

Financial Times 번역요약본 ('26. 1/30)

1. 'South Korea's Google' pitches AI alternatives to US and China : '한국의 구글' 네이버, 미국과 중국의 대안 AI로 해외 공략 (1/13)

- '한국의 구글'로 불리는 네이버가 미국과 중국의 기술 공룡을 대체할 AI 옵션으로 유럽과 동남아 국가들을 대상으로 자사 클라우드 서비스를 적극적으로 제안하고 있음. 네이버 클라우드의 대표는, 보안 우려로 미국이나 중국의 클라우드 시스템 사용을 꺼리는 국가들에게 네이버가 강력한 대안이 될 수 있다고 밝힘. 그는 네이버가 각 국가의 상황에 맞춰서 AI 서비스를 맞춤 설계할 수 있으며, 데이터에 대한 통제권도 해당 국가가 유지할 수 있도록 지원할 수 있다고 설명. 네이버는 독일, 일본, 싱가포르, 미국 서부 지역에서 클라우드 리전을 운영 중이며, 대만, 태국, 베트남, 미국 동부로 확장을 계획하고 있음. 또한 모로코에 500MW 규모의 데이터 센터를 건설해 주권형(소버린) AI 역량을 제공할 방침.

2. How the west fell behind in the green tech race : 서방은 어떻게 녹색 기술 경쟁에서 뒤쳐졌나? (1/13)

- 1980년대 후반, 덴마크의 선구적인 풍력 산업은 잠재적인 신규 고객을 맞이하며 촉매를 들었고, Bonus Energy의 엔지니어들은 중국 신장 지역 기업으로부터 13기의 풍력 터빈 주문을 받아, 이를 시베리아 횡단철도를 통해 납품하였음. 또한 덴마크는 재정적인 인센티브까지 제공하여, 중국 신장풍력에너지공사는 덴마크의 개발원조기관인 Danida로부터 터빈 구매자금을 지원받았음. 그러나 거의 40년이 지난 지금, 상황은 완전히 뒤바뀌어서, 중국은 재생에너지 기술의 세계적 강국이 되었으며, 전 세계 태양광 패널의 90% 이상을 공급하고 배터리 공급망과 핵심 희토류 가공까지 장악하고 있음. 서방 정부와 관료들 사이에는 3가지 질문이 제기되는데,

- 1) 핵심 기술이 서방에서 개발되었음에도 상용화는 왜 중국에서 이뤄졌는가?
- 2) 서방이 개방 시장과 세계화를 신뢰하던 시기에 중국은 어떻게 산업을 대규모로 키울 수 있었는가?
- 3) 지난 5년간 강화된 산업 정책은 잃어버린 격차를 회복하는데 도움이 되었는가?

서방 정부들은 중국 재생에너지 붐의 의미를 늦게 깨달았고, 중국 기술 덕분에 비용이 내려간다는 점만 보았지, 주도권을 넘기고 있다는 사실을 충분히 인식하지 못했다고 인정함. 최근 들어 미국과 유럽은 보다 적극적인 산업 정책으로 방향을 틀고 있으며, EU는 자금 접근성 개선, 규제 간소화, 에너지 비용 절감에 나섰고, 일부 성과도 나타나고 있음. 일부 전문가들은 유럽과 미국이 여전히 차세대 원자력, 지열, 전력망 장비 같은 분야에서는 경쟁력을 확보할 수 있다고 봄.

3. Why people still matter in the AI era : AI 시대에도 왜 사람은 여전히 중요한가? ('26. 1/26)

- 모든 기술 혁명은 언제나 혁신이 일자리를 파괴할 것이라는 공포를 낳았고 그럼 두려움은 현실이 된 적이 없지만, 인공지능은 훨씬 더 파괴적인 기술로 인식됨. 그러나 인구 감소가 가속화되는 상황에서 진짜 위험은 대량 실업이 아니라 노동력 부족이며 지난 40년 동안 생산가능인구가 감소하는 국가의 수는 0개에서 55개국으로 증가함. 이러한 급속한 인구 감소라는 배경을 고려하면, AI의 경이로운 발전은 대규모 실업을 초래하기보다는 다가오는 노동력 부족을 완화하는 역할을 할 가능성이 더 큼. 기술 낙관론자들은 AI가 일자리를 여가도 대체할 수 있다고 말하지만, 노동이 인간 존엄성의 핵심 기둥으로 남아있는 한, 이는 디스토피아적 환상에 불과함. 또한 노동력인 증가하지 않고 빠르게 성장한 경제는 없었던 과거 사례에서 보듯, 인구 구조는 오랫동안 경제 발전의 가장 중요한 동력이었음. 많은 국가가 인구 감소가 초래할 부정적 영향을 선제적으로 관리하고 있지만, 출산 장려금 제도는 실패의 역사가 길며, 적극적인 이민 정책

도 최근 서방 사회에서 급감하고 있으며, 정년 연장, 여성 고용 확대 등을 적극적으로 시행하고 있음. 결론적으로 AI는 머지않아 노동력 부족으로부터 세계를 구하는데 기여할 수 있겠지만, 광범위한 실업을 촉발할 가능성은 크지 않고, 적어도 아무런 저항 없이 그렇게 되지는 않을 것임. AI 시대에도 사람은 노동자로서, 그리고 정치적 힘으로서 여전히 중요함.

