What businesses think of the new EU AI Act and its impact on them

Research from Saidot

May 2024

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Introduction

The proliferation of artificial intelligence (AI) has changed market dynamics across all industries in recent years. Businesses have started looking at how they can implement AI to enhance operational efficiencies, personalise customer experiences, and innovate product offerings, to gain an edge in an ever-competitive landscape. However, this rapid integration of AI technologies has also raised concerns regarding transparency, privacy, and ethical usage, prompting regulatory bodies to step in.

Many countries and regions have recognised the need for a more structured approach to AI governance, not least the European Union, which has recently introduced the EU AI Act. The Act is the world's first comprehensive legislative framework for AI, aiming to establish clear guidelines for the development and use of this technology, and ensuring that AI technologies are safe, transparent, and compatible with EU standards on fundamental rights and freedoms.
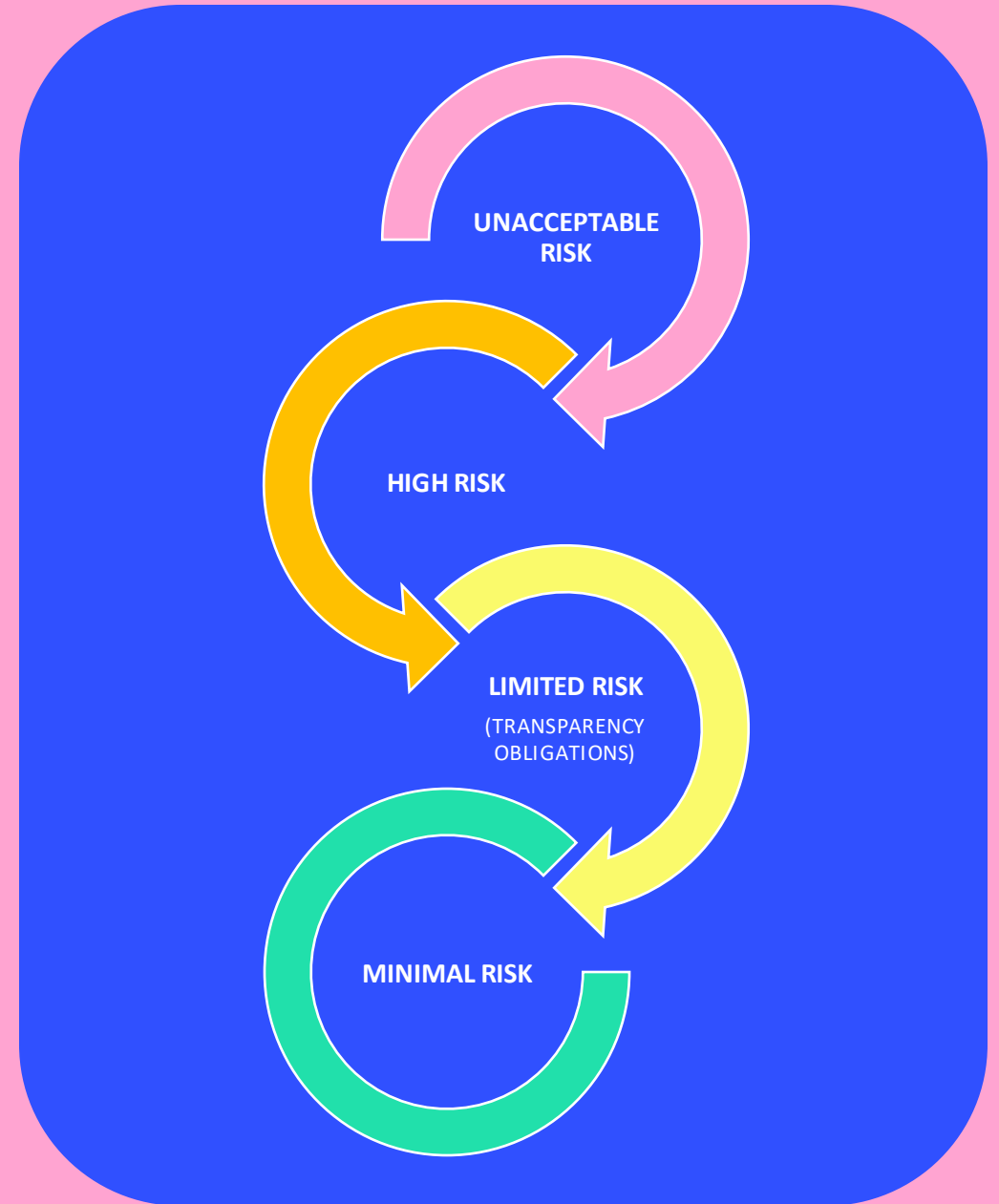
Gauging readiness for the EU AI Act

This report delves into the current market landscape and unpacks the latest sentiments surrounding the EU AI Act. By understanding how businesses are preparing for the Act, as well as the challenge they face in achieving compliance, we can identify the role that proactive AI governance has to play in sustaining innovation, while adhering to emerging legal and ethical standards.

"The EU AI Act sets a precedent for how AI is governed within the EU and worldwide. To succeed in the future, businesses will need to implement new responsible governance processes to comply with the Act and manage risks while keeping up with the latest AI advances. This is not an easy task."

