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ANALYSIS

GLOBAL POWER DYNAMICS IN THE AGE OF ARTIFICIAL INTELLIGENCE: THE US–CHINA COMPETITION

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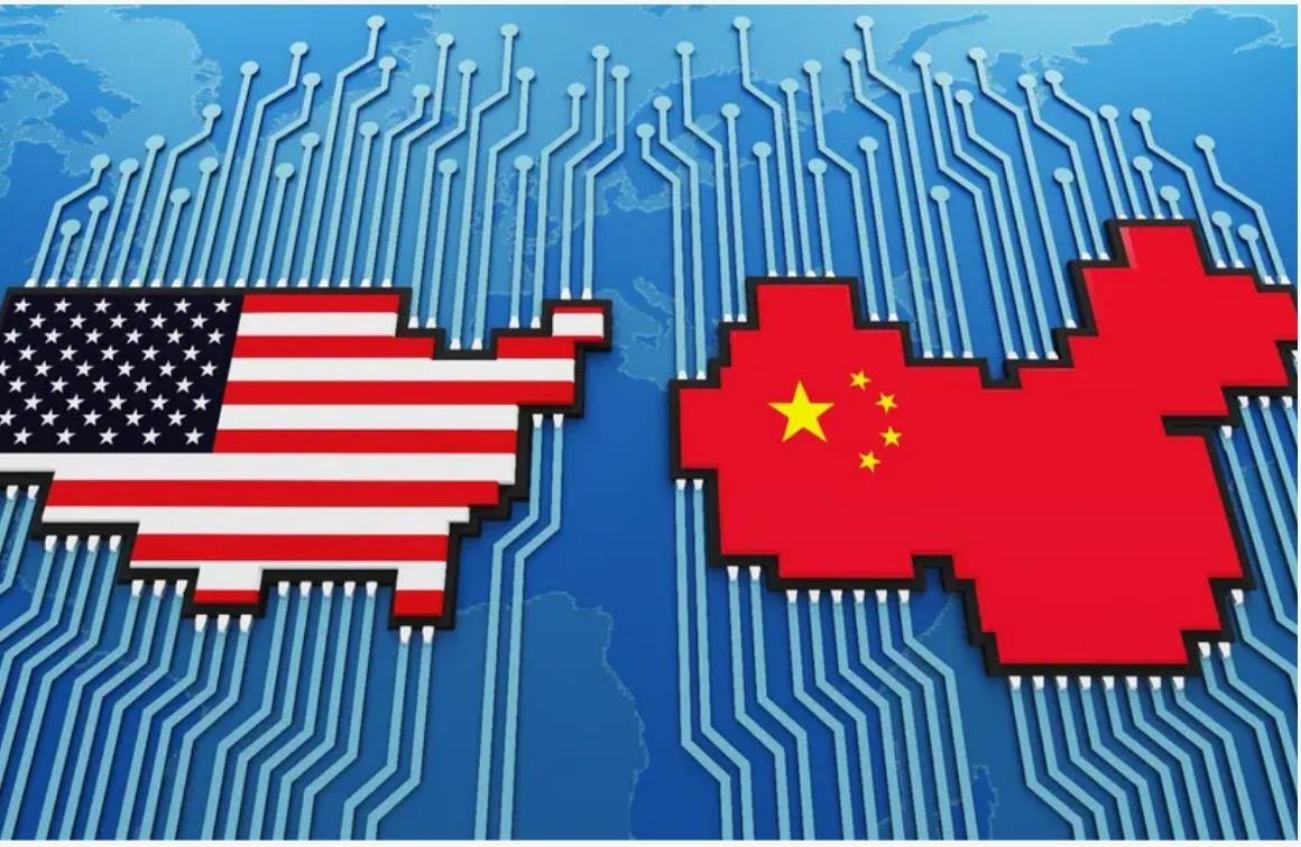

GLOBAL POWER DYNAMICS IN THE AGE OF ARTIFICIAL INTELLIGENCE: THE US – CHINA COMPETITION

Today, artificial intelligence (AI) has become a force that impacts a wide range of areas, from the global economy to national security, from technological innovation to strategic competition. The transformative potential of AI has made it not only a technology but also a factor reshaping the global balance of power. For this reason, major powers like the United States and China are competing to take the lead in the field of AI.

The interpretation of the AI competition as a new kind of "arms race" demonstrates that dominance over AI technologies means not only economic prosperity but also geopolitical superiority. In this context, the US and China are making great efforts to strengthen their AI infrastructures, secure data dominance, and produce the most advanced AI models.

The US has established significant global superiority in AI through tech giants such as OpenAI, Google DeepMind, Microsoft, and Nvidia. Critical technological components such as supercomputers, advanced data centers, and semiconductor manufacturing reinforce America's strength in this field.

