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Asei Ito^{*}
Kota Takaguchi[†]

^{*} Institute of Social Science, The University of Tokyo, Japan. asei@iss.u-tokyo.ac.jp

[†] Meiji University, Tokyo, Japan. info@kinbricksnow.com

After DeepSeek:

Smartphone makers and the global diffusion of Chinese AI

Asei Ito^{a,*}, Kota Takaguchi^b

^a Institute of Social Science, The University of Tokyo, 7-3-1 Hongo, Bunkyo-ku, Tokyo 113-0033, Japan

^b Meiji University, Tokyo, Japan

* Corresponding author. E-mail address: asei@iss.u-tokyo.ac.jp

Abstract

Using a new monthly panel of Google search shares of ten U.S. and Chinese AI services in over 200 countries (2024–2026), validated against telemetry, DNS and referral data, we show that DeepSeek R1 raised search interest in Chinese AI most, and most persistently, in low-income countries. This gradient is linked to handsets. Countries where Transsion, whose brands integrated DeepSeek-R1 into their own AI assistants, held larger pre-2025 market shares show a higher Chinese AI search share from mid-2025, within income groups and regions. Exposure to Xiaomi and OPPO/vivo phones shows no comparable association.

Keywords: Artificial intelligence; Technology diffusion; DeepSeek; Smartphones; Google Trends

JEL classification: O33; L86; F23; O57; L63

Highlights

- New monthly panel of consumer interest in AI in 200+ countries, validated three ways
- DeepSeek R1 lifted Chinese AI search interest most in lower-income countries
- Pre-2025 Transsion shares predict higher Chinese AI search interest from mid-2025
- Transsion brands integrated DeepSeek-R1 into their own AI assistants during 2025
- No comparable association for Xiaomi or OPPO/vivo phones

1. Introduction

Generative AI is diffusing faster than most earlier general-purpose technologies (Bick et al., 2024), but, as with earlier technologies, adoption differs widely across countries (Comin and Hobijn, 2010), and the market no longer has a single dominant supplier. The release of DeepSeek R1 in January 2025 (Guo et al., 2025) gave users worldwide a free, capable Chinese alternative to U.S. models. Industry reports suggest that Chinese services gained most in developing and sanctioned economies (Microsoft AI Economy Institute, 2026; Wang and Siler-Evans, 2026). Why interest followed this geographic pattern is less clear; price and language support do not appear to explain it (Wang and Siler-Evans, 2026). A distinct economic question is whether access through an established device ecosystem shapes which digital service users encounter. Research on competition in online search shows that handset-level routes to a service can matter for market shares (Decarolis et al., 2025).

This paper examines whether pre-existing exposure to smartphone makers is associated with the diffusion of Chinese AI services. We build a monthly, country-level panel of the shares of ten U.S. and Chinese AI services in Google search interest for 235 countries and territories from January 2024 to August 2026, and validate it against three external measures of AI activity. Unlike token volumes on developer platforms such as OpenRouter, which are assigned to countries by the billing location of paying accounts (Aubakirova et al., 2026), search data reflect the interest of the general public, including the many users of free consumer apps. The panel also covers low-income countries where other sources are thin.

We then focus on Transsion, a major Chinese handset producer that ranked fourth worldwide in smartphone shipments in 2024. Although its corporate name is less widely known, its TECNO, Infinix, and itel brands have built extensive distribution networks and large installed bases across emerging markets, especially in Africa and South Asia, with a particular focus on affordable smartphones. This geographic footprint makes Transsion a potentially important channel through which Chinese AI services can reach consumers beyond China. Infinix announced DeepSeek-R1 integration with its Folax assistant in February 2025 (Infinix, 2025); itel introduced the DeepSeek-enabled CITY 100 in May (itel, 2025); and TECNO identified DeepSeek among the models accessible through Ella on its SPARK 40 series in July (TECNO, 2025). These phones also carry Google services, and integration placed DeepSeek among the AI options users could encounter through the makers' assistants.

Three findings emerge. First, R1 raised the Chinese share of AI search interest everywhere, but most, and most persistently, in low-income countries. Second, a larger pre-2025 Transsion market share predicts a higher Chinese search share from mid-2025 onward, within income groups and regions and conditional on pre-period covariates; the association is concentrated in DeepSeek and absent before R1. Third, exposure to Xiaomi and OPPO/vivo phones, which did not announce such integration abroad, shows no comparable association. Together, these findings point to consumer hardware ecosystems as a potential channel for the diffusion of interest in AI services, particularly in emerging markets that remain poorly represented in conventional usage data.