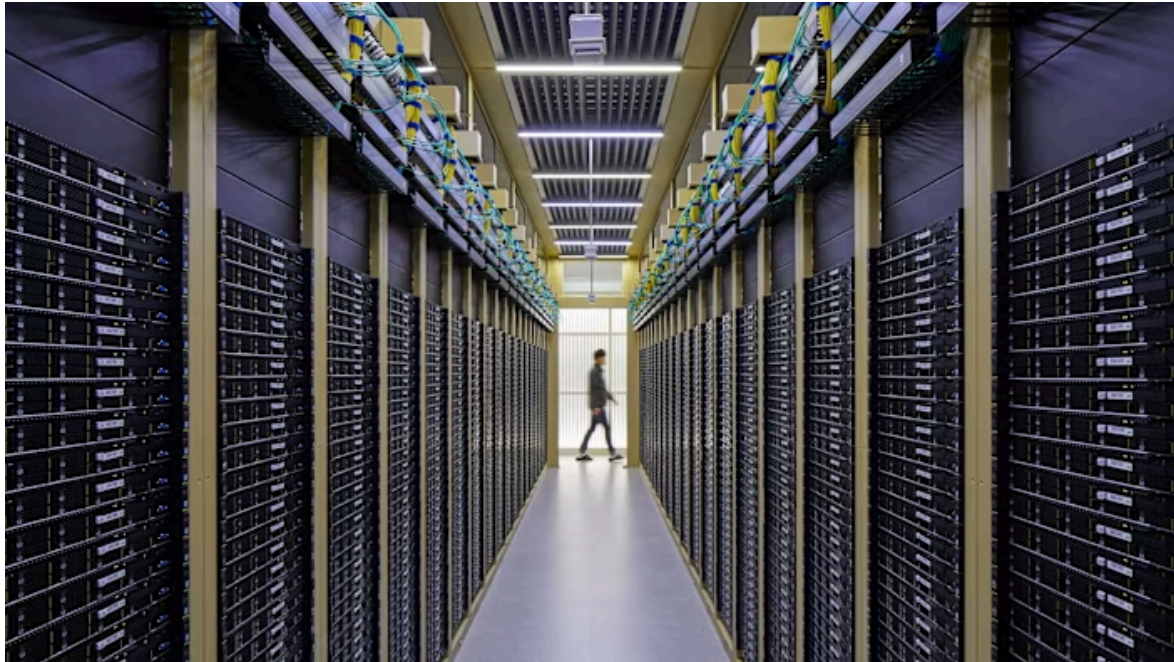
4. Why Asia's currencies have slumped against the dollar : 왜 아시아 통화는 달러 대비 약세를 보이고 있는가? ('26. 1/27)

- 외환 트레이더들이 던지는 질문은, 달러가 파운드, 유로 등 G7 통화 대비 약세를 보이고 있고, 동아시아 수출국들이 대규모 무역흑자를 기록하고 있으며, 미국과의 금리 격차도 수년 만에 가장 좁혀진 상황에서 왜 아시아 통화는 하락하고 있는가라는 점. 가능한 설명으로는 * 미국의 AI 붐을 쫓는 자본 유출 * 일본의 재정 건전성에 대한 우려 * 각국이 트럼프 행정부와 체결한 투자 및 무역 합의의 영향 등이 거론됨. 일부 분석가들은 미국의 견조한 경제 성장과 아시아 투자자들의 미국 자산 대규모 매수가 달러 강세를 떠받치며 역내 통화를 약세로 유지시킨다고 분석하지만, 장기적인 통화 약세는 이들 국가의 대미 무역흑자를 키워왔고, 이는 글로벌 무역 질서에 대한 트럼프의 분노의 주된 원인이 되고 있음. 고령화, 과잉 저축, 수출 주도 경제라는 공통점을 가진 국가 블록에 속해 있다면, 그 블록은 약한 통화를 필요로 하게 되지만, 일부 트레이더들은 2026년에는 아시아 통화의 성과가 개선될 것으로 전망하고 있음.

Naver Corp

‘South Korea’s Google’ pitches AI alternative to US and China

Naver targets countries reluctant to use American and Chinese cloud systems out of security concerns



Naver says it can offer control over more parts of the technology ‘stack’, ranging from data centres to applications © Naver

Song Jung-a in Seoul

Published JAN 11 2026

Naver, the search engine group often called “South Korea’s Google”, is pitching its cloud services to countries in the Middle East and south-east Asia as an alternative AI option to US and Chinese technology giants.

Kim Yuwon, chief executive of Naver Cloud, said the company could be a strong alternative for countries reluctant to use American or Chinese cloud systems out of security concerns. The South Korean group can tailor AI services to individual countries and allow them to maintain control over their data, he said.

“Tech giants in the US and China are targeting bigger markets with their generic AI models. They don’t have much room for customised services for each country,” Kim told the Financial Times.

Amazon, Microsoft and Google dominate the [cloud computing](#) services crucial to AI, controlling more than 60 per cent of the global market, according to Synergy Research Group, while Alibaba and Tencent hold sway in China.

Countries concerned about Washington being able to access data stored in US companies' cloud systems have embraced so-called sovereign AI, in which they build or adopt their own proprietary systems and store data locally for faster access and more control.

[Naver](#) argues it can be a preferable option for these countries, as it can offer control over more parts of the technology “stack”, ranging from data centres to applications, and “more autonomy” over data than US counterparts.

The company, which runs the most widely used search engine in South Korea, has been the largest purchaser of Nvidia chips in its home market, receiving more graphics processing units than Samsung or Hyundai as it aggressively builds AI infrastructure overseas.

Naver plans to invest more than Won1tn (\$690mn) this year to expand its AI infrastructure, including securing 60,000 units of Nvidia's most advanced Blackwell GPUs as part of South Korea's plan to buy 260,000 chips from the US company.

It is running cloud regions in Germany, Japan, Singapore and the US west coast and planning more in Taiwan, Thailand, Vietnam and the US east coast. It is also building a 500MW data centre in Morocco to deliver sovereign AI capacity.

Naver's stock has risen 20 per cent in the past 12 months on expectations for its AI services.

“Customisation is very important because each country has different social problems, political context, religious faiths and value systems,” said Kim, adding that the company was focused on markets in the Middle East and south-east Asia, as well as Japan.

In Saudi Arabia, it is working on “digital twins”, or virtual copies, of the country’s physical infrastructure in partnership with the National Housing Company. It is in early stage talks with the government and local partners to develop the country’s AI models, build data centres and provide cloud services.

In Thailand, it is working with Siam AI Cloud, a local tech group, to build a Thai language AI model and launch an AI-powered tourism assistant. In

Japan, Naver is rolling out a service in which an AI system makes wellbeing calls to older adults in the city of Izumo, where 30 per cent of the population is over 65.

Junhyun Kim, an analyst at HSBC, said in a report he expected Naver’s business of renting out GPUs to generate more than Won1tn in revenue by 2030, citing faster than expected commercialisation of technologies such as digital twins and AI cloud systems.

But Wi Jong-hyun, a business professor at Chung-Ang University in Seoul, said he was sceptical of Naver’s overseas ambitions, given its search engine is not widely used outside South Korea.

“Developing sovereign AI requires a lot of data from those countries. I am not sure how Naver plans to secure data at scale,” he said.

“Naver failed to export its search engine because it could not build its own database abroad. I am concerned that the company is likely to repeat its failure in exporting AI systems for the same reason.”

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How the west fell behind in the green tech race

European companies pioneered much of the technology used in renewables, but have they left it too late to compete with China?

