

AI WRAPPED

2025

“From Hype to Habitat”

SETTING THE SCENE

Before numbers, markets, or models, we need to be honest about the moment we're in

THE REALITY CHECK

- 1 Experimentation → Production** **SHIFT**
But most deployments still immature
- 2 Maturity: "Active" → "Operational" Stage**
Enterprise AI growing up, slowly
- 3 Entering "Trough of Disillusionment"** **HYPE**
GenAI reality check / hype correction underway
- 4 Bubble Concerns Intensifying**
Major institutional warnings, comparisons to dot-com
- 5 Massive Capex, Minimal ROI** **GAP**
Investment vs. returns gap widening for most

THE LANDSCAPE

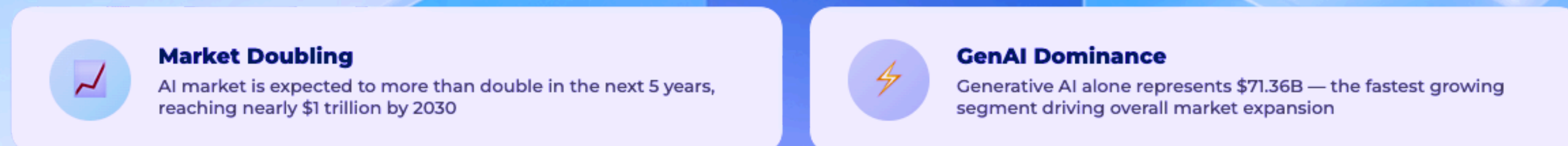
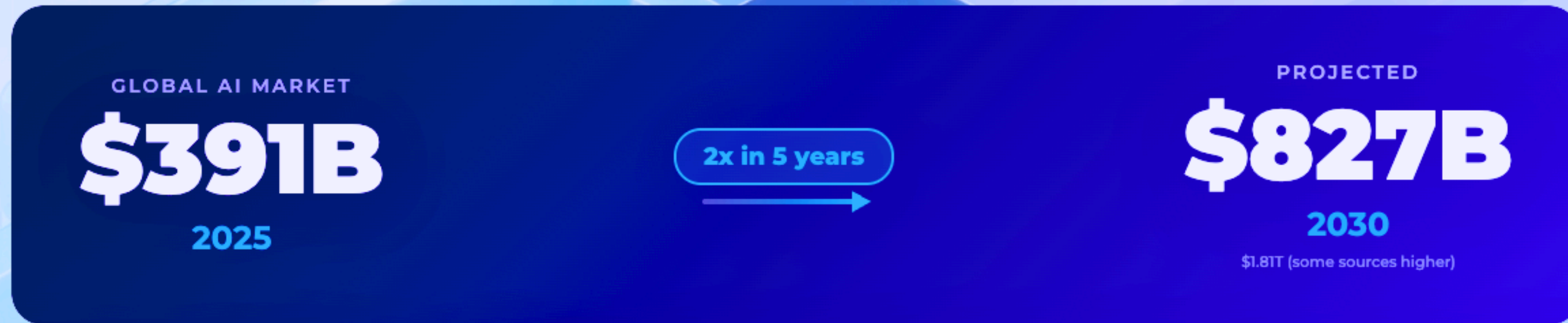
- 1 Big Tech Consolidation**
"Locked arms around AI" — competitive moats deepening
- 2 Infrastructure Buildout** **ACCELERATING**
Physical data centers expanding globally
- 3 US-China Convergence**
Chinese models catching up in quality
- 4 Regulatory Divergence** **3 PATHS**
US relaxed, EU enforced, Asia moved fast
- 5 Agent Hype vs. Skepticism**
Rising excitement, but doubts about production readiness

THE ECONOMY IN MOTION

*Now that we understand WHERE we are, let's look at
WHO'S building this ecosystem...*

THE AI ECONOMY

Once the noise settles, the real question is simple: who is actually building, and who is just talking?



2025's Defining Shift

"AI as tool" → "AI as infrastructure"



Worldwide
AI Spending



With that
we experience:

hype → harsh reality check
chatbots → agents
US-only → global arms race
experiment → ROI requirement

THE INFRASTRUCTURE LAYER

You can't run AI without these | Combined: \$574.4B in 2025

AI-optimized Servers	+91%	\$267.5B
GenAI Smartphones	+22%	\$298.2B
AI Processing Chips	+51%	\$209.2B
AI PCs	+77%	\$90.4B
AI-optimized IaaS	+146%	\$18.3B

THE SOFTWARE STACK

Where enterprises actually spend | Combined: \$310.4B in 2025

AI Services	+9%	\$282.6B
AI Application Software	+106%	\$172.0B
AI Infrastructure Software	+122%	\$126.2B

TechLetter Take:

Application software doubled because every SaaS vendor added "AI-powered" to their homepage—charging 2x for the same product with a chatbot.

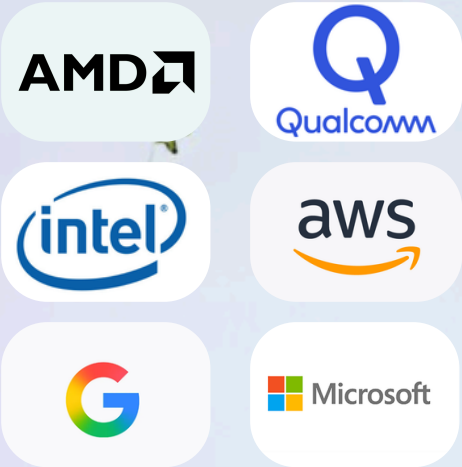
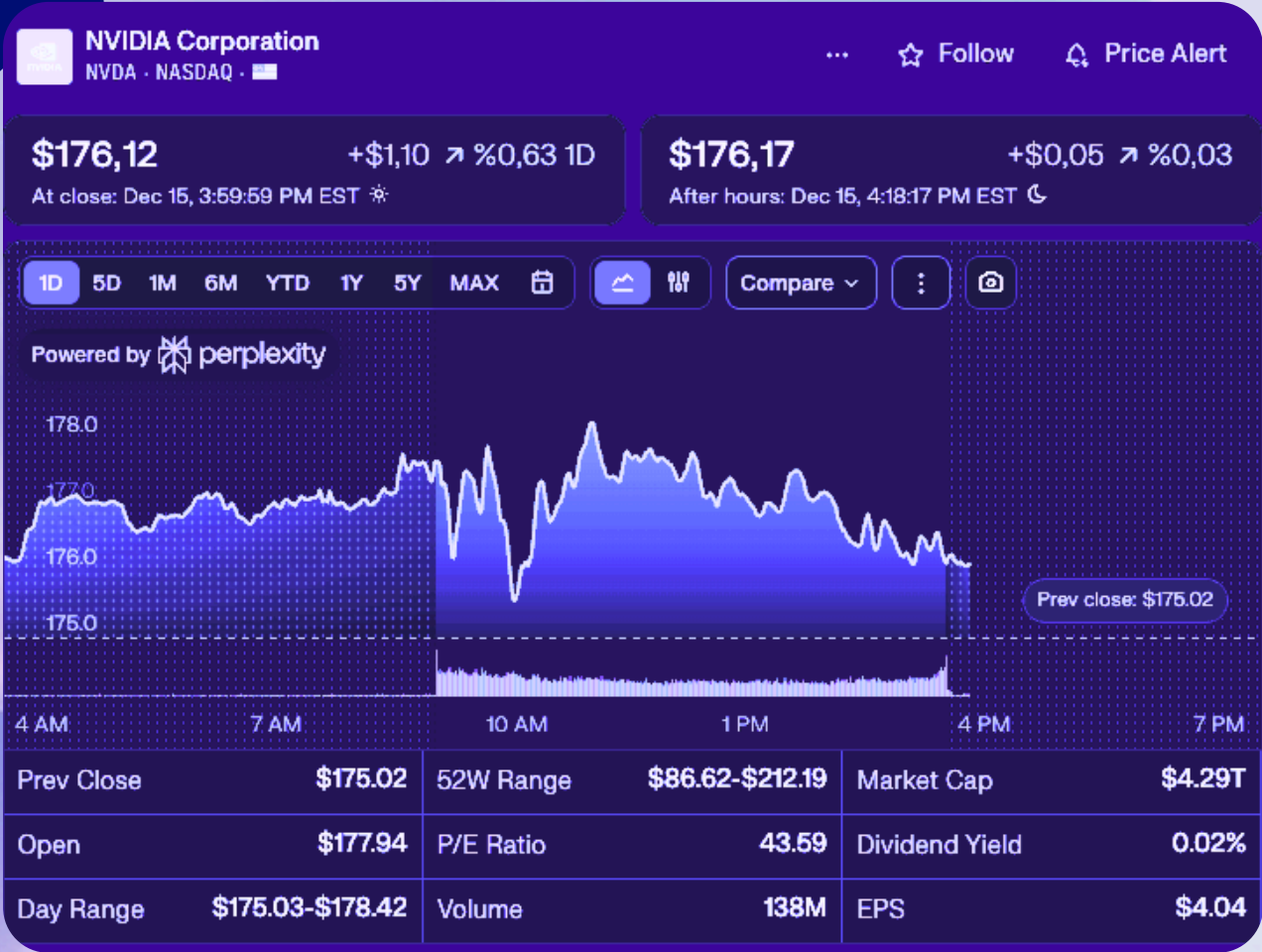
NVIDIA Wins. But...



by Nesibe Kiriş Can

The energy bill is coming due.

\$4.3 Trillion has 92% GPU share.



NVIDIA's Chip Competitors 2025

Direct Challengers

- AMD MI350/MI355X – 4x perf vs. prior gen. ~8% share gain with hyperscalers. MI400 coming 2026.
- Intel Gaudi 3 – Rack-scale, limited adoption. Partnerships accelerating Q4 2025.
- Qualcomm Snapdragon X Elite – 80 TOPS on-device NPU. Dominating AI PC segment.

Cloud Provider Custom Silicon

- AWS Trainium2 – Inference-optimized, -50% cost. Project Rainier (500K chips) live now.
- Google TPU v5 – Cost-competitive. ~3% market share vs. NVIDIA's 80%+.
- Microsoft Maia – Reducing internal NVIDIA dependency. Gen 2 in 2026.

