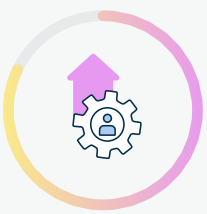
UNLOCKING SWITZERLAND'S AI POTENTIAL 2025

Introduction

Over halfway through the decade, Switzerland finds itself at a crucial turning point in its digital transformation, with the adoption of artificial intelligence (AI)[1] among businesses accelerating at an extraordinary rate. The nation's overall business adoption rate stands at **46%**, up from **31%** last year - exceeding the average European adoption rate of **42%**. This represents a striking **48%** year-on-year growth rate – one of the highest in Europe and outpacing the European average of **27%**. This rapid adoption signals a promising trajectory for Switzerland's economic growth and AI innovation, reflecting strong momentum in the nation's broader digital transformation. Adopters are seeing clear benefits:



Eight in ten (**82%**) Swiss businesses that have adopted AI have seen transformative or significant productivity gains

A further **93%** of Swiss businesses report an increase in revenue, at an average increase of **35%**.

Startups are on the cutting edge of AI innovation, both in Switzerland and among its European neighbours; **65%** of Swiss startups have launched new AI-driven products or services, compared to only **23%** of Swiss large businesses and **51%** of all startups across Europe.[2] This entrepreneurial dynamism highlights the country's innovation capacity and the key role of emerging companies in driving AI progress.

Despite this momentum and the clear benefits of AI, businesses cite significant barriers to adoption, particularly when it comes to the cost of compliance.

Currently, Swiss businesses allocate **47%** of their tech spend to compliance with national and international regulations, above the European average of **40%**.

83% of Swiss businesses expect this figure to increase over the next three years.

Aside from compliance, the skills gap may risk slowing momentum: **58%** of Swiss businesses say that the level of skills in their workforce is hindering innovation.

These barriers risk constraining businesses' capacity to invest in innovation and scale transformative AI solutions.

As a result of persistent barriers, many businesses in Switzerland have yet to convert initial uses of AI into long-term strategies and transformational use. **62%** of businesses nationwide continue to use AI primarily for basic functions, but are yet to translate these applications into transformative innovations or develop long-term strategies to fully integrate the technology.

The Swiss government is already taking steps to lay out a clear road map to digitalisation and ensure legal certainty. The Digital Switzerland 2025 strategy looks to capitalise on the momentum behind AI adoption, prioritising innovation while ensuring that basic rights, democracy, and the rule of law are protected. The strategy is a collaborative initiative involving federal authorities, civil society, businesses, academia, and political stakeholders. AI is a central pillar of the strategy, which aims to enhance innovation, boost competitiveness, and promote AI integration within government, while at the same time providing the clarity businesses require for successful adoption.

Importantly, the Swiss government has adopted a measured approach to AI regulation. The Federal Council concluded that, while AI's evolution must be closely monitored across public and private sectors, immediate regulation is not necessary. Instead, a public consultation is planned for late 2028, with the goal of establishing clear, innovation-friendly regulatory frameworks. Given that businesses already dedicate nearly half (**47%**) of their tech budgets to compliance, this approach presents an opportunity to avoid excessive regulatory burdens and build on momentum in digital investment.

While Switzerland has made remarkable progress, the journey toward realising the full benefits of AI is still in its initial stages. Currently, **62%** of businesses are still using AI primarily for basic tasks, such as automation of routine processes, without yet translating these capabilities into deeper innovation or business transformation. To sustain its leading position, Switzerland must move beyond initial adoption toward strategic, long-term integration of AI across industries.

Key findings from this study

- In Switzerland, AI adoption is widespread and accelerating, with **46%** of businesses now consistently using AI, up from **31%** last year. The percentage of Swiss companies using AI has grown at an impressive rate of **48%** in just one year. This is one of the highest rates of growth in AI adoption across Europe, and outpaces the mobile phone revolution in the 2000s.[3]
- Over 280,000 businesses in Switzerland now use AI.[4]
- **93%** of businesses who have adopted the technology report increased revenue due to AI, with an average growth of **35%**, demonstrating AI's tangible impact on performance.
- Despite momentum, businesses report various barriers to adoption, including the cost of compliance and the skills gap – **58%** of Swiss businesses say that the lack of skills in their workforce is hindering innovation.
- Startups are on the cutting edge of AI innovation: **65%** of Swiss startups have launched a new AI-driven product, compared to only **23%** of large businesses and **19%** of SMEs.

