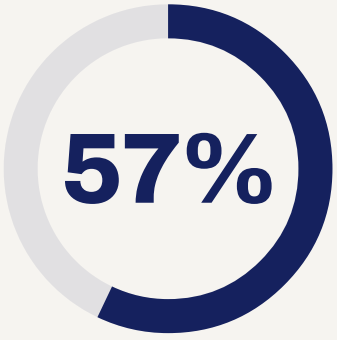
2026 SURVEY INSIGHTS REPORT

AI Readiness in Singapore 2026

Exploring the challenges, risks and realities of AI adoption among Singapore businesses



of leaders surveyed are actively expanding their use of AI

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37
business leaders surveyed

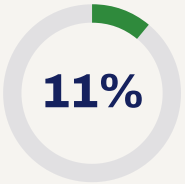
4
key findings with supporting data

5
roles with tailored recommendations

EXECUTIVE SUMMARY

Executive Summary: Key Insights at a Glance

This report presents insights from a survey of 37 respondents, exploring perspectives on AI adoption, data privacy, governance and organisational readiness. The findings offer an indicative view of the challenges businesses face rather than a representative assessment of all Singapore businesses. Four findings emerged.

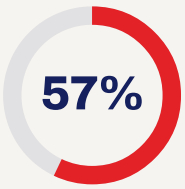


have formally assessed their obligations

FINDING 1

Strong interest in private AI, but limited readiness

Most respondents prioritise AI privacy, yet few have assessed the infrastructure, security and data residency requirements that would follow. Four in five want AI hosted somewhere other than public services, while only 11% have formally assessed their obligations.

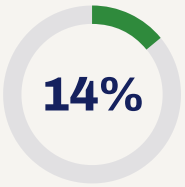


have no policy on data going into AI tools

FINDING 2

Employee AI usage is outpacing corporate policies

Employees are already using AI tools, while many organisations have yet to establish formal usage guidelines. The largest single group, 54%, has staff using AI informally, and 57% have no policy governing what data goes into those tools.

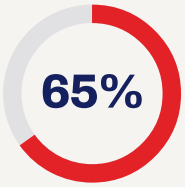


have an owner with a mandate and budget

FINDING 3

AI adoption is growing, but ownership remains unclear

Businesses are expanding AI initiatives without clearly defined accountability. Fifty-seven per cent are actively expanding their use of AI, while 14% have an owner with a mandate and budget and 68% have not documented which problems AI should solve.



cite data security, the top-ranked barrier

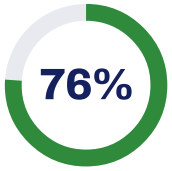
FINDING 4

Internal gaps are the real barrier, but few recognise them

Respondents ranked security, accuracy and cost as their biggest obstacles. The internal constraints most of them actually have, such as no owner, no policy and no documented use case, ranked lowest on the same list.

OVERVIEW

The Gap Between AI Ambition and Readiness



expanding AI or starting within twelve months



has an owner with a mandate and budget



has a policy on data going into AI tools



has assessed its data sovereignty obligations

Among the 37 business leaders surveyed, interest in AI adoption is strong. 57% are already expanding their use of AI, while another 19% plan to begin within the next 12 months. Only one respondent indicated no plans to adopt AI.

However, this growing interest is not matched by the same level of organisational readiness. Only one in seven organisations has a designated AI lead with a clear mandate and budget, while just one in five has established policies governing how business data can be used with AI tools.

The gap is particularly evident in data sovereignty. Although four in five respondents prefer AI to operate outside public AI services, only one in nine has formally assessed their organisation's data sovereignty requirements.

These findings point to a clear disconnect among surveyed organisations: AI adoption is progressing faster than the governance, accountability and safeguards needed to support it.

THE CENTRAL FINDING

The biggest challenge is not technology but governance. Survey findings reveal a disconnect between the barriers respondents perceive and the gaps within their own organisations. Many place less importance on governance and internal readiness despite lacking the policies, accountability and safeguards needed for AI adoption.

