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Artificial Intelligence.
Original Advantage.

CEO AI Leadership Report
APEC economies and India



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About the report

Based on a survey of 1,278 business leaders across 18 APEC economies and India, as well as interviews with 50 CEOs and senior executives, this report examines how organisations are approaching AI adoption and transformation.[1]

While India is not an APEC member, it was included in recognition of its important role in the emerging AI ecosystem and strong links with APEC member economies. The insights presented combine quantitative and qualitative research with Deloitte contributors' perspectives on what the findings mean for business leaders.

[1]Throughout this report, APEC member economies are referred to using APEC's naming conventions.

Closing the Originality Gap

Artificial intelligence (AI) has arrived at a scale and pace rarely seen before: bought by the token, as available to a start-up as to a conglomerate, and present at once in the consumer's pocket, the enterprise's workflow and, increasingly, on the factory floor.

It's rapidly gone from experiment to expectation across the APEC region — a group of economies that, together with India, builds many of AI's foundation models, chips and hardware, and is a major focus of its deployment. The region encompasses some of the world's most dominant AI ecosystems, making the evolution of policy a live consideration for CEOs.

While AI adoption may dominate the language of the region's boardrooms, its impact has not yet become a common reality. The distance between artificial intelligence and unique advantages is what this report calls the Originality Gap.

Access to intelligence has become abundant, while the capital, compute, energy, and talent needed to wield it remain scarce. Distinctive knowledge, moreover, is in even shorter supply. Its scarcity enhances its desirability, because when an organisation translates that knowledge into value, it can create Original Advantage.

When everyone can buy the same answers, advantage moves to what can't be bought: the unique experience and knowledge that lives in people's heads rather than in any system, their judgement and discernment, the trust of customers, and how quickly an organisation learns using tools that everyone now has.

This dynamic can alter the calculus for business leadership. AI is upending long-held assumptions about competitive moats, value chains, finance and operations. Organisations pulling ahead of their competitors are not those with the most AI; they're the ones that no longer treat it simply as a technology programme, nor talk about it as salvation or threat, but as something to understand, build for, and adapt to.

The technology itself is only part of the work. The bigger part involves codifying what an organisation knows, and redesigning roles, incentives, and decision rights around a part-human, part-digitally enabled workforce.

This involves serious trade-offs. In the words of a leader at a major Indian consumer company:

"The right AI strategy isn't necessarily maximum automation, but knowing which decisions can be safely delegated, which capabilities we need to preserve internally, and where human accountability is absolutely non-negotiable."

It is a CEO's work to blend the purpose, identity, investment patterns, and core capabilities of an organisation into its 'intelligence signature'. While AI can be purchased, how you use it — and what you learn from doing so — cannot.

That is the Originality Gap.

↓

Closing it is the responsibility of the CEO.

The abundance trap

If AI is everywhere across APEC and India, why is advantage so uneven?

Across the APEC region, using artificial intelligence, on its own, is no longer a differentiator.

The thing that can distinguish organisations today is what they do with AI: how far it's been deployed, how profoundly it's reshaping the way work gets done, and whether a company sees itself pulling ahead of its rivals as a result. This chapter examines the overall state of play; those that follow explore what we can learn from the companies pulling ahead.

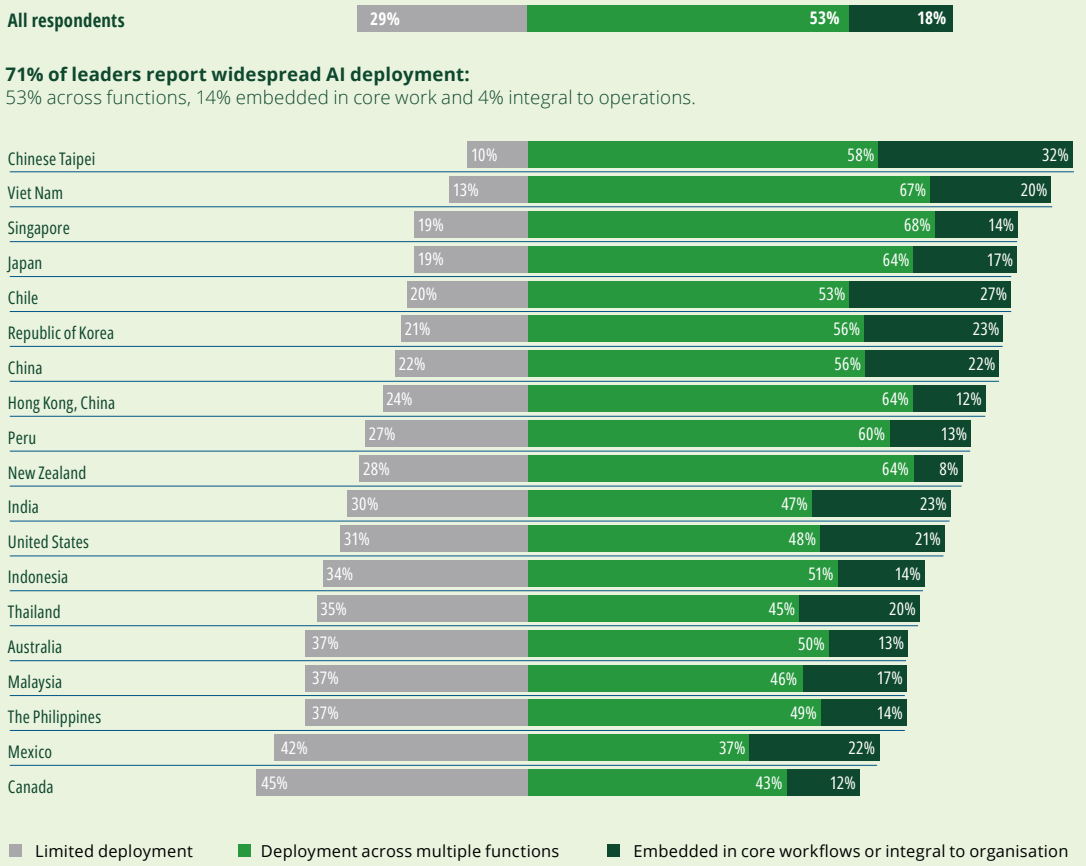
AI is no longer a business overlay. For 52% of leaders responding to the survey, embedding it across the enterprise is one of their top three strategic priorities, ahead of revenue growth (41%) and profitability (39%).

Over half (53%) have now deployed AI across multiple functions and business units (Figure 1).

What many have not yet done, however, is ask the fundamental question: What is this technology for? Asked to name the most significant change driven by AI, a third of CEOs highlight process automation and efficiency, and 17% point to AI embedded in their core strategy or operating model. Fewer than a quarter are using it to rethink their business model.

52%
of leaders rank embedding AI among their top three strategic priorities.

Figure 1: Extent of business AI deployment



40%
of leaders rate their confidence in leading AI change at eight out of 10, while 25% rate it nine or 10.

The value generated through AI use is widely reported but may be thinly felt. For two-thirds of organisations, AI delivers measurable or new sources of value. Yet the bolder the claims, the narrower the view. Forty-four per cent of leaders describe AI as delivering measurable value across multiple functions, but just 16% of those believe that value is benefiting the whole enterprise. Only 6% report that the value realised is genuinely new to the organisation.

AI's absorption by business is reminiscent of historic cycles such as globalisation and digitisation, which, after initial misreadings of their potential, brought uneven adoption across disrupted landscapes, growing returns, and gradually accelerating leaders. Two things about the AI cycle lack precedent, however: intelligence has become an easily bought commodity, and the reach of automation now extends into the physical world at a scale rarely possible before.

Most economies are still in a relatively early phase of this cycle. Embedding AI into core workflows is not a reliable predictor of material value across an enterprise; nor does its depth of deployment reliably indicate return. Organisations that are further advanced across multiple dimensions of AI deployment and integration are more likely to report meaningful returns. These organisations are identified more by their characteristics than their market of origin.

Confidence runs high: almost 40% of our surveyed CEOs rate their confidence to lead AI change at eight out of ten, and a quarter rate it at over nine out of ten. Only a third express some uncertainty, rating themselves at seven or below. It's evident that confidence, deployment and realised value do not move together, and in this report they are kept apart.

