



UNLOCKING THE NORDICS' AI POTENTIAL 2026

The next wave of AI is here

AI adoption across the Nordics is accelerating quickly. Yet the region now sits just below the European average – a notable shift for the region, which has long been associated with leading digital adoption. While businesses are already seeing measurable benefits from AI, the deeper story is one of uneven progress.

Among AI adopters, **79%** report that innovation timelines have accelerated over the past two years, rising to **93%** of startups, with AI identified as the primary driver of this change. Nordic businesses that adopt AI also tend to deploy it more deeply than their European counterparts. But this strength among leading firms masks a broader challenge: most businesses remain at the earliest stages of AI use, and the gap between frontrunners and the mainstream is widening.

The region already has strong digital foundations. **73%** of businesses have adopted cloud technologies, creating a robust base for scaling AI. Yet this infrastructure has not fully translated into widespread AI deployment, suggesting significant untapped potential for businesses to build on existing digital capabilities.

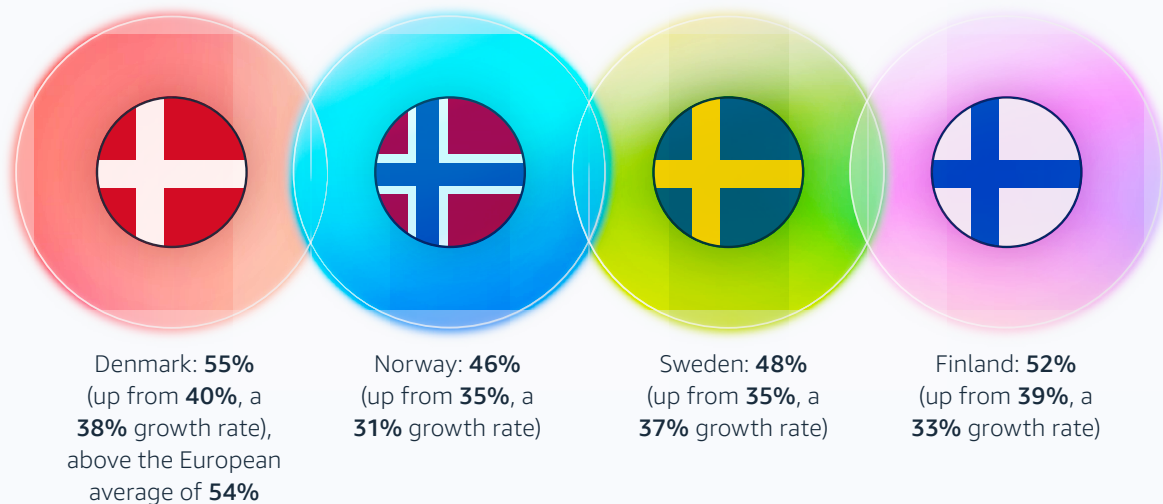
The urgency extends beyond adoption among established businesses. The Nordics are home to world-class AI startups, yet more than three in ten say they would consider relocating outside Europe in search of faster scaling, greater access to capital, and more predictable regulatory environments. Startups in the Nordics consistently emerge as leaders – demonstrating that the region is a hub for starting innovative businesses, but it now must become a hub to stay and scale.

The opportunity for the Nordics is clear: to convert rising adoption into broad-based AI transformation across sectors, regions and businesses of all sizes. Achieving this will require the right conditions for scale – including stronger skills pipelines, improved funding pathways, streamlined regulation, and a pragmatic approach to digital sovereignty that preserves openness, flexibility and access to global technologies.

Key findings

- AI adoption in the Nordics is continuing to increase, with **50%** of businesses having adopted AI, up from **37%** last year. This is a year-on-year growth rate of **35%**, a significant acceleration from the **18%** growth recorded last year and above the European growth rate of **29%**.

AI adoption is strong across the region:



- AI is becoming a strategic priority for most businesses: **65%** say adoption is a top or high priority and **59%** say it plays an important role in their overall business strategy.
- AI is already delivering value: **76%** of adopters report productivity gains and **87%** expect AI to increase their growth in the next year.
- AI is speeding up innovation cycles: **79%** of AI adopters say their innovation timelines have accelerated in the past two years.
- A smaller group of firms are moving toward transformation with AI's most advanced use cases: **28%** of AI adopters are deploying advanced or transformative AI use cases (up from **24%** last year). At the current year-on-year growth rate, it would take until 2030 for half of Nordic AI-adopting businesses to reach advanced AI adoption.
- Businesses value choice in the AI landscape: **89%** of businesses say access to global technology companies is important for their AI adoption.
- Readiness for the next wave of AI remains low: only **21%** of businesses feel fully or very ready to adopt next-generation AI technologies such as agentic AI.
- The region risks losing high-growth startups: **35%** of Nordic startups say they would consider leaving Europe to scale their business.