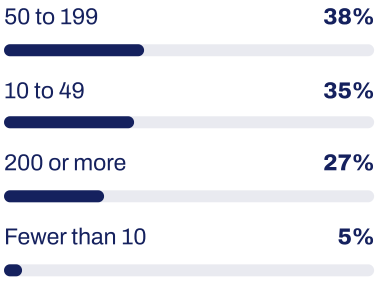
Without addressing these underlying gaps, investment in AI may fall short of delivering the expected business value.

METHODOLOGY

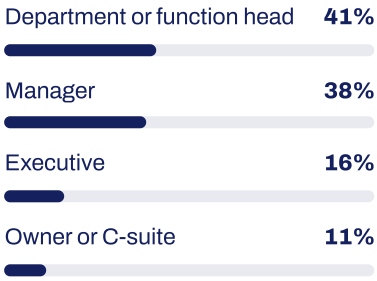
Survey Methodology and Respondent Profile

Survey responses were collected through paper questionnaires distributed to participants during registration for the AI Readiness Workshop, held at SBF Center on 20 October 2026. A total of 37 completed questionnaires were returned.

BY SIZE (EMPLOYEES)



BY ROLE



BY SECTOR (RESPONDENTS)



Understanding the Survey Results

- Unless otherwise stated, all percentages are based on 37 respondents.
- Some respondents selected multiple options for questions intended to have a single answer. As a result, percentages for these questions may exceed 100%.
- The question on AI adoption barriers allowed multiple responses, receiving 122 selections in total, or an average of 3.3 per respondent.
- Of the 37 respondents, 14 provided additional insights through the open-ended question.

SCOPE AND LIMITATIONS

This survey reflects the perspectives of 37 participants who attended an AI workshop. As participation was voluntary, respondents may have a greater interest in AI than the broader Singapore business community.

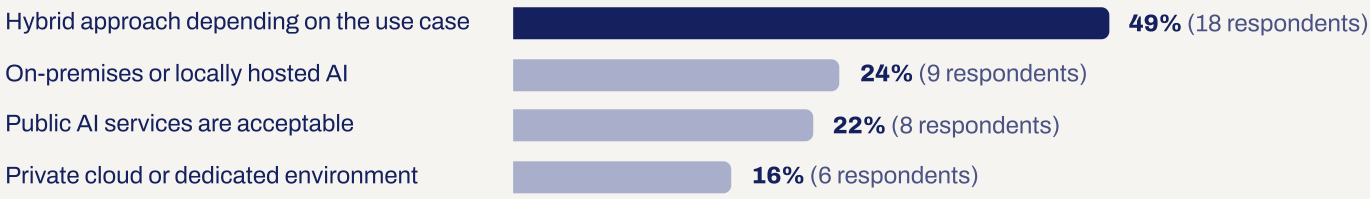
The findings provide an indicative view of AI adoption, readiness and challenges among those surveyed. They should not be interpreted as representative of all businesses in Singapore.

FINDING 1 OF 4

01 AI Hosting Preferences and Data Sovereignty Readiness

Survey findings indicate a strong preference for greater control over where AI models and business data are hosted. Only **22% of respondents consider public AI services acceptable** for their intended use cases. Meanwhile, 49% prefer a hybrid approach depending on the use case, 24% favour on-premises or locally hosted AI, and 16% prefer a private cloud or dedicated environment.

AI Hosting Preferences



Q3. What best describes your organisation's requirements for where AI models and data should be hosted? Percentages are based on 37 respondents. Multiple selections were recorded.

While the preference for greater control is evident, **few organisations have formally assessed what their data sovereignty requirements involve.**

Data Sovereignty Readiness



Have formally assessed and documented their data sovereignty and residency obligations



Recognise that these obligations may apply but have not conducted an assessment



Have yet to examine their data sovereignty requirements

THE KEY FINDING

Businesses recognise the importance of controlling where their AI workloads and data reside, but this awareness has not consistently translated into formal assessments.

