

Summary of “Chinese AI Investment and Commercial Activity in Southeast Asia”

China’s government has urged domestic firms to expand into Southeast Asia’s fast-growing Artificial Intelligence (AI) markets. **This report examines the scope and nature of Chinese investment and commercial activities in Southeast Asia.**

In assessing Crunchbase investment data from 2010–2021, CSET found the following:

- **AI companies in Southeast Asia attracted \$7.3 billion across 648 deals. This accounts for less than 1 percent of total AI investment transactions globally, but development and investment in the region are gaining momentum.**
 - Singapore is by far the top destination for AI investment in Southeast Asia.
- **Chinese AI investment in Southeast Asia expanded between 2010 and 2021, but still trails the United States in terms of the number of transactions.**
 - U.S. investors participated in 33 percent of all AI investment transactions in Southeast Asia, while Chinese investors participated in 12 percent.
 - Chinese investors, however, have put down more capital than U.S. investors have.
 - Despite intensifying competition, Chinese and U.S. investors occasionally invest in the same AI companies.
- **Foreign investment has played an important role in funding growth and commercialization of AI across Southeast Asia.**
 - More than 60 percent of the investment transactions targeting AI companies in Singapore, the Philippines, Thailand, Indonesia, and Malaysia involved investors from countries such as the United States, China, Japan, Germany, and the UK.

Over the past decade, Chinese companies have also established a broad range of AI-related linkages with public and commercial entities across Southeast Asia. Assessing data from the Australian Strategic Policy Institute (ASPI), CSET has found:

- **Physical presence—including opening regional offices and building data centers and research labs—is the most common type of AI-related linkage.**
 - By expanding their economic and technological footprint in the region, Chinese companies are also gaining access to new talent, data and information.
- **AI-related linkages are concentrated in Singapore and, to a lesser extent, Thailand, Malaysia, and Indonesia.**
 - While Thailand’s AI companies have not received funding from Chinese investors, Chinese companies have pursued other AI-opportunities in the country, particularly selling surveillance equipment and collaborating on smart-city projects.

For more information:

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