

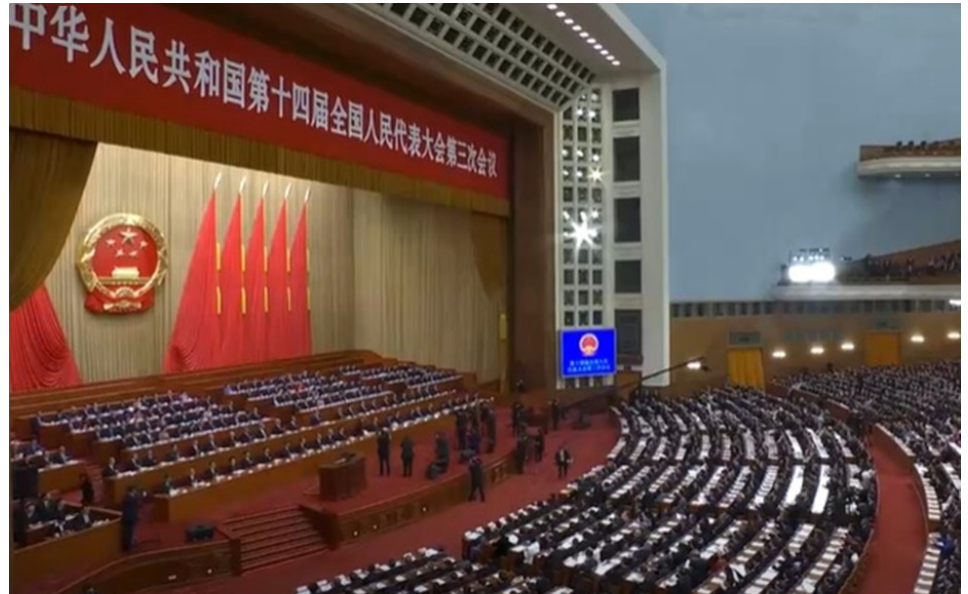
AI: Global Competition Or Global Collaboration?

DeepSeek is making waves in global stock markets. Multiple sectors in China are adopting its advanced AI models. The country is quickly integrating AI into its education system as part of its broader strategy to become a world leader in AI technology. Increasingly, U.S. firms are utilizing DeepSeek's AI models.

In mid-February, President Xi Jinping convened the country's top entrepreneurs, reaffirming the Country's support for the private sector, particularly the tech industry. The NPC Work Report delivered by Premier Li Qiang prominently noted the government's commitment to supporting the extensive application of large-scale AI models.

AI has become a global race and a global collaboration.

Anita Tang, Managing Director



China's Main Goals, Tasks, And Policy Measures For 2025

The 14th National People's Congress, China's national legislature, opened its third annual session at the Great Hall of the People in Beijing on March 5, 2025.

Premier Li Qiang delivered the Government Work Report. The Embassy of the People's Republic of China in the United States included on its website highlights of China's main goals, tasks, and policy measures for 2025.

The country targets economic growth of around 5 percent and aims for a deficit-to-GDP ratio of around 4 percent. Further, China is targeting to:

- issue more special treasury bonds,
- issue more local government special-purpose bonds,
- leverage monetary policy instruments to support property and stock markets,
- launch special initiatives to

boost consumption,

- increase support for major national strategies and security capacity building,
- foster emerging, future-oriented industries,
- accelerate high-quality development of key manufacturing chains,
- support the extensive application of large-scale AI models,
- gradually implement free preschool education,
- launch special initiatives to regulate enterprise-related law enforcement,
- expand higher standard opening up and stabilize foreign trade and investment,
- introduce city-specific policies on property transaction restrictions,
- refine centralized medicine procurement policy, and
- provide childcare subsidies.

Asian Financial Forum 2025 Powering The Next Growth Engine

The 18th Asian Financial Forum (AFF) was held on January 13-14 this year in Hong Kong at the Hong Kong Convention and Exhibition Centre under the theme “Powering the Next Growth Engine.”



This annual event is a platform for global financial and business leaders to discuss critical issues impacting the global economy from an Asian perspective. The theme for this year sought to identify strategies for achieving breakthroughs in the face of global changes, focusing on cultivating innovation and collaboration to propel future economic growth.

The two-day program featured a packed schedule of keynote speeches, panel discussions, and workshops. It facilitated valuable networking opportunities, enabling participants to connect. Additionally, the program included exhibition zones that highlighted cutting-edge technologies and innovative business ideas from a diverse array of global financial institutions, tech companies, and startups.

Professor Justin Lin Yifu, Dean of the Institute of New Structural Economics and former Chief Economist of the World Bank (pictured), delivered a keynote speech. He emphasized China’s potential to maintain an average annual growth rate of 4.5 percent between 2019 and 2049. He noted such growth would



contribute approximately 30 percent of global growth each year, benefiting both China and Hong Kong.

