

ECONOMIST
IMPACT

Rewired for resilience

How businesses in APAC are navigating the next chapter in AI-powered growth

Supported by



Red Hat

intel

Contents

- 3** Red Hat foreword
- 4** About this report
- 7** Executive summary
- 9** What AI-powered future readiness looks like
- 11** APAC's AI maturity: realism takes centre stage
- 15** Strategic pillars supporting organisational readiness
 - 16** A. Strategic pillar: data
 - 17** B. Strategic pillar: governance
 - 18** C. Strategic pillar: infrastructure
 - 20** D. Strategic pillar: talent and culture
- 22** Moving from doing AI to becoming AI-native
- 23** The bottom line: what decision-makers should prepare for

Red Hat foreword



The Asia-Pacific (APAC) region has long been defined by its dynamism, but today it navigates a landscape of unprecedented complexity. In this “polycrisis age,” where geopolitical, climatic and economic volatility are the new normal, the traditional metrics of success are being redefined. Growth is no longer enough; the new benchmark is resilient growth.

This is the critical theme we explore in *Rewired for Resilience*: how APAC is navigating the next chapter in AI-powered growth. Through in-depth conversations with more than 20 of our region’s most influential technology and business leaders, this report moves beyond the hype to uncover a fundamental truth: AI is no longer an experiment. For the most forward-thinking organisations, it has become the core mechanism for building a new, more adaptive form of enterprise resilience.

The insights from leaders across the telecommunications, manufacturing, financial and public sectors are remarkably consistent. They reveal that true AI maturity is not determined by the novelty of an algorithm, but by the robustness of the foundations it is built upon. As this report clearly articulates, the greatest barriers to scaling AI are not technical, but cultural. The most significant enablers are not models, but high-quality, well-governed data and agile, hybrid infrastructure.

We are seeing a clear shift from isolated proofs-of-concept to enterprise-wide integration. AI is being embedded into the daily fabric of operations—optimising supply chains, personalising customer experiences and predicting faults before they occur. It is a transformation, not an upgrade.

This report serves as both a map of APAC’s current AI maturity and a guide for what comes next. It provides an invaluable framework for leaders seeking to move beyond the “pilot trap” and create tangible, sustainable business value. At Red Hat, we are proud to support this research, which reinforces our belief that the real winners of the future are those that maintain a relentless focus on foundational data readiness, adaptable and modular AI architecture, security, and ethical, context-aware AI deployment.

I trust you will find the insights within these pages to be a vital resource as you lead your own organisation, not just to do AI, but to *become* AI-native.

Andreas Spanner
Chief Architect, CTO Office, Red Hat

About this report

***Rewired for resilience: how businesses in APAC are navigating the next chapter in AI-powered growth* is a report by Economist Impact, supported by Red Hat and Intel.**

It explores how firms across Asia-Pacific are shifting from testing artificial-intelligence (AI) models to using them at scale—seeking measurable results that are sustainable, secure and cost-effective. The study examines how business leaders in APAC choose and prioritise AI platforms, data management, infrastructure and skills. It also looks ahead, helping executives plan for the next phase of AI-driven growth.

The report is based on interviews with 22 executives and experts working in technology, digital and AI across APAC. We thank the following for their time:

- **Anton Reynaldo Bonifacio**, chief AI officer and chief information security officer, **Globe Telecom (Philippines)**
- **Ting Cai**, chief AI and data officer, **Rakuten (Japan)**
- **Chang Sau Sheong**, chief technology officer and deputy chief executive (products), **Government Technology Agency of Singapore (Singapore)**
- **Neetan Chopra**, chief digital and information officer, **IndiGo Airlines (India)**
- **Gary Delooze**, executive director, information technology, **Hong Kong Jockey Club (Hong Kong)**
- **Stevie-Ann Dovico**, chief information officer, **Beyond Bank (Australia)**
- **Nicholas Hansen**, head of digitalization for digital industries, **Siemens China (China)**
- **Asif M Iqbal**, head of data and AI centre of excellence, **Maxis (Malaysia)**
- **Yew Jin Kang**, chief technology officer, **PLUS Malaysia (Malaysia)**
- **Seongjin Kim**, chief information officer, **Hankook & Company (South Korea)**
- **Nyuk Loong Kiw**, chief information and security officer and general manager/cyber security centre of excellence lead, **Spark Group (New Zealand)**
- **Richard Leung**, group chief technology officer, **Hong Kong Exchanges and Clearing Limited (HKEX) (Hong Kong)**
- **Richard Liao**, chief executive, **Hwa Hsia Glass Co (Taiwan)**

- **Nimish Panchmatia**, chief data and transformation officer, **DBS (Singapore)**
- **Mohammed Rahim**, group chief data officer, **Standard Chartered (Singapore)**
- **Paul Soegianto**, chief of group digital strategy, **Astra (Indonesia)**
- **Poohmipat (Art) Sripukdee**, principal architect, **One New Zealand (New Zealand)**
- **Nontouch Srisuksa**, head of IT strategy, **Krungsri Consumer (Thailand)**
- **Vinod Tahiliani**, chief financial officer, **Reliance bp Mobility Limited (Jio-bp) (India)**
- **Harsh Vardhan**, global head of digital innovation, **Apollo Tyres (India)**
- **Jegan Vijayarajan**, senior vice-president – chief delivery officer, **ReBIT (the technology arm of the Reserve Bank of India) (India)**
- **Chelsea Wise**, director of product marketing and education, **Relevance AI (Australia)**

Economist Impact would also like to thank the following consultants and technical specialists at Red Hat: **Vincent Caldeira, Steve Shirkey, Ashish Nainwal, Sam Sun, Wilson Toh** and **Jerrard Hou**.

Economist Impact would also like to thank **Ayush Batra**, chief technology officer, **APJ Intel**, for his insights.

Economist Impact bears sole responsibility for the content of this report. The findings and views expressed in the report do not necessarily reflect the views of the interviewees or sponsors. The research was led by Charles Ross, Anjali Shukla and Anushree Sharma. The report was written by Kim Andreasson. Although every effort has been taken to verify the accuracy of this information, Economist Impact cannot accept any responsibility or liability for reliance by any person on this report or any of the information, opinions or conclusions set out in this report.

GLOSSARY OF TERMS

Artificial intelligence (AI)

For the purposes of this study, AI encompasses the full spectrum of existing and evolving computational and agent capabilities: machine learning, deep learning, generative models, agentic AI, computer vision, planning and optimisation, robotics and autonomous systems. These collectively empower systems to learn from data, reason about their environment, generate creative outputs, make informed decisions and act with minimal human intervention.^{1,2}

Explainable AI (also referred to as AI model explainability)

The degree to which a machine learning model's reasoning and results can be understood by humans. Simpler models are usually easier to interpret, while complex ones like deep learning offer higher accuracy but less transparency.

