

UNLOCKING PORTUGAL'S AI POTENTIAL 2026

The next wave of AI is here

Portugal enters the next phase of AI adoption with clear momentum. AI adoption has risen to **51%** of businesses, up from **41%** last year, while cloud adoption now stands at **72%**. Businesses are already seeing tangible benefits: among AI adopters, **80%** report productivity gains from AI, and **85%** expect AI to increase their company's growth in the next year.

But this progress comes at a pivotal moment. A new generation of AI technologies, including agentic systems, advanced automation, robotics, and physical AI, is rapidly reshaping what businesses can do and how quickly they must move. Innovation cycles are compressing, and the gap between businesses that can scale AI and those that cannot is becoming more significant.

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Against this backdrop, **Portugal's priority is to turn initial AI adoption into sophisticated and advanced use**. While more businesses are using AI, many remain focused on basic use cases, such as publicly available chatbots, routine task automation, and off-the-shelf tools. Only **16%** of AI-adopting businesses have reached the most advanced stage of AI integration, using advanced AI systems, combining multiple models, creating custom AI systems, or deploying agentic or autonomous AI.

This creates a growing risk. As next-generation AI accelerates, businesses that fail to move beyond early-stage adoption risk missing out on the next wave of productivity gains, innovation, and competitive advantage. Portugal's progress in adoption will only translate into long-term competitiveness if more businesses are able to deploy AI in deeper, more strategic, and more transformative ways.

Portugal's opportunity is clear: to build a broad-based AI economy that turns adoption into transformation at pace. This will require enabling businesses to scale advanced use cases across sectors and regions, while ensuring Portugal's most promising innovators have the funding pathways, skills access, procurement opportunities, and regulatory clarity they need to stay, grow, and lead globally.

Key findings

- AI adoption in Portugal continues to increase. **51%** of businesses have now adopted AI, up from **41%** at this time last year – a growth rate of **24%**, compared to **17%** last year
- AI is already delivering measurable business impact. Among AI adopters, **80%** report productivity gains from AI, and **85%** say they expect AI to increase their company's growth in the next year
- AI is becoming a strategic priority for businesses. **64%** say AI adoption is a top or high priority in their business
- Cloud adoption is also strong: **72%** of Portuguese businesses are now using cloud technologies
- However, businesses are not yet harnessing AI for its most advanced use cases: **16%** of AI-adopting businesses are at the advanced stage, up from **11%** last year
- AI is accelerating innovation timelines. **62%** of AI adopters say their timeline for innovation has accelerated in the past two years, rising to **78%** of startups
- Next-generation AI technologies are emerging rapidly, but readiness is uneven. Only **14%** of businesses say they feel fully or very ready to adopt next-generation AI technologies such as agentic AI, compared with **38%** of startups. When asked why they don't yet feel ready, businesses point to shortages of AI and digital skills (**47%**), and insufficient internal financial resources (**39%**)
- Skills shortages remain the biggest barrier to AI adoption. **45%** of businesses cite shortages of AI and digital skills as a barrier, alongside financial constraints, regulatory complexity, and limited external support
- Startups remain one of Portugal's strongest AI assets, but founder flight is a growing risk. **42%** of startups say they would consider leaving Europe to scale their business, with access to growth capital, larger customer markets, and a faster regulatory environment among the top reasons



Adoption accelerates, but remains shallow in many places

Portugal's rising AI adoption demonstrates the country's growing digital maturity and highlights the significant opportunity AI presents for businesses across the economy. However, headline adoption figures tell only part of the story. Looking more closely at how businesses are implementing AI reveals that, while adoption is broadening, many organisations remain focused on relatively narrow or incremental use cases centred on efficiency gains. Although more businesses are beginning to move towards advanced AI, the pace of transformation remains slower than the pace at which AI itself is evolving.