On the other hand, China is rapidly advancing toward its goal of becoming a global AI leader by 2030. Tech giants like Alibaba, Tencent, and Baidu are developing large-scale AI projects, while China's vast data pools and state-controlled AI initiatives enhance its competitiveness in the field.

As in many other domains, the US and China are in competition in the realm of AI. Developments in AI are deeply affecting the global order and creating new economic and political dynamics. In this context, the AI competition between the US and China stands out not only as a rivalry between two superpowers, but also as a critical determinant that will influence the future trajectory of the world.

The US Artificial Intelligence Strategy

The US has long been a global leader in the field of technology, serving as a key actor guiding worldwide technological developments through its innovative initiatives and tech giants. Technology and innovation form the foundation not only of America's economic power but also of its global influence and strategic superiority. Tech companies such as Apple, Microsoft, Google, Amazon, Meta, Nvidia, and Intel lead the industry, with Silicon Valley at its core. In recent years, the US has been working to maintain its leadership in areas like AI, semiconductors, and supercomputers.

The Obama administration was the first to recognize AI as a significant factor for America's future, providing guiding principles and strategic research plans that laid a foundational framework. However, AI was mostly approached in terms of its economic and societal benefits, rather than as a critical tool for national security, global competition, or global power struggles.

In 2016, the report "Preparing for the Future of Artificial Intelligence", which

assessed the current state of AI by examining its benefits and risks across areas such as health, transportation, economy, and security while also offering recommendations, was released[1]. That same year, the "National Artificial Intelligence Research and Development Strategic Plan" was released and would continue to be updated in the following years.[2] This plan focused on how AI could be used for economic growth and social benefit, proposing research and policy strategies accordingly. The plan established seven core strategies: investing in long-term AI research; developing effective methods for human-AI collaboration; understanding and addressing the ethical, legal, and societal implications of AI; ensuring the safety and security of AI systems; developing shared public datasets and environments for AI training and testing; measuring and evaluating AI technologies through standards and benchmarks; and better understanding the national AI R&D workforce needs. Although these documents were published in the final period of the Obama administration and did not have sufficient time to be fully implemented, they revealed two key themes that would continue under the Trump administration: a strong belief in free-market capitalism and faith in America's innovation capacity.[3]

Unlike the Obama administration, the Trump administration designated AI as a national priority and aimed to develop a core strategy to maintain the United States' leadership in the AI field.

Trump's AI policies were shaped by a nationalist tone that emphasized the use of AI to support the US economy and national security, highlighting the role of free-market capitalism.[4] During this period, ethical concerns in AI policies were pushed to the background, and instead, an approach focused on enhancing America's global competitiveness and protecting "American values" was adopted.

In May 2018, the policy statement "Artificial Intelligence for the American People" was published, summarizing the Trump administration's perspective and priorities regarding AI. The statement emphasized the need to eliminate barriers to AI technologies and asserted that leadership in AI was a component of US national security. It was noted that between 2015 and 2018, the federal government's investment in AI and related technologies increased by more than 40%.[5]

[1] Executive Office of the President National Science and Technology Council Committee on Technology, "Preparing for the Future of Artificial Intelligence", October 2016, https://obamawhitehouse.archives.gov/sites/default/files/whitehouse_files/microsites/ostp/NSTC/preparing_for_the_future_of_ai.pdf

[2] Networking and Information Technology Research and Development (NITRD) Program, "National Artificial Intelligence Research And Development Strategic Plan 2016," October, 2016. https://www.nitrd.gov/pubs/national_ai_rd_strategic_plan.pdf

[3] Emmie Hine, Luciano Floridi, "Artificial Intelligence With American Values and Chinese Characteristics: A Comparative Analysis of American and Chinese Governmental AI Policies," *AI & Society* 39 (1): 257–78. https://doi.org/10.1007/s00146-022-01499-8

[4] Muhammad Shoaib, Muhammad Usman Shamim, Sarvat Iqbal, ve Gul Fraz Mahmood, "'Evolving Ai Strategies: A Comparative Analysis Of US Policies Under The Obama, Trump, And Biden Administrations.'" *Contemporaryjournal.com*, 2024, https://contemporaryjournal.com/index.php/14/article/view/415

[5] The White House, "Artificial Intelligence for the American People – the White House", May 10, 2018. https://trumpwhitehouse.archives.gov/briefings-statements/artificial-intelligence-american-people/

This rise reflected a shift in perception, recognizing AI not merely as a matter of R&D but as an integral part of long-term strategic planning and national priorities.

