

AIR APAC · Q1 2026 FINDINGS REPORT

Asymmetric Visibility

*The AIR APAC Mid-Market
Readiness Index, Q1 2026*

CENTER FOR AI READINESS — ASIA PACIFIC

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HOW TO READ THIS REPORT

How to read this report

This report publishes the Q1 2026 findings of the AIR APAC Mid-Market Readiness Index. Six findings are presented in sequence. Each finding is evidence-led and flagged with a confidence rating derived from the density of observable signals available for the companies that support it.

THE CONFIDENCE FRAMEWORK

Every company in the dataset is scored across nine binary signal checks plus a cross-layer validation. Three confidence tiers result:

- **High** (≥ 7 of 9 signal points): 28 companies (5.5%). Scores are reportable at company level and robust for benchmarking.
- **Medium** (4–6 of 9 signal points): 125 companies (24.5%). Scores are usable for tier assignment; interpret specific numbers with caution.
- **Low** (< 4 of 9 signal points): 357 companies (70.0%). Scores are retained for visibility but excluded from the Pacesetter tier; treat as directional only.

FULL SAMPLE VS CONFIDENT SUBSET

Findings are reported against the full 510-company sample, the confident subset (High + Medium, N = 153), or both. Each finding states its basis explicitly. Readers should not read the full-sample At Risk share in isolation: 70% of the sample is Low confidence and therefore excluded from Pacesetter eligibility by design.

WHAT THE INDEX MEASURES

The Index measures observable preconditions for AI adoption — digital infrastructure, talent capacity, and public strategic intent. It does not measure deployed AI systems or realised ROI. A high score indicates that a company is well-positioned to adopt AI; a low score indicates absence of the observable signals of readiness, not proof of absence of internal capability.

EXECUTIVE SUMMARY

Asymmetric visibility, by the numbers

CENTRAL FINDING

70% of mid-market APAC companies do not produce enough publicly observable signal to be assessed with confidence – the first-order finding of Q1 2026.

The headline readiness picture – a mean TRS of 17.3 across 510 companies, with 60% scoring At Risk – is not wrong, but it is incomplete. Within the 153 companies observable at High or Medium confidence, the mean TRS is 39.7 and the Pacesetter share is 33%. The full-sample picture and the confident-subset picture both tell the truth; they tell different truths.

Six findings at a glance

Source: AIR APAC, final_index_v3.csv, N=510.



Figure 0.1

FINDING 01 / THE SIGNAL GAP HIGH

70.0% of mid-market APAC companies are Low confidence. Information opacity is a readiness problem in its own right. A company that does not publish hiring activity, infrastructure signals, or strategic language cannot be distinguished from one that has not built readiness. The report treats visibility as a readiness behaviour.

FINDING 02 / WHERE READINESS IS LEGIBLE MEDIUM

Within the confident subset (N = 153), the distribution is **33% Pacesetter**, **65% Developing**, **1% At Risk**. Mean TRS is 39.7, not 17.3. This is the report's most important reframe: the full-sample picture is dominated by observability, not by underlying capability deficit.

FINDING 03 / ERP IS THE MODERNISATION GATE MEDIUM

Within the confident subset, **ERP score has the largest gap between Developing and Pacesetter (36.2 points, from 26.2 to 62.4)**. Infrastructure execution, not strategy narrative, is the clearest separator between tiers – commitment scores are directionally closer across the same two tiers (75.0 vs 86.3). The claim is comparative, not absolute: a small number of Pacesetters do not show a modern ERP signal, but the tier-level gap remains largest on ERP.

FINDING 04 / THE PIPELINE IS BROKEN AT EVERY TIER HIGH

94.5% of all companies score zero on AI hiring activity. High-confidence Pacesetters average 30.0 out of 100. The talent pipeline is weak at the top, not just the bottom. Organisations that have otherwise reached readiness are not investing in the pipeline that will sustain it.

FINDING 05 / THE GEOGRAPHIC DIVIDE HIGH

Australia combines a **25.9% Pacesetter rate with a 9.8% High-confidence rate**. Malaysia and Thailand combine a 2% Pacesetter rate with a 2% High-confidence rate. The APAC label conceals a roughly 13× readiness gap and a roughly 5× visibility gap. The divide is on both axes at once.

FINDING 06 / TWO SECTORS CARRY THE INDEX MEDIUM

Tech/Fintech (51%) and Financial Services (24%) account for 75% of all Pacesetters. Manufacturing's 88% At Risk rate partly reflects weaker observability of shop-floor AI activity – but the confident-subset picture does not erase the gap.

IMPLICATIONS FOR BOARDS

Three questions this quarter

- 1. Where does our organisation sit on visibility?** If our public signal density would place us in the 70% Low-confidence population, that is itself a finding. Visibility is the first lever — and the one most within a board's direct authority.
- 2. Does our infrastructure pass the ERP gate?** Within the confident subset, ERP modernisation is the largest single tier separator. Boards evaluating their own readiness posture should ask the question directly: is our ERP signal consistent with Pacesetter-tier peers?
- 3. Is our hiring activity visible at all?** At every tier, hiring signal is the weakest component. It is the cheapest to act on and the easiest to measure. A board that authorises specialist AI hires quarterly, visibly, will be observable before the first hire starts.

NOTE

The full findings are developed in Part II. Part III translates them into a diagnostic the board can apply this quarter. The Index itself — with the scored dataset, the full dimension profile, and the signal-level audit trail — will be published as the annual Year 1 flagship later in 2026.

What the Index measures

The Total Readiness Score (TRS) is a composite 0–100 score built from three observable proxy layers — Digital Footprint (25%), Talent Capacity (45%), and Strategic Intent (30%). Each layer combines two signals drawn from public and semi-public data sources: cloud and ERP detection on the Digital side; talent density and hiring activity on the Talent side; LLM-scored narrative and digital commitment on the Strategy side.

The Index does not measure deployed AI systems, realised ROI, or internal capability depth. A high TRS indicates that the preconditions for AI adoption are in place; a low TRS indicates absence of observable readiness signal, not proof of absence of internal capability. This distinction is important in a region where a meaningful share of AI activity is internal to corporate groups, conducted in non-English languages, or embedded in proprietary operational systems that do not produce public signal.

PROXY LAYER → SIX DIMENSION MAPPING

AIR APAC's published methodology specifies six dimensions of organisational readiness. The three proxy layers used by this Index map to those dimensions as follows. Two dimensions — Governance & Ethics and Culture & Change Capacity — are not directly observable in the current proxy set; this is stated upfront and reflected in the confidence framework.

PROXY LAYER	OBSERVABLE SIGNALS	MAPPED DIMENSIONS
Digital Footprint	Cloud + ERP detection	Data Readiness; Process Maturity
Talent Capacity	AI/data talent density; hiring activity	Skills & Capability
Strategic Intent	Narrative; digital commitment	Leadership & Vision
— under-observed —	— no direct proxy —	Governance & Ethics; Culture & Change Capacity

The confidence framework

Every company is evaluated against nine binary signal checks and a cross-layer validation. The check set includes cloud detection, ERP detection, AI/data talent count > 0, IT/digital staff count > 0, job postings found, company news/press content, company about-page content, Google search returning relevant results, and CEO/Founder identification. The cross-layer check — a company cannot reach High confidence on narrative alone without corroborating infrastructure or talent evidence — prevents “ghost” entities from inflating the Index.

Confidence tier distribution, full sample

Source: AIR APAC, final_index_v3.csv, N=510.

