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The South African AI Index 2026

Incorporating the SA Generative AI Landscape

A World Wide Worx study, conducted in partnership with Altron Digital Business

Foreword

Good technology earns its place when it serves the business strategy and **delivers outcomes leaders can see**

Good technology earns its place when it serves the business strategy and delivers outcomes leaders can see, whether that's lower costs, better service or new sources of growth.

AI promises all three. In my conversations with business leaders across South Africa, AI comes up in every boardroom, every strategy session and every budget discussion. The interest is real, and so is the pressure to act.

But potential and value are different things. With AI, it's becoming clear that many organisations sit in the gap between the two.

That's why Altron Digital Business supports the South African AI Index. Working with World Wide Worx, we wanted to understand how far South African organisations have truly come with AI: beyond whether they use it, to how deeply it runs in the business, how well it's governed and what it delivers. The AI Index measures that journey. Its companion, the Frontier Index, measures something further: how far organisations use AI to do new things, rather than doing familiar work faster.

The findings carry an important message for leaders. As adoption has grown, confidence in the value AI delivers has fallen. Many organisations have AI in their hands, but few have it at the heart of their business.

The organisations moving towards the frontier tell a different story. They have taken AI into production, embedded it across business processes and put measures in place to track what it returns. They're the ones seeing real gains in productivity, customer service and competitiveness. Their experience shows the value of AI comes from how it's applied, measured and managed.

This report offers every organisation a benchmark: a clear view of where it stands today and what the next stage looks like. I hope leaders use it to plan their own path, from early use to lasting value, and to make sure every AI investment serves the strategy it was made for.

Craig Stewart
Managing Director, Altron Digital Business

Executive summary

A clear gap between widespread adoption and tangible value

The South African AI Index 2026 benchmarks AI maturity and adoption across 100 enterprise decision-makers in South Africa, revealing a clear operational gap between widespread adoption and tangible value generation. While 93% of organisations use generative AI in some form, positive productivity ratings among users dropped to 51% in 2026. This decline reflects a broader, less mature user base and mirrors global trends where financial returns stall without deep process integration.

Only 30% of South African organisations have AI operating in a live business process. However, these in-production leaders report significantly higher outcomes: 80% experience positive productivity impacts, 60% see customer service gains, and they account for most of the measured cost savings. Meanwhile, the national AI Index score stands at 34.3 out of 100, while the Frontier Index, measuring transformative and innovative uses of AI beyond basic tools, averages just 20.3, with only 8% of organisations scoring 50 or higher on frontier adoption.

South African enterprises also lag behind global peers in adopting autonomous AI agents (only 1% actively using them) and integrating AI into software development (live in only 4% of organisations). Operational progress is further hindered by measurement and governance challenges; only 27% of organisations possess tools to measure AI value, though those that measure are dramatically more likely to realise positive productivity and financial gains. Furthermore, shadow AI remains prevalent across 75% of enterprises, highlighting a critical need for structured governance.

To unlock sustained value, South African leaders must transition from ad hoc experimentation to business process redesign, establishing clear ROI measurement frameworks and robust governance structures.



national **AI Index** score, out of 100



national **Frontier Index** score, out of 100



of organisations use **generative AI** in some form



have AI in a **live business process**



have tools to **measure AI's value**



report **shadow AI** use

About this study

The South African AI Index 2026 is a World Wide Worx study, in partnership with Altron Digital Business. It incorporates the third edition of the SA Generative AI Landscape, which World Wide Worx has tracked since 2024.

100 decision-makers at South African organisations with more than 200 employees

Conducted by telephone, **6 to 28 October 2026**

About World Wide Worx

World Wide Worx is an independent technology research organisation based in Johannesburg, headed by Arthur Goldstuck. Its research tracks how South African organisations and consumers adopt technology, with current studies including The South African AI Index, Online Retail in South Africa and the South African Identity Index. Arthur Goldstuck is the author of 21 books, the last two on artificial intelligence.

The AI Index

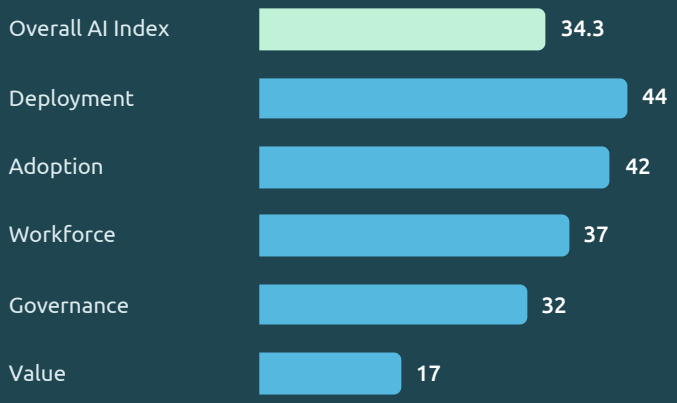
A third of the way to AI at the core

The South African AI Index is designed to measure how far South African organisations have integrated AI into their business. Integration goes beyond using AI tools to encompass running AI in the core of the business, under formal control, with its value measured and the workforce adapted to it.

The 2026 national score of 34.3 means the average large South African organisation has covered about a third of that distance. In practice, an organisation scoring close to the national average (28 to 40) typically has the following profile:

- It uses generative AI actively with official approval, while staff also use unapproved tools.
- It is testing or using predictive AI.
- AI is live in about two business functions, most often employee productivity.
- It applies two of the six formal controls measured.
- It has no way of measuring whether AI delivers value, and reports no measured financial gain.

The AI Index and its five pillars, national average (out of 100)



Source: The South African AI Index 2026, World Wide Worx.

