudi Arabia and 16% in Qatar expect budget increases of 15% or more.

This surge in cloud investment is closely tied to AI ambitions: 44% of Middle East's businesses and organisations rank AI, including GenAI, agentic AI and machine learning, among their top three investment priorities. As AI adoption scales, cloud is emerging as the critical foundation, providing the compute power, data integration and agility required to turn experimentation into enterprise-wide impact.

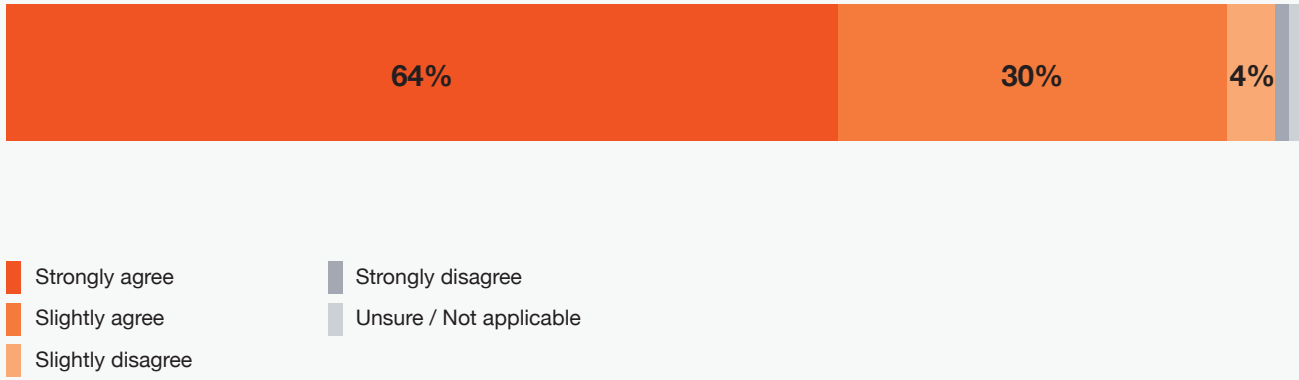
3.5: AI moves cloud from infrastructure to intelligence:

AI is the leading priority shaping cloud investment over the next 12 months, with businesses and organisations focused on strengthening data-driven decision-making. Notably, 64% of businesses in the Middle East strongly agree that access to agentic AI capabilities is a critical factor when selecting a cloud provider, signalling a shift to intelligence-first strategies (see Figure 3).

Next in line are customer experience and stronger cloud controls. Looking ahead, organisations across the Middle East are sharpening their focus on capabilities that will deliver near-term business impact. AI and machine learning including generative and agentic AI have emerged as the leading priority for the next 12 months, cited by 20% of organisations in the region, ahead of the EMEA average of 18%.

Figure 3.

To what extent do you agree or disagree with the following statements about your organisation's use of artificial intelligence (AI)? **'Leveraging agentic AI capabilities is a key consideration when choosing our organisation's cloud providers.'**



The key question now is how to adopt the right cloud services while managing cost and complexity, and how to unlock new benefits through generative AI and automation. These capabilities will define the next stage of maturity one in which cloud becomes not just a platform for agility, but a foundation for intelligent, sustainable growth.

3.6: Obstacles to realising cloud value:

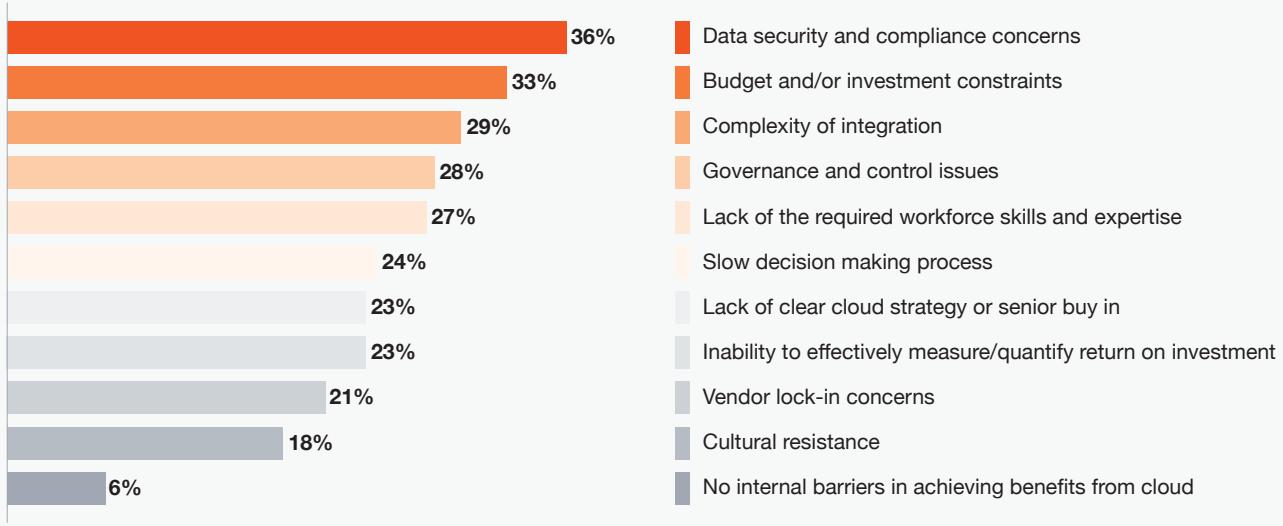
As organisations move from intent to delivery, execution challenges are becoming more pronounced, both internally and externally. Security, in particular, has emerged as a defining priority. **PwC's Digital Trust Insights 2026**[2], highlights cloud security as a leading area for cyber budget allocation over the next 12 months, reinforcing the shift from experimentation to enterprise-grade resilience.

This reflects a wider evolution in cloud strategy. Organisations are no longer focused solely on adopting cloud, but on optimising it to support evolving business objectives. This means rethinking cloud architectures, strengthening cost and governance disciplines, and embedding resilience and sustainability into design. In short, cloud is moving from a technology initiative to a core enterprise capability, reshaping how investments are prioritised and governed.

36% of the organisations in the Middle East have 'Data security and compliance concerns' in their top three biggest internal barriers to their organisation achieving measurable value from their cloud strategy (compared to 35% in EMEA)

Figure 4.

Which, if any, are the biggest internal barriers to your organisation achieving measurable value from your cloud strategy?



Yet the very factors driving this strategic focus are also likely to create operational challenges. Middle East findings of PwC's 2025 EMEA Cloud Business Survey have revealed that data security and compliance concerns have emerged as the most significant internal barrier to realising value from cloud investments, cited among the top three challenges by 36% of businesses and organisations in the Middle East. Budget and investment constraints (33%), integration complexity (29%), and governance and control issues (28%) and lack of required workforce skills (27%) further underscore the operational friction that arises as cloud environments scale (see Figure 4).