Only around one in nine respondents has documented their data sovereignty obligations. Without a clear understanding of the data involved, applicable regulations and contractual requirements, organisations may struggle to make informed decisions about AI hosting, compliance and infrastructure investment.

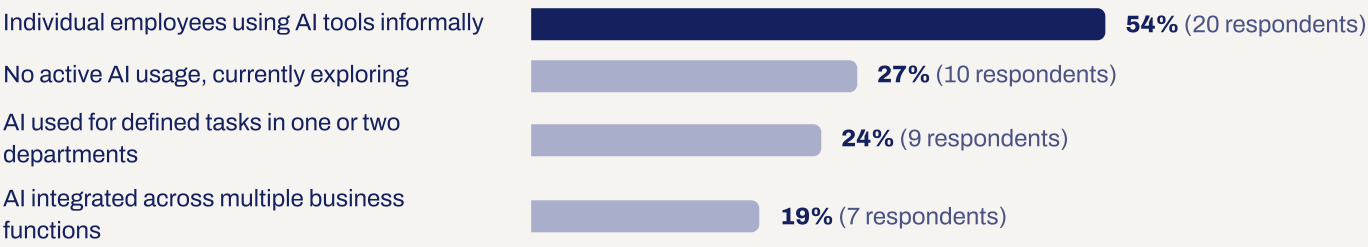
02

FINDING 2 OF 4

AI Usage Is Moving Faster Than Governance

AI adoption is already taking place across organisations, but much of this activity remains informal. Among the 37 respondents, **54% indicated that employees are using AI tools independently**, making it the most common form of adoption. Meanwhile, 24% have introduced AI for specific tasks within one or two departments, and 19% have integrated AI across multiple business functions. Another 27% are still exploring AI without actively using it.

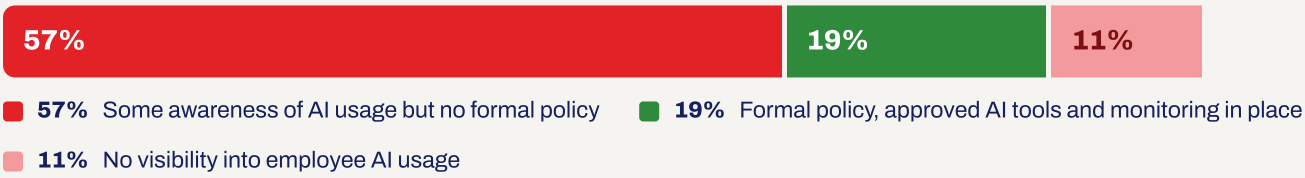
Current AI Adoption



Q1. Which best describes your organisation's current use of AI today? Percentages are based on 37 respondents. Multiple selections were recorded.

However, the level of governance has not kept pace with AI usage. **57% of respondents reported some awareness of employee AI activity but have yet to establish a formal policy.** A further 11% have no visibility into how AI tools are being used. Only 19% have implemented a policy supported by approved tools and monitoring.

Visibility Over Data Entering AI Tools



THE KEY FINDING

AI is becoming part of everyday business operations, often before organisations have established clear guidelines for its use.

This creates potential risks around sensitive business information, data privacy and accountability, particularly when employees use AI tools without formal approval or oversight.

Addressing these gaps does not necessarily require significant infrastructure investment. Establishing an AI usage policy, defining acceptable data-sharing practices and maintaining an approved list of tools are practical first steps towards improving governance while supporting responsible AI adoption.

03

FINDING 3 OF 4

AI Adoption Is Growing Without Clear Ownership

Interest in AI adoption continues to grow among respondents, with **57% actively expanding their use of AI** and another 19% planning to begin within the next 12 months. Meanwhile, 27% are still evaluating their options, while only one respondent indicated no plans to adopt AI.

However, this ambition is not matched by the same level of organisational accountability. While businesses are moving forward with AI, many have yet to establish the leadership, policies and governance needed to manage adoption effectively.