The growing digital divide

Rising adoption numbers mask a deeper challenge when examining the full spectrum of adoption, from initial experimentation to full transformative implementation. While AI uptake has been rapid in the last year, many businesses remain at the most basic stage of AI adoption:

Stage 1

62% are at this stage, exploring AI: These businesses are in the early stage of AI adoption, primarily using off-the-shelf AI tools from external providers. Here, they focus on straightforward applications like scheduling assistants and image recognition, rather than broader and deeper transformation across their organisation.

Stage 2

17% are integrating AI throughout their products and services: At this stage, businesses are beginning to move beyond implementing basic AI adoption and are integrating the technology into broader business functions (such as delivering personalised recommendations via websites or creating personalised features in apps) to enhance efficiencies and improve customer engagement in their operations and services.

Stage 3

20% are transforming with AI: At this most advanced stage of AI adoption, businesses are using AI not only to improve efficiencies, but also as a fundamental pillar of their strategy. Businesses at this level are combining multiple AI systems for complex tasks (such as integrating multiple AI models for predictive analytics or combining Natural Language Processing and visual models to create multimedia content), and seeing great productivity and efficiency gains as a result.

These findings highlight that while overall AI adoption is growing quickly, the majority of businesses in Switzerland remain at the early stages of use, primarily experimenting with basic tools. This underscores a significant opportunity to support deeper AI integration and strategic transformation through targeted investment, skills development, and clearer guidance from the government.

Over eight in ten (**81%**) Swiss businesses believe AI will transform their industry in the next five years. Enabling the progression from early-stage AI use to advanced, strategic AI adoption will be critical to realising this transformation at scale.

Swiss startups are pioneering transformative innovation

Startups in Switzerland are at the forefront of this transformation. They aren't just using AI, they're building entirely new products and business models around it that would have been impossible just years ago. Nearly a third (**30%**) have progressed to the most advanced stage of AI use, compared to **26%** of startups across Europe. At this level, they are developing their own AI systems or integrating multiple models and tools to solve complex, high-value tasks – signalling a strategic commitment to AI-driven innovation. Even beyond this subset of successful startups, many are taking the necessary steps to innovate with AI:

65% of startups are launching new AI-driven products or services.

52% of startups are leveraging AI for their research and development, including innovation labs.

67% of startups employ AI-specific talent, showcasing a willingness to build in-house AI capabilities for innovation.

This accelerating momentum is creating a clear divide – an emerging 'two-tier' AI economy – where agile startups are advancing rapidly, while many larger enterprises risk falling behind in depth and sophistication of AI adoption.

Case Study: RetinAI is accelerating sight-saving innovation

RetinAI, the eyecare-focused subsidiary of Ikerian AG, shows how artificial intelligence and cloud computing are transforming healthcare delivery and medical research. Based in Bern, Switzerland, RetinAI has developed RetinAI Discovery®, an FDA-cleared and CE-marked medical image management platform that is revolutionising how healthcare providers and pharmaceutical companies approach patient management and research.

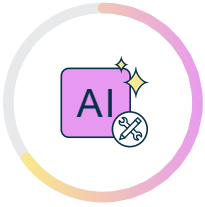
AWS Cloud Infrastructure has been instrumental to RetinAI's success by enabling rapid scaling to process millions of patient images while maintaining strict security standards, meeting medical device compliance requirements across different regulatory frameworks. AWS is supporting RetinAI's global deployment and collaboration while ensuring compliance with data privacy regulations and providing the robust computing power needed for AI model training and deployment. Through RetinAI's innovative use of cloud computing and AI, the company is empowering eye care health providers and researchers with faster, more accurate insights, supporting timely clinical decisions, and accelerating medical research.

Watch more from RetinAI on their collaboration with AWS here.

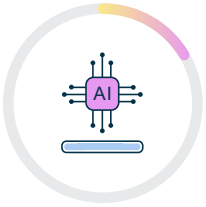
Emerging divides: Large enterprises and SMEs lag in AI innovation

Celebrating adoption numbers alone across Switzerland masks a deeper challenge among large enterprises and SMEs. While **55%** of large Swiss enterprises report using AI, a figure comparable to the European average (**53%**), many remain in the most basic stages of use. For **74%** of large businesses, their adoption is shallower and focused on incremental gains, rather than innovation.