04

The growing impact of geopolitical and regulatory change

Geopolitical developments and evolving regulatory expectations are reshaping how data is stored, processed, and secured across the Middle East. Governments in the region are increasingly prioritising data localisation, national control and sovereignty-by-design for sensitive and mission-critical workloads, while continuing to enable access to global cloud innovation through hybrid and federated operating models.

These priorities are being reinforced through national cloud, data, and digital infrastructure initiatives across the region. Programmes aligned to Saudi Arabia's Vision 2030, the UAE's National Cloud and Data Strategies, and comparable initiatives across the GCC are accelerating the adoption of sovereign and in-country cloud capabilities, strengthening governance frameworks, and supporting trusted digital ecosystems.

For regional businesses and organisations, cloud strategies are becoming a frontline response to mounting technological disruptions and security pressures. Cyber risk stands out as the most actively addressed priority, with 95% of organisations either already taking action or planning to do so within the next 12 months. In fact, nearly 40% of organisations in the Middle East rank improving cyber posture among the top three outcomes they expect to achieve from their cloud technology investments over the next 12 months, compared with 32% in EMEA.

Technology disruption (89%) follows closely, underscoring the urgency to adapt to rapid digital change and evolving competitive dynamics. Geopolitical uncertainty is also firmly on the agenda, with 80% of organisations embedding it into their cloud strategy (see Figure 5). These priorities signal a shift: cloud is no longer just an enabler of efficiency, but a strategic lever for resilience, security and long-term competitiveness.

> In periods of disruption, resilience is closely linked to infrastructure strategy. Organisations leveraging cloud environments are often better positioned to maintain continuity, adapt quickly, and respond to changing conditions. However, resilience increasingly depends on a more nuanced approach, balancing where data is stored and how risk is managed across cloud environments as well.

Rajat Chowdhary
Partner Consulting - Technology,
PwC Middle East

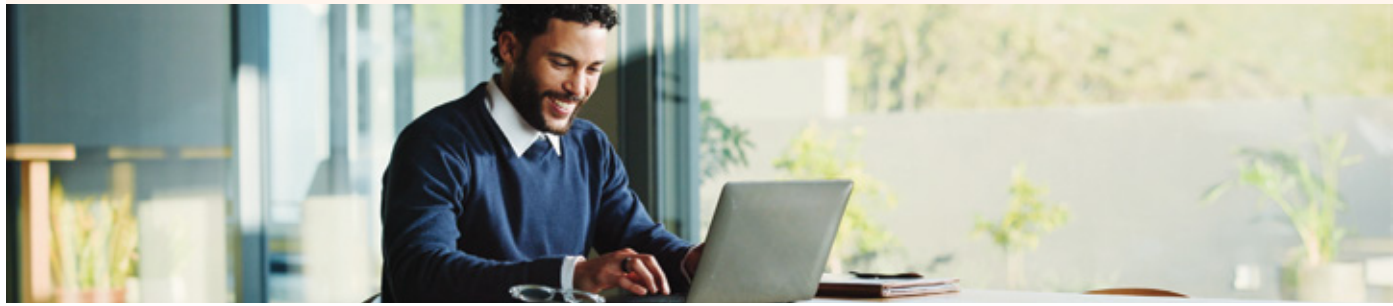
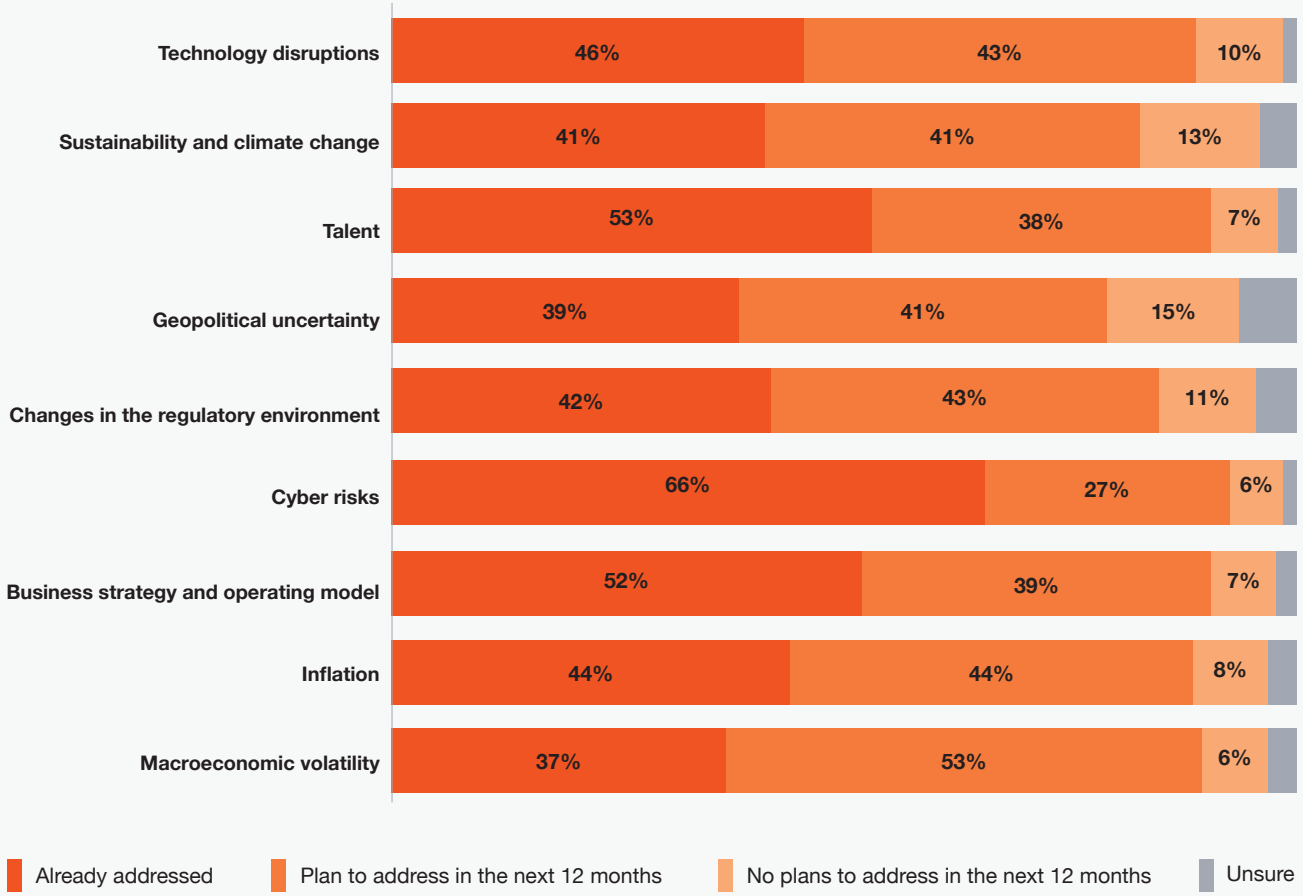


Figure 5.

