

MP-IDSA *Issue Brief*

China's AI Diplomacy and the Global South

Mayuri Banerjee

September 03, 2026

S*ummary*

China's AI diplomacy in the Global South consists of three primary strategies: the promotion of Chinese open-weight models, the expansion of AI cooperation networks, and the institutionalisation of a China-led AI governance architecture. China's push to diffuse Chinese-origin AI models in the Global South aims to project China as the normative leader of future global AI governance.

Introduction

China held the annual World Artificial Intelligence Conference in Shanghai from 17 July to 20 July, with the theme ‘Intelligent Partners, Co-create the Future’. President Xi Jinping delivered an in-person keynote address on the inclusive development of Artificial Intelligence (AI) and the building of an equitable and just AI governance system.¹ China also launched the World Artificial Intelligence Cooperation Organization (WAICO), aimed at fostering inter-governmental cooperation on artificial intelligence, with 29 countries as signatories.²

While ‘AI diplomacy’ is not officially incorporated in policy documents, China has been increasingly using its technical prowess in AI as a diplomatic asset in its engagement with countries, especially from the Global South.³ Chinese foreign ministry announcements reveal that AI has become an important part of China's offerings in bilateral cooperation, as it frequently features in discussions between foreign delegates and the Chinese leadership. Similarly, Beijing in the past few years has also been a proactive participant in dialogues and platforms on AI global governance and cooperation, advancing its own version of normative structures and regulatory mechanisms.⁴

As Beijing sees AI as the next frontier of great power competition and a tool of global influence, Chinese AI diplomacy rests on three pillars—the promotion of Chinese-developed open-weight AI models; the forging of a network for technology and talent development; and the institutionalisation of the Chinese approach to the governance of AI.

AI as the Next Frontier of Great Power Competition

Sino-US competition to achieve AI supremacy is multifaceted. The broad pillars of this contest are chips and computing power, models, AI applications, talent, research skills, data availability and capital investments. Observers note that, given their different strategies and approaches to AI development, a definitive assessment of who is winning the AI race is premature. While the US is leading with cutting-edge models and computing power and holds an advantageous position in semiconductors, capital-intensive infrastructure, and proprietary innovation, constrained by US

¹ [“Full text: Keynote speech by Chinese President Xi Jinping at Opening Ceremony of 2026 World AI Conference”](#), *Xinhua*, 18 July 2026.

² [“29 Countries Sign Agreement on Establishing World AI Cooperation Organization”](#), *Xinhua*, 18 July 2026.

³ Joey, [“China Wields AI Diplomacy to Court Global South as US Tightens Controls”](#), *ChosunBiz*, 24 July 2026.

⁴ Cuihong Cai, [“China Shows Deep Learning in Shaping Global AI Governance”](#), *East Asia Forum*, 13 September 2024.

export restrictions and access to high-end chips, China is engaged in improving AI efficiency, open-source models, and large-scale deployment across its domestic sector.⁵

However, there are signs that China is catching up with the US in certain key areas. For instance, Chinese LLMs have significantly reduced their performance gap with US models at a much lower cost.⁶ The Kimi K2.6 model, released by Chinese start-up Moonshot in April 2026, performed on par with top Western models and was built at a lower cost. Further, China, although trailing the US, has a strong talent pool and currently holds the most AI patents.⁷

From a realpolitik perspective, the hustle between the US and China for AI supremacy reflects a broader geopolitical contest to dominate the future international order, which, in the coming years, will be heavily shaped by AI.⁸ The power that leads AI will hold considerable leverage over the shape of the international order. An American lead could mean the continuance of the US’ overwhelming dominance and the survival of the order largely rooted in US values and norms. On the other hand, an alternative outcome that favours China would create uncertainty about how Beijing would use technological primacy to reshape the global order.

The implications of AI on military, economic and political aspects are increasingly expanding. AI is seen as the key element in future combat, set to completely revolutionise force structures, operational concepts, and the nature of warfare as we know it. Similarly, in the face of ageing populations and declining fertility rates, AI is expected to increase productivity across economies through automation, multi-domain operations, and the smart allocation of scarce resources. Further, it will have a transformative impact on nations’ domestic politics, re-orienting state-citizen relations and governance structures.⁹

Therefore, AI is not simply a technological asset but has assumed critical significance as a core determinant of national security and the global balance of power. A McKinsey Global Institute report highlights that leading AI countries with a higher degree of adoption of artificial intelligence technologies will be able to capture around

⁵ Ellen Zentner, [“Who is Leading the Global AI Race?”](#), Morgan Stanley, 2026.

⁶ Nikolaus Lang et al., [“The Great Divide: How the US and China are Splitting the AI World”](#), BCG Institute, 30 June 2026.

⁷ Ibid.