Basic AI adoption

58% of AI-adopting businesses remain focused primarily on more basic uses of AI and incremental gains (e.g. driving efficiencies and streamlining processes), rather than innovation (e.g. developing new products or disrupting industries). These businesses are using publicly available chatbots for routine tasks or purchasing ready-made AI solutions. This represents an improvement from **65%** last year, suggesting that businesses – including both new and experienced AI users – are gradually progressing towards more transformative forms of AI adoption.

Intermediate AI adoption

26% have advanced to the intermediate stage of AI adoption. These businesses are integrating AI across multiple business functions, resulting in efficiency improvements, stronger operational performance, and more innovative customer experiences.

Advanced AI adoption

16% of AI-adopting businesses have reached the most advanced stage of AI integration, using advanced AI systems, combining multiple models, creating custom AI systems, or deploying agentic or autonomous AI. This is up from **11%** last year, demonstrating encouraging progress, but also highlighting that advanced AI adoption remains concentrated among a relatively small proportion of businesses.

The direction of travel is positive. More businesses are progressing beyond AI's most basic use cases than a year ago, and Portugal is beginning to build a stronger base of organisations using AI strategically rather than tactically. However, the pace of progress remains critical. As next-generation AI technologies emerge and become widely accessible to businesses, innovation cycles are becoming shorter. Businesses that remain focused on incremental applications risk falling behind those able to deploy AI to transform products, services, and business models. Portugal's opportunity lies in accelerating this transition. By enabling more businesses to move from experimentation to transformation, it can unlock the significant untapped potential AI offers to drive productivity, innovation, and long-term economic competitiveness across the wider economy.

Case study: Credibom is building an enterprise AI ecosystem with AWS to accelerate innovation across financial services

Credibom identified Generative AI as a strategic priority to accelerate innovation, improve employee productivity, and unlock new business capabilities. Working with AWS, Credibom aligned executive leadership around a shared AI vision, prioritised high-impact opportunities, and established a roadmap to scale AI adoption across the organisation.

Leveraging Amazon Bedrock and AWS cloud services, Credibom built a reusable Generative AI platform, creating a common foundation for conversational assistants, knowledge access, automation, and future AI initiatives. The architecture was designed to provide scalability, governance, and reduced implementation complexity—enabling faster delivery of new use cases across the business.

AWS helped Credibom transform an initial pipeline of approximately 30 prioritised AI opportunities into a growing enterprise AI ecosystem. The programme has already delivered some of these Generative AI solutions in production, with additional initiatives underway across business operations, employee experience, and IT. By establishing a reusable AI foundation, Credibom is demonstrating how financial services organisations in Portugal can move from AI ambition to scalable, governed enterprise adoption.



Businesses say they aren't prepared for the next wave of AI

The need to deepen AI adoption comes at a pivotal moment. While many organisations are still progressing beyond basic AI use cases, a new generation of AI technologies is rapidly reshaping what businesses can achieve and how quickly they must innovate to remain competitive.

Agentic AI, physical AI, advanced robotics, and autonomous systems have the potential to transform how organisations make decisions, develop products, and automate complex workflows. At the same time, these technologies are compressing innovation timelines, rewarding organisations that can deploy them quickly while increasing the competitive gap for those that cannot.

Portugal's businesses are already experiencing this acceleration:

62% of AI adopters say their timeline for innovation has accelerated over the past two years, rising to **78%** of startups

Businesses identify AI itself as a driver of this acceleration (**54%**), followed by increasing competitive pressures (**49%**)

Against this backdrop, awareness of agentic AI is increasing, but the gap between familiarity and deployment remains significant:

- Less than a quarter of businesses (**23%**) say they have heard of agentic AI
- Among those familiar with the technology, only **6%** report having fully deployed agentic AI, while **34%** are currently experimenting with or piloting it
- Once the technology is explained, a further **45%** say they plan to use or are considering adopting agentic AI, while only **15%** say they have no plans to adopt it

This points to a strong pipeline of future demand. Businesses recognise the potential of next-generation AI, but relatively few have yet translated this interest into widespread deployment.