By 2019, the Trump administration launched the "American AI Initiative" through Executive Order 13859, titled "Maintaining American Leadership in Artificial Intelligence"[6]. This executive order made Donald Trump the first president to issue a direct presidential directive on AI. The order indicated that the US is a global leader in AI research, development, and application, and that maintaining this leadership is essential for both economic growth and national security. It aimed to boost federal investments, promote the safe deployment of AI technologies, and highlighted the importance of collaborating with international partners and allies in the field of AI.

That same year, the "National Artificial Intelligence Research and Development Strategic Plan"—first released in 2016—was updated and a new eighth strategic objective was added: "Expanding Public-Private Partnerships to Accelerate Advances in AI". This addition aimed to further involve the private sector in AI R&D processes.

In 2020, a national strategy titled the "National Artificial Intelligence Initiative" was established and formalized through the National AI Initiative Act[7]. The aim of this initiative was to maintain US leadership in AI research and development, lead the world in the development and deployment of trustworthy AI systems in both the public and private sectors, and maximize the benefits of AI systems for all Americans. It was emphasized that current federal investments and funding were largely insufficient to promote and support the public-private partnerships necessary for advancing trustworthy AI systems. Therefore, it was deemed essential for the federal government to allocate adequate resources. The strategy also highlighted the need to promote international cooperation opportunities with strategic allies in the development of trustworthy AI systems and standards.

Under the presidency of Joe Biden, a more balanced AI strategy was developed, integrating elements from both the Obama and Trump administrations[8]. This new approach prioritized the ethical use of AI and emphasized international cooperation mechanisms. One of the most significant developments during this period was the report published in March 2021 by the National Security Commission on Artificial Intelligence[9], an independent advisory body established to assess the implications

[6] The White House, "Executive Order on Maintaining American Leadership in Artificial Intelligence – the White House," February 11, 2019. https://trumpwhitehouse.archives.gov/presidential-actions/executive-order-maintaining-american-leadership-artificial-intelligence/

[7] "Text - H.R.6216 - 116th Congress (2019-2020): National Artificial Intelligence Initiative Act of 2020." n.d. Congress.Gov | Library of Congress. https://www.congress.gov/bill/116th-congress/house-bill/6216/text

[8] Muhammad Shoaib, Muhammad Usman Shamim, Sarvat Iqbal, ve Gul Fraz Mahmood, "'Evolving AI Strategies: A Comparative Analysis Of US Policies Under the Obama, Trump and Biden Administrations.'" *Contemporaryjournal.com*, December, 2024, https://contemporaryjournal.com/index.php/14/article/view/415

[9] "NSCAI Final Report", 2021, https://reports.nscai.gov/final-report/

of AI and other emerging technologies for US national security. The report warned that, for the first time since World War II, the technological superiority that underpins America's economic and military strength was under threat. It emphasized that China had the power, capability, and ambition to surpass the US as the global AI leader within the next decade if current trends continued. The report stated that the US government was disorganized and inadequately investing in order to compete with China's technological advancements, leaving it unprepared to counter AI-enabled threats or swiftly integrate AI into national security measures.

In August, President Biden signed the "United States Innovation and Competition Act"[10], which laid out a variety of strategies and measures to enhance US technological competitiveness, secure supply chains, strengthen cooperation with allies, and counter China's growing global influence. The act called for the United States to lead a global effort to develop and adopt shared principles and standards for critical technologies.

Additionally, the "Blueprint for an AI Bill of Rights"[11], released in October 2022, though not legally binding, served as a guideline composed of five principles to promote the responsible, fair, and transparent development and use of AI. These principles emphasized the need for technology to be directed not solely by innovation goals but also in alignment with human rights and democratic values, considering its societal impacts.

In October 2023, the Biden administration signed Executive Order 14110, titled "Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence", which has been regarded as the most comprehensive directive on AI regulation to date[12]. This order aims to maximize the benefits of AI while minimizing its risks, promote innovation and competition, support workers, advance equity and civil rights, protect consumers and privacy, enhance the federal government's AI capacity, and strengthen global leadership. The order also mandated that each major federal agency appoint a Chief Artificial Intelligence Officer (CAIO) responsible for coordinating AI-related activities within their departments. This was designed to eliminate coordination gaps and reinforce transparency and accountability mechanisms.