2. Data

2.1. AI service shares from Google Trends

Google Trends reports relative search interest, which is comparable across terms only within a query of at most five items. We therefore query ten services in overlapping batches: ChatGPT, Gemini, Claude, Copilot, Perplexity and Grok (U.S.), and DeepSeek, Doubao, Kimi and Qwen (Chinese). Batches are linked through common anchor terms, and each service's share of the total interest in the ten services is computed for every country and month (Appendix B). The outcome is the combined share of the four Chinese services (in percent). Low-volume country-months are excluded, as are mainland China, where Google is blocked, and Hong Kong and Macao. The panel follows the UN M49 standard. Unlike other sources, the measure reflects the general public rather than developers or one company's customers; it is monthly from a year before R1, as the before-and-after design requires; it treats all ten services alike, so DeepSeek can be separated out; and, being public, it can be re-queried by other researchers.

2.2. Validation

Google search data are widely used to measure economic behaviour (Choi and Varian, 2012). We compare the cross-country ranking of the search-based measure with three external measures of AI activity, each covering a different population of users (Appendix Table A1). The first is Microsoft's estimate of DeepSeek's market share by economy in the second half of 2025, derived from Microsoft's own telemetry and adjusted for device-market shares, internet penetration and population (Microsoft AI Economy Institute, 2026). The second is Cloudflare's DNS-based ranking of the top ten generative AI services in each country in 2025 (Cloudflare, 2025). The third is Statcounter's country shares of chatbot referral traffic. Spearman correlations with the search-based DeepSeek share are 0.72 (Microsoft, 144 countries), 0.49 (Cloudflare, 127) and 0.59 (Statcounter, April–June 2025, 171), all $p < 0.001$. The external measures agree with one another less well (0.28–0.54), so the search measure appears to capture what these different indicators have in common. For U.S. services, changes in composition between late 2025 and early 2026 also agree with Statcounter (e.g., 0.61 for Gemini). Only the search panel, however, covers all ten services before and after R1. We use it for comparisons across countries and over time within countries.

2.3. Handset market structure

Handset exposure is each manufacturer's share of mobile web traffic in 2024, before R1, from Statcounter. The main variable is the Transsion share (Tecno, Infinix, and itel combined). Because these Android phones ship with Google search, their users are well represented in the outcome measure. The same regressions include Huawei, Honor, Xiaomi, the OPPO/vivo group (including Realme, OnePlus and BBK), other Chinese brands, Apple and the mobile share of web traffic. Transsion is strongly correlated with income: its share averages 33% in low-income and 1% in high-income countries. Pre-period covariates are GDP per capita (PPP, log) and internet use (World Bank, 2026), the 2024 Chinese and ChatGPT search shares, and francophone status (French as an official language; Mayer and Zignago, 2011).

3. Empirical strategy

We estimate difference-in-differences regressions with continuous, pre-determined exposure:

$$y_{it} = \sum_p \beta_p (T_i \times D_{pt}) + X_{it}' \gamma + \alpha_i + \mu_t + \delta_{r(i),t} + \varphi_{g(i),t} + \varepsilon_{it}, \quad (1)$$

where y_{it} is the Chinese share of AI search interest in country i and month t , T_i is the 2024 Transsion share (in units of 10 percentage points), and D_{pt} are indicators for January–June 2025 and for July 2025–August 2026. X_{it} contains the other handset shares, mobile web traffic share, and BRI membership interacted with the same indicators and, in some specifications, pre-period covariates interacted with month dummies. α_i and μ_t are country and month fixed effects; μ_t absorbs shocks common to all countries, such as the worldwide surge in interest after R1. $\delta_{r(i),t}$ and $\varphi_{g(i),t}$ are region-by-month and income-group-by-month fixed effects (UN M49 regions; World Bank groups), which nest μ_t and let each region and income group follow its own monthly path, so identification uses differences in handset mix after accounting for each income group's and region's monthly path. The two periods reflect the timing of the integration announcements and model launches between February and July 2025. The split also separates the news-driven surge in search interest after R1, common to all countries, from more persistent search interest in later months. The sample excludes economies without official ChatGPT access (seven in addition to China, Hong Kong and Macao). Standard errors are clustered by country.