–Veera Siivonen, CCO and Partner at Saidot

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About this research

This research was conducted in March 2024 on 501 business decision-makers working at companies using AI in the United Kingdom, France, Germany and the Netherlands.
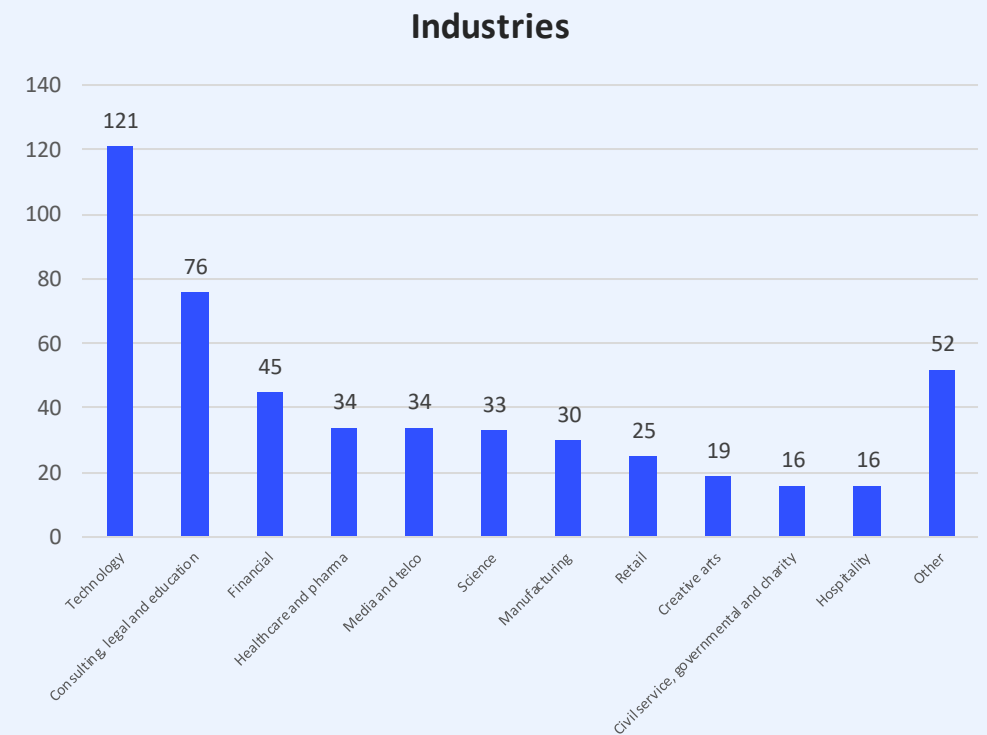
The respondents were sourced from Prolific panel as follows:

- UK respondents – 126
- French respondents – 125
- German respondents – 125
- Dutch respondents – 125

The respondents were pre-screened by Prolific to ensure they fulfil these criteria:

- They are in a leadership position, or a position of power, or have supervisory duties.
- They have decision-making responsibilities in business strategy, operations/production, or research/development.
- Use AI weekly (once a week, 2-6 times a week, every day, or multiple times a day).

For more information, contact: **hello@saidot.ai**

Industries

Industry	Value
Technology	121
Consulting, legal and education	76
Financial	45
Healthcare and pharma	34
Media and telco	34
Science	33
Manufacturing	30
Retail	25
Creative arts	19
Civil service, governmental and charity	16
Hospitality	16
Other	52

Key findings

82%
of decision makers agree that AI governance and ethics are important.

62%
of respondents feel positive about the AI Act.

27%
of businesses have not started preparations for the EU AI Act yet.

33%
of respondents have no concerns about the EU AI Act whatsoever.

41%
of leaders say having the right AI governance in place is a priority for their organisation.

65%
of organisations using AI have high-risk AI use cases implemented within the business.

61%
of leaders still don't know enough about the EU AI Act to begin their compliance journey.
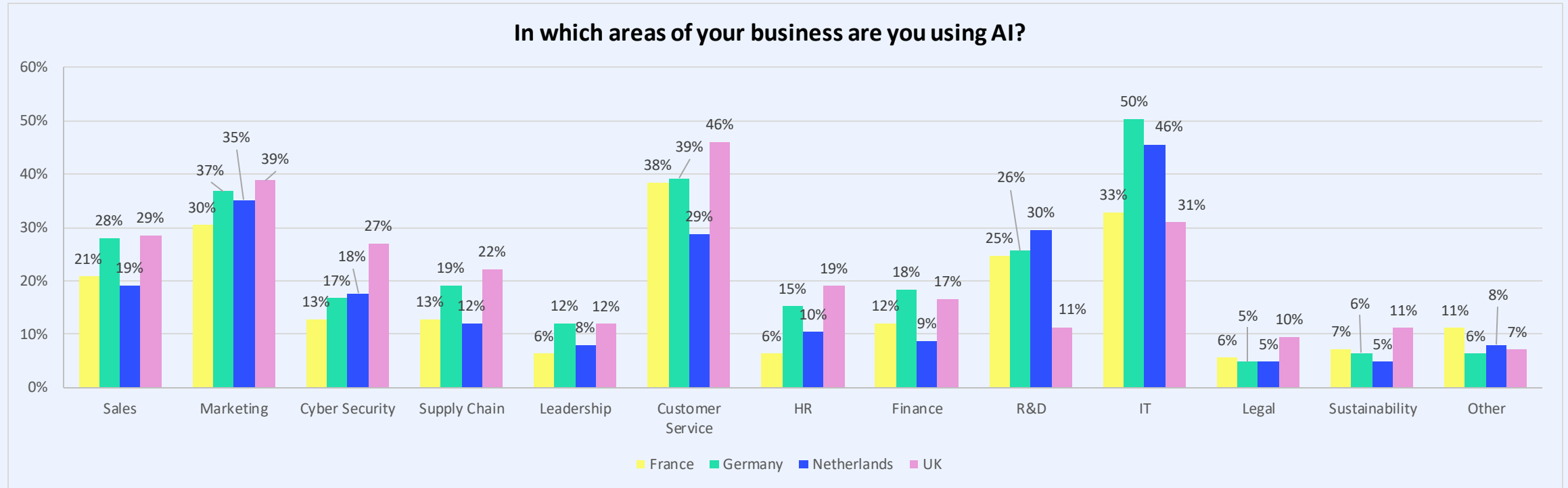
29%
of leaders believe the EU AI Act is too confusing and it will be difficult to comply with its guidelines.
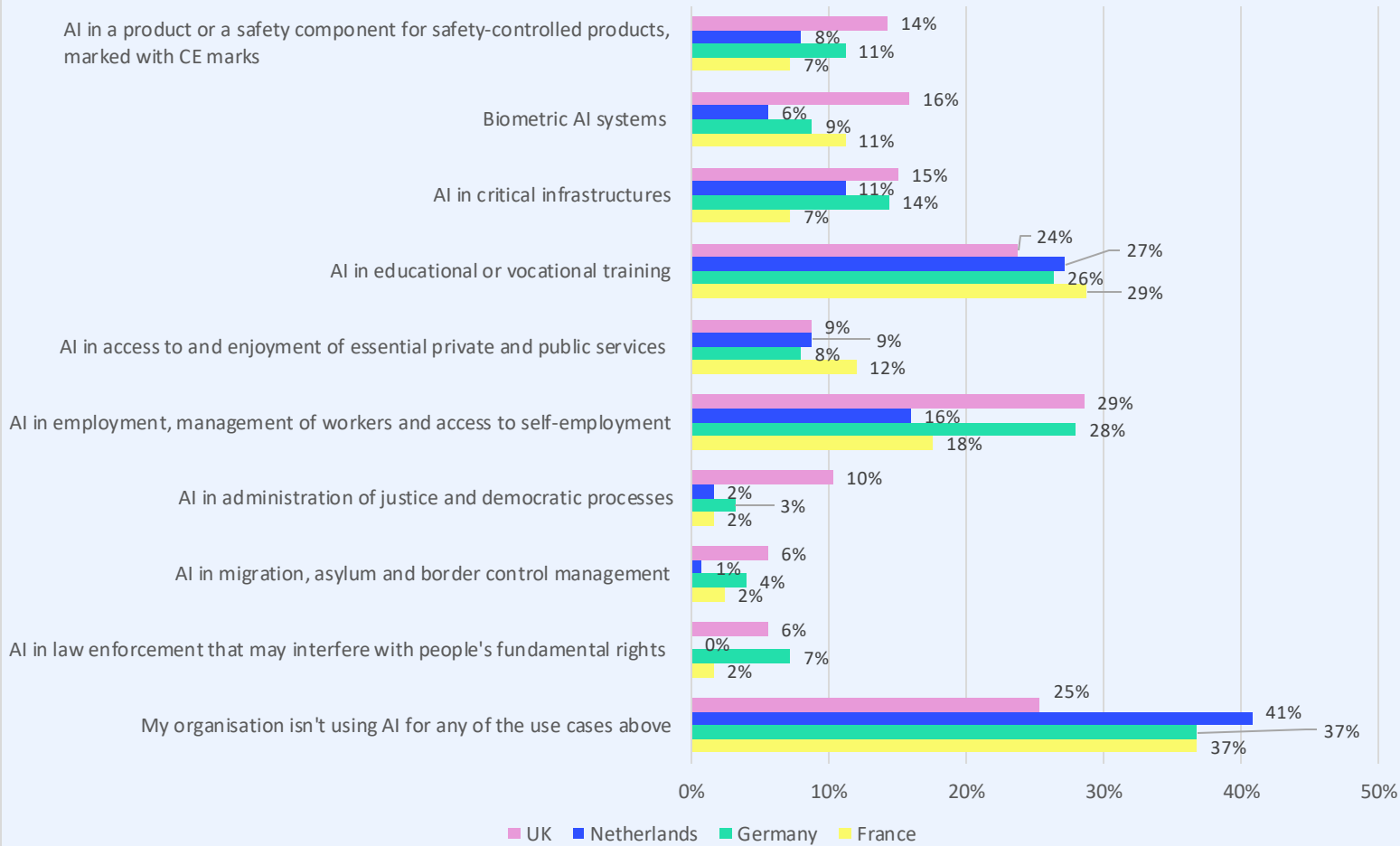
Based on Saidot research (March 2024) surveying 501 business decision-makers, working at companies using AI in the United Kingdom, France, Germany and the Netherlands.