AI observability

The practice of tracking and analysing AI systems in real time to understand their behavior, performance and reliability. It involves monitoring data such as logs, metrics, and traces to detect issues like data drift, security risks or performance drops early.

Mixture of experts (MoE)

MoE is a machine-learning architecture that partitions a model into multiple specialised sub-networks ("experts"). For each input, only a subset of experts is used, enabling even billion-parameter models to reduce pre-training compute and achieve faster inference.

Retrieval-augmented generation (RAG)

RAG is a method that improves outputs from large language models (LLMs) by retrieving facts from a trusted knowledge source at query time. Instead of retraining, it lets LLMs—already trained on massive corpora with billions of parameters—tap domain-specific or internal content, making responses more relevant, accurate and cost-effective.

Pruning and quantisation

Pruning and quantisation compress LLMs to improve efficiency. Pruning discards low-value parameters such as weights, neurons or even layers, while quantisation encodes the remaining weights at lower precision (such as float32 to low-bit integers). Both reduce model size, speed up inference and reduce compute costs.

Central processing unit (CPU) AI accelerator

A CPU AI accelerator, more commonly known as a Neural Processing Unit (NPU), is a specialised hardware component integrated directly into a CPU to accelerate AI and machine learning tasks.

¹ IBM, "Understanding the different types of artificial intelligence," Available from: <https://www.ibm.com/think/topics/artificial-intelligence-types>

² Gartner, "What is artificial intelligence?" Available from: <https://www.gartner.com/en/topics/artificial-intelligence>

Executive summary

Success in modern business is defined by resilience. Six in ten global business leaders say it is their top priority.³ And artificial intelligence (AI) is fast becoming the backbone of that resilience. The organisations gaining the most are those that stop treating AI as an experiment and start embedding it into daily operations. For them, AI is not the end goal but a means to stay competitive and adaptive. “AI is actually changing the way you work on a daily basis, the way you run the business and the way you serve your customer,” says Asif M Iqbal, head of data and AI centre of excellence, at Maxis, a telecommunications company in Malaysia. “It is actually changing the whole landscape. It is not a migration or an upgrade. It is a transformation.”



AI investment across APAC is accelerating. The regional AI market, valued at \$50.4b in 2023, is projected to grow at about 45.7% compounded annual growth rate (CAGR) by 2030.⁴ A survey taken by global firms in 2024 revealed 78% of them used AI in at least one business function, up from 55% in 2023.⁵ Yet progress is uneven. A 2025 report found that just 13% of organisations in APAC are fully prepared to derive value from AI, with 58% admitting that AI deployments are limited in scale and speed.⁶ Firms face a tangle of obstacles in putting AI to work. These include gaps in skills and culture, trouble moving from pilots to scale, and complex data and data sovereignty rules at global, national and industry levels.

This research is based on interviews with 22 senior executives from 13 markets and industries including finance, telecoms, manufacturing, the public sector and others.

³ BDO, “Techtonic states 2025: The new business edge,” 2025. Available from: https://insights.bdo.com/rs/116-EDP-270/images/BDOD_Technon-States-Report_Chapter-1.pdf

⁴ Grand View Research, “Asia Pacific Artificial Intelligence Market 2024.” Available from: <https://www.grandviewresearch.com/industry-analysis/asia-pacific-artificial-intelligence-ai-market-report>.

⁵ McKinsey, “The state of AI: How organizations are rewiring to capture value,” March 2025. Available from: <https://www.mckinsey.com/capabilities/quantumblack/our-insights/the-state-of-ai>

⁶ Cisco, “APJC Readiness leads to value, CISCO AI Readiness Index 2025,” 2025. Available from: https://s3.ap-southeast-1.amazonaws.com/cdn.thinklogicmarketing.com/b2b/Cisco+AI+Readiness+Index+2025+Infographic_APJC.pdf

Key findings:



Companies in APAC are shifting from experimentation with AI to enterprise-wide integration.

Although progress is uneven, companies from a range of industries are embedding AI into their platforms, infrastructure and day-to-day processes. This move reflects a shift from pilot projects to scalable, production-grade deployments that deliver measurable returns.



Opportunities span efficiency, growth and sustainability.

Executives see opportunities for AI in predictive maintenance, fraud detection, network optimisation and hyper-personalised customer experiences. These applications are not only reducing costs but also unlocking new revenue streams and improving environmental sustainability.



High-quality, well-governed data is a defining factor in scaling up AI.

Across APAC, the main barrier to scaling AI is poor data quality and access. With concerns over privacy and data sovereignty growing, especially in regulated sectors like banking and public services, successful firms are unifying siloed data into well-governed platforms, hiring privacy officers and adopting hybrid cloud strategies to ensure data is secure, trusted and compliant.



AI maturity is increasingly being shaped by architectural choices, not algorithms.

Mature enterprises are redesigning AI infrastructure for agility, not just performance. A “foundations-first” approach which involves building unified, reusable platforms instead of isolated systems, is the new ideal. In cloud, the optimum is a hybrid model, where sensitive data remains on-premises while development and training can use the public cloud.



Risk and responsibility are top considerations.

As AI becomes more integrated, companies are formalising ethical considerations and governance processes to manage it. They are writing and implementing dedicated rules for responsible use of AI and creating task forces to address bias, hallucination and accountability. This includes defining clear lines of responsibility when AI makes a wrong decision and ensuring that the use of public large language models (LLMs) does not lead to leakage of proprietary data.



Culture, not code, is the biggest barrier to embedding AI.

Technology alone does not power transformation. Many employees fear that AI tools will replace them, rather than empower them. The most successful firms in APAC are investing in training, storytelling and internal AI champions to build confidence and literacy.



Executives prioritise governance and purpose over being “digital first”.

Future readiness depends not on the scale of technology adoption, but on the quality, ethics and strategy that shape its use. The most successful firms adopt technologies selectively and are guided by purpose rather than hype. They embed governance and accountability at every level, ensuring data integrity, regulatory compliance and ethical practice. And they balance innovation with trust, using technology not merely to automate work, but to rethink how work is done.

