

STATE OF AI BUSINESS INSIGHTS: MENA 2026 PERSPECTIVE

The Year of Agentic AI

REPORT

April, 2026





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.

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Executive Summary

Despite near-universal adoption of artificial intelligence (AI), most organisations remain stuck in pilot purgatory. A 2025 survey on enterprise AI measurement notes that 95 % of generative-AI pilots fail to achieve revenue impact; only 5 % deliver measurable improvements, and 42 % of companies are abandoning most of their AI projects. Even though 78 % of organisations use AI in at least one function, more than 80 % report no tangible contribution to enterprise-level EBIT. The core problem isn't the technology; it's the lack of redesigned workflows and metrics—60 % of leaders recognise the need for better performance indicators, yet only 34 % use AI to develop them. Poor data quality, insufficient technical maturity and talent shortages also rank among the top obstacles.

The Middle East and North Africa (MENA) region mirrors this global paradox. A McKinsey-backed survey of GCC companies finds that 84 % of organisations have adopted AI, up from 64 % in 2023^[1]. However, only 31 % have scaled AI across their operations^[1], and just 11 % of Gulf companies realise measurable financial returns^[3]. More than two-thirds remain trapped in early experiments^[2]. Gartner forecasts that total IT investment across the region will rise from US\$155 billion in 2025 to over US\$169 billion in 2026, with the fastest growth in data-centre systems (up 37.3 % to nearly US\$13 billion) and software (up 13.9 % to over US\$20 billion)^[3]. Governments and regional tech giants are driving this surge through sovereign cloud initiatives and investments in regionally trained language models^[3].

As AI moves from experimental deployments to core infrastructure, 2026 is set to be the Year of Agentic AI. Agentic systems go beyond generating content; they plan, decide and act autonomously across end-to-end workflows, effectively functioning as digital co-workers. Industry analysts predict that enterprises will stop treating AI as a supportive tool and instead delegate complete tasks to digital agents^[4], creating orchestration loops where agents coordinate with each other and request targeted human approvals^[4]. Gartner projects that 40 % of enterprise applications will include task-specific AI agents by 2026, compared with less than 5 % today^[5], and that a new model-context protocol (MCP) will enable agents to collaborate across vendor platforms^[6]. This report summarises the AI value gap observed in 2025, highlights MENA-specific considerations and then explores how agentic AI will reshape customer experience, manufacturing, construction and healthcare in 2026. It concludes with practical recommendations for leaders in the GCC and beyond.



