



# UNLOCKING THE NORDICS' AI POTENTIAL 2025

## Introduction

Businesses across the Nordics are continuing to embrace AI at pace, with more than one company implementing AI solutions every two minutes over the past year. Adoption has now reached **37%** across the region, representing just over half a million businesses.

This growth has been broadly consistent across all four Nordic countries. In Denmark, adoption has climbed to **40%**, up from **34%** last year, representing an **18%** growth rate. Finland follows closely at **39%** (up from **35%**, an **11%** increase), while both Sweden and Norway have reached **35%** (rising from **31%** and **30%** respectively, equivalent to **13%** and **17%** growth rates). While this puts the Nordics just behind the European average of **42%**, the momentum in the region remains strong.

Our new research paints a picture of a region with both widespread uptake and significant untapped potential. AI is now widely adopted across businesses of all sizes, with many organisations beginning to use AI not only to increase operational efficiency but also to explore new ways of working. Across the Nordics, both startups and large enterprises are European leaders in the depth of their AI adoption.<sup>1</sup> **35%** of Nordic startups are leveraging AI's most advanced and sophisticated use cases, outpacing the average of startups across Europe (**26%**). At this stage of adoption, businesses are combining multiple types of AI tools or models to perform complex tasks or creating entirely new AI-driven products or services.

However, the pace of adoption in the past year has been slower than the European average, particularly among large enterprises and small and medium-sized enterprises (SMEs). Overall, the Nordics saw a **14%** growth in AI adoption in the past year compared to **27%** across Europe.

Despite the slower pace of adoption, businesses in the Nordics see the potential for AI and are demonstrably optimistic. Two-thirds (**66%**) of businesses believe AI will transform their industry in the next five years. Among businesses that have adopted AI, a striking majority (**90%**) report increased revenue, at an average of **19%**. Two-thirds (**67%**) have seen significant productivity gains, including from customer service improvement (**45%**), stimulated innovation (**36%**), and the enhanced automation of routine tasks (**35%**).

This optimism is reflected not only in business sentiment but also in national policy. As Nordic companies report tangible benefits from AI, including revenue growth and productivity gains, governments across the region are laying the groundwork to accelerate progress. [Denmark](#), [Finland](#), [Norway](#), and [Sweden](#) have now all published ambitious national AI strategies that signal a clear intent to foster innovation, drive economic growth, and strategic AI development and adoption. These strategies vary in detail and implementation, but collectively reflect a regional commitment to responsible AI use, public sector transformation, and strengthening digital infrastructure.

Many countries have also outlined national cloud strategies or integrated cloud computing within their broader digital frameworks, an essential foundation for enabling scalable AI deployment. While the pace and maturity of cloud adoption differ across the region, the groundwork continues to be laid.

The foundations are in place for the Nordics. With continued focus on scaling adoption, especially among SMEs and large enterprises, the Nordics are well-positioned to turn early momentum into long-term economic growth and continued digital leadership.

## Key findings:

- AI adoption has now reached **37%** across the region, at an annual growth rate of **14%**.
- Startups are surging ahead in the Nordics: **62%** of startups say they are using AI, with **44%** having it at the core of their business model.
- **35%** of Nordic startups are leveraging AI's most advanced and sophisticated use cases, outpacing the average of startups across Europe (**26%**).
- Swedish startups are emerging as the global leaders in Europe, where **42%** are harnessing advanced AI uses, surging ahead of the **26%** across all startups in Europe.
- It is not only startups that are excelling with AI's advanced uses - a quarter (**25%**) of Nordic large enterprises are striding ahead of their European counterparts, where only **14%** across Europe who have reached advanced AI use.
- However, over half (**51%**) of Nordic businesses identify skills as a barrier to AI adoption, compared to **40%** across Europe, making digital the main barrier to further AI adoption.
- Compliance costs are an additional burden that could further slow AI adoption, as Nordic businesses currently spend €43 out of every €100 in tech investments on compliance costs.



## Nordic firms leverage advanced AI use for transformation and innovation

Importantly, while adoption rates may be lower than the European average, Nordic businesses that do adopt AI are progressing faster than their European peers in harnessing the most sophisticated, advanced uses of AI. Nordic businesses are more likely to move from initial experimentation to full transformation than their European counterparts, who remain at basic levels of AI adoption. This more advanced stage of adoption involves combining multiple AI systems for complex tasks or creating their own AI models or applications.

