Frontier AI, Cooperation and Shared Prosperity in the Asia-Pacific

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The technology curve has bent

1. Capabilities are accelerating. Documented openly ; including in RAND's April 2026 AGI Rideout paper. Frontier systems show early indicators of recursive self-improvement. The cooperation architecture we built between 2022 and 2024 was designed for a slower curve.

2. The offence–defence balance is shifting. Open-weight frontier models now lag the closed frontier by months, not years. Capabilities deployed in the open advance faster than the defensive infrastructure available to most economies.

3. The public–private gap is widening. A handful of frontier labs operate at capex levels and market valuations rivalling the GDP of mid-sized APEC economies. Even frontier states are losing the technical capacity to evaluate what private actors deploy.

Sources: RAND, April 2026 (AGI Rideout, Frelinger & Mueller); RAND / Paskov, frontier open-weight benchmarks, 2025–26.

A prosperity question, not an ideological one

Exposure

Open, trade-dependent Asia-Pacific economies are most exposed to a widening offence–defence gap. Cybersecurity, manipulation, information integrity — these are economic risks before they are security risks.

Concentration

Winners-take-all dynamics in the frontier value chain risk turning every non-frontier APEC economy into a permanent price-taker — for compute, for models, for the standards embedded in them. The AI divide widens despite current capacity-building programmes.

Public good gap

There is no shared infrastructure today for information exchange on incidents, near-misses and emerging risks at the frontier. We have built such infrastructure for finance, for pandemic surveillance, for climate. We have not yet built it for frontier AI.

Where PECC can contribute

I. **Sustained track-II contribution to APEC's AI workstream.**
PECC's value to APEC can be, esp. in the current context, intellectual support that ministerial meetings are struggling to produce themselves. The 2026 **APEC AI Ministerial in Chengdu** is a natural venue for committee-led work on frontier AI value chains and on the conditions under which AI-driven growth is broadly shared.

II. **Articulate the micro and the macro.**
The **Signature Project on AI for Trade Facilitation** addresses how AI lowers transaction costs across APEC borders. It pairs naturally with macro-structural work on how the frontier value chain itself shapes the distribution of gains across the region. PECC is uniquely positioned to do both.

III. **Prepare the ground for Shenzhen.**
The political space for substantive cooperation on AI between rival economies is narrow but real. It widens or narrows partly as a function of whether track-II actors have done the preparatory work. PECC can keep that space open — credibly, regionally, without forcing economies to pick a side.

The Asia-Pacific built one of the most successful regional cooperation experiments of the modern era — by treating economic openness and risk management as complements, not substitutes.

The frontier AI moment asks us to do that again — on a faster clock, on a higher-stakes substrate.

PECC has a role.