Empowered by Intelligence, Bound for Innovation

PwC Global AI Performance Study China Report

Foreword

As the integration of Artificial Intelligence (AI) with the real economy deepens, AI has emerged as a pivotal engine driving the transformation of the digital economy and a cornerstone for building core corporate competitiveness. It also serves as a vital catalyst for enterprises to accelerate technological self-reliance and drive sustainable growth.

According to PwC's 2026 AI Performance Study, intense AI adoption has not yet translated into measurable returns for many enterprises. At this stage, value remains highly concentrated amongst a select few. Of the 1,217 global companies surveyed, only 20% of "AI leaders" captured 74% of the economic gains driven by AI technology.

What sets these AI leaders apart from other businesses, and where do Chinese enterprises stand regarding their AI maturity? We conducted a comprehensive evaluation utilising the AI Fitness Index, to measure the performance of each enterprise. Our research reveals that successful AI leaders are able to precisely pinpoint pain points, construct tailor-made infrastructure, and deeply embed AI into their organisational DNA. Bolstered by a strategic, national emphasis and substantial public-private investment, the AI capabilities of Chinese enterprises are advancing rapidly, narrowing the gap with global leaders and successfully securing a position within the world's first-tier echelon.

By benchmarking the AI fitness indices of AI leaders, Chinese enterprises, and others, this report examines how leading companies translate AI development into performance growth. It also analyses the competitive strengths and structural bottlenecks shaping the AI development of Chinese enterprises. Drawing upon the winning strategies of global leaders, the report offers actionable recommendations to help enterprises harness AI for sustainable revenue growth.

Artificial intelligence is reshaping the global business landscape. Our 2026 Global AI Performance Study clearly shows that systematic AI deployment can deliver significant value for enterprises. China's AI application ecosystem is vibrant and dynamic, demonstrating remarkable progress in cross-industry integration, with implementation practices that rank amongst the most advanced globally. As China's AI market continues to develop, it is giving rise to a wide range of innovative models that can offer valuable insights for the global AI industry, support the digital transformation of the real economy, and contribute to the development of the global digital economy.

Hemione Hudson

Chair and CEO, PwC China

Key findings for Chinese enterprises

1. Chinese enterprises[1] lead the world in AI fitness, surpassing the median values of global AI leaders across the majority of metrics.
2. Strong advantage in industry convergence: Chinese enterprises exhibit significantly higher penetration of AI applications related to sector convergence—including cross-enterprise collaboration, responsiveness to shifts in customer needs, and unlocking new value from cross-sector ecosystems—than global AI leaders. In particular, the penetration rate of cross-sector collaboration is approximately 2.3 times higher than that of other companies globally.
3. Superior execution-layer implementation efficiency: Execution-oriented AI applications, such as process automation and replacement of standardised operations, slightly outperform those of global AI leaders. Chinese enterprises demonstrate faster AI deployment and stronger execution capabilities in scaling and rollout.
4. Gaps remain in closing the value loop: Although most enterprises have begun to focus on the actual business value of AI and have established strategic plans that combine short- and long-term horizons, their capabilities in systematically tracking AI's business impact and executing strategy still lag significantly behind global AI leaders.
5. Lower efficiency in converting innovation into value: Investment in innovation experimentation infrastructure exceeds that of global AI leaders, yet there is a lack of mechanisms to expand from individual pilots to large-scale rollout. As a result, innovation outcomes tend to remain confined to the pilot stage, limiting the long-term compounding returns on investment. The phenomenon of "pilots are easy, while scaling and full implementation are hard" continues to be widespread.
6. Trust and governance require further strengthening: The foundation of enterprise trust in AI remains relatively weak. Employees generally remain cautious about acting on AI-generated insights and have not yet integrated them into day-to-day decision-making to the same extent as global AI leaders. At the same time, most enterprises have yet to meet the regulatory standards and compliance frameworks demonstrated by industry benchmarks. Clear room for improvement exists in both willingness to apply AI and compliance capabilities.

1. In this report, "Chinese enterprises" refers to surveyed enterprises in Chinese Mainland and does not include enterprises from Hong Kong SAR, Macao SAR, or Taiwan region.

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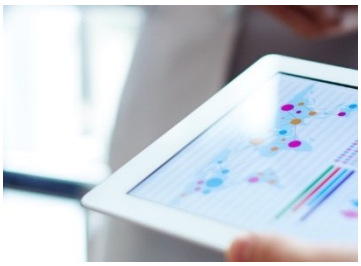


01

AI performance study for global enterprises

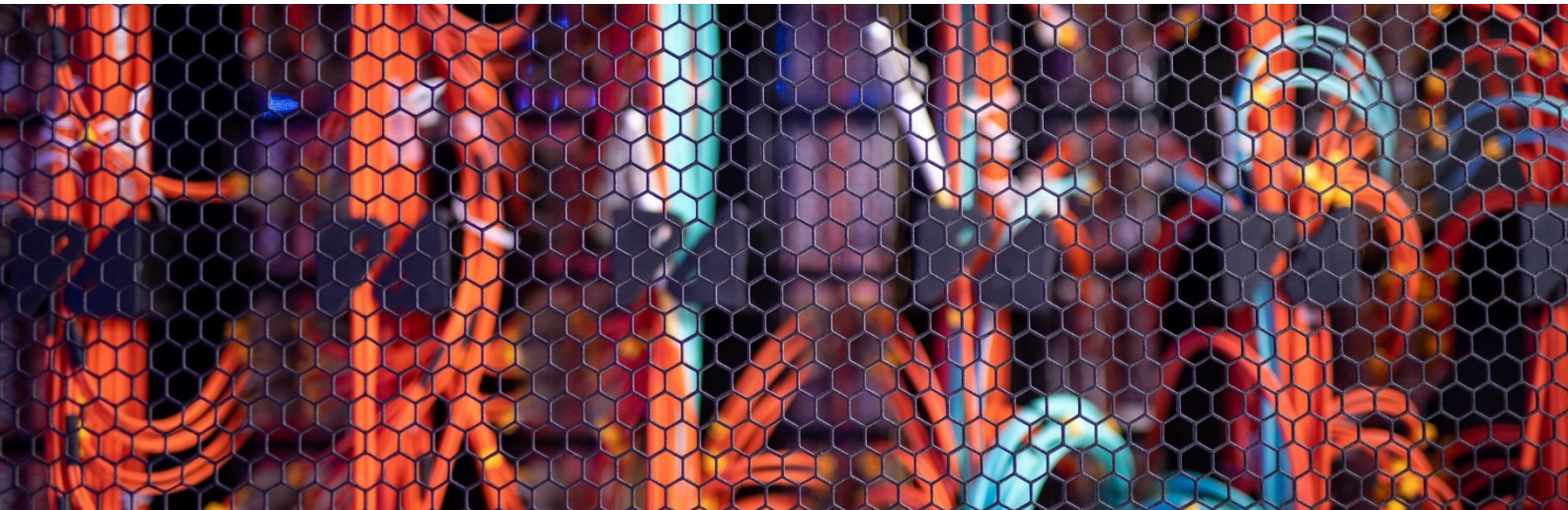
As enterprises accelerate their AI investments, business leaders often find that these investments do not always translate into superior financial performance. This global AI performance study shows that the value of AI is currently concentrated among a small number of companies:

Among the 1,217 enterprises surveyed globally across 25 industries, the top 20% of enterprises account for 74% of all AI-driven performance.

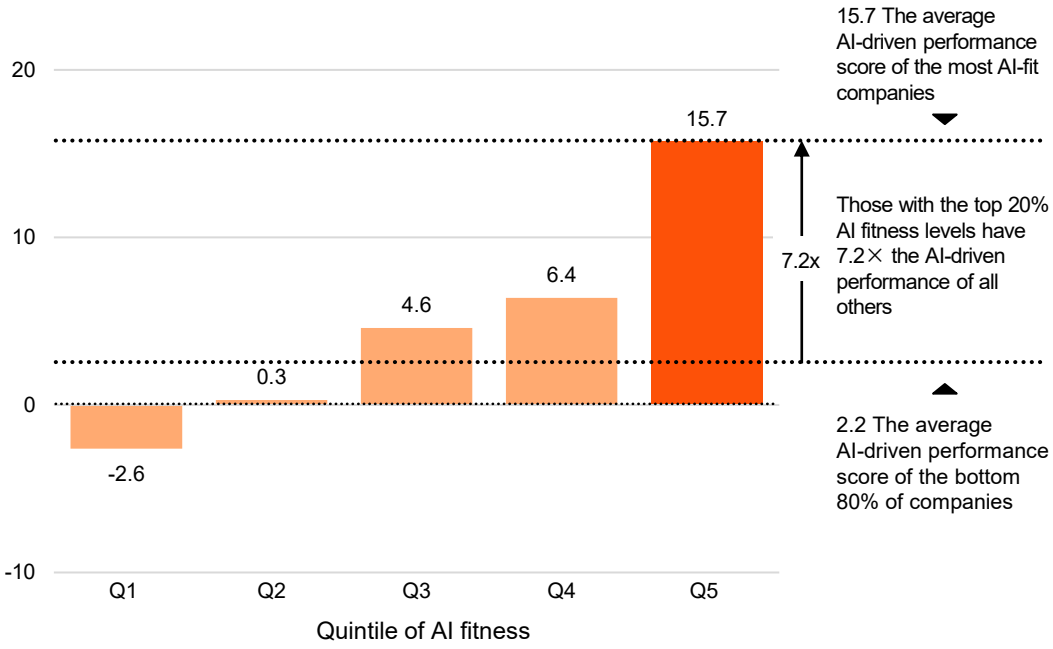
I. The most AI-fit companies are getting a 7.2 times AI-driven performance boost over their peers

To understand why some companies are seeing real returns while most are not, we benchmarked the surveyed enterprises on their AI-driven financial performance, defined as the revenue and efficiency gains derived from AI and adjusted so each company could be compared against its sector's median.

We also asked senior executives at these companies about their engagement in 60 areas of AI management and investment practice to test those areas' effects on AI-driven financial performance. We grouped these practices into nine factors related to the ways in which companies use AI and the foundational capabilities that make AI reliable and scalable. These nine factors constitute our AI Fitness Index.



The most AI-fit companies see 7.2x as much AI-driven performance* on an industry-adjusted basis



*AI-driven performance (shown here as percentage point difference relative to median score) is a measure that combines AI-driven revenue and AI-driven efficiency/cost gains relative to sector medians. Efficiency from AI represents the average between efficiency gains and cost reductions from AI.

Note: Unless otherwise stated, all data and charts in this report are sourced from PwC's Global AI Performance Study and have been analysed and compiled by PwC China.

The headline result is clear: **the most AI-fit companies (AI leaders)[2] in our research deliver AI-driven financial performance that's 7.2 times as high as the other respondents' performance.**

2. "AI leaders" in this report are those in the top quintile (20%) of AI-driven performance. The corresponding data indicators reflect the median value of these top-performing enterprises.

II. What is AI Fitness Index?

What are the nine factors of AI fitness?

The AI Fitness Index is composed of indicators that measure six foundational capabilities (AI foundations) and three application capacities (AI use).

Specifically,

Breadth and depth

This factor captures how much AI is used across your organisation's value chain and how deeply AI is deployed into workflows within each function. The AI leaders' score for breadth and depth is roughly twice as high as the rest.