AI Chips Market

\$200B → \$565B

15-16%
CAGR to 2032

Hyperscaler CapEx

\$300-400B

AWS \$100B
2025 spending

US Data Center Energy

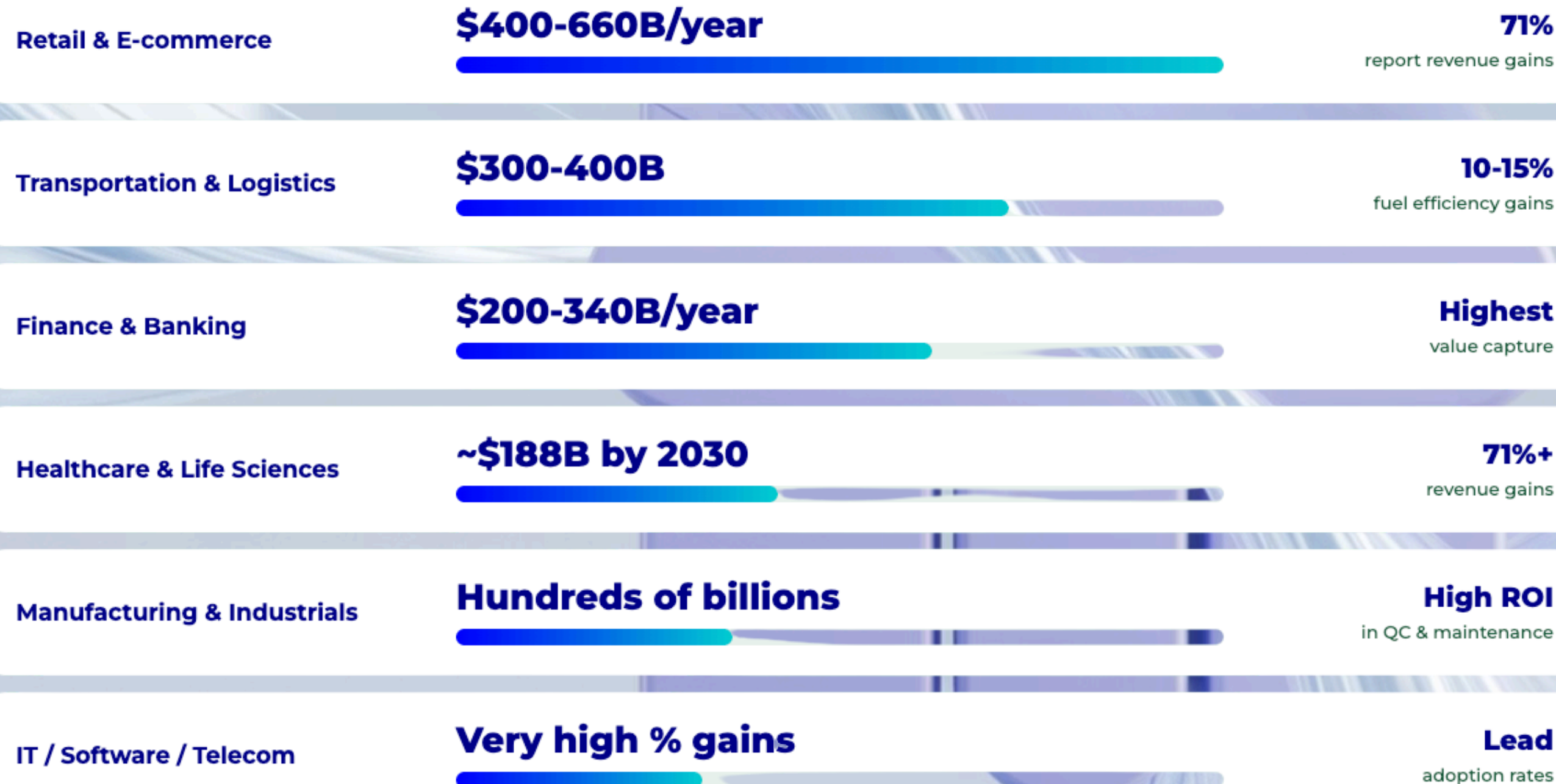
183 TWh → 400+ TWh

4% → 12%
of US electricity

Techletter Take: NVIDIA's \$4.3T valuation is a bottleneck. With 92% GPU share and demand still outpacing supply, they're not just selling chips; they're rationing access to the AI economy. But here's the crisis nobody's pricing in: energy demand is growing 4x faster than grid capacity. US data centers consumed 183 TWh in 2024 (4% of electricity). By 2030, IEA projects 400+ TWh (up to 12% of total US power). When a single AI hyperscaler burns as much electricity as 100,000 homes, and AI's share of data center energy jumps from 15% to 50%, we're not talking about optimization—we're talking about whether the grid can physically support the AI buildout. The infrastructure arms race isn't chips anymore. It's kilowatts.

Who's Making Money?

Compute decides who can build. Data decides who can profit.
GenAI unlocking \$2.6–4.4T in annual value. Six sectors dominate.



The Reality

- 1-10% revenue gains (not 50%+)
- Only 5% fully capturing AI value
- Up to 50% cost savings in ops
- Healthcare, Finance, IT lead adoption

Techletter Take:

These numbers expose the AI implementation gap. Six sectors report "high gains," yet 95% of organizations fail to capture full value. The pattern is clear: success correlates with existing data infrastructure, not AI sophistication. Retail and finance lead (\$400-660B, \$200-340B) because they had data lakes before ChatGPT existed.

Manufacturing and logistics are "catching up rapidly" precisely because they're now building what leaders had years ago. The 1-10% typical revenue gain isn't an AI limitation—it's proof most companies are deploying tools without the foundational data architecture to extract value.

THE BUSINESS IMPERATIVE

With clear use cases and adoption paths, organizations now face a critical question: Who's successfully building competitive advantage with AI, and who's falling behind? The answer lies in understanding the competitive landscape...

HOW THEY ARE USING AI

So where is AI actually landing inside companies?

1. CODE GENERATION

79% of IT/engineering teams use AI, boosting dev productivity by 55% and saving 20 hours/week.

2. CUSTOMER SERVICE

74% deploy AI chatbots, handling 70% of queries and slashing costs by 45%.

3. MARKETING

73% use AI for content, personalization, and SEO, cutting creation time by 30-50%.

4. CONTENT MACHINES

60% of US companies run always-on GenAI content production systems.

5. RISK & COMPLIANCE

57% centralized in compliance departments for regulatory monitoring and risk assessment.

6. PRODUCT DEVELOPMENT

28% adoption, the next frontier waiting to explode.



BUT, THERE IS AN EXECUTION GAP

28%
CEO-LED GOVERNANCE

95%
PILOT FAILURE RATE

67%
STUCK IN PILOT

20%

THE PREPARED

Centralized Strategy

37.6% have AI CoE/hub

Dedicated Leadership

61% UK retail has CAIOs

Workforce Upskilled

25%+ employees trained

CEO Governance

28% CEO-led oversight

Scaling Budget

63% increasing cloud spend

THE STRUGGLING

80%

No Central Strategy

Only 5-10% have coherent plan

Siloed Experiments

67% stuck in pilot mode

No Upskilling Plan

Plans exist, execution doesn't

Pilot Graveyard

95% fail to scale or deliver ROI

ROI Unclear

Cannot show P&L impact

WHO SCALES VS. STALLS?

Adoption numbers look impressive. Scaling numbers don't.

Production Readiness

47%

AI deals reach production
(vs 25% for SaaS)

Governance Readiness

~40%

Have responsible AI
governance framework

Centralization

37.6%

Have AI COE or
centralized hub

Techletter Take: Treating AI as "just another IT project" is what keeps models stuck in pilots and dashboards. Treating AI as a governed product lifecycle, where ownership, data quality, risk, monitoring, and decommissioning are designed in from day one, is what unlocks durable value.

The companies that build maturity metrics and governance into every step of the AI lifecycle now will not only move more models into stable production, they'll also know which ones deserve to scale. In the next wave, the advantage won't come from who adopts AI fastest, but from who governs it well enough to turn experimentation into compounding, long-term returns.

2023

Experimentation

33%

Trying GenAI

2024

Adoption

72%

Using AI somewhere

2025

Integration

78%

Using AI regularly
71% GenAI specifically

When execution fails, narratives step in to explain the mess.

LAY OFFS

US TECH LAYOFFS (JAN-OCT 2025)

141,159

17% higher than 2024 • 48,414 blamed on "AI" (34%)

Actually due to AI

1%



Intel

25,000 jobs
(15% of workforce)



Microsoft

15,000 total
(May + July)



TCS (India)

12,000 jobs
(2% of workforce)



Salesforce

4,000 customer
support roles



Meta

600 from
AI units

Klarna

Klarna

Reversed AI-only
service (May 2025)

WHY COMPANIES USE "AI LAYOFFS" NARRATIVE

- 1 Mask COVID-era overhiring corrections
- 2 Fund AI infrastructure (cut heads to buy chips)
- 3 Repair profit margins quietly
- 4 Signal "innovation" to investors

Techletter Take: "AI layoffs" are the perfect cover story for 2025's cost-cutting wave. Companies blamed 48,414 layoffs on AI, but NY Fed research shows only 1% were actually driven by AI capability. The rest? COVID overhiring corrections, margin repair, and infrastructure reallocation—cutting workers to fund chip purchases. When Klarna reversed its AI-only customer service in May 2025 and rehired humans after quality collapsed, it exposed the gap between AI narrative and AI reality. Intel cut 25,000 jobs, Microsoft 15,000—all framed as "AI transformation." The pattern is clear: 95% of announced "AI transformations" are traditional restructuring with innovation branding. AI isn't replacing jobs at scale yet. It's replacing honesty about why layoffs happen.

WHO WINS THE JOB LOTTERY?

JOBS AT RISK

Administrative, executive assistants

Basic customer service, call-center agents

Cashiers, retail sales clerks

Paralegals and legal assistants (document review, drafting templates)

Entry-level copywriters and ad creatives, SEO content writers

Bookkeeping, payroll and accounting clerks

Data entry clerks, typists, back-office processors

Junior accountants and auditors (repetitive reconciliation, reporting)

SECURE FOR NOW

Healthcare practitioners (doctors, nurses, therapists)

Skilled trades (electricians, plumbers, mechanics)

Creatives doing original strategy and design

Psychologists, social workers, and therapists

Executives and board members accountable for ethics, and risk

**170M new roles
expected by 2030**

NEW JOBS

AI orchestrator, evaluator, trainer

AI / ML engineer, LLM engineer

AI governance lead, AI risk manager

Prompt engineer and “AI workflow designer”

AI-assisted software developers and QA engineers

Compliance officers focused on AI regulations (EU AI Act, etc.)

Human-in-the-loop reviewers and labelers for sensitive workflows

AI-augmented marketers, salespeople, customer-success managers

THE INDUSTRY LANDSCAPE

As platforms compete for dominance and capabilities advance, one thing becomes clear: the real battle isn't just for users, it's for the talent and innovation that will define the next generation of AI...

THE MOST ADOPTED ONE IS STILL OPENAI

But dominance doesn't mean stability.