Which, if any, of the following risks and challenges have been addressed in your organisations cloud strategy?



Cybersecurity has become the currency of trust in the Middle East's digital economy. As cloud architectures expand across borders, one of the top concerns we see is data sovereignty. Regional cloud architectures are increasingly being constrained by jurisdictional boundaries, with clients requiring clarity on where data resides and how it is governed. In response, organisations are demanding embedded security and compliance-by-design. We are seeing boards move from asking "Are we secure?" to "Are we resilient?" – driving investment in unified cloud governance and zero-trust frameworks that protect innovation as much as data.

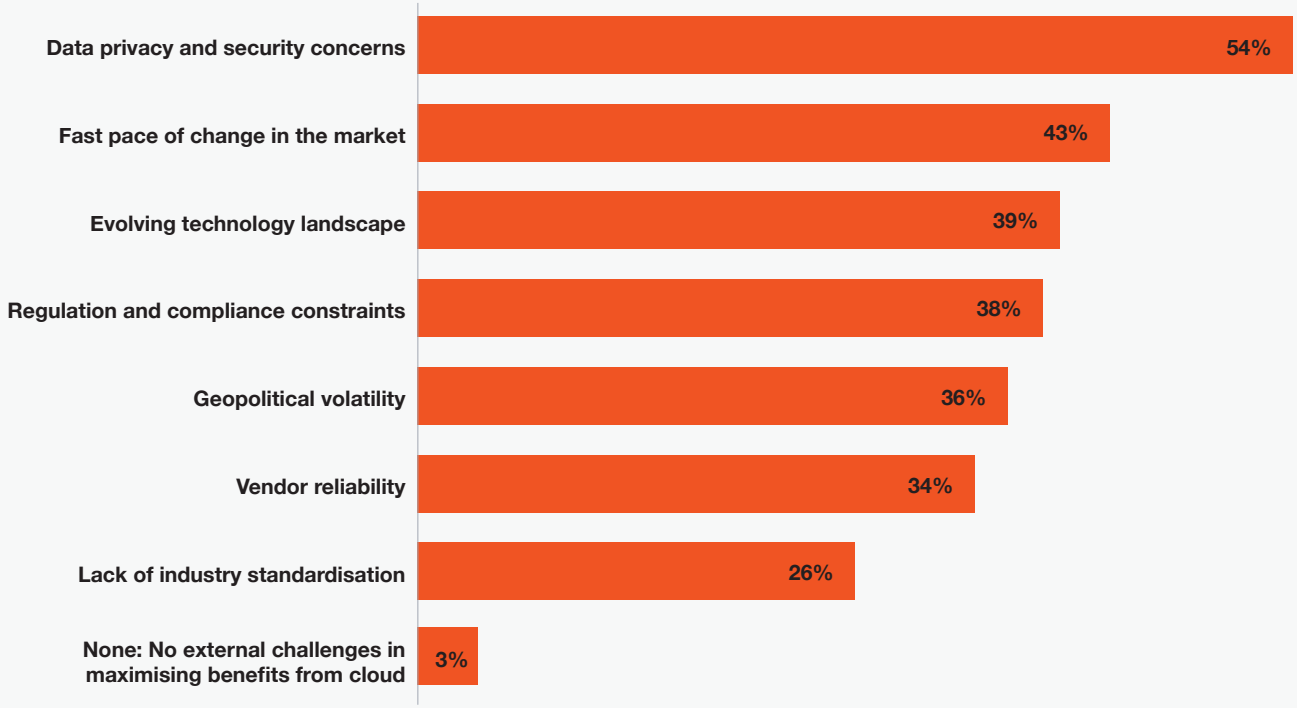
Samer Omar
Cybersecurity & Digital Trust Leader
Partner, PwC Middle East

Regulatory frameworks across the Middle East are also advancing, positioning cloud adoption as a strategic, Board-level decision rather than a purely technical one. Regulators now formally recognise cloud and outsourcing models, with supervision shifting toward outcomes, resilience, and accountability. While regulatory expectations differ across jurisdictions most notably in areas such as data localisation and cybersecurity there is clear convergence around data sovereignty, third-party risk, operational resilience, exit readiness, and senior management ownership.

Organisations are discovering that the real challenge lies not in scaling technology, but in navigating the external forces that shape how cloud can be used. More than half of regional organisations (54%) cite data privacy and security among their top three external challenges, alongside the pace of market change (43%) and regulatory and compliance constraints (38%) (see Figure 6).

Figure 6.

Which, if any, are the biggest external challenges to your organisation achieving measurable value from your cloud strategy?