AI Adoption Intent vs Organisational Readiness



Ownership remains a significant gap. **Only 14% of respondents have appointed a dedicated AI lead with a defined mandate and budget.** For 40%, AI responsibilities have been added to an employee's existing role, while 38% rely on individuals who have taken an informal interest in AI. Another 24% reported having no one responsible for AI adoption.

Who Is Responsible for AI Adoption?



Q7. Who owns AI adoption in your organisation? Percentages are based on 37 respondents. Multiple selections were recorded.

THE KEY FINDING

AI adoption is progressing faster than the organisational structures needed to support it. While businesses are increasingly exploring and implementing AI, clear accountability remains limited.

Without defined ownership, AI initiatives risk becoming fragmented across departments, with inconsistent priorities, limited oversight and unclear responsibility for outcomes.

Establishing an accountable AI lead, supported by a clear mandate, appropriate resources and management involvement, is an important step towards turning AI adoption into measurable business value.

FINDING 3 OF 4 · CONTINUED

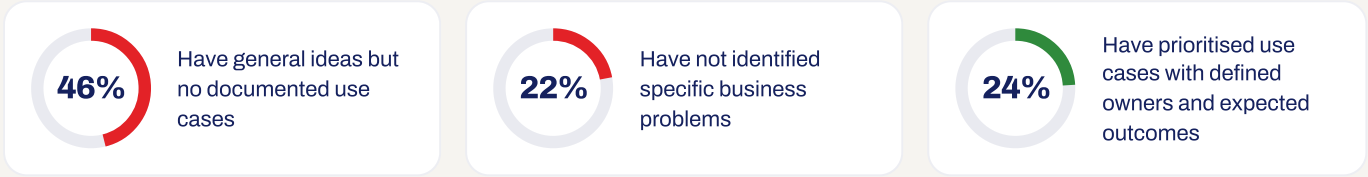
From AI Interest to Practical Use Cases

Defining Business Use Cases

While interest in AI adoption is growing, many organisations have yet to identify where it can deliver meaningful business value.

46% of respondents have general ideas about how AI could support their business but have not formally documented them. Another 22% have yet to identify specific business problems that AI could address. Only 24% have established prioritised use cases with clear ownership and expected outcomes.

AI Use Case Readiness

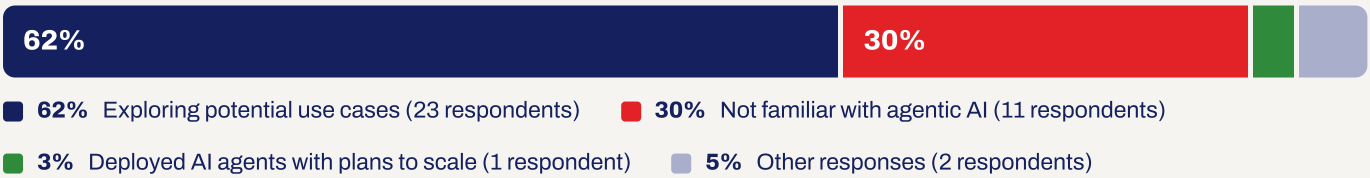


These findings suggest that many organisations remain in the early stages of translating AI interest into practical business applications.

Agentic AI Awareness and Adoption

A similar pattern emerges in the adoption of agentic AI. While **62% of respondents are exploring potential applications**, 30% are unfamiliar with the concept. Only one respondent (3%) reported having deployed AI agents with plans to scale.

Agentic AI Readiness



Q8. How familiar is your organisation with agentic AI? Percentages are based on 37 respondents.

THE KEY FINDING

Interest in AI is growing, but many organisations have yet to define how it will be applied to their business operations.

The findings highlight a gap between exploring AI capabilities and developing practical use cases with measurable outcomes. This is particularly evident in agentic AI, where interest is relatively high but reported deployment remains limited.

