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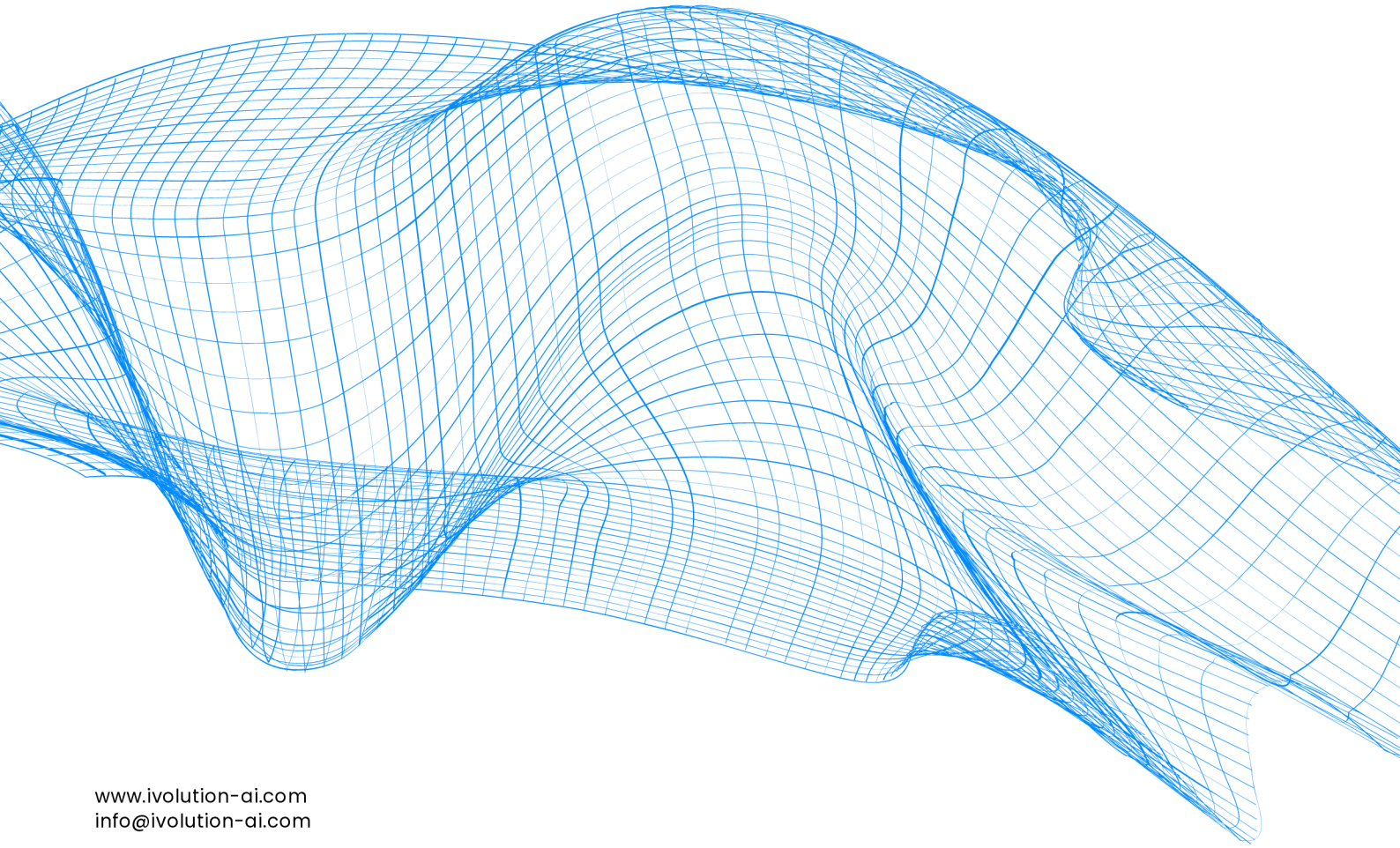
Global AI Competitiveness Report