05

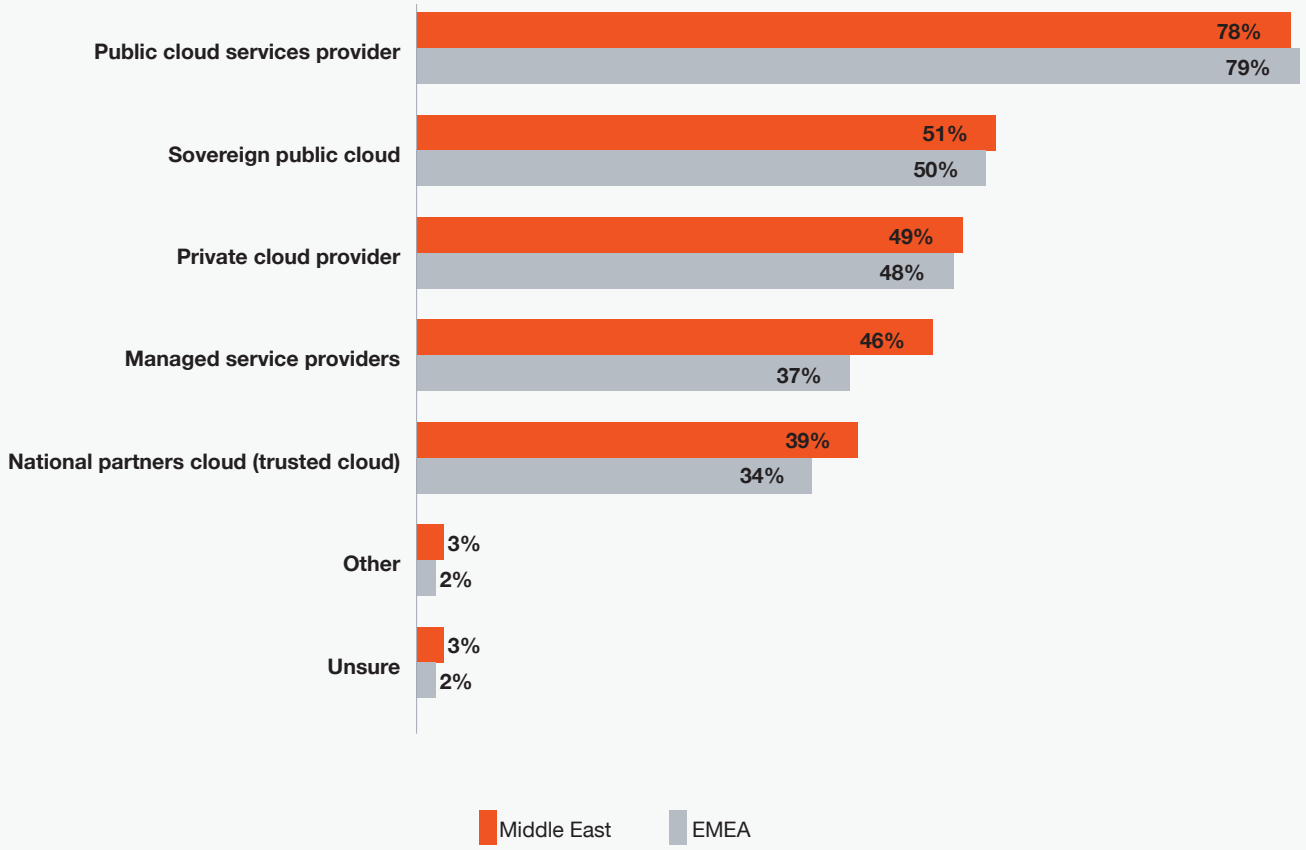
The rising importance of sovereignty and trust

In regions like the Middle East, where governments are prioritising digital sovereignty, cybersecurity, and AI governance, sovereign public cloud is increasingly gaining traction, not only as a response to compliance, regulatory and data sovereignty considerations, but as a platform to strengthen security protocols, enhance resilience, enable AI deployment, and simplify integration across complex ecosystems.

Across the Middle East, businesses and organisations have already adopted a multi-cloud strategy in line with EMEA, reflecting a clear prioritisation of resilience and flexibility. By combining public, private, and sovereign clouds, businesses can adapt faster, optimise performance, and access best-in-class services. Within this multi-cloud landscape, deployment models continue to diversify. Public cloud is the dominant model across all regions (78%), while sovereign public cloud (51%), private cloud (49%) and managed service providers (46%) are gaining momentum (see Figure 7).

Figure 7.

Which of the following types of cloud infrastructure does your organisation currently use?



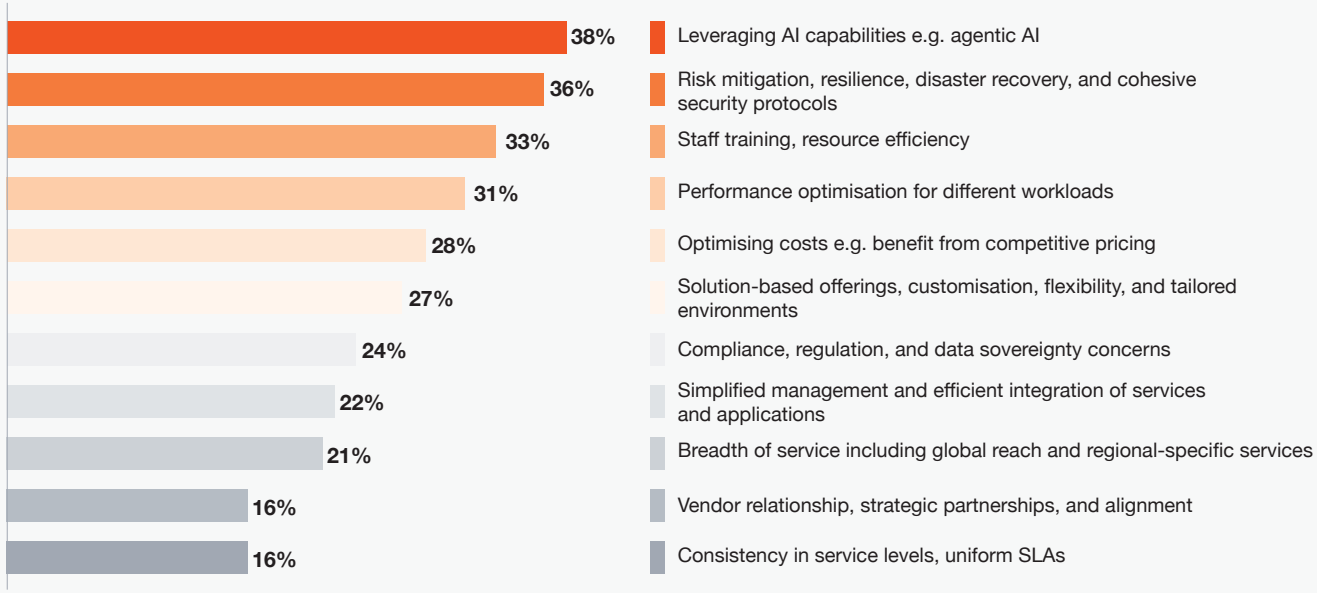
> Across the Middle East, clients are increasingly exploring sovereign and trusted cloud models—not only to meet regulatory requirements, but also to strengthen resilience and maintain greater control over critical data. These approaches are helping governments and enterprises balance data sovereignty with access to the innovation capabilities of global hyperscalers.

Rajat Chowdhary
Partner Consulting - Technology,
PwC Middle East

This multi-cloud environment reflects a market that has moved beyond experimentation and is now optimising for scale, resilience and strategic control. As organisations reassess their cloud architecture, the primary drivers of change are increasingly future-focused (see Figure 8): leveraging AI capabilities such as agentic AI (38%) leads the agenda, followed closely by risk mitigation and resilience (36%), workforce efficiency (33%) and performance optimisation (31%).

Figure 8.

What are the main reasons your organisation is changing, or planning to change, your cloud infrastructure?



06

The emergence of agentic AI as the next frontier of enterprise capability

AI has emerged as the leading transformation priority across the Middle East, with cloud acting as the primary enabler. Today, 78% of businesses and organisations in the region already use cloud-based AI and machine learning capabilities across some or many parts of the business, signalling a rapid move from experimentation to operational use.

