

Kimi K3 Distillation Claim Exposes U.S. Politicians' AI Blind Spot



By LIANG Yilian & HU Dingkun

On July 22, Michael Kratsios, director of the White House Office of Science and Technology Policy (OSTP), suddenly claimed on social media that Chinese AI company Moonshot AI had developed its Kimi K3 model by distilling Fable, a model developed by U.S. AI company Anthropic. Just hours later, U.S. Treasury Secretary Scott Bessent threatened that Washington would use sanctions and "Entity List restrictions" to respond to what he described as Chinese companies' use of distillation.

The sequence is familiar: First throw out accusations of "intellectual property theft," then impose restrictions on Chinese entities. In recent years, this has become a recurring pattern in U.S. efforts to curb China's technological development — portraying itself as the victim to take measures against others.

Such rhetoric may appear convincing to those unfamiliar with the technical details. Yet this time, the narrative is likely to fall flat, because the claim that Kimi K3's capabilities were achieved through distilling a U.S. model reveals a fundamental misunderstanding of how modern AI systems are developed.

One obvious issue is that, just as copying homework won't earn you good grades, Kimi K3's advanced performance simply cannot be achieved through distillation alone. Nathan Lambert, a promi-



The photo shows a full-process unmanned picking demonstration at an exhibition in Shanghai on July 19. (PHOTO: XINHUA)

nent U.S. AI technology expert, has pointed out that Kimi K3 ranks second globally on the Vals AI Index, third on the Artificial Analysis Intelligence Index, and first on the Frontend Code Arena.

Lambert stated, "AI observers who followed the distillation panic and came away with the wrong conclusion that Chinese AI labs are only producing good models due to IP theft are in for an awakening — that Chinese companies are extremely good at building models in the same way the leading American companies are."

Lambert has also praised the Kimi research team's engineering culture. After

visiting China and meeting some of the company's core researchers, he wrote, "It was clear to me that they had incredible culture, some would say aura, and a freedom to express it — within the constraints of a GPU-limited environment."

Another key point is that Kimi K3 is an open-source large language model. Unlike closed-source models developed by companies such as OpenAI and Anthropic, whose internal technologies remain largely inaccessible to the outside world, Kimi K3's technical details have been publicly disclosed.

In its technical report, the Kimi team introduced several architectural

innovations, including a hybrid linear attention and Attention Residuals, which reportedly improved overall scaling efficiency by approximately 2.5 times compared with the previous-generation Kimi K2 model. The model reportedly contains 2.8 trillion parameters.

Some U.S. politicians fail to understand these technical advances — or choose to ignore them — when accusing Kimi K3 of relying on the distillation of U.S. models for its development. But researchers around the world can distinguish between genuine technological innovation and simple imitation.

The success of Kimi K3 ultimately comes from technological breakthroughs. As Xu Daohui, a professor of theoretical physics, computational mathematics, and science and engineering at Michigan State University, wrote on social media, the Kimi model's breakthrough "lies in fundamentally re-architecting the model's computational paradigm through innovations."

China's progress and achievements in AI have become increasingly visible to the global community. For U.S. policymakers holding influential positions in technology and national security debates, a deeper understanding of AI development would be preferable to making technically inaccurate accusations.

Attempts to dismiss China's advances as the result of "distillation" or imitation do not weaken China's AI capabilities. Instead, they make the accusers themselves appear disconnected from the realities of technological innovation.

Voice of the World

China's Edge in Autonomous Driving Tech Wins Recognition

By DU Xuanyi & ZHONG Jianli

"In Beijing's Yizhuang district, driverless vehicles have become a common sight," says a BBC report. "Robotaxis weave through traffic alongside ordinary cars, while autonomous delivery vans glide along the inside lane as they carry packages to collection points." This is a recognition of the rapid development of autonomous driving technology in China.

In 2025, China's intelligent driving market crossed 450 billion RMB, with Level-2 assisted driving penetration exceeding 60 percent, and Level-3 autonomous driving entering pilot testing in some areas.

China's edge in autonomous driving lies in its complete industrial system. "China's autonomous driving companies already have a powerful advantage — the industrial ecosystem that helped turn the country into the world's largest EV (electric vehicle) market," the news report says.