4. Results

4.1. The income gradient

Fig. 1 shows the mean Chinese AI search share by income group. Before R1 it was close to zero everywhere. In February 2025 it jumped to 6.5% in high-income and 14.2% in low-income countries. It then declined, but the gradient persisted: in August 2026 the share was 0.8% in high-income and 2.7% in low-income countries. Appendix Fig. A2 maps the post-R1 shares by country. The total share of Chinese phones predicts this pattern (Table 1, column 1), but mainly because it proxies for low income.

4.2. Transsion handsets

Columns 2–5 add region-by-month and income-by-month fixed effects and separate the brands. Pooled over the whole post period, the Transsion coefficient is positive but imprecise (column 2). The timing explains why. In the first half of 2025, when R1 was a global news event, the Transsion share does not predict the Chinese share. From July 2025, a 10-point higher Transsion share predicts a 0.26 percentage point higher Chinese AI search share (s.e. 0.11; column 4), close to 0.29 without the additional covariates (s.e. 0.11; column 3). The association runs through DeepSeek (column 5). It exceeds that of OPPO/vivo by 0.38 (s.e. 0.13) in column 4; the difference from Xiaomi is smaller and not significant. Coefficients for the other brands are reported in Appendix Table A2.

Our preferred specification in column 4 allows countries with different pre-R1 income, internet penetration, Chinese AI and ChatGPT search shares, and francophone status to follow different monthly paths. Although the additional covariates reduce the sample from 210 to 145 countries, the later-period Transsion coefficient is 0.26 (s.e. 0.11), close to the 0.29 in column 3. The association therefore persists after

accounting for monthly trends associated with these observed pre-existing characteristics.

Fig. 2 plots monthly coefficients. They are flat throughout 2024: the eleven pre-period coefficients are jointly insignificant ($p = 0.78$), and their mean (-0.01 ; 95% CI -0.19 to 0.17) excludes the later-period estimate. Because Chinese shares were near zero before R1, the January–June 2025 coefficient is the more demanding test: when R1 was global news, countries with more Transsion phones did not respond more. After a noisy spike around R1, the coefficients rise from mid-2025, after the Infinix integration announcement and itel launch, and stay around 0.2–0.3 into 2026. This gradual, persistent profile is consistent with a handset-mediated route to awareness after the initial news-driven spike. The Transsion share differs by 32 points between low- and high-income countries, which, at the column 4 estimate of 0.26, corresponds to about 0.9 percentage points. This is a scale comparison, not a causal decomposition.

4.3. Robustness and scope

The later-period Transsion association is robust across alternative specifications and samples (Appendix Table A3). Permutation inference within region–income cells yields p -values of 0.03 and 0.05 for columns 3 and 4. The coefficient remains positive and statistically significant when any one of the 40 most Transsion-exposed countries is excluded, ranging from 0.23 to 0.33, which shows that no single high-exposure country drives the result. It is also larger when sub-Saharan Africa is excluded (0.38, s.e. 0.16), indicating that the association is not simply an Africa effect. An alternative period split beginning in March 2025 produces a similar, though less precise, estimate of 0.22 (s.e. 0.12). Together with the flat pre-R1 coefficients in Fig. 2 and the absence of comparable associations for Xiaomi and OPPO/vivo, these results support a distinct and persistent relationship between pre-existing handset exposure and the subsequent diffusion of Chinese AI search interest.

The estimates describe the average country rather than individuals worldwide: population weighting reduces the coefficient to 0.12 (s.e. 0.13). The estimate within sub-Saharan Africa alone is positive but imprecise (0.09, s.e. 0.25; $N = 46$). Finally, the 2024 handset shares measure the pre-existing reach of manufacturers’ ecosystems, not individual exposure to an R1-enabled device or the timing of feature activation. The estimates therefore identify a robust country-level diffusion pattern but do not by themselves establish the handset-level causal mechanism.

5. Conclusion

After DeepSeek R1, search interest in Chinese AI services rose most persistently in low-income countries. Pre-existing exposure to Transsion, whose brands subsequently integrated DeepSeek-R1 into their assistants, predicts a higher Chinese AI search share from mid-2025, while exposure to Xiaomi or OPPO/vivo phones does not. Because low-income handset markets are concentrated, manufacturers’ platform choices may shape which AI services consumers encounter in the Global South. Establishing this channel causally would require handset-level data on feature availability, exposure and use. Nevertheless, public search data offer a timely, consumer-side and reproducible view of interest in AI services across countries, including in countries that platform data cover poorly.