A growing digital divide: Many businesses are not using advanced AI tools

Looking deeper into how businesses are implementing AI — from initial experimentation to full transformation — we see many organisations remain at basic levels of AI adoption:

Basic adoption

54% of Nordic businesses remain at the most basic stage of AI adoption, a rise from **50%** last year. Public Administration & Defence remains the most concentrated at the most basic stage of AI adoption (**67%**), followed by Retail & Wholesale (**61%**) and Construction (**59%**). These businesses are using publicly available chatbots for routine tasks or purchasing ready-made AI solutions.

Intermediate adoption

17% have advanced to the intermediate stage of AI adoption. These companies are integrating AI across multiple business functions, resulting in efficiency improvements and more innovative customer experiences.

Transformative Adoption

28% of AI-adopting businesses are using AI's most advanced use cases, where they are combining multiple models, creating custom AI systems, or deploying agentic or autonomous AI, up from **24%** last year. The Information & Communication industry leads the way in terms of advanced AI use (**40%**), followed by Energy & Utilities (**36%**) and Manufacturing (**32%**). This is where the real productivity value concentrates – and with it, driving growth and competitiveness. Transformational AI is not only about doing existing work faster; it enables new products and services, new routes to market, and new operating models. This figure is consistent across the region: **30%** advanced AI adoption in Denmark, **28%** in Finland, **27%** in Norway, and **26%** in Sweden.

At the current pace of year-on-year growth it would take until 2030 for half of the Nordics' AI-adopting businesses to reach this level of advanced AI use. Despite this, growth in advanced AI adoption is considerably outpacing the European average. Advanced adoption in the Nordics grew from **24%** to **28%** in the last year (a **17%** year-on-year increase) - higher than the overall European growth rate of **5%** (from **21%** to **22%**). This demonstrates that the Nordics are building strong momentum toward harnessing AI for transformation

However, the story is one of both momentum and risk. The simultaneous rise in both advanced AI use and basic-stage adoption highlights a key challenge: the Nordic AI ecosystem is progressing, but unevenly. While a leading group of firms are rapidly advancing toward transformative AI applications, a large share of businesses have yet to move beyond incremental gains and pilot projects. Only a third (**34%**) of all Nordic businesses report having a full and comprehensive AI strategy – an important step to translating pilot projects with AI into transformative uses with the technology.

With next-generation AI tools emerging rapidly and crunching innovation timelines, it is increasingly important to support businesses at every stage of the adoption journey. Both new adopters and more experienced users must be empowered to progress beyond basic use cases and scale toward advanced, transformative AI deployment.

Case study: Paebbl



Co-founded by Marta Sjögren and Andreas Saari, [Paebbl](#) is a Swedish–Dutch industrial resilience startup making the built environment more future-proof by permanently converting CO₂ into a carbon-negative building material. Concrete is the backbone of our cities - the most used man-made material on the planet - but cement production is one of the world's biggest carbon emitters, energy-intensive by nature, and increasingly exposed to price shocks and supply chain fragility. Paebbl is on a mission to flip that narrative, turning the problem into the solution, at an unprecedented pace.

Paebbl's core technology accelerates the natural process in which minerals absorb CO₂ - a reaction that would traditionally unfold over millions of years - down to under a couple of hours inside a chemical reactor. Each ton of Paebbl's Supplementary Cementitious Material (SCM) permanently stores up to 220 kilos of CO₂, locking it away in solid, stable rock and transforming concrete into a vast carbon store. With its first commercial plant targeted for 2028 and ambitions to scale to over a million tons of material annually shortly thereafter, Paebbl is moving fast, having already achieved a 2,500x scale-up in just three years.

AWS is central to that speed. Bringing a technology from laboratory to real-world factories demands intensive computation, simulation, and modelling. Paebbl runs this on AWS cloud infrastructure, combined with AI. AWS's systems support a range of critical functions, from building digital models of industrial equipment to conducting product lifecycle analysis that validates the material's carbon-negative credentials.