This momentum is accelerating: 95% report increasing cloud usage to support AI and machine learning workloads, while 94% consider AI capabilities a key factor when selecting cloud providers. Confidence levels are also high, with 94% believing their workforce has the capabilities required to maximise AI value, and a majority indicating that their data architecture and governance frameworks are sufficiently mature to support scaled adoption.

Several structural factors are reinforcing this trajectory. These include:

Government-led AI agendas providing policy clarity, funding and long-term commitment, positioning AI as a core enabler of economic diversification and productivity growth.

Continued investment by global cloud providers expanding access to advanced AI infrastructure, platforms, and services – reducing barriers to adoption and speeding time to value.

Digital transformation priorities across government, financial services, energy and healthcare driving practical AI use cases focused on decision-making, efficiency and service quality.

This foundation is now enabling the next evolution: **agentic AI.**

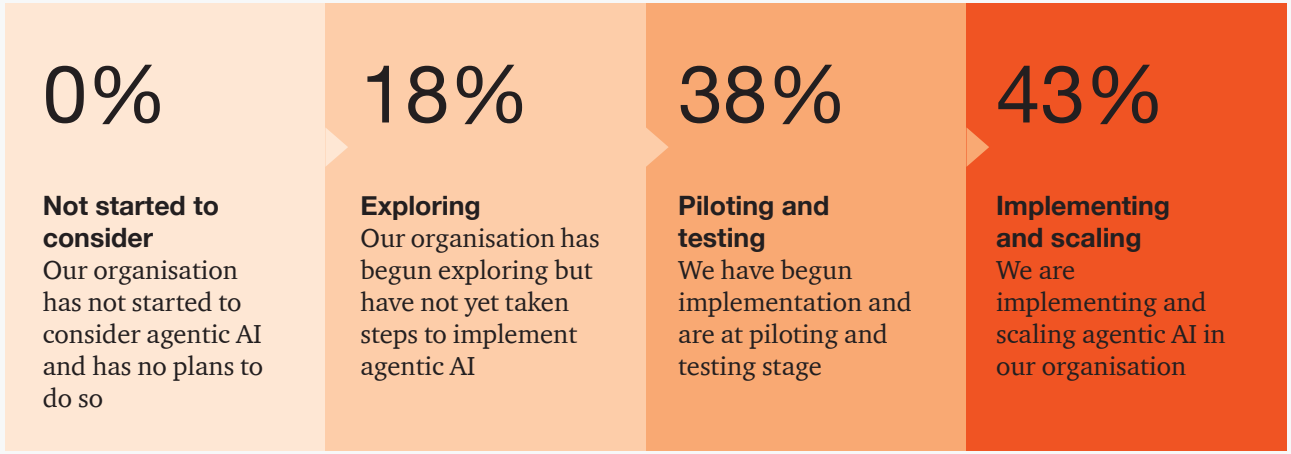
Agentic AI scaling and readiness

Agentic AI goes beyond traditional machine learning. These systems can act with autonomy, adapt to new information, and execute complex tasks with minimal human input. The potential is vast – smarter decision-making, new efficiencies, and greater resilience across industries.

According to survey findings, 43% of businesses and organisations in the Middle East are actively implementing and scaling agentic AI across their operations (see Figure 9), 38% have begun implementation and are currently piloting and testing and 18% of organisations are still at the early stages, exploring agentic AI but have not yet taken steps to implement it.

Figure 9.

How would describe your organisation's use of agentic AI?



> Agentic AI is moving swiftly from concept to capability and is increasingly being embedded within the cloud platforms that power the modern digital economies. Organisations are deploying AI agents to automate compliance, optimise operations and deliver more personalised experiences for citizens and customers. The real differentiator, however, will be how leaders balance this innovation with robust governance. Responsible AI is not only a safeguard for trust, but a strategic enabler of long-term, sustainable value.

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07

The increasing need for financial discipline in managing cloud economics

Businesses and organisations in the Middle East are increasingly recognising that unlocking value from the cloud is not only about innovation and resilience, but also about cost visibility, accountability and disciplined optimisation. FinOps, the operating model that brings financial management and cloud engineering together, is emerging as a key enabler of this shift.

However, advanced FinOps adoption remains limited, with only 18% of Middle East businesses and organisations having fully integrated advanced FinOps practices, though this is ahead of EMEA (12%) (see Figure 10). A little over 40% have broadly adopted FinOps practices, and only 22% are actively planning, piloting or initiating more advanced FinOps approaches, and only 14% are applying these practices comprehensively across their primary cloud provider.

Adoption varies significantly by organisation size and cloud maturity levels, revealing both progress and untapped opportunity across the region. Out of the organisations in the Middle East that are highly cloud mature, 47% are fully embedding FinOps, while a further 38% have broadly adopted it.
Survey findings also indicate that 25% of US$1bn+ revenue organisations in the region have fully integrated advanced FinOps, more than double the adoption rate of smaller enterprises.

This points to a region that recognises the importance of financial discipline in cloud environments but has yet to embed FinOps at scale. As cloud usage intensifies, particularly to support AI workloads, strengthening cost transparency, accountability and optimisation capabilities will be critical to sustaining long-term value.

Figure 10.

Which of the following statements best describes your organisation's current adoption of FinOps practices?

2%	14%	22%	41%	18%
We do not have FinOps practices and have no plans to implement them	We currently apply or are planning to apply FinOps practices to our primary cloud provider	We are actively planning, piloting or initiating FinOps practices, including early implementations across two or more providers	We have broadly adopted FinOps practices, with consistent cost optimisation, financial visibility, and governance across multiple cloud providers	We have fully integrated advanced FinOps practices, enabling centralised financial governance, strategic cost management, and optimised resource allocation across all cloud environments