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Current AI use cases

Areas of the organisation where AI is being used

In which areas of your business are you using AI?

- AI is being used the most in marketing, customer service and IT departments. All have clear applications for this technology and are areas where generative AI has had a big impact in recent years.

- There's more of a focus on using AI in IT for European businesses in France, Germany and the Netherlands, while the UK seems to looking to implement AI in wider departments of the organisation beyond IT.

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High risk AI use cases across businesses in Europe

High-risk AI use cases across European businesses

Chart data (UK, Netherlands, Germany, France):

Use case	UK	Netherlands	Germany	France
AI in a product or a safety component for safety-controlled products, marked with CE marks	14%	8%	11%	7%
Biometric AI systems	16%	6%	9%	11%
AI in critical infrastructures	15%	11%	14%	7%
AI in educational or vocational training	24%	27%	26%	29%
AI in access to and enjoyment of essential private and public services	9%	9%	8%	12%
AI in employment, management of workers and access to self-employment	29%	16%	28%	18%
AI in administration of justice and democratic processes	10%	2%	3%	2%
AI in migration, asylum and border control management	6%	1%	4%	2%
AI in law enforcement that may interfere with people's fundamental rights	6%	0%	7%	2%
My organisation isn't using AI for any of the use cases above	25%	41%	37%	37%

■ UK ■ Netherlands ■ Germany ■ France

- We asked business decision-makers about their AI use cases to see if they fall under the high-risk use cases in the new EU AI Act. Thus, they require more careful governance if the company offers products and services to the EU market.

- Many organisations in the Netherlands (41%), Germany (37%), and France (37%) are not currently using any of the high-risk use cases. However, the findings show that 75% of UK companies use AI for high-risk cases.

- Vocational and education training is the most reported AI use case with the potential for high risks, followed by AI in worker employment management. However, whether the AI use cases in these areas fall under high risk is subject to more careful analysis for each case.

- Interestingly, 10% of organisations use AI in safety-controlled products with CE marks.

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Sentiment towards the EU AI Act
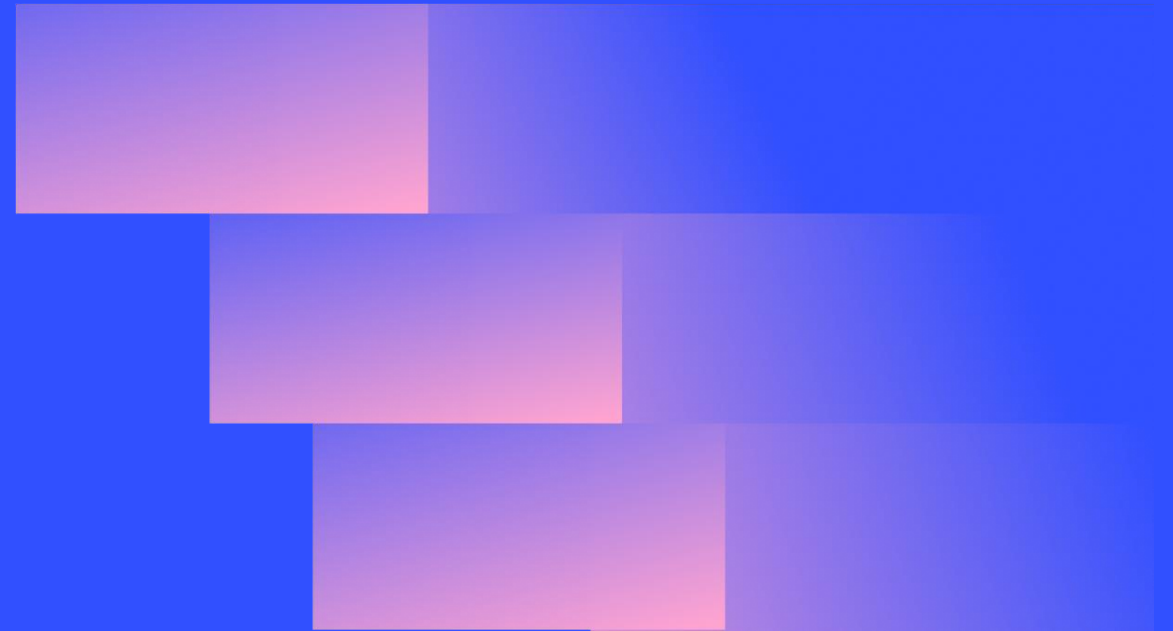
62% of businesses feel positive about the EU AI Act

There is overwhelming support for the Act and very little negativity towards it. Two-thirds of British respondents highlighted feeling positive about the Act. In comparison, just over half (55%) of German respondents felt positively towards it.

