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## **The Battle of Narratives: China's Global Brand Revolution vs Western Dominance**

*By Tang Meng Kit*

### **SYNOPSIS**

*The emergence of DeepSeek AI has sparked a narrative clash between China and the West. Western critics argue that DeepSeek reflects Chinese state censorship and poses security risks due to data regulations, threatening free speech and privacy. China counters by positioning DeepSeek as an affordable, open alternative to Western AI, promoting it as a tool for technological independence in emerging markets. This rivalry frames the debate between China and the West as a struggle for global technological leadership and ideological dominance.*

### **COMMENTARY**

DeepSeek AI has recently emerged as a serious competitor to OpenAI's GPT models. Unsurprisingly, Western rivals have voiced concerns over censorship, data security, and AI leadership. Critics claim that DeepSeek operates under state censorship and aligns with China's digital governance goals rather than independent innovation. They also point out that AI models developed under Chinese regulations suppress politically sensitive topics, reflecting state narratives instead of fostering open discourse.

Data security concerns add to the controversy. China's strict data localisation laws raise fears that the government could access DeepSeek's data collection. The US and its allies have responded with restrictions on Chinese AI firms and blocking access to advanced semiconductors, aiming to slow and hinder China's progress. China has countered with its own narrative.

China promoted its own version of AI – DeepSeek – highlighting it as a more affordable and open alternative to US-controlled models. DeepSeek's young, ambitious workforce drives innovation and challenges conventional AI architectures. This

approach has produced models that rival or even surpass big US competitors like Facebook and ChatGPT.

This success portends China's ability to potentially outpace the US in AI, even with limited access to advanced chips and funding. Supporters argue that Western AI systems tend to have ideological biases, while DeepSeek simply reflects a different cultural and political context. They also appreciate DeepSeek's open-source, cost-effective approach, which contrasts with the closed systems of OpenAI and Google. This message is starting to gain more attention.

Many emerging markets seek technological independence from Western firms. They see China as a viable alternative in the AI race.

### **Chinese Brands: Disruptors On the Global Market?**

China's rise in consumer goods, electric vehicles (EVs), and digital infrastructure is more than about competition. It is a strategic push for global dominance. State subsidies, aggressive pricing, and market protection give Chinese firms an edge, causing Western industry leaders to lose ground.

Anta and Li-Ning, Chinese sports brands, challenge Nike and Adidas with low costs and nationalist appeal. Chagee and HeyTea, Chinese milk tea chains, expand into Southeast Asia and Europe, pushing China's beverage culture abroad. NIO and Xpeng, Chinese automotive companies, lead in battery-swapping. As is well known, BYD has overtaken Tesla in global sales. State support, not free-market competition, fuels their growth.

Chinese technology companies Huawei, Xiaomi, and OPPO are displacing Apple and Samsung in emerging markets. Online merchants Shein, Temu, and Alibaba undercut Amazon and Zara with cheap prices and fast supply chains. The social media app TikTok is surpassing Instagram. And Alibaba Cloud and Huawei Cloud compete with AWS and Microsoft Azure.

China is no longer just a competitor – it is reshaping global markets to align with its state-driven economic model. If the West fails to counter this expansion, it risks ceding control over critical industries, from AI to digital infrastructure, to China.

### **Comparing Approaches: Western Criticism vs China's Strategic Response**

Western governments accuse China of distorting markets through subsidies, espionage, and state-backed expansion. China responds by saying that the US and EU also use protectionist policies. For example, programmes like the CHIPS Act and the European Green Deal include subsidies to protect domestic industries from China.

The difference lies in how the governments intervene. China's state capitalism lets the government control major companies directly. In the West, subsidies encourage private-sector innovation without direct government control. Huawei and BYD benefit from state-owned loans, contracts, and planning. In contrast, companies like NVIDIA and Tesla receive incentives but operate independently.