In the same year, the National Artificial Intelligence Research and Development Strategic Plan[13] was updated once again, with a ninth strategic objective added: "Establishing a Principled and Coordinated Approach to International Collaboration on AI Research". This strategy aimed to build a

[10] "S.1260 - 117th Congress (2021-2022): United States Innovation and Competition Act of 2021." n.d. Congress.Gov | Library of Congress. https://www.congress.gov/bill/117th-congress/senate-bill/1260

[11] The White House, "Blueprint for an AI Bill of Rights | OSTP | The White House." November 22, 2023. https://bidenwhitehouse.archives.gov/ostp/ai-bill-of-rights/

[12] Vrushab Gowda, Keith Dreyer, and Bernardo Bizzo, "A Closer Look at the Biden Administration's Executive Order on Artificial Intelligence: Implications for the Imaging Space." *Journal of the American College of Radiology* 21 (10): 1686–88. https://doi.org/10.1016/j.jacr.2024.04.007

[13] Networking and Information Technology Research and Development (NITRD) Program, "National Artificial Intelligence Research and Development Strategic Plan 2023 Update," May 23, 2023. https://www.nitrd.gov/national-artificial-intelligence-research-and-development-strategic-plan-2023-update/

global culture for the trustworthy development and deployment of AI, support the creation of global AI systems, standards, and frameworks, and facilitate the international exchange of ideas and expertise.

In October 2024, the White House issued the first National Security Memorandum (NSM)[14] on AI, emphasizing that the US government must foster and secure core AI capabilities across the country. The memo warned that the US AI ecosystem should not be taken for granted but rather must be continuously and proactively strengthened. In this regard, it has been stated that the US government needs to demonstrate rapid learning ability, adapt to emerging strategic developments, adopt new competencies, and confront the new risks it faces.

Toward the end of his presidency, President Biden signed another executive order titled "Advancing the United States' Leadership in Artificial Intelligence Infrastructure"[15]. This directive aimed to advance US national security and AI leadership, build domestic AI infrastructure, and promote leadership in clean energy technologies necessary for developing domestic AI infrastructure.

Upon taking office in January 2025, President Donald Trump immediately adopted a competitive stance, recognizing the rapid pace at which China is closing the technological gap with the United States. On his first day in office, it was announced that OpenAI, SoftBank, and Oracle would jointly launch an AI initiative named *Stargate*, which he described as "the largest AI infrastructure project, by far, in history"[16]. The initial investment was stated to be $100 billion, with plans to scale it up to $500 billion over the next four years. Shortly thereafter, Trump signed an executive order titled "Removing Barriers to American Leadership in Artificial Intelligence"[17], aimed at repealing specific existing AI policies and directives deemed to hinder American innovation. The goal was to pave the way for decisive US action to maintain global AI leadership. The order mandated that relevant federal agencies develop an AI action plan within 180 days of its issuance.

In early February, Vice President JD Vance addressed the Paris AI Summit, where he emphasized the United States' leadership in the field and warned that authoritarian regimes are bolstering their military intelligence and surveillance capabilities through the theft of artificial intelligence.

[14] White House, "Memorandum on Advancing the United States' Leadership in Artificial Intelligence; Harnessing Artificial Intelligence to Fulfill National Security Objectives; and Fostering the Safety, Security, and Trustworthiness of Artificial Intelligence." The White House, October 24, 2024. https://bidenwhitehouse.archives.gov/briefing-room/presidential-actions/2024/10/24/memorandum-on-advancing-the-united-states-leadership-in-artificial-intelligence-harnessing-artificial-intelligence-to-fulfill-national-security-objectives-and-fostering-the-safety-security/

[15] White House, "Executive Order on Advancing United States Leadership in Artificial Intelligence Infrastructure," The White House, January 14, 2025. https://bidenwhitehouse.archives.gov/briefing-room/presidential-actions/2025/01/14/executive-order-on-advancing-united-states-leadership-in-artificial-intelligence-infrastructure/

[16] Breck Dumas, "Trump Announces Largest AI Infrastructure Project 'in History' Involving Softbank, OpenAI and Oracle," *Fox Business*, January 22, 2025. https://www.foxbusiness.com/politics/trump-announces-major-ai-infrastructure-investment

[17] The White House, "Removing Barriers to American Leadership in Artificial Intelligence." January 23, 2025. https://www.whitehouse.gov/presidential-actions/2025/01/removing-barriers-to-american-leadership-in-artificial-intelligence/

While he did not mention China directly, he noted that these actions aim to undermine the national security of other nations by seizing foreign data and using propaganda. Vance warned that cooperating with such regimes means "chaining the nation's information infrastructure to an authoritarian master that seeks to infiltrate, dig in and seize control"[18]. His remarks underscored that the US views AI not only as a matter of technological competition but also of strategic and ideological conflict.