Large enterprises are not yet innovating with AI compared to startups. Data finds that startups are around three times more likely to be launching new AI-driven products or services than large enterprises:



65% of startups compared to **23%** of large enterprises who are delivering a new AI-driven product or service by harnessing AI's deeper potential.



16% of large enterprises are at the most advanced stage of AI use, on pace with the average across Europe (**14%**).

Startups have embedded AI into their very DNA - using it to create new products, reinvent customer experiences, and pioneer entirely new business models. Meanwhile, large businesses, despite their rich history and deep expertise, use AI primarily for basic automation and efficiency gains. If not addressed, this 'two-tier' AI economy – with tech-driven startups outpacing larger enterprises in AI innovation - will shape Switzerland's economic and digital future.

Large enterprises account for over a third (**34%**) of Switzerland's workforce, despite making up less than **1%** of Switzerland's companies overall. This makes their continued success and innovation critical to Switzerland's economic growth and competitiveness.[5]

Switzerland's SMEs represent significant untapped potential in the AI landscape. As the backbone of the Swiss economy, SMEs make up over **99%** of businesses nationwide[6] – yet many have only just begun to explore AI's capabilities. **44%** of SMEs have adopted AI, yet only **19%** of these are innovating with the technology to launch AI-driven products or services. SMEs must be empowered to take the next step – from early experimentation to strategic AI integration – if Switzerland is to fully realise the economic and innovation benefits of this technology.

The economic impact of this shift, for businesses of all sizes, can be substantial. Recent research by the Telecoms Advisory Service, on behalf of AWS, found that cloud-enabled AI added over $2.1 billion to Switzerland's GDP in 2023, contributing to a total GDP of around $884 billion that year. The research also found that cloud as a whole is set to add $2.6 trillion to Europe's GDP by 2030, with nearly $434 billion alone coming from cloud-enabled AI.

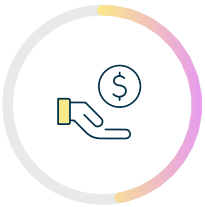
Building the momentum: Barriers to AI integration

To ensure all businesses can capitalise on AI's full potential, Switzerland must address key obstacles:

The digital skills gap is a critical barrier to unlocking AI's full potential, with businesses struggling to find talent equipped with the necessary skills:

37% of Swiss businesses cite a lack of skills as a barrier, while **58%** say it hinders innovation. With AI literacy expected in **54%** of new roles within three years, bridging this gap is vital.

42% of Swiss businesses struggle to attract skilled talent, and pinpoint that the most lacking digital skills in their workforce are searching, evaluating, and managing online information effectively (**39%**), organising and managing digital data and content (**33%**). These skills support a digitally-equipped Switzerland and, therefore, the maximisation of the value from AI. Swiss businesses also say that they desire employees who are equipped to understand and apply digital security practices, including cybersecurity (**21%**).



Due to this shortage, businesses are willing to offer salary premiums averaging **47%** to secure top candidates.

Compliance costs associated with regulation are an increasing concern for businesses, introducing complexity and uncertainty that are slowing the pace of AI adoption.

37% of businesses cite regulation as a key challenge. Compliance with regulation, including international regulation, accounts for nearly half (**47%**) of all tech spending, higher than the European average of **40%**. These compliance-related costs include factors such as data and privacy protection, costs to classify, monitor, and document AI systems to meet transparency and risks requirements, training and certification costs, and more.

82% of Swiss businesses expect this cost to rise, in part due to a combination of growing regulatory complexity, the rapid pace of technological advancement, especially with AI, and given that the Swiss government has set out its objective for a consultation over the regulation of AI as soon as 2028.

The perceived upfront costs associated with AI adoption, comprising anticipated expenses businesses expect to incur, continue to represent a significant barrier for some organisations in their digital transformation journey. However, those businesses that have embraced AI report substantial benefits and strong returns on investment:

35% of businesses cite perceived upfront costs as a key barrier to AI adoption, yet **93%** have seen significant revenue growth, averaging **35%**.

These barriers risk acting as a brake on the pace of digital transformation across Switzerland. Addressing them will be essential to sustaining Switzerland's leadership in AI adoption and innovation.

