Asia Business Council Annual Survey 2026

September 2026

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Asia Business Council

Executive Summary

- The Asia Business Council conducted its annual survey of members in July and August 2026 with a response rate of 58%, gathering perspectives from CEOs and Chairmen of predominantly Asian businesses. Business sentiment across Asia was cautiously optimistic, with 43% expecting conditions to improve, about 51% expecting conditions to remain the same, and only 6% anticipating deterioration.

- Inflation emerged as a major economic concern, noted by 55% of business leaders. The United States remained the leading destination for new or increased investment, followed by India, while investment interest in Europe and Singapore increased relative to the previous year.

- Geopolitics remains the leading concern for the third consecutive year, driven primarily by the tensions between the U.S. and China, though the share of respondents viewing these tensions as a risk declined. The U.S.-Israel-Iran conflict was noted by 76% of respondents. Leaders highlighted that various geopolitical conflicts have affected businesses in the form of disrupted investment flows, lower market confidence, as well as trade frictions, export controls, supply chain interruptions, and higher energy costs.

- Businesses are actively adopting AI by upskilling staff and prioritizing internal efficiency, customer experience, and workforce transformation, even as system integration issues and regulatory ambiguity remain key obstacles. While businesses currently use artificial narrow intelligence and agentic AI, most view advanced stages like artificial general intelligence and artificial super intelligence as long-term developments. A majority viewed AI adoption as having a positive impact on business.

- When asked which technological advances would have a positive impact on Asia's energy future, 89% identified clean electricity generation, followed by energy storage technologies.

- When asked how businesses can contribute to making cities more resilient, most of them had similar priorities to last year, led by sustainable infrastructure (69%), alongside digital technology, economic diversification, and human capital development (each at roughly 56%).

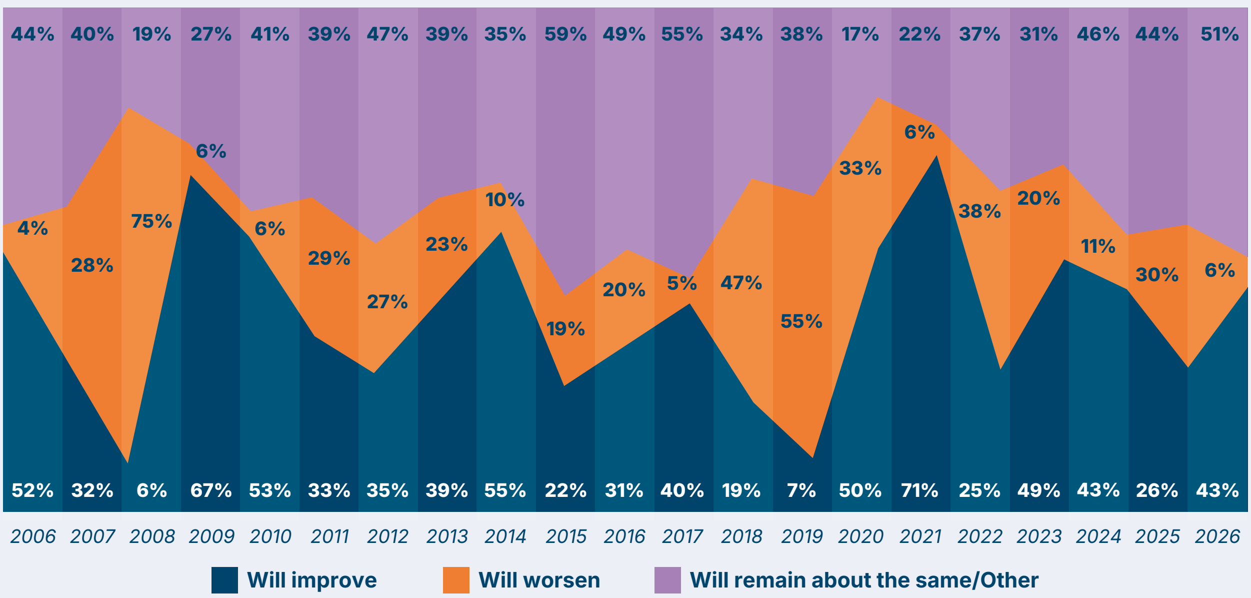
- Overall, the 2026 survey revealed a cautiously optimistic economic outlook across Asia, top investment interest in the U.S. and India, strong AI adoption, and high commitment to clean energy and sustainable infrastructure, even as inflation and geopolitical volatility present persistent operational friction.

2026 Annual Survey Key Findings

The Asia Business Council conducted its annual survey of members in July and August 2026, gathering perspectives from CEOs and Chairmen of predominantly Asian businesses. The survey achieved a response rate of 58%, with 52 responses from 90 members.