A Multi-Perspective Analysis

November, 2025



www.ivolution-ai.com
info@ivolution-ai.com

About iVolution

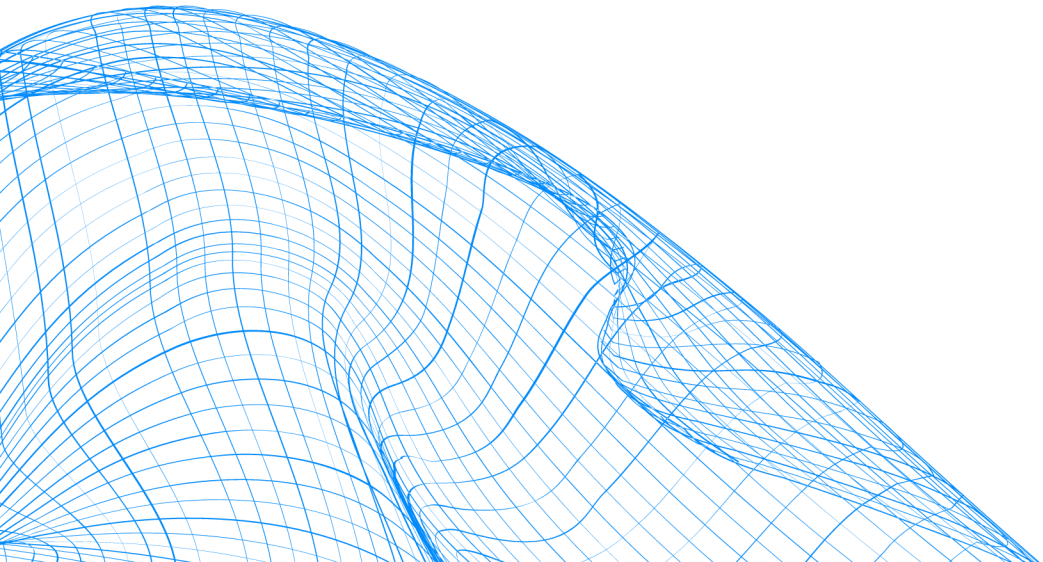
iVolution is the Middle East and Africa's leading advisory firm specialized in Artificial Intelligence (AI) & emerging technologies adoption strategies. We empower organizations to navigate the complex landscape of emerging technologies by providing tailored, responsible, and impact-driven advisory services. Drawing on Logic Consulting's deep expertise in strategic management, governance, and organizational enablement, iVolution bridges the gap between AI and real-world business value. Our unique focus on combining local market understanding with global best practices allows us to guide corporates, governments, and institutions through their AI readiness journey—building capabilities that are both future-proof and regionally relevant.

Our Mission

To promote the responsible and strategic adoption of Artificial Intelligence across the Middle East and Africa, driving innovation and sustainable growth.

Our Vision

To redefine corporate and institutional growth across the MEA region by making Artificial Intelligence a cornerstone of strategic decision-making, economic development, and digital competitiveness.



Report by:

Raneem Mangoud,
Senior R&D Analyst

Research Assistant:
Yehia Khaled,
Research Intern

Supervisor:
Dr. Mohamed Fahmy,
Managing Partner

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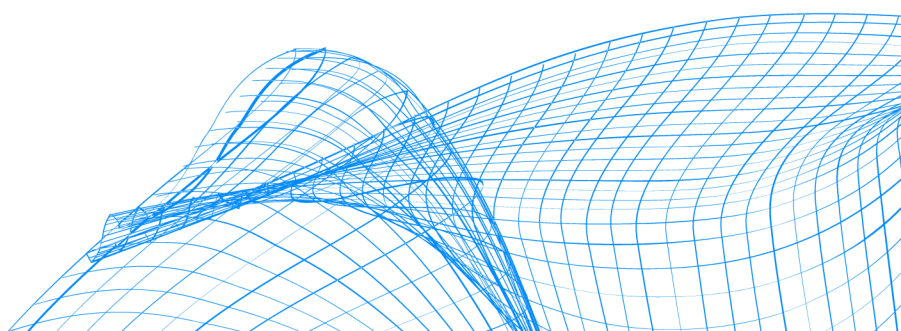


Executive Summary

This report synthesizes comprehensive data from the International Finance Forum's (IFF) Global Artificial Intelligence Competitiveness Index, analyzing three critical dimensions of AI competitiveness: enterprise development, research and innovation, and human capital. Drawing on analysis of over 55,000 AI companies, 2.4 million scientific papers, 1.4 million patents, and 3 million AI professionals worldwide, this study provides business leaders and policymakers with actionable intelligence on the global AI landscape.