Sophistication

This factor is a measure of a company's most advanced AI applications. Think of this variable as a spectrum—from using AI simply to summarise long texts all the way through to building autonomous, self-optimising agents. The AI leaders are twice as likely to use AI that operates autonomously.

Capturing value from industry convergence

This factor assesses the extent to which AI enables cross-sector competition or collaboration. That could be sensing emerging value pools between sectors, responding to shifts in customer needs, or collaborating across sectors to unlock new value from ecosystem partnerships. AI leaders are more likely to use AI to derive growth from industry convergence, the strongest AI fitness factor influencing AI-driven performance.

Innovation

This factor captures how innovation-friendly—yet rigorous—a company is. Does your business have dedicated innovation infrastructure, like sandbox environments? Embedded ownership of innovation within business units? And a cadence of portfolio reviews to test, prioritise, scale and stop AI initiatives? AI leaders are more likely to provide dedicated innovation infrastructure and conduct frequent reviews of innovation portfolios to scale up AI initiatives.

Governance and risk

The security, access controls, regulatory compliance processes, ethical frameworks, and oversight bodies needed to manage risk from AI design to deployment. AI leaders are 1.6x as likely to have a Responsible AI framework that guides AI strategy—including use case selection, design, deployment, and ongoing monitoring.

Data and technology

This factor is the degree to which a business has modern, scalable platforms and trusted, varied data sources accessible to everyone. Also critical: reusable AI components and replicable, redesigned workflows in priority applications. Compared to the chasing pack, AI leaders are more than twice as likely to have eliminated outdated and costly IT applications, systems, and infrastructure.

Strategy

The strength of connection between corporate strategy and AI deployment. Does the organisation have a prioritised AI road map? Is every use case linked to a clear business objective? Is business impact tracked? And is someone accountable for every critical AI outcome?

Investment

This factor measures the funding and resourcing for AI. Are investment levels sufficient? Can resources be reallocated as priorities shift while still supporting longer-horizon innovation? Leading companies are more likely to invest sufficiently, reallocate funds with agility, and invest for long-term results.

Workforce

This factor is a measure of whether leaders and employees have the skills, incentives, collaboration models, and levels of trust needed to build AI and use it effectively in day-to-day decisions. AI leaders are 1.7 times as likely as other firms to say their employees participate in ongoing, role-based AI-learning sessions. And those employees are twice as likely to trust the insights generated by AI.

III. Characteristics of global AI leaders

Research reveals that the most AI-fit companies (i.e., AI leaders) significantly outperform other companies across three critical dimensions, each by a substantial multiple: using AI to drive business transformation and growth, building strong AI foundations, and successfully scaling AI applications.

01 Driving business transformation and growth with AI

AI leaders begin with strategic choices, aligning AI with a range of high-value business objectives. They treat AI as an engine for growth and business reinvention, rather than merely a tool for improving productivity. They proactively target opportunities in value flows, particularly in areas where competitive boundaries are blurring and new ecosystems are emerging, and manage these initiatives like a business portfolio, with clearly defined accountability and performance measurement mechanisms.

- AI leaders are 1.5 times more likely than other companies to use AI to innovate new business models.
- Both AI leaders and other companies use AI to improve efficiency, but AI leaders are 1.2 times more likely to use AI to generate revenue.
- AI leaders are significantly more inclined to use AI to sense emerging value pools (1.8 times), collaborate with companies outside their own sector (3 times), compete with companies outside their own sector (2 times), and unlock new value from ecosystems (2.3 times).

02 Building targeted AI foundations

When increasing the extent of AI adoption, companies with solid AI foundations achieve nearly twice the improvement in AI-driven performance compared with those with weak foundations. The key differentiator is that AI leaders build only the capabilities required to meet their objectives, avoiding unfocused transformation. They make sufficient and flexible investments, upgrade critical data and technology platforms, build employee confidence and capability, enable innovation, and implement governance mechanisms scaled to their needs.

- AI leaders invest 2.5 times more than other companies and are far more likely to manage these investments with flexibility.
- AI leaders build capabilities that are precisely “fit for purpose”. For example, they are 2.4 times more likely to create reusable AI components and 1.7 times more likely to provide high-quality data matched to priority AI applications.

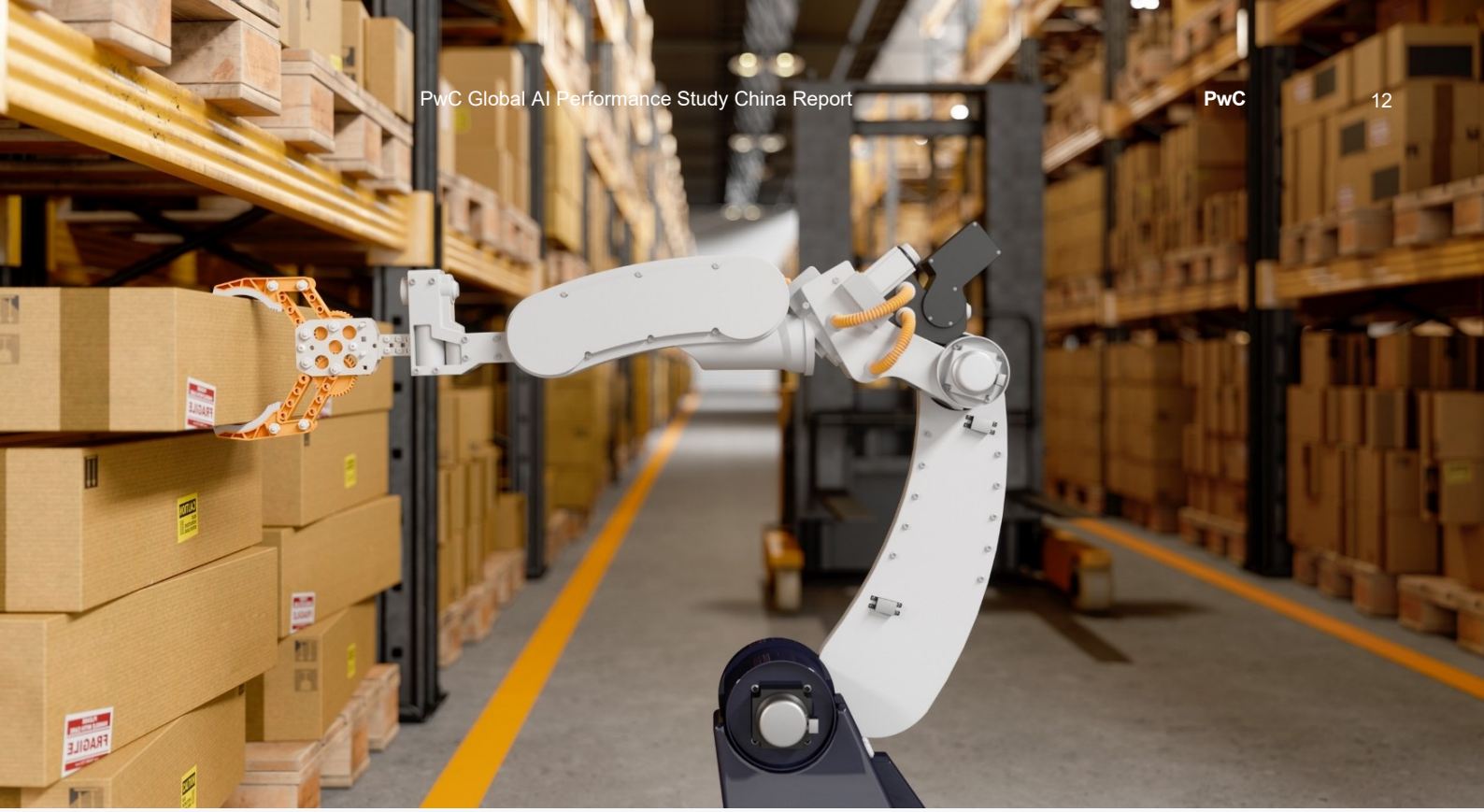
03 Successfully scaling proven applications

AI leaders are selective in scaling: they do not scatter AI across every area, but instead ensure that priority use cases are consistently implemented across the enterprise. They reuse validated solutions across teams, regions, products, and decision nodes that drive target outcomes; embed AI into core workflows and systems, thereby changing how work is performed; and apply AI in more sophisticated ways—evolving from simple summarisation tools to automated solutions.

- AI leaders are approximately twice as likely as other companies to deeply embed AI across all parts of the value chain, covering areas such as corporate strategy, supply chain operations, and front- and back-office functions.
- AI leaders are nearly twice as likely as other companies to operate AI at a higher level of sophistication (for example, autonomous and self-optimising AI).

A higher level of AI fitness improves a broad range of intermediate performance outcomes, which in turn shape financial results. AI leaders are more likely than others to report that their AI portfolios have accelerated the launch of new products and services. They also indicated that AI has helped transform their business and operating models, improved decision-making quality, and enhanced customer experience and trust—key metrics that many executives prioritise.

Similar compounding effects occur between AI use and AI foundations. When companies with strong foundations increase AI use, they see nearly double the improvement in AI-driven performance seen by those that have weaker foundations. In effect, foundations raise the conversion rate from AI activity to measurable outcomes. Stronger data and platforms reduce time-to-deploy, while workflow redesign and workforce trust-building increase adoption. Greater adoption, in turn, generates richer data and feedback—improving the system over time and increasing impact with each deployment.



IDEA IN MOTION

A large technology provider improves customer experience

The prompt

A major technology company with millions of customers faced rising expectations for seamless, personalised service. But its largely manual customer engagement model couldn't keep up. Company leaders wanted to improve customer experience while keeping costs under control.

The move

PwC designed and deployed an AI-driven, omnichannel contact centre that combined predictive intent modelling, adaptive dialogue, and real-time analytics to support humans and AI agents. A centralised AI agent management hub enabled orchestration across channels, scaled deployment, and governance. To help employees use the new software effectively, the company also established Responsible AI, workforce upskilling, and new ways of working for human-AI teams.

The outcome

The results were immediate and measurable: customers spent 25% less time on the phone resolving request, and call transfers fell by as much as 60%, meaning more issues were handled on first contact. Customer experience improved as well; the company's Net Promoter Score (NPS) rose 7%, and customer satisfaction rose 10%.