No organisation in the 2026 sample reaches 100; the highest score is 84. The score gains further meaning with each edition: 2026 is the baseline against which future progress will be measured, nationally and by sector and size.

The AI Index at a glance

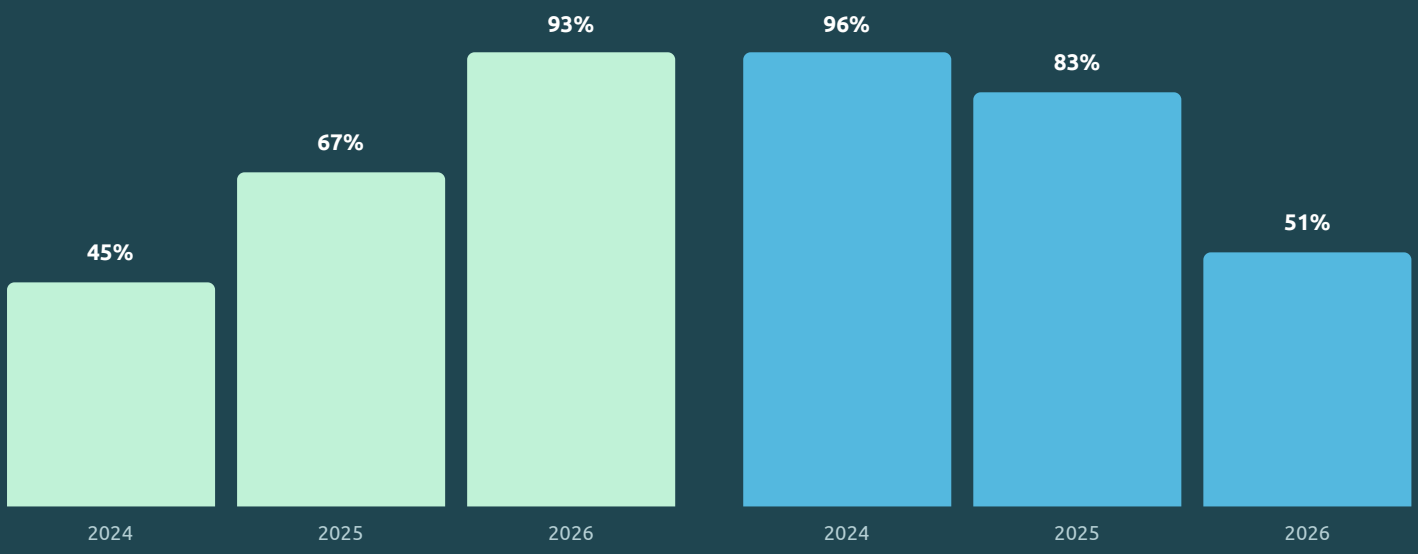
Measure	2026
South African AI Index (out of 100)	34.3
Frontier Index (out of 100)	20.3
Organisations using GenAI in any form	93%
GenAI users rating productivity impact positive	51%
At least one AI use case in a live business process	30%
AI live in at least one business function	67%
Have tools to tell whether AI delivers value	27%
Report any unofficial (shadow) AI use	75%
No formal AI controls in place	34%
Actively using AI agents	1%
Top limit on wider use: accuracy or reliability	64%
Top partner criterion: proven AI expertise	81%

Source: The South African AI Index 2026, World Wide Worx.

AI use races ahead of proof of value

AI adoption has increased but value (or perception of value) has dropped. Among generative AI (GenAI) users, positive productivity ratings fell from 96% in 2024 to 83% in 2025 and 51% in 2026. Part of the drop is a broader base: GenAI use rose from 45% to 93%, so later and shallower adopters are now in the sample.

GenAI use and positive productivity ratings among users, 2024 to 2026



2026 ratings are based on the 93 organisations using GenAI. Source: The South African AI Index 2026, World Wide Worx.

South Africa's gap between widespread adoption and weak financial return reflects a well-documented global plateau. According to research from McKinsey, nearly nine in ten organisations globally use AI in at least one business function in 2026 (up from 88% in 2025 and 78% in 2024).

However, while 80% of enterprise respondents to McKinsey's survey reported that AI has improved their individual productivity, bottom-line financial gains have stalled at the corporate level.

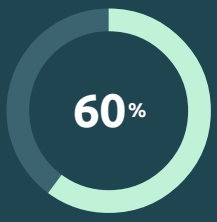
Only 37% of global organisations attributed any measurable EBIT impact to AI, a figure that has remained flat year-on-year. Gartner placed generative AI in the 'trough of disillusionment' on its 2025 Hype Cycle for AI, yet forecasts worldwide AI spending to grow 49.5% in 2026.

Organisations with AI in production report far stronger results

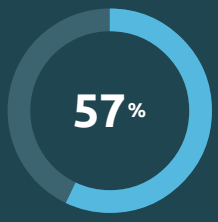
Despite the overall picture of declining positivity about AI, organisations that are using AI in live production achieve significantly higher impact:



report positive **productivity** impact, against 44% of experimenters and 6% of ad hoc users