Key Findings

The United States maintains comprehensive leadership across all dimensions, while China excels in volume metrics but lags in impact and foundational technology. Singapore, Switzerland, and emerging Gulf states demonstrate that strategic policy, targeted investment, and talent attraction can create disproportionate competitive advantages regardless of population size. Healthcare and vertical AI applications represent the fastest-growing commercial opportunities

I. Introduction

Artificial intelligence has transitioned from experimental technology to mission-critical infrastructure across every major industry. As organizations worldwide accelerate AI adoption—from generative models transforming knowledge work to computer vision revolutionizing manufacturing—understanding the global competitive landscape has become essential for strategic decision-making.

The IFF Global Artificial Intelligence Competitiveness Index employs a five-dimensional framework to evaluate national AI capabilities:

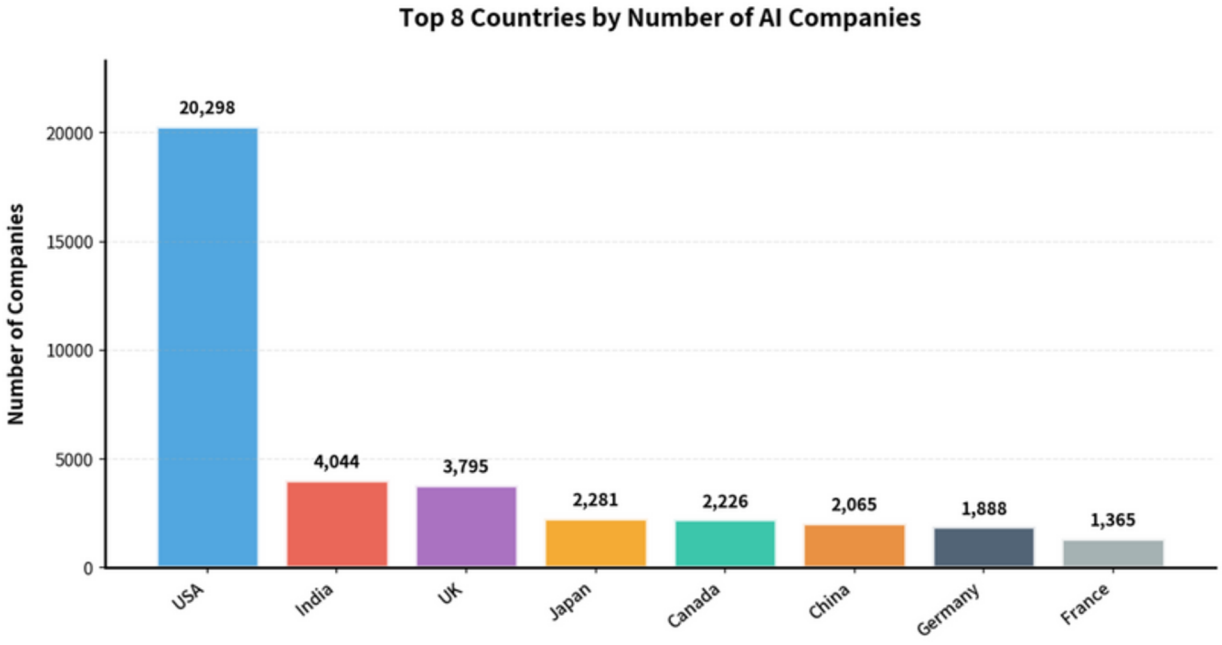
- Technical Development and Applications – measured through AI company ecosystems
- Research and Innovation – assessed via scientific publications and patents
- Human Capital – evaluated through talent distribution, education, and mobility
- Policy and Regulatory Environment – examining governance frameworks
- Market Acceptance and Infrastructure – analyzing adoption readiness

This report focuses on the first three dimensions, leveraging quantitative analysis of real-world data to provide business-relevant insights

II. The Enterprise Dimension: Global AI Company Landscape

i. Market Concentration and Leadership

The global AI enterprise ecosystem reveals stark concentration. The United States hosts over 20,000 AI companies—36% of the global total—demonstrating overwhelming quantitative dominance. The top 10 countries collectively account for 73% of all AI companies worldwide, indicating significant competitive barriers and network effects favoring established innovation hubs

