



UNLOCKING SOUTH KOREA'S AI POTENTIAL 2026

South Korea's AI journey enters its next phase

South Korea's AI ambitions are gathering momentum. AI adoption has risen from **48%** to **58%** of businesses over the past year, with around 624,000 businesses adopting AI during that period, more than one every minute. More organisations are also deploying AI in increasingly sophisticated ways, with **26%** now reporting the most advanced forms of adoption. Meanwhile, the policy landscape has evolved significantly. The [AI Basic Act](#) came into force in January 2026, while the [Government's AI Action Plan 2026–2028](#) sets out an ambition for South Korea to become one of the world's top three AI powers by 2028.

[Last year's research](#) focused on the rapid spread of AI across the Korean economy and the productivity gains already being realised. It also showed that many businesses remained in the early stages of adoption, with workforce capability, organisational readiness and regulatory complexity limiting broader deployment.

This year's report asks a different question. As AI moves beyond today's productivity tools towards technologies such as agentic AI and physical AI, what will determine whether South Korea can sustain its current momentum?

The findings suggest that the answer extends beyond AI adoption itself. Businesses increasingly recognise that future success will depend both on their own ability to deploy more advanced AI systems and on whether the wider ecosystem evolves alongside them. Strong organisational capability, access to skilled talent and clear governance matter just as much as reliable infrastructure, technology choice, trusted regulation and continued investment.

Against this backdrop, the research examines where businesses believe South Korea is well positioned for the years ahead, where they see emerging constraints, and which priorities they believe will matter most if the country is to strengthen its position as a global leader in AI.

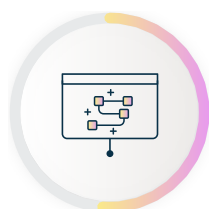


AI adoption: Tracking data

South Korea's AI adoption continues to gather pace. Today, **58%** of businesses report using AI, up from **48%** last year – a 10 percentage point increase representing **21%** relative growth. This equates to around 624,000 businesses adopting AI over the past year alone, or more than one business every minute. Compared with 2025, the annual number of new AI adopters has increased from around 499,000 to 624,000, indicating that the pace of adoption is accelerating in volume terms.

Businesses are also increasingly translating adoption into measurable business outcomes. Among AI adopters, **81%** report productivity gains, estimating they save an average of 14 hours per week through AI. **58%** say AI-driven productivity and efficiency improvements have increased revenue, reporting an average revenue uplift of **22%**, while **76%** expect AI to contribute to business growth over the next year and **77%** anticipate further cost savings, averaging **35%** across AI-related activities. The greatest benefits are being realised in data analysis and reporting (**61%**), automation of routine tasks (**52%**), and customer service improvements (**38%**).

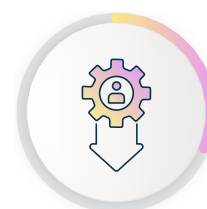
AI is also becoming firmly embedded in business strategy. **67%** of organisations now identify AI adoption as a top or high strategic priority, while **76%** say AI plays a critical or important role in their overall business strategy. However, momentum is not universal. Among the **7%** of organisations that are not currently prioritising AI, the top barriers to AI adoption they identify are:



Other business priorities taking precedence (**52%**)



Unclear business case or ROI (**38%**)



A shortage of AI and digital skills (**31%**)



South Korea's AI divide: widespread experimentation, uneven transformation

Last year's research identified a clear divide in South Korea's AI journey. While adoption was accelerating rapidly, many organisations remained focused on experimentation and early-stage deployment rather than using AI to transform how they operated. The 2026 findings show that this gap is beginning to narrow – but it has not yet disappeared.

Basic AI adoption

54% of businesses remain focused primarily on more basic uses of AI and are focused on incremental gains (e.g. driving efficiencies and streamlining processes), rather than innovation (e.g. developing new products or disrupting industries), down from **70%** last year. These businesses are using publicly available chatbots for routine tasks or purchasing ready-made AI solutions. The retail and wholesale industry is concentrated here (**63%**), followed by the construction industry (**61%**).

Intermediate AI adoption

20% have advanced to the intermediate stage of AI adoption. These companies are integrating AI across multiple business functions, resulting in efficiency improvements and more innovative customer experiences.

Advanced AI adoption

26% of businesses have reached the most transformative stage of AI integration, led by the ICT (**41%**) and manufacturing industry (**35%**). These businesses are using advanced AI systems, combining multiple models, creating custom AI systems, or deploying agentic or autonomous AI. This is up from **11%** last year. Startups lead the way with **35%** at this stage, contrasted by **25%** of SMEs and **9%** of large enterprises.