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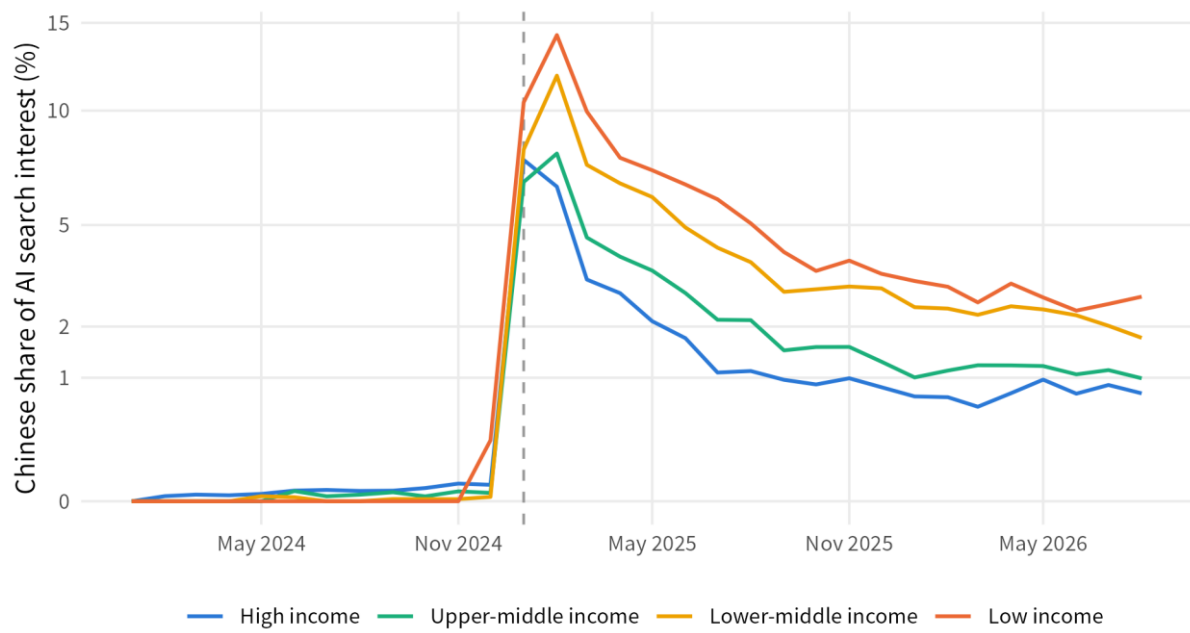


Fig. 1. Chinese services' share of AI search interest

Note: Unweighted country means by World Bank income group (197 countries with official ChatGPT access and a World Bank income classification; square-root scale). The dashed line marks the start of January 2025, the month in which DeepSeek R1 was released (20 January).

Table 1. Transsion handset exposure and the Chinese share of AI search interest

Dependent variable	(1) Chinese AI	(2) Chinese AI	(3) Chinese AI	(4) Chinese AI	(5) DeepSeek
All Chinese phones × Post (Jan 2025-Aug 2026)	0.55*** (0.09)				
Transsion × Post (Jan 2025-Aug 2026)		0.20 (0.14)			
Transsion × Jan–Jun 2025			0.01 (0.23)	0.04 (0.22)	0.05 (0.21)
Transsion × Jul 2025–			0.29** (0.11)	0.26** (0.11)	0.21* (0.11)
<i>Difference, Jul 2025–:</i>					
Transsion – OPPO/vivo group			0.38*** (0.12)	0.38*** (0.13)	
Transsion – Xiaomi			0.22 (0.14)	0.13 (0.14)	
Other handset shares × period	No	Yes	Yes	Yes	Yes
Region × month, income × month FE	No	Yes	Yes	Yes	Yes
Pre-period covariates × month	No	No	No	Yes	Yes
Excludes non-ChatGPT economies	No	Yes	Yes	Yes	Yes
Country FE	Yes	Yes	Yes	Yes	Yes
Month FE	Yes	Yes	Yes	Yes	Yes
Observations	5,242	5,062	5,062	4,262	4,262
Countries	216	210	210	145	145

