Tracxn

The State of AI in Southeast Asia

A $9.3B Funding Landscape Driven by AI Infrastructure, Growth-Stage Investments and Regional Expansion

2026

SUMMARY:

The Southeast Asian Native AI ecosystem has raised approximately $9.3B across 261 disclosed equity funding rounds, reflecting growing investor interest in AI businesses across the region. AI Infrastructure has emerged as the largest funded segment, accounting for $4.3B of total funding, while several large growth-stage investments have contributed significantly to overall capital deployment. As the ecosystem continues to mature, the next phase of growth will be shaped by the emergence of more companies capable of scaling, attracting follow-on investment, and expanding AI adoption across industries.

Building the Foundation for Southeast Asia's AI Economy

Artificial intelligence is becoming an important part of Southeast Asia's digital economy as enterprises increasingly adopt AI technologies and governments expand investments in digital infrastructure, AI capabilities, and policy frameworks. As AI adoption continues across industries, the region is gradually establishing itself as an important market for AI innovation and commercialization.

The growing adoption of generative AI has created new opportunities for businesses to improve operational efficiency, automate business processes, and develop industry-specific AI applications. At the same time, governments across Singapore, Malaysia, Vietnam, Indonesia, and other ASEAN countries have introduced national AI strategies, governance frameworks, and infrastructure initiatives to encourage AI adoption while creating a supportive environment for technology companies and investors.

974	902	$9.3B	261	13
TOTAL COMPANIES	TOTAL ACTIVE COMPANIES	TOTAL FUNDING	FUNDING ROUNDS	TOTAL ACQUISITIONS

As of July 31, 2026, AI startups across Southeast Asia have collectively raised $9.3B through 261 equity funding rounds, reflecting increasing investor interest in companies developing AI infrastructure, enterprise AI platforms, and application-focused solutions. The ecosystem is also witnessing greater participation from growth-stage companies, indicating that AI businesses are progressing beyond product development towards commercial expansion.

Funding Cycles and Structural Shifts

Funding activity in Southeast Asia's AI ecosystem has increased steadily over the past three years. Total equity funding rose from $869M across 35 rounds in 2024 to $2.0B across 41 rounds in 2025. As of July 31, 2026, AI startups have already raised $4.1B across 23 equity funding rounds, more than 2x the total funding raised during the whole of 2025. Overall, approximately 67% of the ecosystem's cumulative equity funding has been raised since 2025, highlighting the sharp acceleration in capital deployment over the past two years.

Through 2024, funding activity was primarily led by seed and early-stage investments as startups focused on product development and market validation. From 2025 onwards, however, the funding landscape shifted towards larger late-stage transactions. Late-stage funding increased from $1.3B in 2025 to $3.5B in 2026 YTD, with 23 funding rounds recorded as of July 31, 2026, compared with 41 rounds in 2025. This suggests that investors are allocating larger amounts of capital to a smaller number of companies that have already demonstrated commercial traction and are expanding their operations.

Table 1 - Southeast Asia's AI Equity Funding and Round Count by Year and Stage

YEAR	TOTAL EQUITY FUNDING	NUMBER OF ROUNDS	SEED STAGE	EARLY STAGE	LATE STAGE
2021	$731M	21	$13M	$18M	$700M
2022	$709M	25	$9M	$701M	-
2023	$368M	23	$21M	$268M	$80M
2024	$869M	35	$21M	$848M	-
2025	$2.0B	41	$62M	$658M	$1.3B
2026 YTD	$4.1B	23	$31M	$505M	$3.5B

Total & Stage Wise Funding ($=USD). Stage cells show "amount (round count)". Data as of Jul 31, 2026. Source: Tracxn.

A major contributor to this trend was Kling AI's $2.8B Series D funding round, which accounted for approximately 68% of the total funding raised during 2026 YTD. The company raised the capital to strengthen its generative AI foundation models, expand its AI-powered video generation platform, enhance computing infrastructure, and support commercial expansion. Other notable transactions, including funding raised by PixVerse, Zelostech, and SiliconFlow, further demonstrate continued investor interest in companies building AI infrastructure and enterprise AI solutions.