While these figures are shifting positively, for many organisations, AI adoption remains concentrated in pilots, productivity tools, or isolated use cases rather than driving broader business transformation. This is further demonstrated by the fact that only **18%** of AI adopters have launched a new AI-driven product or service. At the same time, appetite for further adoption is strong; **84%** expect their use of AI to increase over the next 12 months, and **72%** of businesses say they believe AI will transform their industry in 5 years – recognising the value the technology holds.

Although AI use is becoming widespread, fewer organisations have established the structures needed to scale it effectively. Just **27%** report having a formal and comprehensive AI strategy, and only **22%** believe their workforce has excellent digital skills. Of the businesses with an AI strategy or those who are planning to develop one, when asked what will be important to their strategy going forward, businesses most commonly identify availability of skilled AI talent (**48%**), data governance and security (**44%**), and reliable cloud and digital infrastructure (**39%**).

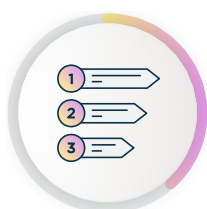
The importance of these foundations is growing as AI itself evolves. The next generation of AI – including agentic AI and physical AI – promises capabilities well beyond today's productivity tools, but also places greater demands on organisations' skills, governance, data and technology. The 2026 research therefore explores whether Korean businesses feel ready for this next wave of AI.



The next generation of AI is approaching faster than businesses feel prepared for

The rapid emergence of technologies such as agentic AI is reshaping what organisations need from AI. While awareness is growing, deployment remains at an early stage, highlighting the gap between interest in next-generation AI and organisations' readiness to adopt it at scale. Fewer than four in ten businesses (**37%**) have heard of agentic AI. Among those familiar with the technology, only **8%** have fully deployed it, while **29%** are experimenting or piloting it. When the technology is explained, a further **41%** say they plan to use or are considering adopting agentic AI, while **19%** have no plans to adopt it.

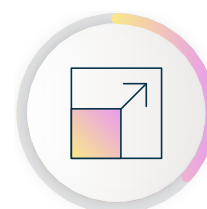
Those that have adopted agentic AI are realising benefits across their business:



54% report faster decision-making and execution



51% report increased operational efficiency or productivity



38% report improved scalability of operations

Readiness for emerging innovative technologies is limited

The majority of businesses do not feel ready to adopt these next-generation AI tools such as agentic or physical AI, but startups and leading sectors are a bright spot. Only **24%** of businesses say they feel fully or very ready to adopt these tools, contrasted with **43%** of startups. **38%** of all businesses say they are only somewhat ready, and **38%** say they are slightly ready or not ready at all.

Businesses point to persistent constraints that prevent them from moving from readiness to real deployment of next-generation AI:

46% cite a shortage of AI and digital skills as a barrier to adopting next-generation technologies, while **38%** cite technical or data-related barriers. **33%** cite insufficient internal workforce capacity, and a further **28%** cite limited access to next-generation AI tools or infrastructure.

Preparing for the next generation of AI is not simply an organisational challenge. Businesses recognise that their ability to deploy increasingly capable AI systems will also depend on the wider environment in which they operate. From infrastructure and regulation to technology access and workforce capability, the next phase of AI adoption will require strong foundations both within organisations and across the broader economy.

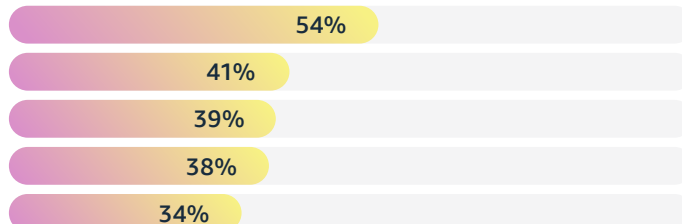
Physical AI is emerging as the next frontier for Korean businesses

While awareness of physical AI remains relatively early, businesses increasingly see it as one of the most promising applications of next-generation AI. Rather than viewing physical AI as a niche technology, organisations see opportunities to combine AI with robotics, sensors and autonomous systems to improve productivity, efficiency and safety across a range of real-world environments.

Today, **6%** of organisations have fully deployed physical AI technologies, while **22%** are currently experimenting or piloting them. A further **39%** plan to adopt physical AI in the future, suggesting considerable latent demand as the technology matures.