Business sentiment in Asia is broadly steady but cautiously optimistic, with 43% of respondents expecting business conditions in Asia to improve over the next 12 months, supported by growing demand for artificial intelligence (AI), semiconductors, and data centers, with stronger consumer demand and the realignment of global supply chains. About 51% expected conditions to remain largely unchanged or volatile, citing persistent geopolitical uncertainty and the energy crisis associated with the Iran war. Pessimism is at a record low, as only 6% expected conditions to deteriorate further, citing inflation as their main area of concern (see Figure 1). The collective sentiment is markedly more positive than those last year, when views were nearly evenly divided among respondents expecting conditions to improve, worsen, or remain broadly unchanged.

How do you feel about overall business conditions in the next 12 months?

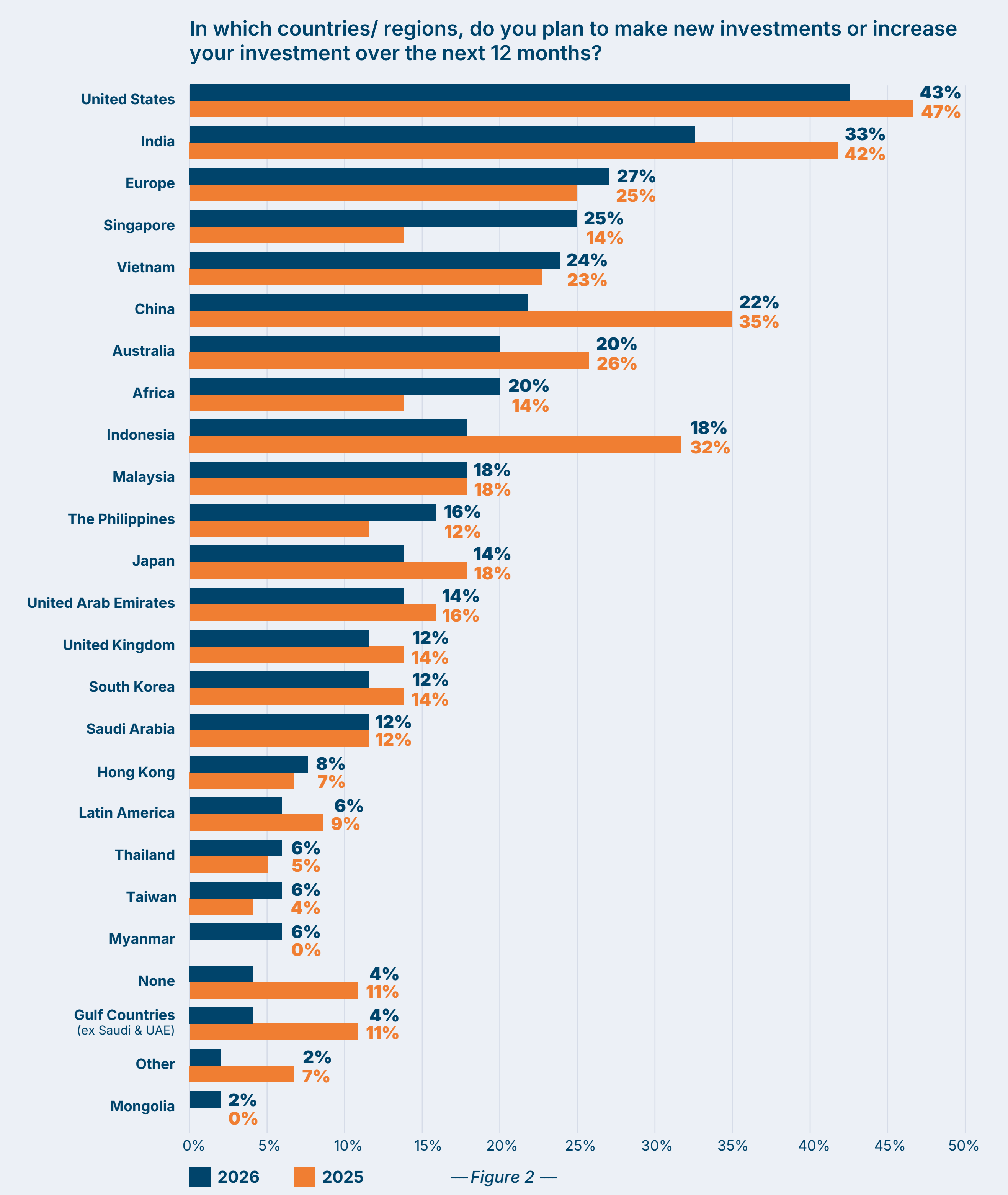


— Figure 1 —

Respondents were also asked about expected changes in sales, capital expenditure, and employment in their organizations. On employment, 41% respondents expected headcount to increase, while a similar proportion expected it to remain unchanged. About 86% of respondents expected sales to increase, and 75% saw the increase in capital spending while 14% saw no change. This marks a clear increase in optimism across sales, capital spending, and headcount expansion relative to the previous year.