Readiness remains similarly uneven across the wider business landscape, although startups continue to lead.



Only **14%** of businesses say they feel fully or very ready to adopt next-generation AI technologies such as agentic AI, compared with **38%** of startups

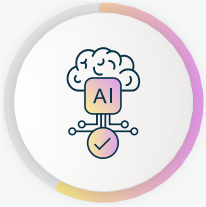


40% say they are only somewhat ready

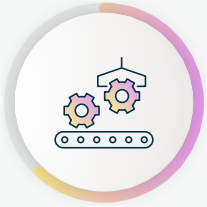


46% say they are only slightly ready or not ready at all

For those already deploying agentic AI, the benefits are becoming clear.



58% report faster decision-making and execution



62% report increased operational efficiency or productivity



49% report improved scalability of operations

Businesses also identify several structural barriers as reasons why they don't feel ready yet to adopt these innovative AI tools: **47%** cite shortages of AI and digital skills, while **39%** point to insufficient internal financial resources. Regulatory challenges also remain significant, with **40%** citing legal uncertainty arising from AI and digital regulation and **34%** highlighting the complexity of operating across multiple regulatory environments.

Portugal has an opportunity to move quickly as the next generation of AI technologies matures. However, without addressing these structural barriers, many businesses risk remaining interested observers rather than active participants in the next phase of AI innovation, while the gap between leading startups and the wider economy continues to widen.



Portugal risks losing its startup leaders

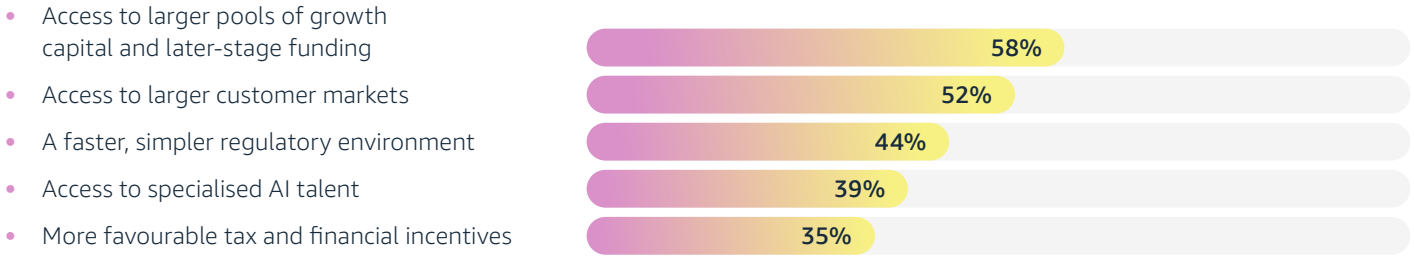
As highlighted in last year's report, Portugal's AI startup ecosystem is one of the country's greatest strengths. Startups continue to lead the wider economy in AI adoption, experimentation, and readiness for next-generation technologies. Yet, as these businesses grow, they are encountering barriers that make scaling from Portugal more difficult than starting in Portugal.

A significant proportion of startups report that they would consider relocating in pursuit of faster scaling, greater access to capital, and stronger international opportunities.

42% of Portuguese startups say they would consider leaving Europe to scale their business

38% say they would not consider relocating, while **20%** remain unsure

When asked why they would consider leaving Europe, startups consistently point to the conditions that would enable them to grow more quickly:



In an AI landscape where innovation cycles are accelerating, founders will choose the locations that allow them to scale most quickly. The question for Portugal is now whether it can provide the conditions that encourage them to remain, invest, and grow domestically.