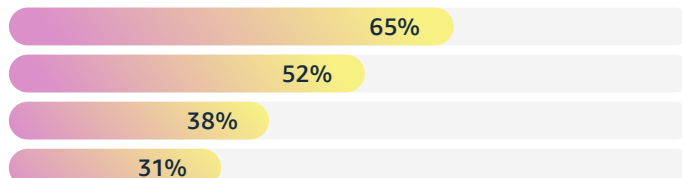
Looking ahead, businesses see the greatest opportunities for physical AI in:

- Autonomous robots performing routine tasks
- Predictive maintenance of equipment and infrastructure
- Human-machine collaboration in operational environments
- Warehouse and logistics automation
- Intelligent inventory and supply chain management



Beyond individual applications, organisations increasingly view physical AI as a way to transform how work is carried out. The greatest potential is seen in:

- Automating physical tasks and workflows
- Improving operational efficiency and productivity
- Monitoring and inspecting physical assets and environments
- Improving quality control and error detection



Technologies such as physical AI illustrate why readiness has become a strategic issue for South Korea. Businesses see significant opportunities, but realising them will depend on maintaining the conditions that have made Korea a leading digital economy while strengthening the foundations needed for the next generation of AI.



Case study 1: Shinhan Financial Group



Shinhan Financial Group (one of South Korea's largest financial holding groups) set out to build an intelligent customer service chatbot that could classify customer intent accurately across overlapping queries and unpredictable multi-turn conversations. The challenge was to reach production-grade accuracy using compact open-source models. Working with the AWS Generative AI Innovation Center, the group built an agentic AI system on Amazon Bedrock AgentCore, applying ontology-based intent classification across 12 domains, 12 actions, and more than 28 tags, with parallel self-routing handled by micro-agents running Qwen3 30B. The system correctly identifies what a customer is asking for 92.5–**97.9%** of the time and, once it does, always takes the correct next step. It also cut inference costs (the cost of running the model to generate each response) to roughly one eighteenth of the previous level, making it about 18 times cheaper to run, while replying in under five seconds.

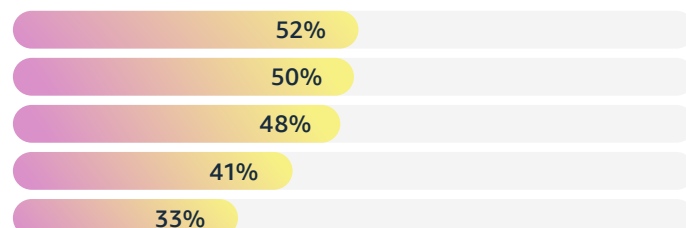
Businesses remain confident in Korea's global position

The emergence of technologies such as agentic AI and physical AI raises the stakes for South Korea's AI ambitions. Businesses see significant opportunities in these next-generation technologies, but realising them will require stronger organisational readiness and an environment that supports AI deployment at scale. Maintaining South Korea's position as a global AI leader will therefore depend on whether businesses have the confidence, capability and wider ecosystem needed to adopt the next wave of AI.

Despite these challenges, businesses remain optimistic about South Korea's position. **78%** of organisations view South Korea as highly or somewhat competitive as a global hub for AI and innovation.

Those who see Korea as competitive most commonly point to:

- High levels of education and a skilled workforce
- A well-established startup ecosystem
- Advanced digital infrastructure in key regions
- Strong enterprise adoption of digital and cloud technologies
- Supportive government programmes and innovation funding



However, businesses also recognise that these advantages cannot be taken for granted. Among those who view South Korea as less competitive, the most frequently cited challenges are shortages of digital and technology talent (**49%**), high operating and labour costs (**45%**), and regulatory complexity (**42%**).

Businesses therefore see maintaining Korea's competitive position as less about preserving today's advantages than ensuring they evolve alongside AI itself. The research points to two broad areas of focus: strengthening the external environment that enables AI adoption, and helping organisations build the internal capabilities needed to deploy AI at scale.