Alongside government policies, the private sector continues to play a vital role in shaping AI development through its investment and innovation capacity. In February, for instance, Apple committed to spending over $500 billion in the US over the next four years and announced plans to open a new manufacturing facility in Texas[19]. Donald Trump also confirmed that he has secured over 7 trillion dollars in investments from the private sector and other countries for America[20]. Among the notable announcements, chipmaker Nvidia pledged to invest $500 billion in AI over the next four years, with plans to repatriate its chip manufacturing operations and produce its supercomputers entirely in the United States for the first time[21]. Just one day after this announcement, Trump imposed export restrictions on Nvidia's H20 model chips developed specifically for the Chinese market, as part of broader efforts to maintain US dominance in the AI sector. Following the announcement, Nvidia reported an anticipated financial loss of $5.5 billion[22], and its stock value dropped by 7%. The company's CEO visited Beijing the very next day. This situation underscores the necessity for major corporations such as Nvidia to navigate the complex interplay between geopolitical tensions and their reliance on global markets.

These developments demonstrate an increasing collaboration between the US government and the private sector, highlighting a mutual dedication to strengthening national AI capabilities. With the US Intelligence Community confirming that China aims to surpass the US and become the world's leading AI power by 2030[23], Washington has increasingly come to regard AI not only as a domain of technological innovation but also as a tool of economic policy and a critical instrument for preserving American global hegemony.

[18] Rob Garver, "Vance Stakes Claim to US Leadership in AI." *Voice of America*, February 12, 2025. https://www.voanews.com/a/vance-stakes-forceful-claim-to-us-leadership-in-ai/7971777.html

[19] Apple, "Apple Will Spend More Than $500 Billion in the US Over the Next Four Years." *Apple Newsroom*, February 24, 2025. https://www.apple.com/newsroom/2025/02/apple-will-spend-more-than-500-billion-usd-in-the-us-over-the-next-four-years/

[20] Greg Wehner, "Trump Says He's Attracted $7 Trillion in Private Investments Into the US: 'Never Seen Anything Like It.'" *Fox Business*, April 9, 2025. https://www.foxbusiness.com/politics/trump-attracted-7-trillion-private-investments-never-seen-anything-like-it

[21] Eric Revell, "Nvidia Announces Plans to Make AI Supercomputers in US for First Time." *Fox Business*, April 14, 2025. https://www.foxbusiness.com/markets/nvidia-announces-plans-make-ai-supercomputers-us-first-time

[22] Michael Race, Annabelle Liang, "Nvidia Shares Plunge Amid $5.5bn Hit Over Export Rules to China", BBC News, April 16, 2025. https://www.bbc.com/news/articles/cm2xzn6jmzpo

[23] Office of the Director of National Intelligence, "2025 Annual Threat Assessment of the US Intelligence Community." March 25, 2025. https://www.dni.gov/index.php/newsroom/reports-publications/reports-publications-2025/4058-2025-annual-threat-assessment

China's Artificial Intelligence Strategy

In recent years, China has made significant strides toward becoming a global technological power and has reached a level of development capable of competing with the United States. Adopting a state-backed, centralized, and holistic approach, China has undertaken substantial investments in infrastructure and leveraged vast data resources to achieve breakthroughs in AI, 5G, supercomputing, and semiconductors.

Unlike the highly concentrated US AI landscape—dominated by major platforms such as Google, Meta, and Amazon Web Services (AWS), alongside well-capitalized ventures like OpenAI and Anthropic—China's AI ecosystem is more fragmented, comprising approximately 50 different companies[24]. Nonetheless, Chinese tech giants including Alibaba, Tencent, Huawei, Baidu, and ByteDance have emerged as key drivers of the country's digital economy and are leading its AI development. Cities like Beijing, Shanghai, and Shenzhen have become central hubs of China's technological transformation. Technology now constitutes one of the main engines behind China's economic development and growing international influence.

Introduced in 2015, the "Made in China 2025"[25] initiative which begins by asserting that no nation can exist without a robust manufacturing sector, further states that building a competitive industrial base is the only way for China to strengthen its comprehensive national power, secure its national security, and establish itself as a global force. The strategy positions AI and related technologies as central to upgrading and transforming the manufacturing sector. Aimed at reducing reliance on foreign technologies, the plan emphasizes heavy investment in domestic innovation to create globally competitive Chinese firms[26]. Consequently, prior to 2016, AI was merely one of many technologies considered useful for advancing a range of policy objectives[27].

From this date onward, AI has assumed a more central role in China's strategic goals, becoming not merely an additional policy tool but an integral and primary component of its objective to gain superiority in global competition.