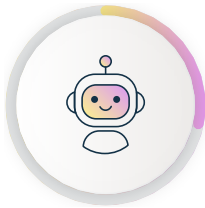
Paebbl has made significant use of AWS IoT to seamlessly connect data from its lab and pilot plants, making it rapidly available for analysis and feeding a continuous improvement loop across its engineering and product teams. Amazon Bedrock has allowed the firm to build a unified knowledge base from lab reports, analysis papers, engineering designs, and process data - with AI agents being developed on top of this to further accelerate decision-making and build a knowledge flywheel. By handling the analytical heavy lifting in the background, it frees Paebbl's team to focus on what matters: moving faster.

But AWS isn't just a technology partner. It was also the first to pilot Paebbl's carbon-storing material in the construction of a data centre in Spain, and joined a growing roster of leading companies pushing to make built infrastructure more resilient. That combination of cloud infrastructure and real-world product offtake makes AWS a uniquely aligned partner in Paebbl's mission.

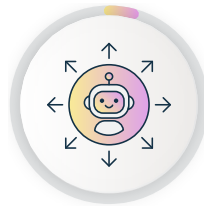
The next wave of AI could widen this divide if businesses remain unprepared

Next-generation AI technologies – such as agentic AI, physical AI, and advanced robotics – will play a defining role in the next phase of AI-driven innovation. These technologies move beyond traditional AI tools by enabling systems to plan, reason, and take actions autonomously across complex tasks. As these capabilities mature, they have the potential to reshape industries, accelerate innovation cycles, and unlock entirely new business models.

However, the data suggests that while awareness is beginning to grow, most organisations are still some distance from deploying these technologies in practice:



Nearly three in ten businesses (**29%**) say they have heard of agentic AI, above the European average of **24%**.

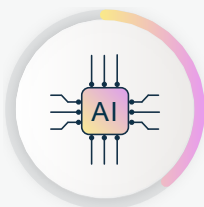


Of those who are familiar with the technology, only **4%** report that they have fully deployed agentic AI, while a further **13%** are experimenting or piloting the technology

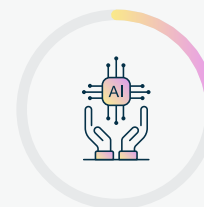


When the technology was explained, a further **56%** say they have plans to use agentic AI or are considering it, while **15%** say they have no plans to adopt it.

The majority of businesses do not feel ready to adopt these emerging technologies, but startups emerge as a bright spot:



Only **21%** of businesses say they feel fully or very ready to adopt next-generation AI technologies such as agentic AI – contrasted by the **81%** of startups who report they are ready.



39% of all businesses say they are only somewhat ready, and **32%** say they are slightly ready or not ready at all.

Those that have adopted agentic AI are realising benefits across their business: **45%** report faster decision-making and execution, **34%** report increased operational efficiency or productivity, and **23%** report improved scalability of operations.

Businesses point to persistent constraints that prevent them from moving from shallow adoption to deeper transformation, and from readiness to real deployment: **37%** cite skills shortages, **27%** cite insufficient internal financial resources, and **25%** cite legal uncertainty arising from AI and digital regulation.

Unless these barriers are addressed, the next wave of AI innovation risks reinforcing the emergence of a two-tier AI economy – where a small group of early adopters rapidly deploy advanced capabilities while the majority of organisations remain in earlier stages of experimentation.

Businesses value choice and flexibility in the AI and cloud landscape

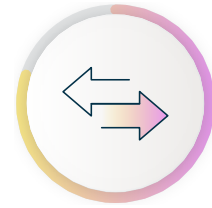
Businesses consistently emphasise the importance of access to global technology providers, particularly as they seek to innovate and scale beyond domestic markets. For most firms, sovereignty is understood in practical, operational and technical terms, defined by choice: not as ownership of every layer of the value chain, but as the ability to access best-in-class technologies, scale across borders and maintain choice and flexibility based on customer needs.



89% of businesses say access to global technology companies is important for their AI adoption.



90% say access is important for innovation, and **92%** for scaling quickly.



80% say the ability to choose and switch between AI technology providers is important for their adoption of AI.

This suggests that competitiveness, not ownership, is the primary lens through which businesses evaluate technology ecosystems.