What is your overall sentiment about the EU AI Act?

Neg. 3%

Neutral 35%
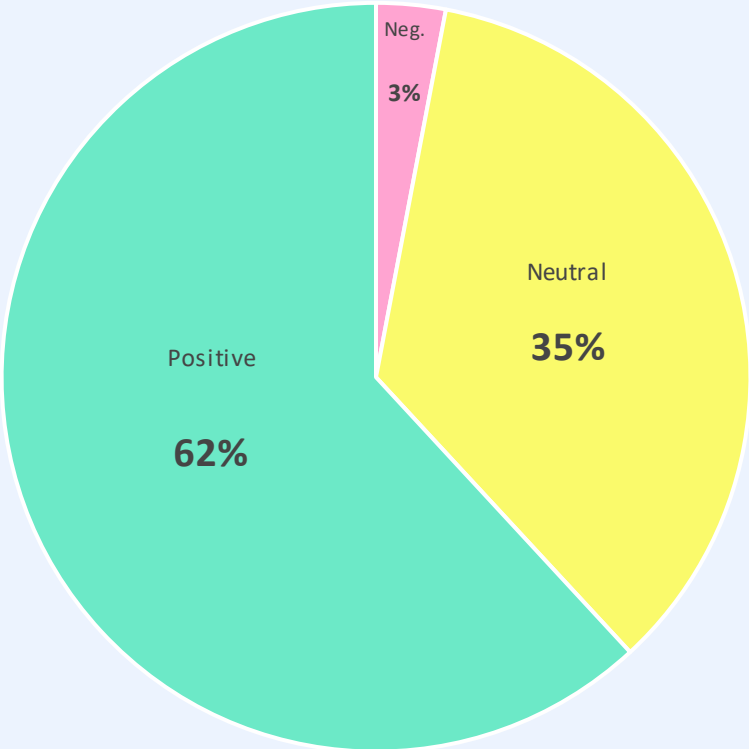
Positive 62%

	'The EU AI Act will make a positive impact'
UK	66%
France	62%
Netherlands	65%
Germany	55%

Question: The EU AI Act is the world's first comprehensive AI law, which will regulate the use of artificial intelligence in the EU. The new rules establish obligations for providers and users depending on the level of risk from artificial intelligence.

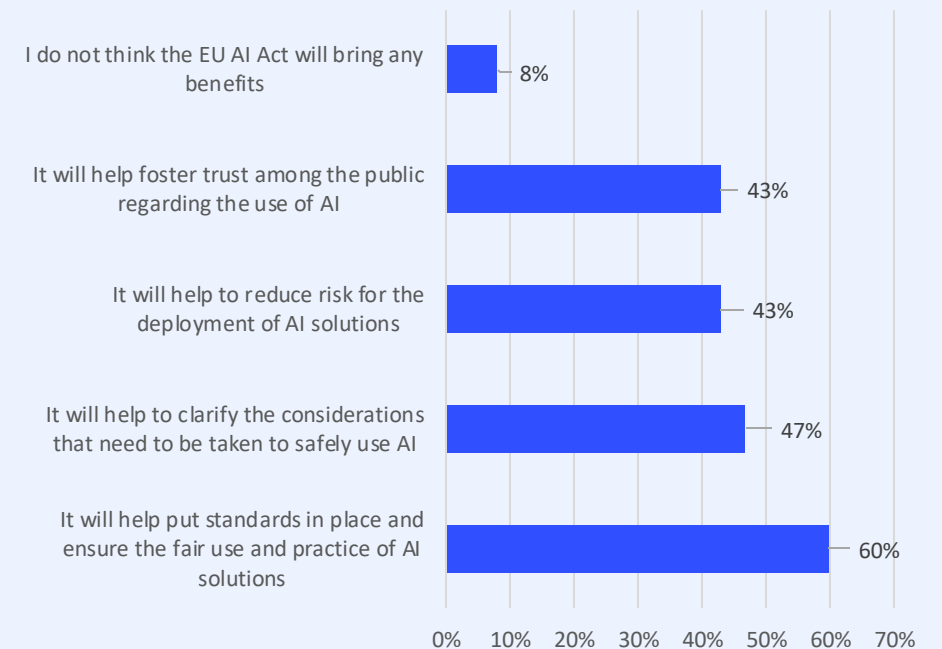*What is your general feeling towards the EU AI Act - Positive, Neutral or Negative?*

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60% of businesses believe the EU AI Act will help put standards in place and ensure the fair use and practice of AI solutions

Only 12% of British respondents believe the Act will bring no benefits, and even fewer respondents from France (8%), Germany (8%) and the Netherlands (5%) share the same opinion.

	'It will help put standards in place and ensure the fair use and practice of AI solutions'	'It will help reduce risk for the deployment of AI solutions'	'It will help foster trust among the public regarding the use of AI'	'It will help clarify the considerations that need to be taken to safely use AI'	'It will bring no benefits'
UK	54%	40%	48%	48%	12%
France	63%	35%	45%	50%	8%
Netherlands	64%	46%	41%	43%	5%
Germany	59%	50%	38%	47%	8%

What benefits will the EU AI Act bring?

I do not think the EU AI Act will bring any benefits	8%
It will help foster trust among the public regarding the use of AI	43%
It will help to reduce risk for the deployment of AI solutions	43%
It will help to clarify the considerations that need to be taken to safely use AI	47%
It will help put standards in place and ensure the fair use and practice of AI solutions	60%

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71% of decision makers reported that they are aware of the Act

However, 94% of respondents do not have a complete understanding of the details behind the Act and what the Act means for them.