02

Analysis of Chinese enterprises' AI Fitness Index

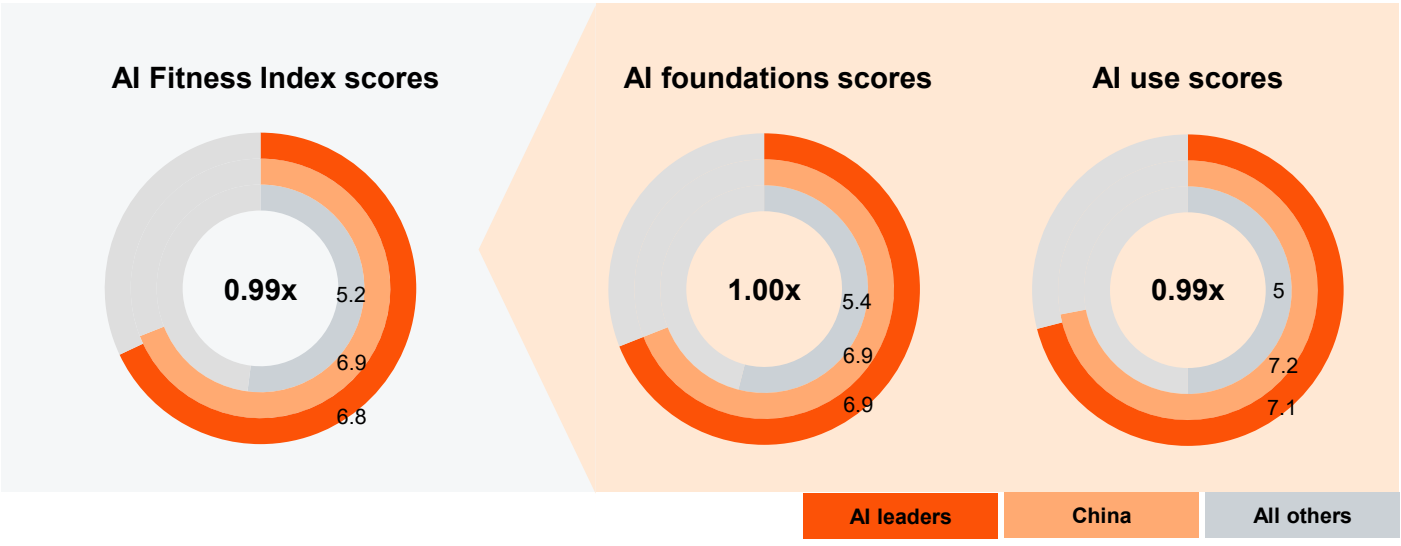
Compared with major global economies, China made an earlier start in AI development, supported by consistent and strongly implemented top-level industrial support policies. Domestic market players have demonstrated significantly higher enthusiasm for AI adoption than the global average, and enterprises actively allocating resources to drive large-scale AI deployment has become a widespread trend. This has created a dual-driven development pattern of policy guidance and industrial practice.

I. Chinese enterprises rank in the global top tier for AI fitness

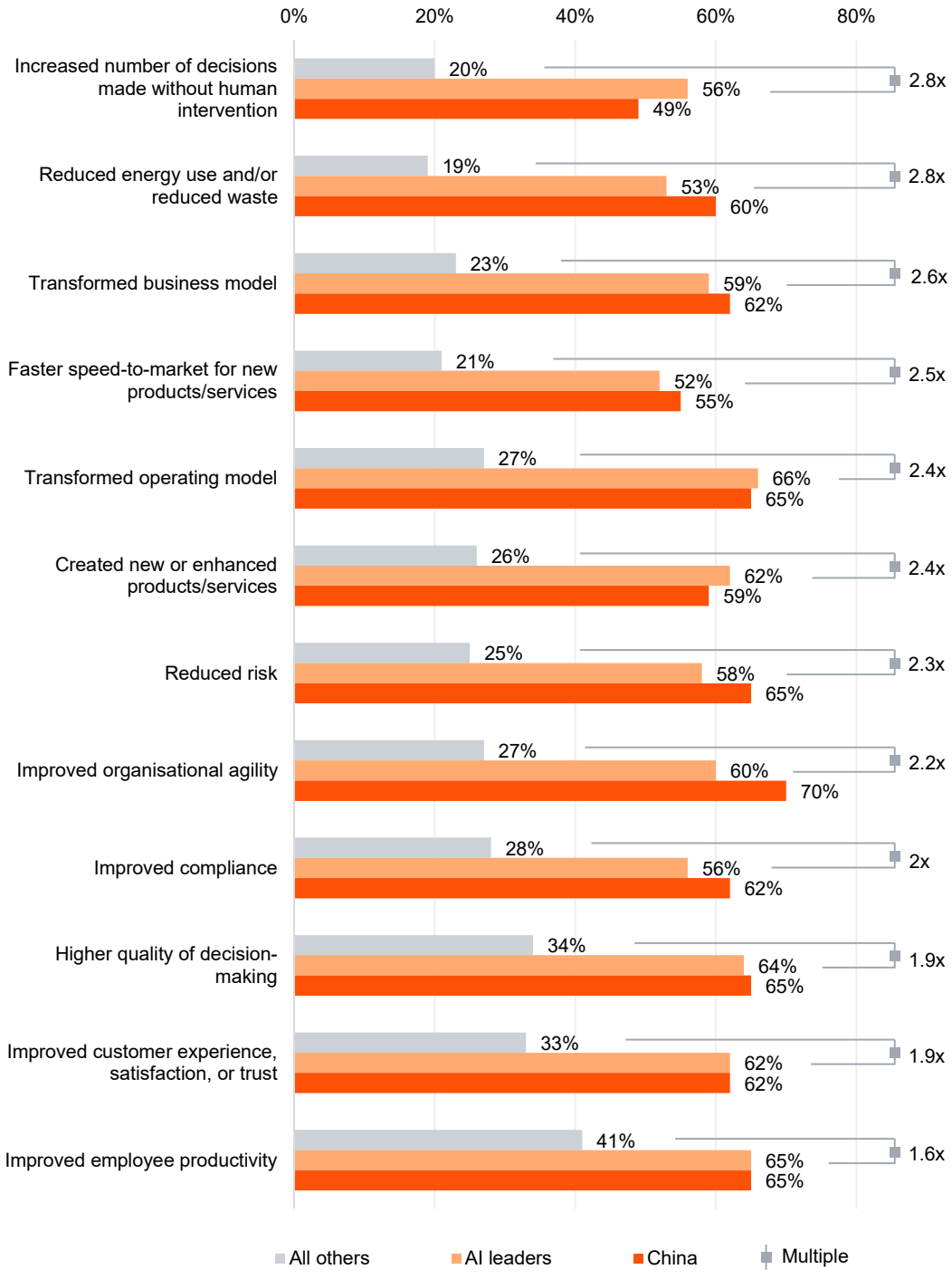
Chinese enterprises rank in the global top tier for AI fitness. Their overall AI fitness not only exceeds the global average but also slightly surpasses that of AI leaders in certain capabilities. In terms of capability structure, Chinese enterprises exhibit a distinctive pattern where AI use is stronger than AI foundations, with AI use performance marginally better than that of AI leaders and AI foundations on par with them. Cross-sector convergence applications represent Chinese enterprises' greatest area of strength, while governance and risk management are clear weaknesses.

AI fitness of Chinese enterprises

Average scores out of 10, multiple reflects AI leader score vs. China average score



Q. To what extent has your company's full AI portfolio improved the following outcomes? (Showing only "To a very large extent" and "To a large extent" responses)



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Chinese enterprises have firmly established themselves as global leaders in AI development. Our AI Fitness Index reveals that their performance slightly edges out other leading countries and regions globally, with a competitive advantage that is even more pronounced in AI application than in infrastructure. In terms of innovation, Chinese companies maintain high levels of investment in experimental initiatives, ecosystem environments, and human resources—even surpassing global AI leaders and demonstrating strong growth momentum.

Charles Lee

Vice Chair and Managing Partner, PwC China

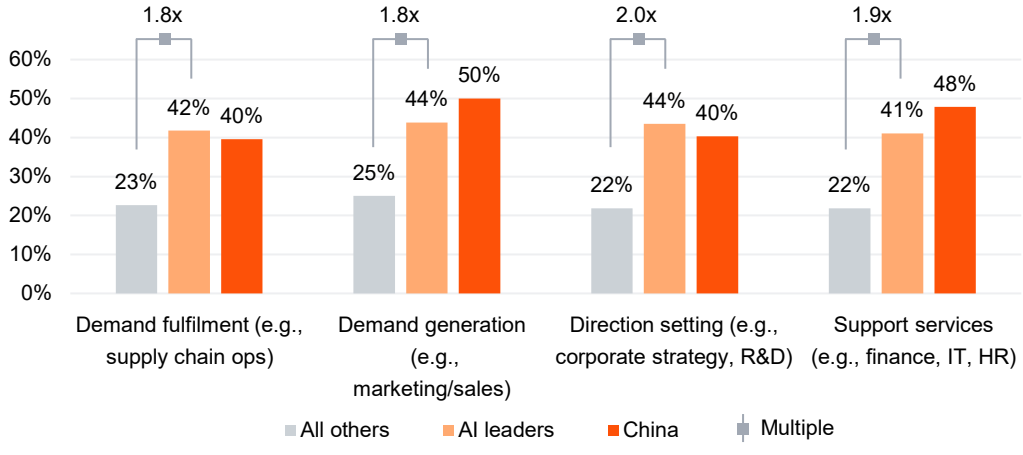
II. AI use: outstanding performance, with growth-oriented applications and scaling exceeding global benchmarks; autonomous and self-optimising capabilities still require further improvement

This global study shows that the core difference between AI leaders and other companies lies in application orientation: most companies use AI primarily to improve efficiency in existing operations, whereas AI leaders treat AI as an engine for business growth and model reinvention. AI leaders are 2.6 times more likely than others to use AI to transform business models and 1.8 times more likely to use AI to identify emerging cross-sector value pools—particularly those involving customer-centric, multi-industry product and service combinations. As industry convergence addresses these needs, companies that reshape their business models will capture greater returns. Chinese enterprises demonstrate a clear growth-oriented approach to AI use, approaching or even exceeding the level of AI leaders.

01. Breadth and depth: High value-chain coverage, leading globally

The global research indicates that AI leaders apply AI across the entire value chain at approximately twice the level of other companies, enabling synergistic value amplification across multiple stages. Chinese enterprises match AI leaders in overall value-chain coverage of AI applications and have already surpassed them in demand generation and support services. Their depth of AI deployment ranks in the global top tier, gradually moving beyond the fragmented, pilot-only pattern seen among most companies where AI is concentrated in a few departments.

Q. To what extent is AI being applied in your organisation in each of the following functions? (Breadth: value chain areas to which AI is being applied; and depth: bar height, proportion of respondents who've scaled or embedded in value chain component)

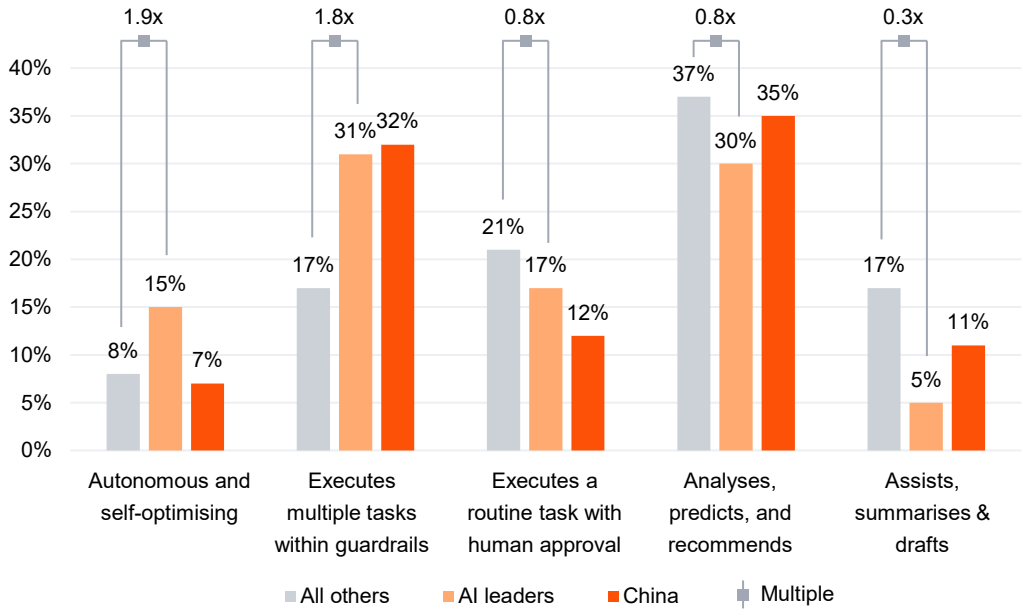


02. Sophistication: Leading in high-level applications, but autonomous and self-optimising capabilities still have room to improve

In practical AI deployment, Chinese enterprises display a typical pattern of strong execution, weaker decision-making, and limited autonomy. This reflects that, while Chinese AI applications are rolling out quickly and broadly, further improvement is still required in autonomy and intelligence levels. Chinese enterprises slightly outperform AI leaders in multi-task execution, highlighting their strong execution capabilities and scale advantages in process automation and replacement of standardised operations.