What AI-powered future readiness looks like

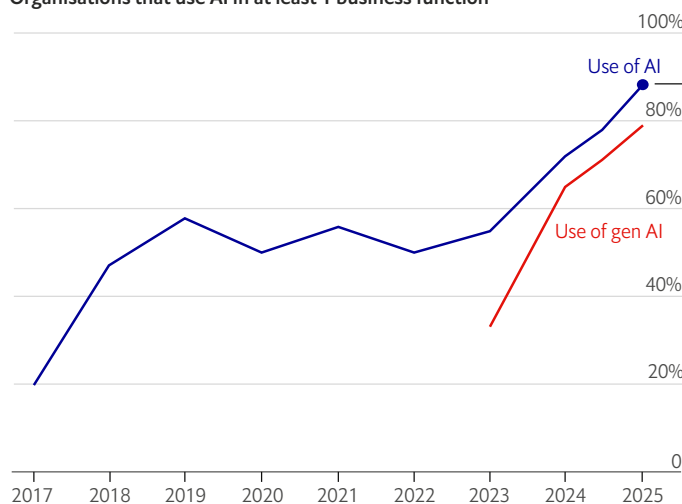
Some pundits have described 2025 as an era of “polycrisis”, marred by overlapping risks such as cybersecurity threats, climate change and geopolitical conflict. At this fraught time, organisations in APAC are pivoting away from viewing AI as an isolated end goal to recognising it as a crucial enabler for future-readiness and

resilience. Enterprise AI spending is growing faster than nearly any other segment in the tech industry. Analysts forecast annual growth of 30–40%, with some projecting a CAGR of 35–38% from 2025 to 2030. Healthcare, finance, retail and manufacturing are leading this surge in adoption.⁷ As a result, the AI maturity curve has steepened rapidly.

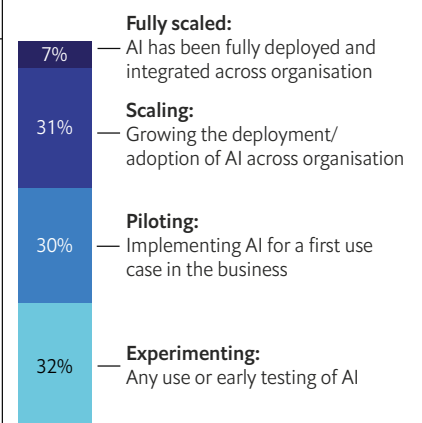
AI adoption across business functions is on the rise

Use of AI by respondents’ organisations, % of respondents

Organisations that use AI in at least 1 business function*



Phase of AI use among organisations using AI in 2025



*In 2017, the definition for AI use was using AI in a core part of the organisation’s business or at scale. In 2018–19, the definition was embedding at least 1 AI capability in business processes or products. From 2020, the definition was that the organisation has adopted AI in at least 1 function, and in 2025, the definition was regular use in at least 1 function.

Source: McKinsey, 2025

⁷ Grand View Research, “Asia Pacific Artificial Intelligence Market 2024”. Available from: <https://www.grandviewresearch.com/industry-analysis/asia-pacific-artificial-intelligence-ai-market-report>

However, EIU's risk assessment scores show the risk landscape increasingly driven by global and regional geostrategic tensions, underscoring organisational need for adaptability.⁸

"In the polycrisis age, an enterprise must have the ability to withstand unexpected shocks and continue to operate smoothly. This requires robust technology and a strong, flexible operating model," says Nontouch Srisuksa, head of IT strategy at Krungsri Consumer in Thailand. "AI is a key enabler for our broader transformation. It's not the goal itself, but the tool that helps us achieve our digital transformation goals faster and at a larger scale."

Across finance, manufacturing and telecoms, companies are embedding AI deeper into business processes—not simply automating tasks, but reshaping core capabilities to make data-driven decisions for greater operational agility and business continuity.

"To lay the foundation for an AI-fuelled bank, we focused on three areas: increase scale and make AI pervasive across all parts of the bank; continuously reduce effort, time and cost of developing and deploying AI solutions; and deliver exponential economic outcomes from AI use cases," says Nimish Panchmatia, chief data and transformation officer at DBS in Singapore.

For One New Zealand, a telecommunications company, future-readiness means "real-time personalisation and always-on reliability underpinned by open, cloud-native cores and observability," explains Art Sripukdee, the firm's

principal architect (please see page 6 for the definition of observability). AI is used to predict faults, orchestrate traffic and reduce emissions while protecting sensitive data in-country. "In mobile telecoms, the next big step is moving beyond simple connectivity and evolving into intelligent, AI-driven digital platforms," he says.

Singapore's public sector couples ambition with trust. The Government Technology Agency of Singapore is strengthening the SG Tech Stack and Government Commercial Cloud 2.0 for sovereign, AI-native workloads with explainability (please see page 6 for the definition) and developer access to LLMs. "Our focus is on empowering government developers with secure, standardised access to LLMs and AI coding assistants, boosting productivity across agencies without compromising oversight," explains Chang Sau Sheong, chief technology officer and deputy chief executive (products), Government Technology Agency of Singapore.

While data and governance provide the foundations of AI readiness, building a culture of continuous learning is also imperative. "We believe that true AI maturity is characterised by empowering every individual to create value with AI, driven by visionary leadership, a culture of bold execution, and an unwavering commitment to continuous AI literacy," says Ting Cai, Chief AI and Data Officer at Rakuten. "It's about transforming AI from a mere tool into an agentic partner that profoundly augments human creativity, leading to measurable business impact and sustained competitive advantage."

⁸ EIU Viewpoint, "Operational risk," 2025. Available from: <https://www.eiu.com/n/solutions/viewpoint/>

LEADERSHIP IN PERSPECTIVE: DEFINING THE FUTURE READY ENTERPRISE

“The next chapter is about moving from ‘digital’ to ‘agile-native’ and ‘human-centric’ enterprises. We’ve spent years building digital foundations. Now the focus is on how to use those foundations to be more responsive to change. Operational agility and efficiency, data-driven decision making, and resilience and business continuity should be the three key outcomes of a future-ready enterprise.”

Nontouch Srisuksa, head of IT strategy, Krungsri Consumer

“Future-ready companies are those that continuously identify and solve emerging customer problems—evolving in step with disruption rather than resisting it.”

Paul Soegianto, chief of group digital strategy, Astra

“Being future-ready means more than simply adopting AI everywhere. It’s about ensuring readiness for its use, building a robust governance structure and understanding where AI truly adds value. Without that discipline, you risk unintended consequences. AI shouldn’t just be seen as another tool for automation—being future-ready means using it responsibly, with clear purpose and strong governance.”

