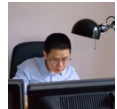


Official provincial commentary on DeepSeek

Zhejiang Publicity says "DeepSeek's greatest strength lies in its open-source approach, which empowers researchers worldwide."

ZICHEN WANG

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China is in its week-long national holiday for the Lunar New Year of Snake, and official voices are hard to come by.

However, some poor cadres in the eastern province of Zhejiang had to work overtime when everyone else was off work yesterday, January 28, to write a commentary on DeepSeek, the Chinese AI company that has rocketed to every headline worldwide.



The commentary was published in 浙江宣传 Zhejiang Publicity, the official public platform of the Communist Party of China Zhejiang Provincial Committee Publicity Department, in the form of a blog in the WeChat ecosystem.

I've covered the Zhejiang Publicity here twice before. The first time was when China was on the cusp of abruptly and dramatically withdrawing from the draconian anti-epidemic measures over COVID-19 in the last days of November 2022. At the time, its piece [“人民至上”不是“防疫至上” “People First,” not “Epidemic Control First”](#) went viral in China.

The second time was when Zhejiang Publicity identified [five major challenges](#) in the Chinese government's international communications in June 2023.

Basically, Zhejiang Publicity carries the voice of the provincial publicity authority in an attempt to shape and lead public opinion.

The province is also one of China's most affluent and is considered most friendly to private enterprises. Xi Jinping was the Communist Party Secretary of Zhejiang from 2002 to 2007. Currently, many senior Chinese officials have working experience in the coastal province.

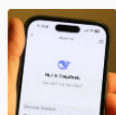
DeepSeek and its parent, [High-Flyer Quant](#), a hedge fund, are based in Hangzhou, the provincial capital of Zhejiang. The commentary is not long.

By the way, listen to the Peking Playbook [podcast](#) on DeepSeek at [Apple Podcast](#), [Spotify](#), [YouTube Podcast](#), and elsewhere! Don't forget to subscribe!

蹦出来个DeepSeek

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浙江宣传

10分钟



这两天，杭州深度求索人工智能基础技术研究有限公司（下称“深度求索”）开发的DeepSeek火爆出圈，在苹果中国地区和美国地区应用商店免费App下载排行榜折桂。一些外媒用“震动硅谷”来形容其带给美国的行业震撼，其水平被许多业内人士认可，认为已与ChatGPT比肩，而且它面向全世界开源。

那么，我们该如何看待DeepSeek的横空出世，从中又能有哪些启示？

Snapshot of the commentary published in the Zhejiang Publicity blog on WeChat

蹦出来个 DeepSeek

DeepSeek Leaps onto the Scene

In recent days, DeepSeek, developed by 杭州深度求索人工智能基础技术研究有限公司 Hangzhou DeepSeek AI Technology Research Co., Ltd. (hereafter “DeepSeek”), has taken the tech world by storm, topping the free app download charts on Apple’s App Store in both China and the U.S. Some foreign media have described its impact on the U.S. industry as “shaking Silicon Valley.” Many experts recognize its capabilities, believing it to be on par with ChatGPT, and notably, it is open-source for the world.

How should we view the sudden rise of DeepSeek, and what insights can we draw from it?

Part I

On January 20, 2025, DeepSeek released its latest open-source model, DeepSeek-R1, sparking strong reactions both in China and internationally. Key phrases in media discussions have been “low cost,” “high performance,” and “open-source.”

“Exceptional Cost-Effectiveness”

It’s not that OpenAI cannot afford it, but rather that DeepSeek offers superior cost-effectiveness. Reports indicate that the pre-training cost of DeepSeek-R1 was \$5.576 million—less than one-tenth of what OpenAI spent on GPT-4o. Yet, U.S. industry experts consider their performance to be nearly equivalent. Compared to American companies, which routinely invest billions or even hundreds of billions of dollars in AI, China’s AI research demonstrates a much higher cost-efficiency, significantly lowering the entry barrier for AI development.

