

## INSIGHTS

## U.S. 'Distillation' Hype on China's AI Is Absurd

Clear Voice 

By LIANG Yilian &amp; HU Dingkun

According to a recent Reuters report, the U.S. State Department has instructed its missions worldwide to amplify claims that Chinese companies "steal" U.S. AI intellectual property through so-called "distillation," laying the groundwork for potential follow-up actions and coordinated international messaging by Washington.

On April 23, Michael Kratsios, the chief science and technology adviser to President Donald Trump, issued a memorandum accusing Chinese entities of using "distillation" to "extract capabilities from American AI models, exploiting American expertise and innovation." The memo claimed that "distillation" allows foreign entities to release seemingly comparable products at very low cost. On the same day, the U.S. House Committee on Foreign Affairs introduced a bill calling for the identification and sanctioning of foreign entities that acquire capabilities from U.S. AI models via "distillation."

These moves suggest a coordinated push within U.S. political circles to elevate the narrative that China is leveraging "distillation" to appropriate American AI technology. The objectives appear twofold: to stigmatize China's AI development under the banner of intellectual property violations, thereby weakening its global influence; and to create a policy rationale for expanded



Visitors use handheld controllers to operate a robot claw machine in the interactive exhibition area of the 9th Digital China Summit. (PHOTO: XINHUA)

sanctions on Chinese AI companies. Similar tactics have been used in recent years to restrict China's broader technology sector.

Yet the claim that China's AI progress hinges on "distillation" or the misappropriation of U.S. technology is difficult to sustain. Many Chinese AI companies have adopted relatively open development paths, publishing research and making technical approaches accessible. Their advances in core large-model architectures and training methods have been widely recognized in both industry and academia. Against this backdrop, such sweeping allegations appear more political than technical.

Take DeepSeek as an example. In January 2025, the company released its

DeepSeek-R1 model. Around the same time, OpenAI was reported to have suggested to media outlets that DeepSeek may have replicated U.S. capabilities through "distillation."

That claim was soon challenged by publicly available research. In September 2024, DeepSeek published a paper in *Nature* detailing the core algorithms behind R1, making it one of the first large-scale machine learning models to be described in a peer-reviewed setting. One of the reviewers, machine learning engineer Lewis Tunstall, noted that DeepSeek's reasoning methods were sufficiently advanced and did not rely on distilling OpenAI's systems.

On April 24, DeepSeek unveiled its next-generation model, DeepSeek-V4,

capable of handling context windows of up to one million Chinese characters. Earlier research on long-context processing by the company stood out among more than 8,300 submissions and received the Best Paper Award at the 2025 annual meeting of the Association for Computational Linguistics (ACL), one of the field's leading international conferences.

Such academic outputs underscore a key trend: China's AI development is increasingly driven by indigenous innovation, a trajectory closely observed by the global research community.

In contrast, many U.S. AI companies favor closed-source approaches and disclose minimal technical detail. The extent to which similar techniques — such as distillation — are used in their own development processes, or whether cross-model influences run in multiple directions, are questions that receive far less public scrutiny.

In February, U.S. AI firm Anthropic accused several Chinese companies of distilling its models. Ironically, around the same time, researchers reported that in certain cases Anthropic's model, when queried in Chinese about its identity, responded that it was developed by DeepSeek.

At the 2025 ACL annual meeting, more than half of first authors on accepted papers were affiliated with Chinese institutions. As the global AI landscape evolves, China has emerged as a major center of R&D. China's AI progress relies on the expertise and innovation of its scientists — something the U.S. cannot contain or suppress. No matter how much they hype it up, they are only fooling themselves.

## 'China Shock 2.0' a Rhetorical Disguise for Protectionism

## Comment

By GONG Qian

Some Western media outlets and think tanks recently hyped up the so-called "China Shock 2.0." They claim that China's booming high-end manufacturing industries like electric vehicles (EVs), solar panels, and semiconductors are generating overcapacity, flooding global markets with low-cost goods and fueling trade tensions.

Such a narrative is neither objective nor fact-based. It stems from a biased zero-sum mindset and is underpinned by trade protectionism.

Previously, the "China Shock" narrative was used as a scapegoat for low-skilled manufacturing unemployment. But according to Nobel laureate economist James Heckman, such narrative is incomplete. Heckman said in an interview that it fixates on localized job losses while ignoring broader welfare gains:

Cheaper imports boost consumer purchasing power, lower input costs benefit producers, and competition drives the reallocation of resources to more productive sectors.

"A lot of politicians look only at the job loss but don't count the benefits," he said.

