Trillion dollar panic over Chinese AI

Caution: Tech experts are urging those eager to embrace DeepSeek to beware, citing concerns over both its potential spreading of mis/disinformation, and how the Chinese state might exploit users' data.

Is DeepSeek a democracy-killer? Seven US tech firms lost more than $1 trillion on Monday as a Chinese competitor spooked investors. Some think we have entered a new global race.

What's happening?

Over the weekend Americans woke up to a crisis, as Chinese **large language model** (LLM) DeepSeek took the world by storm — and crashed the US **stock market**.

The US tech sector has had a successful few weeks and **OpenAI** was able to secure up to $500bn in funding through the Stargate partnership, backed by Donald Trump.

Then, just days later, DeepSeek's creators claim that it cost less than $6m to develop and is as much as 40 times cheaper to run than OpenAI's **ChatGPT**.

Find out more

This is largely because it uses so much less energy than its US counterparts, a fact which sent the US tech sector into freefall, as investors began asking why US tech giants need all this money and energy.

It is not just **Silicon Valley** that is worried. The US fears China is pulling ahead in the global race to be the top technological power.

As Western markets get saturated with this cheaper AI model, many are worried they will be fed a diet of **misinformation** to the benefit of China.

This is not just a problem with DeepSeek. ChatGPT has previously been accused of having a liberal bias, although OpenAI's relationship to Donald Trump has sparked concerns that it might begin to swing the other way.

Is DeepSeek a democracy-killer?

Some say

Yes! This is an AI programme that explicitly favours the narrative of a global superpower.

Others say

No! History is full of technologies that promised to reshape society and ended up petering out. Once people figure out the limitations of LLM AI models, these models too will be consigned to the dustbin.

Some people say

"Success in creating AI would be the biggest event in human history. Unfortunately, it might also be the last, unless we learn how to avoid the risks."

Stephen Hawking (1942 – 2018), British physicist

Six steps to discovery

1. **Connect**
How do you feel about this story? - Do you use AI? If so, how does it affect your life?

2. **Wonder**

What do you think?

What questions do you have? - For example: Do tech companies have too much power? Could AI be stopped?

3. **Investigate**
What are the facts? - US companies lost a trillion dollars in a single day on the stock market. Find a way of visualising this figure. How big is a trillion?

4. **Construct**
What is your point of view? - You have a big red button. Pressing it will shut down all the world's AI systems and prevent any new AI from being developed. Do you press it? Why or why not?

5. **Express**
What do others believe? - In small groups, debate the statement: "Technology and democracy cannot coexist."

6. **Reflect**
What might happen next? - The year is 2030. What developments have taken place in AI in the last five years? Write a letter to your past self, describing what is to come.

Glossary

Large Language Model - A type of artificial intelligence (AI) programme that uses deep learning to analyse and generate human language.

Stock Market - A series of exchanges where shares in public companies are issued, bought and sold.

OpenAI - An American artificial intelligence company. It says its mission is to "benefit all of humanity".

ChatGPT - An Artificial Intelligence chatbot released in November 2022.

Silicon Valley - A global centre of technological innovation in Northern California. It is home to many start-up and global technology companies including Apple, Facebook and Google.

Misinformation - Incorrect or misleading information unintentionally presented as fact. It can be contrasted with disinformation or deliberate lies.