Are you familiar with the EU AI Act?
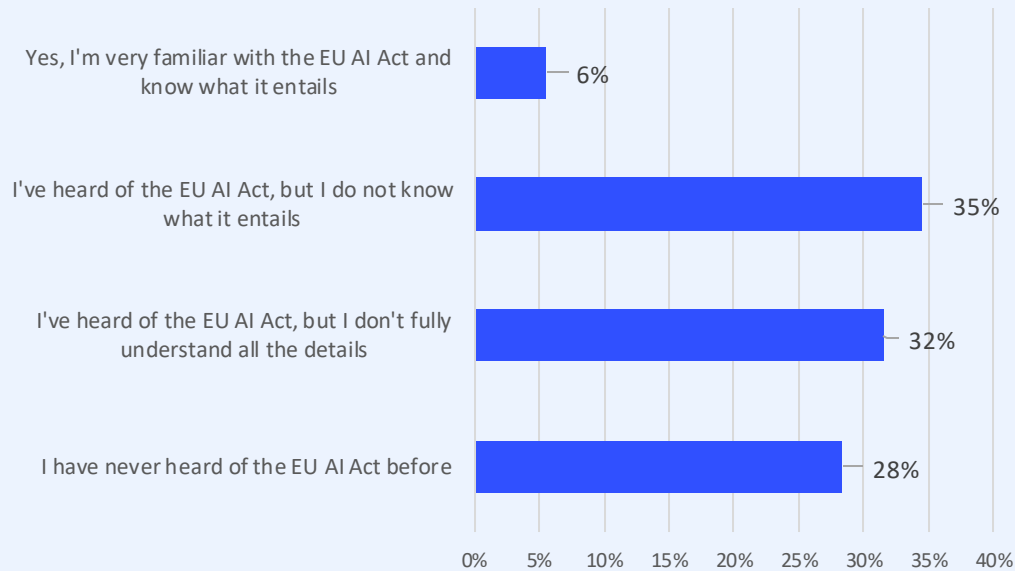
	'Yes, I am very familiar with the EU AI Act and know what it entails'	'I've heard of the EU AI Act but I do not know what it entails'	'I've heard of the EU AI Act but I don't fully understand the details'	'I have never heard of the EU AI Act before'
UK	5%	29%	33%	34%
France	7%	38%	22%	33%
Netherlands	6%	36%	37%	21%
Germany	4%	36%	34%	26%

Yes, I'm very familiar with the EU AI Act and know what it entails — 6%

I've heard of the EU AI Act, but I do not know what it entails — 35%

I've heard of the EU AI Act, but I don't fully understand all the details — 32%

I have never heard of the EU AI Act before — 28%

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Challenges for businesses in achieving compliance

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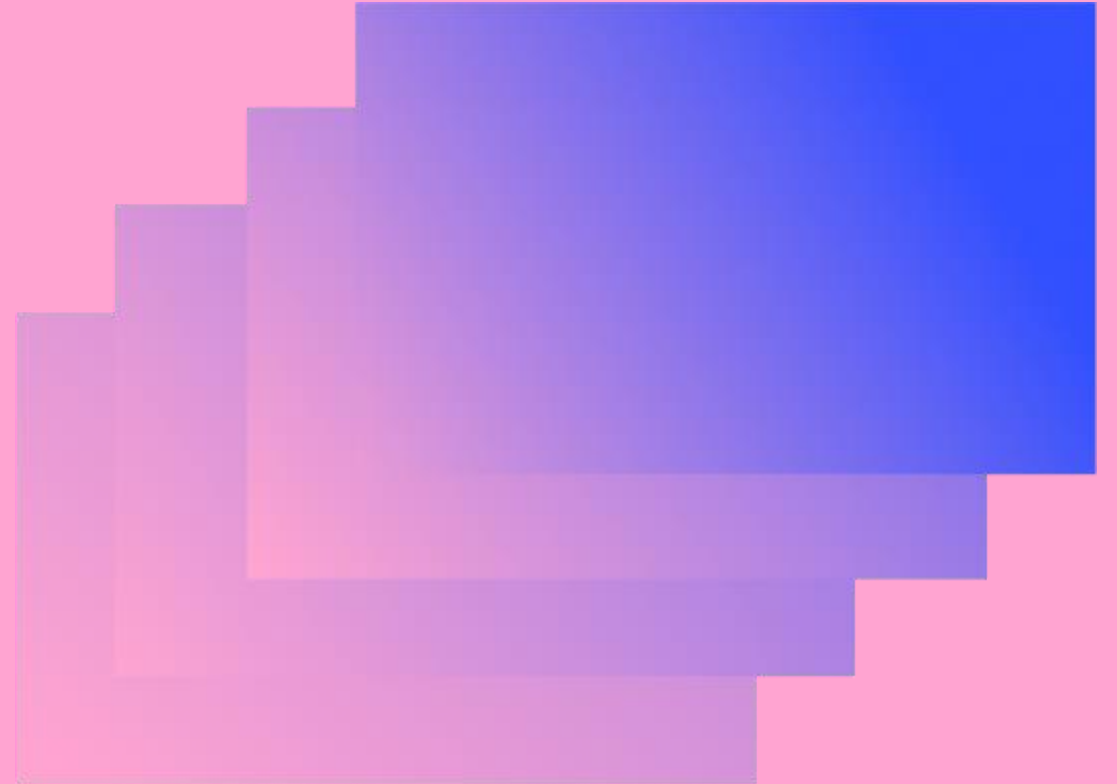
45% of businesses find it difficult to define AI policy for their organisation

For German (55%) and British (40%) organisations, the most common challenge they face with AI is keeping up with AI capabilities, risks and regulations. For French (48%) and Dutch (39%) organisations, the top challenge is defining AI policy. But both of these concerns are common in all four countries.

Which of these current challenges is your organisation experiencing?