Sovereignty should enable competitiveness, not constrain it

Debates around sovereignty and strategic autonomy are intensifying across the Nordics and Europe. The critical question is not whether to pursue sovereignty, but how to ensure it is strengthening innovation and competition rather than limiting both.

When selecting tools and technologies, businesses consistently report that their priorities are speed, scalability, resilience, and security. In practice, this means organisations prioritise solutions that meet the needs of their customers and support rapid growth, rather than focusing primarily on the geographic origin of a technology provider.

As a result, rather than relying exclusively on domestic providers, companies typically combine services from multiple technology providers regardless of whether they are based in the Nordics, in Europe, or elsewhere, selecting platforms and tools based on capability, performance, and compatibility with existing systems.



82% of businesses say they have adequate choice to select and switch between different providers of AI technologies.



85% report that they currently use a mix of providers from different regions, rather than working primarily with providers from their home country.

For businesses that use technology from providers based outside their home country, the top reasons for this are a wider range of features or product offerings (**53%**), more competitive pricing or favourable commercial terms (**51%**) and better scalability, performance or integration options (**49%**).

Data also suggests a limited appetite for sovereignty strategies that increase cost without clear competitiveness outcomes. While public investment in European infrastructure can play an important role, particularly in building research, skills, and strategic capacity, businesses appear cautious about investments that would raise costs without delivering greater capability: Only **11%** believe that greater public investment in Europe-based AI and cloud infrastructure should be a priority – suggesting that businesses view digital sovereignty less as a question of strict technological ownership and more as the ability to build competitive capabilities, maintain high standards of trust and security, and ensure access to advanced digital technologies that support innovation and economic growth.



The Nordics risk losing their leaders

Even as startups lead the charge on not just adopting, but integrating AI, this widening gap is now beginning to reshape the Nordic region's ability to retain these advanced innovators. The high-potential AI startups that the Nordics incubates are growing fast and quickly running into scaling constraints. The faster a startup moves, the sooner it encounters such barriers that raise the cost of growth. This raises the question of whether these Nordic-founded startups can scale at home or will be forced to look abroad for better growth conditions and incentives.

The priority is therefore to turn the Nordics into an environment where scaling is as straightforward as starting. Without rapid action to remove scaling barriers, the region risks becoming a launchpad for innovation rather than a home for global technology champions.

As highlighted in last year's report, the Nordic AI startup ecosystem is one of its strongest assets – one that needs to be nurtured. Founder flight is no longer a distant concern, but a real and growing risk. A significant share of startups report that they would consider relocating in pursuit of faster scaling, greater access to capital, and deeper global markets.

A substantial share of startups are open to relocating to secure faster growth:



35% of Nordic startups say they would consider leaving Europe to scale their business. **40%** say they would not consider leaving, while **25%** are unsure.



Of those who said they would consider leaving Europe, the most cited destinations are the United States (**58%**) and Singapore (**22%**).

This should be treated as an early warning signal. If even a third of high-growth startups are considering relocation, the Nordics risk losing the companies that will define the next generation of global technology leaders.

When asked why they would consider leaving Europe, startups consistently point to their ability to grow and scale. The top five reasons are:

- **1. Greater availability of funding (58%).**
- **2. Faster ability to scale internationally (53%).**
- **3. Better access to global markets (49%).**
- **4. Lower operational costs (46%).**
- **5. More favourable or predictable regulation (43%).**

These findings reinforce a central theme of this year's report: in an accelerated innovation cycle, the global AI landscape is increasingly shaped by speed – and founders will follow the pathways that reduce friction and shorten time-to-market.

Founder flight is not inevitable. Startups are clear about what would make Europe a more attractive environment for scaling. Among startups that say they would consider relocating, the following factors would encourage them to stay:

- **1. Strong access to European customers and markets (45%).**
- **2. Strong ties to local ecosystems (partners, universities, accelerators) (42%).**
- **3. Favourable or well-understood regulatory environments (40%).**
- **4. The availability of venture and growth funding (38%).**
- **5. A predictable and stable policy environment (34%).**

These levers align with a broader competitiveness agenda: where the Nordics becomes both a great place to start a business, and a great place to scale. The message from founders is clear: the Nordics already excel at creating startups – the next challenge is ensuring they can scale globally without leaving the region. If policymakers want the Nordics to produce the next generation of global AI leaders, scaling conditions must improve now, before today's startups make tomorrow's relocation decisions.