It analyzes China's self-driving industry as built around a network of automobile companies. There is already an enormous scale of automobile supply chains, including batteries, sensors, chips and onboard computers, so companies can develop technology faster and at a lower cost.

Kyle Chan, a foreign policy fellow at the Brookings Institution, said that

"What you see is a pace of innovation and adaptation in the Chinese EV industry that I don't think is matched anywhere else around the world."

The CBT News, an EV industry news platform, said China is making advanced driver assistance systems standard on affordable vehicles, giving it a data advantage.

It noted that some vehicles capable of hands-free driving from one parking spot to another cost only around 30,000 USD, adding that China's large engineering workforce, tech-savvy customers, and robust EV infrastructure give it a structural advantage in scaling autonomous driving technology.

In addition, the Navigate on Autopilot (NOA) penetration rate is continuously increasing in China. According to a research by CIC Consultancy, the NOA penetration in Chinese cities reached 11 percent in 2025, and is expected to hit 62 percent in 2030.

Government policy support plays a role in these achievements. Pilot programs in several Chinese cities allow companies to test the autonomous driving technology on selected public roads.

The growing international media attention reflects this broader reality: China's autonomous vehicles are stepping onto the global stage, driving multiple industrial chains forward and setting the pace for the future of autonomous driving technology.

Hi-Tech

Wheeled Dual-arm Robot Adapts to Diverse Tasks

By DU Xuanyi & LI Linxu

During the 2026 World AI Conference in Shanghai, Chinese robotics company Fourier released its first high-pay-load wheeled dual-arm robot, the GRW.

The GRW has an innovative "long-arm, narrow-shoulder" design, measuring 720 × 618 × 1160-1650 mm and weighing approximately 160 kg. Its shoulder width is only 585 mm, and the main body features 29 degrees of freedom (excluding the end effectors), enabling it to maneuver flexibly through narrow working spaces such as indoor corridors, office areas, warehouse aisles, and manufacturing workstations.

In terms of power assistance, the GRW is equipped with high-performance joint modules delivering a maximum torque of 500 N · m and offers a stable load capacity of up to 16 kg. A single robot can handle a variety of high-load tasks, including material handling, transfer assistance, and rehabilitation training.

The robot's dual arms have a maximum span of 1,970 mm, covering a

horizontal working radius of 895 mm and a vertical working space from zero to two meters. This enables it to easily meet a wide range of operational needs, from low-level carrying and high-level picking and placing to cross-workstation collaboration.

Its shell is made of skin-friendly materials, with a warm tone for a more friendly and natural human-robot interaction experience while maintaining industrial-grade reliability.

Its modular end-effector design has an intelligent quick-change interface, supporting rapid swapping of dual-arm modules and end effectors. This allows the robot to flexibly adapt to diverse tasks such as item sorting, goods handling, loading and unloading, sorting operations, rehabilitation therapy, and daily living assistance.

The robot also integrates an autonomous navigation system that supports rapid mapping, autonomous localization, path planning, and 360° dynamic obstacle avoidance, enabling the robot to operate safely and efficiently in open environments such as factories, communities, and commercial spaces.



Fourier unveils its first wheeled dual-arm robot, the GRW, at the 2026 World AI Conference. (COURTESY PHOTO)

Allegation of China's 'Excess Capacity' Unfounded

Opinion

By Staff Reporters

In recent years, some countries and economies, worried about their industrial competitiveness and market position, have politicized economic and trade issues. Hying the so-called excess capacity of China, they have been propagating narratives such as "China Shock 2.0," using them as an excuse to ramp up restrictions on China and stoke up protectionism. Such practices will only disrupt the global economic and trade order and the stability of industrial and supply chains, escalate conflicts and differences, and pose long-term risks to world economic growth.

On July 28, China's Ministry of Commerce (MOFCOM) released a document

to clarify the facts and elaborate its policy stance on the so-called excess capacity issue.

There is no broad consensus in the international community on the definition of excess capacity. As a dynamic phenomenon in a market economy, it is linked to shifts in supply and demand and is also affected by industrial life cycles, said Lin Weilong, director general of the MOFCOM policy research office, at a press conference.

There is no necessary connection between industrial subsidies and excess capacity, according to Han Yong, director general of MOFCOM's department of World Trade Organization (WTO) affairs. Many countries introduce tailored industrial policies. For example, R&D subsidies for emerging industries and risk management subsidies for the agricultural sector are legitimate industrial and trade policy tools for WTO members.

