# DEEPSEEK AI

## TECHNOFEUDALISM, CAPITALISM AND THE NEW COLD WAR

The AI Revolution Has Just Begun

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**Deepseek AI**

Technofeudalism, capitalism and the new cold war



**Published in the United States**

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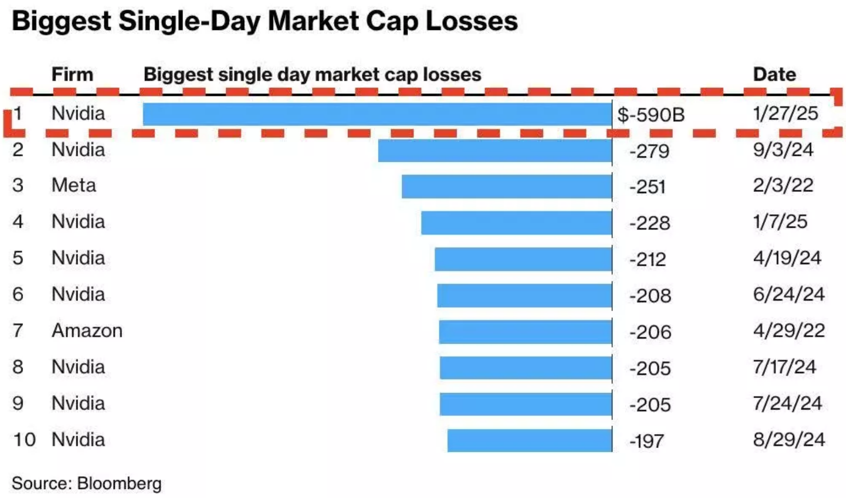
## Introduction

China's Deepseek AI has just shaken up the global tech scene—and in a big way. The startup, founded in 2023, recently launched an AI model that's making waves for its cost-effectiveness and performance. But here's where things get wild: its emergence triggered a massive sell-off in the U.S. stock market, wiping out nearly $1 trillion in value from major tech companies!

# What Happened on January 27, 2025?

Vs.

China's Deepseek AI technology just wiped $1 trillion off U.S. stock prices. Companies like OpenAI, Google, and Meta all took heavy losses, but none were as severe as Nvidia. In a single day, Nvidia's stock price plummeted by $600 billion, the biggest drop in stock market history.




So, how did this happen, and what exactly is Deepseek AI? Simply put, Deepseek AI is similar to ChatGPT. It's a large language model and a conversational AI designed to provide highly accurate, human-like responses to user queries. In short, it's a chatbot that understands and generates natural language exceptionally well.

But here's the game-changer: Deepseek AI is not just better and faster than ChatGPT; it was also developed at a fraction of the cost. This efficiency and affordability shocked the AI industry, sending shockwaves through the stock market as investors feared China's rapid advancements in AI technology.

So, what kind of costs are we dealing with here? Let's break it down with some numbers. First off, ChatGPT was developed by OpenAI, and estimates suggest it cost around USD1 Billion to build. On top of that, Microsoft invested an additional USD10 billion into OpenAI, the creators of ChatGPT.

Even Trump called this a wake-up call. Eight years ago, Vladimir Putin made a statement that has since become a widely quoted phrase: *Whoever controls the future of AI controls the world.* For years, experts claimed that China was lagging behind the U.S. in artificial intelligence. And to some extent, the U.S. government could take credit for that.

Now, here's where it gets interesting. During Trump's administration, there was a pledge of USD500 billion) to OpenAI, aimed at securing U.S. dominance in the global AI race. But then, let's look at Deepseek. How much did it cost to build? Just $6 million! It's a fraction of the cost compared to ChatGPT.

And here's the kicker: while the U.S. and the West often approach things with a mindset of competition, dominance, and monopolies—whether through trade wars, tariffs, or geopolitical strategies—other players are finding ways to innovate without the same massive financial backing. It's a bit ironic, isn't it?

While the U.S. is focused on maintaining global control, others are proving that innovation doesn't always require billions of dollars. Sometimes, it's about creativity, efficiency, and thinking outside the box. But that wasn't good enough for the Global South, which essentially said, look, we don't want war—we just want to do business. Let's do business. It's a much better option anyway.

As part of the U.S. trade war with China, the U.S. government banned Nvidia, the world's leading AI chipmaker, from selling its top-tier AI chips, the H100, to China. In response, the Chinese government asked, well, if you won't sell us the H100, at least let us buy your second- or third-tier chips. So, Nvidia sold them the H800 chips, essentially a downgraded version nowhere near as powerful as the chips used to develop ChatGPT. The goal? To secure America's global dominance in AI.