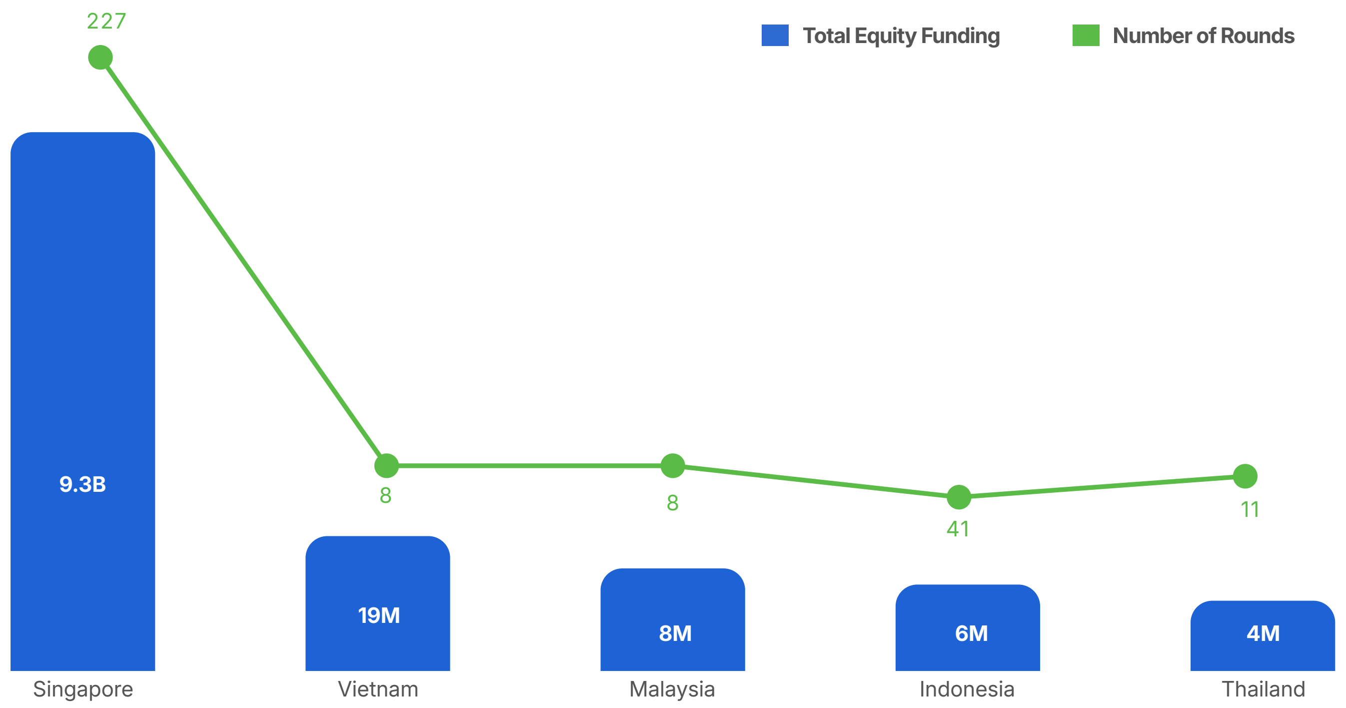
The increasing share of late-stage funding, combined with the emergence of larger growth-stage rounds, indicates that Southeast Asia's AI ecosystem is entering a more mature phase of development. Rather than being driven solely by a higher number of startups raising capital, recent funding activity reflects growing investor confidence in companies that have established scalable technologies, demonstrated commercial adoption, and are positioned to expand across regional and global markets.

Why this matters: The funding pattern indicates that Southeast Asia's AI ecosystem is evolving beyond an early-stage startup landscape into one where companies are able to secure large growth-stage investments. While a few high-value transactions contributed significantly to the record funding observed in 2026, they also reflect the presence of companies that have reached a level of technological and commercial maturity capable of attracting institutional capital. This suggests that the ecosystem is gradually developing a pipeline of AI companies with the potential to scale beyond their domestic markets.

Capital Concentration Across Southeast Asia

Funding activity across Southeast Asia's AI ecosystem shows significant variation across countries, with investment activity differing considerably between markets. Singapore has attracted $9.3B in disclosed equity funding, significantly higher than Vietnam ($19M), Malaysia ($8M), Indonesia ($6M), and Thailand ($4M). While AI startups are emerging across multiple Southeast Asian markets, the availability of institutional capital and access to large-scale funding remain at different stages of development across the region.

This variation reflects differences in the maturity of each country's investment ecosystem rather than differences in AI innovation alone. Countries such as Vietnam, Malaysia, Indonesia, and Thailand are witnessing growth in AI adoption and startup activity; however, their venture capital networks, availability of growth-stage capital, and participation from global investors are still developing. In comparison, Singapore has established itself as the preferred fundraising market for technology companies seeking regional and international capital.