Rachel Millard in London, Alice Hancock in Brussels and Nic Fildes in Sydney

Published JAN 13 2026

In the late 1980s, Denmark's pioneering wind power sector celebrated a potential new customer. Engineers at Bonus Energy completed an order for 13 turbines from a company in China's Xinjiang region, which were delivered on the Trans-Siberian railway.

The turbines were a proof of concept to help show Chinese officials that it was "doable, and if you got the technology right, it was reliable", recalls Henrik Stiesdal, sometimes known as the "godfather" of the wind industry for his influential turbine inventions and who at the time was working for Bonus.

Denmark even threw in some financial incentives: China's Xinjiang Wind Energy Corporation received funding from Danida, the country's development aid agency, for the turbines.

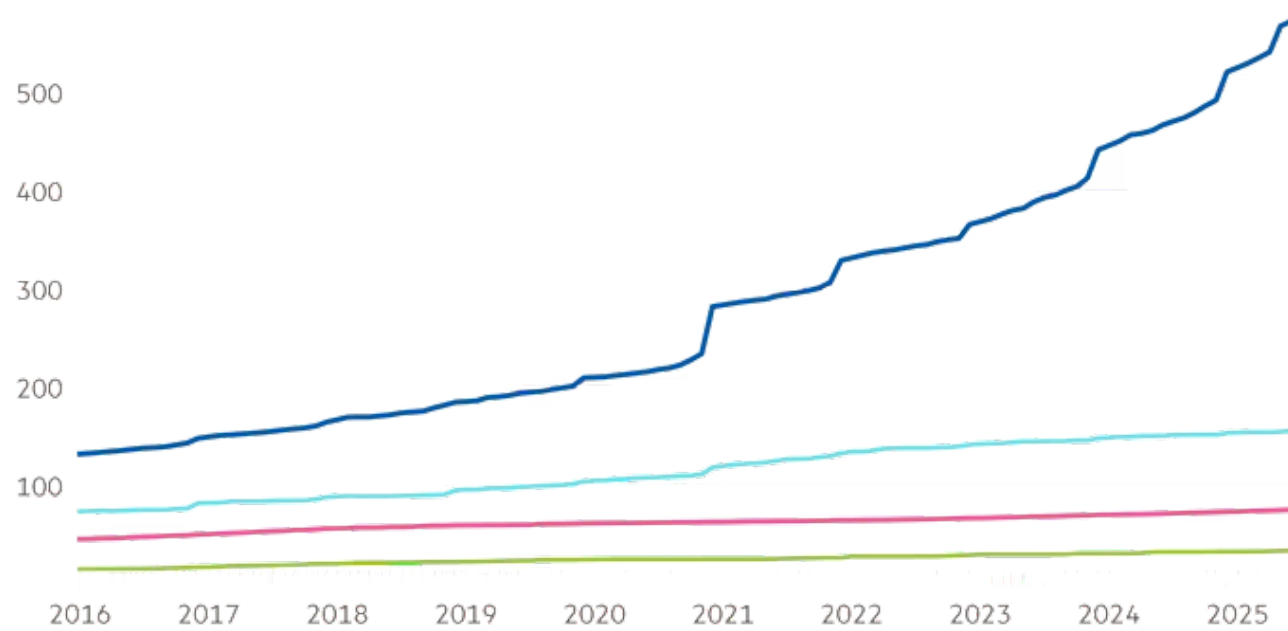
Nearly four decades later, the tables have completely turned. China has become the global powerhouse in renewable energy technologies, supplying more than 90 per cent of the world's solar panels and dominating battery supply chains, as well as the processing of rare earth materials that are critical to the industry.

China's enormous manufacturing capacity has lowered costs of solar power beyond the most ambitious projections of industry executives, triggering a rush to adopt it around the world. But competition from China has also helped tip swaths of US and European industry into bankruptcy.

China's domestic wind energy capacity has surged

Installed capacity, GW

China Germany US UK



Source: Ember

“We created the market [for solar] and made it interesting for investors,” says Eicke Weber, a solar industry veteran and former co-chairman of the European Solar Manufacturing Council. “But we forgot to make industrial policies.”

At a time when Europe and the US are both scrambling to find ways to respond to China’s industrial competitiveness, the experience of how the green tech industry lost its early lead has become a central lesson.

Among western governments and officials, there are three key questions. How was it that so many of the key technologies for the emerging industry were initially developed in the west but have been commercialised in China? How was China able to scale its industry at a time when the west was betting on open markets and globalisation? Has the tilt towards industrial policy over the past five years helped recover any of the lost ground?

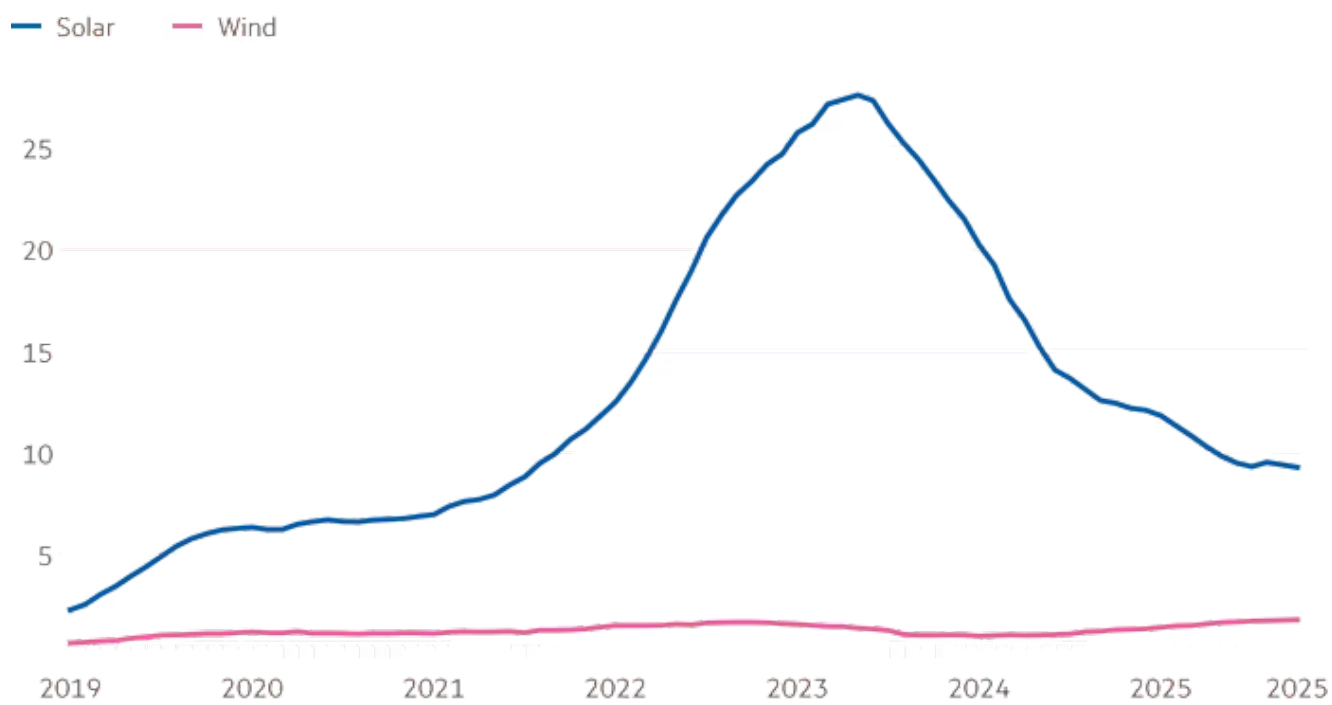
“We all were asleep at the switch as the Chinese government decided to prioritise these clean energy technologies as a matter of national industrial strategy,” says Geoffrey Pyatt, a former US assistant secretary of energy and diplomat now at the advisory firm McLarty Associates.