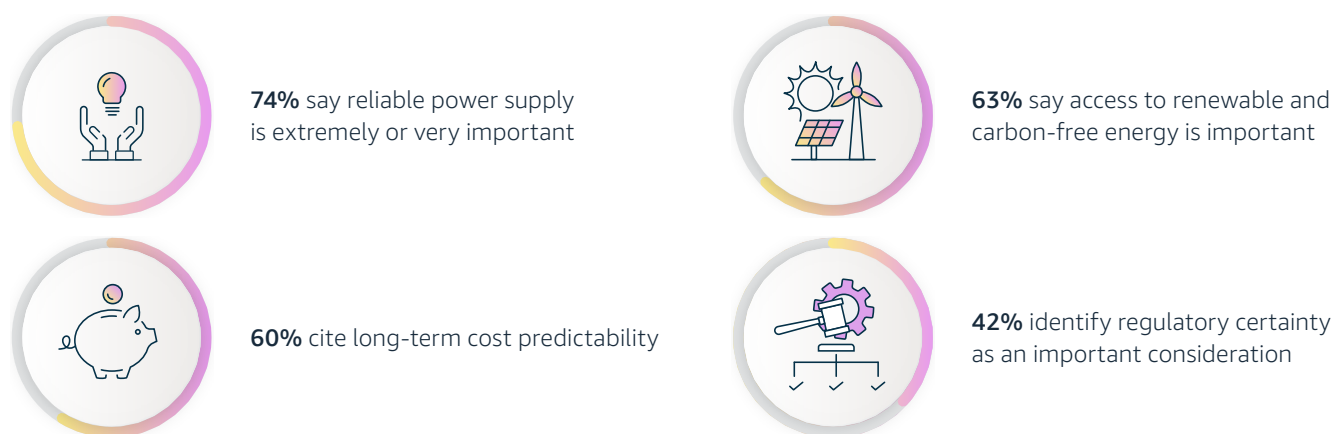
Building the external environment

Power, energy and infrastructure readiness underpin the next wave of AI

South Korea already has strong digital foundations, advanced cloud capabilities and a highly connected economy. However, advancing AI-driven growth will place new demands on the infrastructure that underpins adoption. As organisations move towards increasingly compute-intensive technologies – including generative AI, agentic AI and physical AI – reliable power, grid capacity, renewable energy access and AI-ready infrastructure are becoming central questions of national competitiveness.

These findings mirror the wider national picture. The Korean government's [11th Basic Plan for Long-Term Electricity Supply and Demand](#) explicitly identifies AI, data centres and advanced industries as key drivers of electricity demand growth through 2038, and [MOTIE forecasts the number of data centres in Korea will more than quadruple by 2029](#). At the same time, the majority of new large-scale power connection applications [remain concentrated in the Seoul metropolitan area](#), where grid capacity is under greatest pressure – underlining why businesses place such weight on certainty around power availability and infrastructure timelines. Recent policy steps, including the [2026 Special Act on the Promotion of the Artificial Intelligence Data Center Industry](#), designating AI data centres as national strategic facilities with streamlined approval procedures, suggest these priorities are increasingly recognised at the national level.

Businesses are already considering these issues as part of their long-term AI plans. When making long-term decisions about investment in AI:



As AI adoption accelerates, organisations need confidence that the wider ecosystem, including energy supply, infrastructure timelines and the regulatory environment, can support sustained deployment at scale.

Power availability and grid capacity are emerging as investment issues

When asked what would make South Korea a more attractive destination for AI and digital infrastructure investment, organisations most commonly point to:

- Greater certainty around power availability (**46%**);
- Expansion of electricity grid and transmission capacity in high-demand regions (**42%**);
- Greater certainty around timelines for new infrastructure and power connections (**38%**); and
- Faster infrastructure approval and permitting processes (**35%**).

A further **31%** say fewer regulatory barriers to new data centre construction and expansion would strengthen Korea's attractiveness, while **27%** identify the availability of suitable sites for data centre development.

Investment decisions will depend on whether businesses can plan with confidence. Uncertainty around when power will be available, how quickly infrastructure can be approved and whether facilities can be expanded may become as consequential as the underlying technology itself.

Regulatory predictability runs through these findings as a connecting thread. Businesses do not treat regulation as separate from infrastructure: the same organisations weighing power availability and grid capacity also point to the pace of approvals, the rules governing data centre development and the certainty of compliance obligations as factors shaping where and whether they invest. Infrastructure commitments are made over decades, and businesses indicate that the predictability of the rules governing them matters at that horizon just as much as the physical capacity itself. A regulatory environment that provides clarity and consistency is therefore not only a compliance question, but a foundation for the long-term investment on which the next wave of AI depends.

Renewable energy is becoming an AI competitiveness issue. The energy requirements of advanced AI are also changing how businesses assess infrastructure readiness. **39%** of organisations say the availability of renewable and carbon-free energy would make South Korea a more attractive destination for AI and digital infrastructure investment. **34%** point to more competitive renewable energy pricing, while **29%** identify easier access to long-term renewable energy procurement contracts.

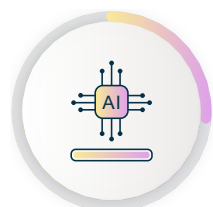
This is reinforced by the wider public investment priorities:

- **47%** rank energy security and the green transition among South Korea's five highest public investment priorities
- **41%** prioritise electricity grid and transmission infrastructure
- **36%** identify green and energy-efficient digital infrastructure as a leading technology and innovation priority

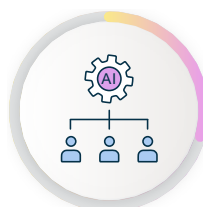
For Korea to remain attractive for long-term AI and data centre investment, organisations will need access to energy that is not only reliable, but commercially predictable and aligned with long-term sustainability commitments.