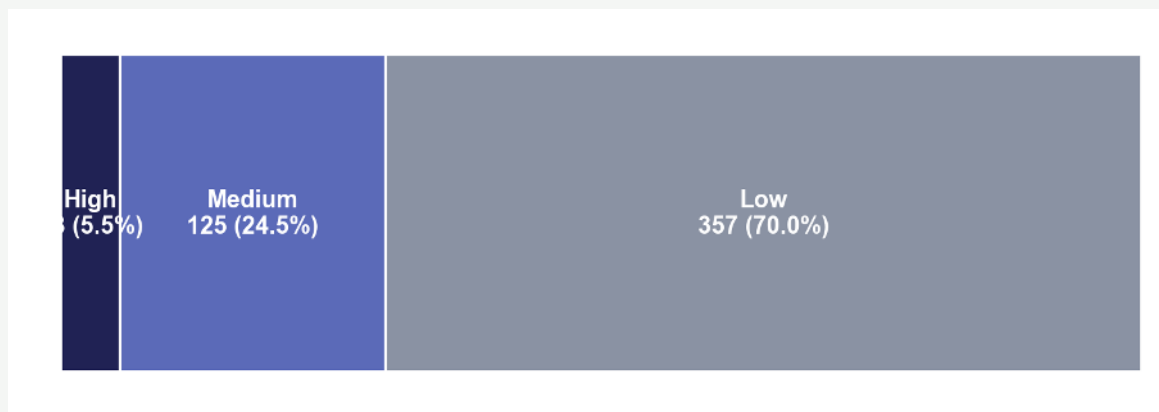


Figure 2.1

The three confidence tiers warrant different reading. **High** confidence (28 companies, 5.5%) supports company-level claims. **Medium** confidence (125 companies, 24.5%) supports tier assignment and cohort-level comparison. **Low** confidence (357 companies, 70.0%) is retained as a visibility record and excluded from the Pacesetter tier by design.

The Low-confidence population is not a residual; it is the report's primary structural finding, developed in §4. The share is too large to treat as a methodology footnote.

Q1 2026: data vintage & scope

Data for this edition was collected through the end of March 2026 and is published in April 2026. The scored cohort covers **510 mid-market companies** across five APAC markets (Australia, Singapore, Indonesia, Malaysia, Thailand) and six sectors (Tech/Fintech, Financial Services, Manufacturing, Logistics/Supply Chain, Professional Services, and Retail/E-commerce).

EXPLICIT EXCLUSIONS

The Index excludes enterprise-scale companies (revenue above US\$500M, valuation above US\$1B, or regional subsidiaries of global conglomerates) and SME-scale companies (below ~US\$50M revenue or below 200 employees). The geographic scope excludes mainland China, Japan, South Korea, India, Vietnam, and the Philippines. This is a deliberate five-market mid-market claim, not a pan-APAC claim.

WHAT “MID-MARKET” MEANS HERE

Mid-market is defined as companies with approximately 200–2,000 employees and US\$50M–US\$500M in annual revenue, not classified as enterprise-scale by funding or valuation. The Index's data-quality screening applies fourteen exclusion categories to enforce this definition. The resulting cohort is the segment most underserved by existing AI readiness research — too mature for free government programmes, too lean for large consultancy engagements.

01

FINDING 01 · THE SIGNAL GAP

Most of the APAC mid-market is illegible to the tools used to measure it

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70.0% of mid-market APAC companies do not produce enough publicly observable signal to be assessed with confidence.

This is the first-order finding of the Q1 2026 Index. It is both a result and a condition of the other five findings. Of the 510 companies scored, 357 (70.0%) are Low confidence: their signal density across nine cross-layer checks falls below the threshold at which tier placement or company-level comparison is warranted. A further 125 companies (24.5%) are Medium confidence, and 28 (5.5%) are High confidence.

These are not scoring failures. The pipeline ran to completion for every company in the sample; the underlying signals simply were not present at a density that supports confident assessment. A company that does not post specialist AI roles publicly, does not surface a detectable cloud or ERP stack, and does not publish AI-adjacent strategic language on its public channels does not appear differently from a company that is genuinely unprepared.

Why information opacity is a readiness problem

The intuition that the Low-confidence population is a data problem rather than a readiness problem is worth examining. It presumes that public visibility is incidental to readiness — that a company's public AI signal is unrelated to its internal AI capability. The evidence in this Index does not support that intuition.

Companies with systematic AI-readiness activity tend to produce signal. They hire visibly, because specialist hiring at this scale is a competitive act. They publish language that articulates how AI fits their strategy, because boards expect it and because investors, customers, and regulators read it. They adopt infrastructure that is detectable because the infrastructure itself is public-facing. Visibility is a readiness behaviour.

The converse is also true. A company that has done little but speaks about it often can produce Medium or occasionally High confidence. This is the case the confidence framework's cross-layer check is designed to catch: narrative alone, without corroborating infrastructure or talent evidence, is forced to Low confidence. The framework does not assume signal is the same as readiness. It assumes readiness produces signal and that the absence of signal is informative.

Confidence distribution by market

Source: AIR APAC, final_index_v3.csv.

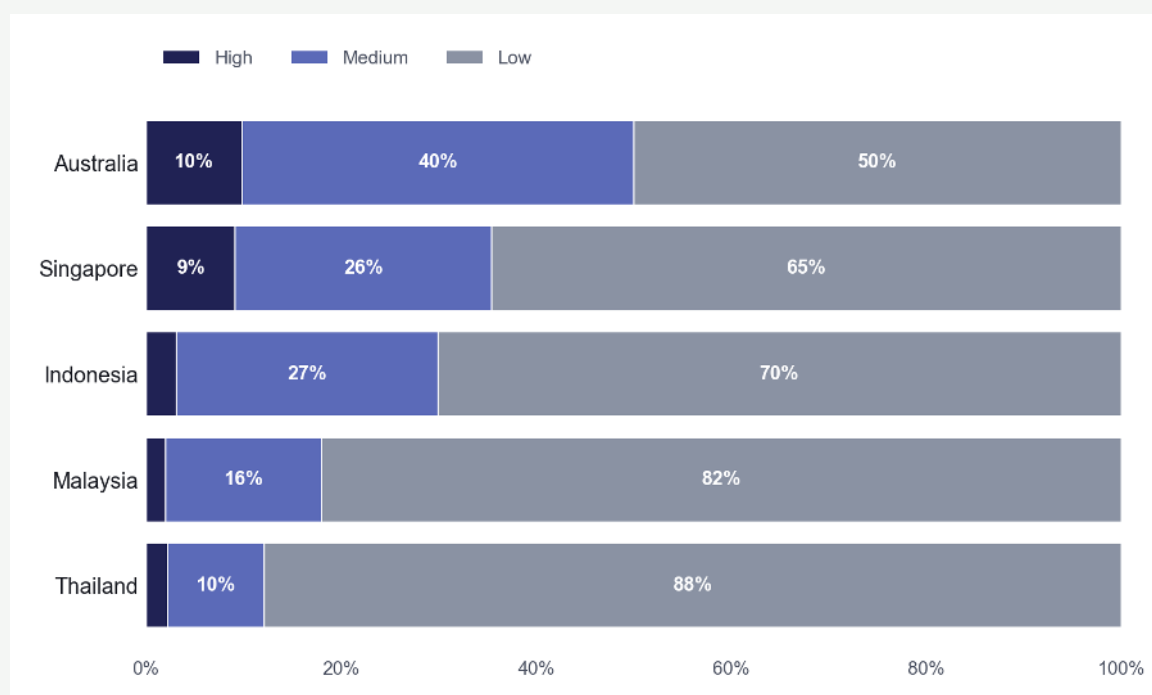


Figure 4.1

The gap is structural, not incidental

Low-confidence rates differ across markets and sectors in ways that correspond to known structural features of the region. Markets with non-English-dominant digital ecosystems (Indonesia, Thailand), with chaebol- or keiretsu-style internalisation of corporate activity, or with weaker adoption of Western professional platforms show substantially higher Low-confidence rates than Australia and Singapore. Sectors with internal or shop-floor AI deployment (Manufacturing, Logistics) show higher Low-confidence rates than sectors with public-facing digital operations (Tech/Fintech, Financial Services).

