WEEKLY ANALYSIS

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CHINA EMERGES AS A NEW GLOBAL TECHNOLOGY LEADER (PART 2)

AI and autonomous vehicles are strengthening China's technological power. China dominates 5G, batteries, and renewable energy. Chinese stocks are outperforming but remain underrepresented.

Key points

- Chinese leadership in a growing number of key sectors

- China is rapidly becoming the world's largest market for industrial robots

- Rising technological power reshaping the global balance and driving competition and innovation

- Pioneer in the integration of e-commerce and digital financial services

- Increased investor participation in the Chinese market

Chinese leadership in a growing number of key sectors

China aims to become the world leader in AI by 2030, and its progress is tangible. Even in terms of scientific publications on AI, China often surpasses the United States. The Chinese Academy of Sciences, as well as companies such as **Baidu**, **Tencent**, and **Alibaba**, are investing heavily in fundamental and applied AI research. Tsinghua and Peking Universities are ranked among the world's best for AI research. But it is in commercial and industrial applications that China is also ahead. Companies such as **SenseTime**, **Megvii**, and **Hikvision** are global leaders in facial recognition and computer vision. Their technologies are widely used for public safety (smart cities, surveillance cameras), but also in commercial applications (facial recognition payments, smartphone unlocking).

In the field of autonomous vehicles, **Baidu Apollo** is one of the most advanced autonomous driving platforms in the world. They have deployed robotaxi services in several Chinese cities (such as Beijing, Shanghai, and Shenzhen), where fully autonomous vehicles operate without safety drivers in designated areas. **Pony.ai** is another major player that has
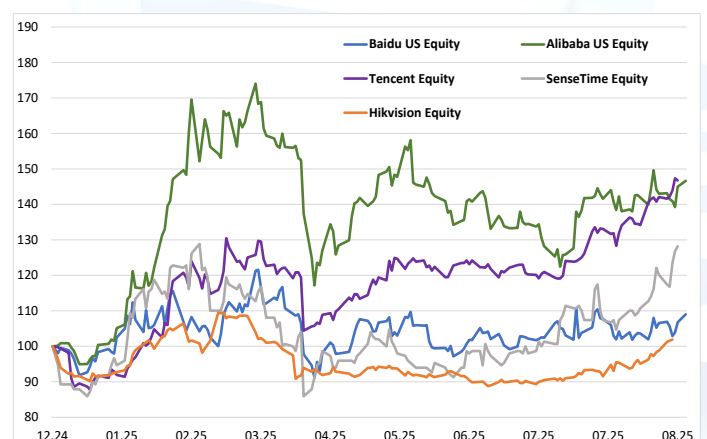
obtained licenses for driverless testing. In the field of natural language processing (NLP) and language models, China is developing its own large language models (LLMs) to compete with Western models. **ERNIE Bot (Baidu)** and **Tongyi Qianwen (Alibaba)** are powerful LLMs that offer text generation, translation, and summarization capabilities, rivaling models such as OpenAI's GPT for Chinese language applications. New players such as **DeepSeek** have recently demonstrated impressive performance with open-source models. In other essential sectors such as healthcare and medical diagnostics, AI is used to analyze medical images (X-rays, MRIs) to detect diseases (cancer, lung disease) with high accuracy, superior to that of professionals. Startups such as **Infervision** use AI to help radiologists diagnose conditions such as pneumonia or lung nodules more quickly and accurately. In production lines, Smart Manufacturing has been integrated into Chinese factories, such as those of **Foxconn** (which assembles for Apple but is a Taiwanese company with a strong presence in mainland China) or electric vehicle production plants, incorporating advanced robots, computer vision systems, and real-time data analysis to optimize production, reduce waste, and improve quality. China has very quickly become the world's largest market for industrial robots.

Chinese AI leaders: platforms vs. Applications

Sources: Bloomberg, BBGI Group SA