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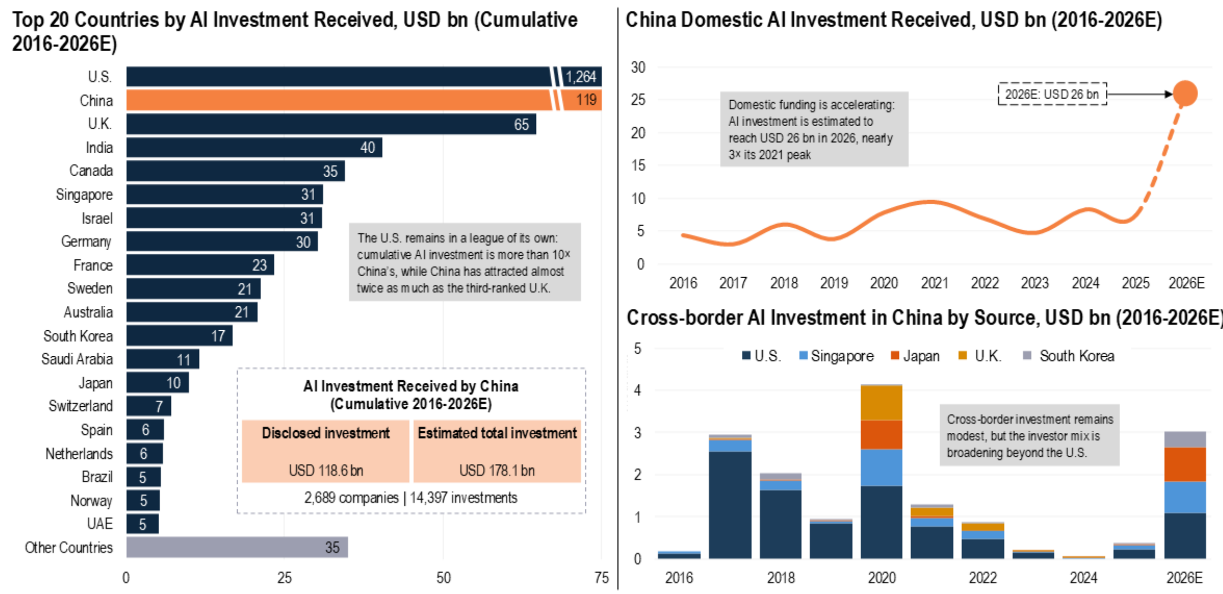
China Is the World’s No. 2 AI Investment Market, Behind the U.S.

China attracted an estimated USD 119 billion in AI investment over the last decade, supported by accelerating domestic funding and comparatively modest cross-border investment.



Note: 2026 values estimated as per ETO Country Activity Tracker. Source: Emerging Technology Observatory (ETO), ANDAMAN PARTNERS Analysis

China has firmly established itself as the world’s second-largest AI investment market, but the gap with the U.S. remains substantial. China attracted an estimated USD 119 billion in disclosed AI investment over the past decade, compared with more than USD 1.2 trillion in the U.S., while still drawing almost twice as much as the third-ranked U.K.

What is changing is where China’s momentum is coming from. Domestic AI investment is estimated to reach USD 26 billion in 2026, nearly three times its 2021 peak, while cross-border investment remains relatively modest. Foreign capital is diversifying beyond the U.S., but China’s AI investment story is increasingly being driven from within.

China is building a large, increasingly self-funded AI ecosystem that is less dependent on foreign capital. That should support continued investment in AI infrastructure, applications and domestic technology capabilities even as the flow of international capital remains constrained.

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