Inflation became a greater economic concern, noted by 55% of business leaders who responded, as compared to 13% last year. Respondents pointed to rising fuel, energy and freight costs, and supply chain disruptions as reasons for their concern. Many expect inflation to weigh on consumer spending and business investment. Few expected a recession or depression to be the principal challenge over the next 12 months. A further 37% identified rising geopolitical uncertainty, trade protectionism, supply chain delays, and higher operating costs as Asia's principal economic challenges.

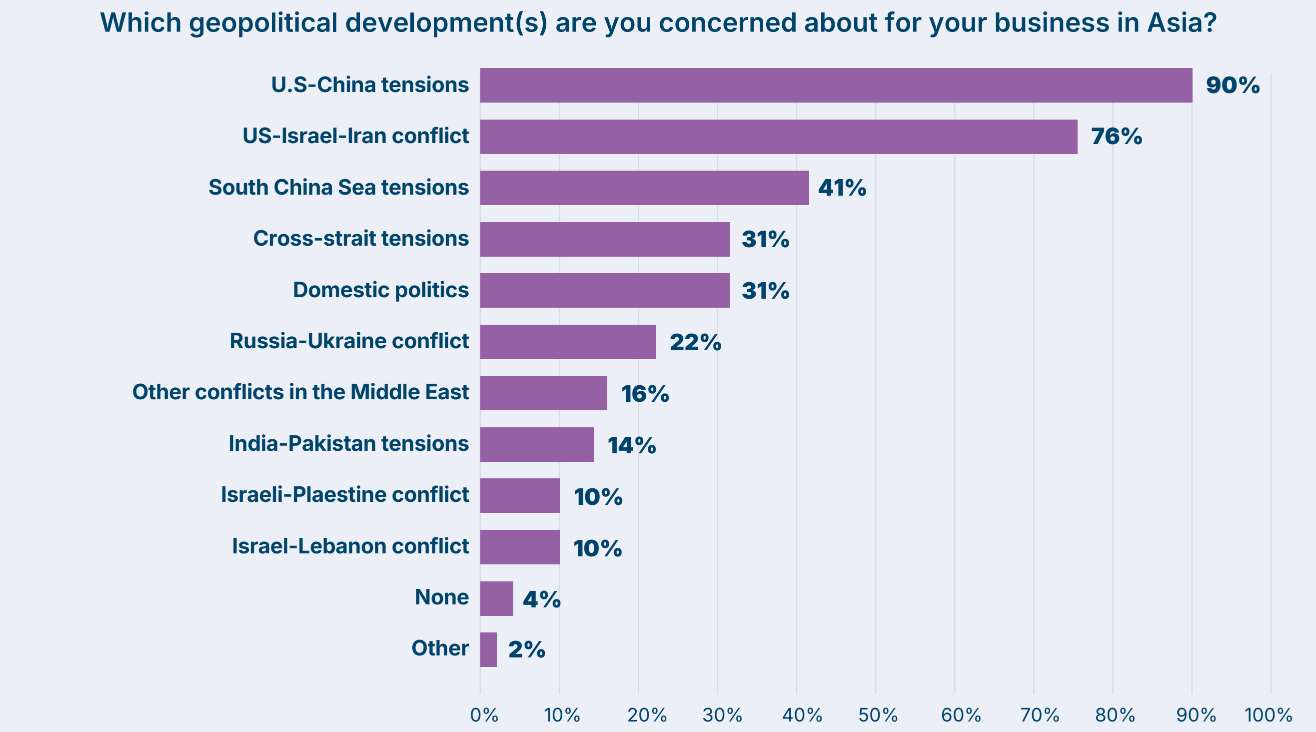
The United States remained the leading destination for new or increased investment, as it was in the previous year. India ranked second, reflecting the continued expansion of opportunities in the country, while Europe ranked third (see Figure 2). Investment interest in Singapore rose to 25% in 2026, from 14% in 2025. Meanwhile, China, Indonesia, and Gulf countries saw somewhat weaker interest in new or increased investment from overseas investors as compared to the previous year.



— Figure 2 —

Geopolitics remains the leading concern for the third consecutive year, followed by technology and energy. In response, business leaders are actively pursuing diversification across their investments, supply sources, and target markets. Regarding technology, most executives focused on artificial intelligence (AI) and its implementation across their businesses.