Public-private collaboration will be critical to scaling capacity

Businesses also recognise that no single actor can deliver the infrastructure required for Korea's AI ambitions. **48%** identify public-private collaboration as one of the most important factors for scaling South Korea's AI infrastructure capacity over the next decade. This is followed by reliable power and energy infrastructure (**45%**), expanded AI-ready compute and data centre capacity (**41%**) and access to renewable and carbon-free energy (**36%**). Other priorities include:



Access to advanced AI technologies (**33%**)



Workforce and skills development (**30%**)

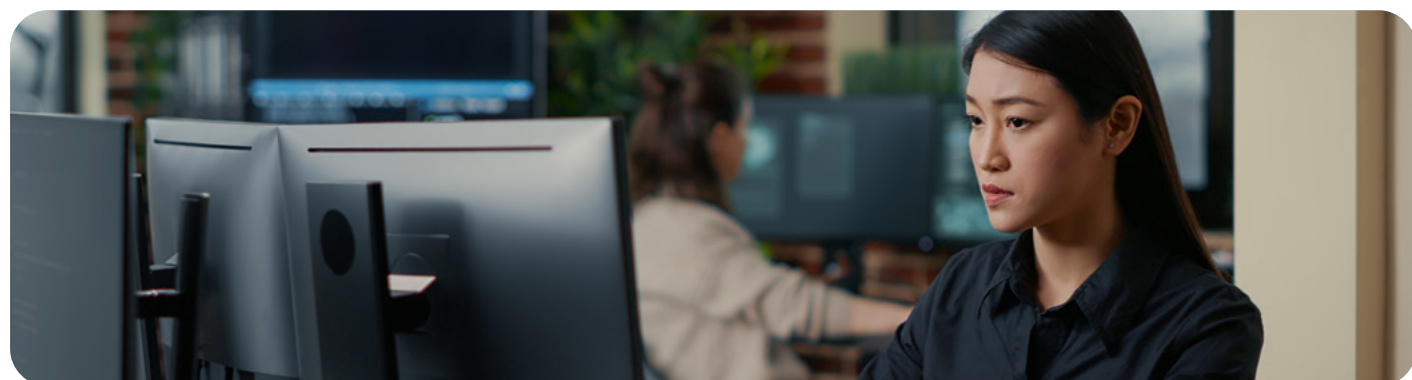


International partnerships (**29%**)



Regulatory reform (**24%**)

The result is a broad infrastructure agenda. Korea's ability to lead in the next wave of AI will depend on coordinated action across energy, grid capacity, digital infrastructure, regulation, skills and international technology partnerships.





Businesses define AI sovereignty through trust, control and choice

As AI becomes more deeply embedded across the economy, questions of sovereignty, security and resilience are rising in importance. However, the research suggests Korean organisations take a pragmatic view of what sovereignty means in practice. Rather than equating sovereignty solely with building domestic models or relying on providers from a particular market, businesses appear to value the ability to choose from a diverse range of technologies, access the talent needed to apply them, and maintain the data readiness required to deploy AI securely and at speed.

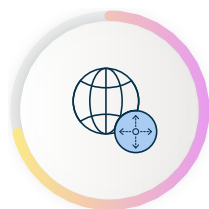
Instead of placing emphasis solely on where a provider is based, businesses increasingly focus on whether they can control and protect their data, select the tools best suited to their needs, and retain access to a broad ecosystem of domestic, global, commercial and open technologies.

This is exemplified by how businesses select their tools. Rather than relying on providers from a single market, **46%** of AI-using businesses say they use a combination of local and global AI tools. **22%** use primarily local tools, while **30%** rely mainly on global providers.

The top reasons why they chose to use local AI tools are preference for home country language or cultural relevance (**44%**), strong data security and governance (**39%**) and compliance with home country regulations and data privacy laws (**31%**).

Having a choice of providers is central to adoption and competitiveness: **68%** of AI users say they currently have adequate choice to select and switch between AI technology providers. Among those with a choice, **84%** say that flexibility is extremely or very important to supporting their adoption of AI.

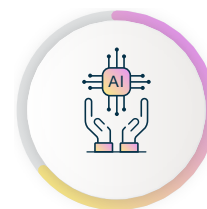
Access to global technology companies also remains closely connected to growth:



72% say it is important for Korean businesses seeking to scale quickly and operate internationally



69% say it is important to their organisation's innovation



66% say it is important for their AI adoption and use

When considering the wider development of Korea's AI capabilities, businesses see access to advanced AI tools and services (**51%**), skilled AI talent and training (**47%**), technology infrastructure from large technology companies (**43%**) and global providers (**39%**), as the key priorities moving ahead.

The findings point to a broad vision of what will underpin South Korea's AI competitiveness over the coming decade. Businesses are seeking an ecosystem that combines resilient infrastructure, governance, and access to the technologies needed to innovate at pace. Ensuring reliable power, scalable digital infrastructure, continued technology choice and strong international partnerships will help create the conditions for businesses to deploy increasingly advanced AI systems and compete in the next wave of AI.