In line with this, the "New Generation Artificial Intelligence Development Plan"[28] launched in 2017 is one of the most significant initiatives China has developed to achieve its goal of global technological leadership. This plan represents the first officially sanctioned and legally framed

[24] "China's Generative AI Ecosystem in 2024: Rising Investment and Expectations | the National Bureau of Asian Research (NBR)." 27 Haziran 2024. https://www.nbr.org/publication/chinas-generative-ai-ecosystem-in-2024-rising-investment-and-expectations/

[25] Center for Security and Emerging Technology, "Notice of the State Council on the Publication of 'Made in China 2025'," March 10, 2022. https://cset.georgetown.edu/publication/notice-of-the-state-council-on-the-publication-of-made-in-china-2025/

[26] Institute for Security and Development Policy. 2018. "Made in China 2025 - Modernizing China's Industrial Capability." June 1, 2018. https://www.isdp.eu/publication/made-china-2025/

[27] Roberts, Huw, Josh Cowls, Jessica Morley, Mariarosaria Taddeo, Vincent Wang, and Luciano Floridi. 2021. "The Chinese Approach to Artificial Intelligence: An Analysis of Policy, Ethics, and Regulation." In *Philosophical Studies Series*, 47–79. https://doi.org/10.1007/978-3-030-81907-1_5

[28] "Full Translation: China's 'New Generation Artificial Intelligence Development Plan' (2017) - DigiChina." 2021. DigiChina. October 1, 2021. https://digichina.stanford.edu/work/full-translation-chinas-new-generation-artificial-intelligence-development-plan-2017/

national-level initiative in which China formulated a unified strategy in the field of AI[29]. The plan outlines three main steps:

In the first phase, by 2020, China aimed to bring its AI technologies and applications to the same level as those of advanced countries and to create an AI industry valued at over 150 billion yuan (approximately 21 billion USD). While the plan envisioned AI applications being used to improve the quality of life for the public, it also aimed for major progress in areas such as AI models and methodologies, core hardware components, high-end equipment, and software infrastructure.

Indeed, according to the China Academy of Information and Communications Technology (CAICT), the industrial scale of China's AI sector reached approximately 43.4 billion USD in 2020[30], thus achieving—and even surpassing—the target set for this stage.

The second phase, by 2025, envisions China making significant breakthroughs in fundamental AI theories and achieving global leadership in certain technologies and applications. During this period, AI is expected to become a core driving force behind China's industrial development and economic transformation. Additionally, AI systems are to be developed in accordance with ethical standards, privacy principles, and security regulations, with plans to establish comprehensive legal and regulatory frameworks in these areas.

The third phase targets China to achieve global leadership in AI theories, technologies, and applications by 2030, establishing the country as the world's leading hub for AI innovation. This stage targets concrete and widespread outcomes in smart economy and smart society applications, strengthening China's global position as an innovative country and economic powerhouse. It is also emphasized that achieving international leadership and competitiveness in the AI industry, along with establishing a comprehensive legal framework and ethical norms system, is a priority.

In addition, in September 2021, China published a document titled "Ethical Norms for the New Generation Artificial Intelligence" to establish ethical regulations for the use of AI. The document outlines six core ethical requirements and 18 specific ethical obligations related to AI governance, research and development, procurement, usage, and other specified activities[31]. The six core requirements are defined as: advancing human well-being, promoting fairness and equality, safeguarding privacy and security, ensuring controllability and reliability, strengthening accountability, and contributing to the development of ethical awareness. The 18 ethical obligations include: the prevention of potential risks, the promotion of transparency and accountability, the protection of user rights, the responsible and benevolent use of AI, and the

[29] Roberts, Huw, Josh Cowls, Jessica Morley, Mariarosaria Taddeo, Vincent Wang, and Luciano Floridi. 2021. "The Chinese Approach to Artificial Intelligence: An Analysis of Policy, Ethics, and Regulation." In *Philosophical Studies Series*, 47–79. https://doi.org/10.1007/978-3-030-81907-1_5

[30] The State Council of the People's Republic of China, "China's AI Industry Scale Exceeds $40b in 2020," June 9, 2021, https://english.www.gov.cn/archive/statistics/20210 7/09/content_WS60e851e9c6d0df57f98dcab6.html

[31] Center for Security and Emerging Technology, "Ethical Norms for New Generation Artificial Intelligence Released," October 21, 2021. https://cset.georgetown.edu/publication/ethical-norms-for-new-generation-artificial-intelligence-released/

prevention of misuse and unethical practices.

In January 2025, China launched *DeepSeek*, a conversational AI model with capabilities nearly equivalent to the most powerful American models like OpenAI's ChatGPT and Google's Gemini, but at a lower cost. By wiping approximately $1 trillion off the tech-heavy Nasdaq Composite Index, DeepSeek shook the markets and led to a 17% drop in shares of leading American chipmaker Nvidia, resulting in a loss of around $600 billion, regarded as the largest single-day drop in US stock market history[32]. This event not only demonstrated how global economic balances are directly influenced by the AI competition, but was also described by experts as a "Sputnik moment," drawing parallels to the Cold War-era competition for technological supremacy. Donald Trump remarked that this development should serve as a "wake-up call" for American companies[33].