- While the rate of adoption in the Nordics is slower, Nordic businesses are more likely than their European counterparts to be harnessing AI in a more sophisticated way. **50%** of all Nordic businesses are at the most basic level of adoption, compared to the European average of **61%**. At this stage, AI adoption often involves These businesses are often using publicly available chatbots for routine tasks such as scheduling assistants and or purchasing ready-made AI solutions, such as scheduling assistants.
  - In Norway, **56%** of businesses are at this most basic level, compared to **51%** in Finland, **49%** in Sweden, and **45%** in Denmark. While this stage is an important first step, businesses cannot unlock AI's full potential unless they go further.
- More positively, a quarter (**25%**) of Nordic businesses have moved into the intermediate stage of AI integration, significantly above the European average of **18%**. These companies are moving beyond isolated applications of AI and integrating the technology across various business functions, resulting in increased productivity and innovation and an improved approach to customer experience. Larger enterprises are leading the charge, with **31%** operating at this stage, compared to just **18%** across Europe.
  - Across businesses of all sizes, country-level data shows intermediate adoption rates of **28%** in Denmark, **27%** in Norway, **26%** in Sweden, and **21%** in Finland.
- Leading the Nordics and outpacing the European benchmark (**21%**), are the **24%** of AI adopters overall which are using AI for its most advanced purposes. These organisations are combining multiple AI tools or models for complex tasks, and creating custom AI systems, which is transforming their operations comprehensively. Large enterprises once again outpace the European benchmark (**24%** versus **14%**).
  - Advanced adoption is strongest in Finland (**28%**), Denmark (**27%**), and Sweden (**25%**), with Norway at **17%**.

Recent [research](#) by the Telecoms Advisory Service, on behalf of AWS, found that cloud-enabled AI contributed billions collectively to the Nordic GDP in 2023, including €594 million in Denmark, €262 million in Finland, €560 million in Sweden, and €1.2 billion in Norway. 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.

Moving beyond basic adoption is key to unlocking the full benefits of AI for the Nordic economy and society. As shown throughout the region, businesses in the Nordics that adopt AI demonstrate a strong readiness to move beyond experimentation and towards deeper integration. When Nordic companies take the first step with AI, they are also more likely than their European counterparts to progress rapidly, from basic implementation to advanced, transformative use. The challenge lies in the relatively low growth rates of AI adoption overall. This is visible across all segments of the economy, from startups to large enterprises, and suggests that while enthusiasm for AI is high, many organisations remain cautious about taking the first steps. This can partly be explained by the Nordics' most techy-savvy companies adopting AI early, but the slowing growth rate should be something Nordics policy makers and businesses aim to tackle.

## Nordic startups are leading Europe

Startups are playing a critical role in driving AI leadership in the Nordics. These companies are putting AI at the heart of their operations. Across the region, **62%** of startups say they are using AI, with **44%** having it at the core of their business model, compared to **38%** across Europe. A further **35%** are using AI to accelerate research and development, and, crucially, **35%** are applying AI for its most advanced purposes, well above the European average of **26%**.

Sweden is emerging as the leader in Europe, with **42%** of its startups engaging in advanced AI use, followed by Finland (**38%**), Denmark (**36%**), and Norway (**32%**).

This rapid progress is supported by a strong startup ecosystem. The Nordics are home to [over 14,000 funded startups which raised \\$5.6B in 2024](#). The region is home to more than 30 unicorns, many of which are AI- or tech-led.

Startups are setting the path for all businesses to follow. With strong financial backing, the Nordic startup environment continues to foster innovation and enable businesses to thrive. Currently, **60%** of Nordic startups report success in scaling their operations through accessible venture capital and funding options. This healthy ecosystem is powered by a virtuous cycle of entrepreneurial reinvestment, with local successful founders and investors channeling capital back into the region through venture capital (VC) funds and angel investments.<sup>2</sup>

## Key challenges are preventing Nordic businesses from adopting and experimenting with AI

While startups are showing the way in innovative adoption, several persistent challenges are holding back wider adoption and experimentation with AI:

### Skills:

Skills remain the biggest barrier to AI adoption and expansion in the Nordics and businesses report struggling more than the European average with this challenge. **51%** of Nordic businesses identify skills as a barrier to AI adoption (compared to **40%** across Europe). As businesses advance their AI maturity and move toward more advanced AI use, they see an increasing demand for more advanced talent, making skills a growing barrier for many.

- **62%** say that a lack of skills is hindering innovation (compared to the European average of **55%**). **50%** indicate that the skills gap is causing delays in their tech projects. A further **22%** say they struggle to attract talent with the necessary digital skills. With AI literacy expected to be required in **48%** of new jobs within three years, bridging this gap is critical for the Nordics' economic future
- The skills gap is identified as hindering innovation by **66%** of businesses across Finland, **61%** in Norway, **63%** in Sweden, and **56%** in Denmark.

### Compliance:

Nordic businesses currently spend €43 out of every €100 in tech investments on compliance costs, higher than the European average of €40. This burden is especially acute in Norway (€46), followed by Sweden (€43), Finland (€42), and Denmark (€41). Worryingly, **72%** of businesses expect these costs to rise further in the coming years.

### Perceived costs:

**26%** of Nordic businesses cite perceived upfront costs as a key barrier to AI adoption in line with European averages. **26%** of businesses say they need a clearer understanding of AI's return on investment, yet **90%** of Nordics businesses that have adopted AI have seen a significant increase in revenue. This demonstrates the need to raise awareness of the potential revenue and productivity benefits of AI across the region.

- Perceived upfront costs is a consistent barrier across the region: **28%** of businesses in Sweden, **26%** in Finland, **26%** in Norway, and **24%** in Denmark identify this barrier.

