

IRELAND

COUNTRY REPORT

Introduction

Artificial intelligence is increasingly recognised by businesses in Ireland as a transformative force, with growing adoption across multiple sectors.

Our previous [Unlocking Ambitions report](#) found that Irish businesses were enthusiastically adopting AI technologies, with the number of businesses adopting AI rising to **34%** in 2023, a growth rate of **26%** from 2022. The second phase of our research found that enthusiasm about AI remains high among Irish businesses and that businesses across sectors and sizes are continuing to adopt AI.

Startups are leading AI adoption, benefiting from their agility and openness to new technologies, while public sector organisations are also exploring AI to improve service delivery and efficiency.

This report, based on survey data of 1,000 nationally representative businesses, provides deeper insight into the adoption patterns, opportunities, and perceived challenges to AI adoption among Irish businesses.

The Growing AI Opportunity

Irish businesses report a strong and growing belief in the transformative power of AI. Familiarity with artificial intelligence is high in Ireland, with two thirds (**96%**) reporting familiarity – this figure includes **66%** who report that they are very familiar with artificial intelligence and understand what it means.

A remarkable **89%** of businesses predict that AI will significantly transform their industry within the next five years, and **88%** believe this transformation will extend to their own business.

This confidence is reflected in the widespread and rising adoption of AI, with **45%** of businesses currently using AI tools, representing a growth rate of **32%** from 2023. A further **31%** of businesses report that they are consistently using generative AI while **26%** report that they are experimenting with the technology.

Businesses report using specific AI tools, primarily AI-powered data analytics tools (45%), AI-driven chatbots or virtual assistants (37%), and machine learning (34%). They are using these tools particularly in:



This adoption of AI is being driven by key factors – most notably, technological advancements and the availability of AI solutions (reported by **30%** of businesses), closely followed by businesses having increasing amounts of data to process and analyse (**29%**), the need to improve their product or service quality (**29%**), and a desire to enhance employee productivity and satisfaction (**29%**). Businesses who have already adopted the technology report significant benefits including cost savings (**82%**), competitiveness (**78%**), and business value (**76%**).

The Future Importance of AI

Irish businesses expect AI to have a powerful impact on their industry within the next five years – **35%** believe it will automate processes and workflows, **18%** believe it will improve decision-making and strategic planning, while **11%** report that it will enhance customer experience and engagement.

This belief in AI's transformative power is reflected in the fact that businesses report that AI will be important across both their industry and their business within the next five years.

On an industry-wide level, Irish businesses report that AI will be important for:



87%
Workforce skills
and capabilities



86%
Shaping customer
expectations



83%
Industry-wide
innovation

More specifically, businesses believe that AI will improve key business aspects, including business value (87% report AI will be important here), product development (84%), workforce productivity (82%), and cost savings (82%).

Businesses in Ireland are optimistic about the future potential of AI and expect the technology to continue to drive innovation in their industry and improvements in their business practices.

Public Sector Organisations

Public sector organisations in Ireland are looking to harness AI in order to drive improvements in the services they offer and increase efficiency.

64% of public sector organisations in Ireland are currently using AI tools or technology. They are doing so for a variety of purposes:



64%
Data analytics and
reporting



40%
Resource optimisation



48%
Administrative
automation

Public sector organisations in Ireland report that the key driving factors encouraging them to adopt AI are efficiency improvements (69% report that this is a driver of adoption), compliance and regulatory requirements (52%) and cost reduction (50%).

However, public sector organisations face barriers which must be overcome in order to maintain their rate of AI adoption. The leading barrier is difficulties integrating the technology with existing systems, quoted as an obstacle by 21% of public sector organisations. This is followed by a lack of skilled personnel and concerns around data privacy and security, both reported by 17% of businesses.

79% of public sector organisations report that government policies and initiatives play a significant role in encouraging their organisations to adopt AI. When looking at specific government initiatives, public sector organisations report that those that would most encourage them to adopt AI are primarily financial grants or subsidies (60% report that this is the most likely to encourage them to increase their AI adoption) as well as access to shared AI infrastructure (60%) and tax incentives for adoption (60%).

Cloud computing is critical to enabling public sector organisations in Ireland to adopt and innovate with AI, and these organisations highlight cloud technology as a priority. Over nine-tenths (93%) indicated that access to cloud computing resources is important to their AI initiatives. However, 86% of public sector organisations report that they require more advanced or scalable cloud computing resources to effectively implement AI.