However, in the “autonomous and self-optimising” category—which represents true autonomous intelligence—Chinese enterprises stand at only 7%, lower than other companies (8%) and less than half the level of AI leaders (15%). At the same time, Chinese enterprises show a relatively high proportion of generative use cases such as “assists, summarises and drafts”, indicating that AI currently functions more as an assistant to humans rather than evolving into a truly autonomous and “brain-replacing” intelligent engine. Overall, Chinese AI is at a critical transition stage from a pure efficiency tool to a strategic decision-support system. It urgently needs to move beyond basic automation toward an intelligent decision-making system with autonomous evolution capabilities.

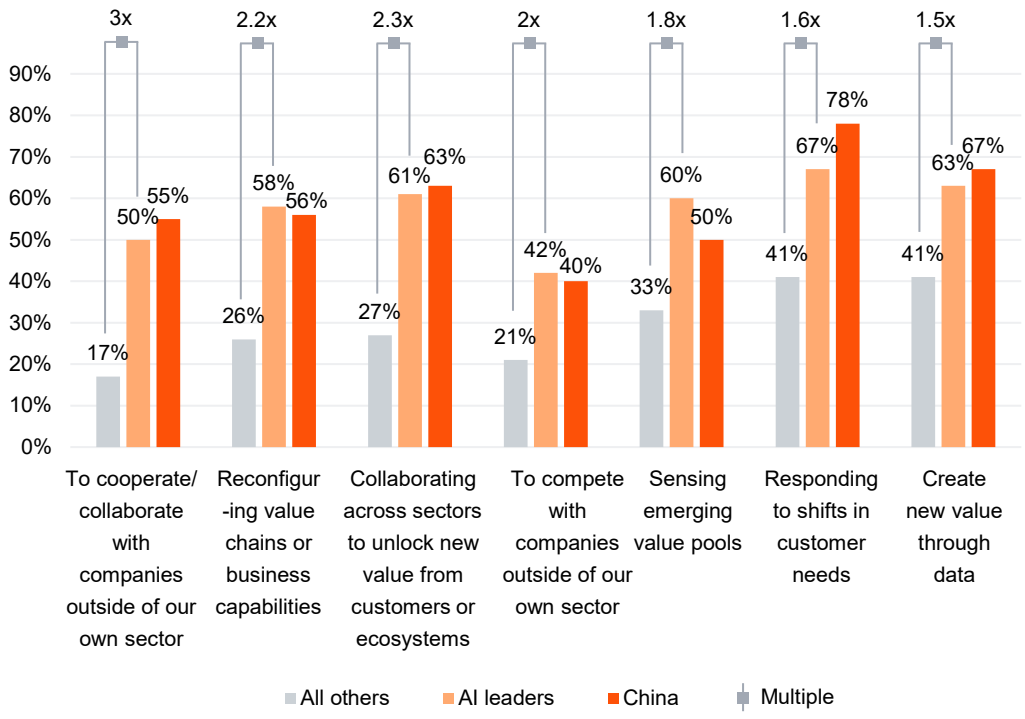
Q. Which of the following best describes your organisation’s most sophisticated use of AI?



3. Capturing value from industry convergence: Distinct growth orientation, leading in convergence applications

AI leaders are more likely to derive growth from industry convergence, the strongest factor influencing AI-driven performance. Chinese enterprises outperform AI leaders across four dimensions: cross-enterprise collaboration, responsiveness to customer needs, data value creation, and unlocking new value from cross-sector ecosystems. In particular, the penetration rate of collaboration with companies outside their own sector and cross-sector ecosystem partnerships are approximately 2-3 times higher than that of other companies, respectively, demonstrating a clear advantage in convergence-related AI applications. Besides, in the areas of identifying emerging value pools, value chain/business capability reconfiguration, and cross-sector competition, Chinese enterprises slightly lag behind AI leaders, indicating that further capability building is required in using AI to identify long-term industry opportunities and drive internal structural upgrades.

Q. To what extent is your organisation using AI for the following? (Showing only "To a very large extent" and "To a large extent" responses)



IDEA IN MOTION

A group builds a tax intelligence hub to improve efficiency, reduce risk, and support decision-making

The prompt

Corporate tax work often faces challenges such as complex policies, difficulty in cross-regional tax information retrieval, and delayed risk identification. Traditional manual processing is inefficient, makes it difficult to accumulate experience, and is prone to compliance risks. As enterprises expand international operations, they also require more efficient and precise tax analysis and decision support. Therefore, there is an urgent need to establish an intelligent tax management system that reduces costs, improves efficiency, and strengthens compliance capabilities.

The move

PwC helped the enterprise build a dedicated “Tax AI Workspace” based on RAG architecture and the Deep Agent framework. The solution integrates mainstream large language models with the company’s internal finance and tax knowledge base, delivering multiple functional modules including conversational interaction, tax knowledge querying, intelligent translation, document generation, and risk analysis. It covers the full spectrum of tax work scenarios—tax research, query response, cross-border translation, and risk early warning—serving as a 24/7 AI assistant for tax professionals. All outputs are traceable and auditable, ensuring full compliance.

The outcome

Since implementation, the Tax AI Workspace has delivered value across multiple dimensions: significantly improved efficiency in tax research and information retrieval, enabling rapid access to tax data across regions and jurisdictions; early identification of potential tax risks, reducing compliance uncertainty and post-event remediation costs; structured accumulation of historical tax expertise, lowering reliance on key individuals; and provision of comprehensive, accurate, and traceable tax information to management, supporting both day-to-day tax decisions and the company’s international expansion and globalisation strategies with reliable compliance assurance.

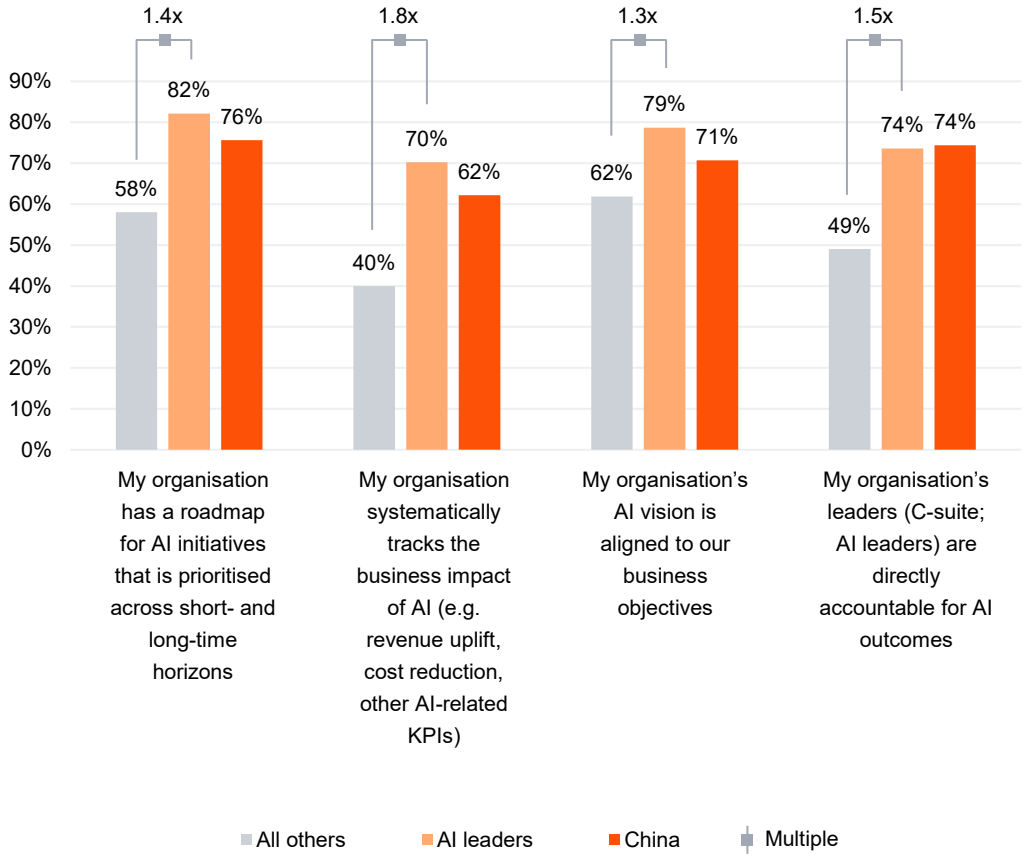
III. AI foundations: reaching global upper-tier levels through high investment and strong infrastructure; innovation and execution-to-scale conversion capabilities require further improvement

The global study indicates that identifying opportunities for AI-driven business reinvention and industry convergence is not particularly difficult; the real challenge lies in consistently and replicably delivering measurable results. AI leaders do not view infrastructure development as a mere upgrade or replacement. Instead, they treat it as a critical enabler for scaling growth-oriented and high-value AI applications. These foundations fundamentally reshape the economics of AI: they reduce friction, minimise duplicated effort and one-off project waste, and make every new deployment faster, cheaper, and more reliable. This creates a powerful “conversion-rate effect”. Once underperforming companies establish the right practices, the average return from each additional AI use case effectively doubles. The study shows that Chinese enterprises’ AI foundation capabilities have gradually caught up with the AI leaders.

1. Strategy: strong top-down leadership, yet value tracking and realisation remain weak

Chinese enterprises demonstrate robust top-down drive in AI planning and implementation, with the proportion of C-suite executives with direct accountability already matching that of AI leaders. However, they lag 6-8 percentage points behind AI leaders in areas such as prioritised AI roadmaps, alignment between AI vision and business objectives, and systematic tracking of business impact. This highlights a persistent challenge: prioritising technology pilots over actual value delivery. Chinese enterprises must shift their focus from deployment to operations and tangible results, moving beyond simply scaling the number of AI use cases. Instead, they need to build refined value-metrics and agile iterative mechanisms, ensuring every AI initiative is tightly anchored to quantifiable business returns.

Q. To what extent do you agree with each of the following statements? (Showing only “To a very large extent” and “To a large extent” responses)



IDEA IN MOTION

A retail group builds an AI brain to enable quantifiable, end-to-end intelligent decision-making from production to sales

The prompt

Intensifying competition and increasingly personalised consumer demands have made traditional extensive operating models insufficient to support revenue growth. The group had already completed basic digitalisation and accumulated substantial operational data, yet lacked a mature path for AI implementation. It was unable to convert data value into tangible business uplift. The company therefore decided to build an AI brain that tightly integrates AI capabilities with business scenarios, exploring implementation models directly linked to operating results, lowering the threshold for frontline decision-making, and driving sustainable business growth.