This breakthrough offers an attractive option for countries seeking cost-effective and powerful AI tools, while also showcasing China's rapidly advancing innovation-driven entrepreneurial ecosystem in the global market. The development can also be seen as the practical realization of the "significant breakthroughs" goal outlined in the second phase of the 2017 AI Plan.

At the end of January, Alibaba claimed that its new AI model, Qwen AI 2.5, had surpassed DeepSeek-V3. Shortly after, in early March, the launch of Manus, developed by the Chinese AI startup Butterfly Effect, marked another significant step in accelerating China's AI race. Manus executives announced that just one week after its release, they had established a strategic partnership with Alibaba[34]. Moreover, Manus is claimed to be the world's first general-purpose AI agent capable of acting autonomously across a wide range of tasks by using multiple AI models and a variety of independently operating agents[35]. At the beginning of April, Beijing announced the establishment of an $8.2 billion state fund for early-stage investments, underscoring its commitment to advancing the AI sector through state-backed investments[36].

These rapid and ambitious initiatives reflect China's determination not only to enhance its technological capacity but also to expand its global power projection. The successive launch of AI ventures and their support through major partnerships indicate that the US-China AI rivalry is accelerating through both state policies and market actors.

[32] Dan Milmo, Julia Kollewe, Amy Hawkins, Robert Booth, "'Sputnik Moment': $1tn Wiped off US Stocks After Chinese Firm Unveils AI Chatbot." *The Guardian*, January 28, 2025. https://www.theguardian.com/business/2025/jan/27/tech-shares-asia-europe-fall-china-ai-deepseek

[33] NBC News, "Chinese AI App Shakes up Silicon Valley, Causing Wall Street Selloff," January 28, 2025. https://www.nbcnews.com/tech/innovation/trump-china-deepseek-ai-wake-call-rcna189526

[34] Reuters, "China's Manus AI Partners With Alibaba's Qwen Team in Expansion Bid." *Reuters*, March 11, 2025.https://www.reuters.com/technology/artificial-intelligence/chinas-manus-ai-announces-partnership-with-alibabas-qwen-team-2025-03-11/

[35] Caiwei Chen, "Everyone in AI Is Talking About Manus. We Put It to the Test." *MIT Technology Review*, March 12, 2025. https://www.technologyreview.com/2025/03/11/1113133/manus-ai-review/

[36] Ann Cao, "New AI Fund in China to Pour US$8 Billion Into Early-stage Projects." *South China Morning Post*, April 11, 2025. https://www.scmp.com/tech/policy/article/3306047/new-ai-fund-china-pour-us8-billion-early-stage-projects

Who Holds the Lead?

As artificial intelligence increasingly becomes not only a technological field but also an economic, strategic, and geopolitical domain, the two most prominent players, the United States and China, are locked in intense competition, just as they are in many other areas. However, this rivalry goes beyond a simple race for technological superiority; it is unfolding between a superpower seeking to reaffirm its global leadership and a rising power aiming to claim that leadership for itself.

In this multifaceted and multilayered competition, it is not possible to make a definitive judgment about which country holds the "leader" position. However, indicators such as investments in AI, entrepreneurial ecosystems, government policies, and global collaborations can provide clearer insights into the standings of the two countries in this field.

According to the Stanford AI Index Report published in 2024[37], AI investments in the US reached $67.2 billion in 2023, which is nearly 8.7 times greater than China's $7.76 billion investment. In emerging fields like generative AI, US private sector investment hit $22.46 billion, while China allocated only $650 million to the same area. This gap highlights the US's robust private capital resources, high investment volume in innovative technologies, and greater risk-taking capacity. A similar trend is observed in the number of new AI startups: 897 new AI startups were founded in the US in 2023, reflecting the country's strong entrepreneurial culture and enthusiasm for technological advancement. In contrast, China ranked second with 122 new startups, revealing that despite Beijing's strategic ambitions, China still significantly lags behind the US in terms of private entrepreneurial activity.

According to the Government AI Readiness Index 2024 report prepared by Oxford Insights[38], the United States ranks first globally. The US scores well above average in the report's three key pillars—Government, Technology Sector, and Data & Infrastructure—with its greatest advantage lying in the technology domain. It holds a position of global leadership in innovation capacity and the maturity of its technology sector. In contrast, China ranks 12th in the index. Although the report notes that China's performance may be affected by limited data availability and restricted access to relevant public information, it concludes that China does not enjoy an advantage as significant as that of the United States.