The phenomenon, however, is not inevitable. Startups are equally clear about the changes that would encourage them to build and scale in Portugal and Europe. Among startups that would consider relocating, the following measures would keep them rooted in the continent:



Better access to venture capital and scale-up funding (**56%**)



Clearer and more harmonised regulation (**47%**)



Stronger access to AI skills and specialist talent (**43%**)

These priorities point towards a broader competitiveness agenda. Portugal has already demonstrated that it can foster innovative AI startups. The next stage is ensuring these businesses have the funding, skills, and policy environment needed to scale globally from Portugal, rather than feeling they must relocate to achieve their ambitions.



Businesses value choice and flexibility in the AI and cloud landscape

As businesses move from experimenting with AI to deploying it across their operations, access to a broad range of technology providers becomes increasingly important. Businesses need the flexibility to adopt the technologies that best meet their needs, integrate new capabilities as they emerge, and scale quickly as AI continues to evolve.

Portuguese businesses consistently emphasise the importance of access to global technology providers, particularly as they seek to innovate, remain competitive, and expand internationally.



78% of businesses say access to global technology companies is important for their AI adoption



74% say it is important for innovation



71% say it is important for scaling quickly

Having the ability to choose and switch between providers allows organisations to access the technologies that best meet their needs while adapting as AI capabilities continue to develop.

- **68%** say they have adequate choice to select and switch between different providers of AI technologies
- **72%** say having the ability to choose and switch providers is extremely or very important to supporting their adoption of AI

This is reflected in how businesses are practically adopting AI tools: **61%** report that they currently use a mix of providers from different regions, rather than relying primarily on providers based in their home country. Among businesses using providers from outside their home market, the most commonly cited reasons are:

- A wider range of features and product offerings (**46%**)
- Better scalability, performance, or integration options (**41%**)
- Competitive pricing or favourable commercial terms (**37%**)

Businesses choose technology providers based on capability rather than geography. As AI evolves, organisations value the flexibility to combine technologies from different providers to meet changing business needs, rather than being constrained to choices they have not made themselves.

Sovereignty should enable competitiveness, not constrain it. Businesses clearly recognise the importance of strengthening Europe's digital capabilities, particularly through investment in research, skills, and strategic resilience. However, they also indicate that sovereignty should support competitiveness rather than limit access to the technologies businesses need to innovate and grow.

While public investment in European capability has an important role to play, businesses place relatively little emphasis on prioritising publicly funded Europe-based AI and cloud infrastructure in isolation. Only **9%** believe public investment in Europe-based AI and cloud infrastructure should be a priority.

Case study: OutSystems partners with AWS to bring enterprise Agentic AI to over 900,000 developers worldwide

OutSystems, a global enterprise AI leader with strong Portuguese roots, is an Agentic Systems Platform built for the enterprise. The company enables organisations to rapidly build mission-critical applications and agents, modernise legacy processes with agentic systems, and govern their entire AI portfolio across complex regulatory environments—all on a unified platform. OutSystems is leveraging Amazon Bedrock and a deepening collaboration with AWS to power a new generation of agentic AI solutions: intelligent systems that can reason, act, and orchestrate complex workflows autonomously across the enterprise.

The expanded partnership with AWS has already delivered tangible scale: more than 19,000 AI agents built using Amazon Bedrock across its developer community, native integration with Kiro—AWS's agentic development environment—and Legacy Modernisation Services powered by AWS Transform, helping enterprises convert decades-old systems into modern, AI-native applications. With thousands of active customers in more than 75 countries across over 20 industries, OutSystems exemplifies how companies born from Portugal's thriving tech ecosystem can scale globally at the forefront of AI innovation.

A representative example of this transformation is Imprensa Nacional-Casa da Moeda (INCM), Portugal's official printing house and mint. As part of its long-term digital transformation strategy, INCM has modernised a broad range of digital services and applications using the OutSystems platform running on AWS, supporting the evolution of critical national platforms such as the Diário da República and exploring the use of artificial intelligence to assist the processing and analysis of legislative information. Through the combination of internal expertise, organisational innovation and modern technology platforms, INCM continues to strengthen the delivery of secure, reliable, and citizen-focused public services while meeting the high standards of trust, resilience, and regulatory compliance expected of a national public institution.