### Regulatory uncertainty:

**65%** of Nordic businesses do not understand their roles and responsibilities under the EU AI Act, slightly below the European average of **68%**. **20%** of Nordic startups say that regulatory uncertainty has delayed or altered their AI and technology strategies. Given the upcoming national implementation of the EU AI Act across the Nordics that extends the reach of the original text, the burden and uncertainties may increase for companies, hampering their ability to compete internationally.

- Regulatory uncertainty has delayed or altered the strategies of **17%** of businesses across Denmark, **19%** in Finland, **23%** in Norway, and **22%** in Sweden.

These barriers are acting as a handbrake on the speed of digital transformation across the Nordics, as AI adoption, while still increasing, has seen a slowing growth rate. Addressing these challenges is essential to unlocking AI's full economic potential and ensuring that the Nordics remain a leader in the next wave of technological transformation.



## Accelerating AI adoption through three key steps

The Nordics have built consistently strong AI adoption, and [Denmark](#), [Finland](#), [Norway](#), and [Sweden](#) have all published national AI strategies that signal a clear intent to foster innovation, drive economic growth, and strategic AI development and adoption.

Sweden, in particular, is setting a clear standard with its AI strategy. The Swedish Government's AI Commission [presented an AI roadmap](#) for Sweden, with proposed strategies for AI development and implementation. This represents an important step forward in Sweden's AI strategy, calling for regulatory clarity and harmonisation with the EU AI Act, acting to create a more predictable environment for AI development and implementation.

Meanwhile, Denmark has looked to solidify its position as a [digital frontrunner](#), providing strong digital infrastructure for public services for both citizens and businesses, and Finland's cloud-first policy will enable further digital transition across industries.

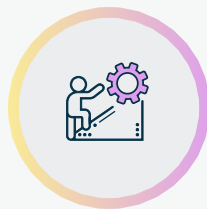
Now, the focus can be on ensuring more businesses have access to fully unlock their economic and societal potential through greater AI adoption, and businesses and policymakers should act now to support this objective. AWS recommends three key steps to accelerate AI transformation across the region:

### 1: Accelerate digital transformation through targeted skills investment

Skills shortages remain the single greatest barrier to AI progress in the Nordics. To close the gap policymakers should look to:



Embed AI and digital skills at all levels of education, from primary schools to universities and lifelong learning.



Support national reskilling programmes and employer-led training initiatives, with a focus on SMEs and underserved sectors.

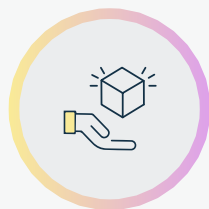


Promote public-private partnerships to create AI talent pipelines and make specialised AI training widely accessible.

### 2: Back Nordic startups to scale AI innovation

Startups in the Nordics are already European leaders in AI innovation, but face barriers including skills shortages, compliance costs, and access to finance.

To scale the region's thriving AI startup ecosystem:



Streamline pathways for AI startups to test and launch new products, including regulatory sandboxes and fast-track approvals.



Expand funding programmes and R&D incentives to support AI-powered solutions tackling real-world challenges.

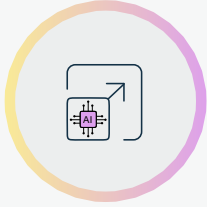


Leverage public procurement and government-led AI adoption as a multiplier effect to create demand for homegrown innovation.

### 3: Create a pro-growth regulatory environment that supports innovation

Regulatory complexity and compliance burdens are slowing AI adoption—particularly for startups and SMEs. Nordic businesses currently spend €43 of every €100 on tech compliance, above the European average of €40.

To enable innovation:



Simplify and harmonise AI regulations across national borders, aligning with the EU AI Act to reduce fragmentation and support cross-border scaling



Improve clarity around compliance obligations, particularly for early-stage and scaling firms, to reduce perceived risk.



Invest in digital compliance tools and automation, helping companies manage growing regulatory demands without stalling innovation.

The Nordics are already among Europe's most ambitious and innovative regions in AI. Businesses that have adopted AI are seeing clear returns in revenue, productivity, and competitiveness. But to maintain leadership, more businesses must be empowered to take the leap, especially in a tightening regulatory and economic environment. Doing so will ensure the region remains at the forefront of the next wave of digital transformation.



# 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 the Nordics, we surveyed:

- 1,000 businesses in Finland, 1,000 businesses in Denmark, 1,000 businesses in Norway, 1,000 businesses in Sweden

Representative by their business size, sector, and NUTS 1 region.

### We additionally surveyed:

- 1,000 citizens in Finland, 1,000 citizens in Denmark, 1,000 citizens in Norway, 1,000 citizens in Sweden

Representative based on age, gender, and NUTS 1 region based on the latest available census.

### 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. A startup is a business founded in the last 2 years which provides a new product/service or innovation and is aiming for rapid growth in terms of employees and turnover. A large enterprise (also referred to as a large business or established enterprise) is a business with 500 or more employees, founded 10 years ago or more.
2. Peak Capital, January 2021, 'Why the Nordics are an entrepreneurial gold mine', Available at: <https://peak.capital/seed-investor-nordics/>