Tackling barriers to deeper AI adoption

While the region is moving fast, several barriers and structural challenges must be addressed to ensure that momentum translates into broad-based, sustainable growth.

1. Increasing regulatory compliance costs

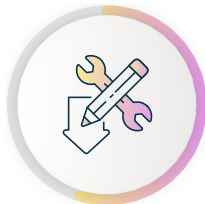
Businesses report that even where adoption is advancing, scaling AI internationally introduces legal complexity, higher compliance costs, and operational friction, particularly for firms operating across multiple markets and regulatory environments.

Despite EU's simplification efforts, businesses report that this scaling friction is compounded by the broader compliance burden they already face as they navigate regulatory fragmentation:

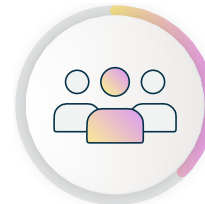
- Businesses estimate that **44%** of their total tech spend goes toward compliance with national and international regulations. This is compared to **43%** last year and the European average of **42%**.
- When asked what makes up this **44%**, **49%** of businesses cite relationship management with supervisors and responsible government authorities, followed by legal consultations or external advisory services (**46%**), and employee training on compliance requirements (**37%**). These figures are broadly consistent with the European averages.
- **84%** say compliance costs have increased over the past three years, and **81%** expect these costs to rise further over the next three. Across Europe, **81%** report rising costs and **80%** expect further increases.

2. Access to a skilled workforce and finance pathways

Skills shortages remain a major structural constraint on the adoption and expansion of AI. Deploying AI solutions at scale often requires sustained investment not only in infrastructure and data systems, but also in talent and organisational capabilities. However, many businesses report that they lack the internal resources required to move from experimentation to full deployment.



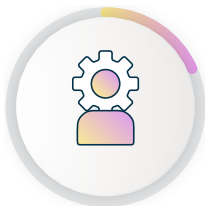
55% cite shortages of AI and digital skills as a barrier to adopting or expanding AI, significantly higher than the European average of **45%**.



39% cite insufficient internal workforce capacity.

The skills businesses most commonly identified as lacking in their workforce are advanced IT skills and programming (**48%**), artificial intelligence and machine learning basics (**44%**), and understanding and applying digital security practices (**39%**).

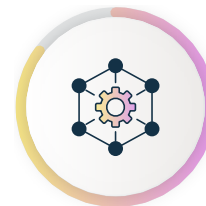
These challenges are reflected in businesses' self-assessment of capability. Only a minority report having a strong AI skillset today, while most say their skills need improvement:



Only **18%** say they currently have a strong AI skillset.



52% say they have some AI skills but need improvement, and **24%** say they are only just beginning to develop AI skills.



85% expect AI skills to be important in their industry over the next five years.

The technical roles that businesses feel will be more important in the next five years are: software developer (**62%**), solutions architect (**50%**), and data governance or privacy officer (**46%**).

Access to finance remains the second structural constraint. Many businesses report that they lack dedicated AI budgets, and those that do often allocate only a small share of IT spend toward AI – limiting their ability to move beyond pilots and narrow use cases:



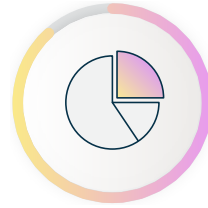
30% cite insufficient internal financial resources as a barrier to adopting or expanding AI.



24% cite unclear ROI or an unclear business case as a barrier.



40% say they do not have a dedicated AI budget.



88% expect AI to take a larger share of IT spend over the next three years, predicting it to rise to **26%** of their total IT budget.

Together, these findings suggest that while businesses recognise the strategic importance of AI capabilities, many organisations remain at an early stage of building the internal expertise required to deploy AI at scale.

3. Innovation without incentives

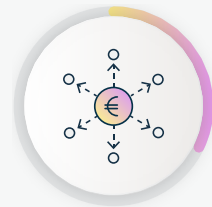
Businesses report that limited external support, weak demand signals, and complex procurement processes make it harder to justify the risk and investment required to scale AI across operations or develop new AI-driven products.



64% say government support, such as grants and tax incentives, is crucial or very important in their decision to adopt AI.



21% say a lack of incentives or external support discourages investment in AI.



32% say other business priorities take precedence over AI investment.