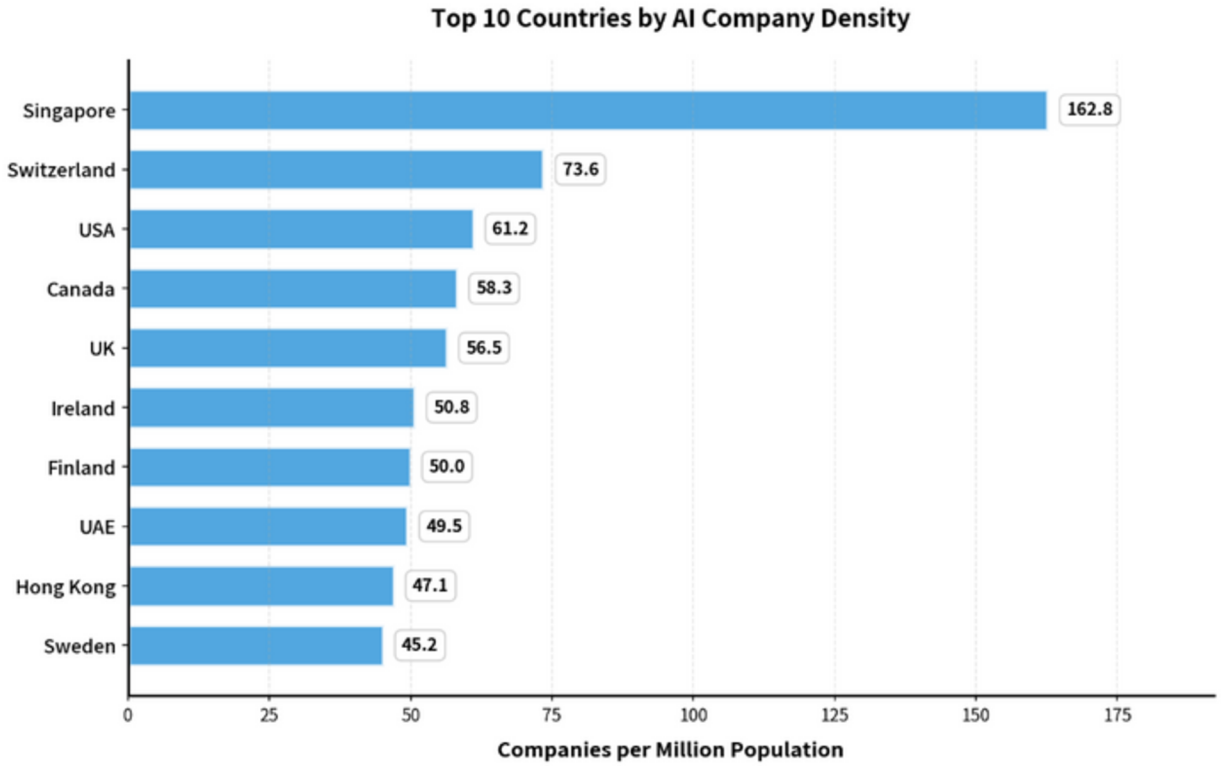


Rank	Country	AI Companies	Global %
1	USA	20,298	36.9%
2	India	4,044	7.4%
3	UK	3,795	6.9%
4	Japan	2,281	4.2%
5	Canada	2,226	4.1%
6	Mainland China	2,065	3.8%

ii. Density Analysis: Quality Over Quantity

Measuring AI companies per million population reveals a different competitive picture, highlighting nations that have successfully built concentrated innovation ecosystems relative to their size. This density metric proves particularly relevant for business strategists: it identifies markets where AI talent, capital, and customers are concentrated, enabling efficient ecosystem participation even in smaller economies.

This density-based perspective is strategically important because it reveals where AI talent, capital, research institutions, and early-adopter customers co-locate in a compact geography—producing faster knowledge spillovers, shorter commercialization cycles, and lower barriers to ecosystem entry. The IFF report notes that small economies with strong digital infrastructure, open immigration policies, and targeted national AI strategies—such as Singapore's Smart Nation 2025 and the UAE's AI Strategy 2031—have been particularly successful at creating "high-intensity AI environments" where startup formation and adoption accelerate despite smaller populations.