Richard Leung, group chief information officer, Hong Kong Exchanges and Clearing Limited (HKEX)

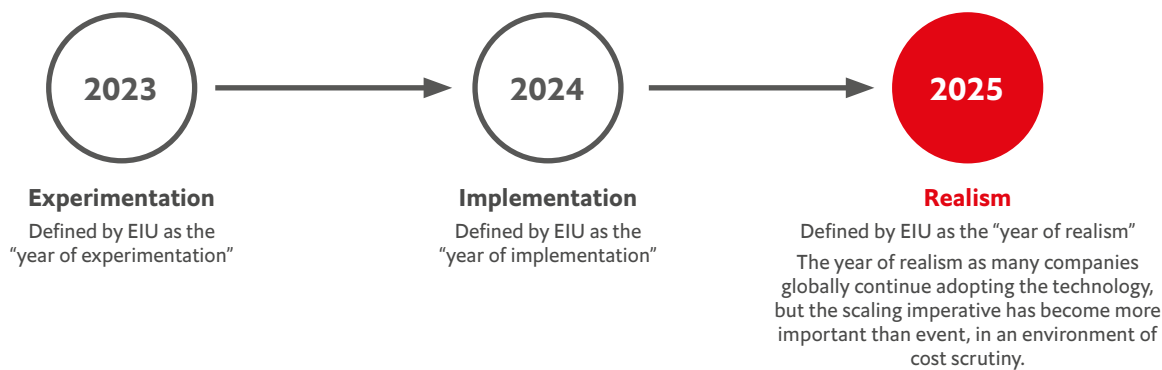
APAC’s AI maturity: realism takes centre stage

After a period of experimentation with AI in 2023 and accelerated implementation the following year, EIU is calling 2025 the “year of AI realism”. It represents a clear inflection point along the AI adoption curve. Rather than exploring AI for its novelty or potential, businesses are increasingly focused on proving its measurable value, integrating it into core operations and navigating the constraints of cost, governance and environmental impact.

While efficiency and cost reduction remain important, the return on investment (ROI)

from AI is now a composite of financial impact, cultural transformation and strategic resilience. AI is increasingly central to enabling organisational agility, modularity and composability—such as allowing technology architectures to integrate reusable components rapidly or empowering frontline staff with tailored, real-time insights to transform customer experience. Outlining IndiGo Airlines’s AI strategy, Neetan Chopra, the chief digital and information officer at the firm, says “IndiGo’s AI strategy follows a pyramid model, and at its base is ‘AI for everyone’. We have deployed Copilot and are evaluating enterprise-grade

2025 is the year of “AI realism”



Source: EIU, 2025

models such as ChatGPT Enterprise to ensure every employee can engage with AI in a safe, governed manner. The next tier is a single agent, our AI-enabled chatbot, 6Eskai. While it was not conceived as a revenue-facing agent, it is now customer-facing, revenue-generating and a fully functional direct channel enabling conversational booking, service, and FAQs.

In addition to this, we are building and scaling multi-agent systems across the enterprise. These digital agents autonomously handle tasks in sales, operations, IT, and HR, and we already have two such systems in production. Our approach is to incubate in our innovation lab (Lab37), move to production quickly, measure performance for 12–18 months and then scale. Meanwhile, the top tiers of the pyramid focus on discovering new applications and capabilities of AI.

This pyramid rests on a strong foundation of organisational readiness: a clear digital strategy, a defined roadmap and sustained investment in talent—particularly young AI engineers hired

into the lab. In parallel, we are strengthening data pipelines, implementing privacy-by-design architecture, and enhancing governance to ensure data sovereignty and cybersecurity as AI scales across IndiGo.”

Many companies have progressed from pilot use cases to enterprise-wide AI adoption, using modular platforms to scale up innovations from customer service chatbots to fraud detection and supply chain optimisation. Financial institutions use AI to improve the productivity of frontline staff. Standard Chartered rolled out SC GPT, a generative AI tool, to over 80,000 employees and launched wealth co-pilots to summarise portfolios and draft outreach with human-in-the-loop.

Several executives and experts describe AI as an enabler of operational agility, such as automating compliance checks, vetting disclosure reports with natural language processing or empowering non-technical “citizen developers” to build tools that enhance productivity. “To make AI truly effective, we need a robust data platform and strong data governance. Only then can we ensure that the data we provide to AI is meaningful and reliable enough to build the models we need,” explains Mr Leung at HKEX.

In industrial and manufacturing settings, companies like Siemens achieve business value through deeply embedded AI, including advanced quality optimisation, predictive maintenance and energy efficiency interventions that also strengthen environmental sustainability. “We are definitely beyond the R&D or piloting phase when it comes to optical inspection, predictive maintenance and enhanced control,” explains Nicholas Hansen, head of digitalization for digital industries at Siemens China.



The tangible outcomes from AI now go beyond efficiency improvements and cost reductions. Growth outcomes, like product personalisation, revenue growth through digital services and more proactive risk management, are demonstrated by year-on-year gains. For instance, DBS Bank reported that their AI initiatives delivered incremental tangible economic value, doubling year on year: from S\$75m (\$57.6m) in 2021 to S\$180m in 2022, then S\$370m in 2023 and S\$750m in 2024. “This economic value comprises incremental revenue from anticipating customer needs and serving them better, productivity gains, and losses averted from scams and fraud. By the end of 2025, we are projecting to achieve S\$1bn in economic value from AI and machine learning,” says Mr Panchmatia.

The outcomes of AI maturity extend beyond cost efficiency to encompass growth and resilience. Rakuten’s “AI-nization,” a term coined by the company’s chairman and chief executive officer, Mickey Mikitani, to describe the effort to infuse trustworthy, useful AI into every facet of its businesses—takes this further by embedding AI into every product and transforming every workflow as part of a broader human-AI collaboration. “AI augments human creativity,” says Ting Cai, Chief AI and Data Officer, “But its true power lies in organisational adoption: a clear top-down mandate, implemented at speed with bottom-up initiatives from those closest to user problems. This transforms AI from a departmental project into a fundamental shift in how we operate and innovate.” These examples illustrate a broader paradigm shift: AI is no longer a standalone technology

**Return on investment (ROI) =
Financial ROI + Resilience ROI +
Strategic ROI**

Financial returns remain vital, but business leaders say they view ROI through three lenses:

1. **Financial ROI:** measurable gains in revenue, cost and productivity
2. **Resilience ROI:** measurable gains in speed, accuracy and risk mitigation
3. **Strategic ROI:** measurable gains in social impact and brand equity

investment but an organising logic for enterprise competitiveness.

A recurring difficulty reported by executives interviewed for this study is the “pilot trap”, where firms struggle to move from isolated trials, even those with promise, to full-scale adoption. Chelsea Wise, director of product marketing and education at Relevance AI, says this often stems from unrealised expectations of sweeping change after a brief proof of concept, or from retreating too quickly when faced with technical flaws. Such behaviour has produced a “two-speed” pattern of adoption. The first is rapid scaling of established predictive tools, such as in fraud detection, network management and back-office efficiency, where the ROI is clear and fast. The second, slower pace, reflects caution about generative AI in response to tight governance rules and concern over data security. Regulated sectors are especially wary of exposing proprietary information to external models.

