



# UNLOCKING PORTUGAL'S AI POTENTIAL 2025

## AI adoption is accelerating, and businesses are benefiting

Portugal stands at a pivotal moment in its digital transformation, with AI adoption accelerating at an unprecedented pace. Over the last year, around **96,000** businesses in Portugal used AI for the first time, showcasing a strong pace of adoption and the potential for further growth.

Now, momentum is building, and **41%** of Portuguese businesses are using AI, up from **35%** in last year's [Unlocking Portugal's AI Ambitions](#), demonstrating a surge in adoption. Adoption is accelerating at a growth rate of **17%**.

Portuguese businesses also report a **24%** increase in investment in AI over the last year – on a par with the European average of **22%**, indicating strong growth and commitment to AI uptake. In three years' time, businesses predict that AI will comprise **16%** of their overall IT budgets in the next three years, reflecting its rising strategic importance.

The benefits of AI adoption are clear. **77%** of adopters have already seen significant productivity improvements, including streamlined data analysis (**66%**), customer service improvement (**53%**), and the automation of routine tasks (**54%**). Additionally, **94%** of Portuguese businesses report revenue increases at an average of **30%** due to AI adoption, demonstrating AI's impact on business competitiveness. Driving this shift are Portugal's vibrant startups, which are readily integrating AI and harnessing its most advanced purposes. **55%** of those who have adopted AI have the technology embedded in their strategies, compared to **38%** across Europe.

With momentum behind AI adoption building, the government has followed suit with a [2025 Digital Strategy](#), which recognises the potential of AI to transform Portugal's digital future across all sectors of society, boosting efforts in digital skills and aiming to facilitate support for businesses' digital transition. Delivering on these commitments will be essential to unlocking the full potential of AI in Portuguese businesses.

Portugal must continue to take proactive steps to sustain AI adoption and drive historic levels of productivity, growth, and innovation. This report makes the case that proactively embracing AI is Portugal's strongest lever to meet and exceed its digital decade targets, accelerate innovation, enhance competitiveness, and bolster its global standing.

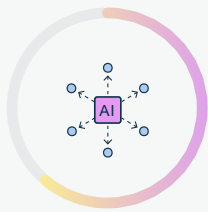
## Key findings

Every hour in the last year, on average, 12 businesses in Portugal switched to using AI for the first time, showcasing the rapid pace of adoption and the immense potential for further growth.

- **41%** of businesses are now using AI in Portugal, or over **600,000** businesses<sup>1</sup> across the nation.
- **62%** of startups have adopted AI, and **35%** are creating new AI-driven products or services.
- **77%** of adopters have seen transformative or significant productivity improvements. Notably, **49%** of AI adopters in Portugal have seen AI improve customer experience and **48%** see enhanced automation.
- **94%** of Portuguese businesses report an increase in revenue thanks to AI adoption, at an increase of **30%**, attesting to the true power of AI in businesses' competitiveness.

## Portuguese startups are leading in a vibrant startup ecosystem

As Portugal's innovation engines, startups<sup>2</sup> are pushing the boundaries of what is possible, building entirely new products and business models around AI that would have been impossible just a few years ago.



**62%** of Portuguese startups have adopted AI. Of those, **55%** have the technology embedded in their strategies, compared to **38%** across Europe.



Furthermore, startups are also using AI in a transformative way: **35%** are developing new AI-driven products.

Their success is supported by a strong ecosystem in Portugal. Startups rate the experience of starting and growing a business in Portugal highly, with an average score of **7.7 out of 10**, with access to capital, talent, and like-minded startups, helping them to grow faster and scale:

### Access to capital:

**46%** of Portuguese businesses report that access to government grants or funding has been the most helpful in enabling their AI adoption. Funding for Portuguese startups has increased significantly since the turn of the decade; Although there were just under **5,000 startups in Portugal in 2024**, they represent an important economic driver, generating over **€2.6 billion** in turnover.

### A thriving startup ecosystem:

**33%** of Portuguese startups report that collaboration with other companies and industry leaders is important to helping them grow. Portuguese startups are supported through central and regional government efforts, such as the **Unicorn Factory** created by the Lisbon City Hall.

### Access to talent:

**55%** of Portuguese startups say that they have a strong AI skill set in stark contrast to the average of just **30%** of all Portuguese businesses. AI skills are a critical ingredient to future business success.

Portugal's startups are using AI to drive transformative innovation and growth, supported by a vibrant startup ecosystem. In turn, they are laying the groundwork for businesses across the nation in their digital transformation and driving Portugal's competitiveness.

## Case study



### Portuguese startup Visor.ai is innovating with AWS and AI to drive customer satisfaction to new heights

Visor.ai is an AI-powered conversational platform that enables companies to build and deploy virtual assistants without coding. The Portuguese startup is leveraging Amazon Bedrock, a foundation model service, to enhance its conversational AI capabilities and serve clients in the insurance, banking and many other sectors.