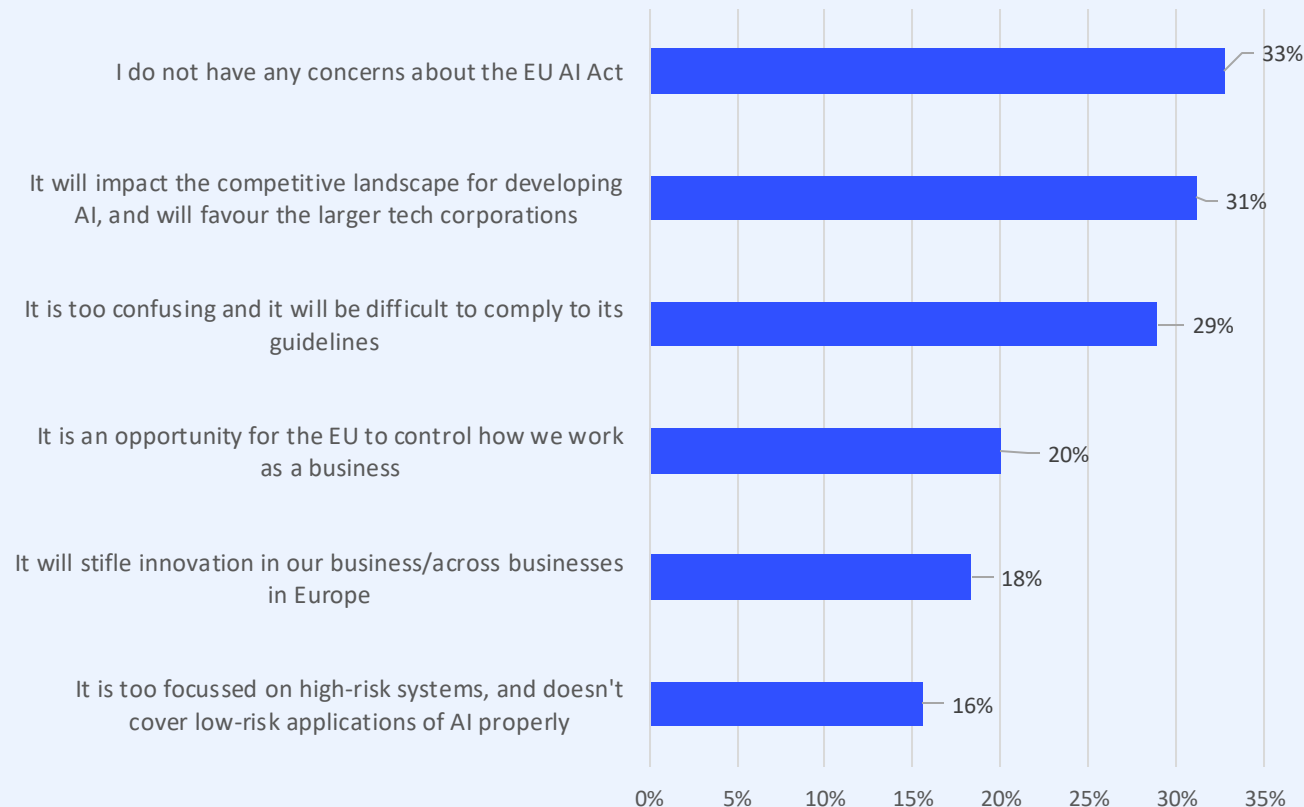| Challenge	Percentage
It is difficult to define an AI policy for my organisation	45%
It is hard to keep up with AI capabilities, risks and regulations	44%
It is tough to combine the expertise (technical, legal, and business) of several teams in practice	30%
It is hard to identify the practical use cases of AI that really can bring value	29%
There is too much uncertainty and risk in running AI in production	26%
It is hard to keep track of AI across the organisation	24%
None of the above	10%

		'It's hard to keep up with AI capabilities, risks and regulations'	'It's difficult to define an AI policy for my organisation'	'It's tough to combine the expertise of several teams in practice'
UK		40%	38%	30%
France		35%	48%	22%
Netherlands		43%	39%	28%
Germany		55%	54%	38%

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29% of businesses find the EU AI Act too confusing to comply

This is a particular issue in the Netherlands, where more than one third (35%) of leaders reported finding the EU AI Act too confusing. The other major concern for businesses is that the AI Act will impact the competitive landscape in favour of the larger tech corporations.

What concerns do you have around the EU AI Act?

Concern	Percentage
I do not have any concerns about the EU AI Act	33%
It will impact the competitive landscape for developing AI, and will favour the larger tech corporations	31%
It is too confusing and it will be difficult to comply to its guidelines	29%
It is an opportunity for the EU to control how we work as a business	20%
It will stifle innovation in our business/across businesses in Europe	18%
It is too focussed on high-risk systems, and doesn't cover low-risk applications of AI properly	16%

	'The EU AI Act is too confusing and it will be difficult to comply with its guidelines'
UK	27%
France	29%
Netherlands	35%
Germany	25%

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Looking ahead to future compliance

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73% of businesses have started preparations for compliance

Most businesses have started preparations for the EU AI Act. However, with the plenary vote only passed in March 2024, many businesses have concerns about achieving compliance moving forward.

The key reasons given include:

Reason	%
We don't know enough about what the regulation will include	61%
It will be difficult to demonstrate transparency and accountability of our solutions	31%
We don't have the skills or expertise to ensure we comply with the regulation	30%
We don't have the resources to ensure compliance	18%
We don't think our AI solutions are covered by this regulation so we don't need to comply	12%
We don't have buy-in at the board level	5%

		Not started preparations for the EU AI Act
UK	🇬🇧	27%
France	🇫🇷	28%
Netherlands	🇳🇱	26%
Germany	🇩🇪	26%