On specific geopolitical flashpoints, 90% of respondents identified U.S.-China tensions as the geopolitical development of greatest concern. This was followed by the U.S.-Israel-Iran conflict, quoted by 76%. South China Sea tensions were a concern for 41% of respondents, while Cross-strait tensions and domestic politics were each mentioned by 31% (see Figure 3). Overall concern across most of these flashpoints eased slightly compared to previous year, except for the U.S.-Israel-Iran conflict, which was newly added to this year's survey.

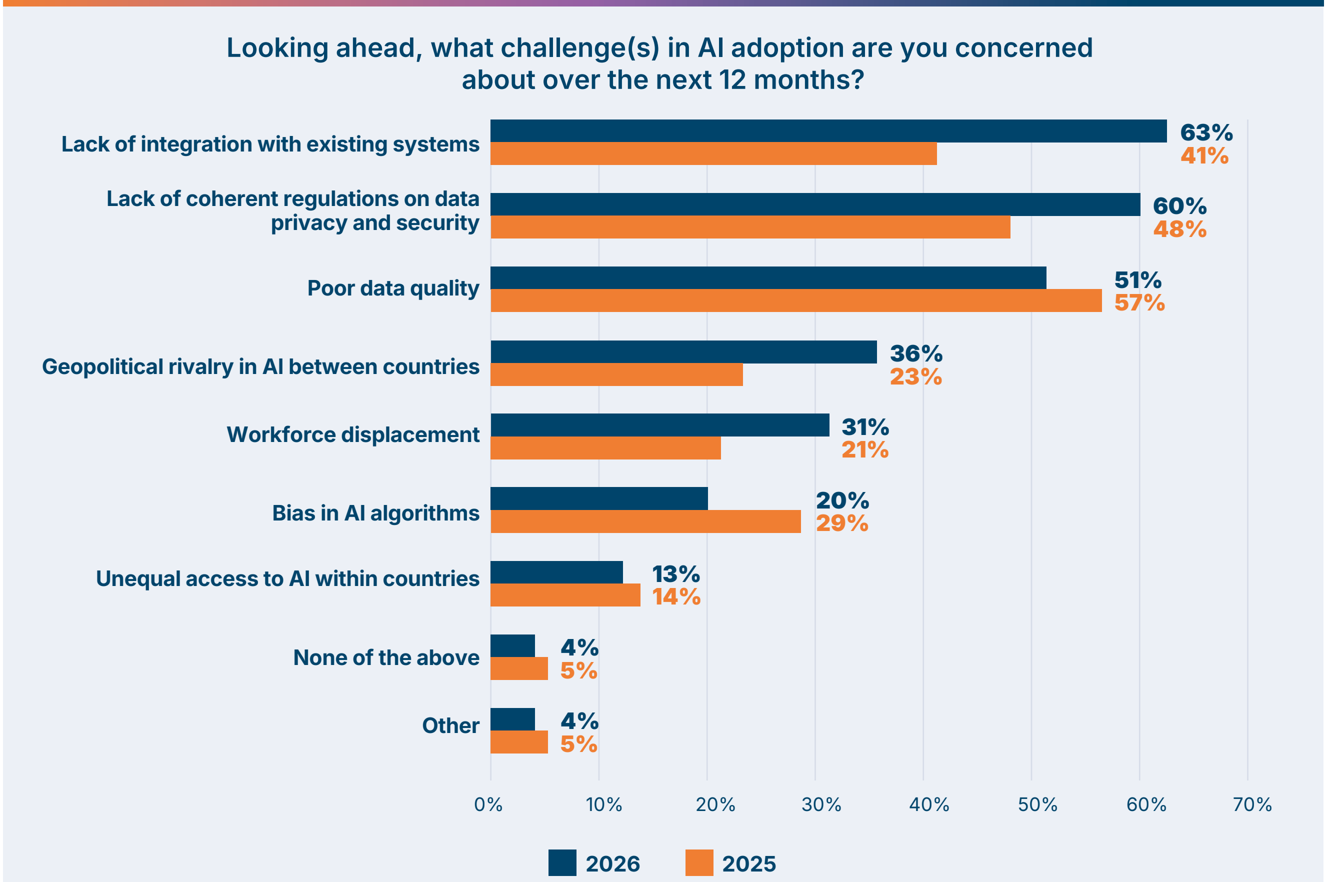


— Figure 3 —

Respondents mentioned that various geopolitical conflicts have affected businesses in the form of disrupted investment flows, lower market confidence, as well as trade frictions, export controls, supply chain interruptions, and higher energy costs. One respondent observed that "the U.S. remains the most unpredictable, both negatively and positively." U.S.-China tensions were seen by respondents as having heightened frictions in trade, technology, and export controls. Respondents citing South China Sea tensions as a concern were worried about increased maritime-security and freedom-of-navigation risks for ASEAN trade lanes. Respondents pointed out that the U.S.-Israel-Iran conflict disrupted energy supplies, contributed to oil and gas price volatility, and increased shipping and insurance costs. Companies operating across multiple countries were particularly concerned about their exposure to these interconnected risks. Another respondent mentioned that "Geopolitical volatility is increasingly a feature rather than an interruption of the global economy."