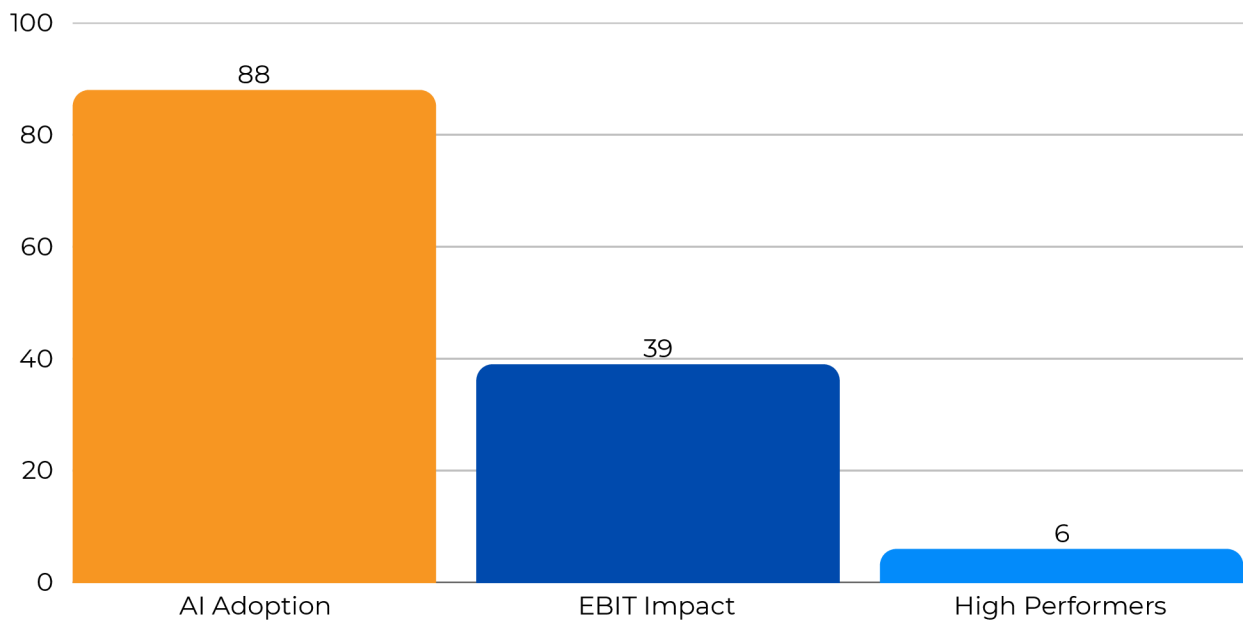
Closing the AI Value Gap

Global Adoption vs. Business Impact

Rapid AI adoption has not translated into economic benefit. An August 2025 analysis on AI measurement describes an escalating crisis: while most enterprises are experimenting with generative AI, 95 % of pilots fail, and 42 % of organisations abandon their AI initiatives. The same report notes that 78 % of companies use AI in at least one business function, yet more than 80 % see no uplift in EBIT. The issue is poor measurement and execution; 60 % of leaders admit that their Key Performance Indicators (KPIs) are inadequate, yet only 34 % leverage AI to create new metrics. Companies that adopt systematic measurement—tracking both technical accuracy and operational impact—report meaningful improvements.

Other recurring barriers include data quality and readiness (identified by 43 % of CDOs), lack of technical maturity (43 %) and workforce skill gaps (35 %). These findings reinforce the conclusion that success depends far more on change management and workflow redesign than on algorithms. McKinsey's research on GCC organizations echoes this view, emphasising that for every dollar spent on AI technology, companies must spend US\$4–5 on change management to achieve enterprise-wide adoption^[2]. Without clear performance metrics and proper data foundations, AI remains an isolated experiment rather than a source of competitive advantage.