⁸ Nourhan Tosson Ibrahim, [“The Impact of AI on Global Power Shifts: A Case Study of U.S.-China Rivalry”](#), *China Quarterly of International Strategic Studies*, Vol. 11, No. 3, 2025, pp. 281–309.

⁹ Geoffrey Priems and Peter Gizewski, [“Leveraging Artificial Intelligence for Canada's Army: Current Possibilities and Future Challenges”](#), *Canadian Army Journal*, 2 May 2022; Michael Spence, [“AI’s Promise for the Global Economy”](#), International Monetary Fund, September 2024; [“Why U.S.-China AI Competition Matters”](#), Essay: Reframing the U.S.-China AI “Arms Race”: Why This Framing is Not Only Wrong, But Dangerous for American Policymaking, 1 March 2019, pp. 12–17; Ian Bremmer, [“The Politics, and Geopolitics, of Artificial Intelligence”](#), *Time*, 11 August 2025.

20–25 per cent net economic benefits. In comparison, developing economies will be able to achieve only 5–15 per cent.¹⁰

As both China and the US are aggressively maximising the use of AI within their national spaces, they are positioned to accrue massive gains in state power and influence on the global stage, which will, in turn, sustain their military dominance. The competitive variable in this context is whether Chinese firms can develop more lucrative and commercially viable AI applications than their American counterparts, and whether the resulting multiplier effect on Beijing’s economic and military capabilities would alter the global balance of power.¹¹

For the developing economies of the Global South, AI adoption opens up major opportunities for economic transformation, domestic governance, public-sector innovation and healthcare access. It has become a key component in guarding against internal and external security threats, monitoring and preventing disasters, among others. Besides these generic applications, AI is also expected to contribute to specialised policy planning across economic, foreign and military affairs.¹² Consequently, countries leading AI would be able to exercise extensive geopolitical influence as providers of AI solutions. The tech export will not only encompass hardware and software deliverables but include ideological norms, values and biases, shaping digital futures across the globe.

China’s AI Diplomacy and Global South

Chinese observers contend that as major power competition is shifting from the physical world to the digital space, AI, which is leading the current round of the industrial revolution, will determine the extent of digital power. This digital power, in turn, will shape the rules and structures of existing technology, trade, and finance markets, as well as national and global governance. In effect, AI will impact the power dynamics, micro-foundation, macro-direction and institutional composition of the international order.

In this context of grand geopolitical contest with AI at its disposal, China’s AI diplomacy assumes particular significance. At a time when China is engaged in building a parallel technological system to the US, the popularisation of Chinese AI systems, open-weight models, and technological standards through diplomatic and commercial outreach will lend Beijing considerable control over how such technologies are adopted in real-world practice. Subsequently, the diffusion, which will also provide

¹⁰ [“Notes from the AI Frontier Modeling the Impact of AI on the World Economy”](#), McKinsey Global Institute, 2018.

¹¹ [“Why U.S.-China AI Competition Matters”](#), no. 9.

¹² Md Riday Howlader, [“Artificial Intelligence and the Transformation of South Asian Diplomacy: Geopolitical Challenges in the Digital Age”](#), *Geopsychiatry*, Vol. 4, December 2026.

standard-setting authority, would amplify Chinese influence in the governance of future global tech supply chains and financial architectures, among others.

As one Chinese observer notes, mass adoption of Chinese foundational platforms will position the country as the “mother ship” for all downstream systems.¹³ Notably, China’s diplomatic outreach has expanded beyond offering economic aid, trade incentives, infrastructure, and capacity-building to providing China-built AI models and partnerships in AI innovation and emerging technologies to countries that need affordable Western alternatives.

Chinese AI diplomacy has been largely centered on the promotion of Chinese open-weight/source models, the institutionalisation of AI cooperation with the Global South, and proactive participation in global AI governance.

Promotion of Chinese Open Weight Models

The launch of the R1 model by DeepSeek in January 2025 was a breakthrough moment, as it was the first time a frontier model was opened and released by a Chinese company. Although OpenAI and Google later released their frontier models, like o3 and Gemini 2.5, respectively, both were closed models. On the other hand, Chinese tech giants like Qwen, Alibaba and Baidu have been releasing open-weight models, achieving massive popularity on Hugging Face.¹⁴

Notably, the Chinese company Moonshot’s Kimi K3 has been classified as the world’s largest OpenAI model. Beijing has defended the policy of launching open-weight AI models as ‘bridging the global intelligence gap’ and preventing the creation of an ‘oligopoly in which few companies and nations monopolise AI benefits’.¹⁵ According to a Stanford University study, Chinese-made open-weight models have become indispensable in the global AI landscape. They are surpassing their US counterparts in terms of cumulative downloads and downstream reach.¹⁶

Concurrently, the government is also seen championing the cause of open-source AI models. At the recent APEC Digital Technology and AI Summit in Chengdu, Beijing, framing it as a key point in the China–US tech contest, along with ministers across Asia-Pacific, released a press statement calling for the promotion of open-source artificial intelligence models.¹⁷ Facilitating large-scale adoption of high-performance

¹³ Sun Meixin, [“Morgan Stanley's Chief China Economist: In the AI 2.0 era, China's Industrial Chain will Shift from ‘Drinking Soup’ to ‘Eating Meat’”](#), *Guancha*, 31 May 2026.