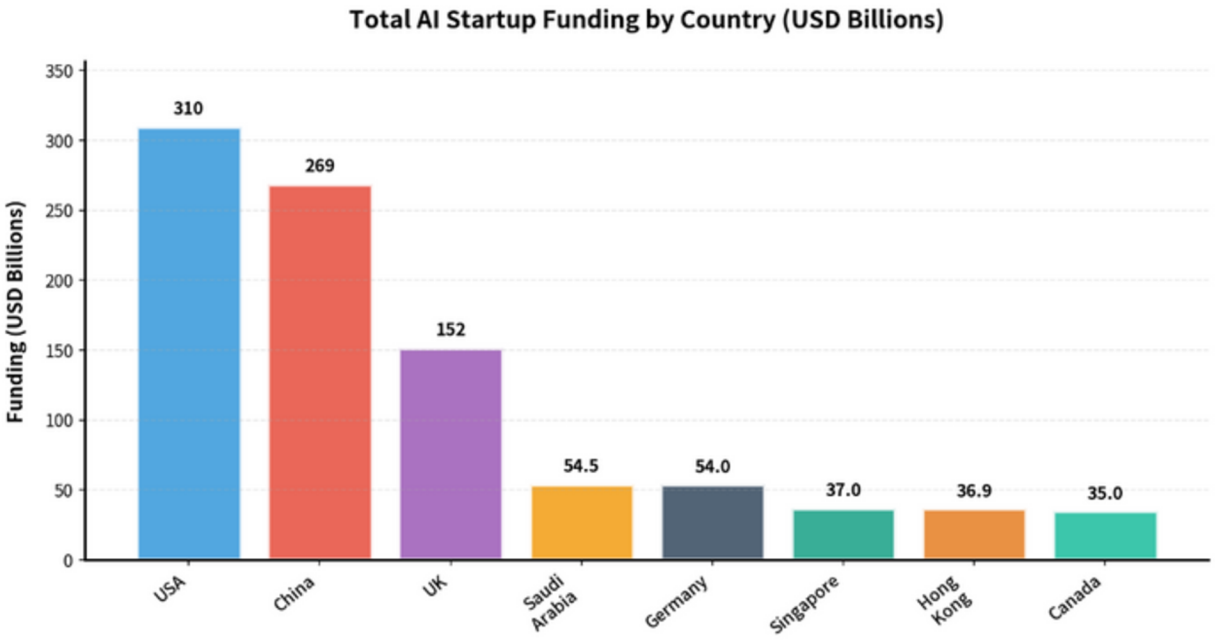


Key Insight

Singapore (162.8) leads globally in AI company density, driven by government-led strategies, world-class infrastructure, and open talent policies. The UAE's presence in the top 10 (49.5) demonstrates the rapid impact of sovereign investment and Vision 2030 initiatives.

iii. Capital Intensity and Investment Landscape

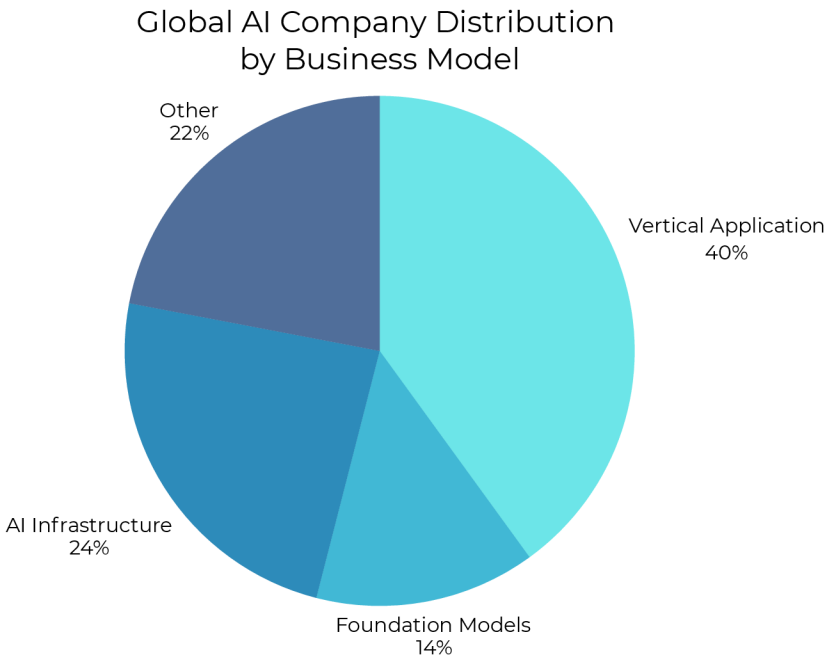
Total AI startup funding reveals the scale of capital commitment to AI innovation globally. The United States dominates with $310 billion in total investment, but emerging patterns show strategic opportunities in Gulf states and Asian markets.