Confidence distribution by sector

Source: AIR APAC, final_index_v3.csv.

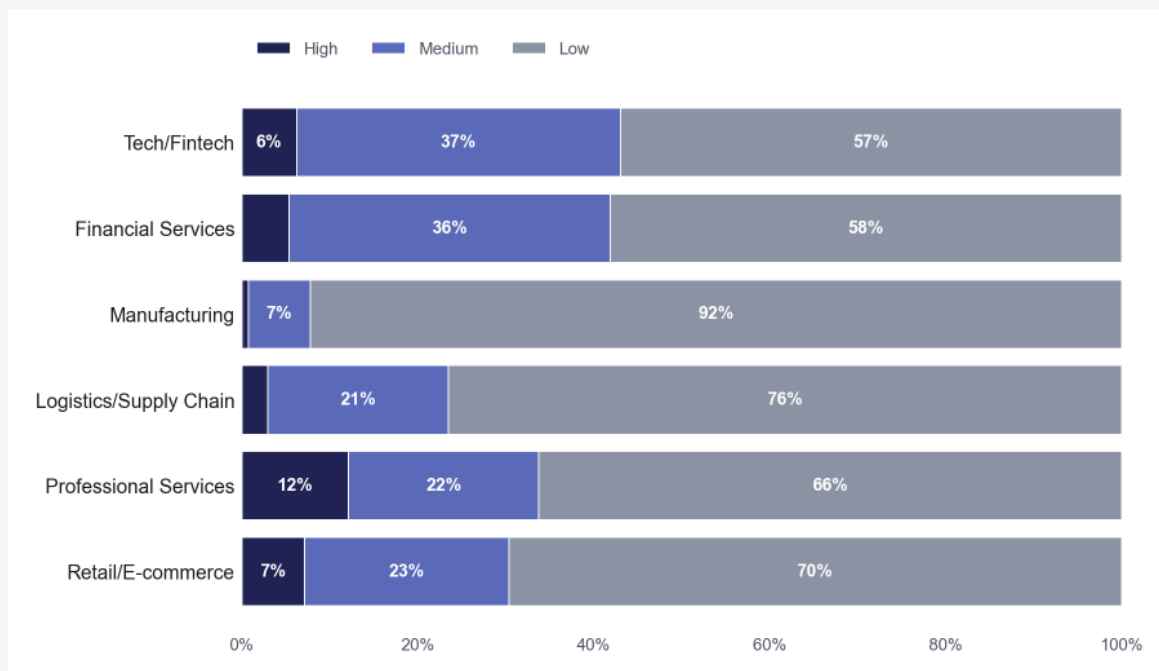


Figure 4.2

These patterns are not a criticism of the affected companies. They are a caution against reading the Index's tier distribution as a pure capability ranking. The rest of this report develops two lines of finding in parallel: what the confident subset shows about readiness where it is legible, and what the Low-confidence share reveals about the shape of mid-market APAC as a market.

Implication

For boards, the Signal Gap is a diagnostic before it is a score. A board that suspects its organisation would be in the Low-confidence population should treat that as a live finding: there is a gap between what the organisation is doing and what the market can see. Visibility is controllable. It is one of the cheapest corrective actions available to a board of directors at the mid-market scale.

For PE diligence teams, the Signal Gap implies that any APAC mid-market sourcing pipeline built on single-vendor Western platforms will systematically miss the Indonesian and Thai segments, as well as a meaningful share of the Malaysian mid-market. Multi-source intelligence is the minimum requirement for accurate coverage.

For policy counterparts, the Signal Gap implies a sequencing question: in markets where the mid-market is not yet visible to measurement, data infrastructure investment precedes – and is a condition of – targeted capability programmes.

METHODOLOGY

The remaining findings in this report are argued against the confident subset (High + Medium, N = 153) unless explicitly stated otherwise. The full-sample tier distribution is reported in §5 alongside the confident-subset reframe.

02

FINDING 02 · WHERE READINESS IS LEGIBLE

The confident subset tells a substantially different story

The confident subset tells a substantially different story

Within the 153 companies observable at Medium or High confidence, the distribution is 33% Pacesetter, 65% Developing, 1% At Risk. Mean TRS is 39.7, not 17.3.

Read in full-sample form, the Index looks like a mid-market-wide readiness deficit. 60% of companies score At Risk. The mean TRS is 17.3. These are the numbers that travel easily in headlines. They are correct as a description of the full sample, and they are the wrong anchor for a diagnostic conversation about the APAC mid-market as a market.

Within the confident subset — the 153 companies with signal density sufficient to support tier assignment — the picture reorganises. One in three observable companies has crossed the Pacesetter threshold. The mean TRS of 39.7 sits well above the full-sample mean and below the Pacesetter threshold, but the distribution is not dominated by the At Risk cluster that drives the full-sample mean. At Risk is rare in the confident subset — a handful of companies, not a majority.

What the reframe is and is not

The reframe is not a correction: the full-sample picture is not wrong. It is the correct description of what the Index can observe across the full cohort. The reframe is a caution against reading that picture as a capability ranking. The confident subset is the subset for which tier-level capability comparison is warranted. The full sample is the subset for which visibility is the dominant variable.

The reframe is also not a claim that the confident subset is representative. It is not. Companies are more likely to be in the confident subset if they operate in Australia or Singapore, if they are in Tech/Fintech or Financial Services, and if they have public-facing digital operations. The subset tilts toward the most legible part of the mid-market. It remains the appropriate cohort for tier-level claims.

TRS distribution, full sample vs confident subset

Source: AIR APAC, final_index_v3.csv.

