IDC

Asia/Pacific AI Spending is SCALING FAST.

The Next Advantage is Knowing Where.

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Your edge is where real demand, strong positioning, credible proof, and the right audience come together.

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01

The Market Signal

— The Market Signal

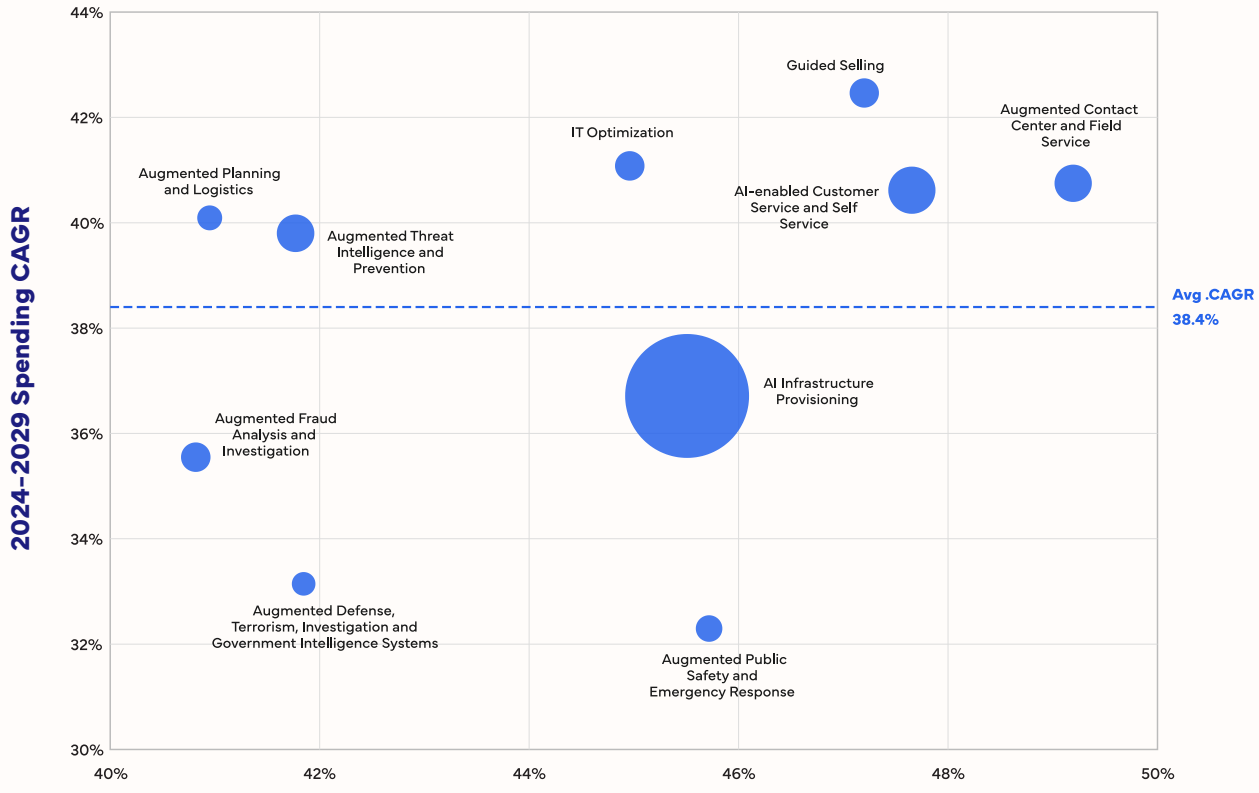
AI spending in Asia/Pacific has entered a new phase

AI and GenAI are no longer emerging budget lines in Asia/Pacific. They're core investment priorities as organizations move from early experimentation to enterprise-wide operationalization. The pace is accelerating faster than most forecasts predicted even two years ago.

The IDC Worldwide AI and Generative AI Spending Guide projects AI and GenAI spending in Asia/Pacific, including China and Japan, to grow from **$73 billion in 2024** to **$370 billion by 2029** — a five fold increase at a **38.4% CAGR**. GenAI is expected to be the fastest-growing segment, reaching approximately **$175 billion by 2029** and accounting for nearly half of all AI spending in the region.

