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AI in 2025: Nations Compete on Technology, *But They Win on Readiness*

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and readiness must be sector-specific.*

Prof. Mansoor S. Almalki



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AI in 2025: Nations Compete on Technology, *But They Win on Readiness*

A global transformation is unfolding, shaped not by geography or capital, but by a nation's readiness to operationalize AI at scale.

PROF. MANSOOR S. ALMALKI · NOVEMBER 22, 2025

The countries shaping AI leadership today are not merely building advanced models; they are redesigning systems, rethinking governance, and embedding AI into the core of their economies.

Two of the world's most influential publications, The Stanford AI Index 2025 and McKinsey's State of AI 2025, reveal this shift clearly. When interpreted through a Saudi Vision 2030 lens, they illuminate both the scale of the opportunity and the pathways required to convert national ambition into sector-level outcomes.

Drawing on strategic experience in leadership and global consulting, this edition advances one central insight:

Nations do not compete on AI tools; they compete on AI readiness, and readiness must be sector-specific.

I. Global Insights Through a Saudi Lens

1. Saudi Arabia Joins the World's AI Producers

The Stanford AI Index places the Kingdom among a select group of nations producing "notable AI models," alongside the United States, China, France, and Canada.

This signals a strategic transition: Saudi Arabia is no longer only adopting AI, it is authoring it.

2. A \$100 Billion Commitment to AI

The report highlights:

"Saudi Arabia announced Project Transcendence, a \$100 billion AI initiative ... including a partnership with Alphabet to develop Arabic-language AI models."

This places the Kingdom among the world's leading sovereign AI investors.

3. The Global Execution Gap

McKinsey identifies a central challenge: "88% of organizations globally use AI in at least one function."

Yet only "around one-third" have scaled AI across the enterprise. This is the Global Execution Gap. Saudi Arabia has the opportunity to build for scale from day one.

4. High Performers Redesign Systems, Not Just Tools

McKinsey notes that organizations generating the highest returns are:

"2.8× more likely to fundamentally redesign workflows when adopting AI."

This insight directly influences sector-level transformation.

II. Three Strategic Themes Shaping Saudi Arabia's Next Phase

Theme 1: Embedding AI into National Systems, Education, Workforce, and Talent

Global reports consistently identify talent as the world's most constrained AI resource. Saudi Arabia's Human Capability Development Program provides a strong foundation, and the next step requires embedding AI across the entire learning ecosystem.

A key insight emerges: AI must evolve from a standalone major to an integrated element across every academic program, influencing the design of each course.

This means AI should inform:

- ◆ academic governance
- ◆ pedagogy and learning outcomes
- ◆ assessment practices
- ◆ subject-level curriculum design

This direction aligns with prior thought leadership in Arab News, where I emphasized that AI must become foundational across all academic disciplines, not confined to specialized majors. Saudi Arabia's future workforce will be defined by hybrid professionals who can integrate AI with communication, leadership, and sector-specific expertise, a vision that aligns directly with the global shift toward multidisciplinary AI readiness.

This requires:

- ◆ national AI literacy standards and competency frameworks
- ◆ AI-integrated assessment design
- ◆ faculty development across all disciplines
- ◆ institutional AI governance

Saudi Arabia is positioned to lead globally by embedding AI across general education, not only specialized majors.

Theme 2: Sovereign & Localized AI, the Kingdom's Strategic Differentiator

Saudi Arabia's AI strategy is increasingly defined by sovereignty and contextual intelligence.

With initiatives such as Allam, HUMAIN's Arabic-first models, SDAIA's national governance structures, and Project Transcendence, the Kingdom is building the foundations of sovereign AI. Recent large-scale pilots demonstrate that the Kingdom's sovereign AI agenda is already progressing from design to implementation.

Localization in this context becomes a transformative process, requiring:

- ◆ sector-specific regulatory alignment

- ◆ Arabic-first training corpora
- ◆ domestic auditability and oversight
- ◆ workflow redesign
- ◆ active co-development with national partners

The AI Index highlights an important global challenge: "Many datasets lack clear or accurate license information, creating legal and ethical risks." Saudi Arabia's early investment in data policy, privacy, and governance provides a strong advantage.

The Kingdom's opportunity lies in shaping contextual intelligence, not only artificial intelligence.

Theme 3: Sector AI Playbooks, the Missing Operational Layer

Saudi Arabia has already built the essential infrastructure: Vision, Investment, Governance, Talent development, and Sovereign models.

The next national requirement is clear: Sector AI Playbooks, practical, sector-specific manuals that translate Vision 2030 into operational guidance.

These playbooks must outline:

- ◆ governance checkpoints
- ◆ data flows
- ◆ ethics and explainability considerations
- ◆ workforce and role redesign
- ◆ KPIs tied to sector outcomes
- ◆ implementation pathways
- ◆ risk management models

Crucially, these playbooks must be underpinned by a strong Sectoral Agenda that mandates clear, sector-specific action items that include:

Public Sector & National Institutions

- ◆ strengthen national AI governance frameworks for transparency
- ◆ expand AI integration across public services

- ◆ redesign operational workflows to fully leverage AI capabilities

Education

- ◆ integrate AI at the course level across all disciplines, including assessments with AI-enabled tasks
- ◆ develop national AI literacy standards

Workforce Development

- ◆ launch sustained national AI upskilling programs
- ◆ redesign job families and competencies to reflect AI-enabled workflows

These actions collectively support the Kingdom's transition from AI ambition to AI capability.

III. Conclusion: The Future Belongs to Nations That Execute

The global reports converge on one truth: AI will not determine which nations lead; execution will.

Execution requires readiness, governance, talent, and sector-specific system design.

Saudi Arabia is now entering a new phase of Vision 2030: converting national AI ambition into operational models grounded in strategy, capability, and cultural alignment.

This is the purpose of Saudi Thought Leadership: to interpret global shifts, contextualize them for Saudi Arabia, and illuminate pathways shaping the Kingdom's future.

If these insights spark a question or open a new line of thought, share them, and contribute to a broader national conversation.

And for those responsible for steering strategic execution, the following frames the immediate agenda for AI readiness and governance.

If You Sit on a Board in Saudi Arabia, Ask Yourself ...

Do we have a clear sector AI playbook, or only scattered initiatives?

Are workflows being redesigned around AI, or are tools simply added on top?

Is AI literacy embedded across all levels of the workforce?

Are we enabling sovereign, localized AI solutions?

Do we measure AI impact with KPIs tied to Vision 2030 outcomes?



ABOUT THE AUTHOR

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Prof. Mansoor S. Almalki is a strategy consultant and board member who has spent more than fifteen years leading change inside institutions: first in higher education, then across corporate governance, AI readiness and national transformation. STL is where that experience becomes published thinking, a research and development practice and a think tank by design, built to put Saudi ideas in front of decision makers at home and abroad.



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