An important challenge lies in distinguishing table stakes from genuine advantage. As one US consumer industry CEO puts it: "AI is commoditising advantages like automation, analytics, and personalised digital experiences. So, we are responding by differentiating through proprietary data, deep domain expertise, trusted customer relationships, and faster execution."

Abundant intelligence is not an advantage. It's a floor — and a floor is something that everyone stands upon.



The CEO conundrum
If everyone in my market has the same intelligence, what do I have that they don't?

The compounding few

Who leads on AI, and what are they doing differently?

Three things separate leaders: how deeply AI has penetrated their organisation, how the work may have changed as a result, and its impact on their competitive position.

All three are drawn from the survey: the first two reflect respondents' reported experience within their organisations, while the third captures their assessment of their organisation's competitive position relative to peers (Figure 2). Importantly, value realisation was not used to help define the segments; it is measured as an outcome, not a criterion.

The 7% of organisations that scored on all three measures are described as AI Compounders. Another 26% scored on two criteria; they are classed as AI Multipliers.

AI Adopters, the remaining segment, are rolling out AI and not necessarily lagging in its deployment — they're simply using it in other ways. Having more AI is not what sets leaders apart.

Nor are the leading organisations evenly distributed. Technology, Media and Telecommunications (TMT) businesses and the largest organisations make up bigger shares of Compounders and Multipliers. Yet Adopters account for most respondents within each industry, and at each size of organisation.

Interviews with 50 CEOs and senior executives, selected for their deep experience of AI, provide strong clues as to what sets AI leaders apart. Asked about the most important factors for winning in their industries, just four interviewees pointed to the nature of the technology.

Figure 2: Compounders, Multipliers and Adopters

AI Compounders

Compounders are driving significant AI-led change, achieving broad adoption across the business, and report being ahead of competitors across multiple dimensions.

7% | Segment size as a share of total sample (n=91)

AI Multipliers

Multipliers are either leading significant AI-driven change or achieving broad adoption, but not yet demonstrating the full combination of transformation, adoption and perceived competitive advantage seen among Compounders.

26% | Segment size as a share of total sample (n=331)

AI Adopters

Adopters are using AI within their business but have not yet reached the levels of transformation, adoption or perceived competitive advantage that distinguish Multipliers and Compounders.

67% | Segment size as a share of total sample (n=856)

This report measures AI maturity across three criteria: the extent of AI deployment, the degree of change it is driving, and the perceived impact on competitive position.

AI Deployment

18% have embedded AI in core workflows or operations.

AI-driven change

23% are rethinking how they create value or expect to continually redesign their business model with AI.

Competitive position

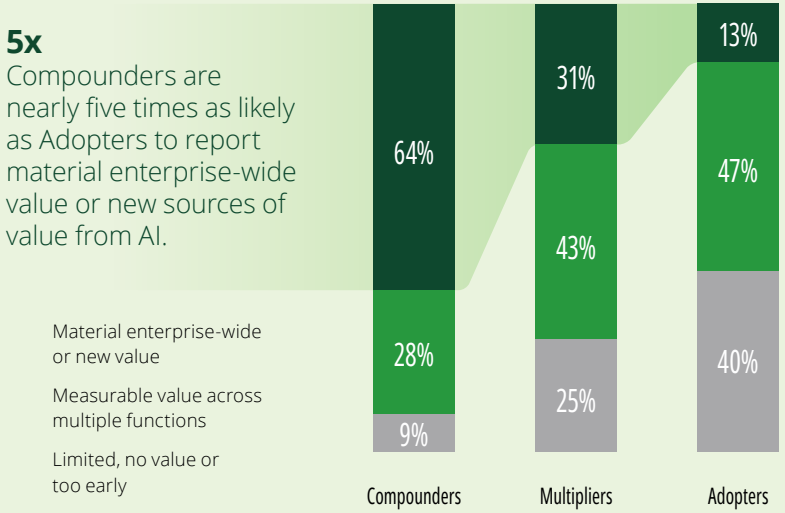
Around half of respondents believe they are ahead of competitors on key AI measures.

56%
Applying AI to business

50%
Building AI talent

49%
Converting AI to competitive advantage

Figure 3: AI value realised



Most focused on what sits around it: how work is organised, and whether their customers trust them to deliver. "Winning depends less on model access and more on proprietary data, deep customer relationships, and the ability to move from insight to action quickly," said one leader.

What this highlights is a virtuous circle: sharper decisions, quickly acted upon, produce results that improve subsequent choices. A competitor can buy the same AI tools, but not what a company has learned from using them. If you input undifferentiated thinking, a model may return an average answer — one available to each competitor using the same prompt or agent. The leading defence, according to an Indian consumer CEO, is a process that "turns our unique experience into better decisions."

The gap created by this approach is one of the largest in our survey.

Material, enterprise-wide value or entirely new sources of value are reported by 64% of Compounders, compared with 31% of Multipliers and just 13% of Adopters (Figure 3). Compounders are more likely to track value systematically at the organisational level; Adopters tend to track it case by case. This is what separates compounding from accumulating.

The difference shows up in the ways leading companies choose to act: how they take a bigger view and redesign the work itself rather than just tasks within it; how people and AI divide the work between them; and how deliberately they set out to learn from each decision.

AI frontrunners aren't necessarily better intentioned than everyone else. They simply choose to aim higher, take greater risks, and learn faster from what they do.



The CEO conundrum
How can my organisation help ensure that it learns from what it does, rather than just doing it faster?

The rebuild

What are leaders actually changing?

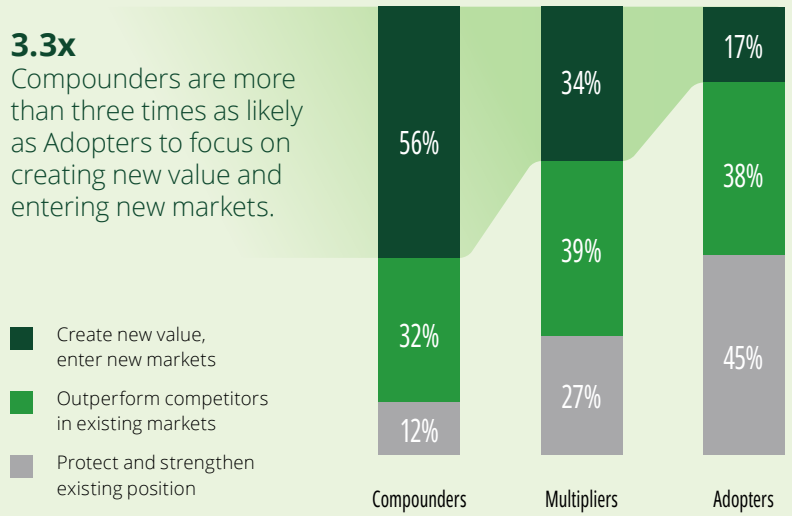
Compounders aren't playing the game better than Adopters. They're playing a different game entirely.

The technology in each case is virtually identical; what differs is what it's being asked to do. For 56% of Compounders, AI strategy means creating new value and entering new markets. Among Adopters the figure is 17% and the picture inverts: 45% prioritise protecting the position they already hold (Figure 4). Efficiency is the main goal for 34% of Adopters and for just 17% of Compounders.

The pattern is a familiar one. When computers first arrived in offices, most were used as faster typewriters; documents were typed on a screen rather than on a page, and the output printed and carried to another department in the same way it had been before. The tool changed, but the work didn't — and nor did the return.

Figure 4: AI strategy competitive orientation

3.3x
Compounders are more than three times as likely as Adopters to focus on creating new value and entering new markets.



Most redesign is initially executed at the level of tasks, with the result that the same work is done, just faster. Above that work, however, sits a broader process — and above that, in turn, the outcome the process is meant to produce. Atop many of these resides the business: what it sells, which markets it serves, and how it generates its value.

Each level of this model asks a tougher question than the one below it. The overarching question may not be how to run the business better, but what the business can now become.
Productivity is cited by many respondents (66% of Compounders and 73% of Adopters) as evidence that their AI investment is paying off. Yet more activity, faster, is not the same as advantage. Some leaders are aiming for productivity that sharpens competitive edge and shows up on the bottom line.

2x
Adopters are twice as likely as Compounders to rank efficiency as their top AI strategy goal. Compounders prioritise competitive position.

Signs of deeper and more sustainable value, such as new revenue or business models, are more skewed: 45% of Compounders against 20% of Adopters. What separates these leaders is not the productivity gain itself, but where and how the gain is redirected.