The move

PwC helped the client design AI-powered intelligent scenarios across the entire operations cycle—from production and supply to sales. Three core scenarios were prioritised: user operations, in-store consumption, and store replenishment. After connecting end-to-end data, the system automatically identifies user consumption preferences to deliver personalised coupons; recommends high-match add-on items in real time when customers are in store; and automatically generates store replenishment suggestions and daily sales reports based on sales and seasonal characteristics, and submits them directly to store managers. All AI applications are linked to actual business outcomes, ensuring technology deployment remains grounded in real results.

The outcome

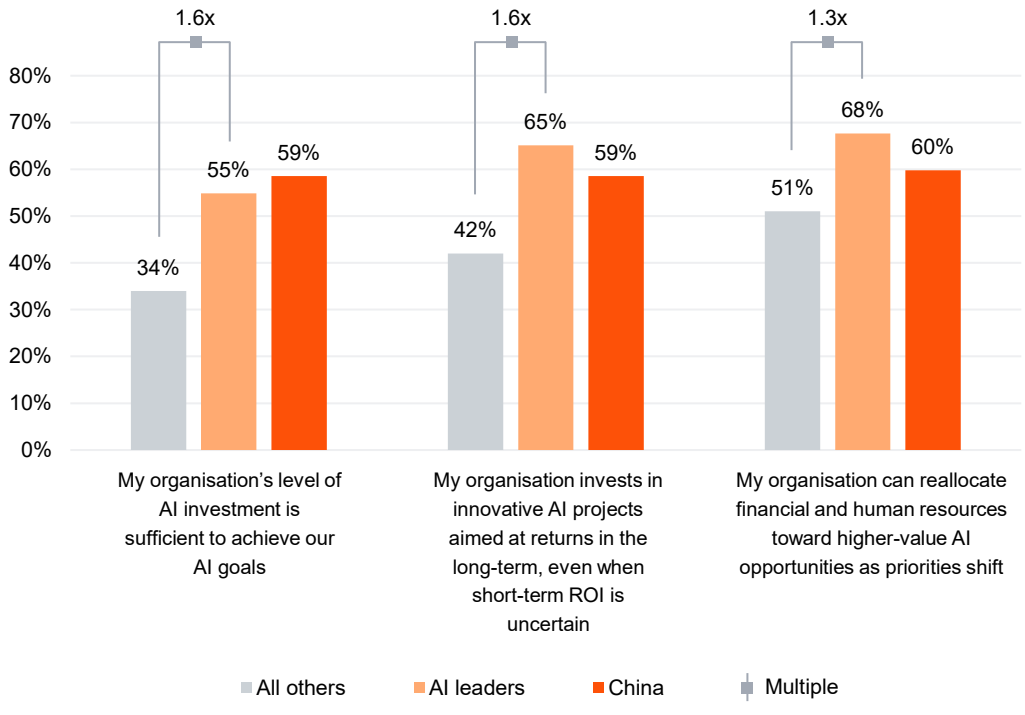
The AI functions have already delivered significant business value. Intelligent recommendations now cover the group’s entire user base of over 100 million, doubling coupon redemption rates and driving significant revenue growth. In-store add-on recommendations have increased the proportion of add-on orders more than threefold, further lifting average spend per customer. Intelligent replenishment services have markedly reduced stock-outs, resulting in higher revenue and profit per store.

2. Investment: Leading in spending ratio, yet lacking innovation orientation and flexibility

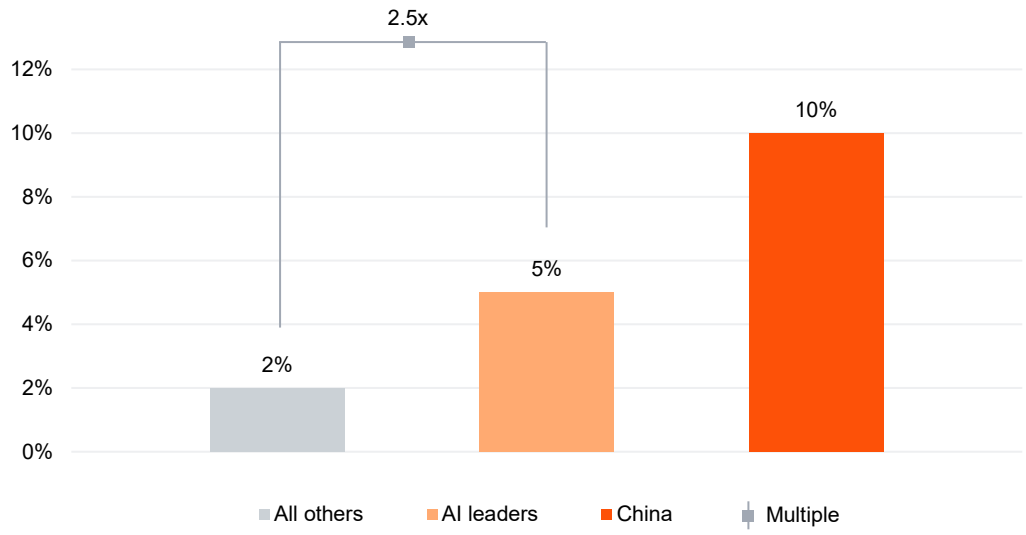
The global study shows that AI leaders invest 2.5 times as much in AI as other companies. Leaders in the software, banking, and media and entertainment sectors report investing the most, about 5% of annual revenue. Ample investment in AI, however, is just part of the leaders' formula. These companies also endeavour to keep their investments aligned with their business needs. According to our research, they're 1.3 times as likely as other companies to reallocate financial and human resources towards high-value AI projects as their business priorities shift. That approach is consistent with a large body of research linking dynamic resource allocation to superior financial outcomes.

Chinese enterprises exhibit a high level of AI investment, with spending accounting for 10% of revenue—twice the level of AI leaders. However, they show clear shortcomings in innovation-oriented AI investment and resource allocation flexibility. When business priorities shift, their agility in reallocating financial and human resources toward higher-value opportunities still lags significantly behind AI leaders. In addition, the growth rate of AI spending is slightly lower than that of AI leaders. Going forward, sustained investment will be essential to ensure adequate resourcing for high-value projects.

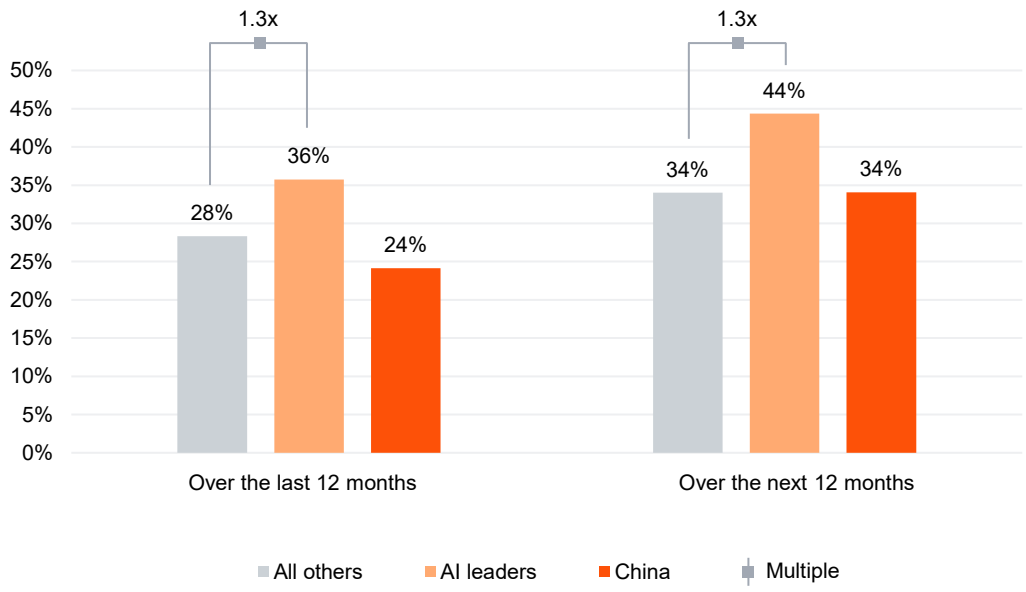
Q. To what extent do you agree with each of the following statements? (Showing only "To a very large extent" and "To a large extent" responses)



Q. How much is your organisation spending on AI this year (2025) as a percentage of revenue (median spend)?



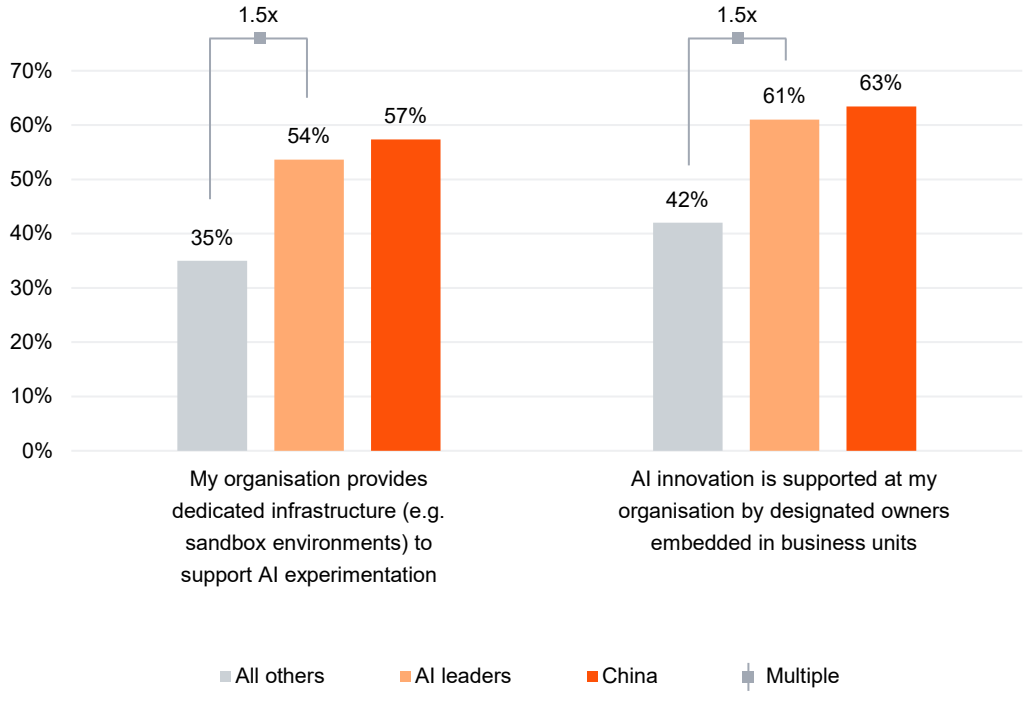
Q. How has/is your organisation's AI spending (on internal teams, tools, training, governance, vendors, asset development, data services, and more) changed/changing over the last/next 12 months (average change)?