Overall, 58% respondents believed that U.S.-China tensions posed more risk than opportunity, while 34% saw more opportunity than risk. The share of respondents viewing tensions as more risk than opportunity declined notably from two years ago, when it stood at 75%.

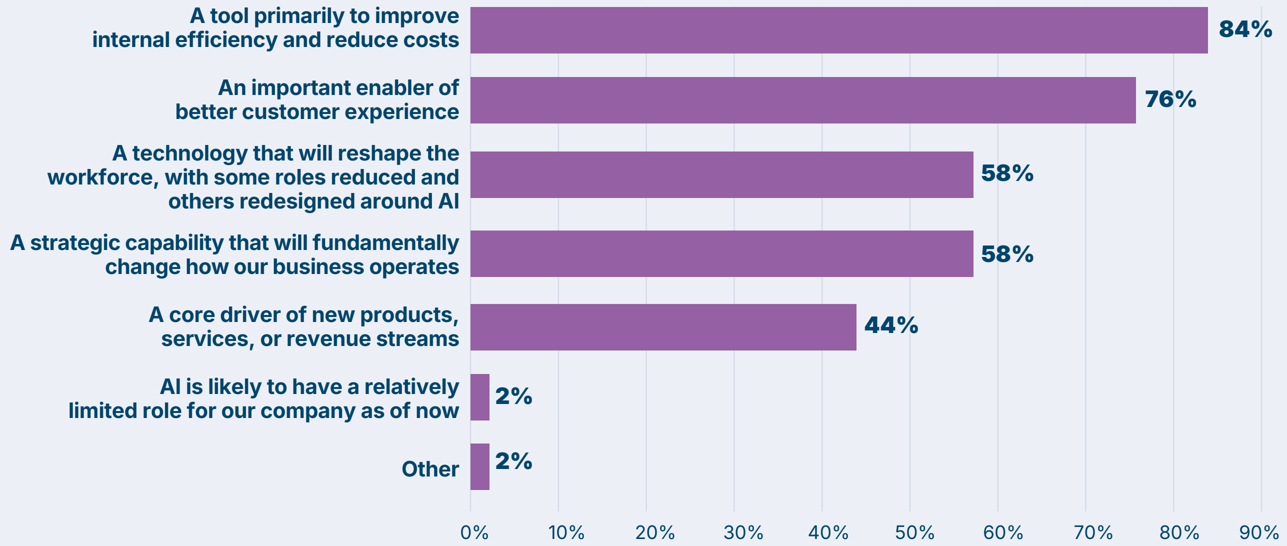
AI adoption surged as businesses prioritized employee training and upskilling, a sufficient pool of top AI talent, and a clear AI strategy and roadmap, consistent with last year's ranking. Conversely, the primary barriers to AI adoption shifted this year, led by a lack of integration with existing systems (63%) and a lack of coherent regulations on data privacy and security (60%), both more prevalent concerns compared with last year. Meanwhile, poor data quality, which was the leading concern in last year's survey, dropped in its ranking this year (see Figure 4).



— Figure 4 —

On AI's role in business models, 84% of respondents regarded AI primarily as a tool to improve internal efficiency and reduce costs. About 76% saw it as an important enabler of better customer experience and 58% saw it as a strategic capability that will fundamentally change how their business operates, and as a technology that will reshape the workforce, with some roles reduced and others redesigned around AI (see Figure 5).