Notes: OLS estimates of Eq. (1); the unit of observation is a country-month (January 2024–August 2026). The dependent variable is the combined share (%) of DeepSeek, Doubao, Kimi and Qwen in AI search interest in columns 1–4, and the DeepSeek share in column 5. Handset shares are 2024 averages of mobile web traffic shares (Statcounter), in units of 10 percentage points; Transsion combines Tecno, Infinix (including Statcounter’s “Infinix” label) and itel, and the OPPO/vivo group combines OPPO, vivo, Realme, OnePlus and BBK. “All Chinese phones” is the combined share of Huawei, Honor, Xiaomi, the OPPO/vivo group, Transsion and other Chinese brands. Post covers January 2025–August 2026; the two period indicators cover January–June 2025 and July 2025–August 2026. All columns include country and month fixed effects. Columns 2–5 add region-by-month (UN M49 regions) and income-group-by-month (World Bank income groups; economies without a classification form a separate group) fixed effects, which nest the month fixed effects, and the shares of Huawei, Honor, Xiaomi, the OPPO/vivo group, other Chinese brands and Apple, the mobile share of web traffic and Belt and Road membership, each interacted with the same period indicators (coefficients in Appendix Table A2). Columns 4–5 add pre-period covariates, each interacted with month dummies: log GDP per capita (PPP), internet use, 2024 Chinese and ChatGPT search shares, and francophone status (French an official language; CEPII). The difference rows test the Transsion coefficient for July 2025– against that of the named brand in the same regression. Column 1 includes the economies without official ChatGPT access, except China, Hong Kong and Macao; columns 2–5 exclude them, and columns 4–5 keep countries with all covariates. Standard errors clustered by country in parentheses. *** p<0.01, ** p<0.05, * p<0.1.

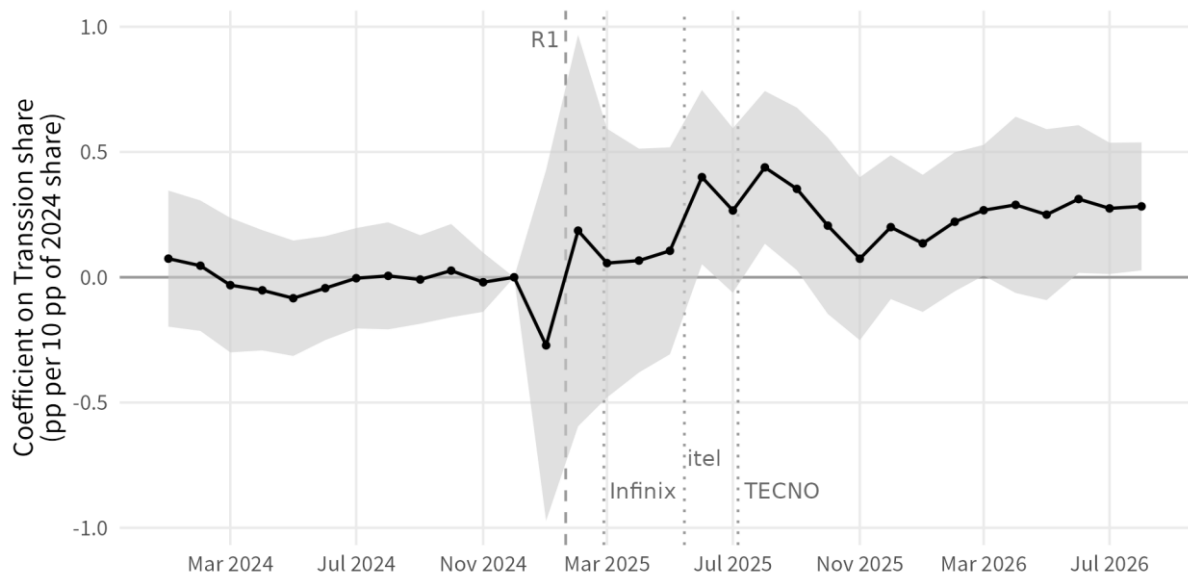


Fig. 2. Event-study coefficients on the 2024 Transsion share

Note: Monthly coefficients per 10 percentage points of the 2024 share (reference: December 2024), estimated jointly with the Huawei, Xiaomi and OPPO/vivo shares interacted with month dummies and with country, region-by-month and income-by-month fixed effects; non-ChatGPT economies are excluded. Shaded areas are 95% confidence intervals (clustered by country). Dashed line: DeepSeek R1 release. Dotted lines: Infinix integration announcement (26 February 2025), itel CITY 100 launch (15 May 2025) and TECNO SPARK 40 launch (6 July 2025).

Appendix A. Supplementary material (online appendix)

Table A1. Spearman rank correlations between the search-based measure and external measures across countries.