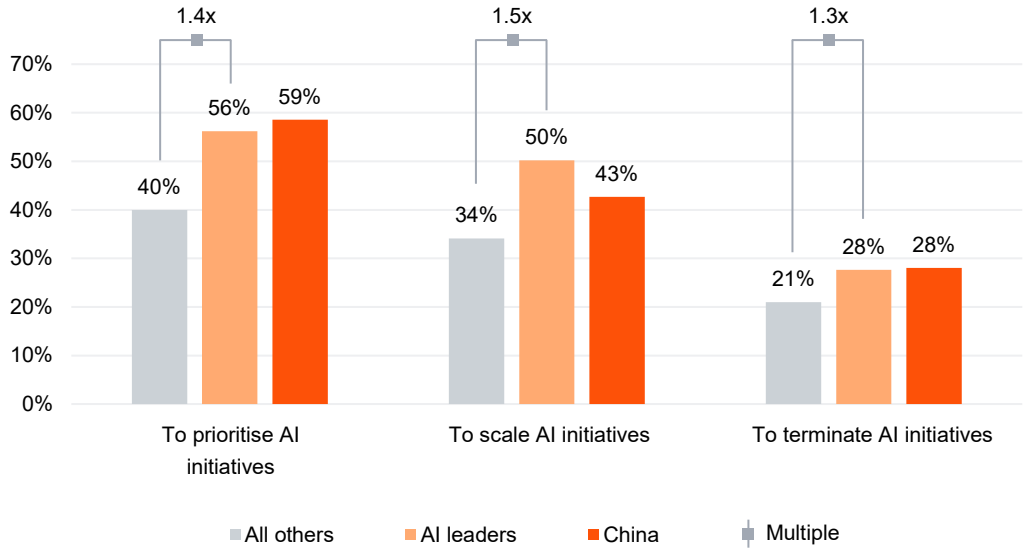
3. Innovation: Strong and efficient innovation experimentation infrastructure, yet expansion is constrained and conversion rates are low

Chinese enterprises exhibit a typical innovation pattern of strong early-stage activity followed by significant bottlenecks in later stages. Their investment in experimental facilities, environments, and personnel support is exceptionally high, surpassing even that of AI leaders and demonstrating robust innovation vitality. However, many enterprises still lack effective mechanisms to convert isolated successes into organisation-wide capabilities. This creates significant barriers to scaling innovation from pilot projects to full deployment. This structural bottleneck, where piloting is relatively straightforward but scaling remains difficult, limits the accumulation and compounding growth of long-term innovation investments. It also delays the realisation of scaled benefits and hampers the sustained cultivation of long-term growth momentum.

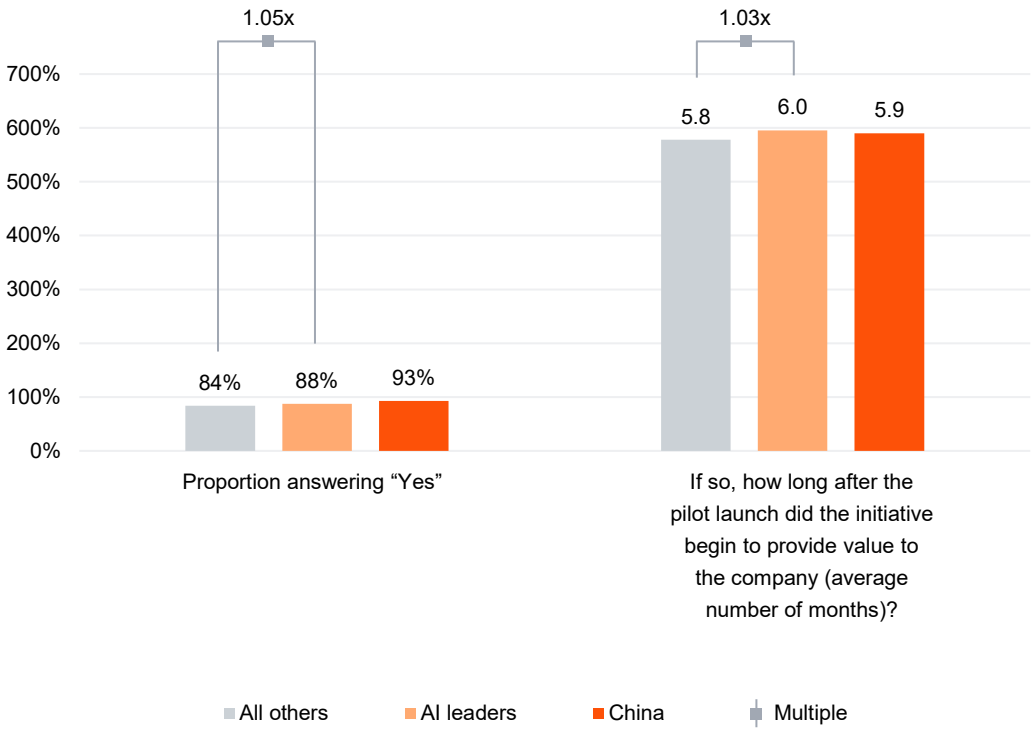
Q. To what extent do you agree with each of the following statements? (Showing only “To a very large extent” and “To a large extent” responses)



Q. How often does your organisation conduct AI portfolio reviews with the following goals? (Showing only “Weekly”, “Fortnightly”, and “Monthly” responses)



Q. Have you participated in any AI pilots within your organisation?

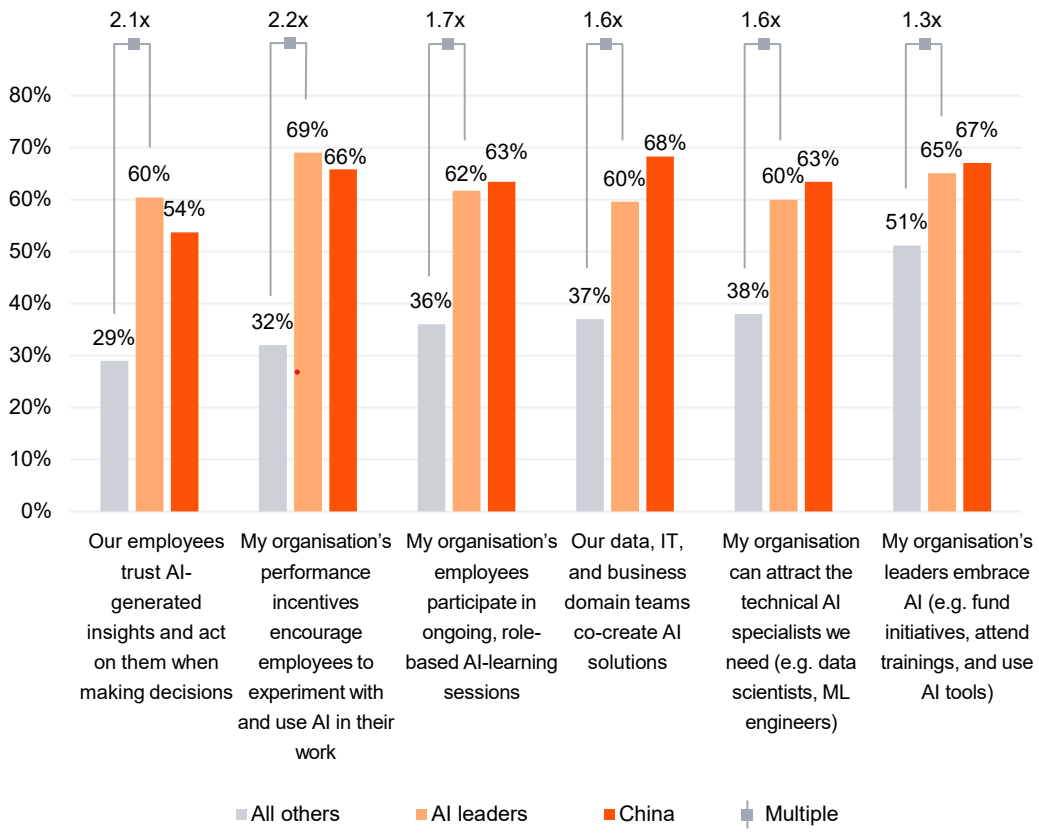


4. Workforce: Robust incentive and training mechanisms with strong employee engagement, yet insufficient trust in AI

The global study indicates that effective upskilling teaches employees how to apply AI in everyday work situations. AI leaders are more likely to provide employees with this sort of ongoing, role-based AI learning. Their senior executives are also more likely to set good examples, by attending training sessions and visibly using AI in their work.

Chinese enterprises demonstrate exceptionally strong execution momentum at the people and organisational level. Whether in the design of incentive mechanisms, widespread role-based training, or collaborative co-creation between business and technical teams, they outperform AI leaders. In particular, high management involvement and proactive engagement have created a positive culture of embracing and experimenting with AI. However, this intensive investment in resources and systems has not fully translated into equivalent decision-making quality; employees' deep-level trust in AI outputs remains relatively lagging.

Q. To what extent do you agree with each of the following statements? (Showing only "To a very large extent" and "To a large extent" responses)



IDEA IN MOTION

A fast-moving consumer goods company deploys specialised intelligent agents to provide decision support for distributors and sales representatives

The prompt

Distributors encountered slow agent responses and inability to query platform information directly on WeCom. Sales representatives simultaneously received large volumes of inquiries, spending excessive time searching internal documents and systems. Both faced pain points of low response efficiency, fragmented information, and heavy reliance on manual support.

The move

In partnership with PwC, the company designed and deployed three types of AI intelligent agents: Knowledge Agent provides instant self-service for frequently asked questions and 24/7 support, drastically reducing waiting time for basic queries; Ticketing Agent automatically escalates complex or customised requests to the appropriate expert and enables cross-platform ticket creation with real-time status tracking; Insight Agent addresses long-tail and highly specific issues, delivers proactive recommendations based on interaction patterns, and achieves end-to-end automation from query to solution.

The outcome

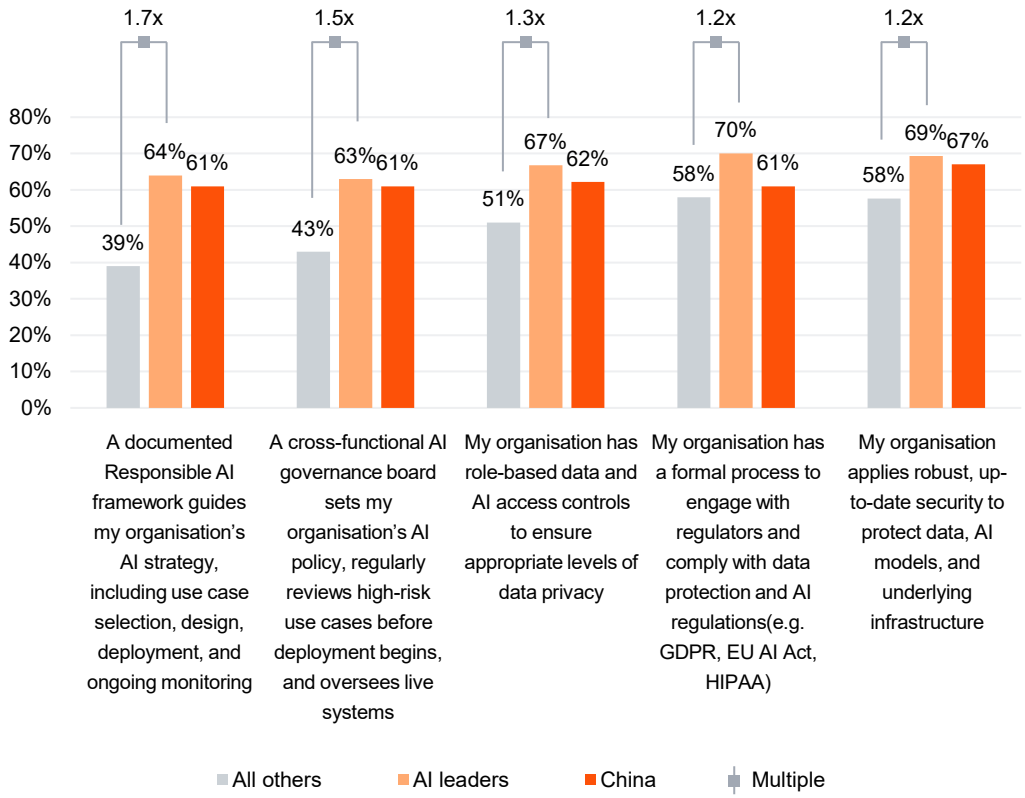
The deployment has delivered instant responses and automated handling of routine queries, precise routing and efficient processing of complex tickets, and proactive insights and predictions based on data analysis. Routine inquiries have decreased substantially, freeing human agents to focus on high-value, complex consultations. Cross-platform inquiries now benefit from a unified view, strengthened SLA compliance, and enhanced audit trails. The AI's continuous learning mechanism further reduces future ticket volume, significantly improving service experience and operational efficiency for distributors and sales representatives.