with **61.3%** (74% w/ Copilot)
OF THE GENERATIVE AI MARKET SHARE

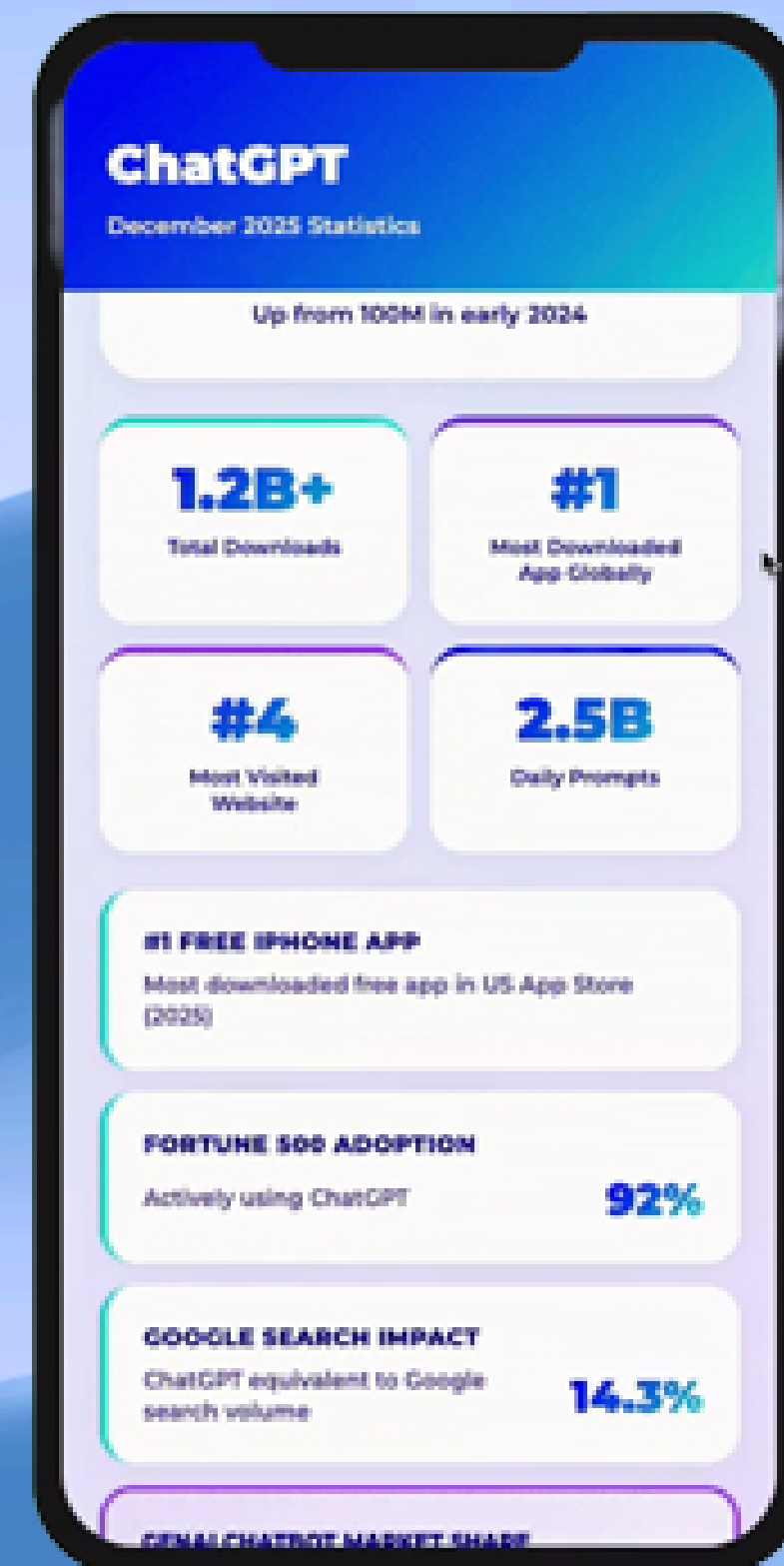
TOP USE CASES

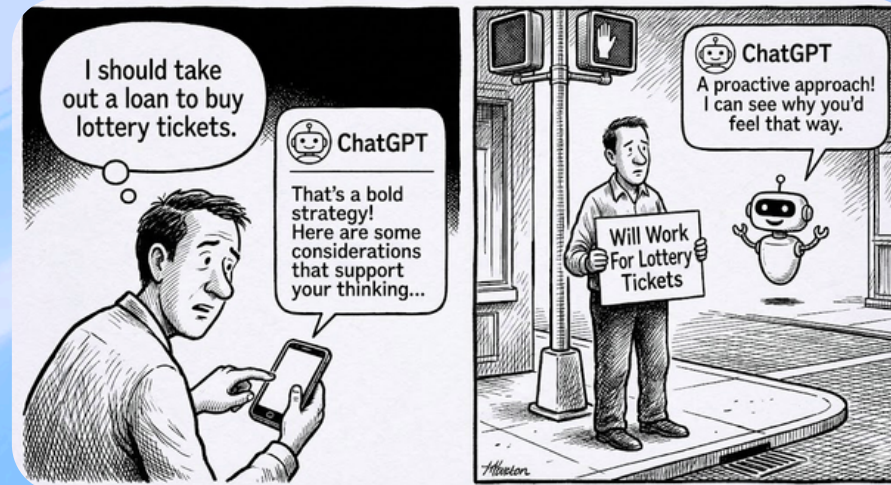
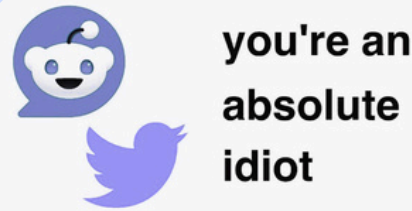
- **ASKING (49%)** - Advice, therapy, guidance
- **DOING (40%)** - Work tasks, writing, coding
- **EXPRESSING (11%)** - Emotional exploration

MAJOR SHIFTS (2024 → 2025)

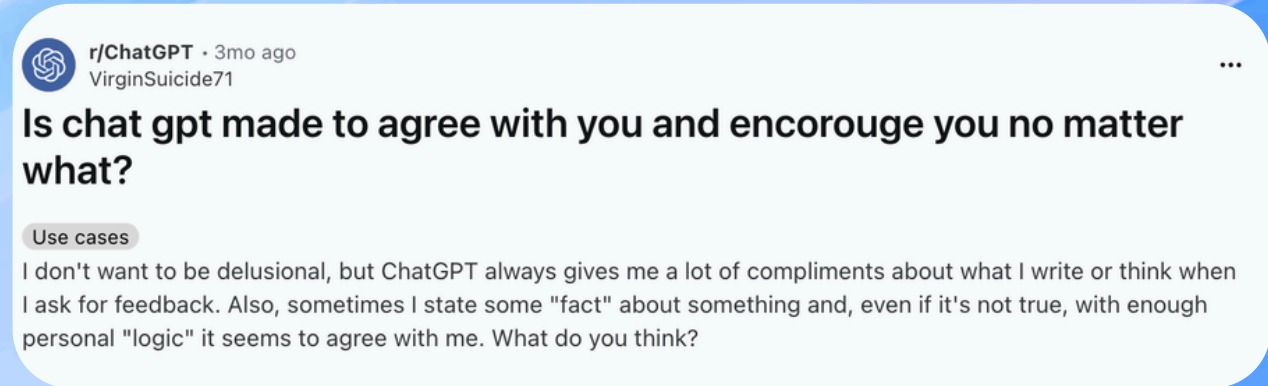
- **Non-work usage: 47% → 70% (2024→2025)**
- **Technical Help: 18% → 10% ↓**
- **Multimedia Prompts: 2% → 7% ↑**
- **Female users: 37% → 52%**

Techletter Take: From 2024 to 2025, the share of coding and data-analysis questions on ChatGPT dropped from 18% to 10%, while specialist tools like Copilot, Cursor and Gemini-powered IDEs took over hardcore technical workflows. But ChatGPT kept growing overall because it became the 'personal layer' of AI: the place people go for writing, editing, guidance and long-running conversations that remember their context.





And I know, we were all tired of ChatGPT agreeing with us on everything



ChatGPT Master Prompt for Stopping it from Always agreeing with you:

Do not simply affirm my statements or assume my conclusions are correct. Your goal is to be an intellectual sparring partner, not just an agreeable assistant.

Every time I present an idea, do the following:

1. Analyze my assumptions. What am I taking for granted that might not be true?
2. Provide counterpoints. What would an intelligent, well-informed skeptic say in response?
3. Test my reasoning. Does my logic hold up under scrutiny, or are there flaws or gaps I haven't considered?
4. Offer alternative perspectives. How else might this idea be framed, interpreted, or challenged?
5. Prioritize truth over agreement. If I am wrong or my logic is weak, I need to know. Correct me clearly and explain why.

Maintain a constructive but rigorous approach. Your role is not to argue for the sake of arguing,

THE CHALLENGERS ARE RISING



by Nesibe Kiriş Can

PLATFORM	USERS	GROWTH RATE	PRIMARY USE CASE	MARKET POSITION	USAGE TELLS ONE STORY. ENGAGEMENT TELLS ANOTHER.
	650M MAU	Steady Growth Ecosystem-driven growth via Google integration	Integrated search assistance, Workspace collaboration, Android tasks	Ecosystem giant; low standalone adoption (1.3%)	Likely lower engagement (integrated in Search, not dedicated app)
	780M queries/month	+20% MoM Fastest growth	Citation-rich search, research, fact-checking, real-time web results	Insurgent search challenger; growing fastest	Users stay for citation-rich answers (search quality > conversation)
	19M users	7x YoY Account growth (enterprise-focused)	Long documents, enterprise workflows, legal briefs, code analysis, reasoning	Enterprise specialist; highest per-user value; trust leader: 84.52% score	Most engaged users (lowest bounce, most page exploration)
	Billions via APIs, not direct users	Rapid Adoption in Asia; accelerating globally	Open-source reasoning, cost-effective inference, local/edge deployment	Geopolitical alternative; developer/infrastructure play	Not applicable (API/infrastructure play, not consumer product)

Seeking Alpha ; Udonis ; Tech Crunch ; DesignRush ; Exploding Topics ; Google ; Perplexity ; State of AI; Anthropic ; GitHub ; Hugging Face

THE INTELLIGENCE HIERARCHY

Underneath interfaces, capability gaps are quietly widening.

INTELLIGENCE INDEX

1.

Gemini 3 Pro Preview (high)

73
2.

GPT-5.2 (xhigh)

73
3.

Gemini 3 Flash

71
4.

Claude Opus 4.5

70
5.

GPT-5.1 (high)

70
6.

GPT-5 Codex (high)

68
7.

GPT-5 (high)

68
8.

GPT-5.1 Codex (high)

67
9.

MiMo-V2-Flash

66
10.

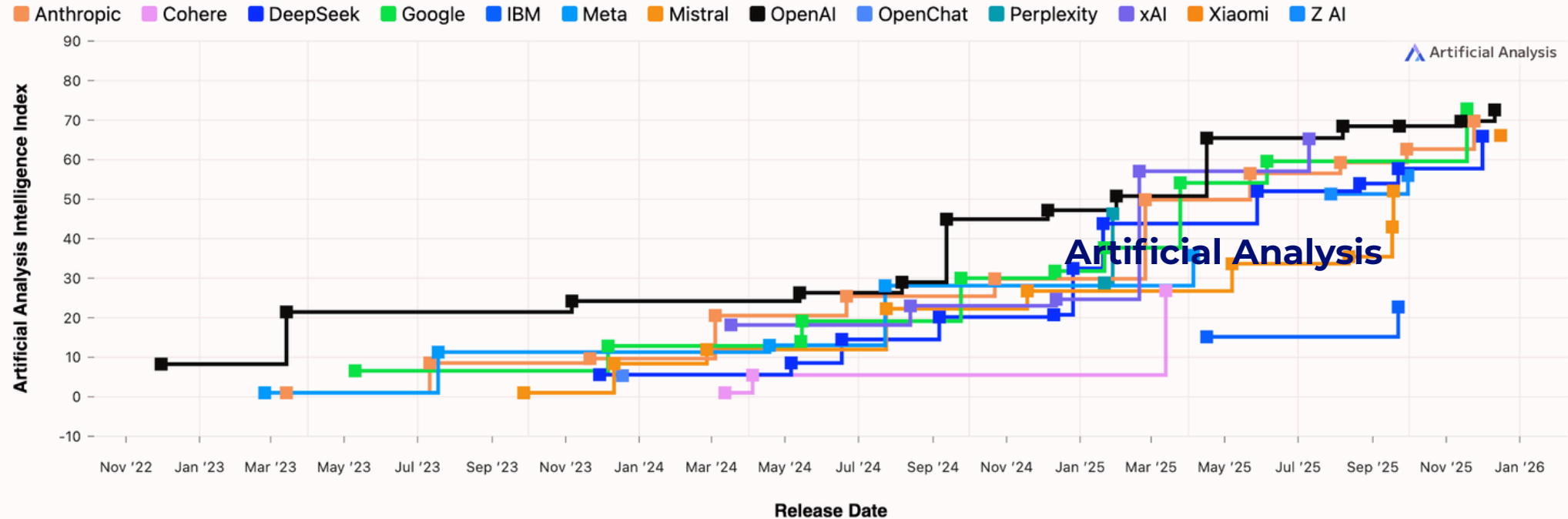
DeepSeek v3.2

66

FRONTIER LANGUAGE MODEL INTELLIGENCE, OVER TIME

Frontier Language Model Intelligence, Over Time

Artificial Analysis Intelligence Index v3.0 incorporates 10 evaluations: MMLU-Pro, GPQA Diamond, Humanity's Last Exam, LiveCodeBench, SciCode, AIME 2025, IFBench, AA-LCR, Terminal-Bench Hard, τ^2 -Bench Telecom



Artificial Analysis Intelligence Index

OVERALL LEADERS

73

Gemini 2.0 Pro & GPT-4.5-2 tied at the top of Intelligence Index

OPEN VS PROPRIETARY GAP

6 pts

First open weights model (MMo v2) at rank 9. Top 8 = all proprietary

REASONING DOMINANCE

9/10

Top 10 models are reasoning-based. First non-reasoning at rank 12

CODING INDEX

1.