FinOps for AI workloads

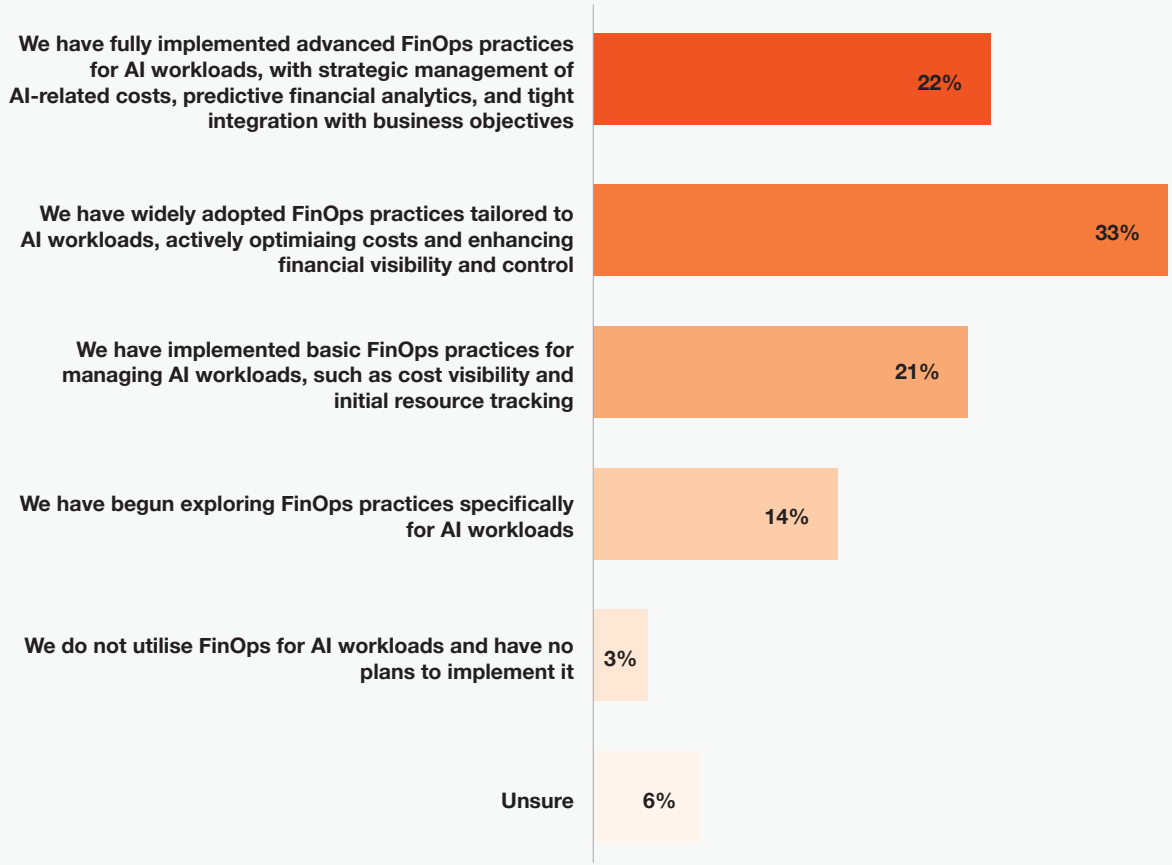
As AI adoption accelerates, managing its financial impact is becoming a strategic priority. Unlike traditional cloud workloads, AI introduces higher compute intensity, variable consumption patterns and more complex cost structures. Yet in the Middle East, advanced FinOps for AI remains nascent, even among large enterprises. Survey findings indicate:

Advanced FinOps for AI remains nascent, even among large enterprises, with only 27% of US$1bn+ organisations having fully implemented advanced FinOps practices for AI workloads, compared to 16% of smaller organisations.

Scale drives disciplined AI economics, as 67% of US$1bn+ organisations have widely or fully adopted FinOps practices tailored to AI workloads, versus 42% of organisations below US$1bn in revenue.

Figure 11.

Which of the following statements best describes your organisation's current adoption of FinOps practices for AI workloads?



08

Embedding sustainability into the cloud journey

Across the Middle East, organisations are moving beyond sustainability as a policy aspiration to making it a core design principle in cloud and AI strategies. Compared to EMEA peers, enterprises in the region are demonstrating stronger intent, faster adoption and deeper integration of sustainability considerations particularly around carbon reduction, responsible AI and resource efficiency.

45% of organisations in the Middle East say sustainability considerations significantly influence their choice of cloud provider, compared with just 35% in EMEA, highlighting the region's growing focus on environmentally responsible digital infrastructure. In the region, responsible AI design and deployment leads at 67% (compared to 55% in EMEA), followed by sustainable cloud and data infrastructure at 61% (compared to 58% in EMEA). Governance and ethical oversight reveal a particularly pronounced gap, with 59% of organisations in the Middle East implementing these measures, compared to 49% in EMEA (see Figure 12). Similarly, supplier and partner sustainability alignment and sovereign or localised data practices are more prevalent in the Middle East.

Organisations with higher levels of cloud maturity in the Middle East are more likely to embed sustainability into their cloud decisions. This trend becomes more pronounced at scale, as mature cloud environments enable more efficient use of resources, helping to reduce operating costs, meet rising regulatory and ESG expectations, and manage energy consumption more effectively as digital footprints expand. According to findings, 75% of organisations with high cloud maturity in region take 'Governance and ethical oversight' measure to ensure that the use of cloud technologies is in line with their sustainability objectives and supports responsible AI practices. In particular, organisations with revenues of US$1 billion or more show a stronger likelihood of being influenced by sustainability considerations in their cloud strategy and investment choices.

Survey findings also indicate:

66% of organisations in the Middle East are actively measuring and reducing their cloud carbon footprint across some or many parts of the organisation outpacing EMEA at 62%.

83% of Middle East organisations have either already addressed or plan to address sustainability and climate change within their cloud strategy in the next 12 months slightly ahead of EMEA at 82%).

55% strongly agree they have considered the impact on constrained resources such as water and energy when shaping their AI strategy (vs 40% in EMEA).

45% of Middle East organisations say sustainability considerations significantly influence their cloud provider selection (vs 35% in EMEA).

