Region moves up the AI ladder

Led by China, Asian economies become key drivers of diverse applications and innovations in new tech

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Humanoid robots are arranged at a tea plantation to help harvest spring tea in Huanggang, Hubei province, on March 22. WANG JIANG / FOR CHINA DAILY

As artificial intelligence, which was once a futuristic concept, has evolved into a transformative force reshaping industries, daily life and global governance, Asia — backed by its comprehensive industrial chains and vast market scale — is accelerating its shift from a follower to a global leader in AI.

The Asian Economic Outlook and Integration Progress Annual Report 2026 released in March during the Boao Forum for Asia (BFA) conference in Boao, Hainan province, noted that as the global center of AI development gradually shifts from Europe and the United States toward Asia, regional economies are leveraging their large digital populations, diverse application scenarios and coordinated policy support to move up the innovation ladder and reshape the AI landscape.

In fact, the forum has a long-standing engagement with AI development. The concept of "AI+", first proposed a decade ago at the BFA by Zhang Yaqin, an academician at the Chinese Academy of Engineering (CAE) and dean of Tsinghua University's Institute for AI Industry Research, continues to gain traction today.

Since the initiative was first incorporated into China's Government Work Report in 2024, it has been evolving into a sustained national strategy. This year's report further introduced the concept of the "intelligent economy", displaying a deepening integration of AI across sectors.

Building on this trajectory, Zhang said he believes AI development is now entering a new phase characterized by three major trends.

"The first is the shift from generative AI to agentic AI — an AI system that can accomplish a specific goal with limited supervision — with 2026 expected to be the first year of AI agents," Zhang said. The second is the transition from information intelligence to physical and biological intelligence, and the third is the move from AI as a stand-alone technology to deeper "AI+" integration that reshapes both applications and ways of thinking.

The application of "AI+" is also gaining momentum across the broader Asian region. The China Academy of Information and Communications Technology (CAICT) said Asian small and medium-sized enterprises accounted for 28 percent of global AI unicorns in 2025. Over the past two years, 55 percent of AI-related cases submitted to the International Telecommunication Union have come from Asia, particularly in sectors such as healthcare, education and public services.

"Countries in ASEAN and across Asia are showing strong demand for AI technologies," said Yu Xiaohui, head of the CAICT, during a BFA panel. "China's open-source models provide an important foundation for these countries to develop sovereign models tailored to local languages and application scenarios."

Yu said there is significant potential for regional cooperation in areas such as computing infrastructure and standards setting, which could allow the benefits of "AI+" to reach more economies.

Supporting this trend, the forum's flagship annual report also highlighted the growing weight of the digital economy in Asia. In 2025, the region's digital economy reached $27 trillion, accounting for 46 percent of GDP. China continues to lead in scale, with its digital economy projected to exceed 80 trillion yuan ($11.72 trillion) by 2030.

In this context, a broad consensus across forum discussions pointed to the core value of "AI+" as moving beyond laboratories into real-world applications, where digital intelligence can enhance efficiency and reshape business models.

Among consumer-facing sectors, the smartphone sector is expected to be one of the earliest to demonstrate how AI enters everyday life. AI-powered smartphones can function as intelligent digital hubs, capable of completing complex tasks across different scenarios and applications, said Zhang Fei, vice-president of AI business at smartphone maker Vivo.

"Interactions with agent-based smartphones will become more natural and human-like," Zhang Fei said at a BFA panel. "It's about the phone adapting to people, rather than people adapting to the phone."

AI is also reshaping industrial supply chains. Shen Jianguang, vice-president and chief economist at major e-commerce platform JD, said the company's ability to serve 700 million users, manage tens of millions of products and operate more than 20 million square meters of warehouse area globally is underpinned by full-chain AI integration.

"From customer service and logistics scheduling to product selection, dynamic pricing and inventory management, AI has become an essential tool for enhancing competitiveness in a highly competitive market environment," Shen said.