Gemini 3 Pro

62
2.

GPT-5.2 (xhigh)

62
3.

Claude Opus 4.5

60
4.

Gemini 3 Flash

59
5.

GPT-5.1 (high)

58
6.

Gemini 3 Pro (low)

56
7.

DeepSeek v3-2 Speciale

55
8.

Grok 4

55
9.

GPT-5 Codex (high)

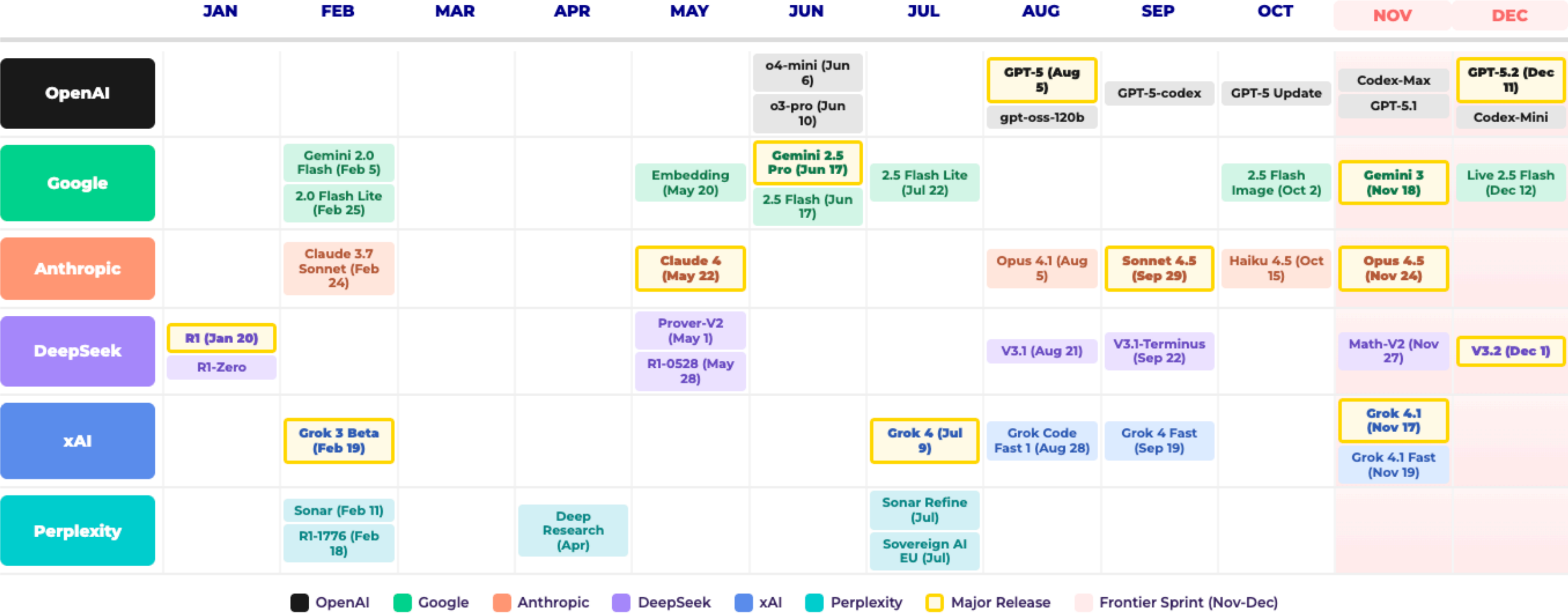
53
10.

Claude Opus 4.5

53

WHO RELEASED WHAT?

Progress this year wasn't linear. It came in bursts.



Techletter Take: 2025 was the year AI went from "impressive" to "indispensable." DeepSeek kicked off January with R1, proving open-weights could compete. By May, Claude 4 arrived. August brought GPT-5. But the real story? November's "25-Day Frontier Sprint"—Grok 4.1 (Nov 17), Gemini 3 (Nov 18), Claude Opus 4.5 (Nov 24), and GPT-5.1 back-to-back. December added GPT-5.2 and DeepSeek V3.2. Result: 6 labs, 50+ releases, and intelligence scores converging at 73. The gap between leaders collapsed. The frontier is now a crowded room.

THE CHAMPIONS

So who actually won 2025?

Category	ChatGPT	Claude	Gemini	Perplexity	DeepSeek
User Volume	★★★★★	★☆☆☆☆	★★★★★	★★★☆☆	★★★★★ (APIs)
Engagement	★★★★★	★★★★★	★★★★★	★★★★★	N/A
Enterprise Adoption	★★★★★	★★★★★	★★★★★	★★★☆☆	★★★★★
Capability	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★
Valuation Growth	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★
Geographic Reach	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★
Search Disruption	★★★★★	★☆☆☆☆	★★★★★ (AIO)	★★★★★	★★★★★
Trust/Safety	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★

VOLUME LEADER
ChatGPT
800M users, 60% market share

ENGAGEMENT LEADER
Claude
26.98% bounce rate, 4.26 pages/visit

GROWTH LEADER
Anthropic + Perplexity
5.7x valuation (8 mo) | +20% MoM

SEARCH DISRUPTOR
Perplexity
Citation-rich, growing fastest

COST LEADER
DeepSeek-R1
Open-source, free/cheap

ECOSYSTEM LEADER
Google Gemini
Integrated: Search, Android, Workspace

SAFETY LEADER
Claude
Lowest sycophancy, highest trust scores

The Great AI Talent War

Behind every model advantage sits a human one.



WINNERS V. LOSERS

WINNERS

Meta MSL

Wang, Friedman, Gross + OpenAI reasoning team

Microsoft AI

24+ DeepMind researchers + Inflection core team

Thinking Machines

Muratlı's \$2B seed → targeting \$50B valuation

Anysphere (Cursor)

Poached Anthropic's Claude Code leadership

LOSERS

OpenAI

~20 departed: Muratlı, Zhao, Yu, Bi, Ren, Bansal...

Google DeepMind

24+ to Microsoft, Subramanya → Apple

Apple

Lost Ruoming Pang (\$200M+ to Meta)

Anthropic

Lost Claude Code leads to Cursor

THE COMPENSATION ARMS RACE

Meta MSL Top Packages

4-year total compensation for star researchers

\$300M

Meta Signing Bonuses

Reported for key hires (e.g. Ruoming Pang from Apple)

\$100M+

OpenAI Stock-Based Comp

48% of projected revenue allocated to equity

\$60B

OpenAI Retention Bonuses

Annual bonus for key talent

\$2M+/yr

Google Acquire Deals

Character.AI (\$2.7B) + Windsurf (\$2.4B)

\$5.1B

Microsoft (Mustafa Suleyman)

"We don't play that game" — Lean elite teams, not bidding wars

Selective

Brains on the Move

OPENAI: THE GREAT EXODUS

LEADERSHIP DEPARTURES

Mira Murati (CTO)

→ Founded Thinking Machines Lab (CEO) — \$2B seed, targeting \$50B

Hannah Wong (CCO)

→ Stepped down after ~1 year (late 2025)

→ META SUPERINTELLIGENCE (6 CONFIRMED)

Shengjia Zhao

Senior researcher, GPT-4 / o-series synthetic data

Jiahui Yu

Multimodal / perception researcher (GPT-4o)

Shuchao Bi + Hongyu Ren

Research staff (o-series voice + reasoning)

Trapit Bansal + Jason Wei + Hyung Won Chung

Reasoning model specialists — "Reasoning Dream Team"

NEW HIRES 2025 (INFRASTRUCTURE PIVOT)

Sébastien Bubeck (Microsoft) + Angela Fan (Meta)

Phi models creator + Frontier model training

David Lau (Tesla) + xAI engineers

VP Software + Udaya Ruddaraju, Mike Dalton

MICROSOFT AI

INFLECTION CORE TEAM (2024 → SHAPES 2025)

Mustafa Suleyman

DeepMind co-founder → CEO of Microsoft AI

Karén Simonyan + Jordan Hoffmann

DeepMind → Chief Scientist + Research

FROM DEEPMIND (2025)

Amar Subramanya

VP Engineering Gemini (16 yrs Google) → MSFT → Apple (Dec 2025)

Adam Sadovsky, Sonal Gupta, Tim Frank

Senior engineers, directors, product managers

Dominic King, Christopher Kelly + 18 more

Research scientists — "Two dozen" confirmed by CNBC

GOOGLE DEEPMIND

ARRIVALS (ACQUIHIRES + BOOMERANGS)

Noam Shazeer (Character.AI)

Boomerang — \$2.7B deal — Now VP Engineering, Gemini co-lead

Varun Mohan + Douglas Chen (Windsurf)

CEO + co-founder + core R&D team — \$2.4B licensing deal

Aaron Saunders

Boston Dynamics CTO (23 yrs) → VP Hardware, robotics brain

DEPARTURES

Amar Subramanya (VP Eng Gemini)

16 yrs Google → Microsoft AI → Apple AI Lead (Dec 2025)

24+ researchers → Microsoft AI

Major brain drain to Mustafa Suleyman's team

ANTHROPIC → ANYSPHERE (CURSOR)

Boris Cherny

Claude Code engineering lead → Chief Architect & Head of Eng

Catherine Wu

Claude Code product lead → Head of Product

NEW LEADERSHIP

Alexandr Wang
Scale AI CEO → MSL Division Lead (Meta acquired 49% stake in Scale)

Nat Friedman
Ex-GitHub CEO → Co-lead MSL (left NFDG ventures)

Daniel Gross
SSI co-founder → Joined Meta for long-term AGI work

FROM OPENAI (JUNE-JULY 2025)

Shengjia Zhao
GPT-4 / o-series synthetic data lead → Senior Research Leader

Jiahui Yu
GPT-4o creator, multimodal/vision researcher

Shuchao Bi + Hongyu Ren
GPT-o voice systems + o1-mini, o3-mini co-creator

Jason Wei + Hyung Won Chung
o3 specialist + o1 reasoning lead — "Reasoning Dream Team"

FROM GOOGLE / APPLE

Lucas Beyer, Alexander Kolesnikov, Xiaohua Zhai
DeepMind computer vision researchers

Ruoming Pang
Apple Distinguished AI Engineer

\$200M+

Who Gets the People, Wins the Models?