The AI Value Gap: Adoption vs. Impact
Percentage

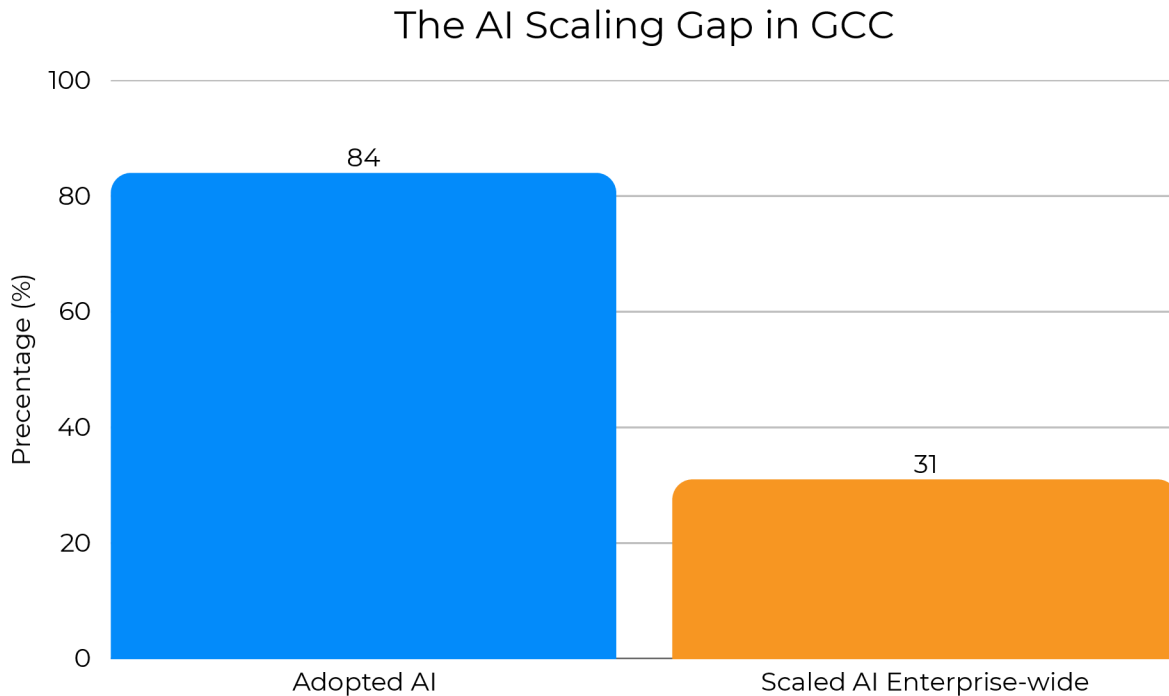


McKinsey, 2025



The MENA Adoption Landscape: Opportunities & Challenges

GCC countries are embracing AI aggressively. McKinsey reports that 84 % of organisations in the region have adopted AI in at least one function^[1], yet only 31 % have scaled AI across the enterprise^[1]. A separate Gulf survey found that while AI usage is widespread, more than two-thirds of companies remain stuck in pilots, and just 11 % are realising measurable financial returns^[3]. The banking and retail sectors are currently the most advanced adopters, with manufacturing emerging as a new field of experimentation^[3].



Investment momentum is strong: Gartner forecasts that MENA IT spending will grow 8.9 % to US\$169 billion in 2026, with data-centre systems rising 37.3 % and software up 13.9 %^[3]. These investments are driven largely by national AI strategies and sovereign cloud initiatives^[3]. However, the same McKinsey study warns that “high AI usage is out of sync with maturity or value”^[2]. To capture value, organisations must align AI road maps with performance metrics and invest in change management and data governance^[1].



Shadow AI Adoption: Bridging the GenAI Divide

While formal AI initiatives in the region remain stuck in pilot purgatory, recent research from MIT's Project NANDA shows that employees are already crossing the GenAI divide through "shadow AI"—the use of personal AI tools such as ChatGPT and Claude without official approval. Their study found that only 40 % of companies have purchased an official large-language-model subscription, yet workers from over 90 % of surveyed organisations report using personal AI tools for work, often multiple times per day. This informal adoption often delivers better ROI than formal initiatives and reveals what actually works for bridging the divide; forward-thinking companies are therefore learning from shadow usage and analysing which consumer tools deliver value before procuring enterprise alternatives.

This hidden economy also highlights why many pilots fail. Users who rely on consumer LLMs expect systems that remember context and improve over time. MIT researchers note that although professionals use ChatGPT daily for personal tasks, they abandon enterprise AI tools when these systems cannot learn or adapt; employees report productivity gains from private usage while official pilots stall. The learning gap is a major barrier; MIT argues that agentic AI with persistent memory and iterative learning directly addresses this gap, reinforcing the conclusion that future AI investments must prioritise learning and workflow integration rather than generic models ^[45].

63%

**of employees use AI without
company authorization**

>50%

**of respondents save over an
hour each day using AI**

MENA surveys support these findings. A 2025 Boston Consulting Group (BCG) study on AI adoption in the GCC reports that 63 % of employees would use AI tools even without company authorization, underscoring the prevalence of shadow AI and the risk of unmanaged adoption. More than half of GCC respondents say AI saves them over an hour each day, yet these productivity gains remain largely invisible because they occur outside official channels. The report emphasises that frontline enthusiasm for AI, coupled with rapid agentic-AI pilots, positions the GCC ahead of global peers in adopting digital co-workers but also increases the urgency of establishing governance and measurement frameworks.

Collectively, these insights suggest that to close the AI value gap, organisations must recognise and manage shadow AI. Leaders should capture lessons from bottom-up adoption, encourage responsible experimentation and translate successful consumer use cases into sanctioned solutions. Adopting agentic systems with built-in memory and learning capabilities can align employee expectations with enterprise-grade reliability, ensuring that the productivity benefits already realised inform the next wave of AI investments.