Strategic Insight

Saudi Arabia ($54.5B) and the UAE rank among the top globally in total AI funding despite much smaller populations, driven by Vision 2030 initiatives, sovereign wealth deployment, and aggressive talent acquisition. These nations offer high average funding per unicorn and represent emerging alternative hubs for AI commercialization, particularly in energy, smart cities, and Arabic language technologies.

iv. Application Focus



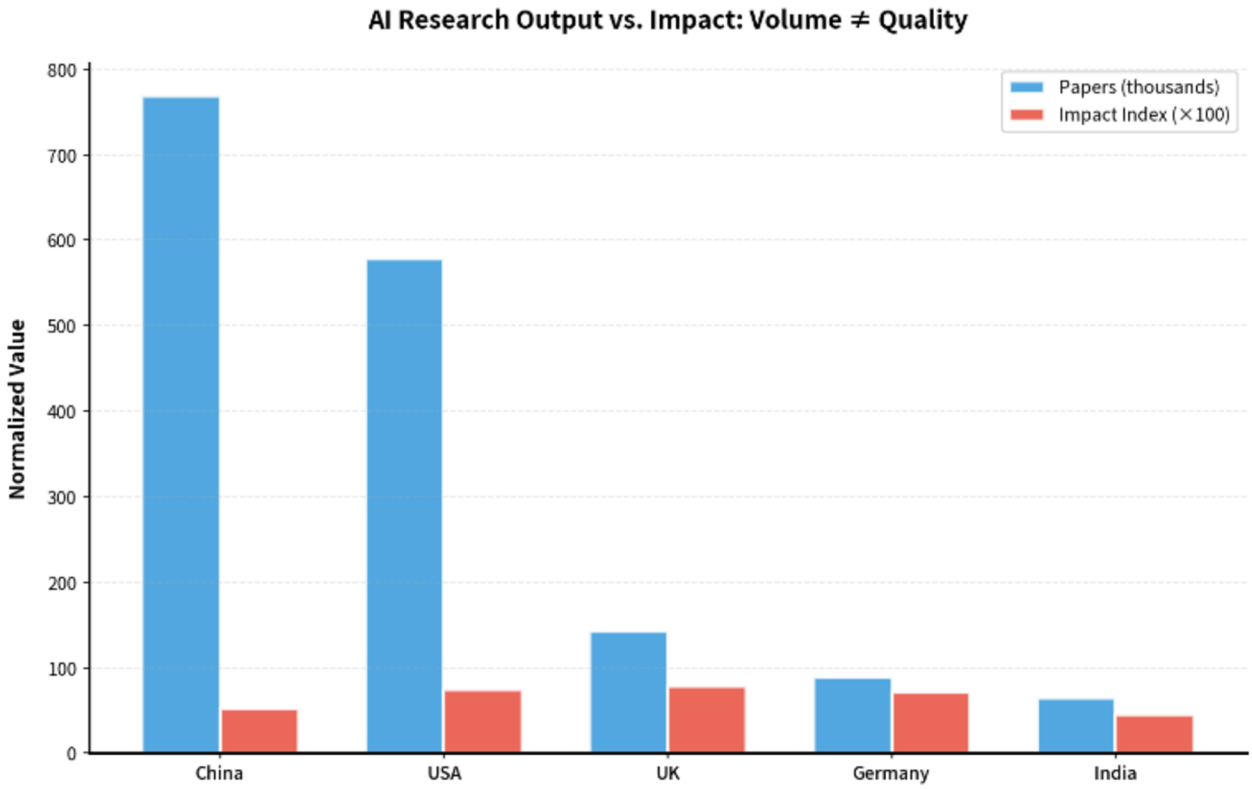
Analysis of company business models reveals clear commercialization patterns across the global AI ecosystem. Understanding these distribution patterns helps organizations identify partnership opportunities and competitive positioning strategies.

Healthcare and marketing emerge as the dominant application domains globally. Healthcare AI addresses diagnostic imaging, drug discovery, clinical decision support, and personalized medicine—representing both massive market opportunity and regulatory complexity. Marketing AI encompasses content generation, customer analytics, programmatic advertising, and conversational interfaces—offering faster commercial adoption cycles.