¹⁴ [“DeepSeek’s Release of an Open-Weight Frontier AI Model”](#), The International Institute for Strategic Studies, Vol. 31, 2025.

¹⁵ [“China Reshapes Global AI Landscape with Trillion-Parameter Open-Weight Models”](#), *Xinhua*, 29 July 2026.

¹⁶ [“Beyond DeepSeek: China’s Diverse Open-Weight AI Ecosystem and its Policy Implications”](#), Stanford University, 16 December 2025.

¹⁷ Chenjie Song and Minghao Sun, [“Asia is Reaching for the Open Road that Chinese AI Offers”](#), *South China Morning Post*, 23 August 2026.

Chinese-origin AI models is an important aspect of China’s AI diplomacy. The widespread developer adoption is not only cultivating strategic dependencies on Chinese technology across the Global South but also projecting China as the normative leader in future global AI governance.

Expansion of AI Cooperation Network

China’s strategic push to expand AI cooperation is another important aspect of China’s AI diplomacy. In April 2025, Chinese President Xi Jinping, during the 20th collective study session of the Political Bureau of the CPC Central Committee, emphasised that China should expand international cooperation on AI, especially with the Global South. Defining the parameters of the collaboration, Xi instructed his officials to focus primarily on coordinated improvement of technology R&D application and talent cultivation; joint construction and sharing of computing power and data resources; building a network of technical experts among Global South countries to promote joint rule research and standard co-writing and cooperation on standard formulation and governance policies.¹⁸

At present, China's cooperation with ASEAN, Gulf states and Africa on AI is deepening. In July 2023, the first China–ASEAN Artificial Intelligence Cooperation Forum was held and last year China–ASEAN Countries Artificial Intelligence Application Cooperation Center was established following the first China–ASEAN Ministerial Roundtable on Artificial Intelligence.¹⁹ Similarly, China has signed MoUs with the UAE, Saudi Arabia and Qatar on the joint promotion of AI technology integration with industry, AI innovation centres and R&D labs.²⁰

Further, through platforms such as the Forum on China–Africa Cooperation (FOCAC), the Belt and Road Initiative (BRI), and the China–Africa Action Plan on Digital Cooperation and Development, China and Africa are cooperating on artificial intelligence, digital governance, cloud computing, telecommunications, smart education and research exchanges.²¹ Additionally, at its 2026 World Artificial

¹⁸ Following Xi’s proposals in April, experts have advocated other ways including promotion of large model cooperation with Global South through the Belt and Road Initiative, BRICS and SCO, creation of large-scale model talent training community, collaboration with higher education institutions and vocational centers in foreign countries for advancing a “digital community with shared future”. See Xu Jian, [“The Significance and Pathways of Promoting AI Development Cooperation between China and Global South Countries”](#), *Aisixiang*, 3 June 2025; Liu Zhiyang, [“Promote Cooperation and Governance in Large Models among Global South Countries”](#), *Qiushi.com*, 10 September 2025.

¹⁹ Xiao Qian, [“AI Cooperation has Become a ‘New Link for Development’”](#), Tsinghua University, 14 May 2025; [“Entering a New Win-Win Frontier: China-ASEAN AI Cooperation Accelerates Comprehensively”](#), *Xinhua*, 19 September 2025.

²⁰ [“Building a Smart Future Together: A New Blueprint for AI Cooperation between China and Gulf Countries”](#), *China Trade News*, 20 August 2025.

²¹ [“The First Echo of China-Africa Digital Talent Cooperation Landed in Hangzhou, With More Than 30 African Trainees ‘Learning from the City’”](#), *Sohu.com*, 26 August 2026; Qiang Wang and Menghan Wang, [“From Technology Transfer to Capacity Building: China-Africa AI Cooperation for Sustainable Higher Education Development”](#), *Perspective of Higher Education*, 16 August 2026.

Intelligence Conference, Beijing announced 5,000 training opportunities in AI, joint AI application cooperation centres with ASEAN, the League of Arab States, the African Union, the Community of Latin American and Caribbean States, the Shanghai Cooperation Organization and BRICS.²²

Expanding the network of cooperation provides Beijing with a diverse dataset from the Global South and a critical testing ground for its models and technology. This, in extension, compensates for many of the bottlenecks imposed by US export controls. Finally, alignment with Chinese tech infrastructure and technology standards is likely to translate into leverage in rule-making in international bodies.