report positive **customer service** impact, against 31% of experimenters

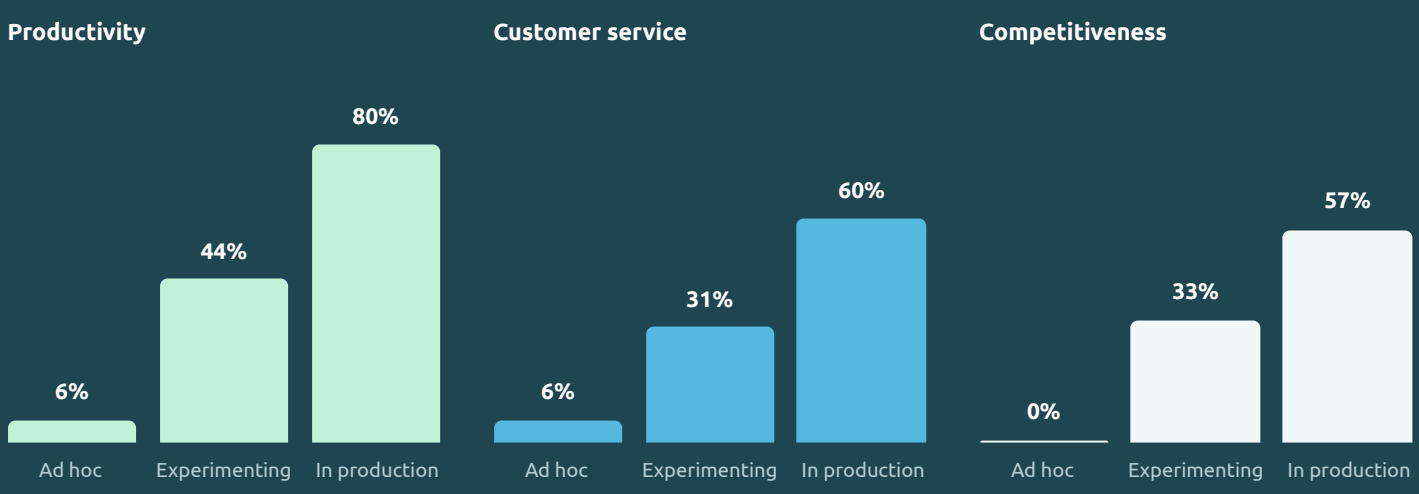


report positive **competitiveness** impact, against 33% of experimenters

9 of 14

organisations reporting a **measured cost saving** have AI in production

Share rating AI's impact positive (4 or 5 on a 1-to-5 scale), by AI maturity



Source: The South African AI Index 2026, World Wide Worx.

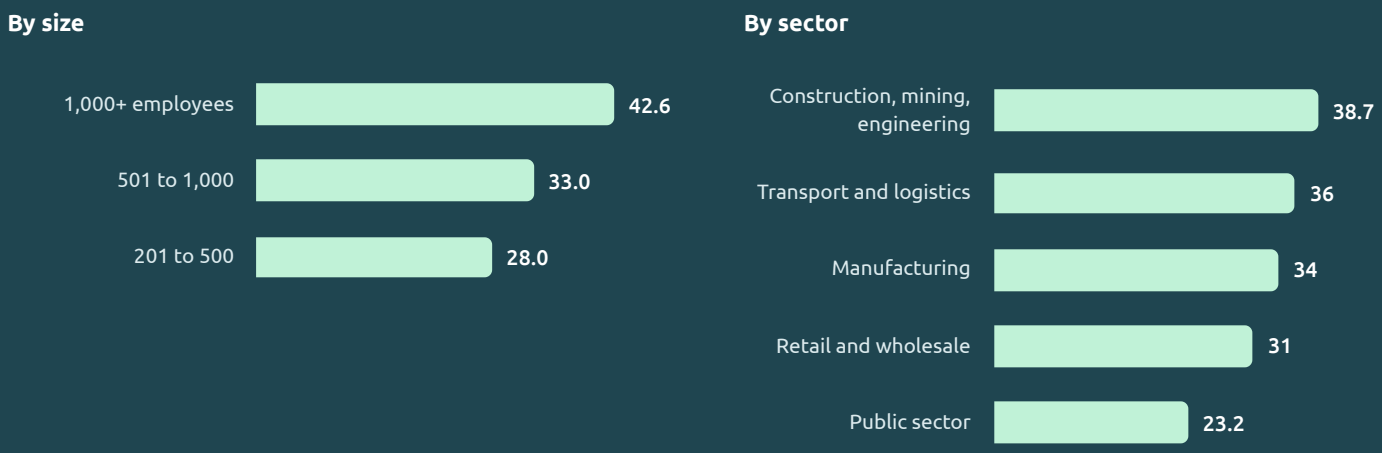
However, the research shows that AI in production remains the exception. Only 30% are running AI in live processes while just over half (52%) of organisations are experimenting.

Being in production is not the same as running AI operationally. Only 13% of organisations combine AI in production with tools to measure its value and at least three formal controls. These 13 account for all nine measured cost savings among organisations in production, and 62% of them report a positive effect on profit, against 6% of the other organisations in production. They are also more positive about productivity (92% against 71%), customer service (69% against 53%) and competitiveness (85% against 35%). **Running AI operationally, with its value measured and its use governed, is where the returns appear.**

Larger organisations tend to place higher up the AI Index

AI Index scores rise with size. Organisations with more than 1,000 employees average 42.6, ahead of those with 501 to 1,000 (33.0) and 201 to 500 (28.0). Among the sectors with enough respondents to compare, construction, mining and engineering scores highest (38.7), helped by the strongest workforce score of the larger sectors (55.6).

AI Index by size and sector (out of 100)



Public sector indicative. Source: The South African AI Index 2026, World Wide Worx.