7 in 10
Compounders fund AI by reallocating, cutting, or freezing existing technology spend, while less than a quarter of Adopters do.

Ambition alone cannot unlock value. The real question is which value pools an organisation can sustain or reach, and how quickly. Few businesses have the time and capital to find out by trial and error.

While reimagining the whole enterprise sounds compelling, Compounders generally take a more practical approach by reimagining the three or four processes where the value gain is greatest.

Similar redesigns of roles and workflows are reported by 85% of Compounders. As one Singaporean financial services CEO observes: "AI hasn't just changed what we do. It's changing how we design work itself."

Rather than run in sequence, the four stages of the rebuild compound. The first is capability: capturing the knowledge and judgement that live in people's heads.

The second is reimagining value, translated into process and redesigning how work flows from end to end.
The third is the human side of the ledger: redistributing work, incentives, accountability, governance, and culture around a part-human, part-digital workforce.

The last stage stitches the others together, with each redesign teaching the next one what works.

Leaders are more than prepared to pay for the rebuild by redirecting budgets already allocated elsewhere: seven in ten Compounders fund AI by reallocating, cutting, or freezing existing technology spend, while less than a quarter of Adopters do.

Using new and better tools is only half the story. AI leaders also find the courage to stop paying for the old ones.

The CEO conundrum
What have we truly rebuilt — and what have we merely installed?



Case study

Each rebuild follows its own course. US biotech Moderna and Australia's largest bank CBA started in different places; both, however, approach AI transformation as an ongoing redesign of work and roles, carefully considering how work is allocated between people and AI. Notably, both build culture into the redesign, rather than leave it as an incidental outcome.

Moderna has rebuilt in a distributed way, orchestrating integrated change across the whole business. Cross-functional teams began by agreeing on the desired outcomes from AI, then reshaped processes around those goals. HR and IT were merged under a chief people and digital technology officer; as a result, talent, agents, robotics, and software are now viewed as a singular and integrated whole. With AI also built into business reviews, performance management, and leadership expectations, it moves with the culture, rather than being seen as an external risk.

CBA took an expansive view of its organisation from the outset yet commenced its rebuild by focusing on the core discipline of software engineering and development. There, a dedicated enablement team — part software architects, part coders, part data scientists — now scales AI ethically and responsibly through a five-layer maturity model, from copilots to self-monitoring agents. Each step up a layer needs clear governance, architecture, security, and human-in-the-loop tests; each decision is logged, explainable, and reversible. For CBA, trust and speed are connected in practice, not theory; rather than acting as a brake, good governance helps the bank go faster.



Case study

For McDonald's China, the challenge was not whether AI mattered, but how to accelerate change in ways that enhanced the human experience.

CEO Phyllis Cheung understood that generative AI represented a significant shift beyond the gains achieved through traditional automation and machine learning. The question was now, "What do we really want AI to deliver for us?"

This sparked a deliberate focus on learning and capability before scaling AI across the business. McDonald's China positioned its IT organisation as its pioneer group, encouraging teams to experiment, learn and develop practical experience. This foundation informed an enterprise AI vision focused on what it calls "proactive connected intelligence" and delivering "real-time human warmth".

From there, the leadership team identified a small number of lighthouse projects where there was clear business value, existing data readiness and automation, and, as Cheung emphasised, the "highly charged cross-functional team with the determination to make it happen." Along with reengineering process, AI transformation demands a reappraisal of how organisational knowledge is structured, owned and validated. "Without a knowledge management process, it is difficult to get started."

Today, AI supports teams from business insights to store management. AI agents help shift managers prepare for operations, identify risks, analyse performance, and recommend improvements. While the immediate benefit is greater efficiency, leadership sees the larger opportunity in improving customer experience and employee effectiveness across a network of over 8,000 restaurants. Cheung explains that efficiency gains through earlier automation efforts built her confidence in the ability to deliver value, given that "previously, I could not use [artificial] intelligence at this level of granularity and speed to capture growth. Now I can."

Rather than pursuing large upfront funding or demanding immediate ROI, McDonald's China sought to keep AI investments self-funded by efficiency gain, by reprioritising lower-value initiatives. For Cheung, success is measured not only in financial outcomes, but through her company's ability to serve customers better at scale, reduce operational complexity, respond to the fast-changing marketplace with 24/7 agility, and create capacity for higher-value work.

What began as experimentation has evolved into a broader ambition for McDonald's China to become AI-first, grounded in practical learning, customer impact, and demonstrated value.



Setting the pace

Believing you're ahead and being ahead are different things. How do you truly accelerate?

Most of the survey participants believe that advantage steadily accumulates through successive AI initiatives. The majority also believe it is accumulating for them.

Compounders and Adopters agree that what they learn in each AI initiative makes the next one faster and better: 86% and 84% respectively. Most enterprises already know how to move at digital speed. Yet operating at AI speed is a different discipline altogether. It asks leaders to be deliberate about how much risk they'll accept, and how quickly they can recover when something fails.

7x
Compounders are seven times more likely than Adopters to target a sector-leading or cutting-edge pace of innovation.

Asked about their competitive position, 93% of Compounders believe their lead is widening. So do almost three-quarters of Adopters. By any standard, that's a crowded leaders' circle.

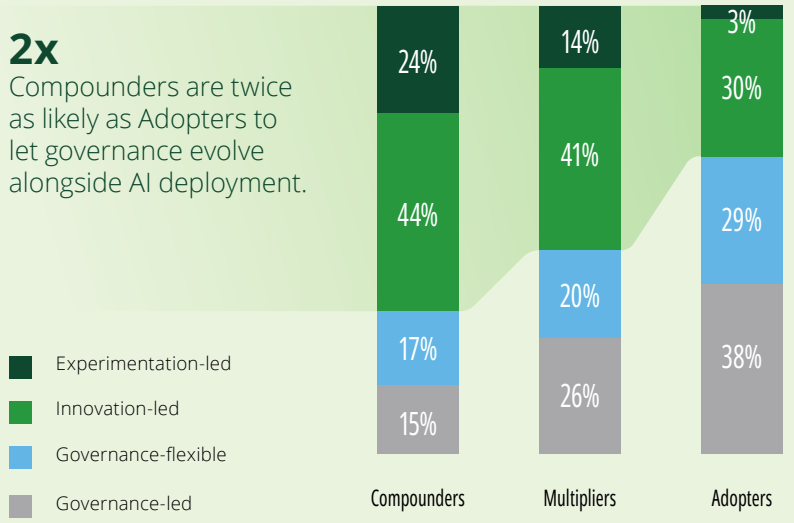
High confidence stimulates an appetite to explore the new. Two-thirds of Compounders believe they are leading innovation within their sector or working at its cutting edge; among Adopters, just one in ten does.

A byproduct of this confidence is that 68% of Compounders are content for governance to evolve alongside deployment, a view held by 41% of respondents overall (Figure 5). This is not recklessness; leaders keep human oversight and risk controls in place, even when these cost them additional time to review. As one Canadian life sciences and health care CEO puts it: "I'm focused on balancing speed with discipline (and) experimenting aggressively where the downside is manageable, while maintaining strong standards around data security and accountability."

Governance, in this view, becomes a mechanism for separating what one Mexican TMT executive calls "decisions where we can move fast and learn" from those that need stronger evidence before they scale.