Institutionalisation of China-led AI Governance Architecture

Beijing’s proactive participation in global AI governance forums lies at the intersection of institution-building and the legitimisation of Chinese tech norms. China, being one of the strongest powers in AI and other emerging technologies, will have a greater voice in determining the future of AI governance at a time when there are no robust global AI regimes. From a diplomatic perspective, creating institutions and multilateral platforms is tantamount to having a first-mover advantage, as it gives the power to shape the foundational framework of norms, definitions, and technical standards around which later negotiations and modifications will be built. Further, Beijing believes that the ability to set AI tech standards and norms will also provide Chinese companies with a greater competitive advantage in international markets.²³

In the past few decades, China has successfully shaped its domestic AI governance landscape, implementing binding regulations on select applications, content generation, human control and the safe use of AI.²⁴ The Guide to AI Ethics (2020), the Ethical Norms for New Generation AI (2021), and the White Paper on Trustworthy AI (2021) are attempts by the Chinese authorities to standardise AI development. In the international arena, Chinese experts, drawing on their regulatory experience at home, have been active in global forums on AI governance.

While the scope of AI governance is vast, some of the issues that China is pushing to regulate internationally include technical standards and norms for the adoption and physical application of AI, risk assessment and evaluation mechanisms for future AI systems, cross-border data flows, and privacy issues in training systems. The two

²² [“China to Provide 5,000 AI Training Opportunities for Developing Countries: Xi”](#), *Xinhua*, 17 July 2026.

²³ Jing Cheng and Jinghan Zeng, [“Shaping AI’s Future? China in Global AI Governance”](#), *Journal of Contemporary China*, Vol. 32, No. 143, 2023.

²⁴ Raphael Racicot and Kurtis H. Simpson, [“China’s AI Governance Initiative and Its Geopolitical Ambitions”](#), Centre for International Governance Innovation, 22 July 2025.

major documents the Global AI Governance Initiative published in 2023, and the Global AI Governance Action Plan in 2025, indicate China’s focus on these aspects.

However, the launch of the World Artificial Intelligence Cooperation Organization by China, as the world’s first inter-governmental organisation for AI, is more significant than previous endeavours to propose governance norms or a Chinese position, as it intends to place Beijing more centrally in the field of AI governance. As one Chinese commentator has noted, WAICO is China’s answer to the governance gap in AI, representing a “pivotal step in reimagining the international architecture of artificial intelligence”.²⁵ While WAICO, for now, has only 39 member states and, notably, none of the Western powers are parties to it, the multilateral platform does mark a more concerted move by China to lead the formation of the international AI governance architecture. Here the Chinese leadership will be able to engage with non-Western countries on AI governance on its own terms without the structure being dictated by the US. Also, with expansion of its membership, the platform can evolve into an alternative regime with parallel norms and structures *vis-à-vis* the West.

Conclusion

The pillars of China’s AI diplomacy are the advancement of the global diffusion of Chinese-origin AI models, AI cooperation networks, and institution-building on AI governance projects, positioning China as a norm builder in this new ungoverned space. At the same time, it also facilitates the integration of other countries into the Chinese technology system, thus enhancing China’s ability to shape the discourse on AI governance. However, China’s potential influence on AI governance will depend on the extent to which other countries accept its AI standardisation rules in the future.

Reports suggest that proliferation of Chinese hardware and digital products has not led to automatic acceptance of Chinese regulations. For instance, in Indonesia, Malaysia and the Philippines, members of China’s Digital Silk Road, governments instead of blindly importing digital governance models along with the technology, are drawing from their own political traditions as well as norms and regulations proposed by the EU and the UN.²⁶ While countries would retain the authority to formulate their standards and regulations to maintain AI sovereignty at the international level, this is likely to test the limits of China’s AI diplomacy.

²⁵ Xu Ying, [“China’s WAICO Proposal and the Reordering of Global AI Governance”](#), *China’s Diplomacy in the New Era*, 30 July 2025.

²⁶ Ilaria Carrozza, [“China Isn’t Winning the Digital Order – Yet”](#), *The Diplomat*, 21 August 2026.

About the Author



Dr. Mayuri Banerjee is Associate Fellow at the Manohar Parrikar Institute for Defence Studies and Analyses, New Delhi.

Manohar Parrikar Institute for Defence Studies and Analyses is a non-partisan, autonomous body dedicated to objective research and policy relevant studies on all aspects of defence and security. Its mission is to promote national and international security through the generation and dissemination of knowledge on defence and security-related issues.

Disclaimer: Views expressed in Manohar Parrikar IDSA's publications and on its website are those of the authors and do not necessarily reflect the views of the Manohar Parrikar IDSA or the Government of India.

© Manohar Parrikar Institute for Defence Studies and Analyses (MP-IDSA) 2026