The public sector lags on value generation

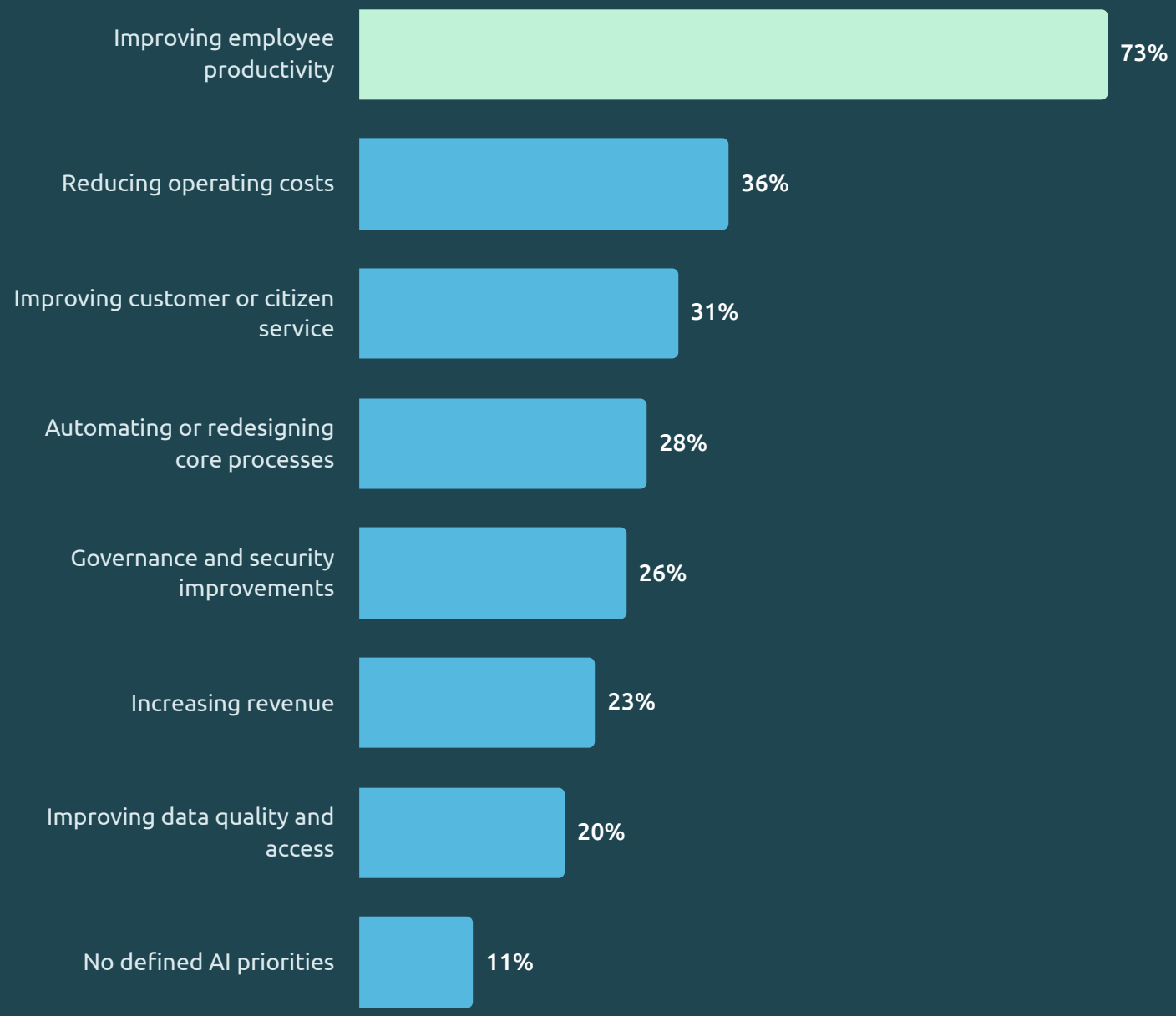
The research suggests that public sector bodies are behind in AI maturity. The sector props up the AI Index with the lowest overall score (23.2) and its value score of 6.0 is by far the lowest. These numbers are indicative due to the sample size, but they provide a starting point for further discussion on how the public sector can take advantage of AI to improve productivity and citizen service delivery.



Priorities for the next 12 months

Improving employee productivity is the leading AI priority for South African organisations (73%). It is followed by ‘reducing operating costs’ (36%), ‘improving customer or citizen service’ (31%) and ‘automating or redesigning core processes’ (28%). Governance and security improvements are a priority for 26%, almost a quarter (23%) are prioritising increasing revenue, and improving data quality and access are priorities for 1 in 5 (20%) of respondents. Some 11% have no defined AI priorities, eight of them in the ad hoc group.

AI priorities for the next 12 months (share of organisations)



Source: The South African AI Index 2026, World Wide Worx.

At the frontier of South African AI adoption

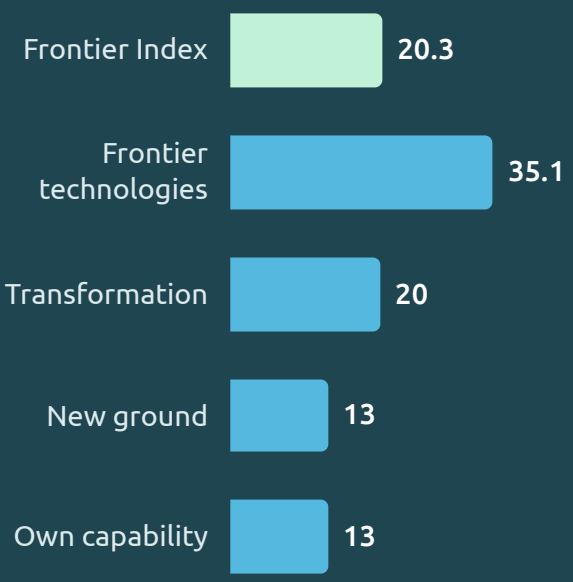
The Frontier Index

The main AI Index rewards organisations for making AI part of how they work. Yet, the potential of AI as a transformative technology lies in **how organisations use it to reinvent processes, services, products and business models.**

The Frontier Index seeks to benchmark this by measuring how far an organisation uses AI to do new things, rather than doing existing work faster. It asks whether AI is changing what organisations do: the technologies they use beyond generative AI, the parts of the business AI reaches, whether they build their own AI capability and whether AI is transforming jobs and revenue.