LEADERSHIP IN PERSPECTIVE: TURNING AI INVESTMENT INTO IMPACT

“ROI isn’t always revenue—it’s also societal value. Our fraud detection AI helped recover revenue that would have otherwise been lost, amounting to 58m ringgits (US\$12.6m) in 2024. But some AI systems deliver no direct monetary returns. Our suicide-prevention camera system saved between 25 and 30 lives.”

Yew Jin Kang, chief technology officer, PLUS Malaysia

“Value is not always a dollar sign. For customer-facing use cases, ROI might be net promoter score improvement or employee productivity. We look at value holistically—ROI, customer experience impact and capability building.”

Anton Reynaldo Bonifacio, chief AI officer and chief information security officer, Globe Telecom

“Our revenue-facing AI is governed by clear, tangible metrics: sales uplift, channel conversion and customer experience scores. For multi-agent systems, the maturity curve is different. Once adoption stabilises, we measure cost-to-serve reductions, turnaround-time improvements and productivity gains. ROI naturally progresses from usage to efficiency to enterprise-wide value as the agent ecosystem becomes embedded in our operating workflows.”

Neetan Chopra, chief digital and information officer, IndiGo

“We measure ROI through a “3 × 3 × 3 intelligent model” linking speed, scale and scope to efficiency and risk metrics. The framework tracks how AI reduces incident-response time, stakeholders’ query handling, quantifying operational benefits alongside regulatory audit compliance.”

Jegan Vijayarajan, senior vice-president – chief delivery officer ReBit (the technology arm of the Reserve Bank of India)

“We use the phrase ‘ROAI’, meaning ‘return on AI investment’. We don’t just look at use-case-level benefits, we calculate the cost to build, cost to run and business impact end-to-end. Only when we see a tangible positive return do we prioritise that initiative.”

- Mohammed Rahim, group chief data officer, Standard Chartered

“Every AI investment must pay back in one of three ways—better customer experience, revenue growth or cost reduction. We rank use-cases by impact versus complexity and start with high-impact, low-complexity wins we can measure.”

Asif Iqbal, head of data and AI centre of excellence, Maxis

“We fund AI like R&D: keep a proportion of the annual capital budget, prioritise scalable use-cases and measure returns over time until it becomes business as usual.”

Vinod Tahiliani, chief financial officer, Jio-BP

Strategic pillars supporting organisational readiness

True AI-enabled resilience no longer depends on one-off innovation. Now it needs disciplined lifecycle management that sustains performance, relevance and trust over time. It also depends on how effectively organisations manage the full model lifecycle from data preparation and design, to optimisation, fine-tuning and deployment. The focus is shifting from building larger models to designing smarter, more efficient architectures that balance innovation with cost and scalability. Companies are investing in “mixture of experts” (please see page 6 for the definition) approaches and domain-specific models to improve compute efficiency and contextual precision. Mr Cai observed, “To deploy AI models on a large scale, we need to push the boundary of cost efficiency by utilising high quality data, building a specialised domain-specific model that is smaller and more efficient, and most importantly growing talent so everyone can tune a model for their specialised tasks.”

Fine-tuning and localisation have become equally important. Enterprises are adapting models to local data and domain contexts to boost accuracy without complete retraining. In interviews, business leaders said they prefer targeted fine-tunes and parameter-efficient methods over full retrains, then reinforce with retrieval-augmented generation (RAG) (please see page 6 for the definition) to ground outputs. Maxis hardwires RAG on internal knowledge sources to enhance accuracy.

INTEL PERSPECTIVE

As Ayush Batra, chief technology officer at APJ Intel explains, “Continuous validation and performance optimisation are vital to ensure models remain reliable and efficient as data and market conditions evolve.”

The later stages of the lifecycle focus on testing, monitoring and optimisation. Continuous monitoring through mature machine learning operations (MLOps) practices helps maintain accuracy and stability, while techniques such as pruning, quantisation (please see page 6 for the definition) and RAG reduce latency and improve deployment efficiency.

Scaled success is contingent on robust infrastructure to meet computational demands, workforce strategies that balance human and machine roles, ROI models that integrate ethical and environmental considerations, and strong governance to ensure compliance, transparency and trust.

These strategic pillars—data, governance, infrastructure and culture—will define the next chapter of organisational readiness, determining which enterprises move from AI adoption to AI advantage.

A Strategic pillar: data

Data readiness has become the defining constraint and enabler of AI resilience. Experts acknowledge data consistently as a “hard foundation” challenge and that the single biggest barrier to taking AI beyond pilots is fragmented, inconsistent or poor-quality data. “Getting your data correct is not a buzzword but the real work,” says Mr Rahim at Standard Chartered. “If your data isn’t ready, your AI never will be.”

Enterprises are beginning to treat data preparation as an architectural discipline rather than a technical afterthought. At Apollo Tyres, an Indian manufacturing firm, every AI initiative starts with a defined business case developed by cross-functional teams that align data pipelines with measurable outcomes. “We first establish a clear baseline and target before deciding what technology or data access levels are needed,” explains Harsh Vardhan. This embeds data quality and accessibility checks into each stage of AI delivery, ensuring that architecture and data maturity evolve together. Stevie Ann-Dovico, chief information officer at Beyond Bank, concurs: “You can’t do AI without “IA”. Information architecture is critical. You need to get your data right: data governance, schemas, models, data dictionaries, glossaries and a common language around data. People need to be able to tag and classify data—all that foundational data governance work is...what allows you to scale.”

In more regulated contexts, such as ReBIT, the technology arm of the Reserve Bank of India (RBI), data preparation is the critical first step in operationalising AI safely. “We cannot make a decision without adhering to the standard operating procedures mandated by RBI,” noted Jegan Vijayarajan, senior vice-president – chief delivery officer at ReBit, underscoring that data pipelines must be secure, compliant and built on principles of differential privacy and data sovereignty.

SPOTLIGHT: DATA SOVEREIGNTY AS A STRATEGIC ANCHOR

Data sovereignty now shapes AI strategy across Asia-Pacific, influencing platform choice, system design and cloud use. In China firms such as Siemens keep sensitive data within national borders, opting for on-premises or locally hosted cloud systems to meet strict government and privacy rules.

Elsewhere in the region, banks take a similarly firm line. Data governance and sovereignty are treated as non-negotiable, shaping decisions on cloud location, vendor partnerships and the balance between innovation and compliance. “We’re seeing our data and AI strategies come together,” says Mr Rahim at Standard Chartered. “As a global bank, we aim to deploy models that meet data sovereignty laws in the dynamic markets we operate in, ensuring ethical use of data and protecting the privacy and security of our clients.” Gary Delooze, executive director of information technology, Hong Kong Jockey Club, underscores this priority, saying, “Data Sovereignty is a big deal for us. Our customers want to know their data stays in Hong Kong. So, everything we do in Hong Kong—from AI models to analytics—is hosted locally to stay compliant and protect customer confidence.”