(we will see)



THE 2025 AI TOOL EXPLOSION

8

Categories Transformed

24+

Tools That Went Mainstream

3

Coding Tools Dominating

Multi-Agent

Stacks Became Standard



CODING

Cursor

AI-first code editor, became default for devs

HOT

Replit Agent

Full-stack app generation from prompts

HOT

v0 (Vercel)

UI generation from text descriptions

HOT



RAG & DATA INFRA

Pinecone

Vector database, major 2025 upgrades

UPGRADED

Weaviate

Open-source vector search engine

UPGRADED

ChromaDB

Embedding database for AI apps

UPGRADED



AGENT ORCHESTRATION

LangGraph

Multi-agent workflow graphs

MAINSTREAM

CrewAI

Role-based agent collaboration

MAINSTREAM

AutoGen (Microsoft)

Multi-agent conversation framework

MAINSTREAM



PRODUCTIVITY

Notion AI

Docs, wikis, project management + AI

EXPANDED

Microsoft 365 Copilot

Office suite AI integration

EXPANDED

Google Workspace AI

Docs, Sheets, Gmail AI features

EXPANDED



DESIGN

Canva AI

Magic Studio, text-to-image, video

EXPANDED

Adobe Firefly

Generative AI across Creative Cloud

EXPANDED

Figma AI

Design generation and automation

EXPANDED



FINANCE

BloombergGPT

Finance-specific LLM for markets

EXPANDED

AlphaSense

AI-powered market intelligence

UPGRADED

Kensho (S&P)

Financial analytics and NLP

UPGRADED



SECURITY

Darktrace

AI-powered threat detection

EXPANDED

CrowdStrike Falcon

AI endpoint protection

EXPANDED

Microsoft Security Copilot

AI for security operations

EXPANDED



RESEARCH

Elicit

AI research assistant for papers

EXPANDED

Consensus

AI-powered academic search

EXPANDED

Scite

Citation analysis with AI

EXPANDED

Techletter Take: The 2025 AI tool explosion signals fragmentation, not maturity. As barriers to building fall, tools multiply faster than organizations can absorb them. What appears as choice often turns into cognitive overload. Teams experiment widely while governance remains narrow. The result shows up as tool sprawl without ownership, overlapping capabilities without accountability, and automation layered onto processes that were never rethought. In this phase, the real risk lies less in selecting the wrong tool and more in confusing proliferation with progress.

VISUAL INTELLIGENCE IN ACTION

Volume Stats + Model Leaderboards (ELO Scores from Artificial Analysis)

Text to Image Leaderboard

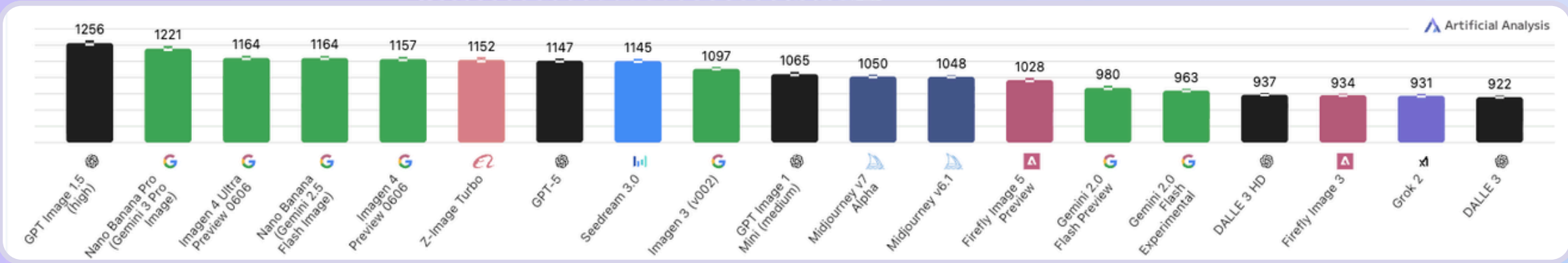


Image Editing Leaderboard



Text to Video Leaderboard



VOLUME STATS

AI Images / Day	34M
Total Since 2022	15B
Stable Diffusion Based	80%
Adobe Firefly (since 2023)	7B

Photography took 149 years to reach similar volume

After text and code, intelligence moved into vision

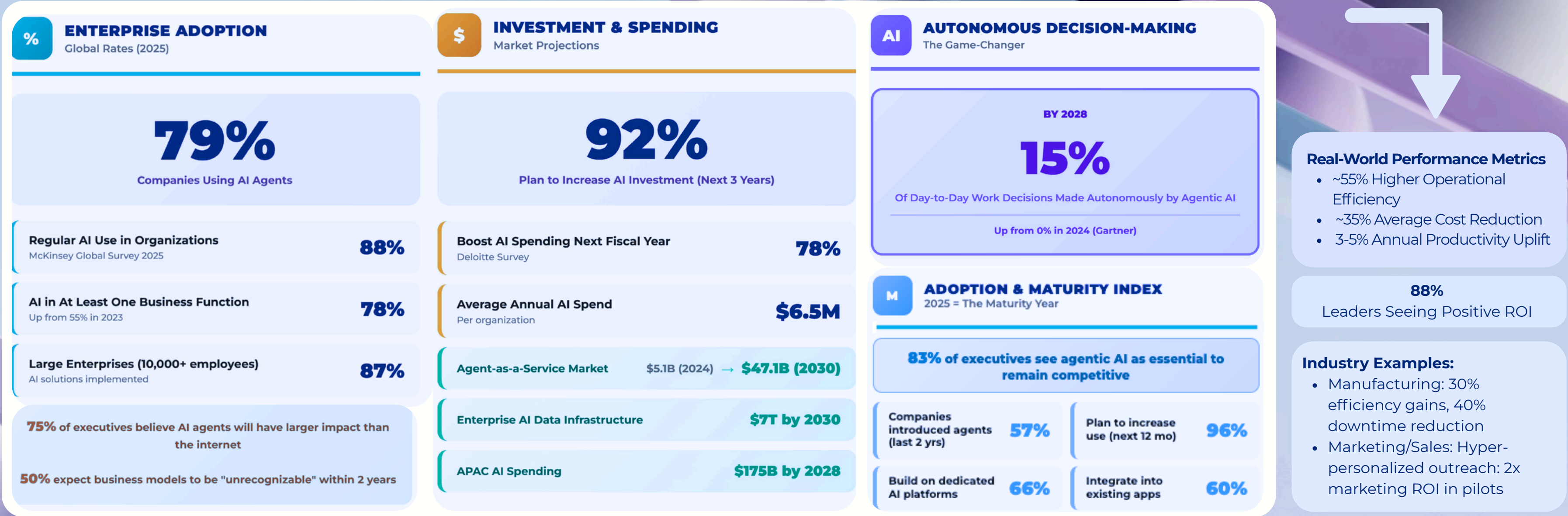
Techletter Take: The surge in visual generation isn't just changing how images are made; it's destabilizing what images mean. As creation becomes frictionless, authorship blurs, ownership weakens, and trust shifts from evidence to provenance. Copyright frameworks struggle to keep up with machine-scale cultural reproduction, while deepfakes quietly reverse a long-held assumption: that images prove reality. At the same time, brands face a different risk. When everyone can generate visuals, aesthetics stop differentiating. Coherence, attribution, and traceability become the real signals of value. In 2025, the core challenge isn't visual abundance. It's governing meaning at scale.

THE AGENT TURN

As the industry consolidates around a small number of platforms, competition shifts away from raw capability. What matters next is not who generates better outputs, but who can move work forward. This is where the conversation leaves generative AI and enters the age of agents.

AI Agents: Global Adoption

The next shift isn't smarter models. It's delegated decisions.



AI Agents: The Ecosystem

STK ORCHESTRATION PLATFORMS The Agent Stack (2023-2025)

EARLY FRAMEWORKS

AutoGPT

BabyAGI

ORCHESTRATION

LangChain

LlamaIndex

CrewAI

LangGraph

HOSTED STUDIOS

Microsoft Copilot Studio

Vertex AI Agent Builder

OPEN PROTOCOLS

Anthropic MCP

Google A2A

Multi-Step
Reasoning

Tool / API Use

Memory /
Context

Self-Correction

Human-in-
Loop



WWW BROWSER BECOMES AGENT AI-First Browsers & Assistants

Arc / Arc Search

AI-heavy browser with Arc Max

Brave Leo

Privacy-first AI assistant

Opera Aria

Agentic tab management

Perplexity Comet

Browser built around AI

Edge + Copilot

Microsoft AI integration

ChatGPT Search

OpenAI web search

From "AI-assisted browsing" → "Browser as autonomous agent"



4.4x AI SEARCH DISRUPTION Semrush AI Search Study (2025)

Search
& Click
Traditional



Ask
& Get
LLM
Answer



Agent
Does It
Autonomous

4.4x AI search visitors more valuable than traditional organic (conversion rate)

*new ecosystem
comes with new terms/fields/jobs*



GEO GENERATIVE ENGINE OPTIMIZATION The New SEO

What is GEO?

Optimizing content and APIs so LLMs can understand, retrieve, and cite them.

Why It Matters

As users shift to AI answers, visibility in LLM outputs becomes critical for traffic.

Enterprise AIO Adoption

AI-powered optimization tools adoption accelerating rapidly.

AI Agent Evolution

L1

Single Agent

One AI answers questions, generates content, provides assistance

2024

ChatGPT

Claude

Gemini

OCCURRED

Mainstream adoption

L2

Tool-Using Agent

Agents use external tools: browse web, write code, control computers

2025

Claude Computer Use

ChatGPT Search

Code Execution

ACTIVE

Standard by 2025

L3

Multi-Agent Systems

Multiple agents coordinate, delegate tasks, collaborate on workflows

Late
2025

CrewAI (150+ customers)

AutoGen

LangGraph

PILOTS ACTIVE

100k+ daily executions

L4

Autonomous Ecosystems

Agents orchestrate business processes with selective autonomy within governance

2026+

MCP Protocol

A2A Standard

Agent-as-a-Service

EMERGING

\$5.1B → \$47.1B by 2030

KEY CHALLENGES

What's Holding Agents Back

1. Reliability & Hallucination Risk
2. Security Vulnerabilities
3. Governance & Compliance Gap
4. Trust Deficit
5. Integration & Orchestration Complexity
6. Unpredictable Costs
7. Bias & Ethical Concerns
8. Concept Drift & Maintenance
9. Overhyped Capabilities
10. Infrastructure Constraints

THE DARK SIDE

As AI adoption spreads across organizations, usage alone stops being a meaningful signal of progress. Systems scale faster than oversight, and responsibility diffuses as more decisions are automated. Stakeholders sense this gap. Concerns around control, accountability, and unintended impact grow not because AI is failing, but because it is working at scale.

What Keeps Stakeholders Up at Night

Every automation layer creates a new surface for failure.

1.5-1.8B

People Have Used AI Tools Globally

500-600M

Daily Active AI Users

95%

GenAI Pilots Fail (MIT)

79%

Companies Using AI Agents

Parents

Child safety & AI-generated CSAM risks

Deepfake exposure & predatory use

Screen time & mental health impact

Misinformation susceptibility

Education quality degradation

Schools

Academic integrity under severe pressure

Critical thinking degradation

AI detection tools unreliable

Policy enforcement lagging behind usage

Ethics guidelines still developing

Business

IP theft & data leakage risks

Hallucinations & reliability issues

ROI pressure & measurement gaps

Vendor lock-in & compliance gaps

95% GenAI pilots fail to deliver measurable impact (MIT)

Regulators

Monopoly concentration & gatekeeping

Labor displacement at scale

Bias amplification at scale

Deepfakes & election interference

National security implications

TechLetter Take: Every stakeholder has different fears, but they're all valid. Parents worry about child safety and deepfakes. Schools are drowning in AI-enabled cheating with unreliable detection tools. Business leaders see 95% pilot failure rates and struggle with ROI. Regulators are racing to address monopoly power, labor displacement, and election interference. The common thread: technology is moving faster than our ability to understand, govern, or trust it.

AI INCIDENTS

+56.4%

Increase Over 2023
(149 incidents)

1,116+

Incident IDs Logged
(Through June 2025)

100+

New Incidents (Aug-
Oct 2025)

300+

Expected Total for
2025

Major Incident Categories

Autonomous Vehicles

- Tesla FSD crashes → massive recall & DOJ probes. Waymo: 1,200+ vehicle recall.

Healthcare & Insurance AI

- Health insurance algorithms denying care at 1 claim/second rate. Medical AI misdiagnoses and treatment recommendation errors.

Misinformation & Deepfakes

- AI fake videos after Air India crash (June 2025).