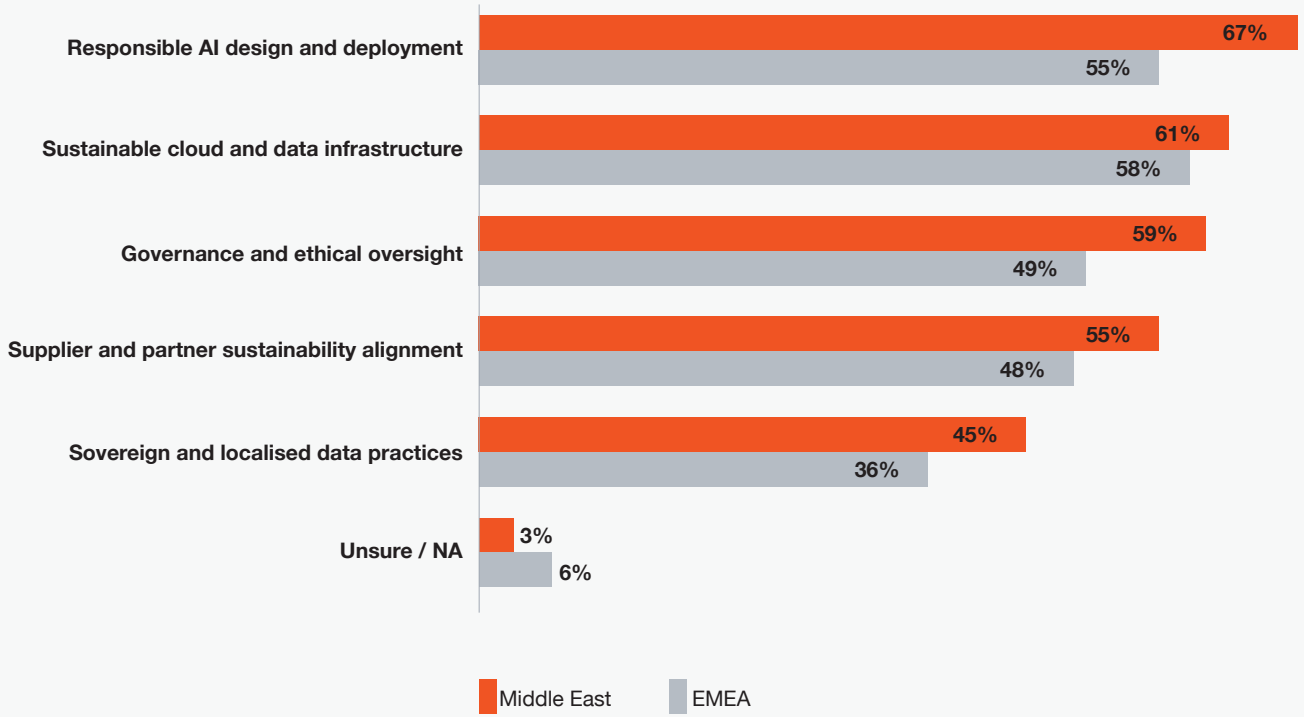
Key facts:

Organisations in the Middle East take additional measures than their peers in EMEA to ensure that the use of cloud technologies is in line with their sustainability objectives and supports responsible AI practices

75% of organisations with high maturity in the Middle East take 'Governance and ethical oversight' measure to ensure that the use of cloud technologies is in line with your sustainability objectives and supports responsible AI practices

Figure 12.

Which, if any, of the following measures does your organisation take to ensure that the use of cloud technologies is in line with your sustainability objectives and supports responsible AI practices?



09

Key trends

The analysis of survey responses across key Middle East markets such as Egypt, Qatar, Saudi Arabia and the United Arab Emirates reveals a set of key regional trends that shape the maturity and strategic priorities of organisations in the region. While the overall trajectory aligns closely with patterns observed across the broader regional population, several countries exhibit notable variances, either outperforming or falling below the regional average.

These deviations offer valuable insight into the distinct market dynamics, adoption levels, and organisational behaviours within each country.

Egypt

50%

of businesses and organisations in Egypt have **'Improved cyber posture'** among their top three priorities for the next 12 months, higher than 39% in the Middle East and 32% in EMEA.

17%

rank **customer experience** as their top cloud investment focus for the next 12 months, more than double the Middle East average of 8%.

30%

of organisations in Egypt have **addressed changes in the regulatory environment** in their respective cloud strategy, lower than 42% in the Middle East, 44% in EMEA).

Qatar

16%

identify the cloud operating model and the Cloud Centre of Excellence (CCoE) as their top priority for the next 12 months, more than double the Middle East average (7%) and four times the EMEA figure (4%).

42%

place cost savings among their top three priorities for the coming year, significantly higher than the Middle East (26%) and EMEA (32%) averages.

32%

are planning to implement cloud-based artificial intelligence and machine learning tools in the next 12 months, compared with 19% across the Middle East and 21% across EMEA.

54%

of organisations in Qatar have already addressed technology disruptions within their cloud strategy, ahead of both the Middle East (46%) and EMEA (44%).

Saudi Arabia

20%

of businesses and organisations in Saudi Arabia will increase their cloud budget over the next 12 months by 15% or more (13% in Middle East and 14% in EMEA).

13%

of respondents in the Kingdom have no internal barriers in achieving benefits from cloud (higher than 6% in both Middle East and EMEA).

97%

agree that they are well equipped in terms of its data architecture and data governance to leverage the value of AI (compared to 94% in Middle East, 84% in EMEA).

54%

have already started implementing and scaling Agentic AI (compared to 43% in Middle East and 29% in EMEA), with another 33% in the piloting and testing stage, and 12% in the exploring stage.

United Arab Emirates

26%

of organisations in UAE have 'Enterprise Data Platforms' among their top three priorities for the next 12 months (higher than 16% across Middle East and 15% across EMEA).

42%

of organisations in the UAE have 'simplified management and efficient integration of services and applications' among their top three reasons for currently using or planning to use a sovereign public cloud (higher than 32% across Middle East and 26% across EMEA).

79%

have already established FinOps practices (optimising cloud cost and usage) by improving cloud governance and monitoring, in some or many parts of their respective organisation (slightly higher than 74% across Middle East and 67% across EMEA).

10

What leaders should do now vs next

The Middle East is not only adopting cloud technologies but actively shaping how they are deployed. Organisations that embed sovereign-by-design cloud architectures, operationalise FinOps at scale, and combine modernised data platforms with responsible AI practices will be best positioned to drive the next phase of regional competitiveness.

To succeed in this evolving landscape, technology leaders must treat cloud as a strategic platform rather than simply as an infrastructure.

The following imperatives will shape the path forward:

Design adaptable architectures that enable innovation and scalability over time.

Reinforce sovereignty and trust to meet regulatory expectations and strengthen resilience.

Responsibly integrate agentic AI to enable the next phase of value creation.

Embed FinOps and governance disciplines to balance agility, cost efficiency and business outcomes.

What technology leaders can do **now:**

Establish the foundations

- Position cloud as core digital infrastructure and align performance metrics with business, customer, and resilience outcomes.
- Put in place clear governance for cloud, data, and digital platforms, with defined ownership at executive and board levels.
- Design architectures with sovereignty and regulatory requirements embedded by default, including workload segmentation and exit readiness.
- Institutionalise financial discipline by embedding cost transparency, allocation and accountability into technology delivery.
- Strengthen enterprise data foundations through modern platforms, governance and quality controls.
- Reinforce trust by enhancing security, risk management, and regulatory engagement across hybrid and multi-cloud environments.

What technology leaders can do **next:**

Scale with confidence

- Optimise cloud platforms to drive differentiated business capabilities, faster time to market, and ecosystem integration.
- Mature sovereign and multi-cloud capabilities to improve resilience, portability, and vendor risk management.
- Advance responsible automation and advanced analytics at scale, supported by robust oversight and transparency.
- Use predictive financial insights to anticipate demand, manage volatility, and maximise return on digital investment.
- Leverage trusted data platforms to enable real-time decision-making and advanced enterprise insights.
- Differentiate through trust by demonstrating control, transparency, and reliability to customers, partners, and regulators.