Ensuring that data stays within sovereign borders is vital to maintaining trust and meeting regulation. “On the cloud side we prioritise an on-premise private cloud because telecom data privacy and sovereignty are critical. This setup gives us the control and compliance we need, while keeping the agility to scale AI applications,” says Mr Sripukdee of One New Zealand.

B Strategic pillar: governance

As organisations across APAC move from experimentation to enterprise-wide AI deployment, implementation risks remain high. Nyuk Loong Kiw, chief information security officer at Spark Group in New Zealand, describes cybersecurity as an “ongoing battle” where “if someone wants to have a go at an organisation, it’s just a matter of when, not if, they will get compromised.” While AI strengthens defence through automation and faster analysis, it also amplifies threat complexity via deepfakes and multilingual phishing.

Senior leaders maintain a high awareness of AI’s “double-edged” nature, acknowledging that criminals are using AI for malicious purposes. “There are new challenges for governance, because of risk from things like deepfakes and fraud. Those don’t stand still. The organisation must always evaluate: what’s next?”, explains Paul Soegianto, chief of group digital strategy at Astra, an Indonesian conglomerate. “Governance has to evolve as new risks emerge. Threats...are growing fast, so our frameworks must stay up to date. Governance isn’t a one-time check; it needs to be reviewed continuously as technology and opportunities advance.”

Defining responsibility in the age of agentic AI is a significant, and growing, challenge. For manufacturers such as Hankook & Company, scaling autonomous systems raises questions. “Who is to blame when an algorithm goes wrong? Accountability once sat with people. Now firms must redesign structures and policies to handle the legal and reputational risks of machine-made mistakes,” says Seongjin Kim, chief information officer at the company. Such emerging risks amplify the need for continual evolution of in-house governance rules.

A variety of governance practices is seen in interviewed firms. Apollo Tyres applies an industrial governance model to AI, using formal councils and stage-gated reviews by AI project management offices to ensure every system meets standards of security and architectural soundness before scaling. Financial services companies, in contrast, operate regulatory-first frameworks, aligning AI deployment tightly with supervisory, ethical and data sovereignty norms. For example, DBS Bank mandates a stringent five-step responsible AI (RAI) review for every generative AI use case, built on their established PURE (“Purposeful, Unsurprising, Respectful, Explainable”) framework.

Organisations at an advanced stage of AI maturity leverage RAI frameworks that span legal, ethical and environmental evaluations, including multi-level review boards and cross-functional task forces to assess every use-case and mitigate new and unforeseen risks. Meanwhile, many companies adopt a pragmatic, adaptive path—working with trusted infrastructure partners and prioritising strong data foundations and model management over strict, rule-based controls.

Together, these approaches show that governance in APAC is evolving from compliance-oriented guardrails to dynamic, context-driven systems designed not just to prevent harm, but to build trust, agility and long-term resilience within AI-led enterprises.

Looking ahead, leaders recommend starting with a clear, organisation-wide strategy, then building modular, scalable data infrastructure and embedding strong governance at every phase of the AI lifecycle—from data preparation to model validation and ethical oversight. To do this, enterprises are increasingly adopting hybrid architectures, combining enterprise-grade proprietary tools for compliance and support with selectively deployed open-source components to spur innovation, reduce costs and avoid lock-in. One New Zealand runs a cloud-native core with open observability and prioritises private cloud for data sovereignty, enabling edge and 5G slicing use-cases.

Strategic pillar: infrastructure

Leaders across APAC increasingly view AI infrastructure not as a technical concern but as a determinant of competitiveness and continuity.

INTEL PERSPECTIVE

As Intel’s Mr Batra explains, C-suite executives now assess AI infrastructure through a “multifaceted lens” that goes beyond infrastructure cost in isolation to include total cost of ownership, security, sovereignty and workload performance. Effective decisions balance agility with control, ensuring that compute, data and connectivity evolve in step with regulatory and business needs.

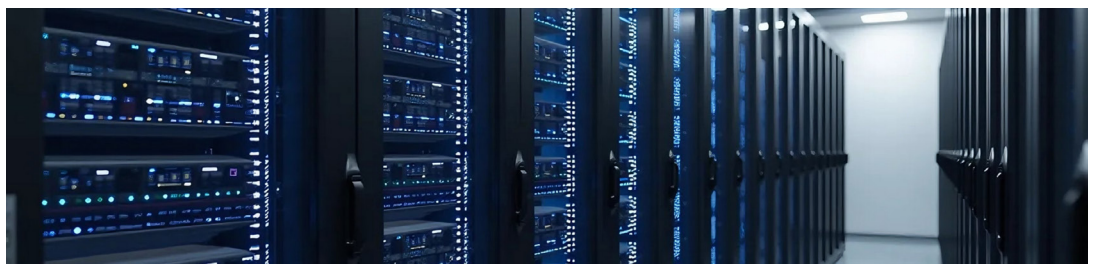
Most organisations are converging on hybrid architectures to achieve the balance between agility and control. Banks such as Krungsri use hybrid cloud environments to optimise cost, performance and security—keeping sensitive data on-premises while using the public cloud for scalable compute and AI experimentation. The Hong Kong Jockey Club takes a similar, partnership-driven approach, using cloud-hosted models from trusted providers while keeping mission-critical systems within its own data centres. Public-sector organisations are applying the same logic at the model layer. “We take a portfolio approach guided by data sensitivity, resources, cost and strategic priorities: open models where sovereignty and customisation matter, commercial application programming interfaces to move fast on low-sensitivity citizen services and agency-trained models for specialised, recurring needs.” remarks Mr Chang at the Government Technology Agency of Singapore.

At the same time, open-source and community-led infrastructure is gaining prominence as a lever for flexibility and innovation. Rakuten, for example, has made its Japanese-language AI models publicly available under an Apache 2.0 licence, contributing to Japan’s generative AI ecosystem under the Ministry of Economy, Technology and Industry (METI)-led Generative AI Accelerator Challenge (GENIAC) initiative. Such community-driven collaboration is helping businesses scale responsibly, accelerate innovation and ensure that AI infrastructure benefits a wider ecosystem of users and developers.

The environmental sustainability of AI was highlighted by many experts interviewed as a growing concern, with interviewees worried about the energy use of large models and the need to ensure AI delivers net-positive outcomes for both business and environment.⁹

INTEL PERSPECTIVE

Intel advises an efficient-first approach, using CPU AI accelerators (please see page 6 for the definition) and heterogeneous compute to optimise performance per watt.