Key figure
$370 billion in projected Asia/Pacific AI and GenAI spending by 2029, growing at a 38.4% CAGR from $73 billion in 2024. GenAI alone is expected to reach ~$175 billion — nearly half of total regional AI spend.

FIGURE — Asia/Pacific top 10 largest AI and GenAI spending use cases



X-axis: 2026/2025 spending growth rate | Y-axis: 2024–2029 CAGR | Bubble size: 2026 AI spending volume.
Source: *Worldwide AI and Generative AI Spending Guide, March 2026. Including China and Japan.*

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— TThe Market Signal

Use cases above the 38.4% average CAGR line are the fastest-growing demand pockets. Bubble size shows absolute 2026 spending — large bubbles with high CAGR signal both scale and momentum. Infrastructure provisioning dominates in absolute size; application-layer use cases lead on growth rate.

For technology vendors, the topline number is the starting point, not the destination. The real strategic question is not whether the market is growing. It is where that growth is converting into real, addressable, near-term revenue, and where competitive advantage is still available to capture.

Those are the questions that shape where you invest, what you build, and where you compete. And they're not questions a market headline can answer. They require current, granular, trusted spending intelligence.

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> The Asia/Pacific AI market has shifted from an infrastructure-building phase to one defined by platform consolidation and operational depth. Organizations are prioritizing AI platforms that unify generative, predictive, and prescriptive capabilities, with increasing focus on AI agents and orchestration to scale enterprise-wide adoption.

Vinayaka Venkatesh,
Senior Market Analyst, Data & Analytics,
IDC Asia/Pacific

Source: IDC Data & Analytics, Worldwide AI and Generative AI Spending Guide. Topline figures referenced from IDC press release: "Asia/Pacific AI and GenAI Spending to Reach $370 Billion by 2029, IDC Predicts."

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02

Where Spending is Expanding

— Where Spending is Expanding

AI Spending Is Moving Beyond Apps and Models

As AI and GenAI use cases scale, spending is expanding across the full technology stack. The opportunity is no longer limited to applications or foundation models. It now reaches into AI-optimized infrastructure, inferencing, cloud platforms, data and analytics, security, governance, professional services, and partner ecosystems.

AI infrastructure provisioning commands the largest share of current AI spending in the region — reflecting the scale of foundational compute, data centre, and cloud investment already underway. But within that infrastructure layer, the spending mix itself is shifting. Faster CAGR is now accruing to application-layer use cases: augmented contact centre, guided selling, AI-enabled customer service, and IT optimization are all growing at rates above the regional average, as organizations move from build to deploy.

The IDC Worldwide AI and Generative AI Spending Guide tracks this across 32 use cases, 18 countries, and 40+ product markets — including which verticals are driving conversion from pilot to production spend, and where individual use case CAGRs sit relative to the 38.4% regional average.

The Inferencing Shift: Where Infrastructure Spend Is Moving Next

Inside the AI infrastructure category, a meaningful transition is already underway. From 2022 to 2024, the majority of AI infrastructure investment was concentrated on the model training side — building large-scale compute clusters to develop and refine foundation models. That phase is maturing.

Entering 2025, the focus of the AI infrastructure market shifted decisively toward the inference side. IDC data shows that investments in inference infrastructure have begun to surpass training infrastructure — a crossover that carries significant implications for infrastructure vendors. Inference workloads prioritize high throughput, massive concurrency, and the balance between cost and performance: a different buying conversation than the training era required.

In Asia/Pacific, the pace of this transition has been rapid. The proportion of organizations utilizing AI inferencing infrastructure has grown dramatically in just two years. If you're positioned in compute, cloud-native services, or AI platform layers, this is a distinct and growing opportunity, and it's moving faster in some markets than others.