Figure 5: Approach to innovation governance

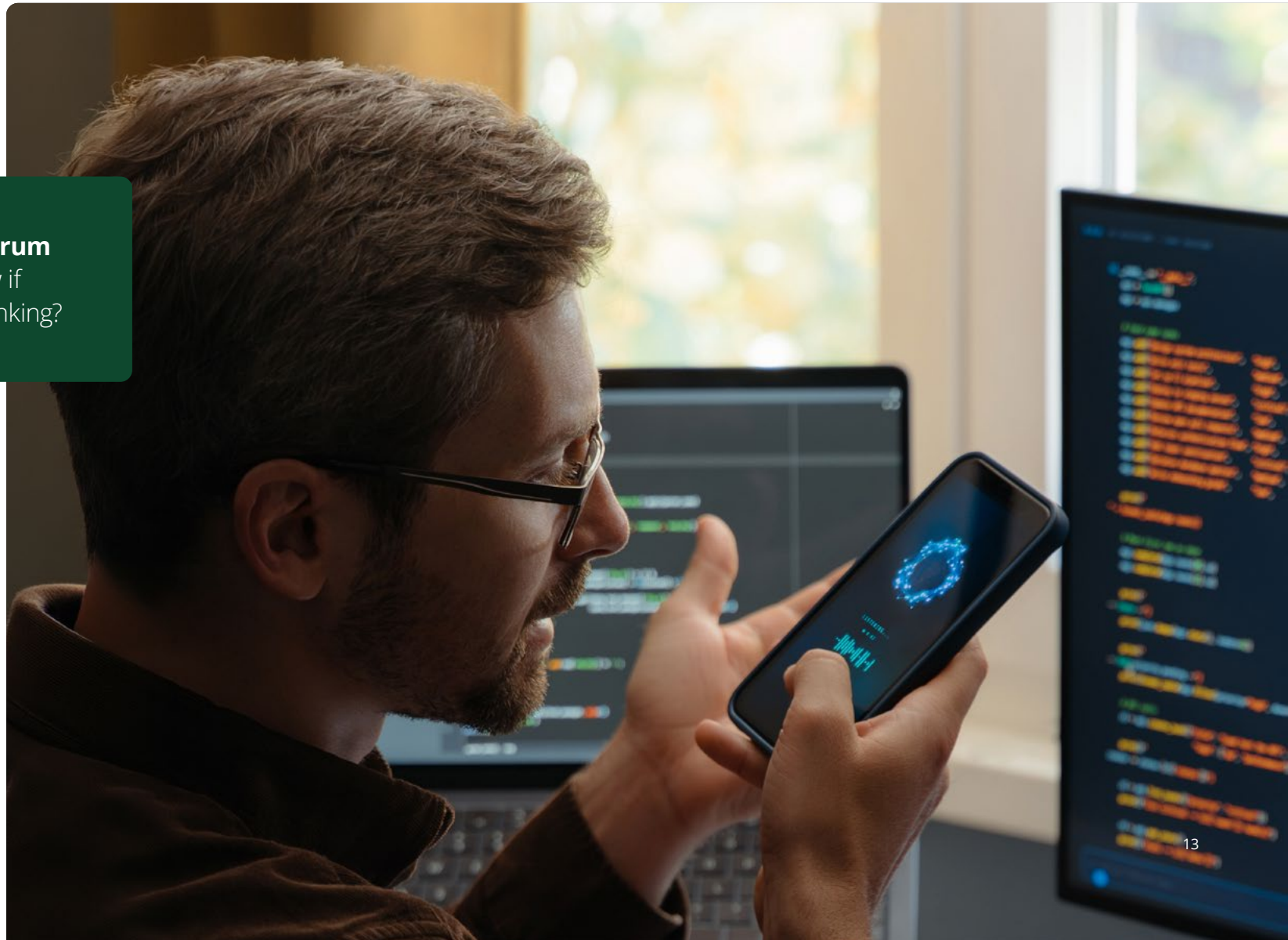
2x
Compounders are twice as likely as Adopters to let governance evolve alongside AI deployment.



When leaders are asked about where future advantage will come from, AI and digital capability tops the list for each segment, but Compounders place a far greater emphasis on proprietary data and speed of innovation. This is the virtuous learning cycle in miniature: the faster a company innovates, the more proprietary, uncopiable data it produces through successes and failures.

A company can move quickly and still be standing still, relative to everyone else. Motion is not automatically momentum.

The CEO conundrum
How would I know if my lead were shrinking?



Case study

To understand whether you are ahead, behind, or on track with AI, you need to be clear on what is and isn't delivering value.

At New Zealand insurer Tower Limited (Tower), CEO Paul Johnston has found that clarity in the contact centre, where AI prompts next-best actions, bolsters quality assurance and makes calls with customers more efficient. An estimated one million minutes have been saved within the contact centre, and Johnston expects it to gradually "change our operating model and support growth, not simply reduce costs."

Beyond the contact centre, Tower has ring-fenced a significant part of its investment portfolio for AI. While the most significant benefits are expected to emerge over time, early initiatives are already improving capability, creating organisational capacity and building the foundations for larger-scale transformation.

Staff value the impact of Copilot, and Johnston says that once it becomes part of the daily routine, they have "little appetite to go back". What has surprised him most is the "gap between the speed of the technology and the effort required to embed it". Only with good data, process redesign, and a disciplined approach to implementation can Tower fully realise AI's benefits, he believes.

Tower gauges every use case against customer outcomes, revenue uplift, and operational efficiency. From more than 100 possible uses of AI, the insurer chose 24 priorities, each tested before a decision to scale or stop. Programmes have been halted when the technology was not producing reliable results. While Tower is yet to see AI create new revenue streams, products, or services, the business is deliberately working at two speeds: delivering visible early wins that serve to build confidence, while simultaneously investing in data, platforms, and capabilities that may unlock deeper value over time.

Behind the early wins, it is constructing what Johnston calls "an AI operating system of trusted data, shared business meaning, secure foundations, and reusable components" so that each use case adds capability for the next.

Paul Johnston's advice to other CEOs undertaking the journey? Don't underestimate the organisational work that needs to be shouldered, nor the discipline required to manage costs relative to benefits. Knowing exactly what has been proved, and what has not, is what separates being ahead from just believing you are.



Built to change

What should leaders commit to — and what should remain negotiable?

A company does not buy AI once. What Compounders do to pull ahead depends on tools that keep changing.

74%
of leaders expect AI, automation and intelligent systems to be among their largest technology investments over the next two to three years.

Leaders need to understand the technology well enough to judge what it can provide to their business, what it can commoditise, which protective moats it might erode, and what remains genuinely theirs to build upon.

As adoption scales across the APEC economies, so do appetites for tokens and computing power. With volumes and prices still volatile, this year's right choice could easily be next year's wrong one. What decides the return on any AI investment, in fact, isn't just what it's used for, but how tightly the costs are managed. The bigger question may have shifted from how to unlock ROI to where to stop, start, and continue investing. These are economic decisions, not just technical ones; the answer may be a function of local labour costs. A human-AI mix that makes sense in Singapore may not do so in India. Yet the goal is not simply to minimise cost.

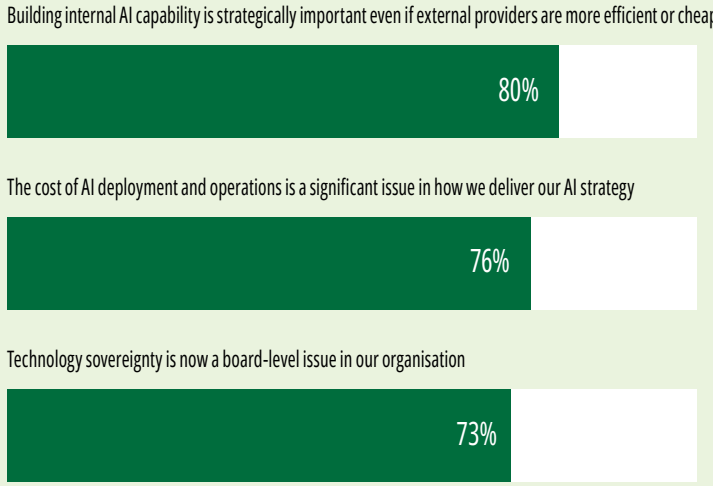
Choices about where people and AI each add the greatest value may not only shape efficiency but also determine the organisation's capacity for judgement, differentiation and originality.

Many leaders we interviewed shared an instructive mantra: commit, but stay flexible. Where the long-term case is proven in areas such as data, skills, and governance, long-term investment is warranted. Models and external AI tools, on the other hand, are best kept easy to replace.

The expense of AI's deployment and operation continues to add significant pressure for 80% of Adopters and 70% of Compounders (Figure 6). This drives two distinct choices: the first is picking the right tool for the right job, given that in some cases the leading model may not be the best choice for what the business needs.

Figure 6: Technology change and resilience

To what extent do you agree or disagree with each of the following statements about technology resilience? (Share of all respondents who agree)



In our interviews, open models are seen as capable of doing seven or eight out of ten tasks very well, often at a fraction of the cost of the most powerful model. Lower costs can, however, carry a security trade-off with fewer safety features.