Western trade restrictions focus on security risks, while China's policies aim for economic dominance. The US banned Huawei over data privacy concerns, but China's bans on Google, Facebook, and Western cloud services are part of a strategy for technological self-sufficiency. By blocking foreign competition, China strengthens domestic firms like Huawei, Tencent, and Alibaba, ensuring their dominance in telecommunications, social media, and AI-driven cloud services.

Western economies should avoid mimicking China's state-driven model. Instead, they should focus on market-driven competition with regulatory safeguards. The US and EU should make case-by-case interventions, addressing legitimate risks while upholding open-market principles. This will prevent China from portraying Western actions as geopolitical containment. A case-by-case approach allows the West to distinguish between genuine security threats and fair economic competition.

### **Nationalist Rhetoric and China's Technological Rise**

China's political leaders, state media, and business elites actively promote a nationalist narrative that frames the country's technological rise as a reversal of past humiliation. President Xi Jinping's "China Dream" emphasises self-reliance in AI, semiconductors, and military technology, reinforcing the idea that China has reclaimed its global power status.

Figures like Hu Xijin, a former *Global Times* editor, and Zhao Lijian, a "Wolf Warrior" diplomat, defend China's tech achievements while accusing the West of suppressing competition. *Global Times*, *People's Daily*, and *Xinhua* amplify this rhetoric, portraying criticism of Chinese tech as jealousy rather than legitimate security concerns.

Business leaders such as Ren Zhengfei (of Huawei) and Wang Chuanfu (of BYD) echo these sentiments, arguing that US bans on Huawei and Chinese EVs stem from fear, not about fairness. Their message underscores China's ambition to dominate key industries, positioning its success as an inevitable shift in global power dynamics.

China's sense of nationalism is deeply influenced by its history, notably the Century of Humiliation when Western powers imposed unfair treaties and dominated the country's economy. Many Chinese view current restrictions on companies like Huawei, TikTok, and EV manufacturers as a modern form of foreign oppression.

Every significant advancement in areas like AI, 5G, and EVs is seen as part of China's effort to regain its former strength and status. For China, self-sufficiency isn't just an economic goal; it's a national mission. Moreover, the government pushes for censorship and strict economic control, framing them as protective measures against foreign influence.

China's rise fuels patriotism and collective responsibility, and globally competitive brands such as Huawei and BYD are symbols of national strength. Western criticism is viewed not as regulation but as an attack on China. Trade restrictions strengthen public support for economic nationalism. In short, defending Chinese brands is akin to defending the nation.

## Countering China's Economic Nationalism

A nationalist narrative supports China's rise in global markets. It portrays economic competition as a struggle against Western suppression. The government frames trade restrictions on companies like Huawei and TikTok as efforts to hinder China's growth, not about security concerns. This strategy builds domestic support for Chinese brands and deflects foreign criticism. Nationalist campaigns urge consumers to boycott Western products and choose local alternatives. State media promotes China's tech dominance as a natural rise in its global power status.

In response, the West should reframe the debate around fairness and transparency rather than geopolitical rivalry. Policymakers need to highlight unfair trade practices, forced technology transfers, and state subsidies. Western companies can stand out by focusing on trust, ethical labour practices, and data security.

Revealing the extent of state control over Chinese companies challenges Beijing's portrayal of them as independent players. Rather than banning Chinese firms, the US and EU should expand AI and semiconductor funding beyond domestic initiatives by creating a joint AI innovation fund with Japan and South Korea. Meanwhile, investment in digital infrastructure across Southeast Asia and Africa is crucial to prevent China from monopolising these emerging markets.

By shifting the narrative and promoting ethical business practices, the West can effectively counter China's strategy and ensure a fair market.

## Reframing the Narrative

The battle over Chinese technology is more than just economic competition. It's about the future of digital governance, AI, and global trade. China uses nationalism and state-backed companies to expand its influence. The West should respond with innovation, fair competition, and stronger multilateral partnerships.

A successful strategy will balance security concerns with market-driven innovation. This ensures Western economies stay competitive without excessive protectionism. The outcome will decide if open markets or state-controlled models shape global tech standards.

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