The IDC Worldwide Semiannual AI Infrastructure Tracker and Worldwide Black Book track this shift by country, vendor, and product category — including where inferencing adoption is scaling fastest and which buyers are forming budgets for the next phase of infrastructure investment.

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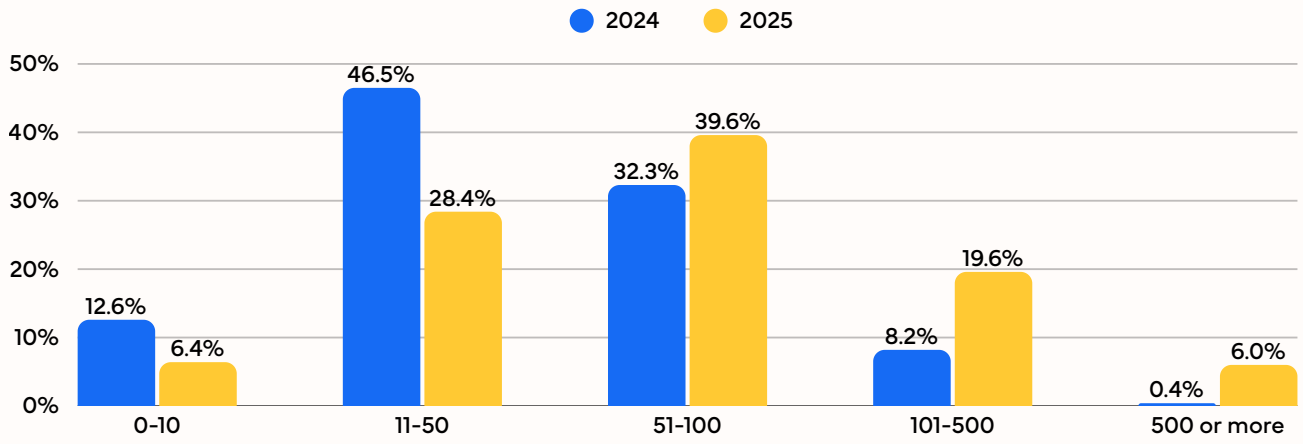
— Where Spending is Expanding

From Pilots to Portfolios: The Use Case Expansion Effect

At the same time, enterprises are moving beyond isolated pilots to broader portfolios of GenAI use cases. IDC survey data shows the center of gravity has shifted in one year: the proportion of Asia/Pacific organizations with more than 50 GenAI use cases in production has grown sharply, and the share still operating fewer than 10 has collapsed. The question is no longer whether to adopt GenAI — it is how to scale it.

The Increasing Number of GenAI Use Cases in Deployment in Asia/Pacific



X-axis: Number of GenAI use cases in production (ranges: 0–10, 11–50, 51–100, 101–500, 500+) Y-axis: % of organizations | Two bars per group

Source: *IDC's Asia/Pacific AI, GenAI, and Insights Survey, 2024. n=450.*

In one year, the center of gravity shifted decisively. The largest cohort moved from 0–10 use cases to 11–50 — signaling that scaling, not starting, is now the primary enterprise challenge. For vendors, this is the demand signal that expands requirements across the full AI stack.

That shift changes the opportunity for vendors. Every new AI use case creates downstream requirements for infrastructure, data readiness, integration, compliance, cost control, observability, and support. As use case portfolios grow, demand expands across the full AI stack: not in one category, but distributed across many.

For your team, this means AI spending is becoming both larger and more distributed. Winning a single product sale is no longer the unit of opportunity. The opportunity is a customer's entire AI scale-up journey.

Source: IDC Data & Analytics, Worldwide AI and Generative AI Spending Guide; IDC Worldwide Semiannual AI Infrastructure Tracker. Market context from IDC Perspective: AI-Optimized Cloud Infrastructure in Asia/Pacific: The Rise of AI-Native Providers, September 2025.

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Asia/Pacific enterprises are no longer looking at isolated pilots or headline-grabbing projects; they’re focused on scaling portfolios of use cases that drive measurable business value on top of a much more demanding infrastructure, data and governance foundation.