Regulation must provide clarity without slowing innovation

As Korea implements its AI governance framework, businesses will need greater clarity about how new obligations apply in practice. **64%** say they are fully or largely aware of the AI Basic Act, while **27%** have limited awareness and **9%** have not heard of it. In addition, only **39%** of businesses agree they have a clear understanding of their roles and responsibilities under the AI Act. When asked what remains unclear to them, businesses identify high-risk AI obligations (**42%**), interaction with privacy rules (**37%**), and high-risk AI classification (**33%**).

Only **22%** say their organisation is fully prepared to comply with the new framework. **49%** describe themselves as partly prepared, while **29%** remain unprepared or unsure.

Businesses are most concerned about:



Uncertainty around detailed compliance obligations (**54%**);



Overlapping responsibilities across regulators (**50%**)



Interaction between AI rules and existing data protection requirements (**48%**)



Documentation and transparency requirements (**28%**)

At the same time, organisations recognise the role regulation can play in building trust. **52%** say protecting privacy and data security should be among the principal goals of AI regulation, while **47%** prioritise ethical and responsible use and **43%** say regulation should support innovation while maintaining appropriate safeguards. The challenge will be to ensure implementation provides businesses with certainty and confidence without creating unnecessary fragmentation, cost or delay. This clarity matters beyond compliance: as the infrastructure findings show, regulatory predictability is one of the conditions businesses weigh when making long-term AI investment decisions.



Building organisational capability

Measuring AI value will be critical to scaling investment

As AI investment grows, South Korean businesses increasingly face a critical question: how do they know whether AI is actually delivering value? While organisations are becoming more sophisticated in their approach to measurement, many still lack confidence in their ability to evaluate success.



Businesses are reporting positive returns from AI adoption (**62%**)



Productivity gains from AI deployment (**81%**)



Revenue growth attributable to AI (**58%**)

But confidence in measurement remains much lower than confidence in adoption.

Nearly half of organisations (**47%**) say they lack a reliable way to measure AI ROI, making it one of the most significant barriers to scaling investment. Only one in three (**33%**) report being confident in their ability to accurately measure ROI from AI projects. Just **24%** say they have a clearly defined and consistently applied framework for what constitutes a successful AI deployment.

Even among organisations that measure AI performance, the focus is often on activity rather than outcomes. **48%** say they primarily track activity and usage metrics such as adoption rates, queries processed, or time saved, while only **26%** primarily track business outcome metrics such as revenue impact, cost savings, or customer satisfaction; **26%** track a roughly equal mix of both.

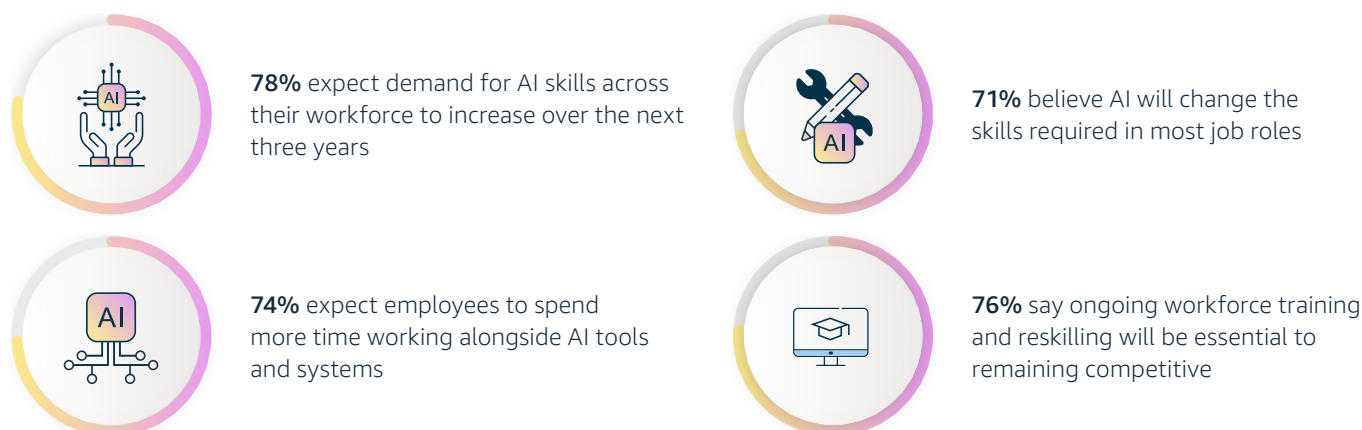
Measurement is not always translating into accountability. While **31%** of organisations say AI performance metrics directly determine whether projects are scaled or discontinued, **46%** say metrics inform decisions but are not consistently applied, and **23%** report that metrics rarely or never influence decisions.

