Beyond the Headlines: AI Has Added Jobs in Asia

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Early evidence shows that AI-related hirings are more than firings, but there is reduced demand for entry-level workers

Artificial Intelligence's impact on jobs remains a hotly debated topic, but what if the revolution isn't about taking away jobs but creating more instead?

Early evidence reveals just that. AI-related hirings in Asia are far outstripping firings. AI is already creating winners and losers in the job market, with entry-level jobs waning and seniority coveted.

The full impact of AI on the labor market may take years to materialize, so continuous monitoring of labor market data remains essential.

Economic theory suggests that AI has two opposing forces on the job market:

In most economies, both forces operate simultaneously.

That was the theory. Over three and a half years since the launch of generative AI models, we sought empirical evidence on how AI has transformed Asia's job market.

Labor market data in Asia are fragmented, so to answer this question, we aggregated public news announcements by companies on both job losses and new hirings as a result of AI.

Our sample comprised 69 announcements across Asia, mostly covering the period from 2022 until August 2026*, alongside country-level surveys to assess the trends.

Our findings showed AI-related hirings totaled 131K jobs versus AI-related firings of 61K. This means that, in the early days of the AI revolution, the complementary effect (job gains) is more than offsetting the substitution effect (job losses). This holds true across major economies like India and China, as well as the back office-driven Philippine market. However, displaced workers rarely transition directly into AI engineering roles, so these aggregate figures may mask significant underlying distributional pain.

Instead of firing workers, many firms have resorted to slowing hiring or implementing hiring freezes to adjust to the AI era. In India, staffing firm Xpheno estimates that Indian IT net hiring fell from 600K in FY22 to 140K in FY26, as firms reduced campus recruitment, rather than terminating existing staff. South Korean banks have lowered the voluntary retirement age to 40, offering generous packages rather than forcing exits.

These "silent" layoffs are politically less visible than mass layoffs.

Over 90% of total AI job creation remains locked within the technology sector itself, compared to less than 10% across all other sectors combined. In India, hiring has primarily centered on data annotation and linguistics, while in China, it has leaned toward high-skilled graduates focused on developing and scaling proprietary models.

Outside tech, non-technology sector hiring remains limited to niche roles, such as AI risk analysts in banking or autonomous vehicle specialists.

AI is establishing a two-tiered, K-shaped labor market characterized by declining demand for entry-level workers and rising demand for senior talent, who have a deeper understanding of the business context, interpersonal skills and organizational management, which AI cannot replicate.

Given its population size and role as the world's primary back-office and IT-services hub, India has experienced the largest absolute impact from AI across layoffs and hiring. Most firing cases are support teams replaced by chatbots, while most hiring cases are IT-services graduates that firms explicitly attribute to AI demand.

So far, the net impact of AI has been positive for India.

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