“A Different Path”

DeepSeek’s cost-effectiveness stems from innovative approaches. Due to U.S. export restrictions, Chinese developers lack access to cutting-edge hardware. However, DeepSeek has pursued a distinct technological path, leveraging innovations in model architecture to achieve AI performance parity with relatively lower-end chips. For instance, OpenAI’s training approach is akin to an indiscriminate “flooding” method, processing data in a black-box manner. In contrast, DeepSeek adopts a more precise strategy: categorizing data first through algorithms before feeding it into the model.

“Open-Source”

While some foreign AI models are increasingly closed to maximize profits and stock value, Chinese AI models—DeepSeek among them—are choosing to go open-source. For years, the U.S. government has imposed relentless restrictions on China’s technology sector. Many American experts now view the so-called “small yard, high fence” policy as absurd and ineffective. The reality proves that such unilateral containment measures cannot halt China’s technological progress.

Part II

DeepSeek's emergence has once again sparked widespread discussion about China's technological capabilities. These debates extend beyond AI and often touch on other fields as well. How should we rationally view China's technological progress? Three key perspectives are essential.

Confidence and Composure

Discussions about China's tech standing often oscillate between extremes. Some celebrate breakthroughs as if China is "light-years ahead" of the rest of the world, while others react to foreign advancements with despair, claiming that China is "decades behind" and unable to catch up. Such fluctuations in sentiment are neither objective nor rational. China's technological progress follows a step-by-step trajectory. True confidence and composure reinforce each other—they are not contradictory.

Leading and Catching Up

No country leads in all areas of technology, just as no hand has fingers of equal length. China cannot expect to dominate every technological field, nor should it assume inferiority across the board. Leading industries should be acknowledged positively but not exaggerated as if they are permanently dominant. Similarly, emerging sectors that are still catching up should not be met with excessive anxiety or unfounded pessimism. Encouraging progress while recognizing areas that still need improvement fosters a healthier approach to technological development.

National and Global Perspectives

DeepSeek's greatest strength lies in its open-source approach, which empowers researchers worldwide. Nvidia senior scientist [Jim Fan](#) has [praised](#) DeepSeek "a non-US company is keeping the original mission of OpenAI alive." This highlights the importance of transcending a narrow, competitive mindset. China's technological progress can and should contribute to humanity on a broader scale. Ultimately, what is good for China can be good for the world, and vice versa. As long as Chinese technology aligns with global progress, no barriers—no matter how high or deep—can halt its development.

Part III

DeepSeek's rapid rise has sent shockwaves across the globe. If AI's evolution is a high-speed highway, then this Hangzhou-based startup—founded in July 2023—is a dark horse that has suddenly joined the fast-moving race. What lessons can we learn from its breakthrough?

“No Obstacle Is Insurmountable”

The road to innovation is filled with challenges, much like an impassable “Flaming Mountains” that seem impossible to cross. Faced with waves of chip bans from certain countries, growing competition in AI, and shortages of top-tier talent, Chinese tech companies have refused to stagnate. Instead, they have pursued alternative paths, focusing on critical core technologies and building an autonomously-controllable ecosystem. The belief that “the grass is always greener on the other side” is a fallacy—what others can do, China can not only match but sometimes surpass. When faced with uncharted or difficult terrain, the key is to adapt, rethink strategies, and push forward with transformative courage and resilience.

“Trust in Young Talent”

Young scientists and engineers are the driving force behind original and disruptive innovations. With DeepSeek making waves in the AI world, many have become curious about its development team. Reports show that over 50% of its team members were born after 1995, and more than 75% after 1990. This underscores the need to trust young talent, giving them greater responsibility in scientific research and innovation. Removing institutional barriers that restrict talent flow between universities, research institutions, and enterprises will cultivate more high-tech startups. Providing leading companies with greater control over innovation resources and encouraging young people to take bold steps in tech development will lead to more groundbreaking achievements.