5. Governance and risk: Mature systems and frameworks in place, yet execution effectiveness needs improvement

This global survey indicates that AI leaders take governance seriously while applying it in a way that speeds up delivery rather than slowing it down. A governance board sets Responsible AI policies, and teams apply them in their day-to-day work through mechanisms like standard build templates, quick checkpoints, and regular monitoring. This keeps routine use cases moving quickly, as teams tap the board to review only the highest-risk work, thereby avoiding the process bottlenecks associated with full-scale approvals. AI leaders are more likely to have this machinery in place: they're 1.7 times as likely to use a documented Responsible AI framework that applies to processes from use case selection through application monitoring, and 1.5 times as likely to have a cross-functional AI governance board.

Chinese enterprises have largely aligned with global leading standards in top-level AI governance planning and institutional development, including the establishment of Responsible AI frameworks, cross-functional governance committees, and data security and compliance systems. However, compared with AI leaders, they still need to strengthen execution rigour in practical data security operations and regulatory compliance.

Q. To what extent do you agree with each of the following statements? (Showing only "To a very large extent" and "To a large extent" responses)

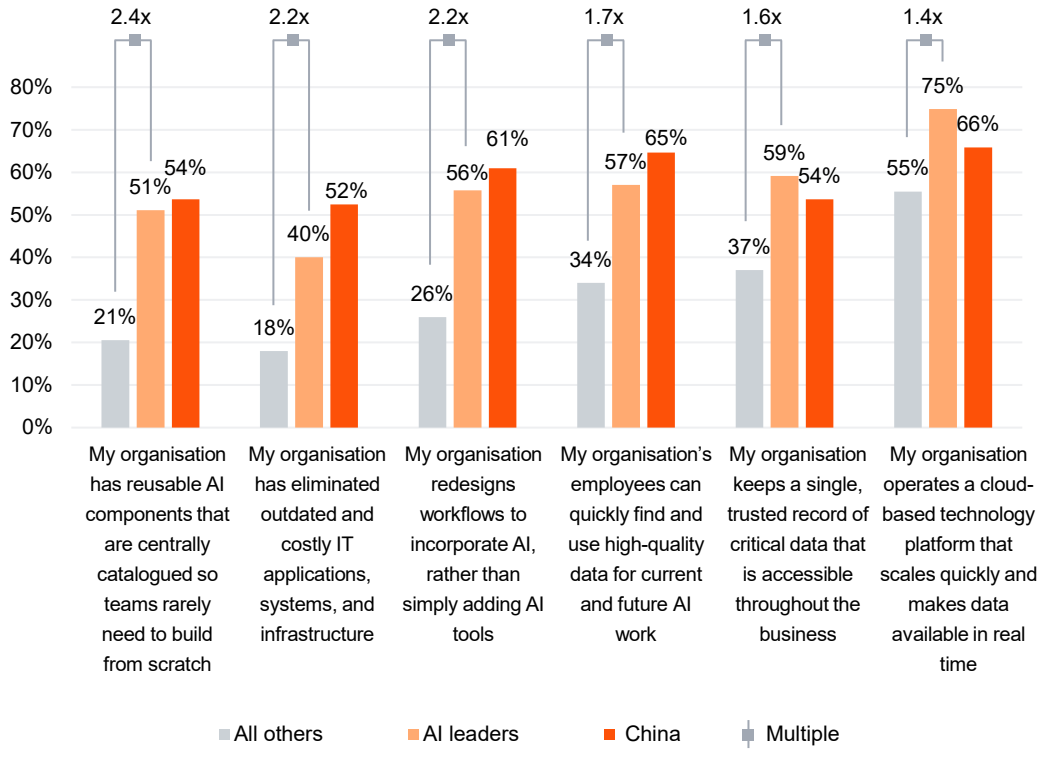


6. Data and technology: Leading in data governance and IT infrastructure, yet trustworthy single source of truth and cloud platform capabilities require enhancement

The global study points out that the most critical blockers to scaling AI are data quality and access, tech integration, and the hidden cost of rebuilding the same components (such as data pipelines and integration layers) repeatedly. AI leaders focus on removing those bottlenecks for their high-stakes use cases. They're 2.4 times as likely to create reusable, centrally catalogued AI components that their teams can pull off the shelf instead of reinventing. They're also 1.7 times as likely to provide the high-quality data needed for prioritised AI applications.

Chinese enterprises demonstrate high capability in data governance, IT infrastructure, and workflow redesign. They match or exceed AI leaders in the provision of high-quality data, reusable AI components, advanced IT systems, and deep workflow reconfiguration. However, gaps remain in maintaining a single, trusted record of critical data and in the elastic scalability of cloud platforms.

Q. To what extent do you agree with each of the following statements? (Showing only "To a very large extent" and "To a large extent" responses)



IDEA IN MOTION

A manufacturing enterprise uses intelligent agents to digitalise and intelligentise procurement and finance processes

The prompt

The enterprise faced multiple efficiency and control challenges in procurement and finance processes. Document management was fragmented across multiple systems and local folders, lacking a unified trustworthy source, making retrieval and cross-referencing extremely time-consuming. Budget monitoring required manual aggregation from procurement systems, ERP platforms, and other sources, resulting in lagged information and poor support for real-time decision-making. Data validation issues (mismatches in amounts, terms, cost centres, etc.) were often discovered too late, leading to rework, payment delays, and general ledger posting errors. Three-way matching and reconciliation relied entirely on manual line-by-line verification, which was cumbersome and error-prone, becoming a major bottleneck in month-end closing. These pain points caused low overall process efficiency, elevated risk, and weak control.

The move

Working with PwC, the company implemented digital-intelligent transformation across four key areas. First, a centralised document repository was established for unified storage and instant retrieval of contracts, purchase orders, and invoices, supporting rapid search by contract, supplier, or department. Second, real-time dashboards were deployed for budget tracking, spend analysis, contract utilisation rate monitoring, and proactive alerts, eliminating data lag. Third, AI was introduced at the data source for extraction and pre-posting validation, intercepting mismatches in amounts, terms, etc., before issues propagated downstream. Finally, an AI-powered reconciliation engine was enabled to automatically perform three-way matching between contracts, purchase orders, and invoices, instantly highlighting mismatches and anomalies.

The outcome

The project transformed procurement from a fragmented, manual, lagged, and error-prone process into a centralised, automated, real-time, and intelligent system. Document retrieval efficiency improved dramatically with instant access via a unified platform; budget monitoring became real-time, enabling management decisions based on the latest data; data errors were effectively intercepted at source, greatly reducing rework and payment delays; and three-way matching was fully automated, eliminating the month-end bottleneck. Overall, the initiative enhanced operational efficiency for procurement and finance teams, lowered operational risk and cost, strengthened budget and spend control, and established an efficient, transparent, and fully traceable procurement and finance management closed loop for the enterprise.

Enterprises need to move beyond the rigid view of AI solely as a cost-cutting tool and instead proactively target high-value application scenarios. The goal is to leverage AI to uncover emerging cross-industry value pools and pioneer new business models. When building infrastructure, companies should eschew blind transformation in favour of a scenario-led approach, prioritising cloud platform upgrades and data governance around core use cases. Furthermore, tailored employee training, robust trust mechanisms, and sound compliance frameworks are critical to balancing innovation with risk management. Only by synergistically advancing strategic integration, innovation resilience, and institutional capability can enterprises unlock the compounding value of AI and capture sustainable growth momentum globally.

Horatio Wong

Head of Consulting, PwC China

03

The potential and outlook for AI performance development in Chinese enterprises

Based on the data from this global AI performance study and PwC's long-term observation of artificial intelligence, China's enterprises possess substantial medium- to long-term growth potential in AI development, underpinned by a complete domestic industrial ecosystem, continuously implemented top-level AI support policies, and strong enterprise willingness to pursue intelligent transformation.

The 15th Five-Year Plan calls for the comprehensive implementation of the AI-plus initiative, strengthening underlying supply through the integration of computing power, algorithms, and data, while accelerating independent innovation in key technologies and full-industry scenario penetration. As domestic digital-supporting institutions continue to improve and enterprises gradually close gaps in AI governance and technical foundations, Chinese enterprises are expected to achieve AI performance levels fully on par with global top-tier AI leaders in the future.

I. Comparison with global AI leaders

Although Chinese enterprises have entered the global top tier in overall AI development, with certain capabilities even surpassing those of AI leaders, there remains room for further improvement:

- **Strategy and value-loop capabilities need completion:** Chinese enterprises exhibit a notable weakness in value tracking during AI strategy implementation. Approximately 62% of surveyed enterprises systematically track AI's actual business impact (including revenue uplift, cost reduction, and improvement in core business KPIs), 8 percentage points lower than AI leaders. In addition, 76% have developed AI strategic roadmaps covering short- and long-term priorities, 6.5 percentage points lower than AI leaders. Some enterprises still face the challenge of prioritising technology pilots over actual value delivery, resulting in certain AI investments failing to translate into actual returns.
- **Resilience of innovation investment needs enhancement:** Although Chinese enterprises' AI investment intensity exceeds the global average, support for long-term innovation and investment stability remains insufficient. Only 59% are willing to invest in innovative AI projects with unclear short-term ROI but high long-term potential, 7 percentage points lower than AI leaders. Over the past 12 months, the average growth rate of Chinese enterprises' AI spending was 24%, 12 percentage points lower than that of AI leaders (36%). This gap in spending growth may further widen differences in long-term innovation capabilities.