As inferencing overtakes training, Agentic AI moves from concept to deployment, and sovereign AI reshapes buying criteria, the real advantage for vendors is shifting from simply “having AI” to knowing precisely where readiness, regulation, and partner capacity will let value-driven AI budgets convert into revenue first.

Deepika Giri,
Associate Vice President, AI and Data Research,
IDC Asia/Pacific

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03

The Next Frontier

— The Next Frontier

Agentic AI Is Accelerating the Shift From Experimentation to Enterprise Scale

Beyond GenAI applications and infrastructure, a newer and more disruptive adoption pattern is emerging across Asia/Pacific: agentic AI. Where GenAI tools assist human workers with discrete tasks, agentic AI systems operate autonomously across multi-step workflows, planning, executing, and adapting without continuous human direction.

IDC spending data shows this shift in concrete terms: the deployment of AI-powered process automation and GenAI digital assistants across Asia/Pacific organizations has grown sharply year-on-year. Agentic AI represents the next step in that trajectory — extending from task assistance to autonomous workflow management — and IDC analyst research confirms this pattern is accelerating across multiple industries and business functions.

This shift is not simply a technology upgrade. Agentic AI changes the infrastructure, data, and governance requirements that enterprises must meet. Agents require orchestration platforms, reliable data pipelines, robust identity and access controls, and continuous monitoring. All of which represent expanding vendor opportunity across the AI stack.

> **Why agentic AI matters for vendors**
> Agentic AI is not a single product category. It is a capability layer that creates demand across infrastructure (compute, orchestration), platforms (agent frameworks, model APIs), data (real-time pipelines, knowledge bases), and services (implementation, governance, monitoring). Vendors who understand where agentic adoption is concentrating by industry and use case are better positioned to lead the conversation.

IDC guidance for organizations pursuing Agentic AI at scale emphasizes four pillars: building a durable infrastructure and data foundation before scaling; preparing the workforce for human-AI collaboration frameworks; establishing dedicated leadership and delivery structures; and redefining how value is measured beyond static ROI metrics.

Each of those pillars represents a distinct sales motion and a real partner opportunity for your team. The maturity of each varies across markets, industries, and buyer segments, and that variation is exactly what determines where revenue is ready to convert right now.

The IDC Worldwide AI and Generative AI Spending Guide and IDC Worldwide Future of Work Survey data track this by industry, business function, country, and deployment maturity across Asia/Pacific — mapping where agentic adoption is translating into spending across the infrastructure, platform, and services layers.

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Agentic AI may alter the delivery model for all IT vendors. As major platforms mature, organizations will handle far more on their own — yet production-grade deployments will still require vendor involvement. The nature of that involvement is shifting. The codebase may no longer be the primary deliverable. Vendors that diligently seek to reinvent their delivery model will be the ones who find out how to win in the agentic era.

Daeil Chun,
Senior Research Manager, AI and Data Research,
IDC Asia/Pacific

Source: IDC Data & Analytics, Worldwide AI and Generative AI Spending Guide; IDC Worldwide Future of Work Survey, 2024 and 2025. Market context from IDC analyst report: Agentic AI Adoption in Asia/Pacific: From Experimentation to Enterprise Scale, March 2026.

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04

Where Growth Converts

— Where Growth Converts

Growth Is Visible. Readiness Determines Where It Converts.

The AI spending opportunity in Asia/Pacific is large. But it won't convert evenly across every country, industry, buyer, or use case. As organizations move from AI ambition to AI execution, readiness becomes the gating factor. That's where your GTM decisions get made or missed.

Data quality, governance, infrastructure maturity, security, cost transparency, talent, sovereignty, and ecosystem support all influence whether AI investment can scale. That is why the next phase of AI market growth is not just a spending story. It is a readiness story.

The Data Foundation Problem

Data and analytics are central to AI readiness — and the picture that emerges from IDC survey data across the region is consistent: many Asia/Pacific organizations face a cluster of barriers that cause AI programs to stall before reaching production scale. Fragmented or poorly governed data, insufficient cross-functional ownership, and platforms that cannot deliver trusted, accessible, compliant data for AI workloads are recurring constraints.