III. Research and Innovation: The Foundation of Competitiveness

i. Scientific Publication Landscape

Scientific research productivity reveals a striking paradox: volume leadership does not guarantee impact or influence. Analysis of 2.4 million AI journal papers through February 2025 shows that Mainland China leads in absolute publications but ranks only 17th in normalized research impact—a critical insight for organizations prioritizing research partnerships and technology sourcing.



The normalized impact index—combining average citations and journal impact factors—reveals that European research traditions, particularly in German-speaking countries and the UK, produce higher-quality, more influential AI research. Switzerland and Canada rank first and second globally (both exceeding 0.8), while the UK, Netherlands, US, and Australia follow closely (all above 0.7).

ii. Patent Analysis: Innovation Ownership

Patent analysis reveals the commercial dimension of AI innovation. With 1.48 million AI patents identified globally, China and the United States dominate absolute counts, while South Korea leads in per-capita patent intensity. However, deeper analysis reveals critical competitive differences in patent portfolio focus.

Rank	Organization	Country	Patents
1	IBM	USA	9,200+
2	Tencent	China	8,100+
3	Samsung	South Korea	7,900+
4	Google	USA	7,200+
5	Canon	Japan	6,800+
6	Baidu	China	6,200+
15	Zhejiang University	China	4,786

Critical Insight

Co-occurrence analysis of US and Chinese AI patents reveals a strategic gap—US firms concentrate patents in foundational layers (processor architecture, baseband systems, core machine learning algorithms) while Chinese firms focus on recognition, speech, and application layers. This foundational advantage provides US companies with long-term licensing leverage and platform control.

IV. Human Capital: The Talent Dimension

i. Global Talent Distribution and Characteristics

The global AI workforce of approximately 3 million professionals is highly educated, geographically concentrated, and remarkably young. Over 88% hold master's degrees or higher, with computer science (34%), information technology (10%), and electrical engineering (10%) as dominant backgrounds. China and the US together account for over 50% of global AI talent, creating significant competitive advantages through network effects and knowledge clustering.

- **Geographic Concentration:** China and the US together account for 50%+ of global AI talent
- **Role Distribution:** Technical R&D (32.6%), Data Analysis (18%), Product/Project Management (15%)
- **Industry Youth:** Nearly 80% of AI practitioners have three years or less of experience

- **Education Level:** 88%+ hold master's degrees or higher
- **Experience Gap:** US professionals show richer work experience and more diverse backgrounds

Talent Growth Projection

The report forecasts near-doubling of global AI talent by 2030, with over 2.8 million new professionals entering the field. This rapid expansion is driven by continued industry demand, expanding educational programs, and career migration from adjacent technical fields. Organizations must compete intensely for talent while managing integration of professionals with limited experience.

ii. National Talent Development Strategies

Analysis of national talent policies reveals distinct competitive approaches to AI workforce development:

United States: Academic-Industrial Pipeline

The US maintains talent leadership through world-class universities (MIT, Stanford, Carnegie Mellon, UC Berkeley), open academic culture, strong industry-university collaboration, and the most attractive compensation packages globally. Immigration policies (H-1B, O-1 visas, green card pathways) enable continuous global talent influx, creating a self-reinforcing ecosystem advantage.

China: Scale and National Strategy

China's 2017 "New Generation AI Development Plan" targets becoming the world's primary AI innovation center by 2030. The country has rapidly scaled university AI programs (498 universities offering AI undergraduate majors by 2023), incentivized overseas talent return, and leveraged massive domestic market scenarios for applied experience. Government investment and policy scale create acceleration effects.

Saudi Arabia: Incentive-Driven Talent Capture

Saudi Arabia has emerged as a strategic talent destination through: Platinum Visas offering permanent residency for AI experts, tax-free special economic zones (NEOM), the highest median AI scientist salaries globally ($420,000 annually), rapid project approvals, and vertical market focus (energy, smart cities). This approach positions Saudi Arabia as a compelling alternative for global talent seeking high compensation and operational flexibility.

V. Strategic Implications for Business Leaders

The data reveals that AI competitiveness is not evenly distributed—it clusters around specific ecosystems with self-reinforcing advantages. For business leaders, this concentration creates both constraints and opportunities that require strategic navigation.