The second choice, equally important, is treating that fit as an ongoing test, not something to settle once. One US consumer CEO describes "lightweight AI workflows" to keep the technology stack modular rather than locked into a single build.

Among those choosing to purchase and own, 86% of Compounders and 79% of Adopters say internal AI capability matters strategically, even when external providers are cheaper or more efficient. The real decision isn't whether to build in-house, but which capability belongs there, and which should be outsourced.

One Chinese carmaker retains control of its in-house AI development capability while diversifying across chip and systems suppliers, allowing it to preserve technical flexibility as supplier relationships and technology requirements evolve. Ultimately, the moats a company should defend are the ones that only it can build. In time, with universal access to the same intelligence, everything else may erode.

More than half the respondents in each segment believe they could change their core AI model or provider within six months, at manageable cost. Most keep more than one vendor in play, but few have built engagement models that make switching genuinely possible. A second vendor is not a viable exit strategy if data and workflows remain wired to the first. Model choices are increasingly influenced by governance and sovereignty policies.

In any case, flexibility doesn't come without costs: keeping options open can mean slower delivery, delayed payback, and extra complexity. One US consumer CEO feels that "accepting some upfront complexity to avoid lock-in" is worthwhile.

Technology sovereignty — data control, operational resilience, and dependency on external providers — is now squarely on the board agendas of more than 70% of leaders in each segment.

Picking the right tool is only half the job. The other half is remaining free to pick again.



The CEO conundrum
Which of our AI commitments were made by design — and which by default?

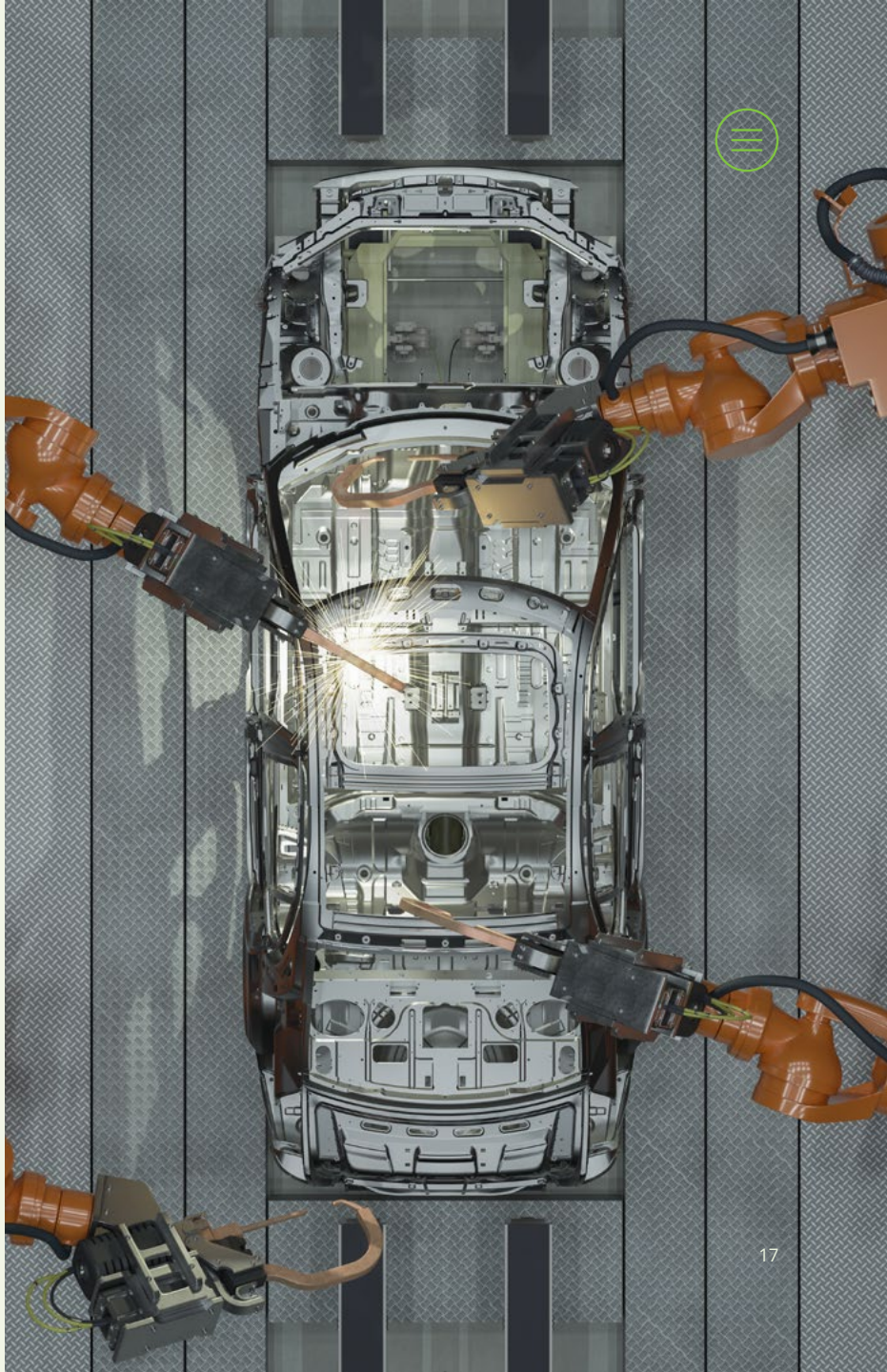
Case study

Geely's approach reflects a wider shift in the emerging AI economy toward organisations whose DNA is built for adaptation.

The Chinese carmaker's view transcends mechanical engineering and electrification and sees the real automotive competitive arena as embedding AI in each layer of its operations, from vehicle design to the factory floor, sales, HR, and finance. All this is connected through a central AI capability centre where each use case is built, governed, and scaled.

Consistency, compliance, and security now live in the platform, freeing business units to deploy on it, rather than run their own isolated pilots. A use case spawned in one unit is piloted, benchmarked and, if successful, replicated at scale. Geely's 150+ agents now operate across sales, marketing, finance, HR, and project management.

Geely's leadership is clear about what to own and what to outsource. For example, the fine-tuning of models, data management, and agent development stay in-house, while hardware, storage, and tools can be bought. The company's proprietary models, trained on its own automotive data, are its crown jewels — a moat of originality in design and manufacturing that rivals cannot copy. The ambition is the autonomous organisation, with whole factories as agentic systems.



The human premium

Where do people add value that a machine can't?

As AI takes on more types of work, the value of a human doesn't decline. It shifts.

Alongside AI, a person can be a checker of output, an arbiter of decisions that machines shouldn't make on their own, or a creator of value that AI cannot produce on its own.

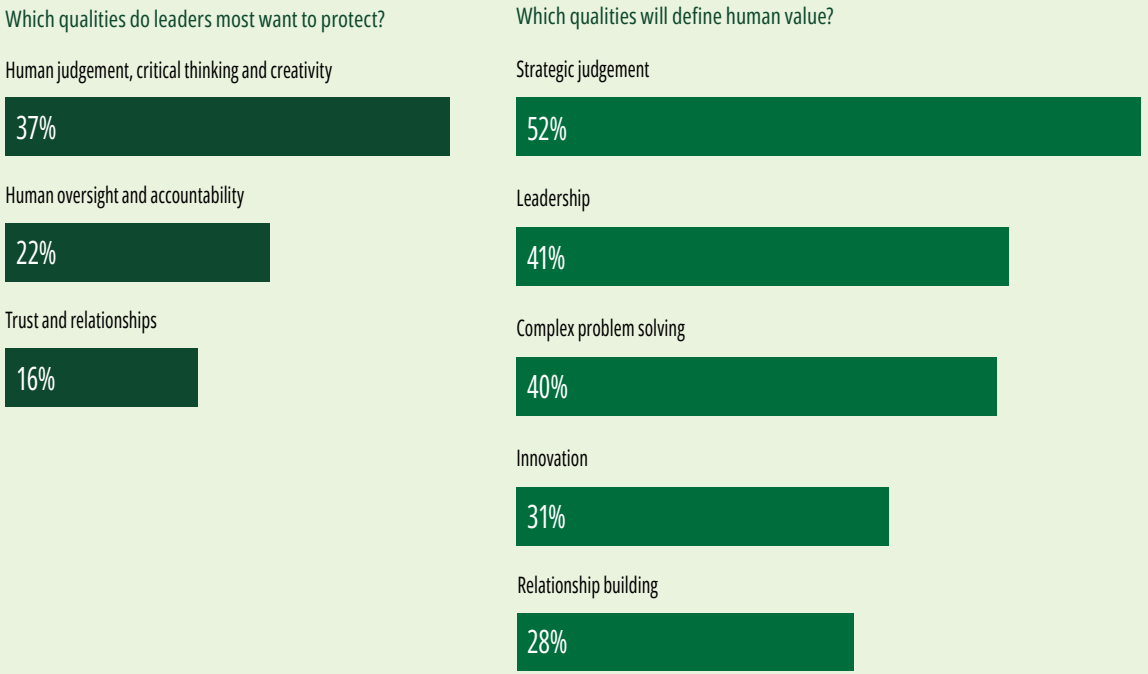
Asked how they are redesigning human work, most leaders describe checking and judging, rather than creating. On the question of what they're most keen to protect as AI scales, 37% point to human judgement, critical thinking, or creativity, and 22% to human oversight and accountability (Figure 7).