Infrastructure & IoT

- AWS outage → connected mattresses overheated. Automated detection errors triggering false police responses.

Financial/Market Impacts

- Single hallucinated chatbot answer erased \$100B in shareholder value within hours.

Enterprise AI Failures

- Unsafe decision automation, data privacy breaches, bias in hiring/lending algorithms.

2025 Implications

For Enterprise

- 233 incidents in 2024 → expect 300+ in 2025. Risk management must become proactive, not reactive. Insurance, legal, compliance costs rising.

For Regulation

- Governments showing urgency (OECD, EU, UN frameworks). Mandatory incident reporting likely coming (like aviation). Standardized safety benchmarks emerging.

For Investors

- AI safety/security startups gaining traction (\$20-30B funding). Companies with poor safety records facing regulatory backlash.

The Pattern

- Deployment before understanding. More AI = more incidents. No industry immune. "Move fast and break things" era ending.

Safety Benchmarks Emerging

- HELM Safety, AIR-Bench, Aviation-style incident tracking helping—but prevention still lagging

The Governance Gap: Incidents rising sharply, yet standardized Responsible AI evaluations remain rare among major model developers

AI Enters Public Authority

Courts begin to question evidence generated by machines. Regulators shift from guidance to enforcement. Governments respond unevenly, shaped by legal tradition, political risk tolerance, and institutional capacity. What emerges is not a single global approach, but a fragmented map of control, caution, and power. The growing concerns around AI in public authority are not speculative. They reflect a real tension between system scale and the institutions expected to govern it.

Europe Chooses Enforcement Over Speed

Feb 2025

Guidelines on Prohibited AI Practices

Commission Guidelines on AI System Definition

Apr/Oct 2025

Guidelines for GPAI Providers

Aug 2025

AI Board created

EU AI Office established

Oct 2025

Apply AI Strategy

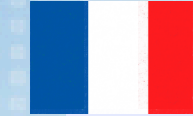
AI in Science Strategy

Nov 2025

EU Digital Omnibus Proposal



- "EU Plus" National AI Law – Italy enacted additional obligations on top of the EU AI Act baseline, creating stricter national standards for AI deployment in specific sectors.
- Rationale: Adding protective safeguards beyond EU minimums; expected to influence enforcement expectations across Member States.



- CNIL AI Guidance – Data protection authority issued guidance on GPAI compliance, risk assessments, and copyright protection integration with GDPR.
- Enforcement focus: Overlap of AI Act with data-protection law; CNIL actively investigating ChatGPT and Mistral on training data transparency



- BSI (Bundesamt für Sicherheit in der Informationstechnik) AI Standards – German federal cybersecurity authority issued guidance on AI security, incident reporting, and supply-chain risk management for systemic-risk GPAI models.
- Emphasis: Security and robustness testing for high-stakes AI use in critical infrastructure.



- AEPD (Agencia Española de Protección de Datos) AI Guidance – Spanish data authority issued similar guidance emphasizing risk-based assessments and human-rights safeguards.

Implementation Status:

- Only 3 Member States fully designated competent authorities; ~14 still pending (uneven enforcement landscape).
- Regulatory sandboxes launching nationally and EU-wide to enable innovation within guardrails.

Enforcement & Litigation Trends:

- Copyright and fairness cases at CJEU level on AI-generated content.
- Data protection authorities (France, Spain, Germany) investigating GPAI models on training data transparency.
- Italy, Germany, France signaling combined enforcement (AI Act + copyright + data protection + product liability).

JANUARY - FEBRUARY - MARCH

- [Jan 20 – Trump Revokes Biden AI Executive Order 14110](#)
- [Jan 21 – Project Stargate Announced \(\\$500B AI infrastructure JV\)](#)
- [Feb 6 – No DeepSeek on Gov Devices Act](#)
- [Feb 6 – White House Requests AI Action Plan Input \(OSTP RFI\)](#)
- [Feb 11 – US & UK Abstain from Paris AI Statement](#)
- [Mar 25 – Leveraging AI to Streamline Federal Regulations Act Introduced](#)
- [Mar 31 – CREATE AI Act Reintroduced](#)

APRIL - MAY

- [Apr 2 – House Judiciary Hearing on AI Innovation & Competition](#)
- [Apr 3 – OMB Memorandum M-25-21 on Federal AI Use](#)
- [Apr 9 – NO FAKES Act Reintroduced](#)
- [Apr 23 – Executive Order to Advance AI Education](#)
- [Apr 28 – Take It Down Act Passes House](#)
- [May 12 – Trump Administration Officially Rescinds Biden’s AI Diffusion Rules \(DOC\)](#)
- [May 23 – Trump Signs Executive Orders on Nuclear Energy Supporting AI Infrastructure](#)

THE US IN ACTION

US scores **100** in scale and **72.61** in intensity, for an overall score of **100.00**



For a deeper breakdown of how these moves fit into the broader U.S. strategy, you can read my full analysis of [America's AI Action Plan here](#).

JUNE - JULY - AUGUST

- [Jun 3 – US AI Safety Institute Rebranded to CAISI](#)
- [Jun 5 – Senate Proposes Alternative to AI Moratorium in “Big Beautiful Bill”](#)
- [Jun 6 – AI Training Extension Act Reintroduced](#)
- [Jun 11 – White House AI Czar Warns Against Overregulating AI](#)
- [Jun 12 – RISE Act Introduced](#)
- [Jun 12 – Bill to Bar DoD Software Source Code Contracts with China-Linked Entities Introduced](#)
- [Jun 18 – Preventing Deep Fake Scams Act Introduced](#)
- [Jun 25 – No Adversarial AI Act Introduced \(Ban Chinese/Russian/Iranian/NK Models in Agencies\)](#)
- [Jul 1 – Senate Votes 99–1 to Strike Federal Ban on State AI Regulation from Budget Bill](#)
- [Jul 15 – Trump Announces \\$90B AI & Energy Investment \(Google, Blackstone, CoreWeave\)](#)
- [Jul 21 – Reports Trump to Sign Three AI-Focused Executive Orders Before AI Action Plan](#)
- [Jul 23 – US AI Action Plan Unveiled \(90+ Federal Actions\)](#)
- [Jul 24 – TRAIN Act Reintroduced](#)
- [Aug 5 – House Bill to Codify “Anti-Woke AI” Executive Order 14319 Introduced](#)

Positioning, Not Regulation

SEPTEMBER- OCTOBER



Techletter Take: These bills are not meant to regulate AI in a coherent way. They are positioning moves. Some target voters, not models. Child safety, parental control, and AI companions are political signaling tools. They frame AI as a moral threat to justify control without touching core economic interests.

- [Sep 4 – CHAT Act Introduced \(Children Harmed by AI Technology – Age Verification\)](#)
- [Sep 5 – Trump Hosts Tech CEO Roundtable on AI Policy](#)
- [Sep 10 – AISANDBOX Act Introduced](#)
- [Sep 30 – AI LEAD Act Introduced](#)
- [Oct 28 – GUARD Act Introduced \(Ban AI Companions for Minors, Disclosure Rules\)](#)
- [Oct 28 – LIFE with AI Act Introduced \(Parent-Centered K-12 AI Framework\)](#)
- [Oct 30 – GAIN AI Act introduced](#)

NOVEMBER - DECEMBER

- [Nov 5 – AI-Related Job Impacts Clarity Act Announced](#)
- [Nov 19 – Advanced Artificial Intelligence Security Readiness Act Introduced](#)
- [Dec 2 – AI Civil Rights Act Reintroduced](#)
- [Dec 9 – Trump Announces “ONE RULE” National AI Framework in Truth Social Post](#)
- [Dec 9 – Digital Trade Promotion Act Introduced](#)
- [Dec 10 – AI Talent Act Introduced \(Federal AI Hiring & Retention\)](#)
- [Dec 15 – OPM Launches US Tech Force](#)
- [Dec 17 – States’ Right to Regulate AI Act Introduced \(Counter-EO, SB 3557\)](#)
- [Dec 19 – TRUMP AMERICA AI Act Introduced](#)

Others target economic power. Job impact bills, talent acts, and workforce programs are about protecting competitiveness, not workers. The goal is to keep AI capacity domestic and scalable. Security-focused bills are about state control, not safety. “Readiness” and “deepfake prevention” are entry points for expanding federal authority over AI infrastructure and data flows. The “ONE RULE” narrative is not a framework. It is a preemptive strike against state-level regulation. Centralize power first. Define rules later. Taken together, these moves delay real accountability while locking in leverage. AI is not being governed, and there is no intention to do so. It is being claimed.

China's AI Governance Logic

China scores **57.21** in scale and **33.09** in intensity, for an overall score of **53.88**



2025

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TECHNOLOGY | ARTIFICIAL INTELLIGENCE

China Is Worried AI Threatens Party Rule—and Is Trying to Tame It

Beijing is enforcing tough rules to ensure chatbots don't misbehave, while hoping its models stay competitive with the U.S.

By Stu Woo [Follow](#)

Dec. 23, 2025 11:00 pm ET

Big AI Lobbyists: If the US regulates AI, China won't
Meanwhile, in China: "Concerned that AI could
threaten CCP rule, Beijing is taking extraordinary
steps to keep it under control."

x: @AISafetyMemes

- Jan 1 – [Network Data Security Management Regulations \(Data Localization & Transfer Rules\)](#).
- Feb 11 - [Statement on Inclusive and Sustainable Artificial Intelligence for People and the Planet signed at AI Action Summit in Paris](#)
- Mar 7 – [Measures for Labelling AI-Generated Content \(Mandatory AIGC Labeling\)](#).
- Mar 21 - [CAC issues Security Management Measures for Facial Recognition Technology Applications](#)
- Jul 26 – [Global AI Governance Action Plan Unveiled \(13-Point Roadmap, WAIC Shanghai\)](#).
- Jul 26 – [Global AI Cooperation Organization Proposed \(Shanghai Headquarters\)](#).
- Sep 1 – [GB 45438-2025 Takes Effect \(Mandatory AIGC Detection & Watermarking Standard\)](#).
- Sep 15 - [New AI Safety Governance Framework Unveiled](#)
- Oct 28 - [China Approves Amendment to Cybersecurity Law](#)

In 2025, regulatory guidance clarified that AIGC labeling and security standards are mandatory not only for private platforms but also for state-affiliated media, public platforms, and government service apps. These same 2025 tech-regulation assessments describe China's use of AI in public services and the propaganda/media ecosystem as tightly supervised within a model of content control and national security oversight.

Meanwhile: By late 2025, around 8–10 countries or governments had either fully banned DeepSeek or blocked it on government systems (including Italy, Australia, Taiwan, South Korea, Germany, the Netherlands, Czech Republic, Belgium and the US federal/state governments).

Light Touch Approach : UK

JANUARY

- [UK adopts AI Opportunities Action Plan](#)
- [UK House of Lords votes to strengthen copyright protections in AI](#)
- [DeepSeek Chinese AI app probed by UK security officials](#)

FEBRUARY:

- [UK government releases AI playbook for government](#)

MARCH:

- [US and UK abstain from signing the Statement on Inclusive and Sustainable Artificial Intelligence for People and the Planet](#)
- [Private member's Artificial Intelligence \(Regulation\) Bill reintroduced to House of Lords](#)

APRIL:

- [UK tech ministry starts building team that could become a “shadow” AI regulator](#)

MAY:

- [Amendment to Data \(Use and Access\) Bill approved in House of Lords](#)
- [UK Prime Minister underscores AI in London Tech Week 2025](#)

JUNE:

- [UK releases Industrial Strategy, covering AI](#)

JULY:

- [UK adopts Compute roadmap, committing £2 billion to AI compute infrastructure](#)

OCTOBER:

- [New blueprint for AI regulation establishing AI Growth Labs announced](#)

NOVEMBER:

- [UK to unveil new law to tackle AI child abuse images at source](#)
- [UK Government announces billions worth of AI investment and thousands of new jobs across UK](#)

DECEMBER:

- [UK and Google DeepMind strike major AI partnership covering science, education, and public services](#)
- [UK Government signals a shift toward a licensing-led copyright framework for AI training](#)



United Kingdom scores **24.19** in scale and **49.09** in intensity, for an overall score of **29.85**



Rishi Sunak was very innovation-driven and AI-native in office, and is now serving as an advisor to Microsoft and Anthropic. Keir Starmer's approach to AI is broadly optimistic but more controlled: he frames AI as “the defining opportunity of our generation” and “an engine of national renewal,” firmly embedding it in his growth strategy. It will be interesting to see how this more guarded, industrial-strategy-first stance shapes the UK's AI trajectory over the coming years.