Recommendation 1: Ecosystem Participation Strategy

Rather than building isolated AI capabilities, develop explicit strategies for participating in leading AI ecosystems through satellite offices in talent-dense markets (Singapore, London, Zurich), research partnerships with high-impact institutions, or distributed teams across multiple hubs.

Recommendation 2: Vertical Application Focus

With 40%+ of AI companies focusing on vertical applications and healthcare/marketing leading adoption, sector-specific AI solutions represent the fastest path to value. Prioritize AI initiatives addressing industry-specific workflows over general-purpose capabilities.

Recommendation 3: Multi-Geography Research Partnerships

Establish partnerships with institutions demonstrating high impact indices (Switzerland, UK, Netherlands, Germany, US) rather than focusing solely on publication volume. For applied research and rapid prototyping, Chinese institutions offer scale advantages in specific domains.

Recommendation 4: Foundational Technology Awareness

The US advantage in foundational AI patents suggests ongoing platform dependencies. Conduct technology dependency audits, evaluate alternative architectures, and maintain relationships with multiple technology providers to mitigate concentration risk.

Recommendation 5: Experience Development Programs

With 80% of AI professionals having three years or less experience, invest heavily in mentorship, structured learning pathways, and cross-functional exposure. Partner with platforms like Coursera for continuous upskilling and skills gap closure.

Recommendation 6: Global Talent Networks

Geographic concentration (50%+ in US and China) combined with emerging alternatives (Saudi Arabia, UAE, Singapore) requires multinational talent strategies through distributed teams, remote work policies, and rotation programs across AI hubs.

i. Regional Considerations for MENA Organizations

For organizations in the MENA region, the data presents specific strategic opportunities that leverage regional strengths and emerging momentum:

- **Gulf State Momentum:** UAE and Saudi Arabia's rapid ascent demonstrates that aggressive investment, policy support, and talent incentives can build competitive AI ecosystems quickly. Egyptian and regional organizations should monitor and potentially partner with Gulf AI initiatives.

- **Arabic Language Technologies:** The dominance of English-language AI creates market opportunities for Arabic-specific solutions in content moderation, conversational AI, and cultural adaptation—areas where local expertise provides defensible advantages.

- **Vertical Domain Focus:** Rather than competing in foundation models, MENA organizations should target sectors with regional strength: energy, logistics, financial services, and government applications where domain knowledge matters more than pure AI capabilities.

- **Talent Bridge Strategy:** Position MENA as a talent bridge between European research excellence and Asian scale, attracting professionals seeking work-life balance, cultural diversity, and emerging market exposure.

VI. Conclusion: Competing in a Concentrated AI World

The IFF Global Artificial Intelligence Competitiveness Index reveals a global AI landscape characterized by significant concentration, self-reinforcing ecosystem advantages, and rapidly evolving talent dynamics. The United States maintains comprehensive leadership across enterprise development, research impact, and talent attraction. China demonstrates remarkable scale in volume metrics but continues to face gaps in foundational technology and research influence. Smaller economies—Singapore, Switzerland, UAE, Saudi Arabia—prove that strategic focus, policy coherence, and targeted investment can create competitive advantages despite population constraints.

- **Ecosystem participation matters more than geographic location.** Success requires connecting to global AI networks through partnerships, distributed teams, and talent circulation.
- **Vertical application focus offers competitive differentiation.** Domain expertise combined with AI capability creates defensible market positions faster than competing in infrastructure or foundation models.
- **Talent development is the binding constraint**. With 80% of AI professionals having limited experience and projected doubling by 2030, organizations that excel at rapid skill development will outpace competitors.
- **Quality metrics matter as much as quantity.** Whether measuring research impact, patent portfolios, or company valuations, influence and depth often matter more than absolute numbers.
- **Policy and incentives shape competitive outcomes.** The rapid rise of Gulf AI ecosystems demonstrates that coherent strategy, financial commitment, and talent-friendly policies can reshape competitive dynamics within years.

As artificial intelligence transitions from emerging technology to foundational infrastructure, understanding these competitive dynamics becomes essential for strategic decision-making. Organizations that combine global ecosystem awareness, vertical domain focus, aggressive talent development, and adaptive strategies will be best positioned to capture AI-driven value in the decade ahead.

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