The overall Frontier Index score stands at 20.3 out of 100, and only 8% of organisations score 50 or more. **This suggests that the average large South African organisation has travelled a fifth of the way to the AI frontier.**

The Frontier Index and its four pillars (out of 100)



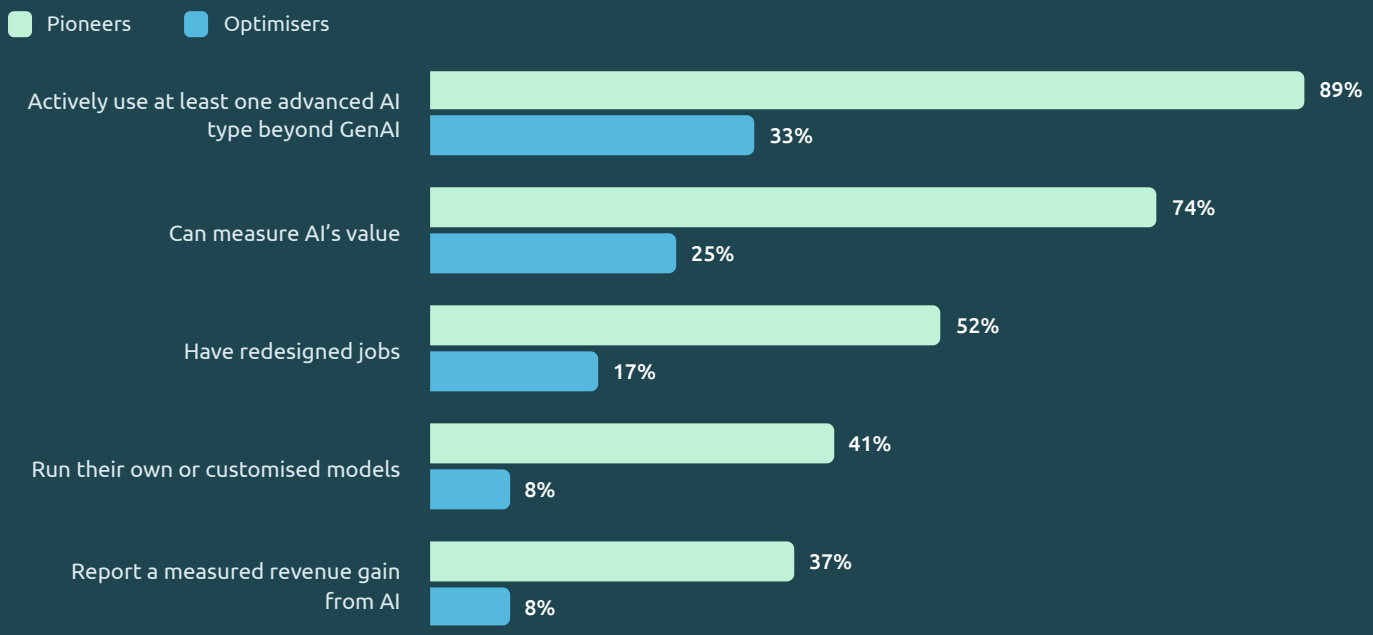
Source: The South African AI Index 2026, World Wide Worx.

Frontier technologies score highest (35.1), because predictive AI and machine learning are in use or testing at many organisations. The other pillars are far lower. Only 17% of organisations have AI live in any of the four new-ground functions. And only 14% have configured or fine-tuned a model, while 7% have built their own.

What sets apart organisations at the frontier

Read together, the AI and Frontier indices separate organisations that run AI well (optimisers) from those that use it to break new ground (pioneers). **Optimisers** have brought AI under control and into their operations, but only for existing work. **Pioneers** use AI in more sophisticated ways to change what they do.

Pioneers against optimisers



Source: The South African AI Index 2026, World Wide Worx.

Pioneers have AI live in about four business functions, against about two for optimisers. Most pioneers (89%) actively use at least one advanced AI type beyond GenAI, against 33% of optimisers; 41% run their own or customised models, against 8%; 52% have redesigned jobs, against 17%; and 37% report a measured revenue gain from AI, against 8%. Three in four pioneers (74%) can measure AI's value, against a quarter of optimisers.



Agentic AI and AI software development

Slower to adopt than other markets

South African organisations are adopting AI at a globally comparable rate. **But they are slower to adopt agentic AI and put AI into software development than organisations in other markets.**

Agentic AI

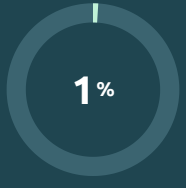
Global peers are rapidly making multi-agent workflows a cornerstone of their digital strategy. McKinsey's global research estimates that 40% of large organisations (annual revenue above $1 billion) and 22% of smaller organisations have reached the scaling phase with AI agents.

The AI Index suggests agentic AI has barely arrived in practice in South Africa. One organisation uses AI agents actively and three are testing them. Only 4% list deploying agents among their priorities for the next 12 months, while 71% have no plans.

AI in software development

Adoption in software development is also very low when compared against global context. Software development is South Africa's least-penetrated enterprise function (live at only 4% of organisations and unused at 86%), which stands in stark contrast to global rates.

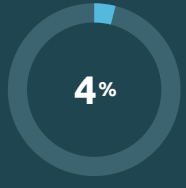
Globally, 20% of organisations overall, and 31% of large enterprises, are actively scaling software coding agents (McKinsey).



actively use **AI agents**



have **no plans** for AI agents



have AI live in **software development**



don't use AI in software development at all

Are South African organisations missing these opportunities?