External source	Measure	Period	N	Spearman ρ
Microsoft AI Economy Institute	DeepSeek market share (six bins; telemetry)	2025 H2	144	0.72
Cloudflare Radar	DeepSeek rank in national top 10 (DNS)	2025	127	0.49
Cloudflare Radar	Best rank of a Chinese service	2025	127	0.53
Statcounter	DeepSeek share of chatbot referrals	2025 Q2	171	0.59
Statcounter	Gemini share among five U.S. services	2026 H1	186	0.73
Statcounter	Change in Gemini share (2025 H2 $\rightarrow$ 2026 H1)		170	0.61
<i>Between external sources (DeepSeek)</i>				
Microsoft vs Cloudflare			113	0.54
Microsoft vs Statcounter			149	0.43
Cloudflare vs Statcounter			129	0.28

Notes: The search-based measure is the DeepSeek share (rows 1–2 and 4), the Chinese share (row 3) or the Gemini share within five U.S. services (rows 5–6), averaged over the corresponding period. Microsoft’s six-category map was digitized by overlaying the vector map on Natural Earth boundaries (Robinson projection); economies shown as ‘insufficient data’ or too small to read are excluded. Cloudflare ranks outside the top ten are coded 11. Statcounter measures referral traffic and misses most DeepSeek use after September 2025, so the DeepSeek comparison uses April–June 2025. All correlations with the search-based measure are significant at $p < 0.001$; among the external measures, the Cloudflare–Statcounter correlation has $p = 0.001$.

Table A2. Coefficients on other handset shares and Belt and Road membership in Table 1.

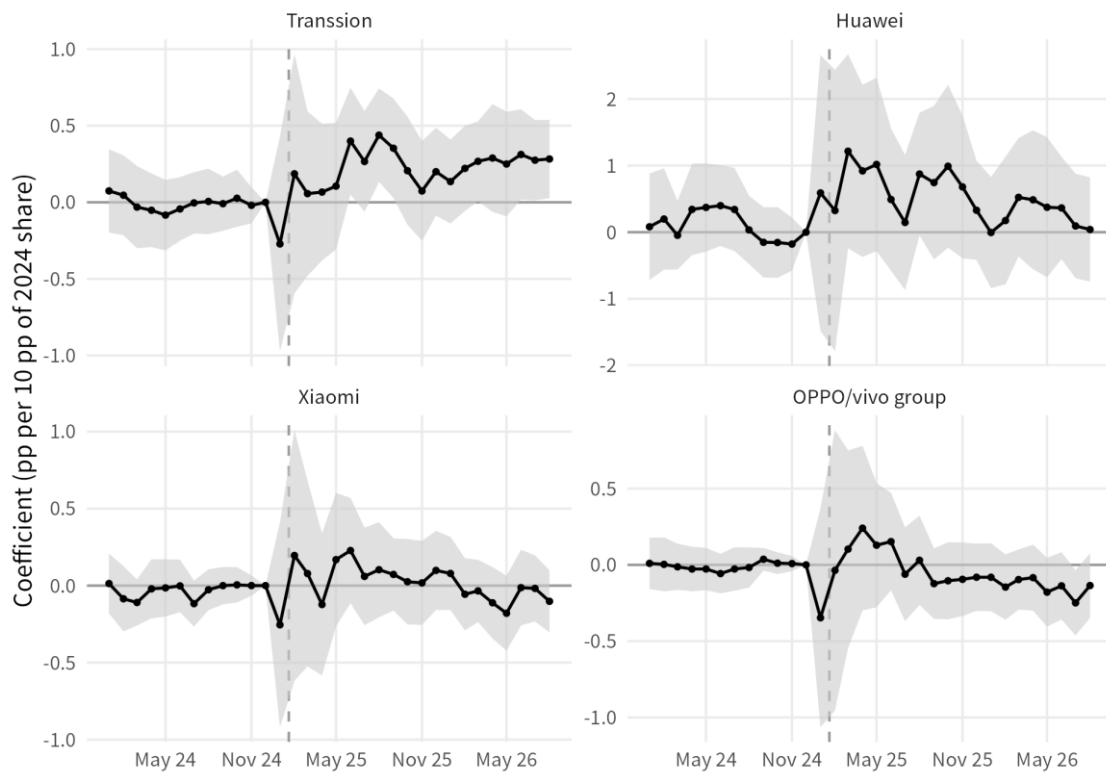
	Table 1, col. 3		Table 1, col. 4	
	Jan–Jun 2025	Jul 2025–	Jan–Jun 2025	Jul 2025–
Huawei	1.20 (0.75)	0.41 (0.47)	0.93 (0.72)	0.77** (0.39)
Honor	−0.52 (1.26)	−0.32 (0.46)	0.01 (1.18)	−0.39 (0.44)
Xiaomi	0.05 (0.32)	0.06 (0.13)	0.02 (0.37)	0.14 (0.12)
OPPO/vivo group	0.04 (0.27)	−0.09 (0.10)	0.09 (0.26)	−0.11 (0.10)
Apple	0.04 (0.18)	0.04 (0.08)	0.06 (0.20)	0.08 (0.08)
BRI member	0.10 (0.32)	0.09 (0.15)	0.39 (0.39)	0.11 (0.17)