Having lost out to China in solar, European officials fear their companies might not be able to hang on in other renewable technologies. Although Europe’s wind turbine manufacturers still lead outside China, competition from China-based companies such as Goldwind, Xinjiang Wind’s successor, is becoming ever more intense.

“In both wind and even the auto sector, Europe still has an industry that it could protect,” says Michal Meidan at the Oxford Institute for Energy Studies. “In solar, that’s gone.”

Solar has dominated China's energy equipment exports to Europe

\$bn, rolling 12 months



Source: Ember

In an effort to regain the initiative, Brussels has stepped up its use of trade probes and tariffs to slow the flow of subsidised Chinese goods into the bloc and is pushing more robust efforts to diversify supply chains away from China.

It is also working on plans to introduce “Made in Europe” targets, akin to the “Made in China 2025” plan Beijing first launched in 2015 to boost domestic content of key goods and innovation.

In the US, the Biden administration embraced more vigorous industrial policy on cleantech while Donald Trump is putting significant focus on developing alternative sources of rare earths.

But some believe such measures may be too little too late. The collapse of Swedish battery champion Northvolt at the end of 2024 and the insolvency of several subsidiaries of Swiss solar-panel maker Meyer Burger in 2025 suggests that Europe will need to do more to support its homegrown companies if it is to compete with China.

Gunter Erfurt, chief executive of Meyer Burger until September 2024, says overcapacity in China is still undercutting European companies. “Europe is now even more trapped [by China] than ever before,” he says.

Fatih Birol, executive director of the International Energy Agency, says that “developing technology is like running a marathon”. He adds: “Europe finished the first 10 kilometres ahead of everybody. But China finished the marathon. China gets the gold medal.”

As it stands today, China now controls more than 80 per cent of production for each key stage of solar panel manufacturing, from polysilicon ingots to wafers, cells and modules. To achieve such dominance, it initially leaned on outside help.

One of the early links was Martin Green, a professor at the University of New South Wales in Australia, who invented the PERC technology that would go on to be used in about 90 per cent of solar panels. This helped him attract students from around the world to his courses.



Workers assemble solar panels at a plant in Suqian, China, which supplies more than 90 per cent of the world's solar panels and dominates battery supply chains © Wang Li/VCG/Reuters

Among those students was Shi Zhenrong, the adopted son of a poor Chinese family, who had been sent abroad to study by China's Shanghai Institute and completed his PhD with Green in 1992. Shi returned to China in 2001 to set up a solar panel company, helped by financial support from the city of Wuxi, eastern China.

Suntech Power would become the world's largest solar-panel maker and, in 2005, the first privately owned Chinese company to list on the New York Stock Exchange.

It kicked off a wave of IPOs among China's growing solar panel industry, which raised billions of dollars and saw several of Green's team hired as chief technology officers in order to meet US due diligence rules, Green recalls.

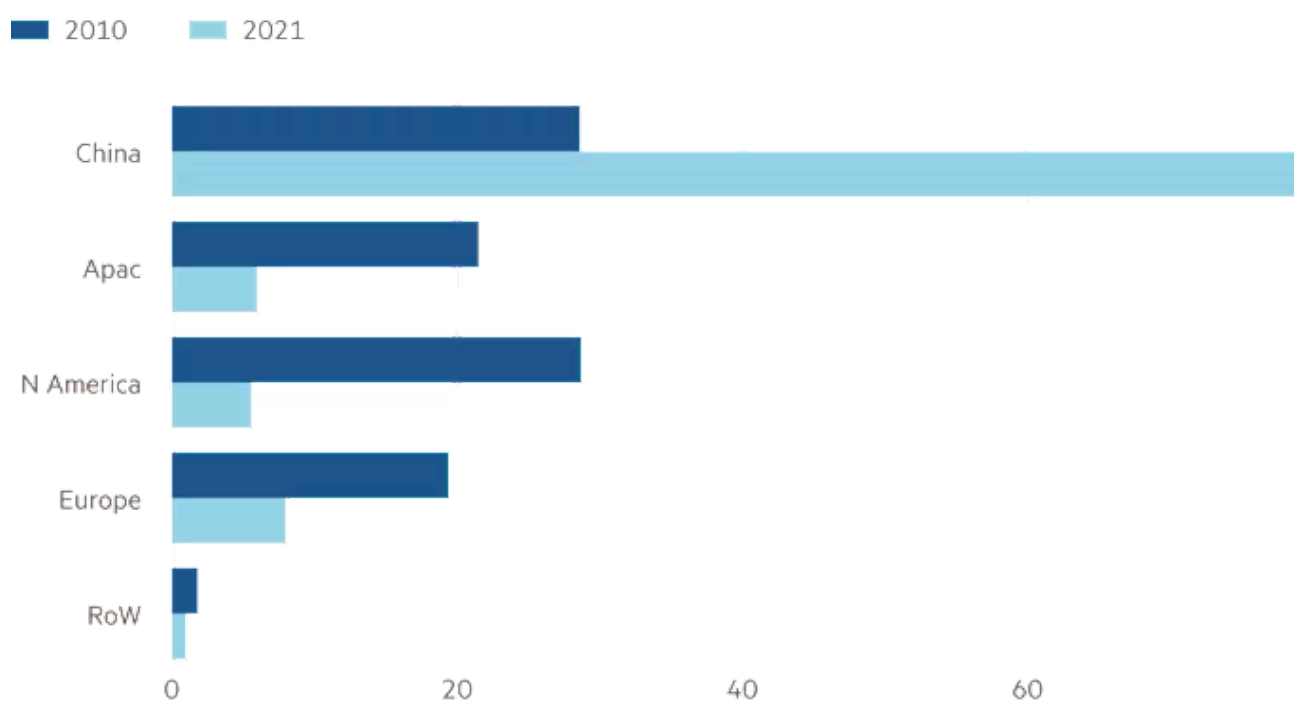
"There's a strong Australian connection," says Green, noting that Shi was not the only one of his students who went back to China to set up solar-panel makers. "We have played a big part in the technical development of the industry."