As to where accountability matters, leaders prioritise human review of AI-generated recommendations.

This is a checker's job — important, but limiting people to review keeps them watching from within the loop rather than deciding. Being on the hook means owning decisions and their outcomes. If something goes wrong, as a Singaporean financial services CEO puts it, regulators and customers "will still have a name that they can find, not an algorithm."

A company's human premium lies not in its headcount but in the consequential decisions it trusts to its people, and in whether that trust survives contact with cheaper options. The redesign is already underway: 81% of leaders are actively choosing how work is divided between people and AI, and 78% are redesigning roles and workflows around it. Original Advantage comes from recognising where human contribution creates differentiated value and using AI to protect, amplify and scale that premium. Compounders hold that view most strongly. The road to value generation should not be merely paved with good intentions.

Figure 7: Leader perspectives on human value



38 of 50
leaders interviewed raised the danger of capability debt: today's efficiency coming at the cost of the exceptions and judgement calls junior staff traditionally learn by doing.

The companies furthest ahead describe keeping people in roles that AI can already do more cheaply, precisely because the judgement involved is worth preserving. At one pharmaceutical business, a quality analyst caught a defect that the AI model had missed and overrode its recommendation on an already cleared manufacturing batch.

The company's metrics subsequently changed: identifying a model's error would now be treated in the same way as catching a product defect, indicating clearly which kind of judgement the company valued.

Ultimately, value generation can flow from a leader's sense of the different roles that people and AI can play within an enterprise. As one Chinese consumer executive puts it, humans are "responsible for the unknown and unpredictable", while another leader states that "AI informs decisions; it does not own them."

Some are moving people closer to customers. One Australian technology CEO sees benefit in digital labour because it "enables our people to spend more quality time with our customers." Compounders give more weight than others to developing their talent; in interviews, CEOs talked of moving people from executing tasks to framing problems and developing judgement, rather than merely preserving it.

Another serious risk in handing routine work to AI is that this has traditionally been the next generation's training ground. Of the 50 leaders we spoke to, 38 raised the danger of capability debt: today's efficiency bought at the cost of the exceptions and judgement calls that junior staff traditionally learn by doing.

AI's human dividend may be maximised by leaders who use people as architects of value, not just its stewards. The human premium is both an input and an outcome: the distinctive knowledge a company holds is what makes its AI worth having, and using AI well is what compounds that knowledge.

Checkers keep AI safe.
Creators make a company original.



The CEO conundrum
Where am I amplifying the role of people in creating value, even where a machine could do it more cheaply?

Case study

South Korean tyre-maker Hankook has overturned the traditional split between designers, who oversee aesthetics and customer appeal, and engineers, who own durability, grip, and safety.

Today, a machine drafts first, using image-based models with engineering constraints built in to generate tread patterns that are already compliant with engineering requirements. Designers then sift hundreds of options and judge which of these are actually worth making.

Hankook's chief digital officer describes AI as a partner, not an agent. He addresses a tough question up front: when AI makes the wrong call, whose fault is it? In agentic work, responsibility no longer maps cleanly to execution, so hybrid systems need hybrid governance, with the points of human intervention defined early, so that neither the supply chain team nor the agent's designer is left wondering who is responsible.

While Hankook's humans initiate, interpret, and design, its machines accelerate, generate, and scale. The company believes that the leading ideas still come from the field, because only people who actually own a process can imagine how AI might improve it. This enlightened reorganisation around the people/machine partnership is a lighthouse case of designing in the human premium, rather than adding AI to existing work.



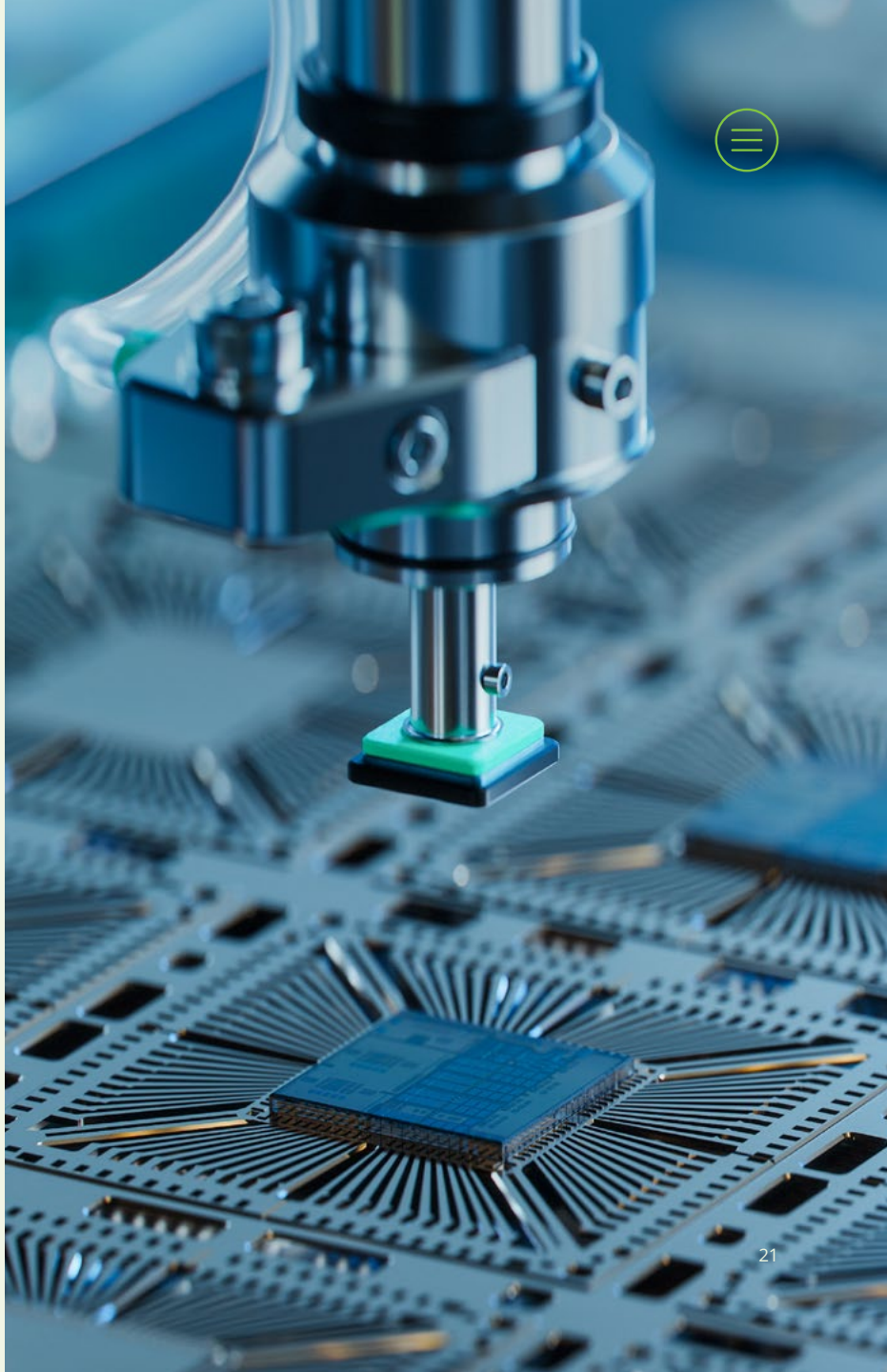
Case study

The CEO of Renesas Electronics, Hidetoshi Shibata, is clear that the gap between AI and value is made of human knowledge, and that closing it is work a company can choose to do.

