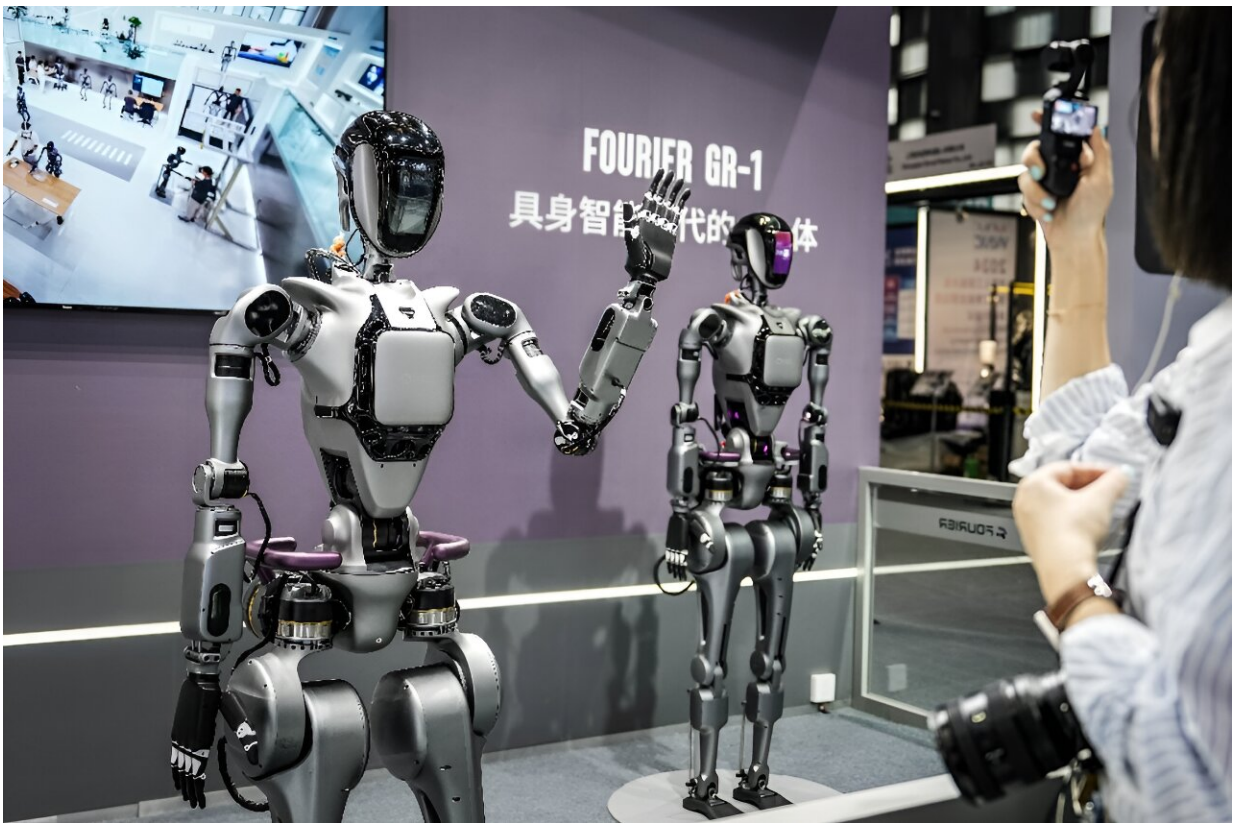


# Chinese AI market optimistic despite scrutiny from West

July 5 2024, by Jing Xuan Teng and Agatha Cantrill



Humanoid robots on display at the World Artificial Intelligence Conference in Shanghai.

China's AI sector showed confidence this week at a major fair in Shanghai that it would overcome restrictions imposed by the West, with

companies rolling out cutting-edge products developed by a growing pool of young talent.

The country's generative AI industry has shown explosive growth, with the United Nations reporting China has in recent years been the top filer of patents for AI software that creates everything from illustrations to computer code.

At the World AI Conference in Shanghai on Thursday, exhibitors were keen to show off generative AI products, with one stall displaying realistic "watercolors" and sci-fi-themed illustrations produced by software.

Meanwhile, a troupe of humanoid robots developed by close to a dozen Chinese organizations performed for visitors, raising their hands in unison and waving.

According to Ethan Duan—an employee of a startup incubator—China could eventually benefit from its large population of tech talent, even if domestic companies had their wings clipped by Western restrictions.

"A sudden cut of access to (OpenAI) API would definitely pose some challenge to many corporations right now, but it's still far too early to say if it's going to also be a challenge after one year or two," Duan told AFP.

Duan's hope is backed up by statistics showing China has expanded its domestic AI talent pool over the last few years to meet the demands of its own growing industry.

A global AI tracker by MacroPolo, the Chicago-based Paulson Institute's think tank, said China had almost half (47 percent) of the world's top AI researchers in 2022, up from 29 percent in 2019.



A passenger-carrying electric unmanned aerial vehicle on display in Shanghai.