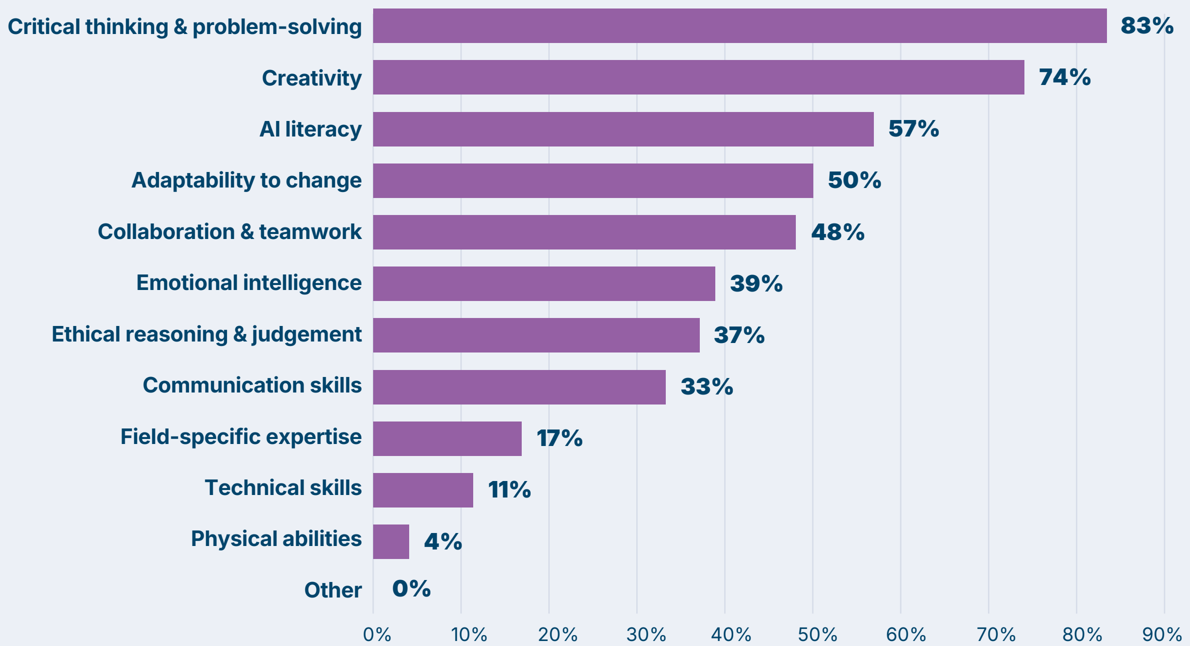
Looking ahead, what role do you expect AI to play in your company's overall business model?



— Figure 5 —

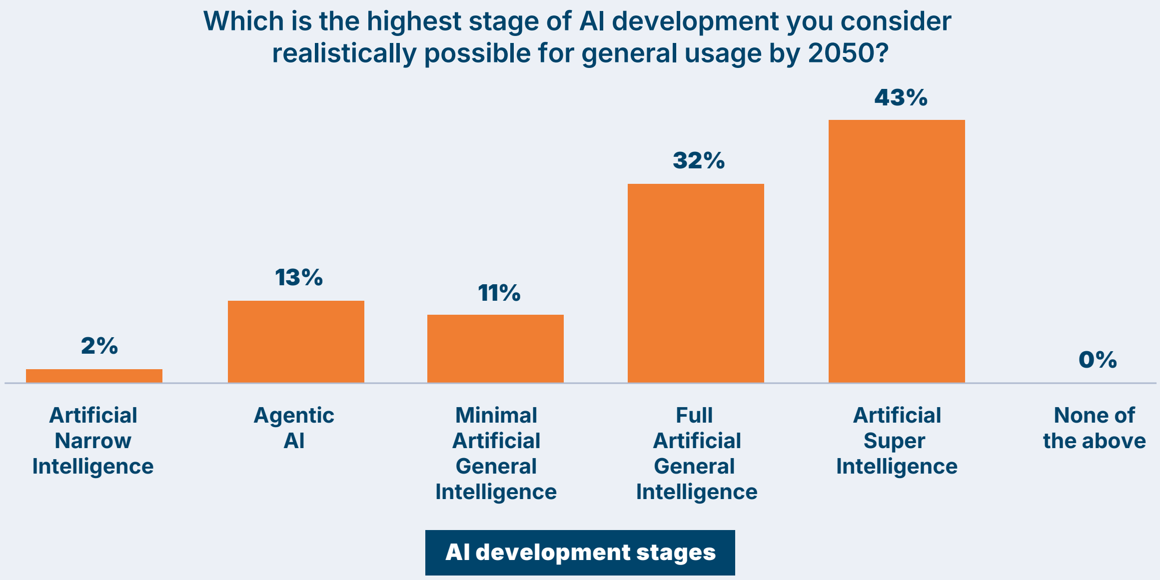
The survey also examined the human capabilities considered most important for success in the AI era. Critical thinking and problem-solving were mentioned by 83% of respondents, followed by creativity at 74% (see Figure 6). Members also identified AI literacy, adaptability to change, collaboration and teamwork, emotional intelligence, ethical reasoning, and communication skills (written, verbal, and storytelling) as key human capabilities. Field-specific expertise and technical skills were seen by a minority of respondents as priorities.

Which capabilities do you believe humans should prioritize developing to succeed in the AI era?