Like Tower (sidebar, page 14), the Japanese chipmaker is orchestrating its transition to AI using two paths. Productivity enhancement and financial improvements are the 12–18-month goals of the first path in operations, HR, and finance. The longer path is aimed at deeper and more sustainable value: more products, better hardware and software design, and a digital platform that allows AI agents to put electronics capability into more hands. Shibata foresees natural-language conversation with electronic systems making that a reality in the near future, addressing needs that have been long-unmet because markets were too small, or problems too complex.

The bridge between the two paths is implicit knowledge. Semiconductor design and business decisions both depend on wisdom and context that live in people's heads. As an illustration, Shibata was shown a slide in a recent board meeting with two data sets and no explanation of the difference. He could read it with ease because he carried the context; AI, given the same document, could not. Renesas is now working to close gaps like this: documenting the context that currently lives inside people's heads, building its workforce's AI literacy, and creating small teams that are free to design new ways of working, rather than adapt to the old ones.

The goal is not to automate knowledge but to translate it, so that people work with AI in harmony.



Common ground

What can't a company build alone?

For leaders to use AI well, they likely need skilled people, secure systems, dependable infrastructure, and rules that work across borders.

People come first. For those in our survey, access to AI talent and workforce skills is the most vital external enabler at 61%, followed by cybersecurity, privacy and trusted data environments (53%), and digital infrastructure (48%) (Figure 8). Beyond technical training, the interviewed leaders highlighted the need for stronger workforce skills, capability to lead change, and access to outside expertise.

Cyber, risk and resilience frameworks top the list of areas in which leaders want greater APEC cooperation, highlighted by 49% (Figure 9). Leaders also want more investment in digital infrastructure and interoperable governance and standards.

As one US consumer CEO points out, "deployment isn't a one-size-fits-all business" for those operating across borders. This is where forums like APEC are important in helping business and policymakers understand each other's needs and enable greater consistency.

Set against public debate that often casts AI in sharply contrasting terms, APEC business leaders are focused on practicalities. For them, the challenge is less about choosing between optimism and pessimism than about building judgement, controls, and the trust needed to put AI to work responsibly. There are growing calls for cybersecurity and AI governance to receive more attention from the main board, rather than remain primarily within the remit of audit and risk committees. At the same time, the potential for unpredictable agentic behaviour reinforces the need for stronger safety engineering and governance from the outset.

Figure 8: External enablers of AI value

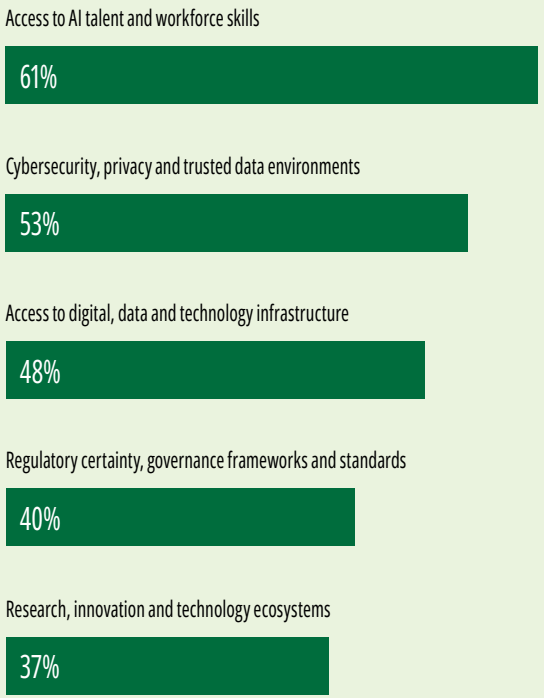
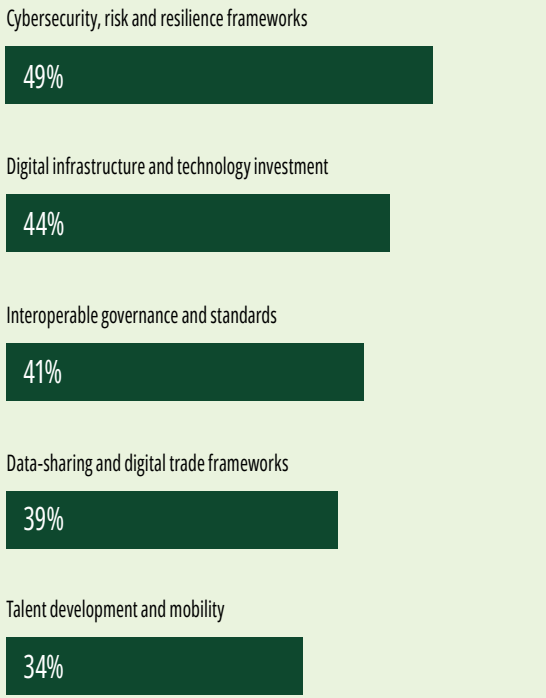


Figure 9: Opportunities for APEC cooperation



Safety engineering and governance can enable a company to move at pace, fuelled by trust. AI can create risks that current controls were rarely built for, like autonomy and alignment. The fix means redesigning how risk, legal, and compliance teams work together with the business, not simply adding new controls. Among leaders we interviewed, trust was described as a competitive advantage in itself.

Priorities shuffle with greater AI maturity: cyber cooperation is the key ask of 52% of Adopters. Among Compounders, a little over a third name it. Compounders also favour stronger collaboration in research and innovation than Adopters. For the most mature, security is where cooperation starts, not where it stops.

Leaders are awaiting these conditions, but they are also key to building them. Policy and regulation define how AI permeates; equally, so do conventions, leading practice, and the 'soft infrastructure' of culture and behaviour.

As execution runs ahead of settled policy, AI leaders are shaping both the expectations and standards against which they may later be judged and the business practices built on top of them.

Across the region, some matters unite economies; on others there is little consensus. Priorities represent different stages of adoption as well as differences in local expectations and context. Access to digital, data and technology infrastructure is seen by 80% of leaders in Malaysia as the biggest driver of value creation; just 33% in Japan agree. Access to AI talent is important across most economies, with particularly strong emphasis in Australia (71%), Japan (65%) and the US (63%). And while 66% in Indonesia cite governance and standards as most in need of cross-border APEC cooperation, just 25% of Thai leaders share that view.

The fact that there are no clear patterns by economy underlines that the sources of value are local. Some, like compute and energy, are hard infrastructure; others, like behaviours, expectations, and market norms, are soft.

Artificial intelligence can be bought. Human consensus must be built.



The CEO conundrum
Am I waiting for the conditions I need, or using my agency to help build for them?

Learning to unlearn

When intelligence is shared, what is the role of the leader?

Confidence at the top is not the same as certainty.

Around half the CEOs and senior executives interviewed spoke of their readiness for AI. Equally, around the same number shared real concerns about being disrupted by it. That these dissonant views coexist within the same leaders and in the same conversation is less a contradiction than an indication of self-awareness and honest judgement.

Accordingly, many of those interviewed, particularly those further along in their AI journey, described a fundamental organisational or business-model redesign already underway. Their confidence resides less in predicting where AI may settle than in building an organisation that tests, learns, and retains the agility necessary to correct course quickly when needed.

The levers they pull are not those of a machine, after all. Organisational advantage in the age of AI depends on qualities and characteristics that artificial intelligence may not provide: people's judgement, the unique knowledge the company holds, and the workflows that blend both optimally, sharpening and improving the flywheel at each turn. Together, these form a company's intelligence signature.

None of these factors is enough in itself. Helping to ensure that they continue to compound is work that leaders can do.

This, then, is the CEO's job in the age of AI: reimagining where and how people create value, redistributing the work between them and machines, and only then earning the returns through redesigned roles, heightened rewards for the enterprise and its people, and a culture that sees the change stick.

It can mean giving things up: cherished products, familiar hierarchies, and long-held assumptions. And it means slowing down.

Acting quickly before understanding the new work can erode a leader's agency, rather than preserve it. A Chinese financial services CEO noted, "We're not just applying AI … but thinking critically about the business model."

Not every company needs to remake itself. But leaders today need to test and ascertain their own readiness, while retaining the humility to admit what they don't yet know.