Startups

Irish startups are leading AI adoption in the country, with 80% reporting that they are currently using AI tools and technologies.

Startups in Ireland are intentional about shaping their AI strategy, with 92% reporting that they have dedicated data science or AI roles within their company. Among those that don't already have these roles within their company, 92% plan to hire for them in the future. Of these, three quarters plan to do so within the next 12 months.

In terms of leveraging AI solutions, 79% of startups believe that they have a competitive advantage compared to larger businesses, with only 5% reporting that they are at a competitive disadvantage.

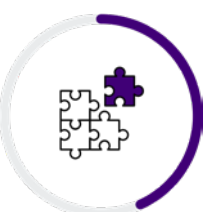
Those that do believe they have a competitive advantage report that this is because:



74%
they are more agile
and can implement AI
more quickly



51%
Startups are more
innovative and open
to adopting new
technologies



43%
They had fewer legacy
systems, making AI
integration easier for
them than for a larger
business.

Industry Breakdown

Manufacturing



The manufacturing sector in Ireland is at the forefront of AI adoption, with **73%** of companies actively using AI tools.

Manufacturing companies are using these tools for a variety of purposes, with 45% reporting that they are using AI for quality control and inspection, 43% saying they are harnessing the technology for customer service and support (for example, chatbots and virtual assistants) and **43%** utilising AI for image and video analysis (such as object detection or facial recognition.)

The impact of AI on manufacturing businesses has been substantial, with **48%** of manufacturing businesses reporting reduced costs, **48%** noting improvements in decision-making, and **45%** pointing to increased revenues. The key drivers of further AI adoption in the manufacturing sector include further efficiency gains and a desire to enhance employee productivity and satisfaction, both reported by 38% of manufacturing businesses.

However, businesses in the sector also note significant challenges preventing them from increasing their adoption of AI, including difficulty in recruiting new AI talent (**35%**), a lack of understanding or awareness of AI technologies (**33%**), and difficulty in training/retraining existing staff (**23%**). Despite these challenges, efficiency gains and cost savings continue to drive AI adoption, positioning the manufacturing sector as a leader in digital transformation.

Financial Services



Financial services companies are also embracing AI, with **71%** currently utilising AI tools.

The primary applications of AI in this sector include customer service and support, such as chatbots and virtual assistants (**50%**); image and video analysis, including object detection and facial recognition (**47%**); and quality control and inspection (**47%**).

Businesses in this sector also report that using AI has led to notable improvements in decision-making (**53%**), increases in efficiency (**44%**), as well as reductions in costs (**47%**). They expect further AI adoption in financial services to be driven by the promise of further efficiency gains (**53%**) and a desire to enhance their employee productivity and satisfaction (**42%**).

Businesses in the sector are also presented with key challenges that need to be overcome in order to increase their adoption of AI. The most notable barriers are difficulty in recruiting new AI talent (**36%**)

Healthcare



Healthcare businesses in Ireland are also looking to harness the power of AI, albeit to a lesser extent, with **63%** of healthcare businesses reporting that they are currently using AI.

These businesses are using AI for quality control and inspection (**51%**), process automation and optimisation (**44%**), and predictive analytics and forecasting (**44%**).

Irish healthcare businesses that have adopted AI are reporting clear benefits, including increased efficiency (**61%**), improved decision-making (**56%**), and enhanced customer experience (**46%**). They expect further AI adoption to be driven by the promise of efficiency gains (**46%**). Other drivers include increasing amounts of data to process and analyse, desire to enhance employee productivity and satisfaction, as well as the need to improve their product or service quality – all reported by **39%** of healthcare businesses.

Healthcare businesses report that the complexity of AI technologies and their implementation (**34%**), the high cost of AI maintenance (**27%**) and difficulty in recruiting new AI talent (**22%**) are all barriers preventing greater AI adoption.

Conclusion

AI adoption in Ireland is rapidly advancing, with businesses across sectors embracing its potential to drive efficiency, enhance decision-making and improve customer experiences. While many organisations are already benefiting from AI tools, challenges to adoption such as talent shortages and system integration remain.

The public sector and startups are also playing pivotal roles in shaping AI innovation. Continued investment in cloud infrastructure and supportive government initiatives will be essential to sustaining and expanding AI adoption in the public sector, positioning Ireland to lead in AI adoption.