The “Setting Global Milestone in Sustainability” panel brought together key figures to discuss advancing global sustainability initiatives. Panelists included Edward Au, President of the Hong Kong Institute of Certified Public Accountants, Janey Lai, CEO of the Accounting and Financial Reporting Council, Sue Lloyd, Vice Chair of the International Sustainability Standards Board, and Justin Wu, Managing Director and Head of Climate Change Asia Pacific, Global Sustainability at HSBC.

The discussions centered on best practices, challenges, and opportunities for advancing sustainability initiatives worldwide. A key highlight was the emphasis on aligning Hong Kong’s sustainability disclosure standards with ISSB guidelines – a significant milestone in developing efficient and resilient capital markets both locally and globally.

In another keynote address, Professor Stuart Russell, Co-chair of the World Economic Forum’s Council on AI, emphasized responsible artificial intelligence development. He noted the importance of aligning AI systems with human interests and cautioned against designing AI with human-like objectives.

The “Funding the Future of Emerging Technologies” panel, as summarized by *China Daily*, underscored the preeminent position of AI in global investment trends. Abdulrahman A. Alolayan, Founder and Managing Partner of Beta Lab, noted that over US\$100 billion is being invested in AI-driven sectors worldwide. He also mentioned Saudi Arabia’s commitment to AI, with plans to invest substantially in emerging technology fields, including biotechnology, over the next two decades. Johnny Chan, CIO of Hong Kong Cyberport Management Co. Ltd., observed AI’s pervasive influence across various investment sectors, particularly in biotech and fintech. Ronald Simorangkir, CEO of Mandiri Capital Indonesia, discussed his firm’s focus on AI-driven payment solutions and the Indonesian government’s interest in advancing digital currency through AI.

This year saw the launch of the Gulf Cooperation Council (GCC) Chapter, which facilitated dialogue between Gulf states and Hong Kong. Speakers from Oman, Qatar, Saudi Arabia, and the United Arab Emirates discussed opportunities for financial cooperation, further strengthening ties between Hong Kong and the Middle East.

AFF 2025 attracted over 3,600 financial and business leaders from more than 50 countries and regions.

Technology-Focused U.S. Sovereign Wealth Fund

On February 3, U.S. President Donald J. Trump signed an Executive Order calling for the creation of a Sovereign Wealth Fund. The fund is “to invest in great national endeavors for the benefit of all of the American people,” said the U.S. President.

According to a White House Fact Sheet, the creation of a sovereign wealth fund is to ensure long-term economic competitiveness and fiscal sustainability.

The Secretary of the Treasury and the Secretary of Commerce will work closely with the Director of the Office of Management and Budget and the Assistant to the President for Economic Policy to develop the plan. The plan should include recommendations for funding mechanisms, investment strategies, fund structure, and a governance model.

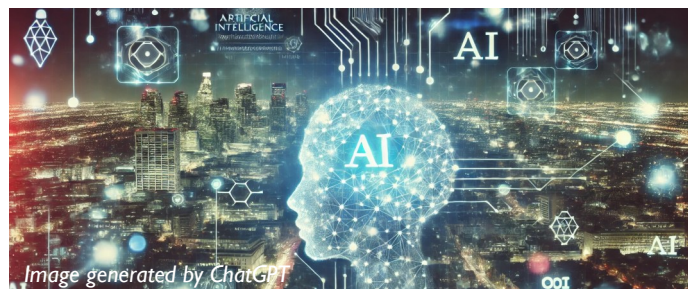
These government organs are tasked to deliver the plan within 90 days to the U.S. Congress as any U.S. fund recreation requires congressional approval.

Reuters reported that “The fund is expected to be backed by revenue from the so-called External Revenue Service, an agency Trump wants to create to handle income generated from tariffs on foreign imports, one of the sources said.”

The initial focus of the U.S. sovereign wealth fund will be on technology investments, particularly in areas like semiconductors and artificial intelligence. It is aimed at strengthening the nation’s technological infrastructure, enhancing supply chain resilience, ensuring the U.S. remains competitive globally.

In January this year, the Stargate Project, an AI initiative, was announced. It aims to invest up to US\$500 billion in AI infrastructure in the United States by 2029. It involves major tech firms such as OpenAI, Oracle, SoftBank, Microsoft, MGX, Arm, and NVIDIA.

In mid-September 2024, Microsoft, BlackRock, Global Infrastructure Partners, and MGX Fund Management announced plans to raise a US\$30 billion AI infrastructure fund — the Global AI Infrastructure Investment Partnership (GAIIP) — to build data centers and related energy projects, though mainly in the U.S., will also be built in U.S. partner countries.



China Emphasizes Importance Of Private Enterprises

On February 17, Chinese President Xi Jinping hosted a meeting with China’s top entrepreneurs, signaling the government’s clear support to the private sector, particularly the tech industry.