IDC syndicated survey data covering nearly 700 Asia/Pacific organizations identifies the top implementation challenges in detail. Lack of specialized skilled personnel and AI-capable employees lead the list. But data-specific barriers, including insufficient governance processes, intellectual property and data loss concerns, and non-centralized or unoptimized data foundations, cluster immediately behind, collectively representing a constraint on AI program progress that talent investment alone cannot resolve.

> **The data readiness gap**
> AI programs often stall because the data foundation is not ready — having quality issues, complex integration challenges, and weak governance. Fixing this requires disciplined data management, tighter cross-functional ownership, and scalable platforms that deliver trusted, accessible, and compliant data for AI at scale.

Overcoming Data Barriers to Deliver Reliable AI

Data readiness is the hidden barrier slowing AI scale across the region. For vendors, every organization stuck at this stage is a real commercial opportunity. The data on the chart shows where gaps are most acute.

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AI success is powered by rigorous data management and strategic talent development.

Enterprises that prioritize data quality, robust governance, and continuous upskilling will unlock transformative innovation and secure lasting competitive leadership in the dynamic digital landscape.

Shashank Nigam,
Senior Research Manager, AI and Data Research,
IDC Asia/Pacific

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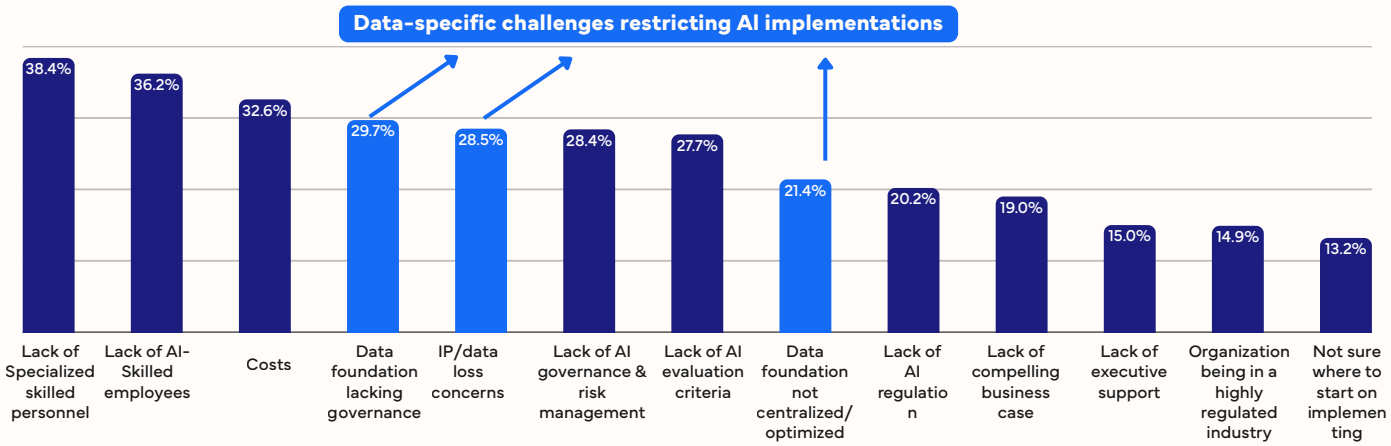
FIGURE — Data-Specific Challenges Restricting AI Implementations — Asia/Pacific

Q. What challenges have you experienced/do you expect to experience when implementing AI technology in your organization?



X-axis: Data-specific challenges restricting AI implementation | Y-axis: % of respondents selecting each barrier.

Source: *IDC Syndicated Survey, 2025. n=669.*

The data-specific barriers — governance gaps, IP concerns, fragmented foundations, and lack of centralized data — cluster in the middle of the distribution, collectively representing a challenge comparable in scale to the talent gap at the top. Fixing data readiness unlocks the AI programs that talent alone cannot unblock.

