# Xi Jinping elevates Shanghai as China’s AI innovation powerhouse amid global tech rivalry



In late April 2025, Chinese President Xi Jinping undertook a significant visit to Shanghai, spotlighting the city’s pivotal role in China’s burgeoning artificial intelligence (AI) industry. This visit occurred shortly after Xi chaired a high-level Politburo study session on AI on April 25, underscoring the urgency and priority Beijing places on advancing AI technology.

Shanghai was chosen for this visit due to its status as a key node in China’s innovation landscape. The city is China’s financial centre and a crucial gateway to international trade, and it has been actively positioning itself as a global hub for AI development. Shanghai hosts the annual World Artificial Intelligence Conference (WAIC) and plans to establish a major AI industrial cluster with investments exceeding RMB 400 billion (approximately $55 billion) by the end of 2025. During his visit, Xi toured prominent AI institutions including the Shanghai Artificial Intelligence Laboratory and the Foundation Model Innovation Center, which collectively house over 100 AI companies. His presence and remarks elevated Shanghai’s position as a national demonstration zone for AI innovation and governance, signalling an integration of local efforts with the country’s broader strategic ambitions.

Policy-wise, Xi’s visit marked a new phase in China’s approach to AI development. During the Politburo session, he urged leveraging the country’s "whole-nation system" to secure technological breakthroughs in crucial areas such as foundational AI technologies, core semiconductor chips, fundamental software, and open-source frameworks. The emphasis was on achieving self-reliance, reflecting AI’s increasing classification as a national security priority. Xi acknowledged existing gaps in China’s basic research and core technology capabilities and called for enhanced infrastructure investments, particularly in computing power and data sharing. This shift in priority also includes building comprehensive legal and ethical frameworks to ensure AI technologies are safe, reliable, and controllable, reflecting a maturation in China’s AI policy that extends beyond application development to encompass risk management and norm-setting.

The impact of Xi’s focus on AI is expected to invigorate China’s domestic AI industry. Leading tech conglomerates such as Baidu, Huawei, and Alibaba stand to gain from anticipated government support, including increased R&D funding and opportunities for government procurement. The market responded positively to the announcements, with AI-related stocks appreciating in value. Startups and emerging companies specialising in large AI models, vertical AI applications, and edge AI are also likely to benefit from enhanced funding and favorable regulatory environments. Xi’s remarks, including his reference to AI as a field for young talent, combined with his engagement with young entrepreneurs and international experts during the Shanghai visit, indicate a policy shift toward embracing global talent and fostering a more open ecosystem. For example, a French AI founder based in Shanghai was granted permanent residency shortly before Xi’s speech, highlighting China’s efforts to attract foreign expertise despite ongoing geopolitical tensions.

On the international stage, Xi’s visit and statements carry broader strategic implications amid ongoing U.S.-China technology competition. The United States has imposed stringent restrictions on the export of high-end chips and AI technologies to China in an effort to curb its technological ascent. Xi’s insistence on China achieving "independent and controllable" AI innovation signals a determined response to these measures. Furthermore, Xi characterised AI as a "global public good," advancing China’s intention to work with developing countries to bridge the digital divide. This reflects a dual objective: reducing technological reliance on the U.S. while promoting an alternative vision for global AI governance and standards.

Data from international organisations supports the narrative of China’s advancing AI capabilities. The World Intellectual Property Organization reports that China filed the highest number of generative AI patents globally from 2014 to 2023. Research from Tsinghua University and Stanford further indicates that Chinese AI labs are closing the gap with American counterparts in large model development. Xi’s remarks and actions demonstrate an ambition to convert technological momentum into global diplomatic influence and leadership in setting international AI standards.

The developments in Shanghai and Beijing’s strategic emphasis on AI underscore the growing importance of artificial intelligence as a driver of both technological innovation and geopolitical competition in the years ahead. The integration of policy, industry, talent cultivation, and international diplomacy presents a multifaceted approach to positioning China at the forefront of the global AI landscape. The Pandaily is reporting on these events and their implications in the context of China’s evolving technological ambitions.

Source: [Noah Wire Services](https://www.noahwire.com)

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