Public sector demand also has the potential to accelerate the diffusion of AI technologies across the economy. Governments can act as early adopters and large-scale customers for AI solutions, creating opportunities for businesses to develop and deploy innovative technologies. However, businesses report that accessing these opportunities is often challenging: **40%** cite complex or slow public procurement processes as a challenge to scaling AI solutions.

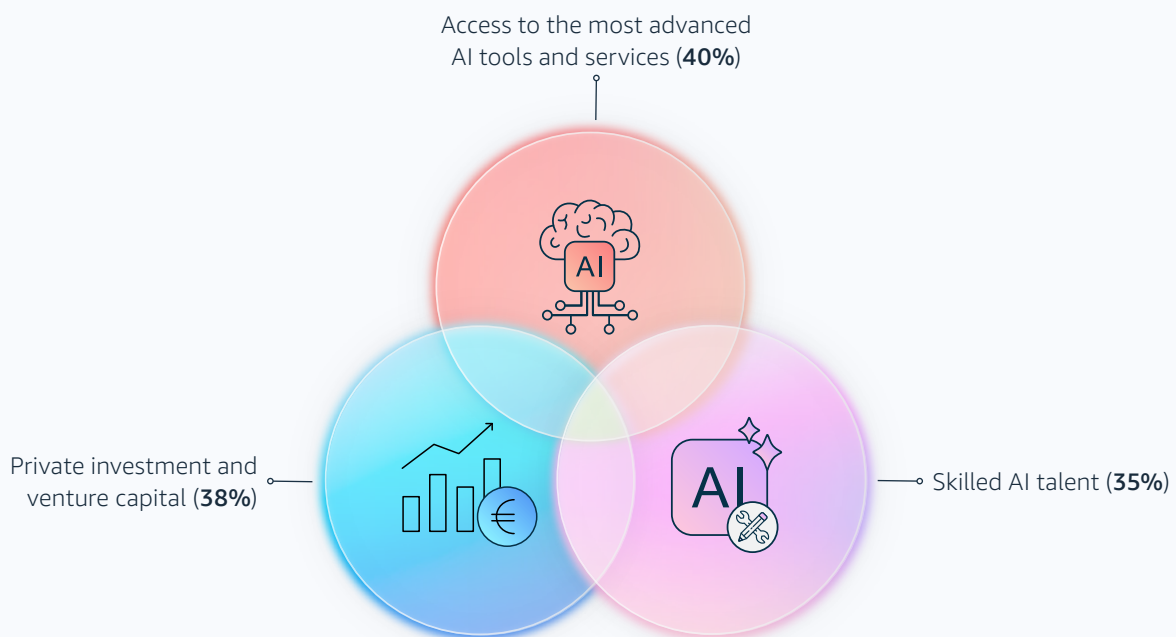
If these barriers persist, the region risks missing its window of competitiveness just as global AI capabilities accelerate.



Recommendations: Unlocking the Nordics' AI future

1. Maintain access to global technology providers

The Nordics are not starting from zero. The region already has many of the foundations needed to compete in an accelerated AI era. When asked what matters most for supporting growth in their business and industry, Nordic businesses point to three priorities:



Businesses are also broadly confident in Europe's foundations for innovation. **79%** agree that Europe has the infrastructure and ecosystem needed to scale globally, while **75%** view Europe as highly or somewhat competitive as a global hub for AI and innovation.

At the same time, companies are clear that maintaining access to global technology providers will be critical to realising this potential. **90%** of businesses say access to global technology companies is important for innovation, and **89%** say it is important for AI adoption. Maintaining access and preserving open, competitive ecosystems that allow businesses to adopt the best available technologies will be critical to realising this potential.

For Nordic businesses, access to best-in-class global AI tools is foundational to innovation and scale. Sovereignty strategies should therefore reinforce resilience and capability without restricting interoperability, choice, or cross-border collaboration.

The region has the foundations for success. The challenge now is to scale what works – ensuring that access to world-leading technologies enables AI innovation to spread beyond a small group of firms and across the wider economy.

2. The simplification agenda must become an urgent priority

Rising compliance costs – now absorbing 44% of tech spend – underscore the urgency of Europe's simplification agenda. Regulatory clarity and cross-border consistency are essential to ensure capital is directed toward innovation and scaling, rather than administrative burden. Simplifying regulatory frameworks and reducing fragmentation across the Single Market would strengthen competitiveness and free up resources for AI deployment.