For your team, the data readiness gap is both a challenge and a real commercial opportunity. Every enterprise that can't yet scale AI is a potential customer for data management, governance, integration, and observability solutions. The question is knowing which organizations are close enough to readiness that the budget conversation is already happening.

> *The IDC Worldwide Black Book and IDC Wallet track where data infrastructure and governance budgets are forming fastest across industries and buyer segments in Asia/Pacific — identifying which organizations are closest to readiness and therefore most likely to act on adjacent vendor solutions.*

The governance imperative is also shifting in character. According to IDC, 34% of Asia/Pacific organizations now cite AI governance — aligning business strategy with an operational governance model — as one of their top priorities for moving from GenAI experimentation to enterprise-wide adoption. Yet a comparable share identify misalignment between AI governance and business strategy as their single biggest barrier to making that transition. The priority is forming; the execution capability is not yet there.

Source: IDC press release, "IDC: 34% of Asia/Pacific Organizations Now Prioritize AI Governance in GenAI-led Development," based on IDC Future Enterprise Resiliency and Spending Survey, Wave 1, February 2025.

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— Where Growth Converts

The Partner Capacity Gap

Data foundations and governance are not the only readiness constraint. The partner ecosystem adds a third layer of complexity. IDC's 2025 global partner research shows that a majority of technology partners worldwide remain in the early stages of AI adoption — meaning the implementation capacity that enterprises depend on to deploy, integrate, and govern AI at scale is still developing across many markets in Asia/Pacific.

That has direct implications for how you go to market. A partner base that hasn't yet built repeatable AI delivery capability can't reliably convert enterprise AI ambition into production outcomes, no matter how strong your product is. In a market moving this fast, knowing which partners in which markets are genuinely ready is as important as knowing where buyer budgets are forming.

> *The IDC Channel Partner Ecosystem tracks partner AI maturity, capability, and revenue performance by market across Asia/Pacific — identifying where implementation capacity exists to support enterprise AI scale-up, and where gaps remain.*

Source: IDC Survey Spotlight, Turning AI Ambition into Scalable Partner Success, August 2025. IDC Global Partner Survey, October 2024 (N=2,492).

Sovereignty: A Buying Criterion That Is Reshaping the Conversation

Here's something that's changing the buying conversation across the region: buyers are evaluating AI ecosystems on more than model performance. Sovereign AI considerations are now embedded in procurement, and they're changing budget allocation patterns in ways that vary meaningfully across sub-markets.

IDC survey data reveals that most Asia/Pacific organizations already apply sovereignty requirements for sensitive AI and GenAI workloads. Local datasets and in-region model training are gaining momentum across both AP and ASEAN sub-regions — foundational expectations that are quickly becoming baseline requirements rather than differentiators. Beyond that baseline, evaluation priorities diverge in commercially significant ways.

ASEAN buyers place substantially higher weight on built-in AI security architecture and on open standards and interoperability than their broader Asia/Pacific counterparts. This reflects a vibrant AI adoption pattern among ASEAN countries using diverse AI models — both commercial and open-source — the diversity of which demands a strong security architecture. If you're operating across both markets, a single sovereign AI message is unlikely to resonate equally. The conversation in ASEAN requires a different emphasis. Getting that wrong is a real competitive cost.