Respondents' high level of concern about the accuracy of AI, together with headlines about 'rogue agents', has engendered a healthy scepticism. However, South African organisations may be missing out on significant gains if this low adoption rate continues.

Boston Consulting Group (BCG) finds that agentic AI's share of total AI value climbed from 17% to 22% in 2026, and projects that it will reach close to 40% by 2030.

Globally, software engineering represents one of generative AI's highest-ROI use cases. McKinsey's 2023 developer productivity research found that AI coding assistants enable engineers to complete code documentation 45% to 50% faster and draft new code 35% to 45% faster, while increasing the completion rate of complex coding challenges by 25% to 30%.

The key to achieving these gains lies in combining a clear strategic roadmap, strong AI governance and responsible adoption practices across the organisation.

22%

agentic AI's share of total AI value in 2026, up from 17% (BCG)

~40%

projected share of total AI value by 2030 (BCG)

45–50%

faster code documentation with AI coding assistants (McKinsey)



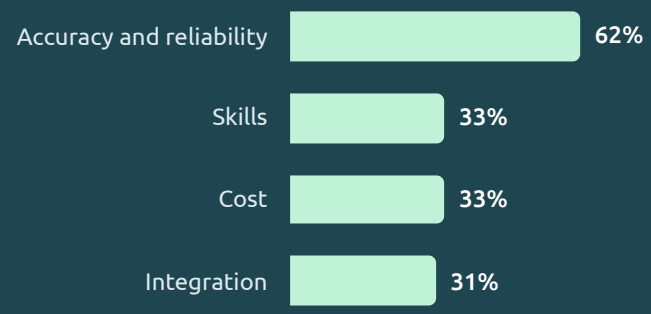
Challenges on the way to the frontier

Strategic, technical and operational hurdles

While South African organisations are actively moving toward AI integration, organisations cite several strategic, technical and operational hurdles slowing their progress toward the frontier.

Scepticism, skills and cost are limiting experimenters from going further

What holds experimenters back



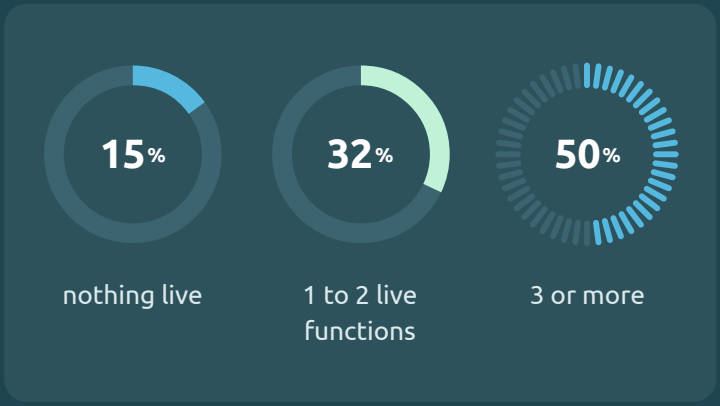
Integration is cited by 43% of organisations with AI in production. Source: The South African AI Index 2026, World Wide Worx.

Different roles hold different views of the challenges of AI. Respondents in business roles are far more concerned about whether AI can be trusted to be right (79% against 59%). Respondents in technology roles are more concerned about security, privacy and legal exposure (49% against 29%), integration and cost. They are also more likely to report tools for measuring value. The business group is small and includes a few roles close to technology, so these differences are indicative.

Integration challenges become more acute the more AI is in use

The more widely AI is used in the business, the more important it is to integrate it effectively. Integration is cited as a barrier by 15% of organisations with nothing live. That rises to 32% at one to two live functions and 50% at three or more.

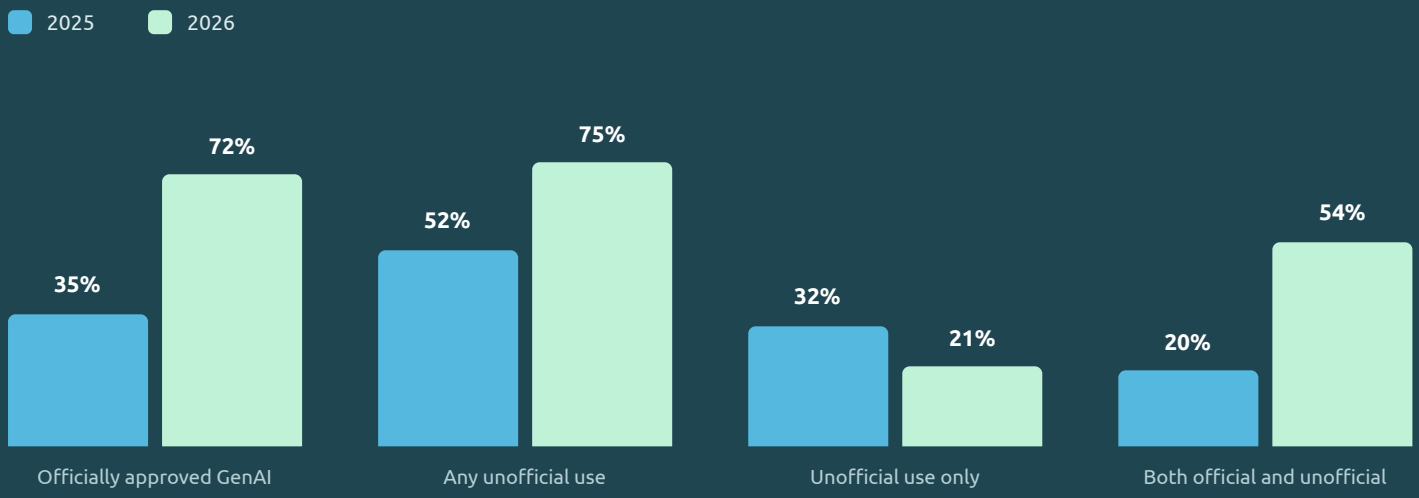
67% name integration ability as a key partner requirement, second only to expertise.