Green's experience is just one example of how research, technical knowhow and equipment spread from the west to China during the 1980s to 2000s. During this period US and European companies regularly sold production lines or other equipment to China and licensed or shared their technology in exchange for access to the Chinese market.

"There were different technology transfer channels and mechanisms, but the common thread was the learning-centred approach by the Chinese government and companies," says Rasmus Lema, an expert on the spread of green technology at the University of Johannesburg in South Africa. "From the beginning, they had a strategic vision of becoming leaders in these technologies."

China has squeezed rivals out of the polysilicon market

Polysilicon manufacturing capacity, % of total



Source: IEA

For years, Germany was a prolific exporter of solar production equipment to China. So much so that Michael Carr, executive director of the US Solar Energy Manufacturers for America Coalition, a trade group, recalls being told during a tour of leading manufacturers in China in 2008 that the production lines were all German. “But we’ve improved them by 20 per cent,” Carr says he was told.

Similarly Poly Engineering, an Italian maker of polysilicon — the key ingredient in solar panels — transferred key production knowhow to China’s Daqo New Energy in 2008, helping China break the grip on polysilicon supply held by the US, Europe and Japan.

That same year, Goldwind, now the world’s largest turbine manufacturer, bought a 70 per cent stake in Vensys, a German pioneer of gearless wind turbines. Goldwind had licensed Vensys’s technology for manufacture in China five years earlier. “Vensys had a smart nacelle design [the brain of the turbine] and that became the basis of the early Goldwind machines,” recalls Stiesdal, the Danish inventor.

In the early days of the solar industry in the 1980s, there was “very little caution . . . No one had the fantasy to believe China would compete on an equal footing in 15 years’ time,” says Lema.

But as China’s solar sector became more competitive, companies became more wary about selling their kit. “Meyer Burger supplied equipment but got increasingly nervous about how quickly the Chinese were able to copy it,” says Weber, the solar veteran who was also on the board of Meyer Burger between 2007 and 2010.

A turning point came towards the end of the 2000s, as China’s rapid development of factories, encouraged by the crucial development of its own polysilicon industry, helped push the industry into overcapacity.



Inspectors check a photovoltaic power station in Tianchang, China. The country now controls more than 80 per cent of production for each key stage of solar panel manufacturing © CFOTO/NurPhoto/Reuters

Solar-panel makers in Germany battled with falling prices, difficulty accessing financing and Chinese competitors who were undercutting aggressively on price but were also offering payment terms of more than 100 days. “Europeans really could not compete,” says Anton Milner, co-founder of Q-Cells, a leading solar-panel maker.

The industry lobbied the EU to intervene, arguing Chinese companies were getting unfair subsidies.

But anti-dumping tariffs the EU imposed on China in 2013 were “too little too late”, argues Michael Schmela, executive adviser at Solar Power Europe.

Milner’s company Q-Cells filed for bankruptcy in 2012 and was taken over by South Korea’s Hanwha. It was one of several companies succumbing to a brutal wave of consolidation which also rebounded on China’s solar sector, which was struggling with heavy debts.

Shi’s Suntech went bankrupt in 2013. But China, which had made significant advances in automation, efficiency and scale, emerged stronger. By 2018, about 60 per cent of the world’s solar panels were made in China. “It was a rollercoaster ride,” adds Milner.

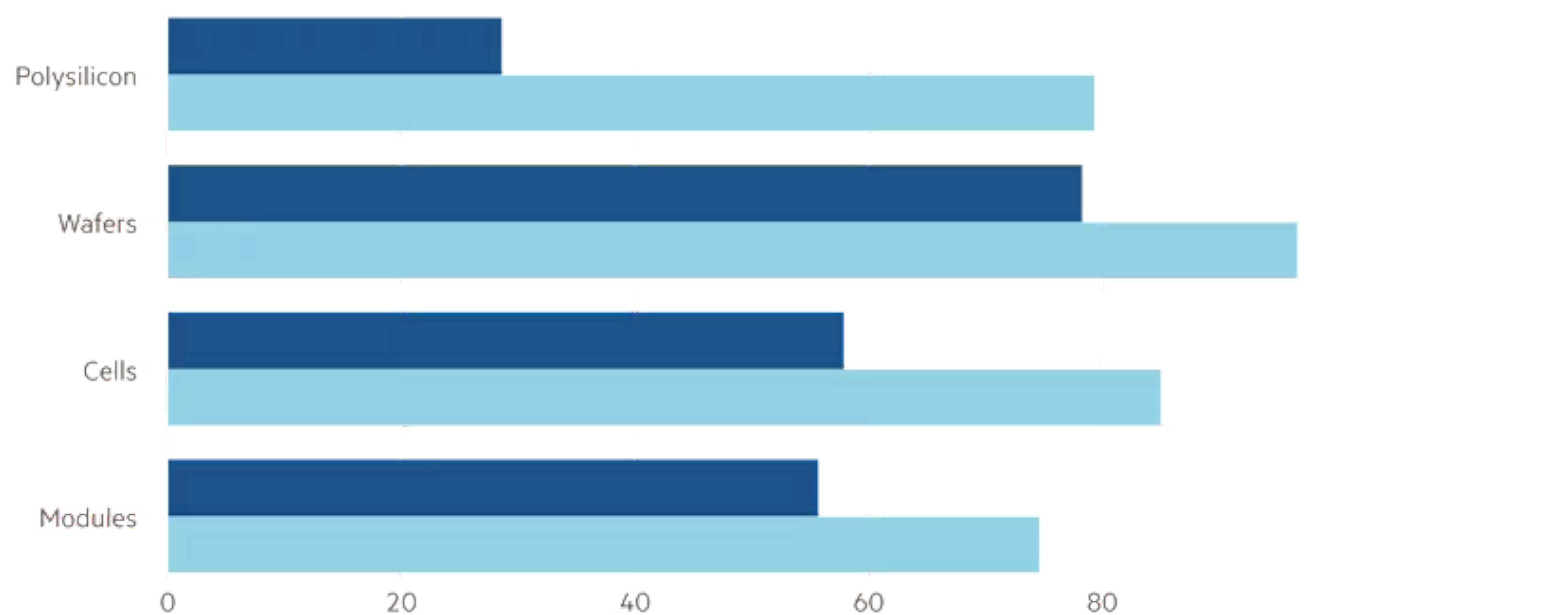
Western governments were slow to realise the implications of China’s renewables boom.