Singapore's position is supported by a mature venture capital ecosystem, strong financial services sector, business-friendly regulations, advanced digital infrastructure, and access to skilled talent. Government initiatives such as the National AI Strategy 2.0, investments in AI computing infrastructure and talent development, and AI governance frameworks have further strengthened the country's technology ecosystem. These factors have encouraged startups to establish regional headquarters in Singapore while attracting global investors, multinational technology companies, and research partnerships.

The funding distribution across Southeast Asia therefore reflects where companies choose to raise capital rather than the location of AI innovation itself. Several AI companies establish their headquarters or fundraising entities in Singapore to access investors and regional business networks, while building products, developing technology, and serving customers across multiple Southeast Asian markets. As AI ecosystems continue to mature across ASEAN countries, investment activity is expected to gradually expand beyond Singapore, although the country is likely to remain the region's primary fundraising hub.

AI Infrastructure and Data Centers Lead Funding Activity

Funding within Southeast Asia's AI ecosystem is increasingly concentrated in technologies that support the development, deployment, and commercialization of AI at scale. AI Infrastructure and Data Center Infrastructure together account for more than 65% of the total equity funding in the ecosystem, reflecting growing investor focus on the foundational technologies required to build, train, deploy, and scale AI models. At the same time, sectors such as Logistics Tech, Autonomous Vehicles, and Video Creation Tools continue to attract investment as AI adoption expands across enterprise and consumer applications.

Table 2 - Southeast Asia's AI Top Funded Sectors

TOP 5 FUNDED SECTORS	TOTAL FUNDING (USD)	FUNDING ROUNDS	TOP FUNDED STARTUPS
AI Infrastructure	$4.3B	56	Kling AI $2.8B , MiniMax $1.2B
Data Center Infrastructure	$2.2B	4	Princeton Digital Group $2.2B
Logistics Tech	$940M	19	Zelostech $900M , NextBillion AI $34M
Autonomous Vehicles	$900M	9	Zelostech $900M
RegTech	$562M	23	Advance Intelligence $400M , Silent Eight $61M

All-time equity funding data considered till Jul 31, 2026 - Source Tracxn

AI Infrastructure ($4.3B):

AI Infrastructure is the largest funded sector, attracting $4.3B across 56 rounds. Investment has been driven by the rapid adoption of generative AI, increasing demand for AI compute, and the need for scalable infrastructure to train and deploy large AI models. Kling AI ($2.8B) and MiniMax ($1.2B) account for a significant share of the sector's funding, reflecting investor confidence in companies building the core technologies that support AI development and commercialization.

Data Center Infrastructure ($2.2B):

Data Center Infrastructure emerged as one of the largest funded sectors, with all $2.2B in equity funding raised by Princeton Digital Group across four rounds. The capital has been deployed to expand digital infrastructure supporting cloud services, AI workloads, and high-performance computing, reflecting the growing infrastructure requirements underpinning AI adoption.

Other sectors have also attracted notable investment. Logistics Tech ($940M across 19 rounds) has benefited from increasing adoption of AI to optimise route planning, supply chain operations, and fleet management, led by companies such as Zelostech and NextBillion AI. Autonomous Vehicles ($900M) reflects continued investment in AI-powered mobility solutions, while RegTech highlights growing enterprise demand for AI-driven compliance, risk management, and regulatory reporting solutions. Together, these trends demonstrate that investment is expanding from foundational AI technologies to industry-specific solutions, supporting broader AI adoption across Southeast Asia's digital economy.

Government Initiatives Strengthening Southeast Asia's AI Ecosystem

The rapid growth of Southeast Asia's AI ecosystem has been supported not only by private investment but also by government initiatives aimed at strengthening AI infrastructure, talent, governance, and commercialization. Across the region, policymakers are introducing national AI strategies, governance frameworks, and digital infrastructure investments to accelerate AI adoption while creating an environment that supports innovation and responsible AI development. These initiatives closely align with the sectors attracting the highest levels of funding, particularly AI Infrastructure, Data Center Infrastructure, and enterprise AI applications.