## Western measures

The mood in Shanghai was bright, even against the backdrop of increased suspicion and restrictive measures from the United States and other countries targeting China's AI industry.

OpenAI, the US company behind ChatGPT, has accused China of using its language models to create content aimed at influencing social media sentiment.

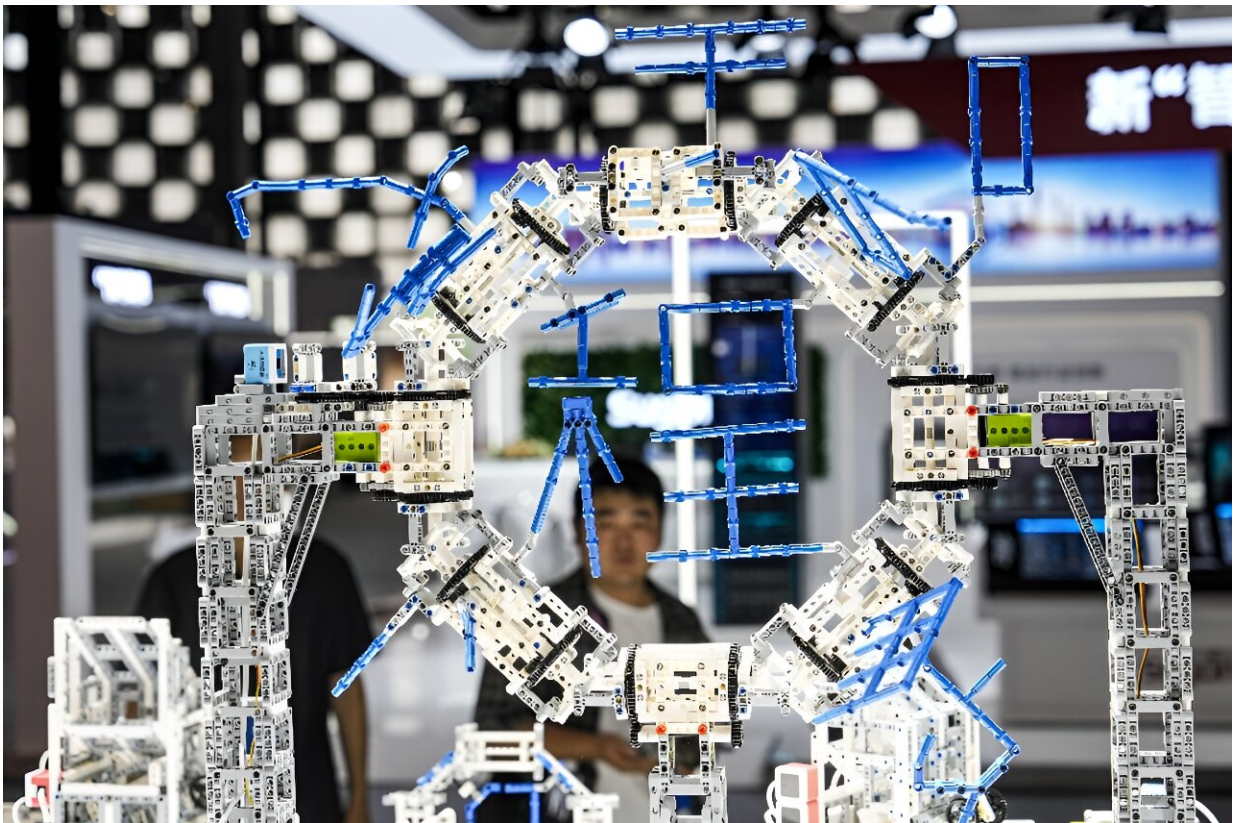
The company will cease providing its app programming services to Chinese developers next week.

The US government, meanwhile, has revoked export licenses for certain American chips used by Chinese smartphone giant Huawei, after the company unveiled a new computer using an Intel AI-capable chip.

China's critics say the country's AI can be used for espionage operations.

## 'Not too affected'

Interest in AI products appeared to be burgeoning at the Shanghai fair, with crowds of eager visitors lining up to enter the exposition hall and try games and interactive exhibits.



A man looks at a display at the artificial intelligence conference in Shanghai.

Shi Yunlei, founder and CEO of an AI-equipped health equipment company, said visitors at previous industry fairs had already begun asking to buy his exercise machines even though the products are not yet in the mass production stage.

"The Chinese robot industry is still pretty hot... everyone is working hard to find a settled direction," Shi told AFP.

Lyu Meixiu, a representative of software company OpenCSG, told AFP that her firm was "not too affected" by US restrictions, and was expanding its operations abroad.

"The United States' technology may currently be ahead of us, but we in China are also extremely strong," Lyu said.

"I think in the future the gap will continue to shrink, or we may even continuously surpass them," she told AFP.

A speech by Li Qiang—China's second-ranking official after President Xi Jinping—to kick off the conference on Thursday underlined the country's commitment to AI technology.

Premier Li urged nations around the world to adopt "more open mindsets" on AI and to promote "movement of data across borders, free trade of equipment and connectivity of infrastructure".

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