Skills will determine whether businesses can move from adoption to transformation

As organisations adopt increasingly sophisticated AI systems, the workforce challenge is also evolving. Businesses increasingly recognise the need to build AI capability across their organisations, equipping employees with the skills and confidence to adopt, manage and work alongside increasingly autonomous AI systems.

45% of organisations identify AI and digital skills shortages as one of the biggest barriers preventing further AI adoption – this barrier is most strongly felt in the manufacturing industry (identified by **53%**) and the financial & insurance activities industry (**48%**). A further **41%** say they struggle to recruit employees with the AI capabilities they need, while **34%** report that skills shortages are already slowing AI deployment.

Businesses also recognise that the skills required in the next phase of AI adoption will be different from those needed today. Looking ahead:



The top technical skills businesses say they need in the next 5 years are working effectively with AI-powered tools and systems (**44%**), understanding AI capabilities, limitations, and appropriate use cases (**41%**), and interpreting, validating, and challenging AI-generated outputs (**36%**). The top non-technical skills are critical thinking and judgment (**46%**), adaptability and continuous learning (**42%**), and creativity and problem-solving (**39%**).

Organisations that invest in people, skills and workforce readiness alongside technology are likely to be better placed to move beyond isolated AI pilots and capture the full productivity and innovation benefits of AI at scale.

Case study 2: Config



Config, a South Korean physical AI startup focused on providing the data that robots need to learn and operate, needed to expand the diversity of its robotics training data at scale — without a proportional increase in costly real-world data collection. The AWS Generative AI Innovation Center partnered with Config to build a two-pronged diversification pipeline: visual environment variation using NVIDIA's Cosmos Transfer 2.5, post-trained on Config's own data, combined with scene randomisation in an NVIDIA Isaac Sim environment on Amazon EC2. Amazon Bedrock with Qwen3-VL and Amazon SageMaker HyperPod supported the workflow. From a single recorded example, the pipeline generates 88 different versions of the scene in under five hours. It runs 4.2 times faster, and the robot succeeds nine times more often in environments it has never seen before.



Korea should build on its strengths while addressing emerging bottlenecks

The research points to a clear agenda for maintaining South Korea's long-term AI competitiveness. Businesses consistently identify the need to build on the country's existing strengths – its research base, digital infrastructure and technology ecosystem – while addressing the constraints that could limit the next phase of AI adoption. Rather than pointing to a single priority, organisations describe a combination of investments across infrastructure, technology access, regulation, skills and commercialisation that together will enable AI to scale.

When asked what South Korea should focus on for its long-term competitiveness with AI:

- **46%** identify scaling and commercialising existing strengths, including research, talent and datasets;
- **43%** prioritise reliable access to power and energy infrastructure;
- **40%** say Korea should maintain access to global technology providers;
- **37%** point to expanding and modernising digital infrastructure;
- **32%** identify improved access to renewable and carbon-free energy.

Businesses also call for:



Increased international collaboration and partnerships (**30%**)



Reduced regulatory complexity (**28%**)



Additional funding for startups and SMEs (**26%**)

Businesses are not calling for a fundamentally different direction of travel. Instead, they see the opportunity in reinforcing Korea's existing advantages while ensuring the infrastructure, workforce capability, regulatory environment and access to advanced technologies keep pace with the demands of next-generation AI. These priorities form the basis for the recommendations that follow.

Recommendations: Unlocking South Korea's AI future

1. Help businesses move from AI adoption to AI transformation

South Korea has built strong momentum behind AI adoption, but many organisations remain focused on pilots, experimentation and basic productivity use cases. The next challenge is not simply encouraging more businesses to adopt AI, but helping existing adopters scale AI across their operations and realise measurable business value. Policymakers and industry should support organisations to strengthen AI readiness, build robust cloud and data foundations and develop clear AI strategies. Improving organisations' ability to evaluate AI performance and demonstrate business value will be critical to giving leaders the confidence to scale successful AI initiatives beyond isolated pilots. Helping businesses move beyond fragmented experimentation will be essential if South Korea is to capture the full productivity and innovation benefits of the next wave of AI.

2. Build the infrastructure and data foundations for the next wave of AI

Advanced AI technologies will place increasing demands on South Korea's infrastructure ecosystem. Maintaining the country's AI competitiveness will require continued investment not only in AI compute and digital infrastructure, but also in reliable power, electricity networks, renewable energy, high-quality data infrastructure, and the wider conditions that support long-term investment. As AI innovation accelerates globally, ensuring businesses have timely access to the infrastructure, data and technology needed to scale will become increasingly urgent. Businesses also highlight the importance of public-private collaboration, regulatory certainty and international technology partnerships in enabling infrastructure to scale. Ensuring these foundations keep pace with AI demand will be critical to supporting advanced AI deployment across the economy.