The task ahead for CEOs is broad, organisational, and personal all at once — and demands unlearning as much as learning.



The CEO conundrum
If the difference now comes down to me, what should I learn — and what should I let go?

Original Advantage

What sets a company — and a region — apart?

AI has become ubiquitous across APEC. The advantage it promises has not.

Most organisations have put AI to work; fewer have asked what it is for. A small number of Compounders are defining their answers; most aim at new value. The clue to their edge lies in the name given to their segment: each decision they make is sharpened by what came before it, each result feeds their next decision, and each move is a deliberate act of compounding self-improvement.

APEC has long brought together economies on both sides of the Pacific, at varying stages of development, working by consensus rather than by treaty. This is particularly apt for a technology that refuses to stand still.

Today's CEO needs a degree of geopolitical fluency in how they approach their decisions. Leaders see the greatest need for cooperation in practical areas: security, infrastructure, standards, and collaboration that no company or economy can build alone. Together, these underpin the region's common ground; the more expansive it is, the more freely companies can compete on what is original to them.

None of this involves a technology programme; it points, instead, to organisational change. Closing the gap between AI adoption and advantage is now a task each CEO should confront. It starts with a profound enquiry: What is our business for? What do we know that nobody else does? What do our customers want? Where do our people create differentiated value that a machine cannot? And who should own the decisions that carry consequence?

The answers point to a practical discipline: reimagine the work around what the organisation knows, before redesigning who, or what, performs that work.

The resulting return is the consequence, not the starting point. This corporate knowledge, the workflows that keep improving, and the judgement and wisdom of people, add up to something that vendors can't sell and that competitors can't copy: a company's intelligence signature, which only a CEO can write. As one Chinese automotive CEO puts it: "You yourself must become the chief AI learner."

History offers some comfort: past cycles rewarded those who anticipated them first, acted early and rebuilt around them. Yet leaders who look back without discomfort might not be looking closely enough.

AI can answer almost anything. But an answer is only as good as the question that prompts it — and questions are the human part. Says one Indian financial services CEO: "AI can answer questions; human judgement must define which problems are worth solving."

Left alone, a machine recycles its own answers — a closed loop, tireless, yet ultimately devoid of anything new. Ingenuity keeps the loop open; it's why people and machines belong in one workforce, working on the same problems rather than competing with each other.



The intelligence is artificial.
The advantage is original, rooted in what is uniquely human.

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The authors would like to thank Deloitte subject matter experts Chris Lewin and Pascal Siyuan Hua for their input into the development of the report.

The authors also thank Nitin Mittal for sharing insights and case studies from *Abundant Intelligence*, his forthcoming book with Mike Walsh, due for publication in January 2027.

Editorial support

The authors would also like to thank David Redhill for his writing and editorial contributions to the report.

Methodology

The CEO AI Leadership Report 2026, sponsored by Deloitte Asia Pacific, is based on a survey of 1,278 business leaders across 18 Asia-Pacific Economic Cooperation (APEC) economies and India.

While India is not an APEC member, it was included in recognition of its important role in the emerging AI ecosystem and strong links with APEC member economies. Respondents represent more than a dozen major industries and include large global enterprises, national leaders, and organisations at the forefront of innovation in emerging sectors. The survey was complemented by follow-up interviews with 50 CEOs and senior business leaders from organisations demonstrating advanced levels of AI adoption and integration.

The survey focuses on topics that matter to CEOs leading AI change within their organisations. CEOs and equivalent senior executives with overall leadership responsibility for their organisations, business units, or regions represented 46% of the sample. For readability, these respondents are collectively referred to as CEOs throughout this report.

The remainder of the sample comprises other C-suite and senior leaders with broad organisational oversight and a strong understanding of their organisation's AI strategy.

The survey consisted of 27 questions exploring respondents' views on their organisation, its AI strategy, the impact of AI on the business, and how leaders are guiding their organisations through AI-driven change. The in-depth interviews examined how leaders of organisations pursuing ambitious AI strategies are approaching the opportunities and challenges associated with deploying AI and transforming their businesses. Quoted responses are drawn from these interviews and survey responses, unless otherwise noted.

This report is based on the survey results, drawing on analysis across market, industry, and AI maturity segments, together with Deloitte contributors' perspectives on the implications of the findings and questions they raise. AI maturity was classified according to three criteria: the extent of AI deployment, the degree of change it is driving, and respondents' perceived competitive position. Value realisation was explicitly excluded from the classification criteria and was analysed separately as an outcome.

Revenue

46.6% >$1B USD

23.7% $250M – <$1B USD

29.7% <$250M

Ownership structure

52.3% For profit, privately held

47.3% For profit, publicly held

0.4% For profit, government owned

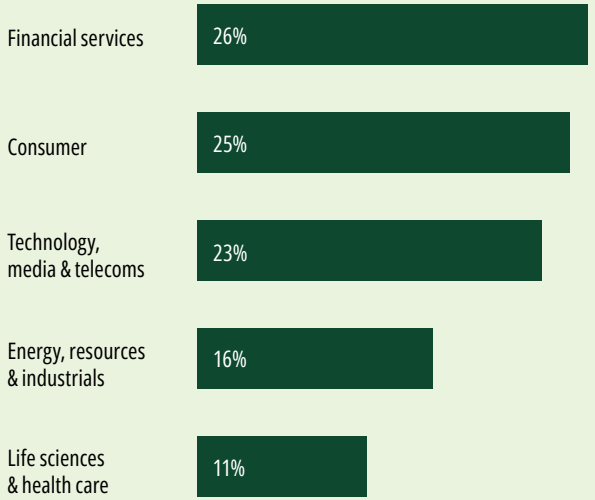
Employee count

45% 5,000+ employees

49% 100 – 4,999

6% 20 – 99

Industry

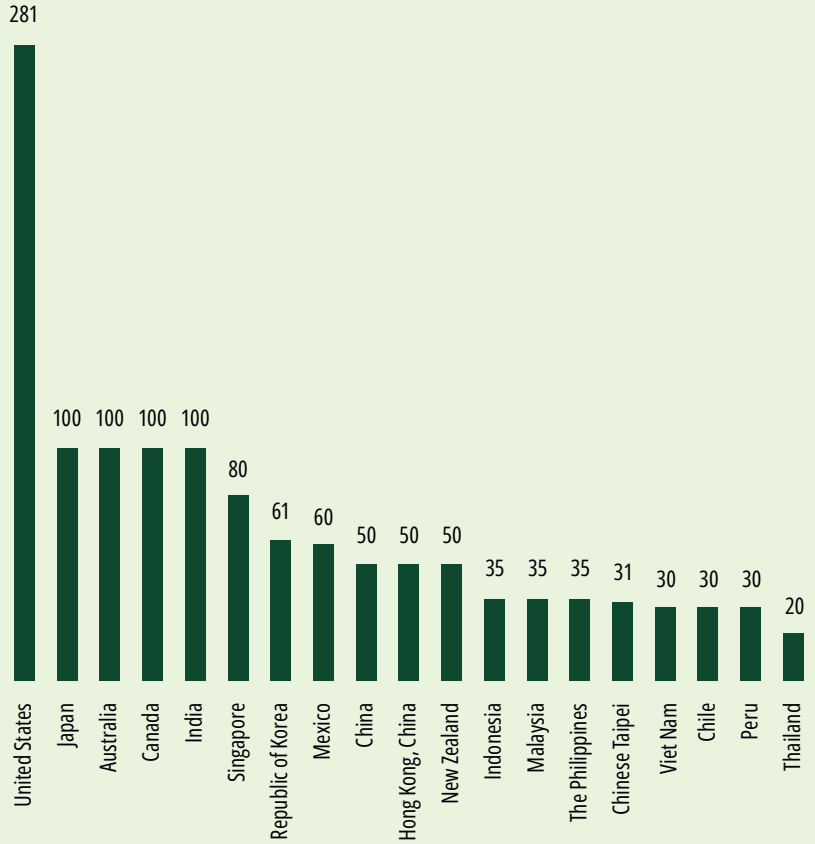


Title

45.9% CEO or CEO-equivalent[1]

54.1% Other C-suite/ senior executive

Geography



[1] CEO-equivalent relates to presidents, managing directors and c-suite in general management roles in geographies where the title is equivalent to CEO

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