For businesses looking to move forward, the priority should be to identify specific operational challenges, assess where AI can deliver value and establish clear ownership before committing to wider implementation.

04

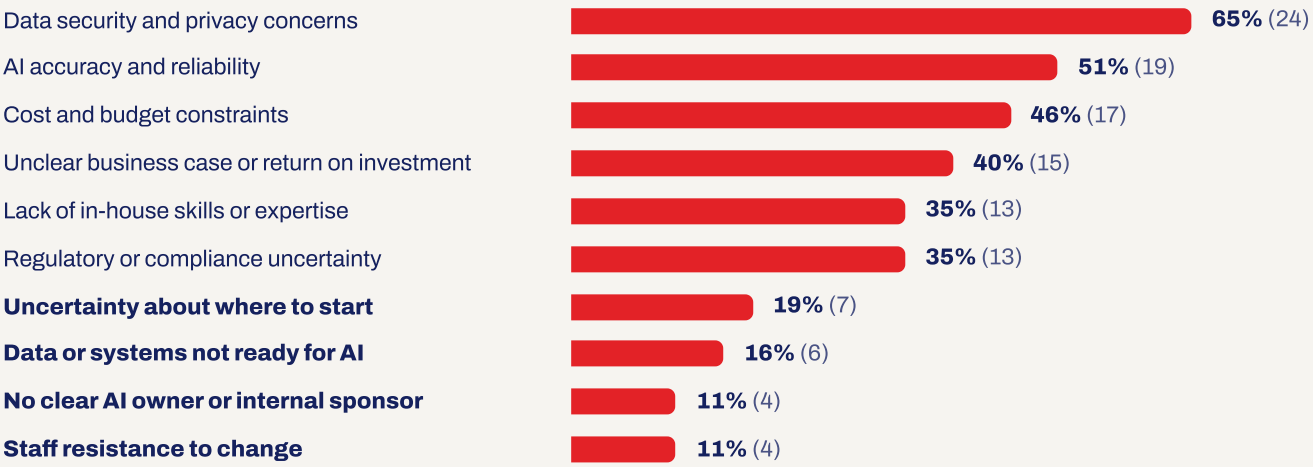
FINDING 4 OF 4

Internal Readiness Is Holding Back AI Progress

When asked about the barriers to AI adoption, respondents highlighted several key concerns. **Data security and privacy ranked highest at 65%**, followed by AI accuracy and reliability (51%), cost and budget constraints (46%), and uncertainty around the business case or return on investment (40%).

While these concerns are important, fewer respondents identified internal organisational challenges such as unclear ownership, data readiness and resistance to change.

Key Barriers to AI Adoption



Q9. What is holding your organisation back from adopting or expanding AI? Multiple selections permitted. Percentages are based on 37 respondents. Internal organisational barriers shown in bold.

THE KEY FINDING

Businesses are more likely to identify security, reliability and cost as barriers to AI adoption than gaps in their own organisational readiness.

Only 11% cited a lack of clear ownership, while 16% identified data or system readiness as a concern. Yet earlier findings suggest that formal AI ownership, governance and use-case planning remain limited among respondents.

This highlights a potential gap between **the challenges organisations recognise and the internal capabilities they need to address**.

While investments in technology and security remain important, businesses should also assess their internal readiness, including leadership accountability, data preparedness, employee capabilities and clear business objectives.

Addressing these areas alongside technical concerns can provide a stronger foundation for successful AI implementation.