Table 3 - Government Policies and Schemes

COUNTRY	POLICIES / SCHEMES	PRIMARY FOCUS	WHY IT MATTERS FOR AI TECH STARTUPS
Singapore	National AI Strategy 2.0 Updated 2026	AI infrastructure, talent and commercialization	Expands investment in AI compute, talent, trusted AI and industry adoption, strengthening Singapore's position as Southeast Asia's leading AI innovation and fundraising hub while supporting startups building foundation models, enterprise AI and AI infrastructure.
Singapore	Model AI Governance Framework & Generative AI Governance Framework	Trusted AI & Responsible AI Deployment	Provides clear guidance for the responsible development and deployment of AI, reducing regulatory uncertainty for businesses and investors. A well-defined governance framework supports enterprise AI adoption and strengthens investor confidence in companies developing and commercializing AI technologies.
Malaysia	National AI Office NAIO & National AI Governance and Ethics Guidelines	AI governance, infrastructure and ecosystem development	Establishes a national body to coordinate AI policy, attract investment, strengthen AI governance and promote commercialization. The initiative also supports AI infrastructure and industry collaboration, improving the investment environment for AI startups.
Indonesia	National AI Roadmap	AI Adoption, Digital Infrastructure & Priority Sectors	Promotes AI adoption across priority sectors while strengthening digital infrastructure and AI capabilities. The roadmap creates opportunities for startups developing AI solutions in healthcare, education, agriculture, financial services, and public services, supporting long-term ecosystem growth and attracting investment into applied AI.

These initiatives closely align with the investment trends observed across Southeast Asia's AI ecosystem. Government support for AI infrastructure, data centers, governance, and talent development is creating the foundations required for AI companies to scale and commercialize new technologies. As countries continue to strengthen AI capabilities through coordinated policy initiatives, the region is expected to attract greater private investment while supporting the development of AI applications across enterprise, industrial, and consumer markets.

Growing Exit Activity Strengthens the AI Ecosystem

Exit activity is emerging as an important indicator of the Southeast Asian AI ecosystem's maturity. While funding continues to support company growth, recent IPOs and acquisitions demonstrate that AI startups are increasingly reaching stages where they can access public markets or become strategic acquisition targets. The availability of multiple exit pathways is an important signal for investors, as it improves capital recycling and supports continued investment into the ecosystem.

Table 4 - Recent IPOs in Southeast Asia's AI Ecosystem

S NO	COMPANY NAME	CURRENT STAGE	COUNTRY	FOUNDED YEAR	TOTAL FUNDING
1	MiniMax	Public	Singapore	2022	$1.2B

Recent IPO. Data as of Jul 31, 2026. Source: Tracxn

The public listing of MiniMax reflects the ecosystem's growing ability to produce companies capable of scaling beyond the private markets. Although IPO activity remains limited, successful public listings establish important benchmarks for valuation, liquidity, and long-term commercialization, strengthening investor confidence in the region's AI sector.

Alongside IPOs, acquisitions have become the more active exit route. The acquisitions of NextBillion AI, ViSenze, SUPA, Ai Palette, and Nidum demonstrate growing demand from established technology companies seeking to accelerate AI capabilities through inorganic expansion. Rather than building AI capabilities internally, acquirers are using M&A to gain access to proven technologies, specialized talent, and enterprise customer relationships across areas such as geospatial intelligence, computer vision, retail analytics, and enterprise software.

Table 5 - Top 5 Recent Acquisitions in the Southeast Asia's AI Ecosystem

S NO	COMPANY NAME	COUNTRY	ACQUIRER NAME	DATE
1	NextBillion AI	Singapore	Velocitor Solutions	Sep 30, 2025
2	ViSenze	Singapore	Rezolve	Aug 27, 2025
3	SUPA	Singapore	TDCX	Jun 20, 2025
4	Ai Palette	Singapore	GlobalData	Mar 11, 2025
5	Nidum	Singapore	BitsCrunch	Mar 06, 2025

List of Acquisitions by Date ($=USD). Data as of Jul 31, 2026. Source: Tracxn

Taken together, IPO and acquisition activity indicate that the ecosystem is gradually progressing from one driven primarily by venture funding to one supported by clearer commercialization and exit pathways. As more AI companies reach scale, a stronger exit environment is expected to improve investor returns, attract additional growth capital, and reinforce Southeast Asia's position as an increasingly mature AI market.

Appendix

References:

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Abbreviations:

ABBREVIATION	FULL FORM
EU	European Union
AI	Artificial Intelligence
AIGE	National Guidelines on AI Governance & Ethics Malaysia)
ASEAN	Association of Southeast Asian Nations
B	Billion
M	Million
NAIO	National AI Office Malaysia)
NAIS	National AI Strategy Singapore)
USD	United States Dollar
YTD	Year to Date

Notes:

1. All values are in USD unless otherwise specified.
2. One company can be tagged to mutliple sectors