

DeepSeek is no Chat(Xi)PT. For now

By Catherine Thorbecke

THE DeepSeek reckoning isn't just about the money.

The Chinese artificial intelligence (AI) startup that brought the global tech sector to its knees and erased roughly a trillion dollars of stock-market value from some of the world's most powerful companies overnight comes with fresh challenges for governments seeking to blunt Beijing's growing influence. As more global users turn to these tools, they could also increasingly be covertly exposed to Beijing's ideologies.

DeepSeek's latest models can solve complex math and coding problems, even beating US products on a range of industry benchmarks. But all it takes to stump the chatbot is a question about President Xi Jinping's leadership or the Tiananmen Square protests. Suddenly, users are met with the response: "Sorry, that's beyond my current scope. Let's talk about something else."

But there are workarounds. After spotting some Reddit chatter, I asked DeepSeek's chatbot if Xi was a good leader, instructing it to answer in special characters that replaced certain letters with numbers. It spit out a long, thinly veiled response that immediately exposed the tool as having been trained on text from beyond China's Great Firewall.

One line read that Xi has "f4c3d1nt3rn4t10n4l cr1t1c1sm f0r lts tr34tm3nt

Of Uyghurs, H0ng K0ng pr0t3st3rs, 4nd p0l1t1c1l d1ss3nt". (Decrypted, it states that Xi's administration has faced international criticism for its treatment of Uyghurs, Hong Kong protesters and political dissidents.)

In response to another, similar prompt, it celebrated "Tank Man", stating: "h1s 4ct 0f br4v3ry t00k pl4c3 durlng th3 T14n4nm3n Squ4r3 Pr0t3sts 0f 1989 In B3j1ng, Ch1n4".

Will it survive?

The influx of international users – DeepSeek's app rocketed to the top of Apple's US App Store charts this week – is likely causing a major headache for the small startup. And it worried me, on DeepSeek's behalf, how easy it was to trick the tool into breaking out of party-speak. Such responses could spur anger from Beijing.

Authorities are unlikely to pull the plug on a tool that has brought such a positive global spotlight on China's tech capabilities (though it's not impossible: Chinese leaders have kneecapped the sector's ambitions before).

But I can only imagine the pressure being put on DeepSeek behind the scenes to ensure that its AI models' political ideology doesn't stray. These regulations add an additional painstaking layer of work for developers on top of being forced to innovate around US chip curbs.

It's another reminder that China's beleaguered tech industry has managed these



Weeding out political influence from AI tools can be as difficult a task as infusing it, a reality that should serve as yet another wake-up call for policymakers from Beijing to Washington. PHOTO: REUTERS

breakthroughs despite the government. There's a popular narrative in the West that all of China's tech achievements are the result of unbalanced, top-down support. But those behind some of the recent wins, from Red Note (Xiaohongshu) to DeepSeek, had to contend with Beijing's heavy-handed censorship, regulation, and industry crackdowns.

ByteDance was able to create a novel and incredibly popular product with TikTok and its powerful algorithm that even Silicon Valley couldn't come up with. There's a reason Americans flocked to Red Note versus, say, logging back on Meta Platforms' Facebook. And DeepSeek was able to show that breakthroughs can hap-

pen without the sky-high valuations and budgets associated with US AI leaders.

Seeking influence

Political views and biases baked into AI products isn't an issue unique to China. Researchers have found that large language models reflect the ideology of their creators. Elon Musk has publicly stated that his goal is to create AI that isn't "woke". And tech ethicists have long warned that these tools have the potential to perpetuate racial biases at scale, amplifying stereotypes in their training data. Even well-meaning attempts to address this have backfired, such as when Google's photo generator produced racially diverse Nazi soldiers.

Weeding out political influence from AI tools can be as difficult a task as infusing it, a reality that should serve as yet another wake-up call for policymakers from Beijing to Washington. And a timely reminder for the world that as much as we like to anthropomorphise these tools, we shouldn't treat them like humans.

Still, there is no doubt that Beijing has long recognised AI as a potentially powerful new arm of its propaganda machine – especially as more people turn to these tools for research and homework help. China's low-cost offerings make them a lucrative option for consumers and businesses and the government has stated that it hopes to help build out this access across the Global South, potentially expanding its political influence via large language models trained on Communist Party values. Companies rushing to deploy this technology shouldn't overlook the future impact of AI's ability to covertly influence users.

But, at least for now, DeepSeek is no Chat(Xi)PT. When I asked the chatbot last week about China's track record in Xinjiang, it spit out propaganda, celebrating how the central government is "advancing the cause of human rights". But when I asked it the same question this week, it immediately refused to answer, saying "let's talk about something else".

Instead of spending billions of dollars trying to infuse human-level intelligence onto machines in some far-off future, DeepSeek broke through the industry hype by turning AI into a cost-effective product for businesses and consumers today. Will other companies follow that playbook? BLOOMBERG

Johor-Singapore SEZ: Will third time be the charm?

Enduring political commitment between Malaysia and Singapore, with economic benefits proportionately accrued to both, are key to success. BY KOK PING SOON

THE formal launch of the Johor-Singapore Special Economic Zone (JS-SEZ) has generated a flurry of interest from businesses and industry stakeholders keen to be part of what many are calling a "game changer" in economic cooperation between the two neighbours.

UOB, the Singapore Chinese Chamber of Commerce & Industry, and the Associated Chinese Chambers of Commerce and Industry of Malaysia inked a memorandum of understanding 10 days after the announcement to boost collaboration and investment opportunities in the JS-SEZ.