⁹ Economist Impact, “Greening intelligence: charting the future of sustainable AI,” 2025. Available from: <https://impact.economist.com/sustainability/project/greening-intelligence/>

Spotlight: best practices across the AI model lifecycle

AI model lifecycle	Organisational best practices
<p>Strategy and definition</p>	<ul style="list-style-type: none"> • Begin with a clearly defined business problem, not a technology experiment • Align stakeholders early to ensure shared ownership and outcome-based accountability • Use clear milestones from to avoid getting stuck at the pilot stage
<p>Data sourcing and preparation</p>	<ul style="list-style-type: none"> • Build real-time, well-governed data pipelines • Embed privacy, security and sovereignty by design, especially in regulated sectors • Ensure unified, high-quality data platforms to prevent fragmentation and drift
<p>Model development and training</p>	<ul style="list-style-type: none"> • Curate model portfolios aligned to business context and risk rather than building models in isolation • Adapt models for local data, languages and regulations to ensure relevance and compliance • Fine-tune global models using region-specific datasets while protecting data sovereignty
<p>Validation and explainability</p>	<ul style="list-style-type: none"> • Test models in controlled, simulated environments before full deployment • Balance accuracy with compliance and explainability. The cost of marginal gains must be justified • Reinforce human accountability: AI supports, but people remain responsible • Institute a “no black-box” rule: every model must be interpretable to its stakeholders
<p>Deployment and integration</p>	<ul style="list-style-type: none"> • Design for production from day one with MLOps pipelines and integration reviews • Implement automated rollback or failover mechanisms to mitigate risk • Embed security, monitoring and alerting hooks at deployment • Deploy within a “controlled hybrid” environment (edge and cloud) depending on latency, sovereignty or compliance needs
<p>Monitoring and maintenance</p>	<ul style="list-style-type: none"> • Continuously track model performance, drift and bias using defined key performance indicators • Use real-time business metrics (such as revenue, satisfaction and efficiency) to guide retraining • Combine human and automated feedback loops to ensure models remain reliable • Establish joint ownership between AI, data and cybersecurity teams for operational governance
<p>Decommissioning or retirement</p>	<ul style="list-style-type: none"> • Define exit criteria (performance, ROI or compliance thresholds) at the model creation stage • Archive model lineage, datasets and documentation for audit trails • Reuse or repurpose model components (features, embeddings) to accelerate new builds • Conduct end-of-life security checks to remove sensitive data or access keys • Replace legacy models with updated architectures rather than indefinite maintenance
<p>Value management</p>	<ul style="list-style-type: none"> • Define “return on AI investment” to capture a holistic range of outcomes • Track the defined KPIs (such as time-to-value, digital revenue and cost savings) • Measure sustained impact, not just early accuracy or deployment speed

D Strategic pillar: talent and culture

A deeper obstacle to embedding AI lies in organisational culture. Resistance to change, a gap between the speed of AI's advance and the skills needed to apply it and weak leadership support all slow progress from pilot to scale. Across industries, workers remain unsure what automation will mean for their jobs. "People always tend to be fearful...there's this sentiment from the media that AI is going to replace everyone," says Ms Dovico of Beyond Bank. "What we're trying to do is shift that to say 'no', we're not putting this in to replace you. We want this to be your superpower."

Leaders increasingly recognise that the success of AI programmes depends less on algorithms and more on trust. That trust is being built through sustained investment in leadership and learning. Vinod Tahlani, chief financial officer of Jio-BP, stressed that "supportive leadership and the right talent can help an organisation move up the learning curve." Similarly ReBit is embedding "innovation with guardrails" as part of leadership development so that teams can experiment confidently within ethical and regulatory boundaries.

A culture of top-down vision with bottom-up innovation keeps transformation alive. "There are two tracks we run," explained Mr Harsh Vardhan from Apollo Tyres. "One is top-down—building capacity and platforms—and the other is bottom-up—frontline-led. You can always enforce a top-down view, but if people on the shop floor or in the middle don't adopt it, it goes flat." At Hwa-Hsia Glass, Richard Liao, the chief executive, built Glass Bible, an AI tutor that turns decades of tacit factory knowledge into instant, on-demand guidance. "It used to take years for a technician to master our processes. Now every worker has a 24/7 coach." These stories underscore the path to AI transformation that runs through trust, transparency and empowerment.

To ensure transformation is sustainable, leaders advocate investing early in foundational capabilities and creating mechanisms for and ongoing upskilling for sustainable transformation. "We're not looking at AI as something to experiment on...we're making a bet such that we're now building a little bit more of a foundations-first approach," says Anton Reynaldo Bonifacio, chief AI officer and chief information security officer at Globe Telecom in the Philippines. "That's where the big step is, that we're willing to make that investment for the core infrastructure that we need. A big part of that is really being able to ensure that our people have the innate knowledge, skills and capability to really be able to harness AI. It's a long-term investment in that you're actually now infusing the knowledge and the skills in the workforce for a more long-term adoption strategy."



LEADERSHIP IN PERSPECTIVE: MANAGING TALENT AND CULTURE FOR AI TRANSFORMATION

“AI transformation often fails not due to lack of tools, but due to culture—unrealistic expectations, binary mindsets and a missing culture of iteration and learning.”

Chelsea Wise, director of product marketing and education, Relevance AI

“We’re pushing hard on embedding AI literacy across our organisation because the technology won’t manage its own risks—people need to understand them.”

Nyuk Loong Kiw, chief information and security officer, Spark Group

“We’re not just using AI to automate tasks, we’re using it to rethink how we work, to build new products and to create business models we couldn’t imagine before. With limited talent in the market, we built a small core team by acquiring a startup. They now drive our AI innovation from within.”

Seongjin Kim, chief information officer, Hankook & Company

“We’re reshaping our leadership mindset and talent strategy to move beyond a pilot-only approach and treat AI as a core, scalable capability. Our focus now is on maximising value from existing investments and bridging business strategy with IT. By prioritising internal development, cross-functional training and knowledge sharing, we’re building a more resilient and adaptable workforce to power our AI transformation.”

- Mohammed Rahim, group chief data officer, Standard Chartered

Moving from doing AI to becoming AI-native

The next chapter in enterprise AI in APAC will be defined by a pragmatic, future-ready approach that treats AI not as a destination but as an ever-more critical part of building organisational resilience and agility during uncertainty. Success now demands robust governance and technical guardrails, ongoing investment in people and culture to foster adaptability and a relentless focus on foundational data readiness, security and ethical, context-aware AI deployment.