- **High-tier AI applications and autonomy need to be strengthened:** Chinese enterprises have matched AI leaders in the growth and penetration of AI applications, but there remains a clear gap in high-tier autonomous applications. Only 7% have achieved “autonomous and self-optimising” AI applications—only half the proportion of AI leaders, representing a gap of nearly 8 percentage points. At the same time, only 50% of enterprises use AI to sense emerging industry value pools, 10 percentage points lower than AI leaders, resulting in insufficient competitiveness in scenarios that require high autonomy and strong foresight.
- **Technical foundation performance and data trustworthiness need strengthening:** Chinese enterprises enjoy clear advantages in IT modernisation and data availability, yet cloud foundation capabilities that support large-scale AI deployment still lag. Only 66% operate cloud platforms that support rapid scaling and real-time data provision, 9 percentage points lower than AI leaders; 54% maintain a single, trusted record of critical data accessible across the entire enterprise, 5 percentage points lower than AI leaders. Insufficient scalability and real-time performance of cloud platforms, together with inadequate trustworthiness of data sources, directly constrain the efficiency of large-scale AI deployment.
- **Employee culture and trust in AI need improvement:** Chinese enterprises lead globally in AI talent attraction and training coverage, but there is still room to enhance employee trust in AI. Only 54% of employees trust AI-generated insights and use them in day-to-day decision-making, 7 percentage points lower than AI leaders. Insufficient trust directly reduces actual AI utilisation rates, preventing technology investments from translating into business value.
- **Governance and compliance system completeness is insufficient:** Chinese enterprises have established relatively mature AI governance organisations and policy frameworks, but governance systems adapted to AI scaling and regulatory requirements still need improvement. Only 61% have established formal processes for engaging with regulators and complying with data and AI regulations, 9 percentage points lower than AI leaders. As domestic AI regulatory rules become increasingly detailed, enterprises must prioritise compliance to avoid potential regulatory risks.

We recommend that enterprises establish a clear AI value proposition, identify priority areas for competitive advantage, and define the critical transformations required for their business models and capabilities, all while anchoring outcomes to specific performance metrics. These objectives can be phased through a structured roadmap that aligns high-impact scenarios with foundational data and technologies. Senior leadership should oversee and coordinate all efforts through a robust accountability mechanism, continuously unlocking growth potential across financial returns, resource allocation, use-case scalability, infrastructure upgrades, and compliance.

Wilson Chow

Global TMT Industry Leader and
China Artificial Intelligence Leader, PwC China

II. Characteristics of AI performance development among enterprises in major countries

In this era of AI-driven transformation, this global study reveals that major economies and emerging technology nations are leveraging their unique industrial foundations and institutional strengths to develop distinct, locally adapted AI-powered development paths:

Singapore

has higher maturity in the alignment of AI strategy with business objectives and in the deployment of high-tier autonomous and self-optimising AI scenarios, with the proportion of autonomous and self-optimising AI applications more than twice that of China. It excels in AI roadmap prioritisation and business impact tracking. However, innovation is its weakest area relative to other regions. In particular, it lags significantly in using AI to sense emerging value pools and in reconfiguring value chains or business capabilities, and faces challenges in converting technology investments into innovation outcomes.

The United States

has deep accumulation in basic research and underlying technology ecosystems. Core AI architectures such as Transformer, mainstream deep learning frameworks, and the high-end AI chip industry all enjoy strong technological influence, with substantial accumulation in original breakthroughs in frontier technologies. Its strongest area is strategy. AI experimentation infrastructure is close to AI leaders, but using AI for industry convergence is a relative weakness. Cross-sector collaboration and value chain reconfiguration are notable shortcomings, and enterprises face challenges in realising organisational restructuring benefits from AI investments.

The United Kingdom

has more complete AI experimentation infrastructure, providing stronger underlying support for AI innovation trial-and-error. Its strongest performance is in governance and risk. Dedicated AI experimentation infrastructure performs well, but data and technology is its weakest area relative to other regions. Shortcomings are prominent in using AI for cross-sector collaboration to unlock new value and in sensing emerging value pools. Enterprises lag significantly behind AI leaders in achieving fundamental organisational change.

France

has a more refined AI governance system, with higher adoption rates in role-based access controls, regulatory compliance processes, and security protection. AI investment resilience and resource flexibility are also more pronounced, with higher willingness to invest in long-term innovation projects and greater maturity in cross-project dynamic resource optimisation mechanisms. However, using AI for industry convergence is its weakest area. France lags notably in using AI to reconfigure value chains and business capabilities as well as in cross-sector collaboration, and enterprises face difficulties in realising comparable strategic restructuring benefits.

Germany

has the strongest performance in data and technology, outstanding in security protection and regulatory compliance processes, nearly matching AI leaders. Workforce is its relatively weakest area. Shortcomings are prominent in using AI for cross-sector collaboration to unlock new value and responding to shifts in customer needs. Enterprises lag significantly behind AI leaders in achieving business model transformation through their AI portfolios.

Saudi Arabia

has a relatively refined AI governance system, with strong performance in security protection and regulatory engagement processes. Strategy is its strongest indicator, while innovation is its weakest area. The largest shortfall stems from the lack of dedicated infrastructure to support AI experimentation. Enterprises lag significantly behind AI leaders in achieving automated decision-making without human intervention.

India

has stronger AI foundations than AI use. Strategy is its strongest indicator. Investment is the area closest to AI leaders, but data and technology is its weakest relative to other regions. The most prominent shortfalls are in using AI to collaborate with companies outside its own sector and in cross-sector collaboration to unlock new value. At the same time, Indian enterprises show only modest progress in achieving fundamental organisational change.

III. Development insights and outlook

PwC's 29th Global CEO Survey indicates that 42% of the surveyed global CEOs rank the speed of business transformation in matching the pace and scope of technological change (including AI) as their top concern, whereas this AI performance study provides important insights for enterprises' future AI deployment and development from two major dimensions and nine factors.

- **Complete the strategic value loop and improve return on investment efficiency:** Enterprises are advised to establish a full-lifecycle value tracking mechanism for AI projects. For each AI initiative, define quantifiable business metrics such as revenue uplift, efficiency gains, and customer experience improvements, rather than tracking only technical parameters. Enterprises may refer to the "monthly business value review" mechanism commonly adopted by AI leaders, which involves regular assessment of AI project value progress, termination of pilot projects that show no clear value within six months, and reallocation of resources toward higher-value initiatives.
- **Strengthen long-term innovation investment and optimise resource allocation mechanisms:** Enterprises need to maintain current investment intensity while appropriately increasing the proportion of resources allocated to long-term, innovation-oriented AI projects. At the same time, they need to establish flexible dynamic resource scheduling mechanisms that enable rapid reallocation of funds and talent to high-value, growth-oriented AI projects as business priorities shift.
- **Tackle high-tier application scenarios to unlock growth potential:** Enterprises need to move beyond the entrenched perception of AI as a cost-cutting tool and leverage AI to identify emerging cross-sector value pools and explore business model reinvention. Drawing on the practices of AI leaders, companies need to launch 2–3 AI-driven pilot projects each year with clearly defined performance standards for implementation outcomes. In parallel, they need to develop benchmark demonstrations of high-tier AI applications, selecting priority scenarios based on capabilities such as autonomous optimisation and cross-sector value creation, and explore deployment pathways for AI in complex decision-making and dynamic optimisation scenarios. This will enhance AI's contribution to business value.
- **Focus on scenario-driven optimisation of the technical foundation and data to avoid blind transformation:** Enterprises need to prioritise upgrading cloud platform capabilities for core AI scenarios, while simultaneously advancing key data governance initiatives such as data lineage tracing, data asset inventory, and data quality improvement to ensure a single, trusted source of critical data. By adopting the scenario-oriented foundation-building logic commonly used by AI leaders, companies can achieve large-scale AI deployment at lower cost.

- **Improve AI culture and supporting mechanisms to increase trust and adoption rates:** Considering employees' concerns regarding the fitness of AI-driven decisions and their trust in AI, enterprises need to further refine role-based continuous AI training systems and introduce corresponding performance incentives to encourage employees to experiment with and adopt AI tools in their daily work. They also need to promote joint participation of business, data, and technology teams in the design and development of AI projects, ensuring solutions are better aligned with actual business needs and thereby increasing employee trust and willingness to use AI. In addition, referencing AI leaders' practices, companies need to establish protective mechanisms and operational guidelines to further build employee confidence. When people clearly understand the authorised scope of AI use, situations requiring escalation, and accountability structures, they can apply the technology with greater confidence.
- **Strengthen governance and compliance systems to balance innovation and risk:** Enterprises need to accelerate the establishment of cross-functional AI governance committees involving business, technology, and compliance teams, and implement AI frameworks that meet domestic regulatory requirements. Compliance reviews need to be conducted prior to the deployment of high-risk AI use cases. Standardised templates and lightweight review processes can be adopted to balance governance requirements with deployment efficiency. Referencing AI leaders, they are more inclined to establish enterprise-level AI frameworks to guide use case selection, design, deployment and ongoing monitoring. In addition, AI leaders are 1.5 times more likely than other companies to establish cross-functional governance committees, effectively balancing AI innovation deployment with compliance risks.

Overall, Chinese enterprises are advancing rapidly in the wave of AI development and have already reached the global forefront. They demonstrate particular strengths in industry convergence, cross-enterprise collaboration, and process automation, yet still need to improve in high-tier autonomous applications, innovation-to-value conversion efficiency, and governance and compliance. From the full-cycle perspective of AI infrastructure deployment and large-scale application, China's AI industry is entering a critical transition period from quantitative accumulation to qualitative leap. There is an urgent need for unified macro-level deployment and guidance from the government to close gaps, reinforce strengths, and drive an overall leap in the AI industry.

- There is an increasingly urgent demand across industries for advanced AI applications and breakthroughs in autonomous capabilities, as enterprises transition from "tool replacement" toward "autonomous decision-making". However, embedding AI into complex decision-making and dynamic optimisation still faces bottlenecks in both technological readiness and real-world scenario validation. Resolving these challenges requires government-led coordination to establish benchmark scenarios, joint innovation funds, and collaborative platforms spanning government, industry, and academia, thereby providing the industry with scalable blueprints and robust resource support.
- The demand for cloud foundations and data standard systems is becoming more prominent. As AI applications move from pilots to large-scale rollout, enterprises commonly face issues such as uneven data quality, serious data silos, and cloud platform compatibility, all of which seriously hinder the transition from pilot to scaled deployment. Resolving these challenges requires the government to accelerate the development of standard system planning for unified trustworthy data sources and elastic cloud platforms, improve data quality and accessibility, and open up the conversion pathway from pilot to scale.
- The demand across industries to cultivate an ecosystem for AI trust and compliance continues to intensify. While AI applications are becoming increasingly widespread, enterprises still lack unified and clear guidance in implementing Responsible AI frameworks, cross-departmental governance collaboration, and regulatory compliance operations. This requires the government to further optimise Responsible AI frameworks and cross-departmental governance committee mechanisms while accelerating the issuance of operational guidelines adapted to regulatory requirements, helping the industry strike a balance between innovation efficiency and risk prevention.

If these common needs for AI development and application can be met rapidly, it will not only drive China's AI industry from quantitative accumulation to qualitative leap, but also trigger leapfrog development that unleashes further growth. On this basis, we have every reason to believe that Chinese enterprises' AI capabilities will advance from efficiency improvement to business model reinvention, further unlocking growth potential and accelerating China's transition into a new form of intelligent economy.

Looking to the future, the strategic focus for enterprises in the AI domain is shifting from a resource-driven phase centred on “presence” to an efficiency-driven phase focused on “performance”. Enterprises need to move beyond the habit of prioritising deployment over actual value. Instead, they need to build a comprehensive, closed-loop framework that aligns strategy, resource allocation, and governance. At the same time, a collaborative synergy among government, industry, and academia is essential to cultivate an open, trusted AI ecosystem, ensuring that technological innovation truly drives sustainable economic and societal growth.

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