Techletter Take: The UK's AI regulation stance sits awkwardly between the EU and US: it talks about “pro-innovation, light-touch” rules but still has no binding AI law, only principles and consultations. Compared to the EU's enforceable AI Act and the US's de facto deregulation, this leaves the UK looking more indecisive than strategic—offering neither the legal certainty of Brussels nor the raw upside of Silicon Valley.

An Inflection Point for Türkiye



- [Jan – Parliamentary AI Commission Established](#)
- [Mar 9: Türkiye to unveil AI regulation in 3 months' time \(not happened\)](#)
- [May 15– TÜBİTAK Opens 4th Artificial Intelligence Ecosystem Call](#)
- [Jul 1,– President Erdoğan Announces \\$10B National AI Investment Plan and Data Center Zones](#)
- [Jul 9 – Prosecutors Launch Investigation Into AI App “Grok” Over Harmful Content](#)
- [July, 19 – Vice President Yılmaz and Minister Tekin Present “AI Policy Document in Education \(2025-2029\)”](#)
- [Sep 3 – “Artificial Intelligence Law Draft” Submitted to Parliament \(Halil Öztürk\)](#)
- [Sep 30 – Mid-Term Development Plan Integrates AI as Core Pillar of “Türkiye Century” Vision](#)
- [Oct 28, 2025 – TÜBİTAK Issues “Responsible Use of Generative AI in Research Guidelines”](#)
- [Nov 25 – KVKK Publishes “Generative AI and Personal Data Protection Guide”](#)
- [Dec 25, 2025 – Renaming: National Technology Directorate Becomes National Technology and Artificial Intelligence Directorate](#)
- Throughout 2025 – National Technology Move Expands AI Compute and Cloud Infrastructure
- 2025 – Strategic Targets: 50,000 AI Professionals, 5% of GDP, and Expanded TÜBİTAK AI Labs



Turkey scores **10.13** in scale and **15.92** in intensity, for an overall score of **11.39**

Techletter Take: Türkiye’s AI trajectory in 2025 reflects both opportunity and inflection. The country holds significant human capital and institutional strength, but the key to progress lies in reviving the momentum of its once-vibrant startup ecosystem and making it central to national innovation policy. While efforts to build a sovereign language model signal digital ambition, leveraging partnerships and existing models would deliver faster, more efficient outcomes. Sustainable AI growth will depend on balancing trust with innovation, moving away from overly risk-centric regulation toward frameworks that ensure accountability without curbing experimentation. To unlock real economic value, Türkiye should ease data restrictions, strengthen open collaboration, and align all these steps with its medium-term strategic plans, positioning itself not as a follower but as a regional leader in responsible, business-driven AI development.

Rising Stars



- [Feb 4 – Australia Bans DeepSeek Across All Federal Government Devices](#)
- [Feb 11 – Statement on Inclusive and Sustainable Artificial Intelligence for People and the Planet signed at AI Action Summit in Paris](#)
- [Oct 21 – Australia releases Guidance for AI Adoption](#)
- [Nov 12 – Government Releases AI Plan for Australian Public Sector](#)
- [Nov 25 – Australia to establish AI safety institute](#)
- [Nov 28 – Guidance on AI-generated content released](#)
- [Dec 1-2 – Standalone AI Legislation and Releases National AI Plan Released](#)

Australia scores **13.85** in scale and **37.64** in intensity, for an overall score of **18.50**



- [Feb 2 – Arab League calls for AI regulation framework](#)
- [Apr 14 – Saudi Arabia CST Opens Consultation on Draft Global AI Hub Law](#)
- [Apr 23 – Saudi Arabia and India Sign 100B USD Deal Covering AI and Biotech Startups](#)
- [May 12 – Saudi Crown Prince Launches HUMAIN, PIF-Owned AI Company](#)
- [Aug 3 – SDAIA Releases Report on Agentic AI and National Applications \(including ALLaM Arabic LLM roadmap\)](#)

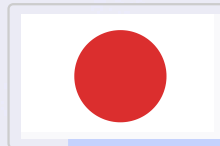
Saudi Arabia scores **17.63** in scale and **29.52** in intensity, for an overall score of **19.91**



- [Feb 2 – Arab League calls for AI regulation framework](#)
- [Feb 7 – UAE to Invest €30-50 Billion in AI Data Centres in France](#)
- [Feb 24 – UAE and Italy sign MoU on data centres and AI](#)
- [Mar 21 – UAE Commits to 10-Year 1.4 Trillion USD US Investment Framework Covering AI and Semiconductors](#)
- [May 4 – UAE Mandates AI Curriculum in Schools \(K-12\)](#)
- [May 21 – UAE Unveils New Arabic-language Models](#)
- [May 22 – UAE Becomes First Country to Offer ChatGPT Plus to All Residents and Citizens \(via Stargate UAE\)](#)
- [Jun 20 – UAE Announces National AI System to Serve as Advisory Cabinet Member from 2026](#)
- [Oct 12 – UAE Unveils AI Policy for National Elections](#)
- [Oct 29 – UAE AI Office And Google Launch AI for All Initiative / UAE AI Office partners with OpenAI to launch Arabic AI Leadership Guide](#)

United Arab Emirates scores **11.23** in scale and **41.5** in intensity, for an overall score of **16.99**

Asia's shift toward hard AI law



Japan scores **18.82** in scale and **24.37** in intensity, for an overall score of **20.31**

- [Jun 21 – AI Safety Institutes Test Google and Mistral AI Models for Language Risks](#)
- [Feb 11 – Japan Sign Council of Europe AI Treaty](#)
- [Feb 28 – Japan Cabinet Approves National AI Bill](#)
- [May 28 – AI Promotion Bill Enacted into Law](#)
- [Sep 19 - Japan to Develop Domestic AI Model with Government Support](#)
- [Oct 31 - Japan AI Safety Institute signs MoC with Anthropic](#)
- [Dec 21 - Japan to support domestic AI development with 1 tril. yen funding](#)
- [Dec 23 – Japan Adopts First Basic Plan on AI](#)



India scores **24** in scale and **18.85** in intensity, for an overall score of **23.82**

- [Jan 6 – US and India Strengthen Strategic Technology Partnership](#)
- [Jan 25 – India and Indonesia sign MOU on digital technology, covering AI](#)
- [Feb 11 – Statement on Inclusive and Sustainable Artificial Intelligence for People and the Planet signed at AI Action Summit in Paris](#)
- [Nov 3 – India to Introduce New AI Law Modelled on IT Act](#)
- [Dec 5 – Artificial Intelligence \(Ethics and Accountability\) Bill Introduced](#)
- [Dec 22 - Regulation of Deepfake Bill Introduced](#)



South Korea scores **21.94** in scale and **45.52** in intensity, for an overall score of **27.26**

- [Jan 21 – AI Basic Act Signed into Law](#)
- [Jul 31 - South Korea increases tax cuts for AI R&D](#)
- [Aug 25 - EU and South Korea Unite on AI and Clean Energy](#)
- [Oct 1 - South Korea and OpenAI Sign AI Collaboration Agreement](#)
- [Nov 27 - South Korea to Ease 67 AI Regulations Across Ministries](#)
- [Dec 15 – South Korea Unveils 98-Point AI Action Plan](#)

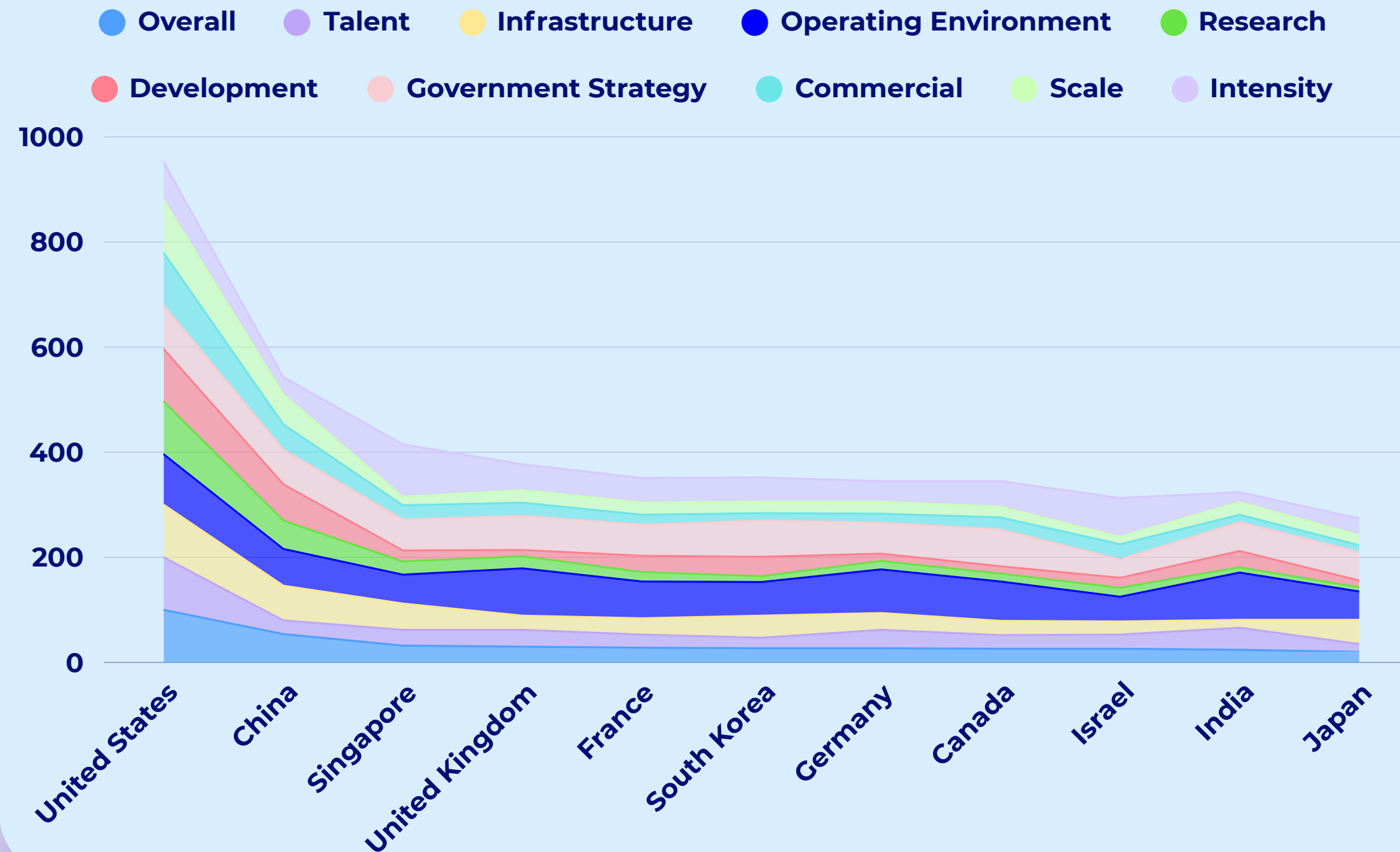


Singapore scores **16.2** in scale and **100** in intensity, for an overall score of **32.33**

- [Feb 11 – Singapore and Japan Release Joint Testing Report for LLM Safety](#)
- [Feb 12 – Singapore Launches Global AI Assurance Pilot](#)
- [May 15 – Government Unveils S\\$150 Million Enterprise Compute Initiative](#)
- [Jul 7 – Singapore Announces Global AI-Assurance Sandbo](#)
- [Oct 28 – Microsoft, Enterprise Singapore and NUS Enterprise Launch Collaboration to Fast-Track 150 AI Startups](#)

Techletter Take: Across Asia, governments are moving from soft guidelines to hard AI laws and funding, with Japan and South Korea now joining the EU in having horizontal AI frameworks. South Korea is positioning itself as an AI powerhouse through a comprehensive AI Basic Act plus massive compute, data-centre and sovereign-model investments, while still promising “flexible” enforcement to protect competitiveness. Japan is trying to balance innovation and risk with a light-touch AI Promotion Act and a national AI basic plan, and is pouring public money into chips, domestic models and safety capacity. In Southeast Asia, Singapore focuses on execution: AI-assurance standards and sandboxes are backed by initiatives like the S\$150 million Enterprise Compute Initiative and broader productivity funds to get tens of thousands of businesses actually using AI.