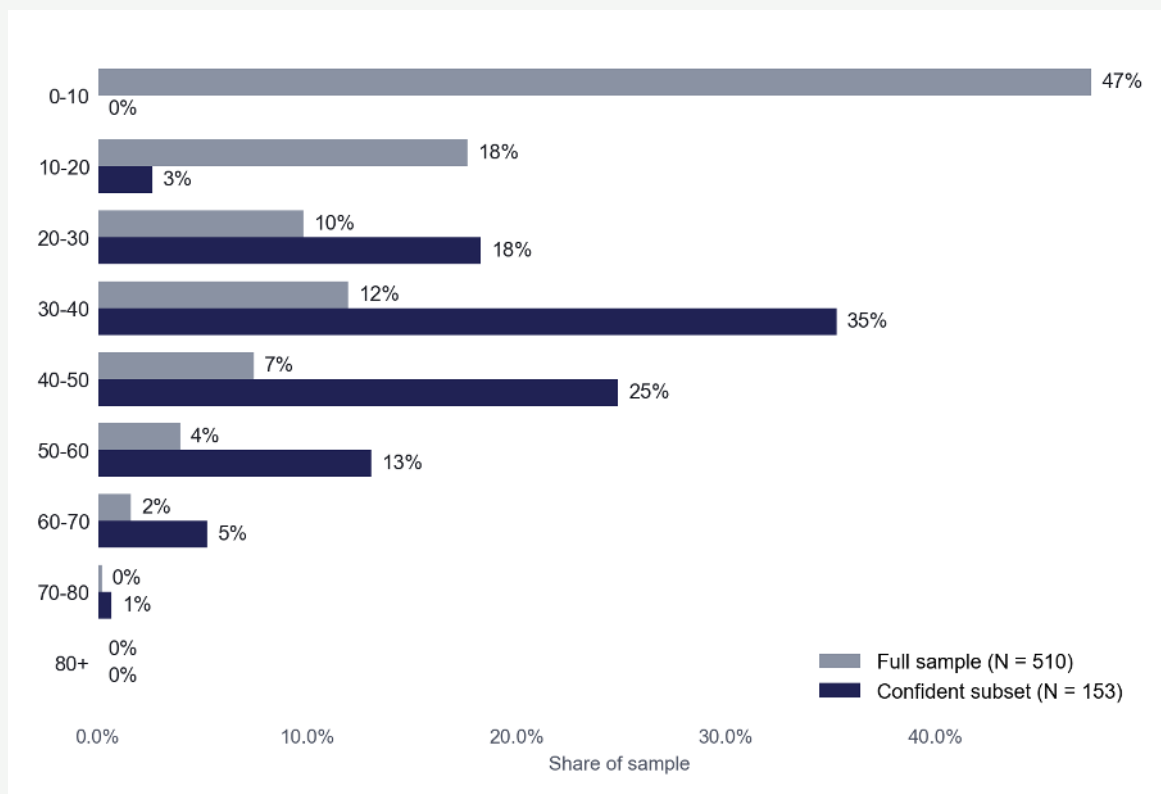
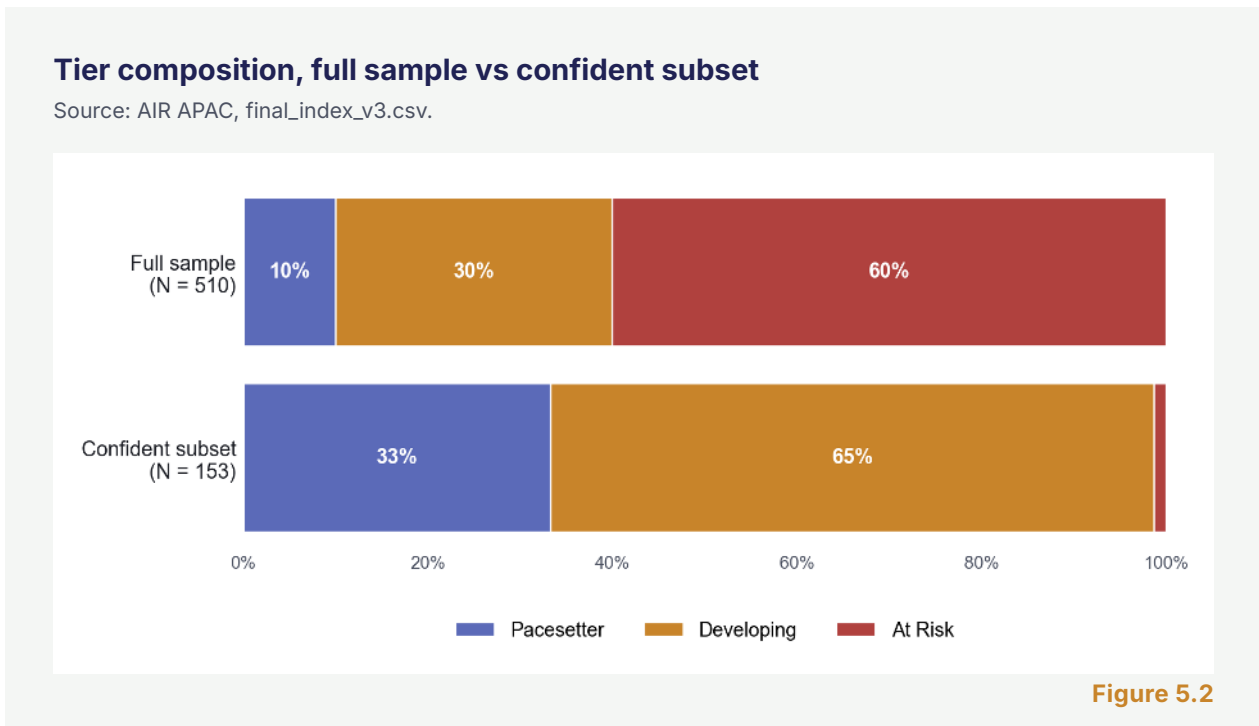


Figure 5.1

The tier composition reframe

The two pictures side-by-side make the sampling effect concrete. In the full sample, the At Risk tier is the modal tier. In the confident subset, Developing is the modal tier; At Risk is near-empty. Pacesetter share approximately triples. This is not because companies changed. It is because the subset is defined by signal density, and signal density correlates with readiness by construction of the framework.



No company in the confident subset scores above 73. The confident subset's mean remains below the Pacesetter threshold. The reframe is not that the mid-market is ready; it is that within the observable part of the market, a third of companies are already past the line where Pacesetter-tier activity is defensibly claimed.

Implication

Two reading protocols follow. For boardroom diagnostics – the question “where do we sit relative to our direct peers” – the confident subset is the reference cohort. For market- and policy-level claims – the question “what is the state of the APAC mid-market as a measurement object” – the full sample is the correct reference.

The tension between the two pictures is not resolvable by picking one. It is resolvable by reporting both honestly, which is what the rest of this report does.

NOTE

The following finding (ERP) examines the structural gap between Developing and Pacesetter within the confident subset. The one after that (Broken Pipeline) returns to the full sample, where the evidence is uniform across confidence tiers.

03

FINDING 03 · ERP IS THE MODERNISATION GATE

ERP is the modernisation gate

Infrastructure execution separates tiers more clearly than strategy narrative

Within the confident subset, ERP score has the largest gap between Developing and Pacesetter (36.2 points, from 26.2 to 62.4).

Strategy narrative, commitment language, cloud adoption, and even talent density all differ between Developing and Pacesetter companies in the confident subset. On every dimension, Pacesetters score higher than Developing companies, as one would expect from the construction of the Index. The question this finding answers is not whether Pacesetters score higher — they do by definition — but which dimension carries the largest share of the separation.

The answer, in the Q1 2026 data, is ERP. The Developing mean is 26.2 and the Pacesetter mean is 62.4. No other dimension shows a comparable tier-level gap. Commitment, by way of contrast, moves from 75.0 to 86.3 — an 11.3-point gap, about a third of the ERP gap.

Dimension means by tier, confident subset

Source: AIR APAC, final_index_v3.csv.

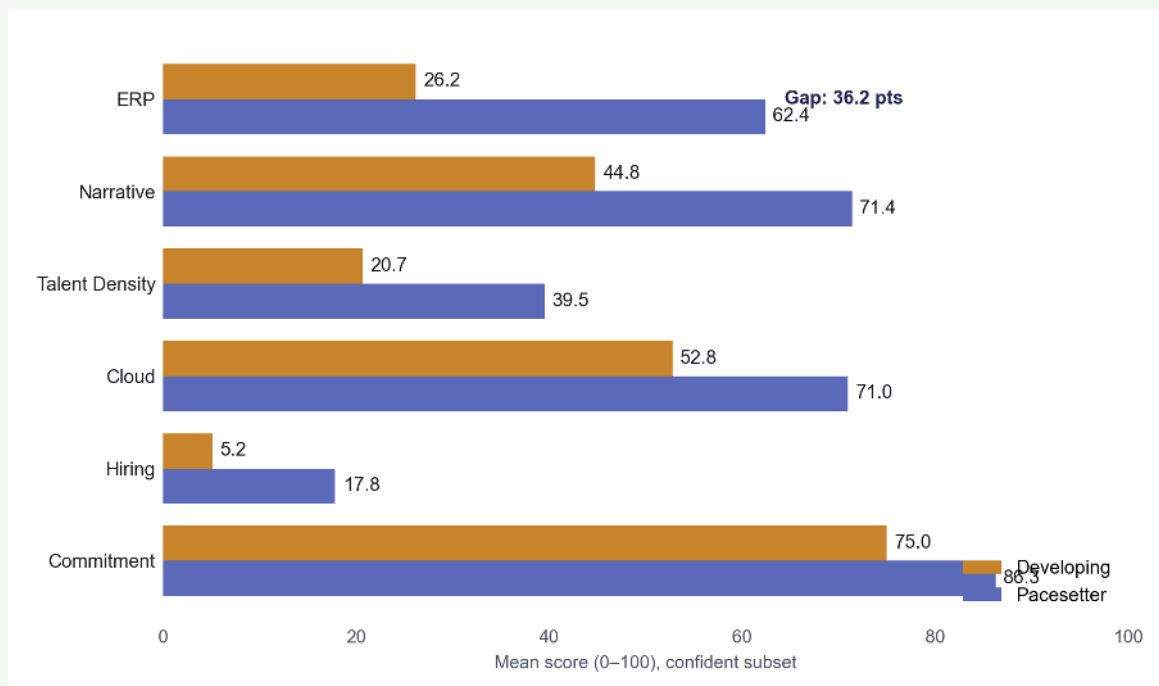


Figure 6.1

Why ERP and not strategy language

The finding is deliberately stated as comparative rather than absolute. A small number of Pacesetters in the confident subset do not show a modern ERP signal. The framework does not claim that ERP modernisation is a necessary condition for Pacesetter status; it claims, narrowly, that the tier-level mean gap on ERP is the largest of the six dimensions tested. The framing matters because a stronger claim would be tautological against the Index's own weighting, and a weaker claim would obscure the substantive finding.