In the next few years, cloud, AI and sovereignty will converge to create a digitally empowered region. Organisations that seize this moment will unlock new competitive advantage, accelerate innovation and shape the Middle East's future digital economy.

About the survey

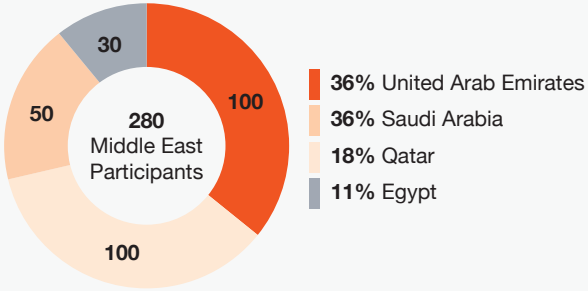
PwC surveyed 1,415 business and technology leaders across 26 territories within EMEA.

Almost half of the leaders (44%) are from companies with US$1 billion or more in revenue. Respondents operate in a range of industries, including industrial manufacturing and automotive (22%); financial services (21%); tech, media and telecom (18%); consumer markets (17%); energy, utilities and resources (10%); healthcare (8%); and government and public services (5%).
Respondents are based in 26 countries. The regional breakdown is Western Europe (54%), the Middle East (20%), Central and Eastern Europe (15%), and Africa (11%).
[pwc.co.uk/pwcresearch.html]PwC Research, PwC's Global Centre of Excellence for market research and insight, conducted this survey.

Methodology

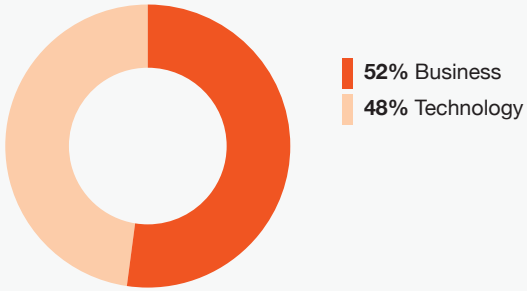
Region

PwC surveyed over 1,400 business and tech leaders across EMEA. 280 of which were from the Middle East, with the below coverage:



Job role

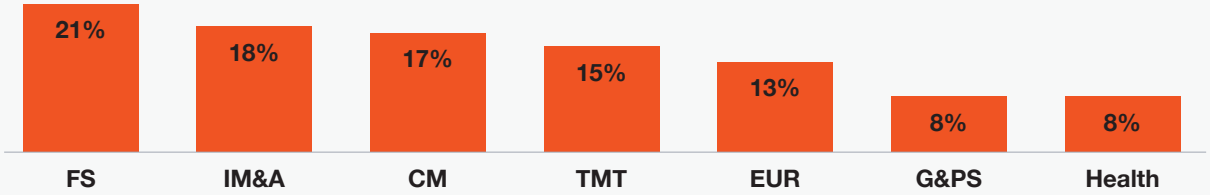
Almost equal representation across business and tech leaders from C-suite and director roles.



Revenue

Industries

Respondents were from public and private companies in seven major industries:



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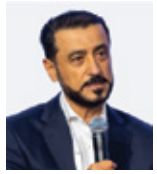

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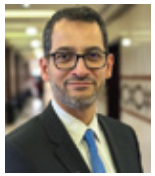

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Glossary

Public Cloud Providers
Global platforms such as Microsoft Azure, Google Cloud, Oracle Cloud, and AWS deliver scalable services across regions.

Managed Service Providers
Operate and optimise cloud environments, often built on hyperscaler infrastructure but tailored to customer needs.

Sovereign Public Cloud
Hyperscaler offering designed to meet national data sovereignty, regulatory, and security requirements, typically operated in-country, combining local compliance with global innovation.

Trusted Cloud / National Cloud
Locally owned cloud solution serving government and critical infrastructure with isolated, compliant setups.

Private Cloud
Dedicated, on-premises or hosted environment offering maximum control over data, security, and customisation, but lmited scalability.

Hybrid Cloud
Integrates public and private cloud environment, allowing data and applications to move seamlessly between them for flexibility, scalability, and regulatory compliance.

Hyperscalers
Large global cloud service providers that deliver massive-scale computing, storage, and advanced digital services such as AI and analytics.

Cloud Maturity
The extent to which an organisation has adopted, scaled, and optimised cloud technologies across its operations.

Multi-Cloud Strategy
The use of multiple cloud providers and deployment models to improve resilience, flexibility, and risk management.

Cloud Operating Model
The organisational structure, processes, and governance used to manage, operate, and scale cloud services across the enterprise.

Legacy Modernisation
The process of upgrading or re-architecting legacy IT systems to operate effectively in cloud environments.

Cloud-Native Applications
Applications designed and built specifically for cloud environments, using scalable, modular, and resilient architectures rather than being migrated from legacy systems.

Artificial Intelligence (AI)
Technologies that enable systems to perform tasks requiring human-like intelligence such as learning and decision-making.

Machine Learning (ML)
A subset of AI that enables systems to learn from data and improve performance without explicit programming.

Glossary

Generative AI (GenAI)
AI models capable of creating new content such as text, images, or code base on learned patterns.

Agentic AI
Advanced AI systems that can act autonomously, adapt to new information, and execute complex tasks with minimal human intervention.

Responsible AI
The design and deployment of AI systems in an ethical, transparent, and accountable manner.

Enterprise Data Platforms
Integrated data architectures that support analytics, AI workloads, governance, and enterprise-wide decision-making.

Digital Sovereignty / Data Sovereignty
The ability of governments and organisations to control their digital assets, infrastructure, and data in alignment with national laws and strategic priorities.

Data Localisation
Regulatory requirements mandating that certain data must be stored and processed within national borders.

Zero-Trust Architecture
A security model based on continuous verification, where no user or system is trusted by default.

Operational Resilience
An organisation's ability to continue delivering critical services during disruptions.

Disaster Recovery
Capabilities and processes that enable systems and data to be restored quickly after outages, cyber incidents, or major disruptions.

Vendor Lock-in
A situation where an organisation becomes overly dependent on a single cloud provider, making it difficult or costly to switch vendors.

FinOps
An operating model that integrates finance, technology, and business teams to manage and optimise cloud costs and value.

At PwC, we help clients build trust and reinvent so they can turn complexity into competitive advantage. We're a tech-forward, people-empowered network with more than 364,000 people in 136 countries and 137 territories. Across audit and assurance, tax and legal, deals and consulting, we help clients build, accelerate, and sustain momentum. Find out more at www.pwc.com.

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