Notes: Coefficients per 10 percentage points of 2024 handset share (BRI: indicator) interacted with the period indicators, from the regressions in Table 1, columns 3 and 4. Huawei phones sold abroad have lacked Google services since 2019; we find no public evidence of DeepSeek integration in Huawei’s international assistant. BRI membership follows the Council on Foreign Relations list of memoranda of understanding as of March 2021; excluding Italy and Panama, which later withdrew, leaves the results unchanged. Standard errors clustered by country. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

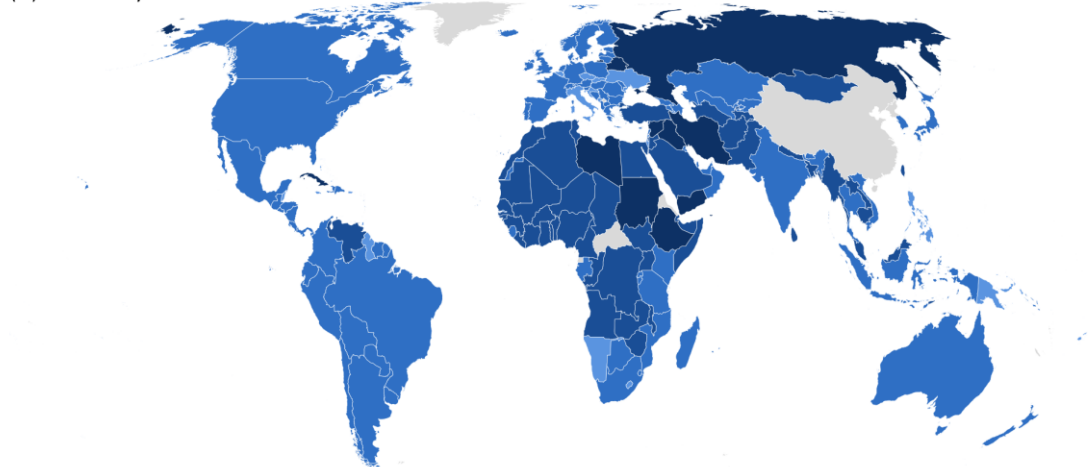
Table A3. Robustness of the later-period Transsion coefficient.

Specification (Transsion $\times$ Jul 2025–)	Coefficient	Countries
Baseline (Table 1, column 3)	0.29** (0.11)	210
+ Pre-period covariates $\times$ month (column 4)	0.26** (0.11)	145
Alternative split: March 2025 onward	0.22* (0.12)	145
Leave one out (40 most exposed countries), range	0.23 to 0.33	144
Excluding sub-Saharan Africa	0.38** (0.16)	113
Sub-Saharan Africa only	0.09 (0.25)	46
Population-weighted	0.12 (0.13)	145
Population-weighted, excluding India and Indonesia	0.10 (0.13)	143
Transsion and Huawei shares combined (with covariates)	0.29*** (0.11)	145
Permutation p-value within region $\times$ income cells (col. 3 / col. 4)	0.03 / 0.05	210 / 145

