The impact of **AI** on the enterprise sector with a focus on the **Middle East**

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An expert in digital product development, strategic sales growth, and bringing innovative technology solutions to the market, Mohamed Shatla is a seasoned executive with over 20 years of experience in the technology and telecommunications sectors. He has a proven track record of driving business transformation and leading large-scale international programmes.

Throughout his career, Mohamed has held key leadership roles in both multinational corporations and high-growth enterprises, culminating in a tenfold increase in sales revenue and robust local brand recognition. His ability to navigate complex challenges, foster collaboration, and deliver exceptional results has positioned him as a trusted leader in the industry. He also holds a Master's degree in Technology Management, and is enthusiastic about R&D activities and new product development.

As an angel investor and strategic thinker, Mohamed is committed to nurturing start-ups, mentoring emerging leaders, and contributing his expertise in digital transformation. As the Managing Partner at CloudingAI, Mohamed is passionate about harnessing the power of AI and cloud technologies to drive innovation and growth for evolving technological businesses in the region.

Tell us more about your company and the area of AI technology you specialise in.

At CloudingAI, our primary focus is on leveraging advanced AI technologies to drive transformative outcomes for our clients. One of our core specialisations is in Salesforce AI. We harness the power of Salesforce's AI capabilities, including EinsteinGPT, to create intelligent, data-driven solutions that empower businesses to optimise their operations, enhance customer engagement, and drive growth. It is essential always to preserve industry focus. As such, as an IT consultancy firm, not only do we customise solutions for specific needs, but we also guide our customers on prevailing trends within their market, ensuring that our development goes beyond tactical fixes to achieve long-lasting, future-proof impact.

In addition to our work with Salesforce AI, we take great pride in being regional pioneers in developing and deploying sovereign AI solutions, powered by SambaNova. This involves creating enterprise-wide models with advanced control over data security. With SambaNova, the model becomes the sole property of the customer, which is essential in safeguarding intellectual property and ensuring regulatory compliance. This approach allows our clients to maintain full control over their AI initiatives, aligning perfectly with the stringent demands of their industries and regions.

How have businesses in the Middle East been adopting AI technologies compared to other regions?

AI spending in the region is growing rapidly. As forecasted by IDC, AI spending in the Middle East and Africa is expected to witness a significant increase, with a projected compound annual growth rate (CAGR) of 29.7% through

2026, ultimately reaching $6.4 billion. This makes the Middle East one of the fastest-growing regions globally in terms of AI investment.

According to a 2023 survey by McKinsey, 62% of respondents in GCC report using AI in at least one business function in their organisations, with a significant lead by the retail and consumer goods sector. The power of AI-supported data mining to gain consumer insights is a significant driving force for its adoption in marketing strategies and decision-making.

The 2023 survey by McKinsey also revealed that 30% of the companies already have a clearly defined AI strategy and 35% of the companies have the technology infrastructure to support AI. As such, it has been identified that increasing AI adoption in the region requires support from senior leadership, linking the AI strategy to enterprise strategy, investing in AI talent, and making analytics user-friendly.

What is the current stance on AI regulation, and what are the latest advances in the Middle East?

Several GCC countries have already created a regulatory ecosystem for the safe and ethical development of AI. For example, in the UAE, AI regulation is primarily overseen by the Ministry of Artificial Intelligence, the Telecommunications and Digital Government Regulatory Authority (TDRA), and the National Cybersecurity Council, which focuses on ensuring ethical use, data protection, and cybersecurity. In Saudi Arabia, this area falls under the realm of the Saudi Data and Artificial Intelligence Authority (SDAIA), which is further supported by the National Cybersecurity Authority (NCA) and the Ministry of Communications and Information Technology (MCIT).

The introduction of sovereign AI systems will play a critical role in this context. By keeping AI development within the country, GCC nations can mitigate risks associated with international data breaches and cyber-attacks. State authorities can require system operators to pre-configure their servers in accordance with their regulations, ensuring that any development within this ecosystem will be compliant by default.

Currently, sovereign AI primarily benefits large enterprises that can afford on-site infrastructure. However, this is about to change. We are in discussions with several state-owned organizations regarding the development of dedicated AI centres for local use. This initiative will enable SMEs to develop cloud-based AI models based on local fully compliant infrastructure.

Which trends will define the development of AI in the near future?

One of the most significant trends is the increasing emphasis on AI governance and ethical AI. As AI technologies become more pervasive, ensuring that they are used responsibly and ethically will be crucial. This includes developing frameworks for transparency, accountability, and bias reduction.

Another trend is the convergence of AI with other emerging technologies like quantum computing, blockchain, and edge computing. This integration will unlock new capabilities, enabling more powerful, secure, and efficient AI solutions.

AI-driven automation will continue to expand, particularly in industries such as healthcare, finance, and manufacturing. This trend is driven by the need for increased efficiency and the ability to process and analyse large datasets in real-time, leading to more informed decision-making.

Moreover, personalized AI experiences will become more prevalent as businesses strive to offer highly tailored services to their customers. AI will play a critical role in understanding consumer behaviour and preferences, leading to more engaging and relevant user experiences.

What advice would you give to business leaders who are considering integrating AI into their operations?

It's crucial to align AI initiatives with your core business objectives. Start by identifying specific business problems that AI can solve. This alignment not only clarifies the purpose of AI within your organization, but also helps to measure its impact. It's important to involve key stakeholders early in the process to map out internal processes and ensure a future-proof data pipeline.

As the ancient Romans would say, "Make haste slowly." AI is here to stay. Hence, any such initiatives should be made with a must-have ramp-up plan for the near future.