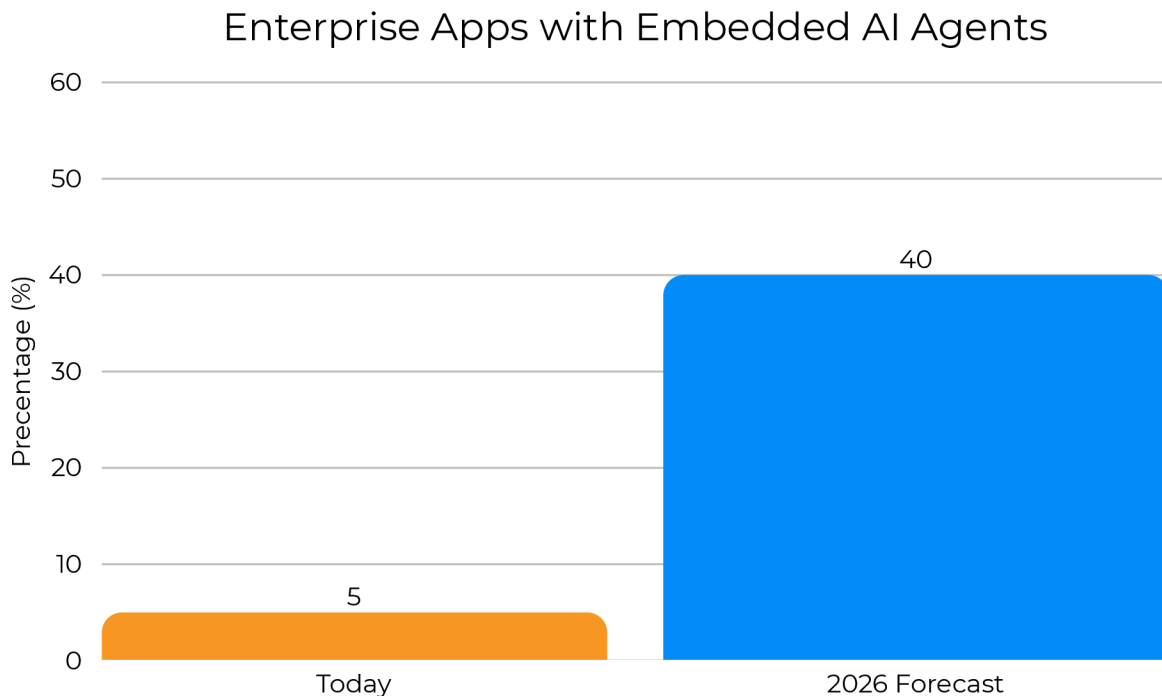
Strategic Implications

The lessons from 2025 are clear: AI is not a plug-and-play technology. Real value accrues when enterprises redesign workflows, build AI-literate teams, and implement governance frameworks. In the MENA region, where capital and government support are abundant, the greatest risk is complacency. Companies must act quickly to move beyond pilot purgatory—developing performance-linked KPIs, investing in data quality and establishing AI generalist roles that can manage and orchestrate autonomous agents. With that foundation in place, organisations can seize the opportunities presented by agentic AI.

2026: The Year of Agentic AI

What is Agentic AI?

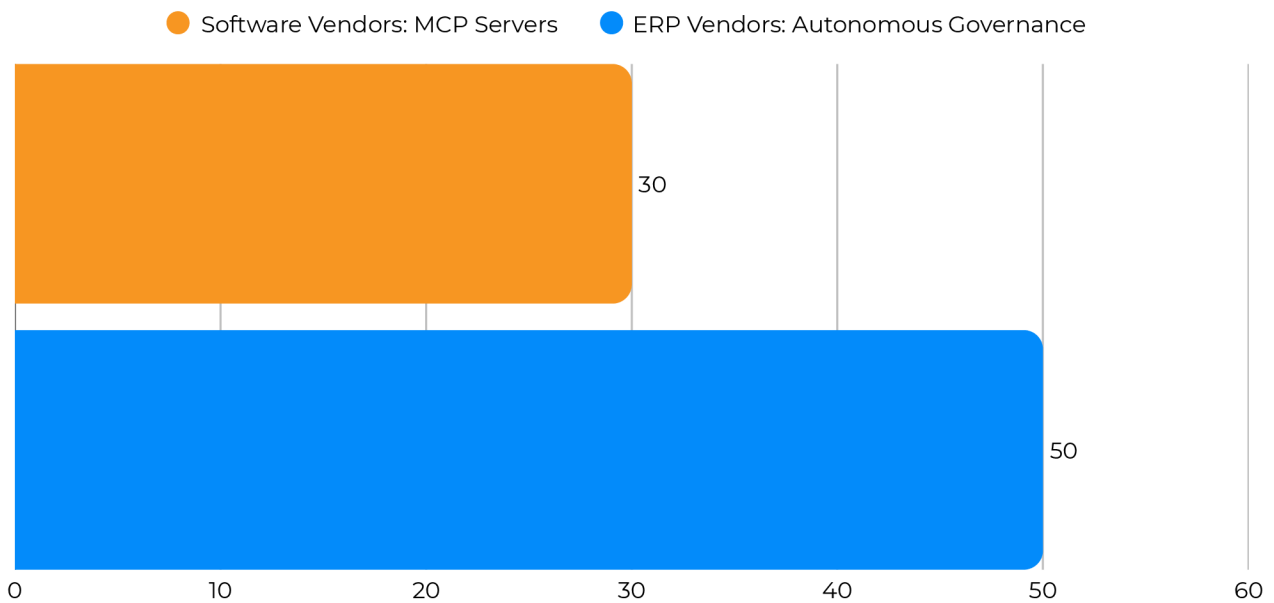
Agentic AI refers to systems of interconnected agents capable of planning, deciding and acting autonomously across an entire workflow. Unlike generative AI tools that produce content based on prompts, agentic systems operate as digital co-workers—they accept high-level goals, orchestrate subtasks and communicate with other agents or humans to deliver results. Analysts at BigDataWire describe a coming delegation shift: enterprises will stop treating AI agents as supportive tools and begin delegating end-to-end tasks, trusting agents to determine how to achieve the outcome^[4]. In these scenarios, AI agents become “users” of enterprise software, requesting approvals only at critical junctures^[4].