The reading has a straightforward interpretation. Strategy language is cheap to produce and expensive to verify. A Developing-tier company can publish executive AI narrative at a level that approaches Pacesetter quality without having built the underlying infrastructure. ERP is expensive to signal. Modern ERP deployments are multi-year capital commitments with identifiable public signatures: system-integration hires, platform partnership announcements, detectable HTTP footprints. The gap on ERP is hard to fake.

ERP score distribution by tier, confident subset

Source: AIR APAC, final_index_v3.csv.

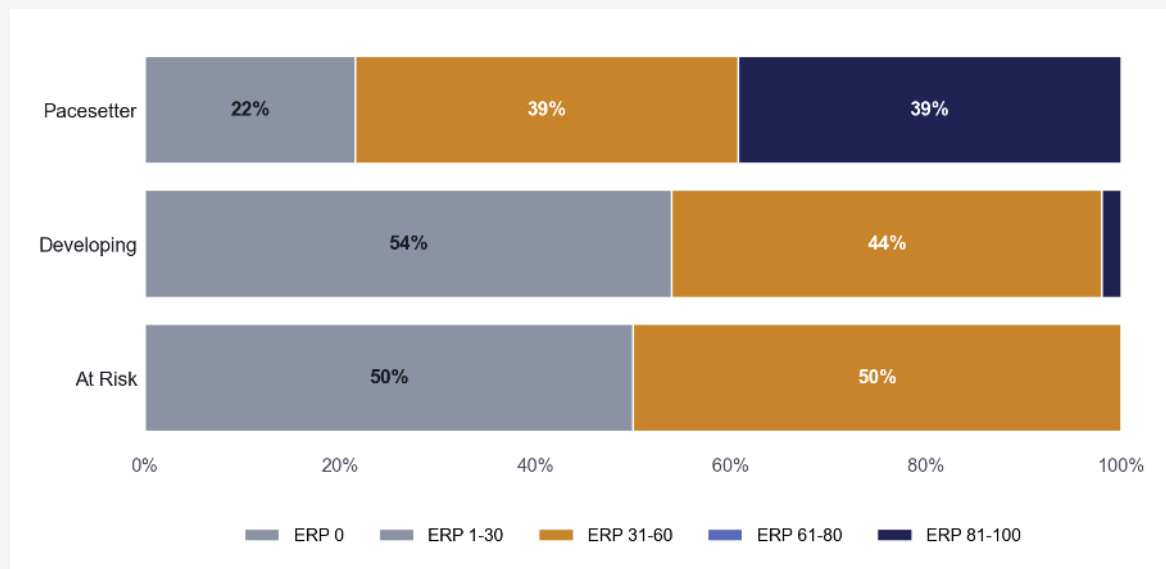


Figure 6.2

Implication

For boards at Developing-tier companies, the finding is an action recommendation the rest of the report does not contain: the ERP stack is the place to look for the gap. Not the strategy deck, not the commitment language on the website. The narrowest and most defensible Pacesetter-separator in the observable data is infrastructure execution. This is also the most fundable intervention: ERP modernisation has established vendor frameworks, established financing structures, and board-level precedent.

For PE firms evaluating APAC mid-market targets, the finding suggests a diligence ordering. Observable ERP signal is a stronger predictor of tier than strategy narrative, and it is more verifiable with standard diligence techniques. A target that shows strong narrative but thin ERP signal should face the question of what would close the gap and on what timeline.

CAVEAT

This finding is a within-subset claim on confident data, not a restatement of how TRS is constructed. The ERP signal sits inside the Digital Footprint layer at 12.5% of TRS weight; the tier-level gap is observable net of the weighting.

04

FINDING 04 · THE PIPELINE IS BROKEN AT EVERY TIER

Even the top tier is under-hiring

Even the top tier is under-hiring

94.5% of all companies score zero on AI hiring activity. High-confidence Pacesetters average 30.0 out of 100.

This is the report's highest-confidence finding. Unlike the other five, it holds uniformly across the full sample and across confidence tiers. The pattern is not an artefact of the Low-confidence population; it is present in the companies where the Index can see clearly, and it is present at the top of the tier distribution.

Of 510 companies scored, 482 produce zero observable hiring signal on AI, data, or digital specialist roles.

HIGHEST CONFIDENCE FINDING

Tier-level hiring means: Pacesetter 17.8, Developing 3.7, At Risk 0.0. Even in the best-observed population — high-confidence Pacesetters — the mean is 30.0 out of 100.

Hiring score by tier, full sample

Source: AIR APAC, final_index_v3.csv.

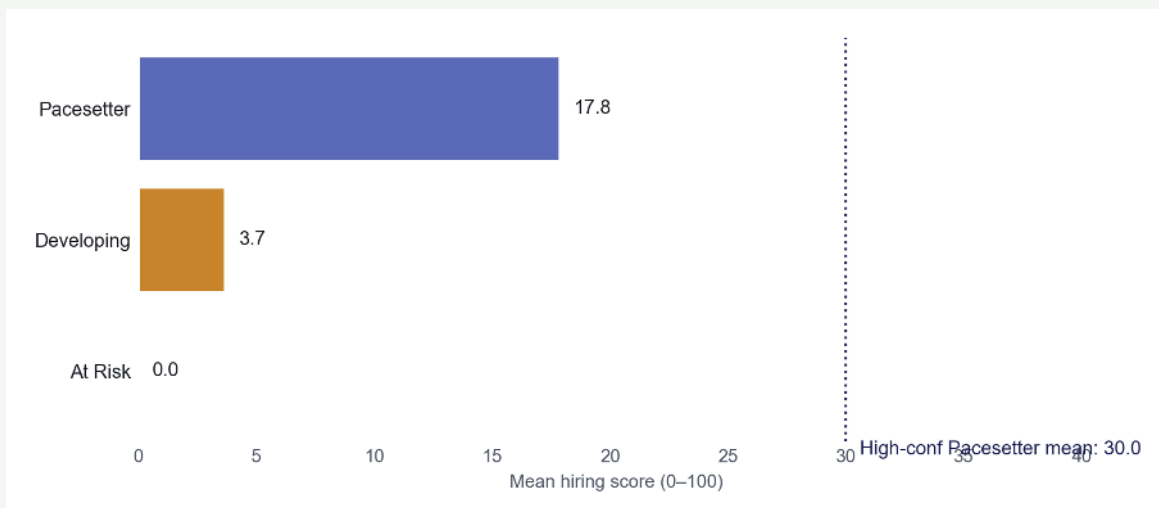


Figure 7.1

Stock versus flow

The hiring-score distribution invites a natural question: is the low signal a measurement artefact? Is AI hiring simply happening somewhere the pipeline does not see? The evidence in the Index does not support that reading. The hiring signal and the talent-density signal – two independent measures, capturing flow and stock respectively – move together across tiers. Where talent density is higher, observable hiring is higher. The pattern is internally consistent.