This will direct funding and support where it is most needed, while ensuring that this wave of transformation includes citizens and the public sector.

3. Strengthen skills and scale the Single Market for AI

Nordic businesses consistently report that skills shortages are holding back deeper AI adoption. Governments and businesses must work together to close this gap and equip citizens – both those already in work and the workforce of the future – with the capabilities needed to succeed in an AI-enabled economy.

At the same time, Europe's competitiveness will depend on maintaining an open environment for innovation, investment and global collaboration. A strong and sustainable Single Market will be critical to providing the scale, predictability and openness needed to attract investment, stimulate innovation and support businesses as they grow.

Strengthening skills while deepening the Single Market will help ensure that AI-driven transformation benefits businesses of all sizes – and that the Nordics remain not only a strong place to start companies, but also a competitive place to scale.

The window for AI transformation is narrowing – the Nordics must act to translate adoption into impact

The Nordics enter the next phase of AI adoption with strong foundations and growing momentum. Adoption is accelerating across the region, businesses are already reporting measurable productivity and innovation gains, and Nordic firms that deploy AI often go deeper than their European peers. Yet this progress also reveals an emerging challenge. Too many organisations remain at the earliest stages of deployment, advanced AI use is still limited across much of the economy, and readiness for the next generation of AI technologies remains low outside a small group of frontrunners. As innovation cycles compress and AI capabilities evolve rapidly, the gap between basic adoption and transformative use risks widening further.

The challenge for the Nordics is therefore not simply to increase the number of businesses using AI, but to ensure that adoption translates into deeper, economy-wide transformation. That will require addressing the structural barriers that continue to slow progress: rising compliance costs that limit investment in innovation, persistent shortages of AI and digital skills, and scaling constraints that risk pushing high-growth startups to expand elsewhere. At the same time, policymakers must preserve open and competitive technology landscapes that give businesses access to the best global tools and partners.

With the right conditions in place – stronger skills pipelines, clearer and simpler regulation, improved pathways for scaling startups, and continued openness to global innovation – the Nordics can convert today's momentum into broad-based transformation and ensure the next wave of AI strengthens productivity, competitiveness and growth across the entire economy.



Appendix

Methodology

The fieldwork for this study was undertaken by Strand Partners' research team for Amazon Web Services. This research has followed the guidance set forth by the UK Market Research Society and ESOMAR. For the purposes of this study, business leaders are defined as founders, CEOs, or members of the C-suite in organisations.

'Citizens' are nationally representative members of the public based on the latest available census.

For inquiries regarding our methodology, please direct your questions to: polling@strandpartners.com

In the Nordics:

- We conducted a survey targeting 1,000 nationally representative members of the public, ensuring representation based on age, gender, and NUTS 1 region in each of the following: Norway, Sweden, Finland, and Denmark, for a total sample size of 4,000 businesses.
- Additionally, we surveyed 1,000 business leaders, representative by their business size, sector, and NUTS 1 region: Norway, Sweden, Finland, and Denmark, for a total sample size of 4,000 citizens.

Sampling:

Our sampling process used a mix of online panels that are recognised for their validity and reliability. These panels are carefully curated to ensure diverse representation across various demographics. For the business leaders, the panels are selected with a consideration for organisational size, sector, and position within the company. Our objective with the sampling strategy is to achieve an optimal mix that mirrors the actual distribution of our target populations in the respective markets.

Weighting Techniques:

Post-data collection, we applied iterative proportional weight to correct any discrepancies or over-representations in the sample.

Survey:

This study was designed with the objective of delving deep into the digital landscape:

- Usage Patterns: This survey gauges the evolving patterns of digital technology usage. We are particularly interested in examining the adoption and implementation levels of technologies, focusing on cloud computing and artificial intelligence.
- Perceptions and Attitudes: The survey seeks to unearth the prevailing perceptions and attitudes towards digital technologies, understanding the perceived benefits, challenges, and potential ramifications of both present and emerging tech solutions.
- Barriers and Opportunities: The survey scrutinises the predicted challenges and potential avenues that both businesses and individuals anticipate on their digital trajectory. This involves pinpointing challenges, from skill deficits to regulatory complications, and recognising opportunities for growth, innovation, and market development.
- Size of the Prize': The survey shed light on the economic repercussions and growth prospects linked with digital transformation. By elucidating the 'size of the prize', we aspire to stress the importance of digital transformation and foster further investments and technology adoption.