“Innovation Is Not an Isolated Effort”

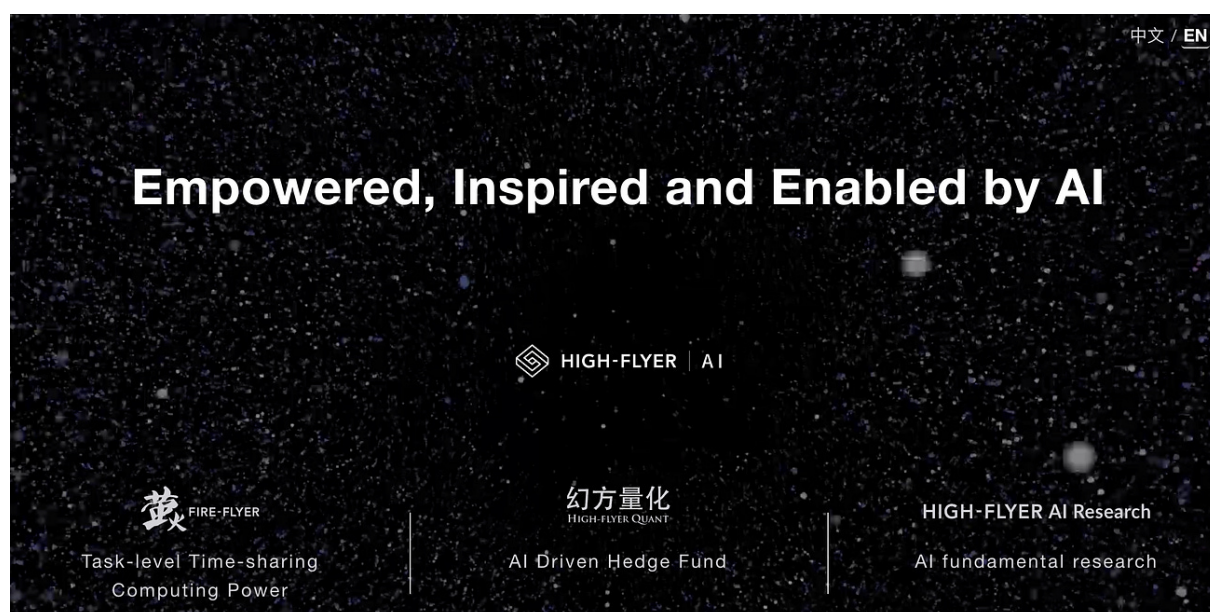
In today's era of rapid knowledge and information exchange, major breakthroughs are rarely achieved in isolation. Collaborative innovation enables scientists from diverse backgrounds to inspire each other, creating synergies that enhance disruptive technological advancements. As a rising star, DeepSeek has closely collaborated with partners such as Sugon (Dawning Information Industry Company Limited) and Tencent Cloud in technology development, application implementation, and market

expansion. This has not only accelerated its R&D process but also ensured strong alignment with industry and market needs. True innovation is a collective journey. By fostering open collaboration and integrating global resources—technology, talent, capital, and information—China can continuously secure leadership in emerging industries.

Looking ahead, Zhejiang is poised to become a fertile ground for emerging industries, attracting long-term investments and fostering more unicorn and hidden-champion companies. With a steady influx of innovation-driven enterprises, the province will continue to contribute fresh momentum to high-quality economic development, writing new chapters of success.

CEO of DeepSeek's parent, High-Flyer Quant, spoke in 2020

[ZICHEN WANG](#) • JAN 27



As I'm typing this, Nvidia is down 13.5%. Hundreds of billions are literally at stake because of DeepSeek, the Chinese AI company. However, despite the enormous opinions about it on Twitter, very little is known about the company.

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Peking Playbook Unscripted 20250128: DeepSeek

[ZICHEN WANG](#), [ROBERT WU](#), AND [MJFINANCE](#) · JAN 28



Happy Lunar New Year to all those who celebrate it! The top news on the last day of the lunar year of Dragon is obviously DeepSeek, the Chinese AI start-up.

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