Visor.ai shares that the collaboration with AWS has been instrumental in driving a **30%** increase in customer satisfaction since implementing Amazon Bedrock. This has allowed their team to demonstrate the power of conversational AI by enhancing our platform's capabilities and delivering cutting-edge solutions to their clients across various sectors.

By embracing advanced generative AI tools and cloud infrastructure, Visor.ai is a key example of a Portuguese startup on the cutting edge of AI innovation. In turn, they are helping to shape the future of customer engagement, proving how innovation, scalability, and accessibility can work hand-in-hand to unlock AI's full potential.

Read more about Visor.ai's work [here](#).

## Portuguese large enterprises and SMEs are not yet harnessing AI's most advanced uses

However, celebrating adoption rates alone across Portugal masks a deeper adoption challenge; large enterprises<sup>3</sup> and SMEs are trailing their startup peers in leveraging the most advanced uses of AI.

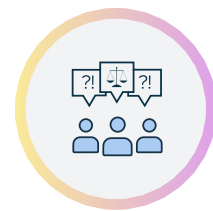
While their level of adoption is encouraging, with **55%** of large enterprises now using AI, there is a growing concern that many businesses may stall at the basic implementation phase, focusing primarily on efficiencies and process streamlining, rather than fully integrating AI to drive innovation, such as developing new products or disrupting industries.



Only **11%** of Portuguese enterprises are at the most advanced stage of AI adoption and using AI to fundamentally transform business processes and services, compared to **35%** of startups.



Furthermore, **47%** have a dedicated AI budget, compared to **58%** in Europe.



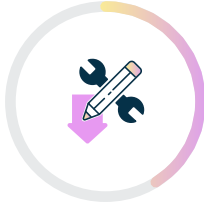
Under **19%** of enterprises in Portugal have a comprehensive AI strategy, compared to **25%** in Europe.

Similarly, SMEs are broadly in line with the national average when it comes to AI adoption. As with large enterprises, the majority (**65%**) remain at basic levels of AI adoption, while **17%** are leveraging AI for its most advanced uses. As SMEs represent the majority of Portuguese businesses, this represents considerable untapped potential.

Moving beyond basic adoption across businesses of all sizes is key to unlocking the full benefits of AI for Portugal's economy and society. Recent [research](#) by the Telecoms Advisory Service, on behalf of AWS, found that cloud-enabled AI added over **\$647 million** to Portugal's GDP in 2023. The research also found that cloud as a whole is set to add **\$2.6 trillion** to Europe's GDP by 2030, with nearly **\$434 billion** alone coming from cloud-enabled AI.

## Key challenges are preventing Portuguese businesses from fully leveraging AI

Three key challenges continue to hinder businesses from embracing AI and, even when adopted, from driving successful innovation. If left unaddressed, these obstacles risk slowing Portugal's progress.



### Skills:

**42%** of Portuguese businesses identify a lack of digital skills as a barrier to deeper AI adoption, and **57%** say that this is hindering innovation. With AI literacy expected to be required in **48%** of new jobs in Portugal in the next three years, bridging this gap will be especially important. **44%** of Portuguese businesses say they struggle to attract talent with the necessary digital skills, and are, in turn, willing to offer premiums for candidates with strong digital skills – at an average of **41%** salary increase. **65%** of Portuguese businesses say that the availability of skilled AI professionals and training programmes has been crucial to their AI adoption.



### Perceived costs:

**34%** of Portuguese businesses cite perceived upfront costs as a key barrier to AI adoption. Interestingly, **21%** of businesses say they need a clearer understanding of AI's return on investment, yet **94%** of Portuguese businesses have seen a significant increase in revenue from AI, with an average **30%** revenue growth attributed to AI.



### Regulatory uncertainty:

**37%** of Portuguese businesses view regulatory uncertainty as a key barrier, lower than the European average of **44%**. A further **44%** of Portuguese startups say that regulatory uncertainty has delayed or altered their AI and technology strategies. Continued regulatory clarity will incentivise and boost uptake and innovation with AI.

The impact of these barriers can act as a handbrake on the speed of digital transformation and innovation across Portugal.



## Accelerating AI adoption through a three-point plan

It is clear that Portugal has all of the right tools to succeed and excel as a leader in the AI space. The Portuguese government has laid important groundwork with its [2025 Digital Strategy](#), but with the rapid acceleration of AI innovation in recent years, Portugal could consider steps to fully unlock and harness AI's transformative potential:

### 1. Continue support for Portugal's AI-driven startups

Portugal's startups are benefiting from a vibrant startup landscape, and are emerging as powerful engines of innovation, leveraging AI to build new products, services, and business models that were unimaginable just a few years ago.