Now, the core allegation of "China Shock 2.0" revolves around the claim of "overcapacity." However, this is fundamentally flawed. In particular, labeling the current green tech capacity as "excessive" ignores the urgent imperative of tackling climate change.

According to the International Energy Agency, under the Announced Pledges Scenario, the global electric vehicle stock could reach 585 million units by 2035, while under the Net Zero Emissions by 2050 Scenario, the figure could hit 790 million.

That means China's rising EV output represents not overcapacity, but precisely the capacity the world urgently needs to combat global warming.

In green technology industries,

China's competitive edge comes from technological innovation and industrial ecosystem scale. For instance, enterprises such as BYD and CATL invest billions in R&D, pioneering breakthroughs including blade batteries and highly efficient manufacturing models.

More importantly, China has built a fully comprehensive and deeply integrated supply chain spanning raw material processing to final assembly, which naturally drives down costs. Confusing the efficiency of economies of scale with illegal dumping is an intellectual cop-out.

Furthermore, international trade is rooted in comparative advantage. If exporting competitive products is deemed dumping surplus capacity, should America's massive exports of agricultural goods and advanced microchips also be labeled a "shock" to the global market?

The real driver behind the "China Shock 2.0" narrative is geopolitical anxiety. It serves as a rhetorical disguise for trade protectionism, exemplified by the EU's anti-subsidy probes and the

exclusionary clauses within the U.S. Inflation Reduction Act.

China's rapid development poses no threat to any nation; instead, it is an indispensable driving force for global shared progress. China's green manufacturing strengths have filled supply-demand gaps in global green growth, providing strong impetus to the global energy transition and low-carbon development.

In addition, China's high-tech offerings, represented by robots, AI and innovative medicines, are breaking technological barriers and ending market monopolies, making cutting-edge yet affordable technologies accessible to more people around the world.

The real shock is not China's innovation-driven industrial advancement, but the West building tariff walls against progress. In an era of deep economic interdependence, the world needs rules-based competition rather than protectionist paranoia. China has always supported and will continue to uphold an open, inclusive and win-win global trading system.

with continuous autonomous learning, robots are expected to independently perform increasingly sophisticated domestic tasks.

A similar transformation is underway in eldercare. At a smart elderly care robot station in Ronghua, a subdistrict in the Beijing Economic-Technological Development Area, over 40 robotic products have been deployed, covering multiple scenarios. A pancake-making robot can dish out a hot pancake in just three minutes, while rehabilitation robots provide personalized therapy services tailored to individual needs.

"We are using smart elderly care robot stations as a starting point to de-

ploy a range of advanced technologies," said an official from the Beijing Economic-Technological Development Area. These technologies include AI-driven nutrition analysis and smart meal planning, age-friendly interaction systems, non-invasive autonomous health monitoring, and personalized intelligent rehabilitation training.



At the smart elderly care station in Ronghua subdistrict in Beijing, a resident plays a game of Gomoku with a robot. (PHOTO: XINHUA)

## Voice of the World

## Zero-tariff Policy a Game Changer for Africa

Edited by GONG Qian

On May 1, 24 tonnes of South African apples were cleared swiftly by Shenzhen customs officers in south China, bound for supermarkets and wholesale markets across the country. For these South African apples, the tariff rate plunged from 10 percent to zero.

Luo Shengcong, general manager of Shenzhen Kin Shing Yip International Agent Co., Ltd., said this batch of produce would yield tariff savings of about 20,000 RMB, according to China's General Administration of Customs.

It is the first shipment from Africa to benefit from an expanded policy implemented by China — to remove tariffs on all imports from the 53 countries on the continent with which China has diplomatic ties, until April 30, 2028. This builds on an earlier measure of granting full tariff exemptions to 33 least developed countries in Africa on December 1, 2024.

According to think tank ODI Global, this sweeping move marks a pivotal development in China-Africa trade relations.

China will benefit from increasing imports from Africa, a continent abundant in natural resources. It already purchases large quantities of crude oil from Angola, according to the financial paper *Nikkei*.

"From Africa's viewpoint, China's decision to eliminate tariffs for 53 African nations is a significant development," ODI Global said.

Economist Ken Gichinga told the BBC that these new measures would improve access to Chinese markets and expand opportunities for African companies to prosper. "For Kenya, it will be a big boost to certain subsectors such as avocados. The agriculture sector will benefit the most — macadamia nuts, coffee, tea and leather," he said.

## China, U.S. Set Out New Vision for Ties

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"China will only open its door wider," Xi said. American companies are deeply involved in China's reform and opening up, and the U.S. side is welcome to enhance mutually beneficial cooperation with China, he added.