All this data shows that the United States' global leadership in artificial intelligence is supported not only by government policies but also by a much stronger private sector infrastructure, investment capacity, and an innovative ecosystem. On the other hand, China has gained significant momentum in AI due to its large data resources, rapid implementation capabilities, and centralized strategic planning. However, it must be remembered that in a dynamic and rapidly evolving field like AI, today's advantages are not guaranteed to last.

It is also a fact that the US chip restrictions on China are not enough to halt AI

[37] Stanford HAI, "The 2024 AI Index Report | Stanford HAI," n.d. https://hai.stanford.edu/ai-index/2024-ai-index-report

[38] Oxford Insights, Government AI Readiness Index, January 7, 2025. https://oxfordinsights.com/ai-readiness/ai-readiness-index/

development in China. This is because AI is, by nature, an interactive, multi-actor, and global field. Information sharing, open-source software, and international academic collaborations are also key elements that accelerate the progress of AI. Therefore, it is not possible to control this technological development solely through restriction and exclusion policies. That said, it would also be inaccurate to claim that China has surpassed the US in the AI domain. In strategic components such as semiconductor technologies, high-performance chip manufacturing, original basic research, and advanced model training, the US maintains a clear advantage. Although models like DeepSeek are notable successes that demonstrate China's progress in AI, DeepSeek's achievement is largely built upon the technological foundation laid over decades by the US (and to some extent, Europe)[39].

Moreover, since China's progress in the field of AI largely relies on state-supported initiatives, it differs from the innovation environment in the West in areas such as private sector dynamism and academic freedom. This difference makes it more difficult for China to surpass the US in terms of technical capacity in the short term. On the other hand, China's strategic planning, data abundance, and application-oriented approach carry the potential to close this gap in the long run.

In conclusion, the AI race has transformed into a complex arena where not only algorithms and models are in competition, but also systems, institutions, values, and visions. In this rivalry, sustainable leadership will be defined by those who can blend innovation with responsibility and guide technology for the benefit of humanity.

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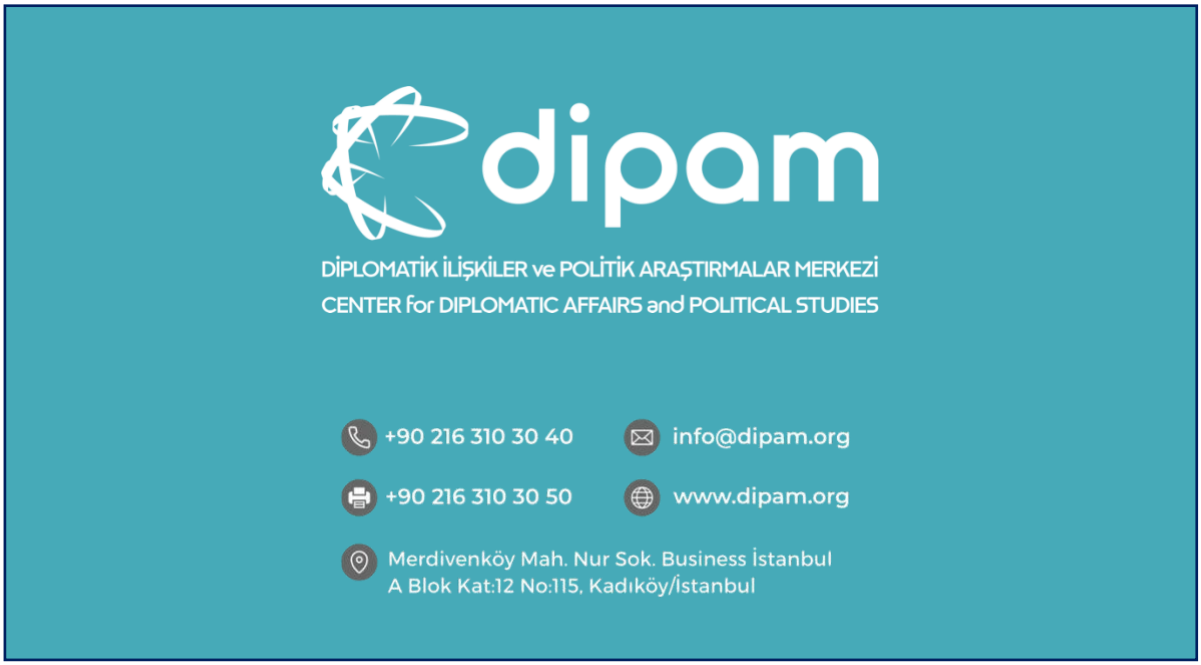

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