Gartner predicts that by 2026, 40% of enterprise applications will embed task-specific AI agents, up from less than 5% today^[5]. Forrester forecasts that 30% of enterprise software vendors will launch Model Context Protocol servers to enable cross-agent collaboration and that half of enterprise resource planning (ERP) vendors will introduce autonomous governance modules that combine explainable AI with audit trails^[6]. This evolution will require rethinking technology stacks, talent models and governance structures. The following sections explore how agentic AI will impact customer experience, manufacturing, construction and healthcare.

Next-Gen AI Ecosystem



Customer Experience and Service

From chatbots to customer-side agents

The customer journey is poised for fundamental change. Medallia's 2025 predictions note that agentic AI will resolve issues, complete transactions and negotiate on behalf of consumers, allowing people to re-book travel, negotiate prices and manage returns without ever speaking to a human or visiting a company website^[7]. Up to 40 % of customers may not visit corporate websites by 2026 because generative platforms will answer questions and make recommendations directly^[7]. Customer journeys will begin on generative platforms, forcing brands to embed themselves in these ecosystems.



New metrics and accountability

As AI becomes the engine powering customer experience, metrics must evolve. Ada's CX research argues that in 2026, AI customer service will be held accountable for resolution accuracy, customer lifetime value and retention influence, rather than merely measuring call deflection^[8]. The shift from validation to redesign means rethinking team structures and tech stacks; AI will be treated as core infrastructure, not a bolt-on tool^[8]. Medallia similarly predicts that AI will automate marketing campaigns, personalise experiences and take actions for customers^[7]. Forrester/Forbes anticipates that one in four brands will see a 10 % increase in simple self-service interactions due to growing trust in AI, while warning that over-automation could backfire^[9]. The same report foresees consumer-developed AI agents entering call queues, requiring bot-management solutions^[9] and notes that 30 % of enterprises will create parallel AI functions to monitor agent performance and safety^[9].

Implications for MENA organisations

For businesses in the GCC, customer-experience transformation will depend on designing agentic service workflows that integrate seamlessly with regional payment systems and languages. Companies should prepare for negotiations between customer-side agents and enterprise agents, requiring real-time pricing models and flexible policy engines. They must also invest in AI governance frameworks to prevent hallucinations and bias, especially in regulated sectors like finance and telecommunications. Finally, organisations should recognise that AI agents will create new roles—such as AI managers and knowledge engineers—responsible for curating content, monitoring performance and ensuring alignment with cultural norms^[8].

Manufacturing and Industrial Operations

Autonomous scheduling and IT/OT convergence

>40%

of manufacturers with production-scheduling software will upgrade to AI-enabled systems

The manufacturing sector is poised for an agentic revolution driven by predictive analytics, robotics and edge computing. IDC's manufacturing FutureScape predicts that by 2026, over 40 % of manufacturers using production-scheduling software will upgrade to AI-enabled systems, creating autonomous production planning^[10]. Another 45 % of G2000 original-equipment manufacturers will use AI to connect field-service and engineering data for circular repair workflows^[10]. These developments hinge on agentic IT/OT connectivity, where machines, sensors and software orchestrate operations without human supervision^[10].



Smart Factories and Worker Augmentation

Beyond scheduling, agentic AI will enable real-time decision-making through the convergence of information technology (IT) and operational technology (OT). Industry reports foresee machine vision, robotics, 5G, IoT and edge computing combining to deliver predictive analytics and quality control^[11]. Autonomous mobile robots will collaborate with human operators, addressing workforce shortages and improving productivity. Training tools and augmented reality devices will help upskill workers, while sustainability pressures drive adoption of RFID and machine vision for supply-chain transparency^[11]. IDC notes that hybrid AI platforms will support human-robot skills transfer and that agentic product and process simulations will accelerate innovation^[10].