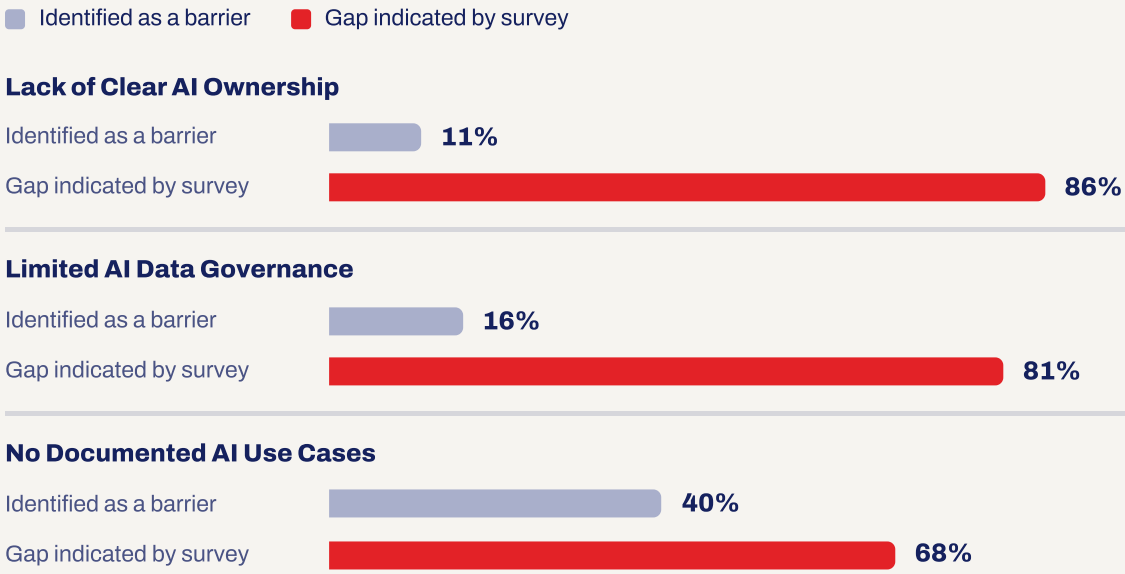
FINDING 4 OF 4 · CONTINUED

The Perception Gap: What Businesses Recognise vs What the Survey Reveals

Survey findings highlight a notable difference between the challenges respondents identify as barriers to AI adoption and the readiness gaps within their organisations.

While security, reliability and cost remain the most frequently cited concerns, **gaps in ownership, governance and use-case planning are considerably more widespread than respondents' stated concerns suggest.**

Perceived Barriers vs Organisational Readiness Gaps



1. AI Ownership and Accountability

Only 11% identified the absence of a clear AI owner as a barrier. However, 86% reported not having a designated person with a defined mandate and budget to lead AI adoption.

2. AI Data Governance

While 16% cited data or system readiness as a concern, 81% have yet to establish the combination of formal policies, approved tools and monitoring needed to govern AI data usage.

3. Business Use Cases

Although 40% identified an unclear business case as a barrier, 68% have not formally documented or prioritised the business problems they intend to address with AI.

THE KEY FINDING

The challenges businesses recognise are not necessarily the same as the readiness gaps identified within their organisations.

Respondents placed greater emphasis on technology-related concerns, while the broader survey findings point to gaps in internal governance, accountability and implementation planning.

This distinction matters because addressing technical concerns alone may not be enough to support successful AI adoption. Without clear ownership, appropriate policies and well-defined business use cases, organisations risk investing in AI solutions before establishing the foundations needed to deliver meaningful results.

For businesses moving forward with AI, assessing internal readiness should be as important as evaluating the technology itself.

VOICES

Voices from the Survey: Business Perspectives on AI

What Respondents Say Needs to Change

Of the 37 survey participants, 14 provided additional insights through the open-ended question on what would need to change for AI to deliver meaningful value within their organisations.

Their responses highlight four recurring themes that reinforce the broader survey findings, particularly around business value, reliability, data protection and employee readiness.

DEMONSTRATED USE CASES, NOT GENERAL CAPABILITY

"Real use cases with proper benefit and impact."

"Need to understand how AI can help us to sell products, serve customers and improve our operation efficiency."

ASSURANCE OVER AI OUTPUT

"Once AI automation is implemented, how to evaluate AI in performing as expected. Once automated, there is no manual supervision, and AI hallucinating could lead to accuracy and financial issues."

DATA PROTECTION AS A PRECONDITION

"Data protection is a must to have."