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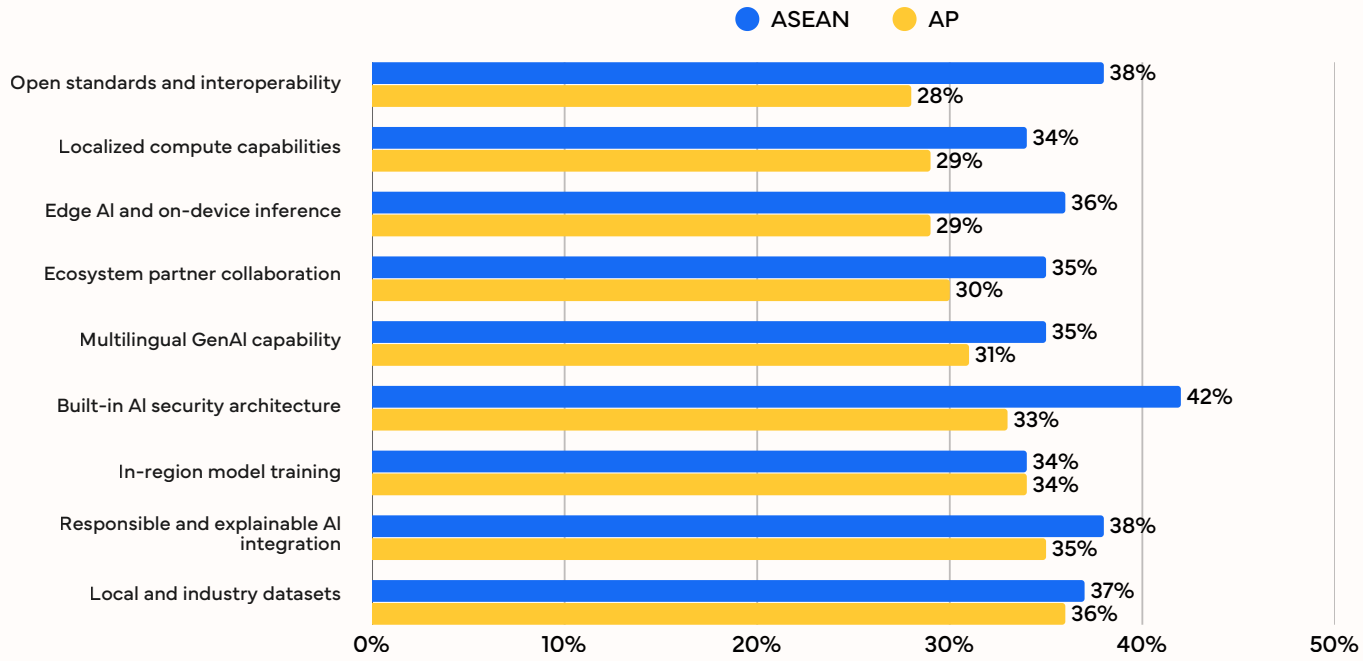
— Where Growth Converts

FIGURE — Sovereign AI Ecosystem Evaluation Criteria — AP vs. ASEAN

Q11. When evaluating Sovereign AI ecosystems at scale, which capabilities are most critical for organizations to consider?



Two bars per criterion: ASEAN % blue vs. AP% amber. Highlighted divergence: built-in AI security (ASEAN 42% vs. AP 33%) and open standards (ASEAN 38% vs. AP 28%).

Source: *Asia/Pacific Emerging AI Technologies Survey 2025, IDC. N=540; n(AP)=340; n(ASEAN)=200.*

Where the two bars diverge most is where vendor messaging needs to diverge too. The gap on security architecture and interoperability between ASEAN and broader AP is not marginal — it reflects a structurally different risk posture and deployment context that changes the conversation for infrastructure, platform, and ecosystem vendors alike.
The IDC Worldwide AI and Generative AI Spending Guide and IDC survey data map this by sub-market, industry, and buyer segment — including where the ASEAN-AP divergence on security architecture and interoperability translates into differentiated spending patterns and distinct GTM conversations.

Regional growth is only the starting point. Your success depends on understanding where buyers are ready, where barriers remain, and which local conditions shape deployment decisions. AI growth is regional. Execution is local.

Source: IDC Data & Analytics, Worldwide AI and Generative AI Spending Guide; IDC Worldwide Black Book; IDC Syndicated Survey, 2025 (n=669). Market context from IDC analyst reports: Accelerating Enterprise Transformation Through Data, Analytics, and AI (March 2026); Sovereign AI Momentum: Key Drivers, Priorities, and Ecosystem Evolution (March 2026).

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05

Find your Edge in the AI Market

— Find your Edge in the AI Market

Your edge is where real demand, strong positioning, credible proof, and the right audience come together.