Security and governance are key issues

Official AI and shadow AI now run side by side. Official approval of GenAI has doubled, from 35% of organisations in 2025 to 72% in 2026. Over the same period, organisations reporting any unofficial use rose from 52% to 75%.

Official and unofficial GenAI use, 2025 and 2026 (share of all organisations)



Source: The South African AI Index 2026, World Wide Worx.

Those relying only on unofficial tools fell from 32% to 21%, and the majority (54%) now have both. None of the 21 organisations relying only on unofficial tools has an acceptable-use policy or an approved-tool list. But only a policy reduces unofficial use alongside official tools: 68% of organisations with a policy still report some unofficial use, against 79% without one.

Approved-tool lists show no such effect: 81% of organisations with a list report unofficial use, against 71% without. A third of organisations (34%) cannot point to any formal AI control.

Almost a third of respondents (and 40% of those with AI in production) want expert, external support on improving governance, compliance and risk management.



Bridging the gap between AI adoption and seeing value

Strategy, process design and governance

While the path from initial AI experimentation to real value presents significant operational and strategic hurdles, **organisations can overcome these barriers through targeted strategy, thoughtful process design and robust governance.**

Setting a strategy and selecting use cases

The research suggests that many are still working out what is worth doing with AI, and want advice and insight on how to proceed. Almost half of all respondents want outside help with AI strategy and use-case selection. Among organisations still experimenting, that rises to 60%. Among those with AI in production, it's 40%.

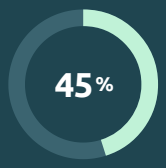
Where outside help is wanted (next 12 months)

Area of external support	All	Ad hoc	Experimenting	In production
AI strategy and use-case selection	**47%**	22%	60%	40%
Governance, risk and compliance	**32%**	22%	31%	40%
Cybersecurity	**30%**	17%	38%	23%
Building or configuring AI solutions	**27%**	28%	23%	33%
Moving pilots into production	**17%**	11%	17%	20%
Cost management	**9%**	6%	10%	10%
AI infrastructure or cloud	**7%**	0%	8%	10%
Managed AI services	**1%**	0%	2%	0%
No external support required	**24%**	44%	21%	17%

Source: The South African AI Index 2026, World Wide Worx.

Reinvent core processes and functions with AI

Currently, the focus is on improving existing work more than it is changing what organisations do. Employee productivity is the leading live use of AI (45%) and the leading priority for the next 12 months (73%). Only 3% have AI live in new products or services, and 4% in software development.



have AI live in **employee productivity**



make employee productivity their **leading priority**



have AI live in **new products or services**



have AI live in **software development**

Productivity gains appear as soon as organisations experiment. But easy wins are losing their shine: they aren't creating a competitive advantage. This finding suggests that using AI to do the same process, only faster, stops being a competitive advantage once everyone has access to those tools.

McKinsey's global research emphasises that individual productivity gains with off-the-shelf copilots do not compound into enterprise margin improvement without structural business process redesign.

Ratings for profit and sales barely move until AI is running in live processes. The seven organisations that have AI embedded in several core operations make the sharpest case, albeit with a very small base of respondents. All seven rate productivity, competitiveness and customer service positively, and six of the seven rate profit positively.

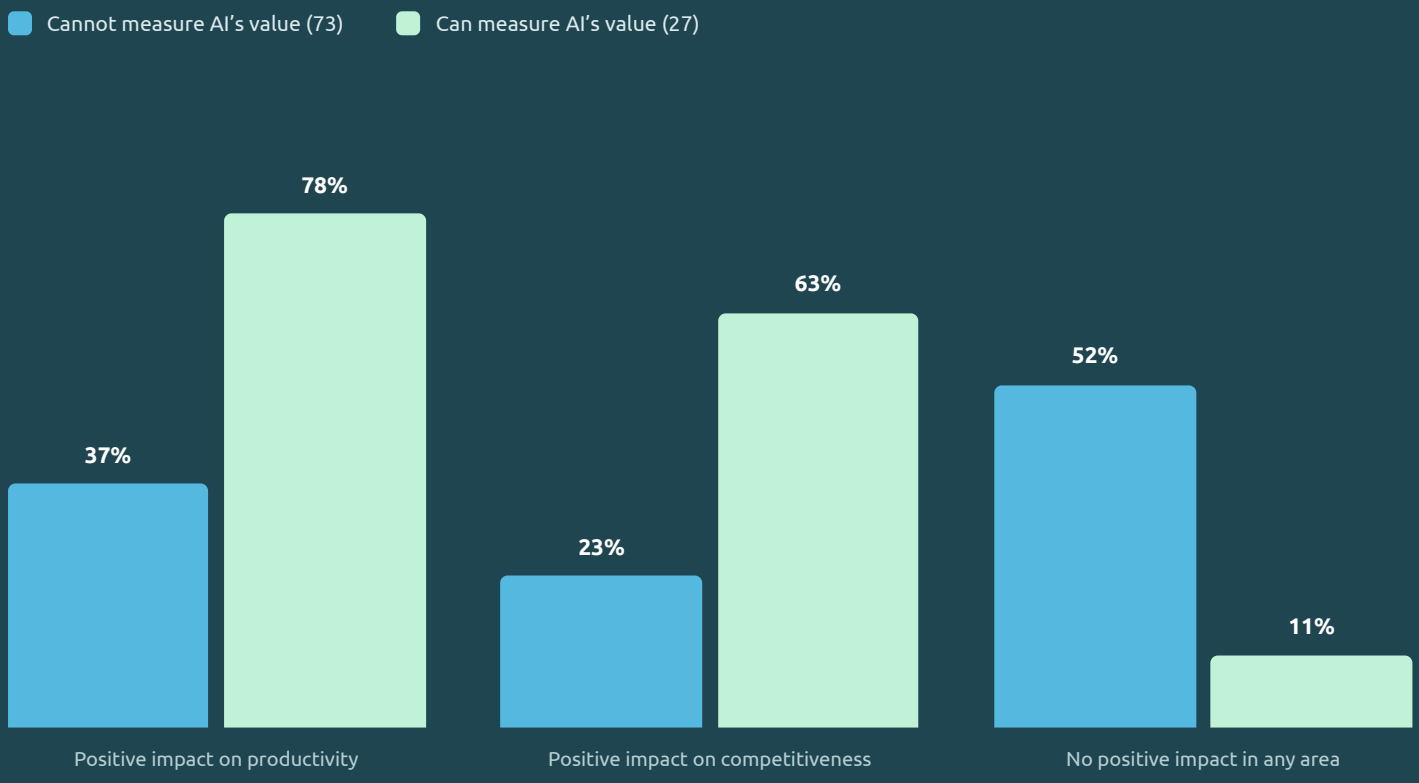
Redesign is where competitive value appears. Organisations that have redesigned jobs around AI are far more likely to rate it positively for competitiveness (69% against 27%) and for productivity (81% against 42%). But only 16 organisations have done that redesign. **Reinvention is hard but it pays off.**