Jos Delbeke, the EU’s most senior climate official between 2010 and 2018, recalls how the EU initially enjoyed the cost reductions from Chinese technology, and did not see growing trade with it as a threat. “We did not sufficiently realise that China may have been taking over,” he says.

China has expanded its share at all stages of the solar supply chain

PV manufacturing capacity, % of total

■ 2010 ■ 2021



Source: IEA

Pyatt, at McLarty Associates, says supply chains were taken for granted. “And China offered such a compelling cost structure — [albeit] with a lot of shadow costs, including often atrocious labour and environmental standards,” he added. Human rights groups accuse China of using forced labour in polysilicon production, particularly in Xinjiang.

Isabel Hilton, founder of China Dialogue, a non-profit, says that western companies were hampered by a relative lack of support from their governments.

“There was an ideological commitment to globalisation which was deeply embedded across the western business ecosystem, and an ideological hostility to industrial policy,” she says. “And once China was in the World Trade Organization [from 2001], you had an absolutely straightforward clash of systems and, frankly, China won.”

Kai Wu, a Goldwind vice-president, says that when China entered the sector, it was able to utilise newer technologies. The country’s rapid expansion in infrastructure and a surge in engineering graduates made renewables projects cheaper and faster to build than those in many western countries.

It has also benefited from a boom in entrepreneurialism. “Every Chinese New Year, there’s a massive number of employees who don’t return to their jobs but go and form their own start-up,” says Charlie Gay, a solar industry veteran who set up a major R&D centre for his former employer, US company Applied Materials, in China.

The first Obama administration recognised the importance of clean energy industries, putting in place legislation with measures to boost clean energy production and jobs in the installation sector as well some manufacturing tax credits.

But even there, “most of the trade policy was really incentivising overseas production of solar [ie equipment],” says Kate Gordon, chief executive of non-profit California Forward and a former US government energy adviser. “It was just part of a normal, neoliberal approach to trade at the time.”

Vince Cable, the UK’s business secretary between 2010 and 2015, remembers how the Green Investment Bank he set up to boost the development of green energy in Britain was reined in by limited funding, before being sold to Australian bank Macquarie in 2017.

“What we’d hoped to do originally was to create a sort of KfW [Germany’s state-owned development bank] type of institution with very substantial borrowing powers as well as equity to operate on a big scale,” he recalls. “In the event, I had to accept that the Treasury was never going to agree to that . . . by 2016 they wanted their money back.”



Engineers produce wind turbine blades in Guizhou province, China. Having lost out in the battle for solar supremacy, Europe's wind turbine manufacturers still lead China, although competition is becoming ever more intense © Oriental Image/Reuters

Belated attempts to use protectionism to support renewables sometimes backfired. After the US imposed tariffs on Chinese solar imports in 2012, China responded with higher tariffs on polysilicon in 2014, heaping pressure on US companies. When SunEdison in the US filed for bankruptcy in 2016, its patents were sold to China's GLC-Poly Energy Holdings. Tariffs have also been hard to enforce, as China rerouted supply chains.

"We've had to play whack-a-mole for the better part of 15 years," recalls Timothy Brightbill, a US trade lawyer.

As they try to protect what's left, US and European governments have steadily been taking a much more muscular approach to supporting green industries.

Under the current European Commission president Ursula von der Leyen, the bloc has introduced measures such as quicker access to EU funds, simpler regulation and reducing energy costs.

Officials say some results have been encouraging. Chinese wind turbine makers have not made significant inroads into Europe, as feared. Denmark's Vestas remains the largest wind turbine maker outside China.

"The EU's decisive actions seem to have been effective in strengthening the use of turbines 'Made in Europe'," says Christoph Zipf, spokesman for the WindEurope trade group.

Yet even after the collapse of Northvolt, efforts to introduce Made in Europe rules setting targets for homegrown content have now had to be delayed due to opposition among EU members such as the Czech Republic, highlighting the difficulties of getting political consensus in such a diverse, democratic system.

In Washington, the Trump administration is rolling back many of the measures in predecessor Joe Biden's flagship Inflation Reduction Act, leading to concerns it is further [eroding the US's position](#) as China exports more clean technology around the world. "The world is moving towards a decarbonised economy," says Andrew Light, who worked in both the Obama and Biden administrations.



Workers at a Northvolt gigafactory in northern Sweden. The collapse of the battery champion in 2024 suggests Europe will need to do more to support its homegrown companies if it is to compete with China © Charlie Bibby/FT

Trump has also suspended new leases for offshore wind projects and blocked several projects, threatening an industry where the US could in theory develop an edge, says Gordon at California Forward. "Offshore wind has extremely large component parts and needs to be built and maintained near where it's installed. So there is an inherent advantage to opt for wind being manufactured locally. We are of course now abandoning it."

However Ernest Moniz, former US energy secretary, says Trump's decision to take stakes in rare earth companies Vulcan Elements and ReElement Technologies is a step that has had "way too little attention" and does add up to the steady progress of industrial policy.

Light says the US could still lead the way in areas such as advanced nuclear technologies and geothermal energy, which shares techniques with oil fracking and thus has attracted attention from oil companies.

Birol at the IEA says Europe should now focus on areas where it can gain an edge rather than those commoditised by China, including electricity grid equipment such as electrical transformers and transmission equipment. "Europe has to pick its battles," he says.

Erfurt at Meyer Burger argues that Europe could still have an opportunity in next-generation solar perovskite technology. However, even there, Europe's champions are under pressure. Chris Case, chief scientist at perovskite specialist Oxford Photovoltaics, which is headquartered in Britain and manufactures in Berlin, says he is vastly outgunned by R&D spending from competitors in China such as Longi.

