


# September News | Europe, China, US: Three AI races on the same track | AI in China: Four leaders speak | AI saves money in Healthcare | Adopt AI Summit 3-4 December 2026

This month's Data & AI Digest explores the evolving dynamics between Western and Chinese AI ecosystems, from **structural differences and strategic impacts to operational challenges**. Victor Coimbra, Partner & CTO Americas, outlines the **US lead in frontier models**, while our Shanghai leadership team provides **in-depth analyses of China's AI ecosystem**, contrasting its trajectory with Western AI Frontier Labs and GAFAM tech leaders.

Through Artefact China's deep local presence, we offer our clients a **distinct competitive edge**. By seamlessly connecting macro-level strategy to on-the-ground execution, we deliver **practical, market-tailored insights** that traditional consulting firms cannot match.

## Europe, China, US: Three different AI races on the same track



Evaluating global AI requires understanding that regions compete in distinct layers:

- The US leads in frontier models;
- China dominates industrial robot deployment with over 50% of global installations;
- Europe controls critical chipmaking machinery and industrial automation.

Because performance gaps between leading models are narrowing, **models should be treated as rented commodities rather than locked-in assets**. Instead of marrying a single AI vendor, enterprises must maintain **multi-supplier flexibility** while aggressively organizing their proprietary organizational data. Ultimately, intelligence is rented, but business knowledge compounds in value.

Victor Coimbra, Partner & CTO Americas at Artefact, advises enterprises to **"Rent the intelligence, and refuse to marry the supplier."**

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## AI in China: A view from Shanghai, and why Western business should pay attention



Chinese AI development treats models as low-cost commodities rather than luxury products, releasing open-weight models and **driving intense competition** in inference efficiency.

Drawing parallels to Clayton Christensen's **"mini-mill" disruption in the steel industry**, China is starting at the low-margin end ("rebar" or cheap inference) and relentlessly moving upmarket while **Western incumbents risk retreating until there is "nowhere left to retreat"**. Rich with STEM talent and cheap energy, China prioritizes rapid enterprise adoption.

Xavier Mussard, Partner at Artefact China, urges Western companies to *"Keep control of your AI choices, keep control of the harness, and keep control of your business knowledge, context, data, and processes."*

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## China's AI advantage: The token economics



AI competition is shifting to token economics as **agentic workloads use 10 to 50x more tokens than traditional chat**. Because tokens represent "crystallized electricity," China's massive renewable energy investments and "East Data, West Computing" strategy grant it a distinct cost advantage in AI inference.

Open-weight models commoditize foundation AI, shifting strategic value to prompt caching, multi-model routing, and agent orchestration. Enterprises must treat AI consumption as a FinOps discipline, tailoring models to specific tasks.

Phil Zhang, VP Data Science at Artefact China, states: *"The primary competitive axis of AI has shifted from 'Which model is smartest?' to 'Who can generate and deliver high-quality tokens at the lowest cost?'"*

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## China AI transformation: Slow and steady wins the race



Driven by fear of falling behind, many organizations hastily adopt AI tools or benchmark against competitors without establishing a clear internal purpose. Sustainable AI transformation requires **first-principles thinking focused on core value creation and foundational business questions** before technology deployment.

Standard automation handles routine tasks, but AI agents excel at scalable contextual judgment. Enterprises maximize long-term ROI by organizing business knowledge, clarifying decision needs, and training staff in human-AI collaboration instead of rushing into hype-driven deployments.

Mike Zhu, Partner at Artefact China, warns: *"Like a shot of adrenaline, fear can prompt hasty action, but it cannot sustain a long journey."*

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## Why GEO in China is different from the West



Generative Engine Optimization (GEO) in China differs fundamentally from Western approaches due to an ecosystem dominated by "super apps" like WeChat and Xiaohongshu. Instead of open-web crawling, China relies on a closed-loop model where discovery occurs inside in-app AI assistants.

**Success requires prioritizing EEAT (Experience, Expertise, Authoritativeness, and Trustworthiness)**, platform-native content, and regulatory compliance. Multinational brands must build a dedicated, localized strategy rather than translating Western SEO/GEO programs.

As Mike Reyes, Business Director at Artefact China, notes: *"While the West embraces an open web-centric model… China's GEO adopts more of a closed-loop, ecosystem-centric model…"*

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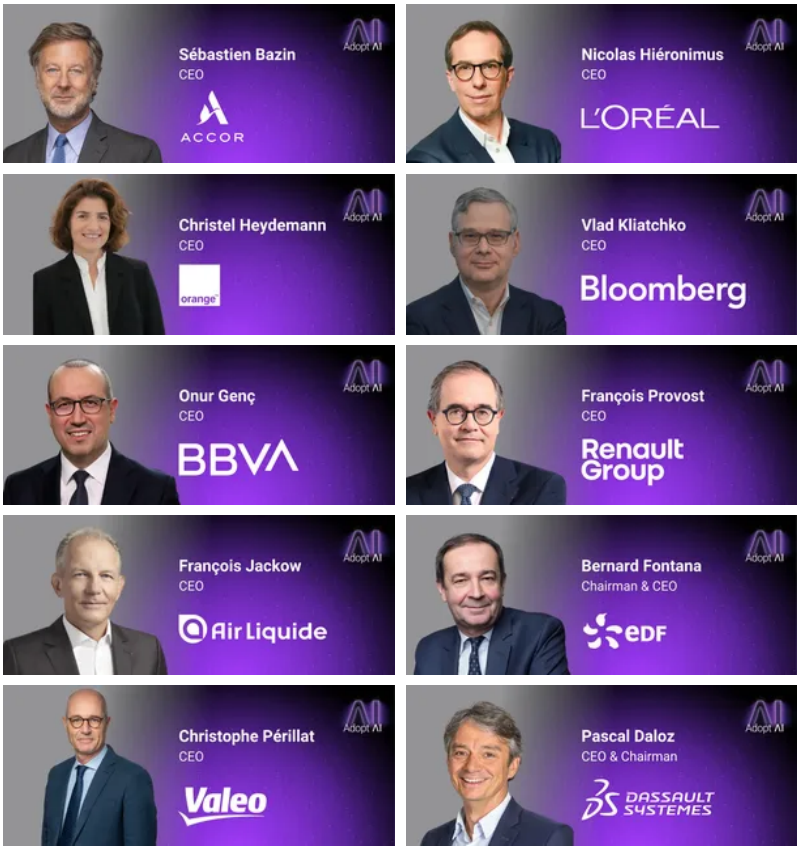
## Have you booked your ticket yet?




Adopt AI (Dec 3 & 4 at the Grand Palais in Paris) brings together the **full spectrum of AI transformation** across sectors, from Health and Finance to Industry, Defense, Retail and Consumer, Travel, People, and the Planet.

**CEO Stage: Many renowned participants have already been announced!**

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