

## **Which Economies Are Ready for AI?**

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I joined BCG in 1997, the year that Amazon went public, as the dot-com boom started to accelerate. That was a dynamic time for the business world.

The past two years, since the public release of ChatGPT, have been even more so. Traditional businesses are adopting both predictive and generative AI more quickly than they embraced the internet.

These technologies have become an economic priority in many countries. But which economies are most ready to take advantage of AI and GenAI?

My colleagues recently [analyzed 73 economies](#) to assess their exposure to AI—how likely the technology is to affect businesses and employment positively or negatively—and their readiness to implement and integrate it.

The top five spots in their assessment, the [AI Maturity Matrix](#), are called AI pioneers. Mainland China and the US, with their financial and technological resources, are joined by Canada, Singapore, and the UK, three advanced economies with educated workforces.

The “news” is in the second category: AI contenders, or economies with relatively high readiness but varying degrees of exposure. My colleagues divided contenders in two:

- **Steady contenders**, mostly high-income European economies such as Germany
- **Rising contenders**, economies with less exposure to AI because they have a higher share of heavy and resource-

based industries less susceptible to immediate disruption and opportunity

The rising contenders are well represented by rapidly growing economies in the Global South, such as India, Indonesia, Saudi Arabia, and the UAE, whose governments have actively promoted the development of AI. India, for example, has launched initiatives to integrate AI into fields such as agriculture and education, while Saudi Arabia is focusing on Arabic language AI and industrial- and energy-related AI.

National governments can play a constructive role in the development of an AI-enabled economy. Most nations have AI strategies, policies, and regulations in place. But those are not key differentiating factors.

What matters most, according to BCG's [ASPIRE framework](#), are skills, R&D, investments, and ecosystems, which are a proxy for an economy's digital infrastructure. Governments can improve a nation's digital infrastructure, and along with the private sector improve the R&D climate. AI Singapore, a governmental program, for example, brings together the country's research institutions with startups and companies in an ecosystem of innovation.

Governments can also provide a business and educational environment conducive to encouraging investments and R&D. A nation such as the US has capital markets that investors trust and government-funded educational institutions to which foreign students flock.

While the primary audience of the AI Maturity Matrix is government leaders, business leaders can contribute in important ways. In all industries, they will need to reskill their workforces and in tech fields make smart investments that align with national strategies.

The AI revolution is in its early days and the ultimate winners have not been declared. Understanding your starting point is the key to shaping your future.

Until next time,

**Christoph Schweizer**  
Chief Executive Officer

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## Further Insights



### Which Economies Are Ready for AI?

BCG's new AI Maturity Matrix combines an economy's exposure to AI with its readiness to handle AI disruption. Explore our assessment of 73 economies.

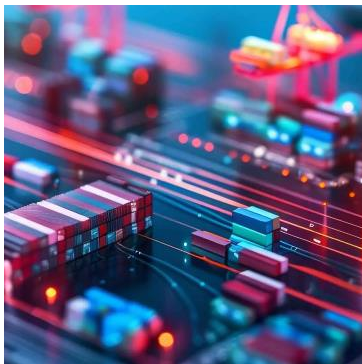
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