#### **Announcements**

59% of Indian enterprises have actively deployed AI, highest among countries surveyed: IBM report

- Trust in AI is key as 94% say that being able to explain how their AI reached a decision is important to their business.
- Top factors driving adoption in India are accessibility of AI tools, need to reduce costs and automate, and increase in AI embedded into off the shelf business applications.



**BENGALURU, INDIA, February 15, 2024** — New research commissioned by IBM (NYSE: <u>IBM</u>) found that about 59% of enterprise-scale organizations (over 1,000 employees) surveyed in India have AI actively in use in their businesses. The 'IBM Global AI Adoption Index 2023' found early adopters are leading the way, with 74% of those Indian enterprises already working with AI, having accelerated their investments in AI in the past 24 months in areas like R&D and workforce reskilling.

Ongoing challenges for AI adoption remain, including hiring employees with the right skillsets and ethical concerns, inhibiting businesses from adopting AI technologies into their operations. Therefore, in 2024 addressing these inhibitors would be a priority, like providing people with the relevant skills to work with AI and having a robust AI governance framework.

"The increase in AI adoption and investments by Indian enterprises is a good indicator that they are already experiencing the benefits from AI. However, there is still a significant opportunity to accelerate as many businesses are hesitant to move beyond experimentation and deploy AI at scale," said Sandip Patel, Managing Director, IBM India & South Asia. "To harness its full potential in the coming months, data and AI governance tools are going to be critical for building AI models responsibly that enterprises can trust and confidently adopt. Without the use of governance tools, AI can expose companies to data privacy issues, legal complications, and ethical dilemmas – cases of which we have already seen plaguing many across the world," he added.

Highlights for India from the 'IBM Global AI Adoption Index 2023' conducted by Morning Consult on behalf of IBM:

### Over the last several years, Al adoption has remained steady at large organizations surveyed:

- Today, 59% of IT professionals at large organizations report that they have actively deployed AI while an additional 27% are actively exploring using the technology.
- Similarly, around 6 in 10 of IT professionals at enterprises report that their company is actively implementing generative Al and another 34% are exploring it.
- 74% of IT professionals at companies deploying or exploring AI indicate that their company has accelerated their investments in or rollout of AI in the past 24 months in areas like R&D (67%), reskilling/ workforce development (55%) and building proprietary AI solutions (53%).

# Easier to use AI tools and the need to reduce costs and automate processes are driving AI adoption among surveyed companies:

Advances in AI tools that make them more accessible (59%), the need to reduce costs and automate key
processes (48%), and the increasing amount of AI embedded into standard off the shelf business
applications (47%) are the top factors driving AI adoption.

## The skills gap remains the biggest barrier to Al adoption in India:

• The top 5 barriers hindering successful Al adoption at enterprises both exploring or deploying Al are limited Al skills and expertise (30%), lack of tools/platforms for developing Al models (28%), Al projects are too complex or difficult to integrate and scale (27%), ethical concerns (26%) and too much data complexity (25%).

# The need for trustworthy and governed AI is well understood, but barriers are making it difficult for surveyed companies in India to put into practice:

- IT professionals are largely in agreement that consumers are more likely to choose services from companies with transparent and ethical AI practices (98% strongly or somewhat agree) and 94% say being able to explain how their AI reached a decision is important to their business (among companies exploring or deploying AI).
- However, despite understanding its importance only a minority are taking key steps towards trustworthy Al like reducing bias (36%), tracking data provenance (46%), making sure they can explain the decisions of their Al models (52%), or developing ethical Al policies (46%).
- The top barriers for developing trustworthy and ethical AI are the lack of an AI strategy (57%), lack of company guidelines (55%) and lack of AI governance and management tools that work across all data environments (55%).

### Among surveyed organizations in India, AI is already having an impact on the workforce:

- Among companies citing Al's use to address labor or skills shortages, they are tapping Al to do things like reduce manual or repetitive tasks with automation tools (63%), automate customer self-service answers and actions (63%) or using Al to improve recruiting and human resources (56%).
- 46% are currently training or reskilling employees to work together with new automation and AI tools. 51% said that employees at their organization are excited to work with new AI and automation tools.

View the global report <u>here</u>.

### Methodology:

This survey was conducted in November 2023 among a representative sample of 8,584 IT Professionals in India, Australia, Canada, China, France, Germany, Italy, Japan, Singapore, South Korea, Spain, UAE, UK, US and LATAM (Argentina, Brazil, Chile, Colombia, Mexico, and Peru). To qualify for the survey, participants must be employed full-time, work at companies with more than 1 employee, work in a manager or higher-level role, and have at least some knowledge about how IT operates and is used by their company. The global results have a margin of error of +/- 1 percentage point.

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