Portuguese startups are innovating with AI to launch new AI-driven products. Continued supported, including through accessible venture capital and funding options is crucial to their business's ability to scale and their AI innovation; **89%** of startups report that more accessible venture capital and funding options are crucial to their business's ability to scale, and **46%** of all Portuguese businesses say that access to government grants or funding is one of the most helpful measures for their AI adoption.

Portugal should continue to capitalise on the momentum built by the leadership of startups in AI innovation through policies that support startup innovation, including expanding AI education and reskilling programs, increasing public and private funding channels, and strengthening infrastructure that supports startups' collaboration.

### 2. Accelerate digital transformation across industries

To accelerate private sector digital adoption, Portugal needs to establish a virtuous cycle of investment and growth, centred around digital transformation and a skilled workforce. A renewed emphasis on updating business processes, applying innovations commercially and investing in R&D can help European companies recapture their start-up zeal and drive European competitiveness globally.

- Improve access to private financing and government funding, which **71%** of Portuguese businesses cite as crucial or very important, and invest in AI skills development—**90%** of firms see AI skills as critical in the next five years.
- Delivering on skills commitments will be crucial to supporting a digitally-native workforce to innovate for the future.

### 3. Expand support for SMEs and large enterprises to integrate AI strategically

While strategic AI adoption is a focus in the 2025 Digital Strategy, to unlock AI's full potential across the broader economy, Portugal must empower SMEs and larger businesses to adopt AI in more ambitious, strategic ways, as they represent untapped potential:

- Expand targeted financial incentives for enterprises to pursue high-impact AI projects, such as tax credits for R&D in AI, co-financing schemes for AI pilot programmes, and innovation grants that encourage risk-taking and experimentation.
- Launch AI innovation hubs and sector-specific accelerators to help large firms collaborate with startups, research institutions, and AI specialists to co-develop solutions that go beyond automation and aim at genuine transformation (e.g., new products, business models, or services).
- Public sector adoption of AI is also a crucial enabler of AI adoption; **85%** of Portuguese businesses say they are more likely to adopt AI when the public sector does. Government entities promoting and supporting AI initiatives can boost trust in tools and technologies, demonstrating AI's reliability and benefits through real-world applications in government services and thereby encouraging private sector organisations to follow suit.

Portugal has reached a defining moment in its AI journey. Adoption is growing, and businesses are beginning to see tangible benefits, but to fully harness AI's potential, deeper integration and strategic deployment are necessary. With the right support and skills to innovate and experiment, Portugal can unlock AI's full potential—driving innovation, boosting competitiveness, and securing its place as a leader in Europe's digital future.

# Appendix

## Methodology

The fieldwork for this study was undertaken by Strand Partners' research team for Amazon Web Services. This research has followed the guidance set forth by the UK Market Research Society and ESOMAR. For the purposes of this study, business leaders are defined as founders, CEOs, or members of the C-suite in organisations.

'Citizens' are nationally representative members of the public based on the latest available census.

For inquiries regarding our methodology, please direct your questions to: [polling@strandpartners.com](mailto:polling@strandpartners.com)

## In Portugal:

- We surveyed 1,000 members of the Portuguese public, ensuring representation based on age, gender, and NUTS 1 region.
- Additionally, we surveyed 1,000 businesses, representative by their business size, sector, and NUTS 1 region.

## Sampling:

Our sampling process used a mix of online panels that are recognised for their validity and reliability. These panels are carefully curated to ensure diverse representation across various demographics. For the business leaders, the panels are selected with a consideration for organisational size, sector, and position within the company. Our objective with the sampling strategy is to achieve an optimal mix that mirrors the actual distribution of our target populations in the respective markets.

## Weighting Techniques:

Post-data collection, we applied iterative proportional weight to correct any discrepancies or over-representations in the sample.

## Survey:

This study was designed with the objective of delving deep into the digital landscape:

- Usage Patterns: This survey gauges the evolving patterns of digital technology usage. We are particularly interested in examining the adoption and implementation levels of technologies, focusing on cloud computing and artificial intelligence.
- Perceptions and Attitudes: The survey seeks to unearth the prevailing perceptions and attitudes toward digital technologies, understanding the perceived benefits, challenges, and potential ramifications of both present and emerging tech solutions.
- Barriers and Opportunities: The survey scrutinises the predicted challenges and potential avenues that both businesses and individuals anticipate on their digital trajectory. This involves pinpointing challenges, from skill deficits to regulatory complications, and recognising opportunities for growth, innovation, and market development.
- 'Size of the Prize': The survey shed light on the economic repercussions and growth prospects linked with digital transformation. By elucidating the 'size of the prize', we aspire to stress the importance of digital transformation and foster further investments and technology adoption.

## References

1. [Calculated based on the total number of businesses in Portugal in 2024, which was estimated at 1.5 million.](#)
2. A startup is a business founded in the last two years which provides a new product/service or innovation and is aiming for rapid growth in terms of employees and turnover.
3. A large enterprise is a business with 500 or more employees, founded 10 years ago or more.