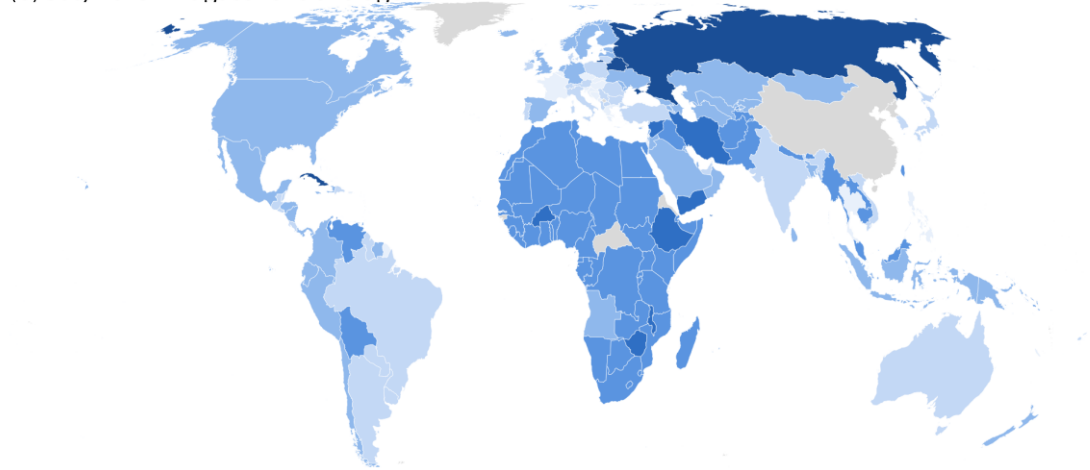
Notes: All rows include country, region-by-month and income-by-month fixed effects (income-by-month only for sub-Saharan Africa) and the other handset shares, and exclude non-ChatGPT economies; rows 2–9 include pre-period covariates $\times$ month (for sub-Saharan Africa: GDP, internet use and francophone status). Row 9 replaces the Transsion share with the combined Transsion and Huawei share (and combines Xiaomi, OPPO/vivo and Honor); Huawei phones sold abroad lack Google Play. Row 4 drops, one at a time, each of the 40 countries with the highest Transsion shares; all 40 estimates are significant at the 5% level. Population weights are 2024 population (World Bank). Row 10 compares the t-statistic of the later-period Transsion coefficient in Table 1, columns 3 and 4, with those from 2,000 random reassignments of the Transsion share across countries within the same region and income group. Standard errors clustered by country. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

**Fig. A1.** Event-study coefficients for the four largest Chinese handset groups, estimated jointly (specification as in Fig. 2).

(a) February 2025



(b) July 2025 – August 2026 average



Chinese share of AI search interest (%)

< 0.5	0.5–1	1–2	2–5	5–10	10–20	≥ 20	No data / excluded
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Fig. A2. Chinese share of AI search interest after the release of DeepSeek R1, by country: (a) February 2025; (b) average for July 2025–August 2026 over months with sufficient search volume, for countries with sufficient volume in at least half of these months. No pre-R1 value is imputed. Before R1, the share averaged below 0.5% in 159 of the 160 economies with sufficient search volume in 2024, so the levels shown approximate changes since 2024. Grey: insufficient search volume, mainland China, Hong Kong and Macao. Boundaries: Natural Earth.

Appendix B. Construction of the search-share panel

We retrieve data from the "compared breakdown by region" view of Google Trends, which reports, for each country, how search interest in up to five terms is split among them (integers summing to 100). Each month from January 2024 to September 2026 is queried separately at country resolution (retrieved on 25 September 2026); Google Trends reports 250 economies, of which 235 are matched to UN M49 countries or areas. September 2026, incomplete at retrieval, is not used in the analysis. Three queries are run for each month: a main query A (ChatGPT, Gemini, DeepSeek, Claude, Grok), a query B that adds Doubao, Kimi and Qwen to DeepSeek and Claude, and a query C that adds Copilot and Perplexity to ChatGPT and Gemini. ChatGPT, Gemini, Claude, Grok, Copilot, Perplexity and Kimi are queried as Google Trends

topics, and DeepSeek, Doubao and Qwen as search terms. The terms shared with query A serve as anchors. For each country and month, values from B are rescaled by the ratio of DeepSeek plus Claude in A to the same sum in B, and values from C by the analogous ratio for ChatGPT plus Gemini. Each service's share is then computed relative to the sum of the ten rescaled values. For example, in Nigeria in August 2025 the scaling factor for B is $(3 + 2)/(58 + 34) \approx 0.054$, which gives a combined Chinese share of 3.39%.

Country-months in which fewer than three of the five terms in query A have sufficient search volume are coded as low-volume and excluded, as is mainland China. When DeepSeek and Claude are both zero in query A but query B records interest in a Chinese service, the scaling factor is zero and the shares of Doubao, Kimi and Qwen are understated. We flag these observations and retain them. Because Google Trends reports integers, very small shares are recorded as zero, and the scaling of Doubao, Kimi and Qwen is imprecise where anchor values are small. The DeepSeek share, which drives the main results, is measured directly in query A and is not affected by the rescaling. Google Trends values are based on samples; re-querying August 2025 three days later changes the DeepSeek share in query A by 0.26 points on average (correlation 0.985 across 203 economies).