Sound industrial subsidy policies help advance technology innovation, protect the environment, reduce poverty, and promote balanced development, rather than cause so-called excess capacity.

China's subsidies apply equally to all types of market entities and mainly go to scientific R&D, initiatives on industrial application of technology, and market consumption. For example, its consumer goods trade-in program treats domestic and foreign-invested companies equally.

In addition, robust exports and trade surplus do not mean excess capacity. It is true that exports of many Chinese products have registered rapid growth. This stems from the rising international competitiveness of China's manufacturing sector and reflects its comparative advantages achieved through fair competition, rather than excess capacity.

Western economies also export massive volumes of goods, like Germany exporting more automobiles than its domestic demand, and the U.S. selling surplus IT products overseas. Yet they never label themselves as having "excess capacity." Therefore, the claim that China's export growth is driven by excess capacity holds no water.

The recent U.S. launch of a Section 301 investigation targeting overcapacity is a typical act of unilateralism. The U.S. cannot arbitrarily define production capacity that merely exceeds domestic demand as "overcapacity" and slap on such a label at will, Lin said.

The issue of capacity is a natural outgrowth of industrial iteration, market volatility and evolving division of labor amid global economic development. All countries should focus more on exploring cooperation rather than creating confrontation.

Exploring an Innovative Path for Desert Green Power

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Broadening the scope of collaboration

"Egypt is rich in solar resources, with an average of 3,000 hours of full sunshine per year, giving it uniquely gifted natural conditions for developing renewable energy like solar power. China possesses the world's most mature PV technologies, equipment, and supply chains," Zhou said. The cooperation between China and Egypt in the renewable energy sector represents a textbook case of complementary advantages, making the partnership "a perfect match right from the start."

During the initial construction phase of the joint lab on Karaman Island, the site faced constraints in local power supply and water access.

"In response to these challenges, the joint lab has established a series of PV demonstration systems, including an on/off-grid PV system, a PV water pumping system, and a PV water purification

system," said Lu Yunzhang, a research fellow at the 48th Research Institute of CETC. These "small and beautiful" livelihood projects have effectively mitigated local power and water scarcity, serving as a practical model for regional energy security.

In the eyes of Aref Eliwa, a professor at the ASRT, there is immense potential for China-Egypt cooperation in the renewable energy sector, and the joint lab has a promising future in driving Egypt's energy transition.

"Through the invaluable platform of the joint lab, scientists from China and Egypt can carry out deep cooperation and drive joint innovation," Eliwa noted, citing an example. With collaborative research efforts, the joint lab overcame technical bottlenecks in high-resistance dense-grid solar cell technology. The milestone significantly enhanced PV cell efficiency and laid a solid technological foundation for developing PV products tailored to

Egypt's local solar environment.

Forging a deep friendship

In building and running the joint lab side by side, the two sides have shared thick and thin, leading to a steady deepening of their friendship and collaboration.

"In our day-to-day work, despite differences in language, culture, and habits, we have always been completely aligned, moving forward with a single mind and a shared purpose," Lu said. One memory remains particularly vivid for him. On one occasion, the joint lab urgently needed an industrial component that could not be found locally. Upon hearing this, an Egyptian contractor immediately dispatched a courier to drive more than 600 kilometers through the night from Cairo to deliver it. "This kind of 'we're in this together' solidarity is truly moving."

What remains especially unforgettable for Zahran is that at the initial construction phase of the joint lab,

the temperature inside the joint lab soared past 40 degrees Celsius during the testing and commissioning of the diffusion furnace. Yet, the Chinese staff still worked tirelessly for long hours to ensure the project stayed on schedule.

"It is moments like these that make me say with certainty: we have never been two separate teams, but rather one family tightly bound by a shared mission," Zahran said. This shared mission is to jointly tackle breakthroughs in renewable energy technologies, steering Egypt and the entire African continent toward success in the green energy sector.

"In the future, we plan to upgrade the joint lab into a regional renewable energy innovation center," stated Zhou. Through collaborative R&D, technology demonstration and promotion, as well as technical training, the joint lab will amplify its spillover and driving effects across the region.