Barriers continue to limit AI transformation

Portugal has built strong momentum in AI adoption, but sustaining this progress will require addressing the structural barriers that continue to limit businesses' ability to move from experimentation to transformation. While businesses recognise AI's potential, many report that regulatory complexity, skills shortages, funding constraints, and limited incentives continue to slow investment and make it harder to scale AI across their organisations.

1. Navigating a fragmented regulatory landscape

Businesses report that even where AI adoption is progressing, scaling AI across markets introduces additional legal complexity, compliance costs, and operational challenges, particularly for organisations operating internationally.

This scaling challenge is reinforced by the broader compliance burden businesses already face as they navigate an increasingly complex regulatory landscape.

- Businesses estimate that **43%** of their total technology spend goes towards compliance with national and international regulations
- When asked what makes up this compliance spend, **44%** cite data protection and privacy requirements (such as GDPR), followed by AI-specific regulation such as the EU AI Act (**38%**), and cybersecurity and operational resilience requirements (**31%**)
- **67%** say compliance costs have increased over the past three years
- **61%** expect these costs to continue increasing over the next three years

While businesses broadly support proportionate regulation that builds trust and confidence in AI, they also highlight the importance of ensuring compliance requirements remain manageable as organisations scale. Without greater clarity and consistency, an increasing share of business investment risks being diverted towards navigating regulation rather than deploying AI and driving innovation.



2. Access to a skilled workforce and finance pathways

Skills shortages remain the most frequently cited constraint on AI adoption, alongside limitations in internal organisational capacity.

45% cite shortages of AI and digital skills as a barrier to adopting or expanding AI, up from **42%** last year

38% cite insufficient internal workforce capacity

Businesses' own assessments of their AI capability reflect these challenges.

- Only **26%** say they currently have a strong AI skillset
- **51%** say they have some AI skills but need improvement
- **23%** say they are only just beginning to develop AI skills
- **91%** expect AI skills to become important in their industry over the next five years

Looking ahead, businesses anticipate growing demand for specialist technical expertise, particularly software developers (**52%**), solutions architects (**46%**), and data governance or privacy specialists (**38%**), underlining the breadth of skills that will be required to support widespread AI adoption.

Finance remains an additional structural constraint. Many businesses report that limited investment capacity continues to restrict their ability to move beyond pilots and isolated use cases.

- **40%** cite insufficient internal financial resources as a barrier to adopting or expanding AI
- **29%** cite an unclear return on investment or business case
- **54%** say they do not currently have a dedicated AI budget
- **72%** expect AI to account for a larger share of IT spending over the next three years, estimating that it will rise to **19%** of total IT budgets
- **37%** say competing business priorities take precedence over AI investment

As demand for AI continues to grow, many businesses still lack the financial capacity and skilled workforce needed to scale adoption. Strengthening both funding pathways and skills development will therefore be essential if Portugal is to broaden AI adoption beyond today's leading organisations.



3. Lack of support for innovation

Businesses also point to limited external support and complex procurement processes as barriers to investing in AI at greater scale:

- **41%** say a lack of incentives or external support discourages investment in AI
- **44%** cite complex or slow public procurement processes as a barrier to scaling AI solutions

Public sector demand also has an important role to play in accelerating AI adoption across the wider economy:



52% say opportunities to sell to the government are crucial or very important in their decision to adopt AI



68% say government support, such as grants and tax incentives, is crucial or very important in their decision to adopt AI

Stronger incentives and more accessible procurement pathways could play an important role in accelerating AI adoption, encouraging investment, and helping innovative businesses bring AI solutions to market more quickly.