Moreover, given the difficulties of accessing the Chinese market, Oxford Photovoltaics, which was spun out of the University of Oxford, felt its best route was to license its technology, for sales only in China, to TrinaSolar, one of China's largest solar-panel makers.

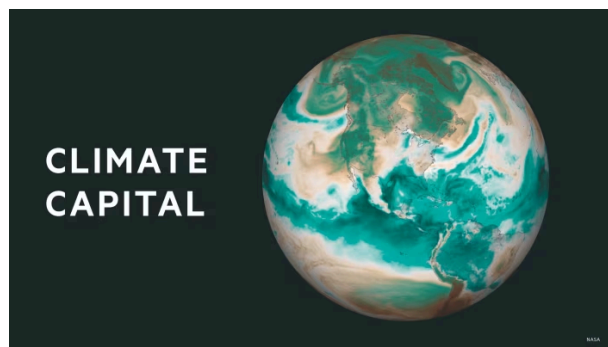
"How easy would it be for our company to build a factory in China?" says Case. "The answer is, not so easy. To me, the simplest way was to license the technology to China."

Delbeke, the former EU climate official, suggests that the EU should direct some of its defence spending towards renewables, given the dual civilian-military uses of technology such as solar panels that are used on military satellites.

The recognition of China's increasing dominance, he adds, has been a "bitter awakening".

Additional reporting by Martha Muir in New York and Edward White in Shanghai

Climate Capital



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Opinion **Artificial intelligence**

Why people still matter in the AI era

As population decline accelerates, the big risk is labour shortages, not mass unemployment

RUCHIR SHARMA



It's always easier to see which jobs are at risk now than to imagine the jobs of the future © Qilai Shen/Bloomberg

Ruchir Sharma

Published 4 HOURS AGO

The writer is chair of Rockefeller International. His latest book is 'What Went Wrong With Capitalism'

Every tech revolution has inspired fears that innovation will destroy jobs. While those fears have never played out, artificial intelligence is cast as much more disruptive because it has the potential to perform so many tasks the way people do — or better. Is the threat to human labour that different and dire this time?

What the current obsession with AI overlooks is that another (counter) force is also advancing rapidly. In the past four decades, the number of countries in which the working age population is shrinking has risen from zero to 55, including most of the major economies. This collapse is accelerating now because families are having even fewer children than expected.

Last year, the number of babies born in China fell to the lowest level since the birth of the People's Republic in 1949, and in Japan to the lowest level since 1899.

Compared to forecasts 10 years ago, the global fertility rate is on track to fall below the level required to stabilise the population 25 years earlier than expected, in 2050. As a result, the world's working-age population is predicted to peak 30 years earlier, in 2070.

There are signs AI is already raising output per worker, which could lower overall demand for human labour. But against a backdrop of rapid population decline, the marvels of AI are more likely to ease the coming labour shortages than trigger mass unemployment.

Tech revolutions of the past killed industries, not jobs. The 19th-century rise of machines drove workers from farms into factories, and from factories into services. In the 1910s, as the car displaced the horse, carriage drivers gave way to truckers and cabbies. In the 1970s, automated teller machines allowed banks to cut costs, open more branches and hire more human tellers. Starting in the 1990s, by one estimate, the internet displaced about 3.5mn US jobs but created 19mn.

AI could well be far more disruptive. One forecast puts the maximum "addressable" labour market for AI and its offspring, humanoid robots, at 4bn jobs worldwide. So far, though, AI is hardly displacing humans at a jarring pace. The unemployment rate is near multi-decade lows both worldwide and in the US, the AI leader. In Japan, unemployment has been falling and labour force participation has been rising for years, despite the rapid increase in the country's robot population.

It's always easier to see which jobs are at risk now than to imagine the jobs of the future. About a third of new US jobs are of types that did not exist 25 years earlier. Today, the shift favours workers who know how to build infrastructure for AI, or use it as a tool. Already, new job titles are multiplying for AI content creators, product managers, engineers and system designers, and appear to be more than compensating for losses in traditional job categories.

True, it's early days. More upheaval may be coming. But if AI triggers mass unemployment, will humans just sit by? During the 2000s, the "China Shock" displaced some 6mn US factory workers in old industrial regions, and that was enough to fuel populist revolt.

Techno-optimists say AI will be very different because it will replace jobs with leisure. It will free people to live idly off the profits of AI labour, redistributed to them by increasingly parental governments. So long as work remains a pillar of human dignity, this vision is dystopian fantasy. The more jobs are threatened by AI, the more likely voters will demand that governments slow its advance.

Demographics have long been the most important driver of economic development. No economy has been able to grow rapidly without the tailwind of a growing labour force. Now, many nations are trying to get ahead of the adverse implications of population decline. Led by the most rapidly ageing societies, they are offering families cash to have more kids, but "baby bonuses" have a record of failure. States can't intervene effectively in a choice as personal as whether to have a child.

Immigration is one obvious way to expand a nation's workforce, but of late net immigration has plummeted in most western societies. Others include nudging more seniors to stay on the job by raising the retirement age, or encouraging more women to take jobs, especially since women are less likely to participate in the global labour force now than they were 30 years ago.

Artificial intelligence can arrive soon enough to help save the world from labour shortages, but it is not likely to unleash widespread joblessness. Not without a fight. People will still matter, as workers and as a political force, in the AI era.

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Why Asia's currencies have slumped against the dollar

Weakness in Japan, South Korea and Taiwan come despite US currency's decline against G7 counterparts and narrowing interest rate gap

William Sandlund in Hong Kong

Published YESTERDAY

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After Donald Trump's "liberation day" tariffs led to a weaker dollar last year, expectations rose of an "FX avalanche" of Asian exporters' currencies rapidly appreciating.

Instead, the opposite has happened, with Japan's yen and South Korea's won trading around multi-decade lows, while Taiwan's dollar has given up most of its gains against the US currency after a sharp appreciation in May.

Weakness in the yen and won has become such an issue that US Treasury secretary Scott Bessent has publicly expressed concerns over their depreciation. Since Friday, the yen has surged on speculation that the US and Japan are [lining up co-ordinated intervention](#) in the currency.

The question for traders is what explains the declines at a time when the dollar has weakened against G7 counterparts such as the pound and euro; east Asian exporting countries are running large trade surpluses; and their interest rate gap with the US is at its narrowest in years.