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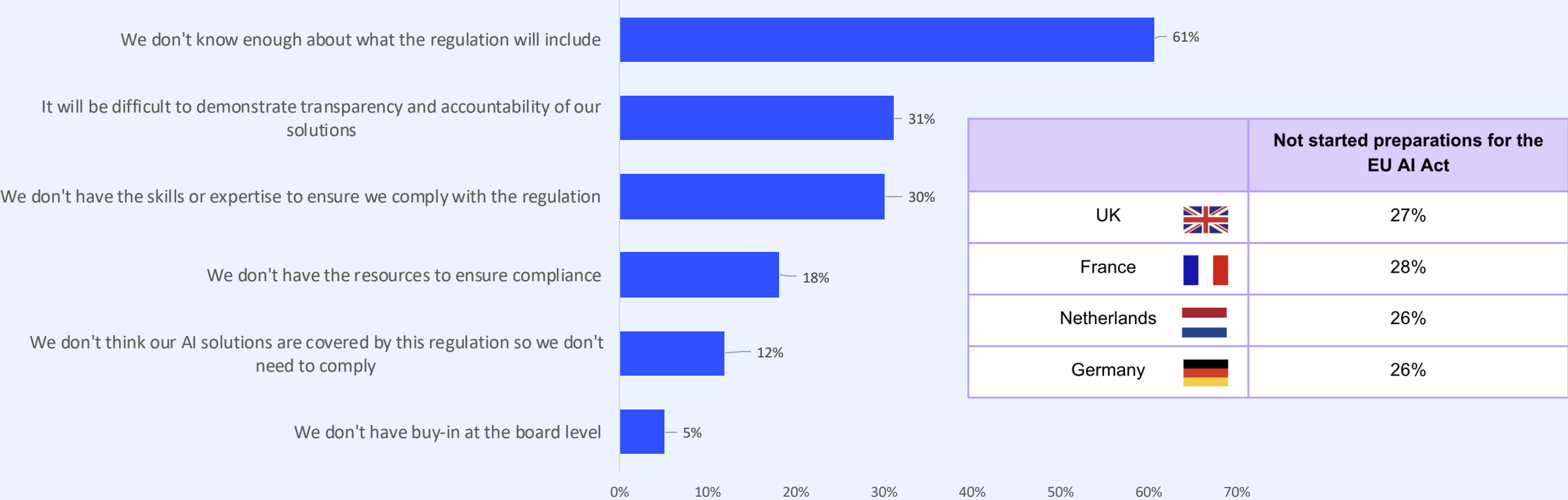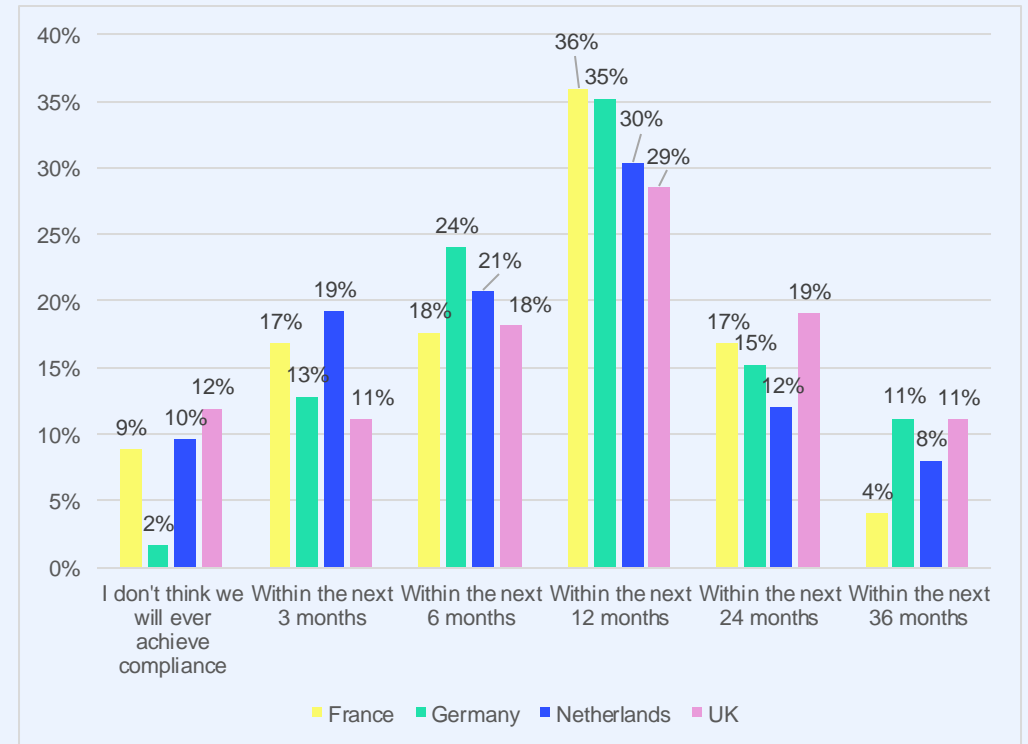
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Two thirds of business leaders are positive that they will achieve compliance within the next 12 months

However, 35% of leaders are unsure whether their organisation will be able to ensure compliance in time. A quarter of German businesses believe they're unlikely to meet compliance, and 29% of British businesses are uncertain.

How long do you think it will take before you achieve compliance?

Pie chart:
- 3 months: 15%
- 6 months: 20%
- 12 months: 32%
- 24 months: 16%
- 36 months: 9%
- Never: 8%

Bar chart (France, Germany, Netherlands, UK):

	France	Germany	Netherlands	UK
I don't think we will ever achieve compliance	9%	2%	10%	12%
Within the next 3 months	17%	13%	19%	11%
Within the next 6 months	18%	24%	21%	18%
Within the next 12 months	36%	35%	30%	29%
Within the next 24 months	17%	15%	12%	19%
Within the next 36 months	4%	11%	8%	11%

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32% of businesses are planning to educate employees in preparation for the EU AI Act

Other popular options include investing in resources and talent and partnering with external consultants. This implies businesses are aware of current limitations and looking to extra support to meet new rules.

How are you planning to prepare for the EU AI Act moving forwards?

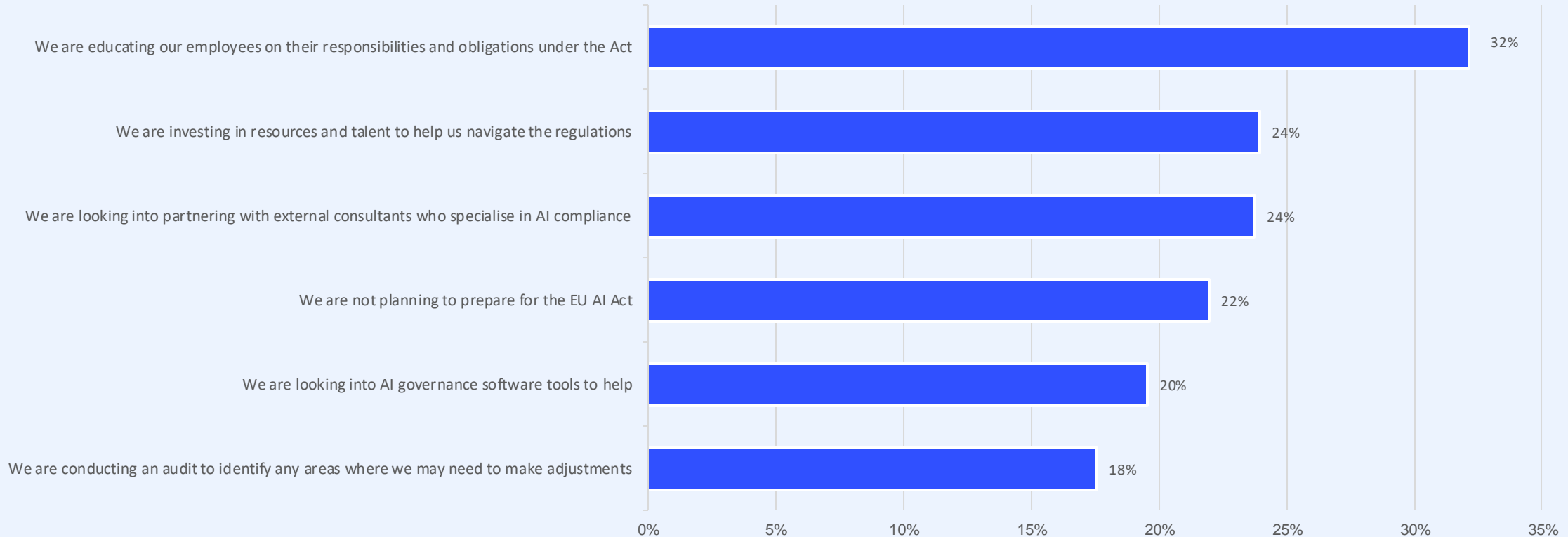| Response	Percentage
We are educating our employees on their responsibilities and obligations under the Act	32%
We are investing in resources and talent to help us navigate the regulations	24%
We are looking into partnering with external consultants who specialise in AI compliance	24%
We are not planning to prepare for the EU AI Act	22%
We are looking into AI governance software tools to help	20%
We are conducting an audit to identify any areas where we may need to make adjustments	18%