These barriers highlight a common challenge. Portugal has demonstrated that businesses are willing to adopt AI, but sustaining this momentum will require creating the conditions that allow organisations to scale confidently. Addressing these structural constraints will be critical to ensuring that AI-driven productivity, innovation, and competitiveness extend across the wider economy rather than remaining concentrated among early adopters.



Recommendations: Unlocking Portugal's AI future

Portugal has established strong foundations for AI adoption. The next stage is ensuring that more organisations can move beyond experimentation and deploy AI at scale. Doing so will require building on Portugal's existing strengths while addressing the barriers that continue to slow investment, innovation, and business growth.

1. Scale on Portugal's existing strengths

Portugal is not starting from zero. The country already has many of the foundations needed to compete successfully in the next phase of AI adoption, including rising AI and cloud adoption, an innovative startup ecosystem, and businesses that are recognising AI as a strategic priority. When asked what matters most for supporting growth in their business and industry, Portuguese businesses point to:



Private investment and venture capital (**60%**)



Access to the most advanced AI tools and services (**56%**)



Skilled AI talent (**47%**)

More broadly, **54%** of businesses agree that Europe has the infrastructure and ecosystem needed to scale globally, while **61%** view Europe as highly or somewhat competitive as a global hub for AI and innovation. Portugal's growing startup ecosystem demonstrates what is already possible. The priority now is ensuring these strengths become the foundation for broader economic transformation by enabling more businesses of every size to innovate, scale, and compete internationally.

2. Ensure startups have the support and funding pathways to scale

Portugal has shown that it can create innovative AI startups. The next challenge is ensuring those businesses have access to the capital, customers, and growth environment needed to remain in Portugal as they expand internationally.

This means improving access to later-stage funding, strengthening venture capital markets, and creating clearer pathways for innovative businesses to scale without needing to relocate. Helping startups grow domestically will not only strengthen Portugal's AI ecosystem but also accelerate the diffusion of innovation across the wider economy.

3. Target investment where it can accelerate AI transformation

Strategic investment will be essential to ensure AI adoption continues to broaden across businesses, startups, SMEs, and the public sector. Portugal should focus its investment where it can have the greatest long-term impact by:



Supporting innovative AI startups developing new technologies and business models



Helping SMEs adopt and scale AI through targeted digital transformation programmes



Accelerating AI adoption across the public sector through modernised procurement and outcome-focused funding mechanisms

Targeting investment in this way will help ensure AI adoption extends beyond today's leading organisations while creating stronger demand for innovative AI solutions throughout the economy.

4. Build the skills needed for the AI economy

Portugal's businesses consistently identify skills shortages as one of the greatest barriers to expanding AI adoption. Closing this gap will require coordinated action between government, education providers, and industry to ensure businesses can access the talent they need.

Alongside supporting the next generation of AI specialists, investment should also focus on helping today's workforce develop the skills needed to adopt, manage, and deploy AI confidently across every sector of the economy.

Strengthening Portugal's AI skills base will help more businesses move beyond experimentation, improve productivity, and ensure the benefits of AI are shared more broadly across the economy.



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

Portugal has built strong foundations for the AI era. Adoption continues to rise, businesses are already reporting productivity and growth benefits, and the country's startup ecosystem demonstrates its capacity to innovate at pace. Yet the greatest opportunity still lies ahead. As next-generation AI technologies become more accessible across the economy, Portugal has significant untapped potential to broaden AI adoption, deepen its use across businesses, and translate today's momentum into lasting economic growth and competitiveness.

Realising that opportunity will require creating the conditions that enable more businesses to move confidently from experimentation to transformation. Strengthening skills, improving access to finance, modernising procurement, reducing unnecessary regulatory friction, and enabling startups to scale from Portugal will help ensure the benefits of AI are felt across the wider economy. By unlocking this untapped potential, Portugal can position itself as a leading European AI economy – one where innovative businesses not only start, but continue to grow, compete, and lead globally.

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

In Portugal:

- We conducted a survey targeting 1,000 nationally representative members of the public, ensuring 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:

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.