Among the possible explanations are capital outflows chasing the AI boom in the US, fears of fiscal irresponsibility in Japan and the impact of investment deals that countries have struck with Trump.

Japan, South Korea and Taiwan's currencies have slumped against the dollar since July

Exchange rate against dollar rebased, July 1 2025 = 100



Source: Bloomberg

A resilient dollar in the second half of last year, supported by strong economic growth in the US and heavy buying of American assets by Asian investors, has kept the region's currencies weak, said Mitul Kotecha, head of Asian foreign exchange and emerging markets macro strategy at Barclays.

In Taiwan, life insurers' massive purchases of US debt put downward pressure on their own currency, especially after proposed accounting rule changes that reduce requirements to hedge their foreign investments. In South Korea, retail investors' frenzied buying of US stocks has similarly weakened the won.

Pledges from Japan, South Korea and Taiwan to invest \$550bn, \$350bn and \$250bn in the US, respectively, as part of trade deals negotiated with the Trump administration have added pressure, as the agreements would involve massive capital outflows.

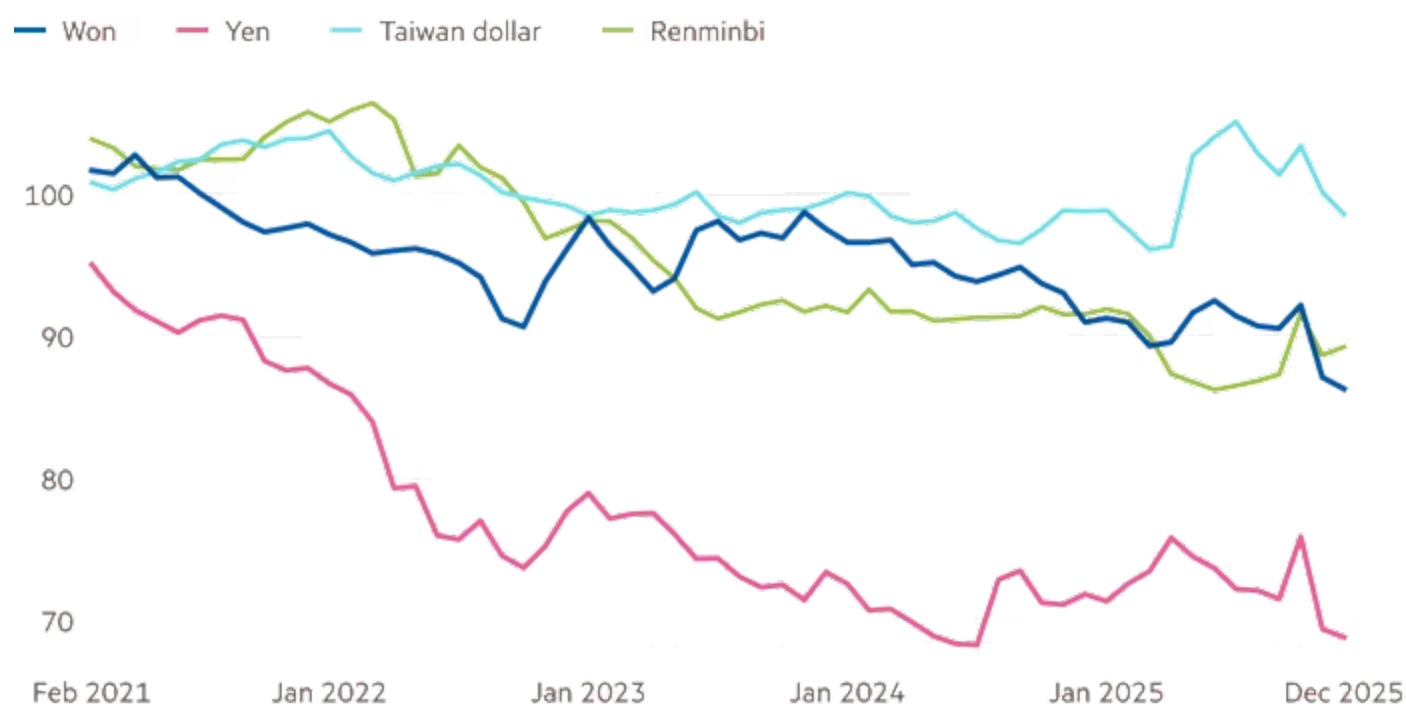
On Monday, Trump threatened to [raise tariffs on South Korea](#) as a bill to implement the deal stalls in parliament.

"There's a lot of worry in terms of satisfying the US trade deal," said Vincent Chung, a fixed-income portfolio manager at T Rowe Price. "How is Korea going to pay for all its investment? I think Japan is to some extent under that same pressure."

Amid concerns about the currency impact, South Korea last month [substantially increased its headroom](#) for issuance of foreign-exchange bonds used to defend the won's value.

East Asian currencies are weak using fundamental valuations

Index of real effective exchange rate, broad basket (2020=100)



Data until December 2025

Source: Bank for International Settlements

Jason Pang, a senior portfolio manager and Asia local rates and foreign exchange lead at JPMorgan Asset Management, said South Korean and Taiwanese chipmakers would need to keep dollars in the US for new plants instead of repatriating them in their home currencies.

Japanese Prime Minister Sanae Takaichi's [expansionary fiscal policies](#) have further rattled the yen, an effect that is "spilling over" to the region's other currencies, said Richard Yetsenga, chief economist and head of research at ANZ.

Last year's bets on appreciation were partly driven by expectations that Washington would pressure its Asian allies to [strengthen their currencies](#), which remain cheap based on real effective exchange rates, a trade-weighted measure that accounts for inflation.

Long-term [currency](#) weakness has fuelled the countries' trade surpluses with the US, the source of much of Trump's ire against the global trading order. Structural issues such as east Asia's ageing populations are further increasing the region's dependence on exports for growth.

"If I'm part of a bloc of countries that have ageing populations, excess savings and export-driven economies, I'm going to have a bloc of countries that need weak currencies," said Kit Juckes, chief foreign exchange strategist at Société Générale.

Some traders still expect the region's currencies to perform better in 2026.

"We are still constructive on Asian currencies this year," said JPMorgan's Pang.

In the past six months, the only major regional currency to strengthen against the dollar has been China's renminbi. Beijing's swelling trade surplus has stoked global tensions and prompted more urgent calls for its currency to appreciate.

"It wasn't an avalanche," said Pang. "What ended up happening is you needed to pick the right country."