Based on Saidot research (March 2024) surveying 501 business decision-makers, working at companies using AI in the United Kingdom, France, Germany and the Netherlands.

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The next steps for organisations include educating employees, hiring new talent and partnering with third parties to help achieve compliance.

	'We are planning on educating our employees on their responsibilities and obligations under the act'	'We are planning on investing in resources and talent to help us navigate the regulations and ensure compliance'	'We are looking at partnering with external consultants who specialise in AI compliance'
UK	29%	17%	24%
France	33%	25%	21%
Netherlands	34%	25%	24%
Germany	33%	29%	26%

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Conclusion:
The role of AI Governance

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Conclusion

The critical role of AI governance in achieving compliance

Businesses are clearly faced with a challenge. On one hand, they want to innovate and implement AI to help support business goals, from improving operational efficiency and data-driven demand forecasting to delivering better customer service with NLP technologies. On the other hand, however, many are finding it difficult to keep up with AI regulations and are unsure where to start when it comes to compliance.

In the current market, where new advancements to AI are being realised almost daily, it has become imperative for all businesses to have effective AI governance if they are to use this technology responsibly.

Moreover, the EU AI Act is a critical regulatory framework, accelerating the need for businesses to ensure that their AI applications are both ethical and compliant. It not only mitigates risks associated with AI deployment but also establishes a company's commitment to data protection and user rights. As such, the strategic implementation of AI governance is essential, helping businesses navigate regulatory complexities, enhance operational transparency, and foster enduring customer trust.

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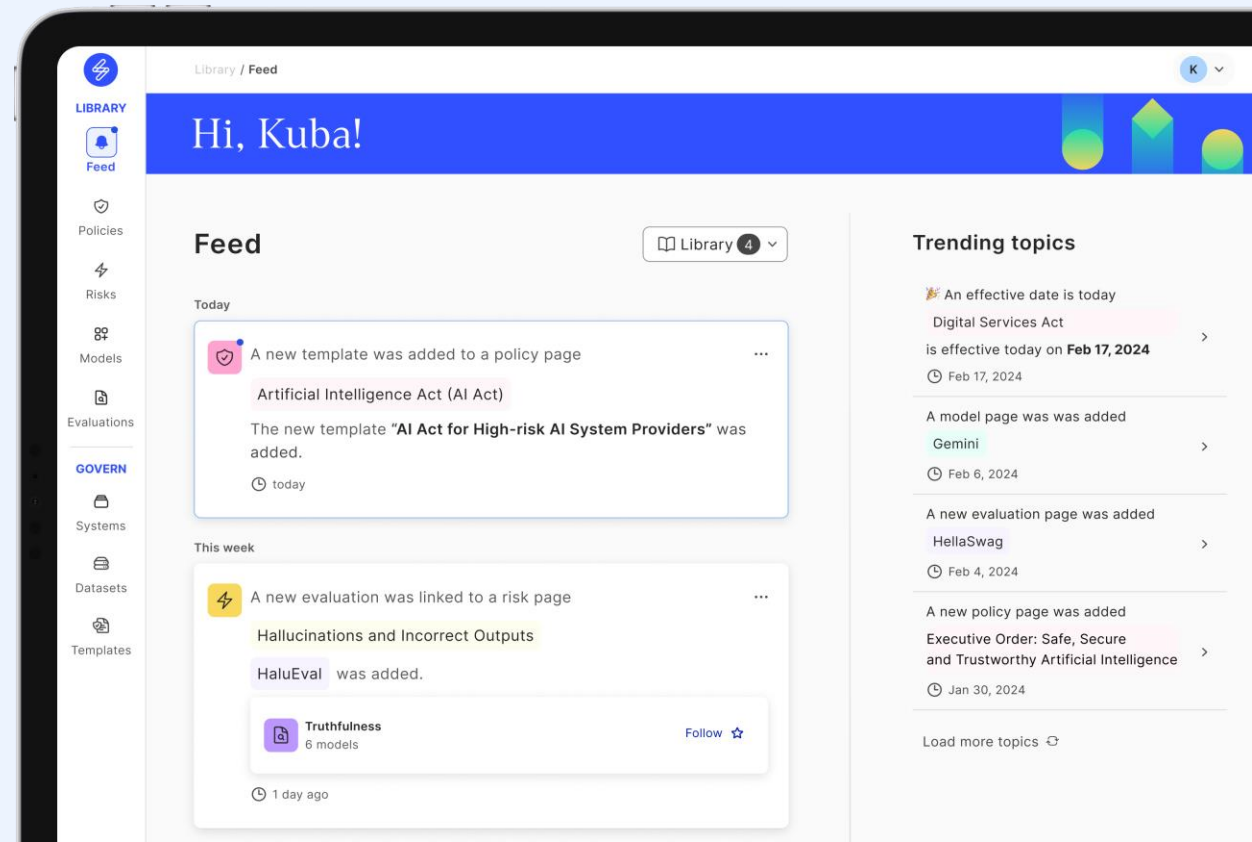# Your go-to place for the information you need to succeed with AI governance

Saidot Library is curated library that offers details on numerous foundation models, AI risks, policies and regulations.

Saidot Library helps you:

- Understand requirements for AI systems

- Identify various AI risks and best-practice mitigations

- Learn about foundation models and how they perform in specific tasks.

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Sign up for the free Beta while it still lasts.

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