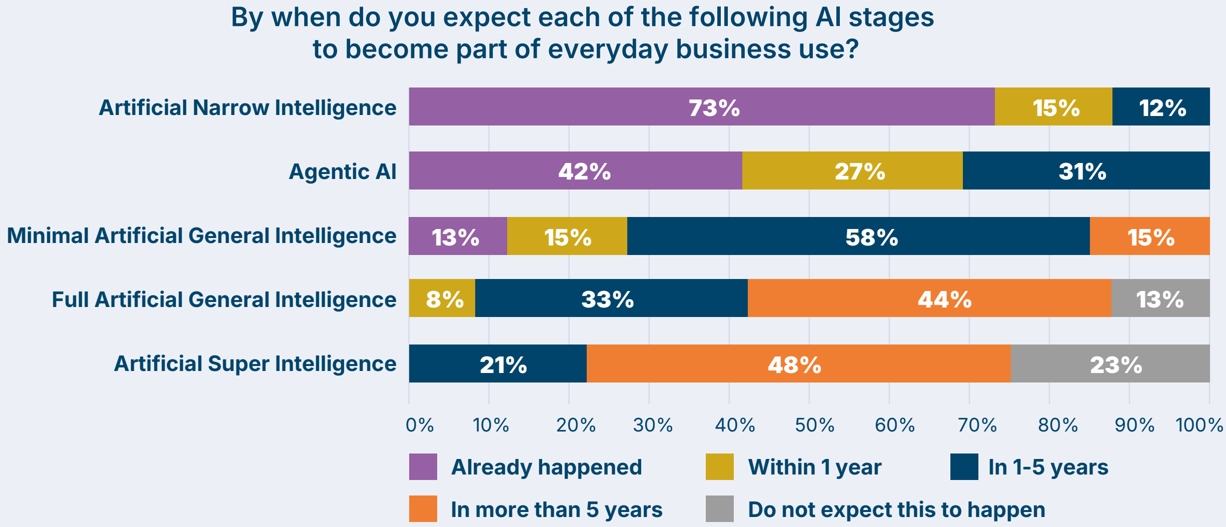
— Figure 6 —

A new set of questions explored expectations about the progression of AI development. The survey presented five stages of AI capability realistically possible for general usage by 2050—artificial narrow intelligence (ANI), agentic AI, minimal artificial general intelligence (minimal AGI), full artificial general intelligence (full AGI), and artificial super intelligence (ASI). About 43% of respondents identified ASI as the highest stage likely to be achieved, while 32% selected full AGI, followed by 13% for agentic AI. Then, 11% identified minimal AGI and only 2% believed artificial narrow intelligence (ANI) as the highest plausible stage (see Figure 7).



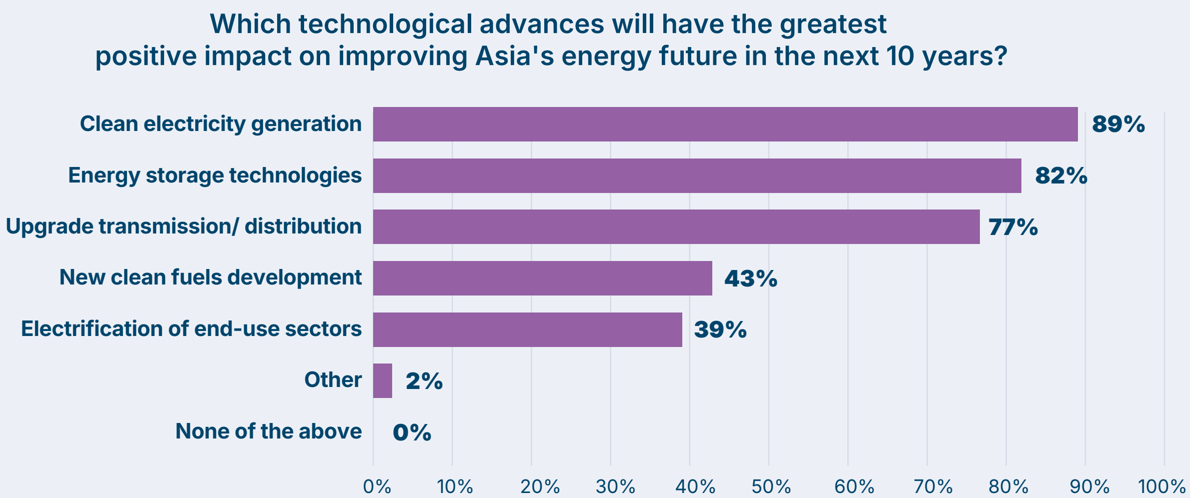
— Figure 7 —

In terms of everyday business integration, 73% said that ANI has already been implemented, which includes task specific AI designed to perform clearly defined functions, such as chatbots, recommendation engines, or fraud detection tools. A somewhat smaller but still sizeable 42% of respondents have used agentic AI, which are autonomous AI systems that can plan and carry out multi-step tasks, use tools and software, and complete parts of workflows with limited human intervention. Only 13% said that minimal AGI has been implemented in business use, which is an AI that matches an average capable human across most intellectual tasks, while 58% expected it to be in use within five years. While no respondent said that full AGI or ASI has been implemented in their business, about 46% expect these stages to emerge in more than five years. Nearly 13% do not expect full AGI to become part of everyday business use at all, and 23% do not foresee ASI happening (see Figure 8). A majority of respondents believed that the business impact of the AI developments that they have already adopted is positive.