Considerations for MENA Manufacturers

Although manufacturing adoption has lagged behind retail and finance in the Gulf, agentic AI offers an opportunity to leapfrog legacy systems. GCC companies should prioritise data integration across IT and OT, invest in edge infrastructure to process data locally and develop digital twins of factories for simulation and predictive maintenance. Successful deployment will depend on high-quality operational data and cross-functional collaboration; IDC warns that data silos and cautious adoption remain challenges^[10]. Partnerships with global technology providers and investment in local talent will be critical to realise these benefits.

Construction and Engineering

Agentic scheduling and Digital Twins

The engineering and construction (E&C) industry—traditionally slow to digitise—is adopting agentic AI to cope with complex projects, workforce shortages and supply-chain disruptions. Deloitte's 2026 Engineering & Construction Outlook notes that many firms are piloting agentic AI systems to autonomously manage complex scheduling, coordinate workflows and mitigate risk, helping teams anticipate disruptions and respond quickly^[12]. These systems integrate with building information modelling (BIM), digital twins and generative design tools to produce optimised construction plans that reduce timelines by up to 20 %^[12]. Construction optioneering platforms test variables (materials, labour, site conditions) to select the best execution path^[13].



Pre-bid Analysis and Automation

AI is also transforming pre-construction processes. Recent reports describe agents that simulate construction schedules, evaluate resource requirements and optimise bids^[13]. During design and coordination phases, AI tools automatically generate electrical raceway designs and coordinate between trades, reducing double work and flagging potential collisions^[13]. However, experts caution that AI cannot compensate for disorganised project management; quality data and disciplined processes remain prerequisites. Deloitte emphasises the importance of computer vision and safety analytics, IoT-enabled predictive maintenance and autonomous equipment and robotics to address labour shortages^[12].

Implications for GCC construction

MENA governments are commissioning some of the world's largest infrastructure projects—from Saudi Arabia's NEOM to the UAE's smart-city initiatives. Agentic AI offers a way to deliver these mega-projects faster and more safely. Regional contractors should invest in cloud-based BIM platforms, develop digital twin ecosystems and pilot agentic scheduling tools that coordinate across subcontractors. Data governance is critical; sensors and drones must feed accurate data into AI models, while regulatory frameworks ensure compliance with safety and labour standards. Firms should also develop capabilities in computer vision, generative design and robotics, partnering with global technology providers to accelerate adoption.

Healthcare and Life Sciences

From Clinical Decision Support to Autonomous Care Orchestration

Healthcare is primed for agentic transformation. A 2025 review of agentic AI in healthcare explains that autonomous agents can act as clinical decision support, personalised health coaches, medical imaging analysts, robotic process automation (RPA) bots, drug-discovery assistants and even surgical partners^[14]. Key trends driving adoption include exponential data growth, advances in machine learning, edge computing and a shift toward value-based care^[14].

Predictions for 2026 underscore the acceleration of these trends. Healthcare platforms expect AI-driven administrative automation to surge, tackling tasks such as prior-authorisation triage, documentation extraction, risk adjustment, quality-measure abstraction, claims editing and care-management routing^[15]. At the same time, agentic systems will become the central engine of care-management and population health, distilling complex patient histories, prioritising care gaps, analysing behavioural and social patterns, personalising outreach and predicting risk trajectories^[15]. AI will also become compliance and regulatory infrastructure—summarising documentation, preparing audit packages, supporting regulatory reporting and detecting coding anomalies^[15].



Ambient Intelligence and Clinical Governance

Generative AI is moving from back-office to bedside. Opala predicts that AI agents integrated into electronic health record (EHR) systems will reshape clinical workflows, but only with strict data lineage, human-in-the-loop oversight, accurate records, standardised terminology and governance frameworks^[15]. Only organisations with normalised patient records, real-time event feeds and mature data governance will fully capture AI value^[15]. Wolters Kluwer’s experts call 2026 the “year of governance,” warning that C-suite leaders must implement formal oversight frameworks to ensure responsible AI use and prevent clinical deskilling^[16]. They note that clinical-grade generative AI can be a trusted co-pilot when embedded in workflows, validated and governed; by 2026 these tools will automate documentation, synthesise notes and surface care gaps at scale^[16].