Talent stock vs talent flow by tier, full sample

Source: AIR APAC, final_index_v3.csv.

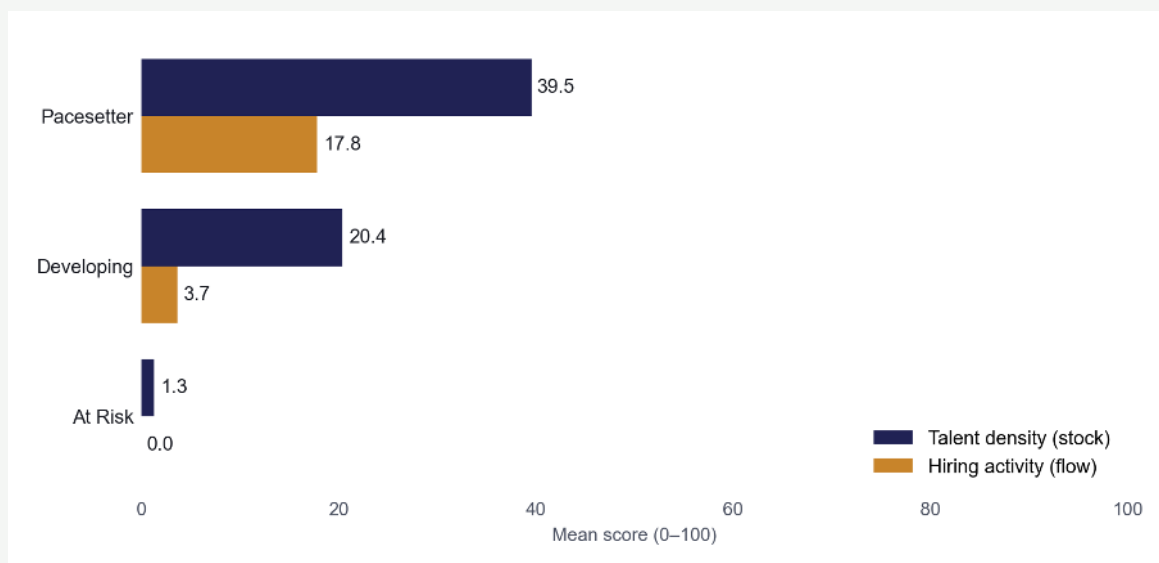


Figure 7.2

The interpretation is that the pipeline is weak at the top, not only at the bottom. Organisations that have built other preconditions for AI – infrastructure, strategic language, operating commitment – are not meaningfully investing in the specialist hiring that sustains those preconditions over time. This is inconsistent with an internal-readiness interpretation of the Index. A Pacesetter that is not hiring specialists is a Pacesetter whose lead is not being compounded.

Implication

For boards, this is the cheapest of the three diagnostic questions posed in the executive summary, and it is the most within board authority. Authorising specialist AI hires quarterly is an action a board can take directly, without capital expenditure cycles, without vendor evaluation, and without organisational restructuring. Visible hiring activity also has a second-order effect: it signals to the market, to talent networks, and to regulators that the organisation is executing.

For policy counterparts, the finding argues against waiting for the private sector to close the talent gap unprompted. The scoring pattern – weak pipeline signal at every tier – suggests that the market-supply expectation is not being fulfilled. Government intervention on skills supply is warranted even for the segment of the mid-market that has otherwise reached readiness.

CONTEXT

At the ecosystem level, no APAC market scores above 65 on the AI Talent Pool dimension in the 12-market landscape (see the AIR APAC white paper). The finding here is the mid-market counterpart to that ecosystem observation.

05

FINDING 05 · THE GEOGRAPHIC DIVIDE

The divide is on two axes at once

The divide is on two axes at once

Australia combines a 25.9% Pacesetter rate with a 9.8% High-confidence rate. Malaysia and Thailand combine roughly 2% on each axis.

Mid-market AI readiness varies by market in ways that are stable across the confident subset and the full sample. Australia leads on both readiness and visibility. Singapore sits second on both. Indonesia is third. Malaysia and Thailand trail on both.

The gap is larger than a single-axis reading suggests. On the readiness axis (Pacesetter rate), Australia leads Malaysia and Thailand by roughly 13×. On the visibility axis (High-confidence rate), Australia leads Malaysia and Thailand by roughly 5×. The APAC label conceals both gaps.

Readiness and visibility by market, full sample

Source: AIR APAC, final_index_v3.csv.

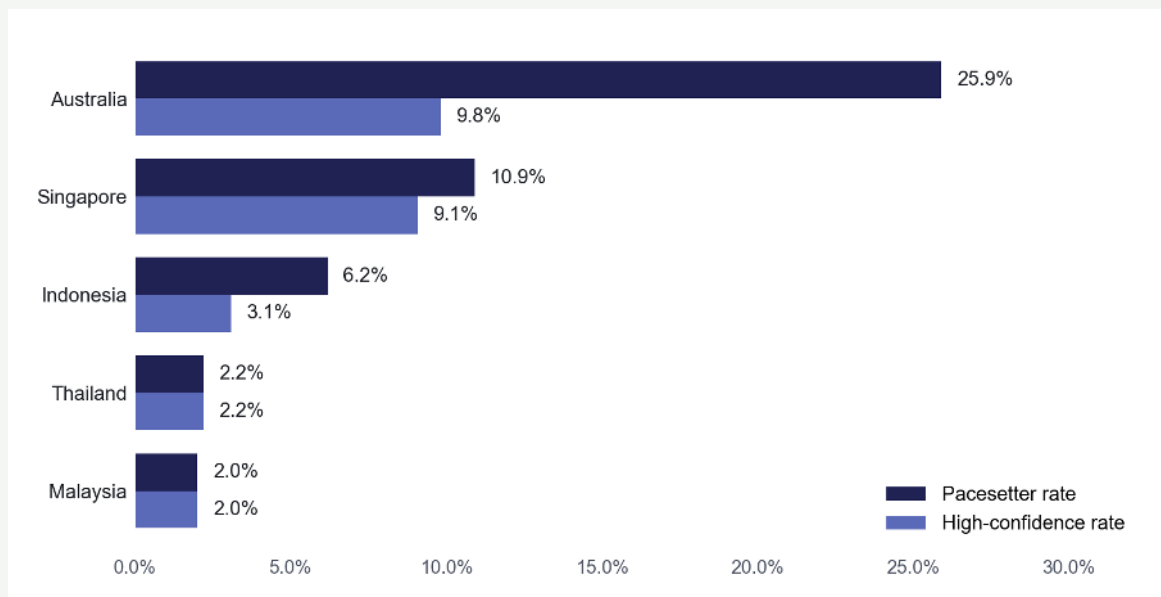


Figure 8.1

Counter-examples, by name

The market-level picture does not mean that Malaysia and Thailand have no Pacesetters. They do. Malaysia's Pacesetters at Medium+ confidence are Pentamaster Corporation Berhad (Official) and ViTrox Corporation Berhad. Both are manufacturers, a sector that otherwise scores weakly on the Index. Thailand's Pacesetters at Medium+ confidence are Omise and Muang Thai Life Assurance Public Company Limited. Both are in Financial Services.

These counter-examples do three things. They ground the aggregate-level finding in identifiable companies. They indicate that the sector-level Manufacturing finding (\$9) has confidence-subset exceptions that should not be collapsed into a blanket reading. And they illustrate that the Geographic Divide is structural rather than deterministic: a mid-market company in Malaysia or Thailand can reach Pacesetter with visibility; it is harder, and they are rarer.