In healthcare, the impact of AI is also becoming more tangible, with technology not only enhancing intelligence, but also bringing a more human-centered approach to services. Fu Sheng, head of the Boao Lecheng international medical tourism pilot zone administration, said that AI is set to fundamentally transform healthcare and drug development by enabling earlier diagnosis at the molecular and genetic levels.

"AI will completely change the model of drug development. We are already seeing early signs of this, with outstanding companies emerging," Fu said, adding that AI's imaging capabilities have surpassed those of traditional doctors and can support personalized treatment planning.

Wu Wenda, president of Tencent Health, said AI is also helping expand the boundaries of medical knowledge. "In healthcare, what we don't know far exceeds what we do know. AI can help the scientific community better understand human biology," Wu said.

"We are entering a new renaissance, and with AI, that renaissance can be realized," Wu said, adding that in primary healthcare settings, AI-assisted diagnostic systems will act as "intelligent assistants" for general practitioners, helping address shortages in grassroots medical resources.

At the policy level, these developments are being reinforced by stronger top-level design. In March, China's outline for the 15th Five-Year Plan (2026-30) called for the full-scale implementation of the "AI+" initiative to empower a wide range of industries. This year's Government Work Report further underscored the need to foster new forms of the intelligent economy by deepening and expanding "AI+", including accelerating the adoption of next-generation smart terminals and AI agents, promoting the large-scale commercialization of AI across key sectors, and cultivating new AI-native business models and formats.

Alongside the surge in AI-driven opportunities, the rapid development of the technology is also bringing a new set of risks and governance challenges, making it increasingly urgent to strike a balance between innovation and safety — another key topic highlighted at the forum.

Jenny Shipley, former prime minister of New Zealand, repeatedly raised concerns over the social and ethical implications of AI during the event, warning that the fast-emerging technology could inevitably replace certain jobs, widen the digital divide, and introduce new risks related to privacy and ethics.

"We must ensure that robots serve humanity, rather than challenge social ethics and human values," Shipley said.

Although there is rising acceptance of AI tech globally, users have tended to underestimate the potential safety risks associated with these technologies, cautioned Yu of the CAICT.

The CAICT said mainstream large language models worldwide still have 15 to 30 percent of safety-related issues that need to be addressed, and Yu noted that AI developers "bear significant responsibility" for strengthening the safety and robustness of AI technologies.

Against this backdrop, Jiang Xiaojuan, former deputy secretary-general of the State Council, China's Cabinet, said that over the past decade, governance efforts have largely remained at the conceptual level, while the role of social sciences in shaping governance frameworks has been insufficient.

"As a general-purpose technology, AI has significant potential to enhance efficiency, quality and safety across industries. The priority remains to promote its development, but this must be balanced with both economic rationality and social acceptability," Jiang said.

She further explained that "social acceptability" means AI development should align with public values and consensus, rather than being driven solely by scientists, requiring broader public participation and discussion.

With China's Government Work Report this year calling for improved AI governance, Zhang Yaqin, the CAE academician, also outlined concrete steps to advance implementation. He proposed three key measures: clear labeling of AI-generated content — an area where China has already taken legislative steps; ensuring all AI agents can be traced back to accountable entities; and prohibiting unrestricted self-replication of AI systems.

Zhang Yaqin also warned of emerging risks tied to the proliferation of AI-generated content.

"Currently, about 65 percent of online content is generated by AI, and this is creating a negative feedback loop in model training," he said, describing it as one of the most pressing challenges in AI governance.

At the global level, some convergence is beginning to emerge. Sam Daws, senior advisor to the Oxford Martin AI Governance Initiative, said there is growing alignment among major economies regarding governing AI in the real economy.

"Legislation in the European Union, the United States and China shows a high degree of similarity in key areas such as system testing, safe deployment and performance monitoring," Daws said, adding that multilateral efforts — including ASEAN's AI safety network and United Nations-led mechanisms — are providing viable pathways for global cooperation.