PEOPLE AND CAPABILITY

"AI needs to be integrated into our daily work with proper data, employee training and management support to improve productivity, reduce cost and save time."

"People mindset that AI can replace them."

THE KEY FINDING

Respondents are looking beyond AI capabilities and focusing on what is needed to make AI work effectively within their organisations.

Rather than calling for more advanced models or faster AI tools, their responses focused on practical business concerns. These included demonstrating measurable value, ensuring reliable outputs, protecting sensitive information and equipping employees with the right knowledge and support.

The findings suggest that **successful AI adoption depends not only on the technology itself but also on an organisation's ability to implement, manage and use it effectively.**

For businesses, the priority is therefore not simply to adopt more AI tools, but to establish the right conditions for AI to deliver meaningful and sustainable results.

RECOMMENDATIONS

Strategic Priorities for AI Adoption Across Business Functions

The survey findings highlight several areas where organisations can strengthen their readiness for AI adoption. Based on these insights, **five practical recommendations have been identified**, each aligned with the business function best positioned to take responsibility.

These recommendations focus on addressing gaps in accountability, governance, data protection and implementation planning. They are prioritised based on how quickly organisations can begin taking action.

Five Recommended Actions

01 | BUSINESS OWNERS AND SENIOR LEADERSHIP

Establish Clear Ownership and Accountability for AI

Appoint an AI lead with a defined mandate, appropriate budget and responsibility for driving adoption across the organisation.

02 | IT AND INFRASTRUCTURE LEADERS

Establish Clear Guidelines for AI Usage

Introduce a formal AI usage policy, define approved tools and establish guidelines for handling sensitive business information.

03 | RISK, LEGAL AND COMPLIANCE LEADERS

Assess Data Sovereignty Requirements Before Deployment

Identify applicable data residency, privacy and compliance obligations before deciding where AI models and business data should be hosted.

04 | OPERATIONS, FINANCE AND SALES LEADERS

Focus on Practical AI Use Cases with Measurable Outcomes

Identify and prioritise two or three business processes where AI can deliver meaningful improvements, supported by clear ownership and measurable objectives.

05 | TEAMS EVALUATING AGENTIC AI

Validate AI Reliability Before Wider Deployment

Establish clear evaluation criteria to assess the accuracy, reliability and performance of AI agents before introducing them into business-critical workflows.

RECOMMENDATIONS IN DETAIL

Turning Survey Findings into Practical Recommendations

01 | BUSINESS OWNERS AND SENIOR LEADERSHIP

86% of respondents do not have an AI owner with a defined mandate and budget

Recommendation: Establish clear ownership and allocate a dedicated budget for AI adoption

AI adoption requires clear leadership and accountability. Yet 86% of respondents have not appointed an AI owner with a defined mandate and budget. Among those surveyed, 40% have assigned AI responsibilities alongside existing duties, 38% rely on individuals taking an informal interest, and 24% have no designated person responsible.

Without clear ownership, important activities such as developing AI policies, assessing data sovereignty requirements and identifying business use cases may lack direction and coordination.

Business leaders should appoint an accountable AI lead with the authority, resources and management support needed to oversee adoption and deliver measurable outcomes.

02 | IT AND INFRASTRUCTURE LEADERS

57% of respondents have some awareness of AI usage but no formal policy

Recommendation: Establish an AI usage policy and approved tool list before expanding adoption

AI tools are already being used within organisations, often without clear guidelines on what information employees can share. While 57% of respondents have some awareness of AI usage but no formal policy, another 11% report having no visibility into employee AI activity.

This creates potential risks involving sensitive business information, data privacy and compliance. Addressing these concerns does not necessarily require significant technology investment.

IT leaders should prioritise clear AI usage guidelines, approved tools and appropriate data-handling controls. Establishing these measures early can help organisations reduce exposure and make more informed decisions when evaluating AI platforms.