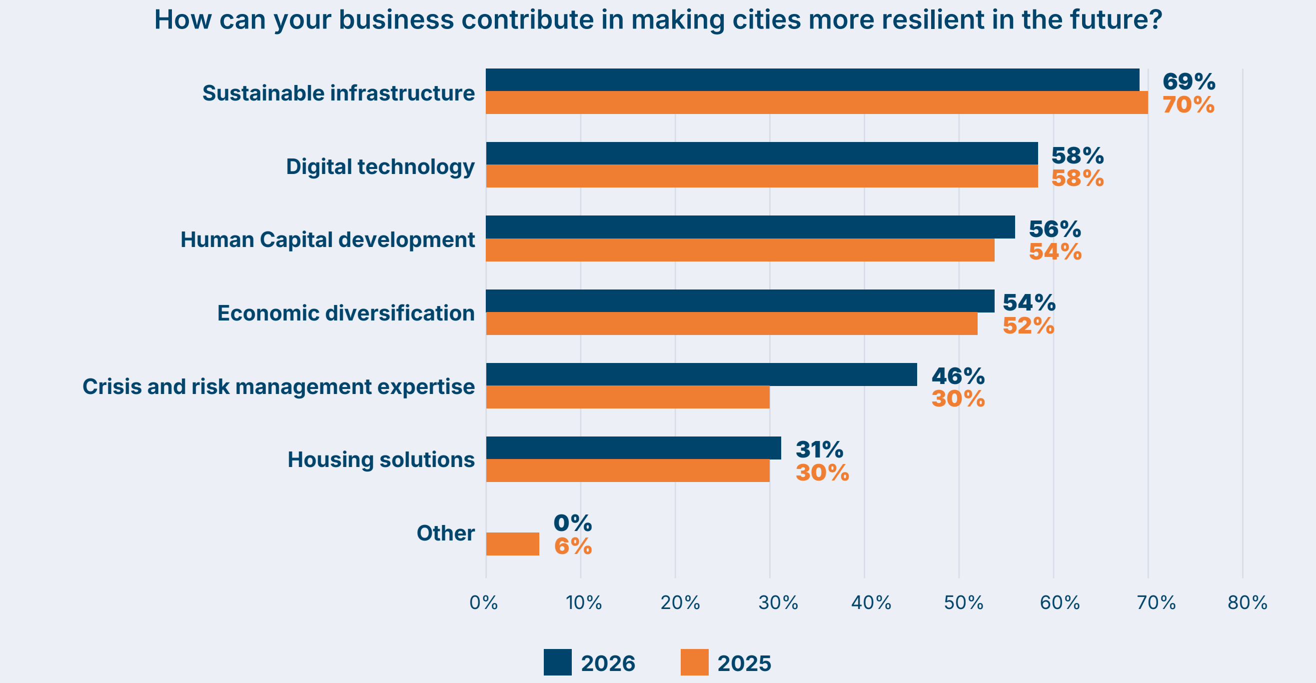
— *Figure 8* —

Looking toward Asia's energy future over the next decade, 89% identified clean electricity generation from renewable and nuclear sources as the technology that will have the greatest positive impact (see Figure 9). This was followed by energy storage technologies, such as batteries and pumped storage at 82%, and upgrading of transmission and distribution infrastructure, including the use of AI of grid operations at 77%.



— *Figure 9* —

When asked how businesses can contribute to making cities more resilient, 69% identified sustainable infrastructure (e.g., eco-friendly roads, green spaces, renewable energy systems, water and waste management solutions) (see Figure 10). And roughly about 56% cited digital technology (e.g., IoT sensors, smart buildings, smart traffic systems), economic diversification (e.g., new and emerging sectors, promotion of entre preneurship, investment across a broader economic base), and human capital development (e.g., expansion of employment opportunities, education initiatives in underserved areas, vocational and digital skills training). These results were broadly consistent with last year's rankings, though crisis and risk management expertise saw a marked increase in perceived importance.



— *Figure 10* —

When asked about their companies' sustainability performance compared with that five years ago, 92% said it had improved. A common thread among respondents was the shift from treating sustainability as a compliance requirement to incorporating it into their core growth strategies. Specific initiatives included reducing emissions across global operations and delivering clean technologies that help customers and communities decarbonize.