The meeting was held to bolster confidence and emphasize the importance of private enterprises in the nation's economic development.

Xi told the group that the government’s core principles and policies for the private economy, which are firmly integrated into the socialist system, will remain steadfast and unwavering, reported *Xinhua*.

Notable meeting attendees included Jack Ma, Co-founder of the Alibaba Group; Ren Zhengfei, Founder of Huawei Technologies; Lei Jun, Founder and CEO of Xiaomi; Liang Wenfeng, Founder of DeepSeek AI; Wang Chuanfu, Chairman and President of BYD Company; Zeng Yuqun, Chairman of CATL; Pony Ma, Founder and CEO of Tencent; Wang Xingxing, Founder of Unitree Robotics; Liu Yonghao, Chairman of New Hope Group; and Yu Renrong, Chairman of Will Semiconductor.

Xi urged them to contribute more to the country’s



tech innovation amid an intensifying rivalry with the United States. According to *SCMP*, President Xi pleaded private enterprises and entrepreneurs to showcase their talents and make significant contributions, stating that the time was right to do so.

The President also vowed to push forward the opening of competitive infrastructure sectors to a variety of market entities and make great efforts to address the financing difficulties and high financing costs for private firms.

“Difficulties and challenges facing the private economy largely emerged in reform and industrial upgrades ... They are temporary, not long-term ones. They can be overcome,” Xi said.

DeepSeek Has The Potential To Be A Game-Changing Technology

DeepSeek, a Chinese AI startup, significantly impacted the global stock market with the release of its R1 AI model in January 2025. Developed at a fraction of the cost of its competitors, DeepSeek's R1 challenged the dominance of established U.S. AI models like ChatGPT.

In the U.S., DeepSeek shocked the stock market. Nvidia shares plummeted by nearly 17 percent, erasing approximately US\$589 billion in market value. Stocks of other tech companies such as Microsoft, Alphabet, and ASML experienced significant declines, contributing to a broader tech sell-off.

DeepSeek's emergence has significantly influenced the Chinese stock market, particularly within the technology sector, and spurred a surge in AI-related stocks. Alibaba stock jumped by 7.5 percent. This development has intensified competition among Chinese tech giants, leading to increased investments in AI technologies.

The open-source AI model DeepSeek has contributed to its rapid growth and widespread adoption. By allowing developers, researchers, and businesses to freely access and build upon the technology, DeepSeek has become highly attractive to the global community.

DeepSeek's AI assistant app, launched on January 10, 2025, rapidly gained popularity. By January 26, 2025, it became the most downloaded free app on Apple's U.S. App Store.

On March 3, another Chinese AI assistant, Yuanbao by Tencent, surpassed DeepSeek as the most downloaded free app on China's Apple App Store. This shift occurred after Tencent integrated DeepSeek's R1 reasoning model into Yuanbao and promoted its availability through WeChat, China's

most popular messaging app.

ChatGPT inquiry "DeepSeek's impact on the AI landscape in China" yielded the following results:

DeepSeek's rise has had a profound impact on the AI landscape in China, encouraging several key shifts in the industry: 1. Adding a boost to the Chinese AI ecosystem, 2. Fostering innovation in AI development, 3. Accelerating competition among domestic tech giants, 4. Encouraging international collaboration and adoption, 5. Gaining government support and policy encouragement, 6. Promoting AI integration in various sectors, and 7. Earning international attention on China's AI capabilities.

ChatGPT inquiry "DeepSeek's impact on the AI landscape in the United States" returned with the following findings:

DeepSeek's rise has had a considerable impact on the AI landscape in the U.S., both directly and indirectly, with effects ranging from competition in the AI field to shifts in strategic focus among tech companies: 1. Intensifying competition in the AI space, 2. Leading to a reevaluation of U.S. AI export controls, 3. Opening the door for international collaboration, 4. Resulting in market disruption and impacting U.S. tech stocks, 5. Reinforcing national security concerns, 6. Changing public perception of Chinese AI, and 7. Prompting ethical and regulatory discussions.



DeepSeek R1-Zero

DeepSeek 开源推理模型，基于纯强化学习训练



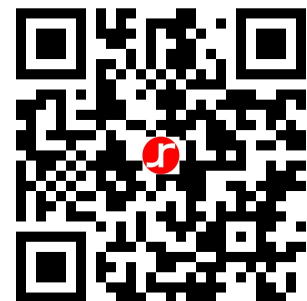
ROYAL ROOTS 贯中咨询有限公司

Your Cross-Border Business Advisor

Address:
875 North Michigan Avenue,
Suite 3100
Chicago, IL 60611, U.S.A.
Telephone: 1-312-202-0389
Email: info@rroots.net
Website: www.rroots.net

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