**Vibes of friendship and respect**

Prior to Thursday's talks, Xi hosted a welcome ceremony for Trump outside the Great Hall of the People in central Beijing, featuring military band performances, a 21-gun salute and a march-past of the guard of honor.

Trump said that it was a great honor to visit China, hailing the very good relationship between the two countries.

Trump said he and Xi have enjoyed friendly communication and worked out many important issues, calling Xi "a great leader" and China "a great country," and expressing tremendous respect for Xi and the Chinese people.

After the talks, the two leaders visited the Temple of Heaven. Impressed by the more than 600-year-old UNESCO World Heritage Site, Trump said that as great nations with wise and great peoples, the U.S. and China should deepen mutual understanding and strengthen friendship between their peoples.

Addressing the welcome banquet, Xi recalled the China-U.S. Ping-Pong Diplomacy 55 years ago. Active engagement between the two sides has continued to serve as an important driving force behind the development of bilateral relations. "President Trump and I have had multiple meetings and phone calls and kept China-U.S. relations generally stable," Xi said.

The Diplomatic Watch website said that "China's move gives African exporters — from farmers and miners to emerging manufacturers — unprecedented access to China's enormous consumer and industrial market." That means higher income from farm produce, processed foods, minerals, textiles, and light-manufactured goods.

Lauren Johnston, a senior research fellow at the AustChina Institute, told the BBC that the expansion of China's zero-tariff policy could increase African agricultural exports, which would "help to elevate rural incomes, improve rural productivity, and ultimately to reduce hunger and poverty."

ODI Global said China's zero-tariff treatment positions the country in stark contrast to the perceived protectionist policies pursued by some Western powers and reinforces it as "a reliable and equitable partner for the Global South." Previously, the U.S. imposed 30 percent tariffs on African nations such as Libya and South Africa in 2025.

"Today, Africa's other major trading partners do not offer comparable market access," ODI Global noted.

Leaders from African nations have welcomed China's zero-tariff treatment with great optimism.

Elizabeth Ofosu-Adjare, Ghana's minister for Trade, Agribusiness, and Industry, said that China's zero-tariff treatment creates significant export opportunities for Ghanaian products in the Chinese market.

"The true and enduring friendship between Kenya and China has resulted in China granting exports of Kenya to access Chinese market duty free," Kenya's Deputy President Kithure Kindiki said in a statement. The zero-tariff policy will enhance incomes "to millions of our farmers, traders and export companies," Kindiki said. "The surest way of creating wealth is through trade."

Trump thanked Xi for the gracious reception and hailed the positive and constructive conversations between the two sides. "Today is a fantastic day," he said.

**Bright future for bilateral relations and humanity**

During their talks, the two presidents also exchanged views on major international and regional issues, such as the Middle East situation, the Ukraine crisis, and the Korean Peninsula situation.

Chinese geopolitical experts say that if the proposed constructive relationship of strategic stability can be established and well-preserved, China and the U.S. will surely contribute a lot to global peace and development for quite a long period to come.

Now it's up to the U.S. to work with China in the same direction, given Beijing's consistent and clear policy on China-U.S. relations, said Diao Daming, vice dean of the National Academy of Development and Strategy of Renmin University of China.

Xi has stressed that the building of such a relationship should not be a mere slogan, but concrete action taken by both sides toward the same goal.

Placing emphasis on the Taiwan question, Xi described it as the most important issue in China-U.S. relations.

If it is handled properly, the bilateral relationship will enjoy overall stability. Otherwise, the two countries will have clashes and even conflicts, putting the entire relationship in great jeopardy, Xi told his American counterpart.

Source: XINHUA

## Robots Move into Home

## Hi-Tech

By Staff Reporters

In China, robots are being integrated into daily service scenarios. In Shenzhen, the country's first robotic cleaning assistant has been deployed, forming a "golden duo" with human domestic workers to serve ordinary households.

In the city's Bao'an district, resident Chen Guo recently experienced this new service model firsthand. During a nearly three-hour cleaning session, the robot and the human cleaner worked in coordination, each performing distinct roles. The robot was responsible for basic cleaning and organization in the living

room, while the human cleaner focused on deep cleaning, client communication, and on-site decision-making.

This clearly defined division of labor leverages the strengths of both sides: Humans excel at communication and handling complex, non-standard tasks, while robots deliver tireless, standardized performance — together achieving an efficiency gain greater than the sum of their parts.

"This represents an upgrade from traditional labor-intensive services to a digitally enabled model of human-machine collaboration," said Si Weixin, an associate professor from Shenzhen University of Advanced Technology. He added in the early stages, humans will continue to lead complex decision-making while robots handle execution. Over time,