



Consortium of Indo-Pacific

Researchers

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Greetings Colleagues,

The Consortium is pleased to share its latest newsletter for the Indo-Pacific.

Press the reply button for your feedback and comments.

China's DeepSeek Trillion-dollar jolt to U.S. Tech Stocks



Figure 1: The A.I. Race. Picture Courtesy U.S. Department of Commerce

China launched its DeepSeek AI (Artificial Intelligence) model R1 this week and turned down U.S. stock markets. As per the report, China's DeepSeek is more cost-effective than U.S. ChatGPT. The representatives from many countries applauded the Chinese breakthrough in AI. However, some [news](#) outlets share privacy and cybersecurity concerns using the cost-effective DeepSeek app.

China's advancement in AI is significant and could help China's global growth and dominance. DeepSeek's latest R1 release has three main highlights: firstly, the low-cost training and modeling technology, and secondly, an open-source solution instead of proprietary data and training. Third, the effect of the [USD 6 million](#) AI chatbot app model on U.S. market stock shock close to [USD 1\\$ Trillion](#). The U.S. market saw a correction in the following days; however, all these paradigm shifts were observed even after a performance GPU export ban to China to have a competitive advantage in U.S. Tech. One may argue about data sovereignty for practical local model training. Still, with minimal to low regulation in this niche technology, data privacy may only impact a brief set of applications for Artificial Intelligence on personal recommendations.

Furthermore, some reports suggested DeepSeek instrumented the capability by sourcing older generation processors from Nvidia right before the chip ban and calibrating them to outperform existing Large Learning Models (LLMs). To provide the readers with a comparison, Bloomberg's famous financial model comprises [50 billion parameters](#), and Open AI's ChatGPT 3.5

comprises of [175 billion parameters](#). In contrast, DeepSeek R1 works on an impressive [671 billion parameters](#), while ChatGPT 4 is reported to have 1.6 trillion parameters. DeepSeek investment by different sources is still assessed at one-fourth of Open AI's popular AI model ChatGPT. Furthermore, DeepSeek-R1 works on time-testing methodology, generating better inferences while analyzing the problem or now prompts. White House was in action as evidenced by [President Trump's private meeting with Nvidia CEO, Jensen Huang](#), on Friday January 31, 2025. Open AI's ChatGPT founder, Sam Altman, is on a trip to Japan to collaborate with SoftBank CEO Masayoshi Son, to contribute to [Japan's AI thrust](#) and will be meeting Japanese [Prime Minister Shigeru Ishiba](#) on Monday, February 3rd, 2025. Meanwhile, India also announced USD 1.27 billion investment for AI research.

Artificial Intelligence technology has the potential to touch every aspect of our lives, and thus, this can be seen as the start of a new tech race in this “lukewarm” world era. [Read Here](#).

U.S and India Aim to Strengthen Ties Amid Tariff Specters

During a [phone conversation](#) last week, U.S. President Trump and Indian Prime Minister Modi discussed global security issues, including those in the Middle East, Europe, and the Indo-Pacific. They agreed to expand cooperation and deepen their ties. Trump emphasized increasing defense procurement and a fair bilateral trade relationship.

It is important to note that Trump has not yet announced any tariff on India, as shown in his speech during the election campaign and after holding the President's office. Meanwhile, trade deals and negotiations are going on behind the scenes, as India has announced that it will slash customs duty on American-made products such as Harley-Davidson, Tesla, and Apple. Additionally, India plans to repatriate 18,000 undocumented nationals, which is also a priority of Trump's Foreign Policy agenda: *America First* and *Make America Great Again*.

According to media sources, President Trump has invited Mr. Modi for a visit later this month. It is crucial to observe the forthcoming developments in U.S.-India bilateral relations and their interactions within the broader Indo-Pacific region. India anticipates President Trump will attend this year's Quad Summit in Delhi.

Delhi and Beijing Held Secretary Level Talks

India's [Foreign Secretary, Mr. Vikram Misri, visited China](#) on 26-27 January 2025 and held a bilateral discussion with his counterpart. After five years, the two sides agreed to resume direct air service and share hydrological data and related cooperation on trans-border rivers. Both countries look forward to promoting people-to-people ties, including media and think tanks.

Furthermore, they discussed the economic and trade issues and agreed to resolve specific concerns and move forward in a constructive manner. In a quick move, India has relaunched the Chinese fashion app Shein, which was

banned in 2020 after the India-China border clash. Shien is now in partnership with Reliance, an Indian billionaire company.

It is important to mention that after the Galwan face-off in 2020, the Indian government banned more than 50 Chinese apps, including TikTok.

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Four Years Since Military Coup: U.S. and Allies Condemns Myanmar's Military Regime for Escalating Violence

Myanmar's military Junta has extended the state of emergency for another six months and has failed to its promise of holding new elections in the country.

The military ruler has been targeting the pro-democracy movement and suppressing ethnic minorities in a violent conflict since the overthrow of the elected government on Feb. 1, 2021. In a joint statement, Australia, Canada, the EU, the Republic of Korea, New Zealand, Norway, Switzerland, the UK, and the U.S. condemned all types of violence and systematic persecution of ethnic minority groups by the Myanmar military regime, which has increased almost 25-fold since 2021. As per statistics, over one-third of the population, 19.9 million people, now need humanitarian assistance as they are deprived of basic needs. An estimated 15.2 million people need food assistance, and cases of preventable diseases are on the rise. They further warned that escalating violence is causing the largest crises in the Indo-Pacific [Read More](#)

Indo-Pacific Quiz

On which countries U.S. has imposed tariffs starting Feb1, 2025?

- a. Canada, Mexico, Panama
- b. Canada, Mexico, Cuba
- c. Canada, Mexico, China
- d. Canada, Mexico, Brazil

Which country's President said: "Let's make a deal with China: Stop claiming our territory, stop harassing our fishermen, and let them have a living, stop ramming our boats, stop water cannoning our people, stop firing lasers at us, and stop your aggressive and coercive behavior, and I'll return the Typhon missiles to U.S."

- a. Japan
- b. Philippines
- c. Taiwan
- d. Vietnam

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