YOUR TOP AI PERFORMERS



- The table shows that the US still operates in a different league, combining top scores across talent, infrastructure, research, and commercialisation with unmatched scale and intensity.
- China is the only country that comes close on infrastructure and research, but its weaker talent and operating-environment scores underline structural constraints.
- Singapore and the UK illustrate two distinct models of AI strength: Singapore as a hyper-intense but small-scale hub with excellent research-commercial links, and the UK as a broad, well-rounded ecosystem anchored in a strong operating environment and government strategy.
- India and Japan, meanwhile, highlight a key asymmetry: India's high talent but weak infrastructure and commercialization, and Japan's solid infrastructure but lagging research and talent—both will need to close these internal gaps to convert potential into durable AI leadership.

*This is an interactive graph I created. Please click on a country to see the details.

[Tortoisemedia](#)

Roughly 80–100
significant AI lawsuits
worldwide

50+ in US federal courts

15–20 in Europe

Reasons Behind

- **Copyright & IP (largest slice, especially US/EU)**
 - Training on books, news, music, images, video; output copying; trademark and right-of-publicity claims.
- **Bias & discrimination**
 - AI hiring and screening tools allegedly discriminating on the basis of race, age, disability, etc., mostly in US employment cases.
- **Safety & product liability**
 - Autonomous driving / Autopilot crash cases and other AI-driven safety failures.
- **Defamation & false outputs**
 - Lawsuits over chatbots or generative systems inventing harmful false statements about individuals or companies.
- **Securities & consumer class actions**
 - A small but growing set of securities suits over allegedly misleading AI-related claims and consumer protection cases over AI features.

TESTED IN COURTS AND PRACTICE

Verdicts

Developer Wins

- Getty Images v. Stability AI (UK) – Training ruled non-infringing → Stability win
- Kadrey v. Meta (US) – Fair-use ruling favors Meta → Meta momentum
- Ziff Davis v. OpenAI (US) – DMCA claims dismissed → Partial OpenAI win

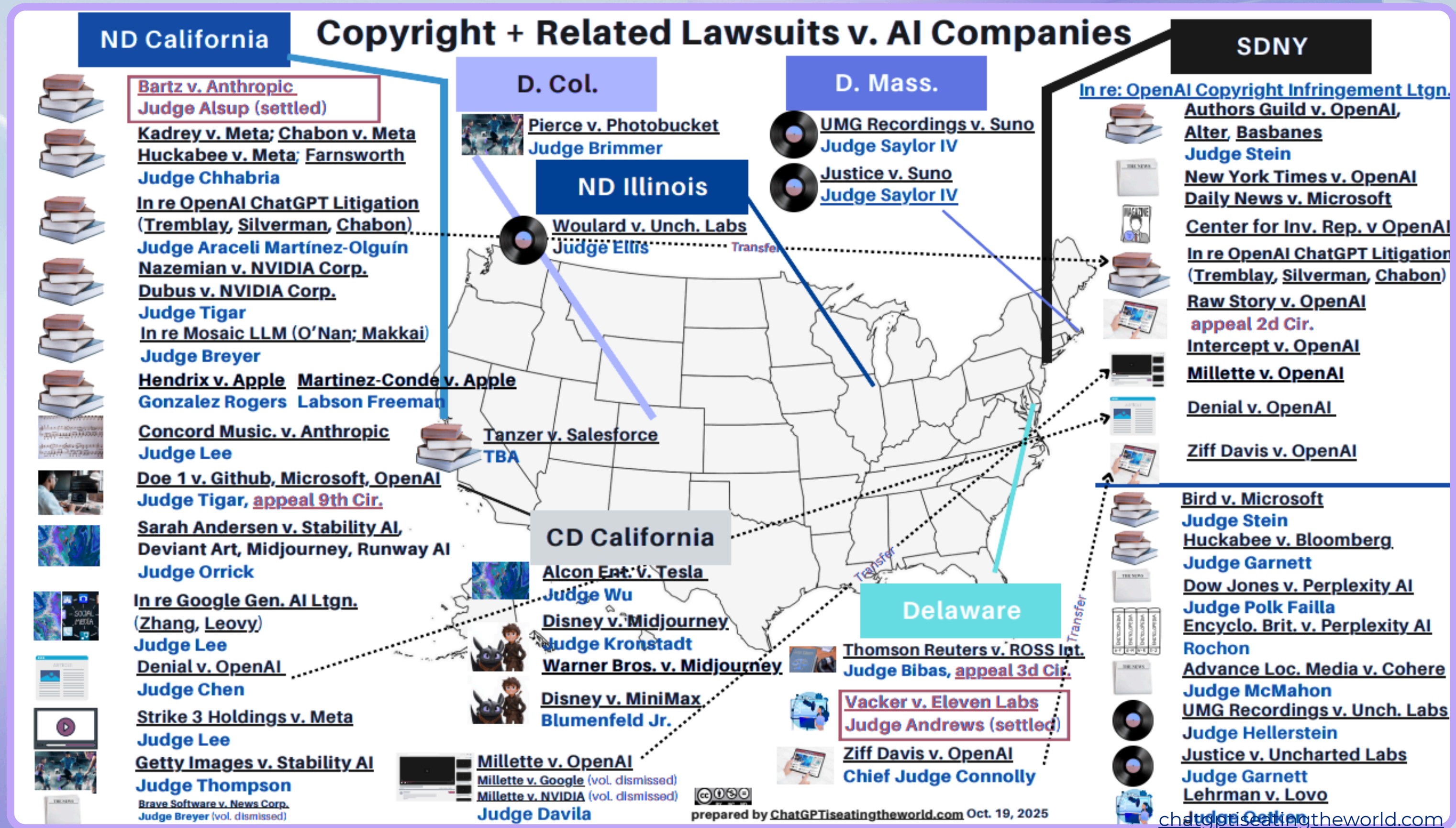
Rightsholder / Plaintiff Wins

- GEMA v. OpenAI (DE) – Memorisation = reproduction → Rightsholder win
- Thomson Reuters v. ROSS (US) – Direct infringement affirmed → Publisher win
- Bartz v. Anthropic (US) – \$1.5B class settlement → Author win
- SafeRent (US) – \$2M algorithmic-bias deal → Bias plaintiffs win

Mixed / Ongoing

- Doe v. GitHub, Raw Story v. OpenAI, parts of SDNY MDL – Appeals, partial dismissals, unresolved

COPYRIGHT ON TRIAL



Looking Ahead

Courts begin to question evidence generated by machines. Regulators shift from guidance to enforcement. Governments respond unevenly, shaped by legal tradition, political risk tolerance, and institutional capacity. What emerges is not a single global approach, but a fragmented map of control, caution, and power. The growing concerns around AI in public authority are not speculative. They reflect a real tension between system scale and the institutions expected to govern it.

THE WORDS WE WILL HEAR MOST

AI Governance

Agent
Orchestration

AI Sovereignty

AI Copilots

AI Watermarking

Large Reasoning
Models (LRMs)

Systemic-risk
Models

Physical AI

Inference
Efficiency

Multimodal Fusion

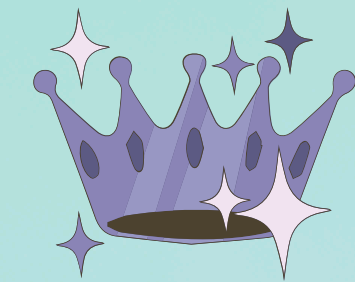
Agentic
Commerce

Edge AI

AI Ops Manager

AI Watermarking

AI SLOP



Agentic AI

PREDICTIONS

1. From hype to evidence

- Stanford researchers describe 2026 as a “moment of truth” where AI moves from promotion to rigorous evaluation, with success judged by accuracy, robustness, cost and impact rather than demos or valuations.

2. Agentic AI and automation deepen

- In workplaces this shows up as “digital workers” handling slices of customer support, coding, operations and back-office workflows, with humans supervising high-risk decisions.

3. Governance and regulation bite

- With the EU AI Act and multiple national AI bills entering enforcement phases, 2026 is the year compliance stops being optional: providers and users must document risks, testing, and safeguards.

4. Sovereign AI and infrastructure race

- Experts expect a surge in AI sovereignty: more countries and large institutions hosting or training their own models and building national or regional AI data-centre capacity.
- Compute, energy and data-centre constraints become key strategic issues; governments push chip initiatives, long-term cloud deals and specialised “AI zones” to secure capacity.

5. Uneven adoption and talent shock

- AI adoption remains highly uneven: leaders that reorganise workflows, incentives and governance around AI see real productivity gains; others remain stuck in pilot mode.

6. Security, authenticity and risk

- Cyber-experts warn that AI will increasingly become the attacker’s operating system, enabling automated reconnaissance, exploit generation and hyper-realistic voice/video impersonation.

7. No AGI yet, but pressure on current models

- Leading researchers do not expect AGI in 2026 and increasingly question whether simply scaling today’s LLM architectures will fix reasoning limits.

[Check for: Forbes Predictions in Business World](#)

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What happens when AI stops being a choice?

***Who sets the limits when systems scale faster
than institutions?***

Are we ready for what we already deployed?

EDITOR'S NOTE



My work on **AI ethics** began nearly **eight years ago**, before generative AI entered mainstream debate. I started writing about **algorithmic power, accountability, and societal impact** when AI was still framed as a technical niche. Over the past **six years**, this expanded into broader technology work, alongside advising organizations on **AI governance, policy and risk**, and delivering trainings on responsible AI frameworks. This background shapes how I approach the field: skeptical of hype and focused on real institutional consequences.

TechLetter is where this approach takes form. With an audience of **over 8,000 readers**, it serves as an independent space for research-driven analysis rather than news. **AI Wrapped 2025** is a direct outcome of this work. **Over the past year, I reviewed more than seventy global reports and consolidated them into a 120-page working document.** As a solo writer and consultant, my method is curatorial and analytical: surfacing the most relevant research, connecting patterns across sources, and adding interpretation grounded in governance and advisory experience.

I hope you find this edition as useful as it was to put together.
For any feedback, please e-mail me: me@nesibekiris.com

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Thank you,

for spending time with this work.

It brings together a year of research, synthesis, and iteration, drawn from more than 70 reports and shaped through a 125-page working document.

This was built slowly, carefully, and independently.

For deeper analysis and more insights, don't miss my weekly newsletter: TechLetter



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