MARKET-LEVEL SUMMARY

MARKET	N	PACESETTER RATE	HIGH-CONF RATE	MEAN TRS
Australia	112	25.9%	9.8%	27.0
Singapore	110	10.9%	9.1%	19.1
Indonesia	97	6.2%	3.1%	17.1
Malaysia	100	2.0%	2.0%	11.3
Thailand	91	2.2%	2.2%	10.0

Implication

For international comparisons of APAC mid-market readiness, the relevant question is not which market “wins” but which instruments to apply at each point on the two-axis distribution. A market high on both axes (Australia) supports capability interventions directly. A market high on visibility but lower on readiness (Singapore) supports the same instruments in a more demanding cohort. A market low on both (Malaysia, Thailand) needs visibility investment as a precondition – localised data infrastructure, non-English signal coverage, localised hiring platforms – before capability programmes can be targeted with confidence.

Development agencies, ASEAN-level working groups, and bilateral donors operating across the region should treat the two axes as separately actionable. Conflating the two – funding capability programmes in markets where the mid-market is not yet visible, or funding data infrastructure in markets where visibility is already adequate – misallocates public investment.

06

FINDING 06 · TWO SECTORS CARRY THE INDEX

**Pacesetters are sector-concentrated,
and the gap is partly observability**

Pacesetters are sector-concentrated, and the gap is partly observability

Tech/Fintech (51%) and Financial Services (24%) account for 75% of all Pacesetters. Manufacturing's 88% At Risk rate partly reflects weaker observability of shop-floor AI activity — but not entirely.

Of the 51 Pacesetters in the full sample, 26 are in Tech/Fintech and 12 are in Financial Services. The remaining four sectors together contribute the balance. This is sector concentration at a level that shapes how the Index reads as a whole.

Share of Pacesetters by sector, full sample

Source: AIR APAC, final_index_v3.csv.

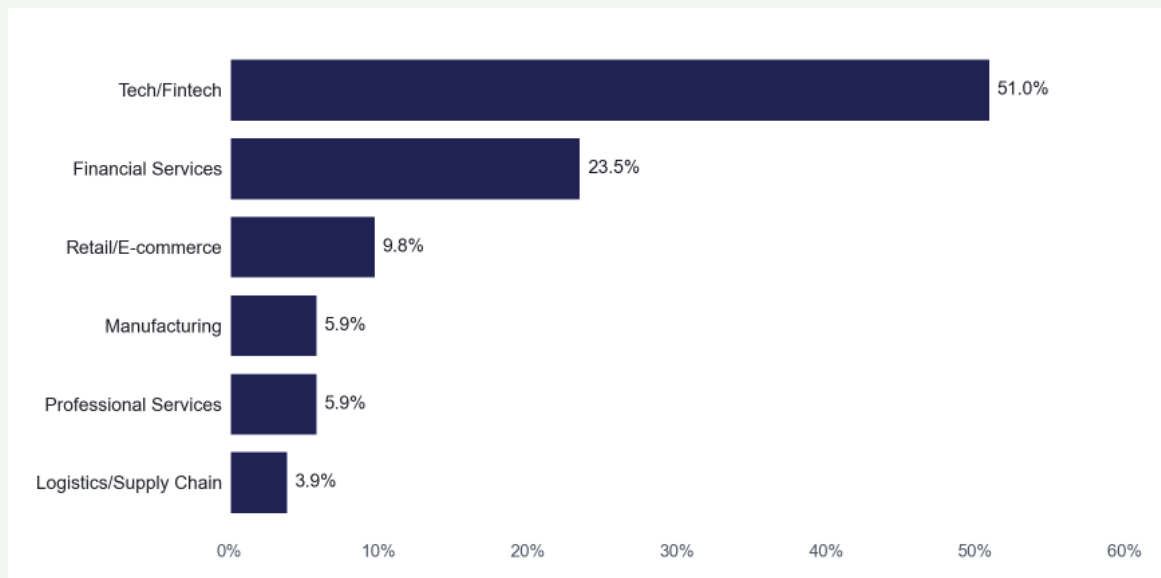


Figure 9.1

The Manufacturing visibility caveat

The inverse view — At Risk rate by sector — shows Manufacturing and Logistics as the sectors with the highest share of At Risk companies. This is where the finding needs a careful qualifier. Manufacturing deploys AI on shop floors and in supply-chain optimisation. Logistics deploys it in routing, demand planning, and vehicle systems. Both produce fewer public signals than Fintech deployments, which are customer-facing and competitively visible by construction.

At Risk rate by sector, full sample

Source: AIR APAC, final_index_v3.csv.

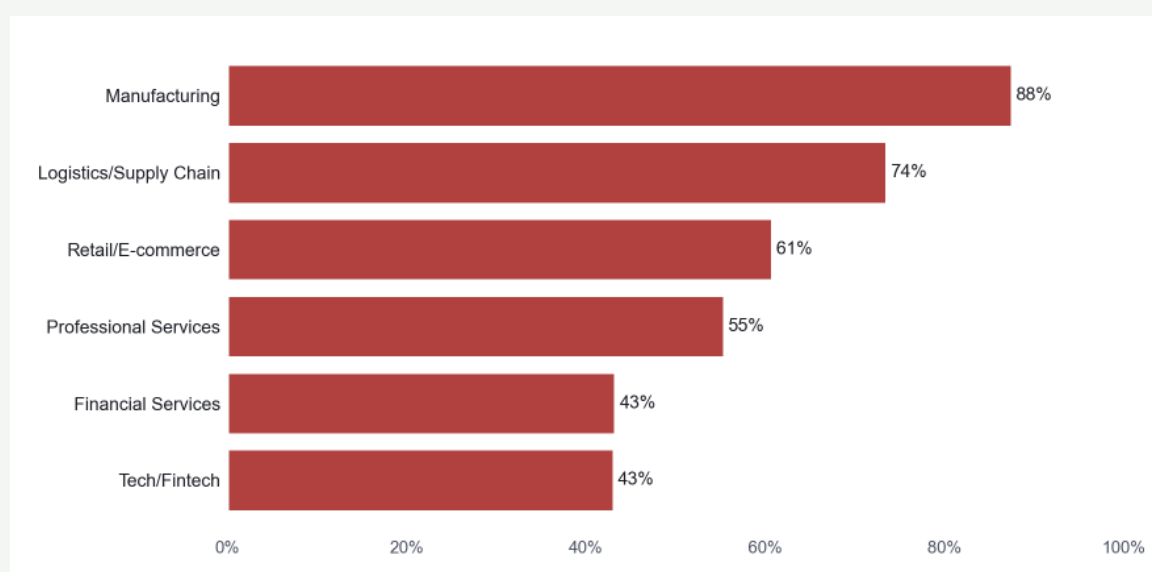


Figure 9.2

The visibility caveat does not erase the sector gap. The Manufacturing picture in the confident subset remains weaker than Tech/Fintech. But it narrows the gap, and it argues against reading the sector table as a pure capability ranking. Industrial deployment that is internal to operations is harder to observe from public signal, not necessarily weaker.

The two counter-examples from Finding 5 matter here. Malaysia's Pacesetters are both manufacturers. Their presence in the confident subset demonstrates that industrial AI deployment can surface in the observable signal set when the company's public activity supports it.

Implication

For sector-specific policy programmes, the finding implies two distinct design questions. In Tech/Fintech and Financial Services, the instrument set that works is the standard capability programme: targeted skills funding, regulatory sandboxes, sector-specific benchmarks. In Manufacturing and Logistics, a preceding question applies: how do we make internal industrial AI deployment observable in ways that support measurement and targeting? This is a design challenge for industrial telemetry reporting, for OEM-partner data disclosure, and for the taxonomy of “AI activity” that national measurement systems use.

For vendors and advisory firms, the implication is that sector sourcing based on public signal will systematically overlook industrial AI work. Manufacturing targets identified by Apollo-only filtering will under-represent the sector. The multi-source methodology in the Index's underlying pipeline is a minimum requirement for coverage.

NOTE

This finding closes Part II. Part III translates the six findings into a diagnostic that a board can apply this quarter.