The health-tech market is booming. Analysts predict the digital health technology market could exceed US\$300 billion by 2026, with growth driven by AI-powered clinical decision support and ambient documentation tools^[16]. However, adoption will depend on nurse and clinician readiness; success requires training, guidelines and integration with existing workflows^[16].

Challenges and Implications for MENA Healthcare



Increasing Population



High Chronic disease rates



Limited Availability of Clinicians

The MENA region faces unique healthcare challenges—fast-growing populations, high rates of chronic disease and limited clinician availability—that make automation attractive. Hospitals and payers should prioritise agentic administrative automation, focusing on prior-authorization and claims processing to relieve overburdened staff^[15]. Governments should invest in AI-enabled care-management platforms that integrate public-health data, enabling personalised outreach and early intervention^[15]. To ensure trust, health regulators must publish ethical frameworks and require transparent data lineage and human oversight^[15]. Training programs for clinicians and nurses are essential to avoid deskilling and to harness AI as a co-pilot^[16]. Finally, investing in digital health infrastructure—including interoperable EHRs, cloud computing and edge analytics—will lay the foundation for agentic care.



Cross-Industry Themes and Recommendations

Data Quality and Governance

Across industries, the single biggest determinant of agentic AI success is data quality. Organisations must invest in centralised data platforms, enforce standardised taxonomies and adopt observability tools. Without trusted data, agentic systems will produce errors, bias and potentially dangerous outcomes. Both manufacturing and healthcare analysts warn that poor data quality is the leading barrier to scaling AI^[10].

Orchestration and Integration

Agentic AI is not a single system but a network of cooperating agents. Enterprises need orchestration layers that manage agent collaboration, route tasks, resolve conflicts and expose clear APIs. Forrester predicts that many vendors will launch MCP servers to facilitate cross-agent collaboration^[6]. Companies should design modular architectures that allow agents to interact with enterprise systems (ERP, CRM, EHR) and with external consumer agents. A strong governance layer will ensure accountability and transparency in decision-making.

Human–AI Collaboration and Workforce Development

Agentic AI doesn't eliminate the need for people—it reshapes roles. Enterprises must develop AI-generalist and AI-manager roles to oversee agents, curate knowledge and interpret outputs. Continuous training and change management are essential; McKinsey emphasises that every dollar invested in AI technology must be accompanied by US\$4–5 in change management to realise value^[2]. Healthcare experts stress the importance of clinician training to avoid deskilling^[16], and manufacturing leaders foresee hybrid workforces where robots and humans learn from each other^[10].

Regulatory and Ethical Considerations

As agents take on more responsibility, ethics and compliance move to the forefront. Healthcare organisations must implement formal AI governance frameworks^[16] and ensure transparent data lineage^[15]. Construction and manufacturing companies should conform to safety regulations when deploying autonomous equipment^[12]. Customer-service teams must guard against biased decision-making and negotiate fairness in agent-to-agent interactions. Regulators in the GCC are already investing in AI sandboxes and sovereign cloud models, but they need to expand these initiatives to encompass agentic systems.



Regional Collaboration and Investment

The GCC has a unique opportunity to shape the agentic era. Sovereign wealth funds and national AI strategies provide capital and policy support. To maximise value, regional players should collaborate on shared infrastructure, including Arabic-language foundation models, data-centre capacity and cross-border data-sharing agreements. Investment in start-ups developing autonomous workflow orchestration, predictive intelligence and digital workers can position the region as a global hub for agentic AI^[2]. Partnerships with global technology firms will accelerate knowledge transfer and ensure compliance with international best practices.

Conclusion

2026 marks a pivotal year for AI. After a decade of experimentation, organisations have learned that algorithms alone do not create value—workflow redesign, change management and data governance do. The MENA region stands at the forefront of AI adoption, with soaring investment and visionary national strategies. Yet much of that potential remains locked behind pilot projects and weak performance metrics. Agentic AI offers a path forward: by delegating complex tasks to autonomous agents, enterprises can unlock new levels of efficiency, personalisation and innovation.

To seize this opportunity, leaders must act decisively. They should build AI-literate workforces, establish governance frameworks, invest in integrated data platforms and collaborate across industries and borders. Those who move first will not only close the AI value gap but define the future of business in the agentic era.



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For more information about implementing these strategies, contact iVolution AI transformation experts.