The AI market in Asia/Pacific is growing. But growth doesn't mean easy wins. Budgets are under pressure. Buyers are asking harder questions. And your competitors have AI stories too.
Your edge isn't about moving faster. It's about choosing better: where to compete, how to stand apart, what proof buyers need, and who you need to reach. That's what IDC helps you do.

Size the opportunity. See what's next.

You can't build a GTM strategy on a market headline. You need to know where AI demand is real today, which segments are moving fastest, and where the next wave of growth is forming, before your competitors do.

- Where is AI and GenAI spending growing fastest — by market, industry, and use case?
- Which parts of the AI stack are above the 38.4% regional CAGR — and which are still building?
- Where is the inferencing infrastructure opportunity concentrating, and which buyers are forming budgets now?
- How are buyer priorities shifting as organizations move from pilots to production at scale?

IDC capabilities: Worldwide AI and Generative AI Spending Guide • Worldwide Black Book • IDC Trackers • FutureScape •Research & Advisory

Sharpen your position.

AI categories are forming fast. Some are already crowded. Others are still being defined. To stand apart, you need a clear view of how your market is taking shape: how buyers evaluate providers, where competitors are gaining ground, and what analysts and market shapers are saying about your space.

- How do buyers in Asia/Pacific evaluate and compare AI providers in your category?
- Where are competitors gaining share — and which segments are still available?
- How does your positioning land with the analysts and influencers shaping AI buying decisions?
- What does your category look like to a buyer who has never heard of you?

IDC capabilities: IDC MarketScape • IDC ProductScape • IDC Innovator • Analyst Relations Advisory • Custom Analytics

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— Find your Edge in the AI Market

Prove your value.

AI buyers are interested. They're also accountable. They need to justify the spend, reduce risk, and show a clear path to business results. A bold AI story opens the door. Proof gets it through the room. The question is what evidence your buyers need, and whether you have it.

- What business value and ROI evidence will help cautious buyers say yes?
- How do you build proof points that hold up in executive and budget conversations?
- Which data-backed narratives will support your thought leadership and content strategy?
- What market evidence shows why your solution matters right now, in this market?

IDC capabilities: Business Value Research • Thought Leadership •Content Marketing Services • Licensed & Customized Content • Sales Enablement

Reach the right buyers and market shapers.

Your message only works when it reaches the right people. In a selective buying environment, broad awareness isn't enough. You need to educate decision-makers, build credibility with the buyers guiding AI adoption, and be present in the conversations that shape what gets funded next.

- Which senior technology and business decision-makers are actively evaluating AI solutions like yours?
- Which partners in which markets have moved beyond early-stage AI adoption and can deliver at production scale?
- How do you build campaigns around the questions buyers are already asking?
- Where are the forums, events, and platforms where AI technology priorities get set across Asia/Pacific?

IDC capabilities: AI & Data Summit Series • IDC Directions •FutureScape • Content & Event Programs • Demand Generation

See where you stand — and where to move next.

The AI market in Asia/Pacific is growing. So is the pressure to prove where you fit. Whether you're building a new AI category, scaling enterprise adoption, or expanding an established portfolio — your next move starts with knowing where your edge is.

Talk to IDC

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Key IDC research

The market intelligence in this primer draws on the following IDC research, which examines the trends and buyer dynamics shaping AI spending across Asia/Pacific:

- IDC Perspective: AI-Optimized Cloud Infrastructure in Asia/Pacific: The Rise of AI-Native Providers (September 2025)
- IDC Tech Buyer Presentation: Accelerating Enterprise Transformation Through Data, Analytics, and AI (March 2026)
- IDC Survey Report: Sovereign AI Momentum: Key Drivers, Priorities, and Ecosystem Evolution (March 2026)
- IDC Survey Report: Agentic AI Adoption in Asia/Pacific: From Experimentation to Enterprise Scale (March 2026)
- IDC Survey Spotlight: Turning AI Ambition into Scalable Partner Success (August 2025)
- IDC press release: 34% of Asia/Pacific Organizations Now Prioritize AI Governance in GenAI-led Development (2025)

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