Driving momentum through three key actions

Switzerland has the right tools and ambition to lead in AI. However, a growing divide between early experimentation and true transformation risks slowing progress and widening the gap between startups and larger enterprises. AWS urges policymakers and industry leaders to take action to unlock AI's full potential across both start-ups and larger enterprises:

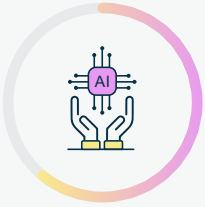
1. Build upon Switzerland's pro-growth regulatory environment that incentivises adoption and innovation

Switzerland has distinguished itself within Europe by adopting a forward-looking, innovation-friendly approach to AI regulation. The Swiss Federal Council has concluded that rather than rushing into regulation, the government will first monitor the development and impact of AI across the public and private sectors. A public consultation is planned for the end of 2028, with the intention to introduce targeted regulation only where necessary, ensuring oversight without stifling innovation.

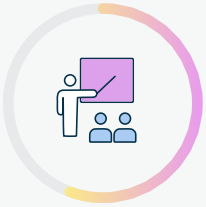
By proactively addressing business concerns around the potential cost and complexity of future compliance, Switzerland can continue to create a positive climate for AI development. To further support this, the Swiss government should collaborate with international partners to harmonise AI regulations, helping reduce compliance burdens and enabling businesses to innovate with confidence.

2. Accelerate digital transformation across industries through skills efforts

To accelerate private sector digitalisation, Switzerland needs to establish the right mechanisms for investment and growth centred around digital capabilities and a skilled workforce. The Digital Switzerland Strategy 2025 puts digital literacy at the forefront.



62% of firms report that digital skills will be crucial in the upcoming 5 years.



Educating the population in digital and AI skills will be critical, with AI literacy expected to be in **54%** of jobs.

3. Position the Swiss government as a digital leader

The Swiss government should establish itself as a leading adopter of AI, in line with its commitments to digitalising the public sector in its Digital Switzerland Strategy 2025. Leading the way in digital transformation will drive broader adoption and innovation across the economy.

Prioritising AI-driven advancements in healthcare, education, and public services, will boost these efforts, given **86%** of businesses report that they are more likely to adopt AI when the government does.

Switzerland stands at a defining moment in its AI-driven digital transformation. With adoption rates surging and businesses recognising AI's potential to enhance productivity, innovation, and economic growth, the nation has positioned itself as a leader in Europe. Switzerland has a demonstrably strong environment for startups, as they are capitalising on the AI movement and revolutionising their products and workstreams. However, to maintain this momentum and unlock AI's full potential, Swiss businesses must transition from experimentation to deep, strategic integration. With proactive policymaking, targeted investment, and a commitment to fostering digital skills, Switzerland can bridge the two-tier AI economy and sustain long-term competitiveness.

The direction is clear. By embracing AI across business functions in businesses of all sizes and accelerating digital transformation, Switzerland can secure its place as a global AI leader, driving innovation, economic resilience, and shared prosperity in the years ahead.

Appendix

Methodology

The fieldwork for this study was undertaken by Strand Partners' research team for AWS. 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 Switzerland:

- We conducted a survey targeting 1,000 nationally representative members of the public, ensured representation based on age, gender, and NUTS 1 region.
- Additionally, we surveyed 1,000 business leaders, representative by their business size, sector, and NUTS 1 region.

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:

- 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.

References

1. The European Parliament defines AI as the 'ability of a machine to display human-like capabilities such as reasoning, learning, planning and creativity. AI enables technical systems to perceive their environment, deal with what they perceive, solve problems and act to achieve a specific goal.' AI tools and softwares include: virtual assistants, image analysis software, search engines, personalised online shopping recommendations, and machine translations. They may also include Gen AI tools, which can produce new content.
2. A startup is a business founded in the last 2 years which provides a new product/service or innovation and is aiming for rapid growth in terms of employees and turnover. A large business is a business with 500 or more employees, founded 10 years ago or more.
3. The highest annual increase in global mobile phone adoption occurred between 2007 and 2008. In this period the number of mobile subscribers increased at a growth rate of 18%. Source: https://stats.areppim.com/stats/stats_mobilexpenetr.htm
4. Calculated from recent estimations for total amount of businesses in Switzerland, estimated at 619,000 in 2024: https://www.kmu.admin.ch/kmu/en/home/concrete-know-how/facts-and-figures/figures-smes/companies-and-jobs.html
5. The Federal Council, March 2025, 'Companies & jobs', Available at: https://www.kmu.admin.ch/kmu/en/home/concrete-know-how/facts-and-figures/figures-smes/companies-and-jobs.html?utm_source=chatgpt.com
6. Source: Swiss economy – Overview