3. Accelerate workforce readiness and AI capability across the economy

As AI capabilities become more sophisticated, the challenge is no longer simply training AI specialists; it is ensuring organisations across the economy have the people, skills and organisational capability to deploy AI at scale. Businesses increasingly need workforces that can confidently adopt, manage and work alongside AI across every part of the business. Expanding AI and digital skills, supporting lifelong learning, and helping organisations strengthen leadership, governance and AI readiness will be essential to accelerating adoption of advanced AI technologies. With innovation cycles shortening and next-generation AI rapidly becoming mainstream, building workforce capability has become an urgent competitiveness challenge. Closing the readiness gap between leading organisations and the wider economy will help ensure the benefits of AI are shared more broadly across South Korea.

Since 2017, AWS has trained over 300,000 individuals in Korea with cloud skills, through programmes such as [AWS Skill Builder](#), [AWS Educate](#), and [AWS re/Start](#). AWS operates its re/Start program in collaboration with AWS Partner MegazoneCloud, connecting programme graduates in Korea with job interview opportunities in organisations including Shinhan DS and Channel Corporation. AWS is also collaborating with Korea Polytechnic University to train the next generation of data center management, cloud engineering and facility operations talent. The program includes internship opportunities at AWS data centers in Korea, helping connect vocational education with the operational roles that AI infrastructure creates.

4. Provide regulatory clarity that supports long-term investment

South Korea's AI governance framework can strengthen trust and adoption, but only if businesses understand how it applies in practice. With just **22%** of organisations fully prepared to comply with the AI Basic Act, and uncertainty around detailed compliance obligations the most commonly cited concern, clear implementation guidance should be an early priority. Regulatory predictability also extends to infrastructure: streamlined permitting, certainty around approval timelines and consistent rules for data centre development are among the factors businesses say would most strengthen Korea's attractiveness for AI investment. Regulation that provides clarity without slowing innovation will give businesses the confidence to invest for the long term.



South Korea's next AI challenge is turning momentum into competitive advantage

South Korea begins this next stage of AI adoption with considerable advantages. Businesses are embracing AI at a faster pace, many are already seeing measurable commercial benefits, and confidence in the country's prospects remains high. At the same time, expectations of what AI can deliver are changing quickly. Technologies such as agentic AI and physical AI are shifting attention from isolated use cases towards organisation-wide transformation, placing new demands on businesses and the ecosystem around them.

Across the research, businesses consistently return to two themes. The first is ensuring South Korea continues to provide the conditions that enable AI to flourish, including resilient infrastructure, technology choice and a regulatory environment that gives businesses confidence to invest. The second is helping organisations build the capability to make full use of those conditions through stronger skills, governance and the ability to scale AI beyond individual use cases. Progress across both fronts would help ensure that today's momentum develops into lasting gains in productivity, innovation and global competitiveness.

Appendix

Glossary of Terms:

- **Adopted AI:** Currently consistently use at least one AI tool.
- **Startup:** 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.
- **SMEs:** Small and medium-sized enterprises employing fewer than 250 people.
- **Large enterprise:** A business with 500 or more employees, founded 10 years ago or more.
- **Basic AI adoption:** These organisations are using AI primarily for incremental improvements such as efficiency gains and process streamlining rather than for innovation. They rely on publicly available chatbots for routine tasks or purchasing ready-made AI solutions.
- **Intermediate AI adoption:** These businesses are integrating AI across multiple functions and workflows, such as integrating AI into operations to improve customer experiences.
- **Advanced AI adoption:** These firms are integrating the most advanced use cases of AI, combining multiple models, developing custom AI solutions, or using agentic and autonomous AI. At this stage, organisations are rapidly innovating with AI and, in turn, disrupting their industry.
- **Next-generation AI technologies:** Emerging AI capabilities such as agentic AI, physical AI, and advanced robotics that extend beyond traditional predictive or generative models.
- **Agentic AI:** AI systems capable of autonomously planning, executing, and optimising tasks or workflows with limited human intervention.
- **Physical AI:** AI embedded directly into physical equipment, machinery, and real-world systems — such as production lines, robots, and vehicles — enabling them to perceive their environment, make real-time decisions, and act autonomously without relying on cloud connectivity.
- **AI readiness:** A measure of how prepared a business is to adopt advanced and next-generation AI technologies, considering skills, infrastructure, governance, and financial capacity.
- **Digital skills gap:** The mismatch between the digital and AI-related skills organisations require and the skills currently available within the workforce.

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.

In Korea:

- We conducted a survey targeting 1,000 nationally representative members of the public, ensuring representation based on age, gender, and region.
- Additionally, we surveyed 1,000 business leaders, representative by their business size, sector, and 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 towards 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.