03 | RISK, LEGAL AND COMPLIANCE LEADERS

Only 11% of respondents have formally assessed their data sovereignty obligations

Recommendation: Assess data sovereignty and compliance requirements before selecting an AI hosting model

The survey indicates a strong preference for greater control over AI infrastructure and data. However, while approximately four in five respondents selected hosting approaches other than unrestricted use of public AI services, only 11% have formally assessed and documented their data sovereignty obligations.

Without a clear understanding of applicable data residency, privacy and contractual requirements, organisations may find it difficult to determine which hosting model is appropriate for their business.

Risk, legal and compliance teams should identify the data involved, assess relevant obligations and document the necessary controls before committing to an AI deployment model.

This provides a clearer basis for evaluating infrastructure options, managing compliance risks and making informed investment decisions.

04 | OPERATIONS, FINANCE AND SALES LEADERS

68% of respondents have not documented the business problems they intend to address with AI

Recommendation: Identify and prioritise AI use cases with clear ownership and measurable outcomes

While organisations are showing greater interest in AI, many have yet to establish where it can deliver meaningful business value. Among respondents, 46% have general ideas about potential applications but have not documented them, while another 22% have yet to identify specific business problems.

This is consistent with the 40% who cited an unclear business case or return on investment as a barrier to AI adoption. Open-ended responses also highlighted the importance of practical applications that can demonstrate tangible business benefits.

Business leaders should begin by identifying two or three priority use cases, focusing on processes where AI can improve efficiency, reduce manual effort or deliver measurable results. Each use case should have a defined owner, clear objectives and agreed success measures before further investment.

RECOMMENDATIONS IN DETAIL · CONTINUED

The Evidence Behind Our Recommendations

05 | TEAMS EVALUATING AGENTIC AI

62% of respondents are exploring potential agentic AI use cases

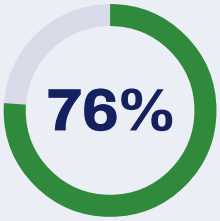
Recommendation: Establish clear evaluation and oversight measures before deploying AI agents

Interest in agentic AI is emerging, with 62% of respondents exploring potential applications. However, only one respondent reported having deployed AI agents with plans to scale, suggesting that most organisations surveyed remain in the early stages of implementation.

Accuracy and reliability were also among the leading concerns, cited by 51% of respondents. This becomes particularly important when AI agents are introduced into workflows where they can perform tasks or make decisions with limited human intervention.

Organisations should establish clear performance standards, testing procedures and appropriate human oversight before deploying AI agents into business operations. This includes evaluating output accuracy, identifying potential risks and defining when human review or intervention is required.

Putting these safeguards in place early can help businesses adopt agentic AI with greater confidence while reducing the risk of operational errors and unintended consequences.



CLOSING OBSERVATION

76% of respondents are either actively expanding their use of AI or planning to begin within the next 12 months.

The findings suggest that interest in AI adoption is strong among the organisations surveyed. However, this enthusiasm is not consistently supported by the governance, accountability and planning needed for effective implementation.

While businesses recognise concerns around security, reliability and cost, fewer identify gaps in internal ownership, policies and readiness as barriers to adoption.

The priority is not simply to accelerate AI adoption, but to ensure organisations are prepared to manage it responsibly and deliver measurable business value.

For Singapore businesses, establishing the right internal foundations will be an important step towards moving from AI experimentation to practical and sustainable implementation.

ABOUT

About the Survey

This report presents insights from the **2026 AI Readiness Survey**, conducted during the AI Readiness Workshop held at SBF Center, Singapore, on 20 October 2026.

A total of 37 participants completed the questionnaire, sharing their perspectives on AI adoption, organisational readiness, data privacy, governance and implementation challenges.

Responses were collected anonymously and analysed in aggregate to provide an overview of the opportunities and challenges identified by participants.

The findings reflect the experiences and perspectives of those surveyed and are not intended to represent the broader Singapore business population.

2026 AI READINESS SURVEY REPORT

AI Adoption Is Rising But Is Singapore Ready?

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