Leaders agree that organisations must move beyond the pilot trap, leveraging modularity, composable architectures and cross-functional learning networks to rapidly scale successful innovations while avoiding both technical and organisational lock-in. APAC's future-ready organisations show that sustainable, impactful AI transformation requires balancing ambition with discipline—delivering measurable business value today, while creating systems, talent pipelines and governance structures that can cope with tomorrow's known and unknown risks.

Leading APAC enterprises are moving beyond AI experimentation to creating tangible business impact. They are embedding AI into their enterprise platforms and processes instead of limiting efforts to isolated pilots, using scalable, repeatable frameworks and cross-functional squads to accelerate deployment from proof of concept to production.

By shifting focus from technology-first to business-outcome-driven roadmaps, organisations prioritise use-cases like fraud detection, predictive maintenance and hyper-personalised customer engagement that yield measurable ROI and strategic advantage. "I think one of the key ideas when we adopted generative AI is [to collect] some of the numbers that you need from your use cases because they can give you a lot of the data and insights," says Mr Liao of Hwa-Hsia Glass. "We are able to shorten employee training because AI can become like a mentor or supervisor. I think those numbers are critical in terms of how to prove our investment." Upskilling talent, involving frontline users and nurturing a culture of rapid iteration further support the leap from experimentation to enterprise impact.

Above all, future-ready enterprises treat AI as a strategic enabler—embedded in platforms, governed responsibly, measured rigorously and cultivated as a workforce capability, enabling businesses to capture durable, real-world value from AI at scale.

"In three years, AI should be the core of enterprise capability," says Mr Kim Hankook & Company. "That will make a big difference between companies who innovate with AI and who do not innovate with AI. That's what I see."

The bottom line: what decision-makers should prepare for



Agentic AI will become the next frontier. What co-pilots are to tasks, agents will be to workflows—multi-step, policy-aware systems that retrieve knowledge, take actions in enterprise systems and escalate to humans when needed. Experts expect implementation across the enterprise, including sales, service and operations.



Sovereign AI platforms and “glocal” stacks will gain prominence. By 2030 large enterprises will operate two to three platform variants: a global stack and localised stacks for jurisdictions with distinct controls, as already happens in China. Siemens’s shift toward open/local models should be a bellwether for multinational industrials.



Edge-native, cost-aware AI will gain further significance. Latency, bandwidth and cost will continue to push inference to the edge. Hybrid-first, edge processing and automated data pipelines will likely become essential as usage scales and metrics improve.



The imperative to design AI ecosystems for value and sustainability will grow. Industrial enhanced control shows AI can raise yield and cut energy. Leaders will bring that logic to buildings, logistics and grid-interactive assets. Businesses can expect regulators to seek compute accounting while allowing credits for process efficiency gains.



Trust will be a competitive advantage. The next incidents won’t be generic “AI gone wrong”, instead they’ll be contextual: data leakage from an agent’s over-broad permissions, a jurisdictional mis-deployment or biased outcomes at scale. Enterprises must adopt a strategic, governance-first approach to AI, ensuring internal data integrity is never compromised.

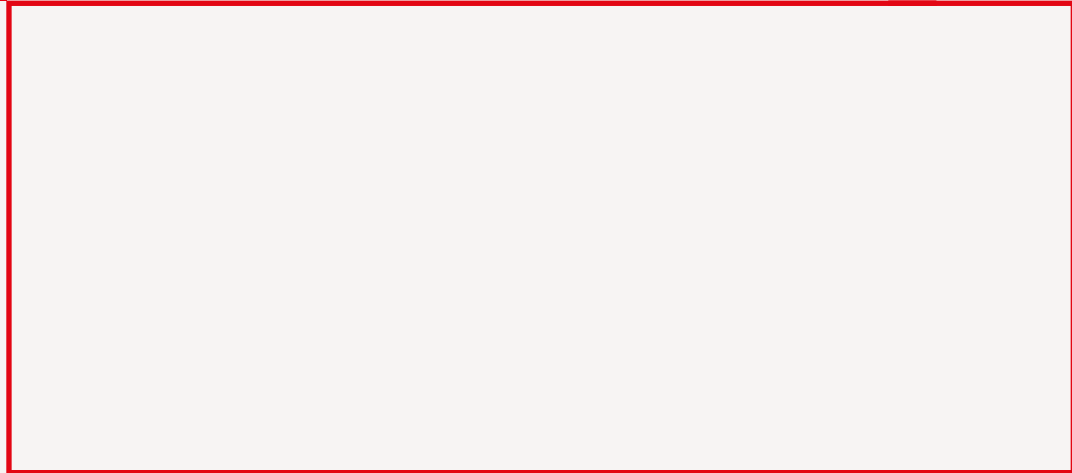


A tripartite ROI framework will be the way to go. To secure sustained investment, organisations must move beyond purely financial metrics and adopt a tripartite ROI framework: financial ROI, resilience ROI (speed, accuracy and risk mitigation) and strategic ROI (social impact and brand equity).



Culture will become a foundational pillar. Employee resistance remains the greatest internal threat to transformation. Leaders should implement mandatory, continuous AI literacy programmes, focused explicitly on AI's role in augmentation to manage fears of job displacement. Adoption must be driven by leadership that actively champions quick, tangible wins.

While every effort has been taken to verify the accuracy of this information, Economist Impact cannot accept any responsibility or liability for reliance by any person on this report or any of the information, opinions or conclusions set out in this report. The findings and views expressed in the report do not necessarily reflect the views of the sponsor.



LONDON

The Adelphi
1-11 John Adam Street
London WC2N 6HT
United Kingdom
Tel: (44) 20 7830 7000
Email: london@eiu.com

INDIA

9th Floor,
Infinity Tower A,
DLF Cyber City
Gurugram 122002
Haryana, India
Tel: (91) 124 6409351

SINGAPORE

8 Cross Street
#23-01 Manulife Tower
Singapore 048424
Tel: (65) 6534 5177
Fax: (65) 6534 5077
Email: asia@economist.com

NEW YORK

900 Third Avenue
16th Floor
New York, NY 10022
United States
Tel: (1.212) 554 0600
Fax: (1.212) 586 1181/2
Email: americas@economist.com

DUBAI

Office 1301a
Aurora Tower
Dubai Media City
Dubai
Tel: (971) 4 433 4202
Fax: (971) 4 438 0224
Email: dubai@economist.com

WASHINGTON DC

1920 L street NW Suite 500
Washington DC
20002
United States
Email: americas@economist.com

HONG KONG

1301
12 Taikoo Wan Road
Taikoo Shing
Hong Kong
Tel: (852) 2585 3888
Fax: (852) 2802 7638
Email: asia@economist.com

GENEVA

Rue de l'Athénée 32
1206 Geneva
Switzerland
Tel: (41) 22 566 2470
Fax: (41) 22 346 93 47
Email: geneva@economist.com