Measurement is critical

Only 27% of respondents state their organisation can measure the value of their AI initiatives. Yet, organisations that can measure AI's value report stronger results on every measure. They are twice as likely to rate GenAI's impact on productivity as positive (78% against 37%), and almost three times as likely to say the same for competitiveness (63% against 23%). Only 11% see no positive impact in any area, against 52% of organisations without a way to measure.

Impact ratings among organisations that can and cannot measure AI's value



Source: The South African AI Index 2026, World Wide Worx.

The difference is sharpest where value can be proven. Every organisation in the study reporting a measured financial gain from AI can measure its value: 14 report a cost saving, and 12 of them a revenue gain as well. Among organisations without a way to measure, 82% either haven't assessed AI's financial impact or don't know what it is. Their AI may well be delivering, but they have no way to show it.

Measurement sits alongside wider discipline in how these organisations run AI.

What it adds is proof. **With it, AI becomes an investment with benefits a board can see, compare and support.**

What next?

Five practical steps for leaders

The research points to five practical steps leaders can take to translate the findings of this study into action inside their own organisations.



01 Establish baseline AI governance and usage policies

Transition away from ad hoc usage by defining clear acceptable-use policies and approving formal AI tools to mitigate shadow AI risks.



02 Prioritise high-impact, production-ready use cases

Move beyond simple experimentation by connecting pilots to core operational systems with clear business objectives.



03 Redesign core business processes around AI

Shift focus from isolated productivity tools to fundamental process redesigns that unlock sustainable value and competitive advantage.



04 Implement formal value and ROI measurement frameworks

Deploy measurement tools to track performance, financial impact and productivity metrics to justify ongoing AI investments.



05 Explore frontier technologies and custom capabilities

Partner with proven experts to build, fine-tune or integrate advanced solutions like predictive models and autonomous AI agents.

Conclusion

As AI use spreads, productivity gains feel less remarkable. **Durable advantage will not come from doing the same things faster.**

As AI use spreads, productivity gains feel less remarkable. The research suggests organisations are beginning to see that durable competitive advantage, revenue growth, deeper productivity benefits and differentiated services and products will not come about from doing the same things faster, using the same tools as everyone else.

Organisations with a clear AI strategy, that redesign business processes around AI, integrate it across a broad range of use cases and govern it well, are the ones seeing the most value.

These areas (process redesign, breadth and integration of live use cases across functions, and executive strategy and oversight) are where the next wave of transformation and value creation will emerge.

Ultimately, moving to the AI frontier requires moving past ad hoc efforts at improving efficiency towards deliberate, measured business transformation that delivers a lasting competitive edge.



Appendix

How the indices are built

The AI Index

The AI Index combines 39 measures from nine survey questions into five equally weighted pillars, each scored from 0 to 100 for every organisation. Adoption scores the use of six AI types (3 for active use, 2 for pilot or test, 1 for planned, 0 for no plans). Deployment takes half from the organisation's overall AI position and half from AI use across 12 business functions. Governance counts six formal controls: an acceptable-use policy, an approved-tool list, data controls, human review, security testing and board oversight.

Value gives equal weight to having tools to assess AI's value, measured financial impact on cost and revenue, and positive impact ratings across seven business areas. Workforce takes half from training, job redesign and new AI roles, and half from whether time saved through AI has been put to use. The five pillars are strongly consistent with one another (standardised Cronbach's alpha of 0.88), and the national score stays between 31.9 and 38.7 when any single pillar is removed.

The Frontier Index

The Frontier Index combines four equally weighted pillars: frontier technologies (five AI types beyond generative AI), new ground (AI use in new products or services, software development, quality control and supply chain), own capability (configured, fine-tuned or proprietary models and partner implementation) and transformation (redesigned jobs, new AI roles, staff moved to higher-value work, measured revenue gains and new products, agents or core-process redesign as a priority).

Its pillars are consistent with one another (standardised Cronbach's alpha of 0.81). It draws partly on the same questions as the main Index, so it is best read alongside the main Index rather than in place of it.

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