What mid-market boards should do this quarter

The six findings lead to three questions a board can ask in a single meeting. Each maps to an action within the board's direct authority, an estimate of cost, and an observable outcome.

1. Diagnose your visibility

If the organisation's public signal density would place it in the 70% Low-confidence population of this Index, that is itself a finding and not only a scoring artefact. The board should commission a signal audit before it commissions anything else. The audit is short: what AI activity is underway, and which parts of it are visible in our public channels, our hiring posts, our infrastructure signatures, and our external communications? A gap between internal activity and public visibility is a readiness problem the board can fix without capital expenditure, and without waiting for the next planning cycle.

The audit is diagnostic, not cosmetic. The objective is not to publish more about AI; it is to ensure that the readiness the organisation has built is observable to the market that evaluates it — customers, investors, regulators, and peers.

2. Audit the ERP gate

Within the confident subset of this Index, ERP modernisation is the clearest single tier separator. It is also the diligence question most often glossed over in board-level AI discussions, which gravitate toward use-case selection and vendor choice. The question the board should ask is narrower: is our ERP signal consistent with Pacesetter-tier peers in our sector and market?

If the answer is no, ERP modernisation — not AI pilot selection — is the first investment. Running AI pilots on a weak ERP stack is a reliable way to produce the ROI disappointment that the broader literature (MIT's 95%, BCG's 30%) describes. Both figures are compatible with the picture this Index draws: organisations build AI capability on foundations that are not ready for it. The ERP gate is one of those foundations, and it is the one the Index measures most clearly.

3. Fix the pipeline

Across the full sample and across every tier, hiring activity is the weakest signal in the dataset. Even high-confidence Pacesetters average under 30 out of 100 on hiring. For most boards, the specialist hiring decision is not a capital question; it is an authorisation question. The action is cheap, it is within direct board authority, and it produces observable signal immediately — both internally in the organisation and externally in the market.

A board that authorises a quarterly cadence of specialist AI and data hires, and reviews the hiring outcomes at each meeting, will move on the one dimension of the Index where signal currently sits near zero at every tier. That is also the most durable contribution the board can make to the organisation's AI trajectory: the hires outlast the strategy deck, the vendor contract, and most of the board's own tenure.

A DIAGNOSTIC FOR THE QUARTER

A benchmarking self-diagnostic is available at airapac.org/scorecard. Results are folded into subsequent Index editions and contribute to the confidence and coverage of future findings.

Appendix A · Proxy layer → six dimension mapping

The Index scores three observable proxy layers. AIR APAC's published methodology specifies six dimensions of organisational readiness. The mapping below states how the proxy layers relate to the published dimensions, including two dimensions that are not directly observable in the current proxy set.

PROXY LAYER	SIGNALS	MAPPED DIMENSIONS
Digital Footprint	Cloud platform detection, modern ERP signal	Data Readiness; Process Maturity
Talent Capacity	AI/data talent density, hiring activity	Skills & Capability
Strategic Intent	LLM-scored narrative, digital commitment evidence	Leadership & Vision
(coverage gap)	(not directly observable in current proxy set)	Governance & Ethics; Culture & Change Capacity

The coverage gap on Governance & Ethics and Culture & Change Capacity is deliberate and disclosed. Both dimensions require interior evidence that a public-signal pipeline does not produce. Their absence in the proxy set does not mean they are absent from AIR APAC's framework; it means they are outside the observable set for this edition of the Index.

APPENDIX · B · MARKET PROFILE TABLE

Appendix B · Market profile table

MARKET	N	MEAN TRS	MEDIAN TRS	PACE	DEV	AT RISK	HIGH	MED	LOW
Australia	112	27.0	26.8	29	42	41	11	45	56
Singapore	110	19.1	12.8	12	37	61	10	29	71
Indonesia	97	17.1	10.5	6	33	58	3	26	68
Malaysia	100	11.3	3.0	2	25	73	2	16	82
Thailand	91	10.0	3.0	2	16	73	2	9	80

Tier and confidence counts. Source: AIR APAC, final_index_v3.csv.

APPENDIX · C · SECTOR PROFILE TABLE

Appendix C · Sector profile table

SECTOR	N	MEAN TRS	MEDIAN TRS	PACE	DEV	AT RISK	HIGH	MED	LOW
Tech/Fintech	144	23.7	20.0	26	56	62	9	53	82
Financial Services	74	23.7	20.9	12	30	32	4	27	43
Manufacturing	128	7.6	3.0	3	13	112	1	9	118
Logistics/Supply Chain	34	11.7	3.0	2	7	25	1	7	26
Professional Services	74	16.8	13.2	3	30	41	9	16	49
Retail/E-commerce	56	18.6	10.7	5	17	34	4	13	39

Tier and confidence counts. Source: AIR APAC, final_index_v3.csv.

APPENDIX · D · NAMED PACESETTERS

Appendix D · Named Pacesetters

Pacesetters are reported here only at Medium+ confidence, and the list is capped at the top ten per market by TRS. Named companies are drawn from public sources already referenced in the AIR APAC white paper. This appendix is not an endorsement; it is a partial list of the companies whose observable signals passed the cross-layer validation and whose TRS scores placed them in the top decile of the cohort. The full per-market Pacesetter lists are available on request.

AUSTRALIA

COMPANY	SECTOR	TRS	CONFIDENCE
THE ICONIC	Retail/E-commerce	68.3	High
Zip Co	Financial Services	67.4	Medium
humm group	Financial Services	62.1	High
Pet Circle	Retail/E-commerce	60.9	High
Buildkite	Tech/Fintech	58.0	High
Employment Hero	Professional Services	55.9	High
Megaport	Tech/Fintech	55.9	Medium
Hudson	Tech/Fintech	54.8	Medium
Netwealth - See Wealth Differently (ASX:NWL)	Financial Services	53.8	Medium
Prospa	Financial Services	53.8	Medium

SINGAPORE

COMPANY	SECTOR	TRS	CONFIDENCE
Secretlab	Retail/E-commerce	73.2	High
Coda	Tech/Fintech	69.5	High
ShopBack	Retail/E-commerce	68.4	Medium
Titansoft Pte Ltd	Tech/Fintech	64.1	High
Mindsprint	Tech/Fintech	63.6	Medium

COMPANY	SECTOR	TRS	CONFIDENCE
ADVANCE.AI	Tech/Fintech	56.1	Medium
Docquity	Tech/Fintech	54.4	Medium
Intellect	Professional Services	53.6	Medium
Deskera	Tech/Fintech	49.7	Medium
Accuron Technologies Limited	Manufacturing	47.6	Medium

INDONESIA

COMPANY	SECTOR	TRS	CONFIDENCE
Fazz	Financial Services	56.9	High
SICEPAT EKSPRES INDONESIA	Logistics/Supply Chain	55.3	High
Mekari	Tech/Fintech	54.8	Medium
Evermos	Retail/E-commerce	53.3	Medium
PT Bank Neo Commerce Tbk	Financial Services	44.0	Medium
Waresix	Logistics/Supply Chain	43.0	Medium

MALAYSIA

COMPANY	SECTOR	TRS	CONFIDENCE
Pentamaster Corporation Berhad (Official)	Manufacturing	57.6	Medium
ViTrox Corporation Berhad	Manufacturing	44.0	Medium

THAILAND

COMPANY	SECTOR	TRS	CONFIDENCE
Omise	Financial Services	54.4	Medium
Muang Thai Life Assurance Public Company Limited	Financial Services	49.8	Medium

Companies named in this appendix were not contacted in advance. Any company wishing to request correction, additional context, or exclusion from future editions may contact info@airapac.org.

CENTER FOR AI READINESS — ASIA PACIFIC

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AIR APAC publishes quarterly findings from the Mid-Market Readiness Index, an evidence-based view of AI readiness across five APAC markets. The annual flagship Index publication is planned for Year 1.

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