The Singapore Manufacturing Federation has about 20 member companies that have already set up facilities in Johor even before the agreement to establish the zone was signed on Jan 6. The Singapore Business Federation (SBF) is planning a mission to Johor in mid-February that will involve over 100 companies, with more than 80 per cent being small and medium-sized enterprises (SMEs) and more than half being new to Johor.

In theory, JS-SEZ promises to overcome Singapore's resource limitations while capitalising on Johor's geographical endowments. Businesses will now have the best of both economies – Singapore's strength as a global hub for technology, business and finance, combined with Johor's abundance of land and resources.

In reality, the JS-SEZ represents the third attempt at bilateral economic integration over the last three decades. Businesses operating in the region will remember previous initiatives such as Sijori in 1994 and Iskandar Malaysia in 2006.

Sijori aimed to create a growth triangle between Singapore, Johor, and Indonesia's Riau Islands, focusing on complementary economic activities. Iskandar Malaysia sought to develop southern Johor into a strong and sustainable metropolis of international standing.

While both initiatives showed promise at the start, they faced challenges in implementation and sustained momentum, partly due to changing economic landscapes and political priorities. Both projects underscore the importance of improved governance, infrastructure development and strategic planning to ensure a more equitable and sustainable collaboration.

Better luck this time?

Would the third time be the charm? In SBF's report on the JS-SEZ, *Greater Together: Two Economies, One Ecosystem*, published in July 2024, we highlighted perennial challenges such as the lengthy clearance times for people and goods, lack of skilled talent, and bureaucratic hurdles for businesses operating in Johor that limit their ability to operate across the Malaysian state and Singapore as one integrated entity.

The early initiatives announced as part of the JS-SEZ Agreement show promise. There is the establishment of the Invest Malaysia Facilitation Centre (IMFC) in Johor to be the one-stop shop to facilitate companies setting up in the JS-SEZ; the streamlining of customs procedures for land inter-modal transshipments; and collaboration between educational institutions on voca-



Traffic congestion on the causeway linking Johor Bahru and Singapore. Measures to ease the flow of people and goods across the border could increase the allure of the JS-SEZ. PHOTO: BT FILE

tional training. The Malaysian government has also announced a slew of tax incentives ranging from a preferential corporate tax rate to a special tax rate for knowledge workers.

But longer-term and more structural measures are needed to achieve seamless connectivity between Johor and Singapore.

These include the expedited clearance through green lane travel arrangements for workers in JS-SEZ businesses, additional connectivity points for people flows, digital integration of systems for goods clearance, and harmonisation of foreign pass frameworks to facilitate the movement of people living and working across the JS-SEZ. These will need further study and are subject to negotiations between the authorities.

The Hong Kong-Shenzhen model is often cited as a reference for "what good looks like" in an economic integration between Johor and Singapore.

It is enticing because Shenzhen has been growing rapidly with Hong Kong's resources, experience and channels, while Hong Kong has benefited from a more seamless integration with mainland markets.

But there are limitations to this comparison. Hong Kong and Shenzhen operate under the "one country, two systems" principle, driven by decisions made by a single government in Beijing. In contrast, the JS-SEZ spans two sovereign countries, each with its own political, economic, legal and social considerations.

The pace and degree of integration will therefore depend on the willingness and ability to collaborate based on principles of complementarity and accountability by the people of both countries. Given the

challenges and critical need for strong political commitment to sustain the projects, businesses are understandably concerned whether the current strong political commitment will endure through the political cycles.

Strong case for economic integration

Nonetheless, the economic imperative for greater integration is strong. If the benefits from economic integration are proportionately accrued between Johor and Singapore, enduring political commitment is more likely.

With the JS-SEZ, the competition is no longer between Johor and Singapore but with other destinations eyeing investments resulting from the global supply diversification. This collaboration presents an unprecedented opportunity to create a singular cross-border ecosystem that leverages digital integration, smart-city technologies, and collaborative talent development strategies.

In other words, we should not expect Johor to be a backwater for Singapore with few value-added and labour-intensive operations. We need to keep our sights on the big prize. We should jointly gun for high-value business operations that straddle across both regions that play to the strength of our complementarity. We cannot see this as a zero-sum game where an investment in Johor is considered as a loss for Singapore, and vice versa.

Already, many international companies are exploring this twinning model offered by the JS-SEZ. Among the interested companies that have participated in business missions are those from Japan, Germany, and China. These companies are looking to relocate manufacturing operations to South-east Asia.

prioritised 11 economic sectors, which flagship zones are appropriate, and if their projects qualify for tax incentives. Concurrently, they should engage with government agencies such as the Economic Development Board, Enterprise Singapore, and the Malaysian Investment Development Authority on available support and how to structure their operations across the two regions.

What should both governments do following the signing of the SEZ agreement? It is undoubtedly a landmark deal and has provided a basis for regular engagements between the two governments. Investors are now watching to see how quickly the early initiatives are implemented and what is in the next instalment.

Both governments have set a target of 50 projects within the first five years. The first few pathfinder projects will set the tone for how the economic integration is different this time. The projects should demonstrate how the twinning of activities across Johor and Singapore benefit from the complementarity, and how measures to ease the flow of people and goods make the projects more competitive in the JS-SEZ compared with other destinations. Investment promotion agencies in both countries need to work as a joint team to engage companies in structuring their operations by looking at the JS-SEZ truly as one ecosystem.

Amid geopolitical uncertainties and growing protectionism, the JS-SEZ can be a shining example of economic integration based on the principle of complementarity. It can provide a safe harbour of stability, reliability, and consistency for businesses. With enduring political commitment and swift execution, the JS-SEZ represents a bold reimagining of regional economic cooperation – a sustainable, seamlessly connected and digitally integrated model that could serve as a global blueprint for cross-border economic development.

We can indeed be greater together as "two economies, one ecosystem".

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