



Meta-Manus Deal Block Highlights China-US AI Rivalry

Description

China has blocked Meta's \$2 billion purchase of Manus, an artificial intelligence startup. Analysts see this as a strong warning for tech entrepreneurs. Duncan Clark, an advisor to Alibaba, stated that this decision signals that if a company starts in China, it must stay there. He described the situation as serious, though it was clear the deal faced difficulties before this move.

The timing is significant, coming just days before Meta's earnings report and before a planned visit by U.S. President Donald Trump to discuss trade and investment with Beijing. The case impacts how businesses manage risks in the ongoing tech competition between the U.S. and China. Chris Pereira from iMPact noted that forming a company in Singapore does not protect against Chinese regulations.

Chinese authorities demanded that parties involved in the deal withdraw after starting an investigation. According to Winston Ma, a professor at NYU, China's concern is ensuring sensitive technologies do not leave the country. Unwinding this deal could be complicated, especially concerning data.

Meta claimed it followed all laws related to the transaction. However, some believe China has little influence over Meta since its platforms are blocked there. Nevertheless, if China disrupts Manus's operations, it could diminish its value to Meta.

In blocking this acquisition, China has applied security measures introduced in 2020, requiring approval for deals affecting national security. This situation indicates a growing divide in the AI sector between China and the U.S., potentially discouraging overseas talent from returning to China.

Vocabulary List:

1. **acquisition** //,æk.wə'zɪʃ.ən// (noun): when one company buys another company
2. **regulations** //,rɛg.jə'leɪ.ʃənz// (noun): official rules made by a government or organization
3. **investigation** //ɪn.vɛs.tə'geɪ.ʃən// (noun): careful search to find facts about something
4. **sensitive** //'sɛn.sɪ.tɪv// (adjective): needing careful handling to avoid harm or exposure
5. **approval** //ə'pru:.vəl// (noun): official permission to allow something to happen
6. **unwinding** //ʌn'waɪn.dɪŋ// (noun): undoing or reversing something that was done

Comprehension Questions



Multiple Choice

1. What was the amount of Meta's blocked purchase of Manus?
 - Option: \$1 billion
 - Option: \$2 billion
 - Option: \$3 billion
 - Option: \$4 billion
2. Who is Duncan Clark?
 - Option: An analyst at Meta
 - Option: An advisor to Alibaba
 - Option: A professor at NYU
 - Option: A tech entrepreneur
3. What does Chris Pereira work for?
 - Option: Alibaba
 - Option: Meta
 - Option: iMPact
 - Option: NYU
4. What is China's concern regarding the acquisition?
 - Option: Economic growth
 - Option: Job creation
 - Option: Sensitive technologies
 - Option: International relations
5. What year were the security measures requiring approval for deals introduced?
 - Option: 2018
 - Option: 2019
 - Option: 2020
 - Option: 2021
6. What type of competition does this case highlight?
 - Option: Sport competition
 - Option: Cultural competition
 - Option: Tech competition
 - Option: Political competition



True-False

7. Meta's purchase of Manus was approved by Chinese authorities.
8. Duncan Clark believes that companies starting in China must stay there.
9. Chris Pereira mentions that forming a company in Singapore protects against Chinese regulations.
10. The deal faced difficulties before China's decision to block it.
11. Meta's platforms are fully operational in China.
12. This situation indicates a unifying trend in the AI sector between China and the U.S.

Gap-Fill

13. China has blocked Meta's \$2 billion purchase of Manus, an artificial intelligence startup _____.
14. According to Duncan Clark, if a company starts in China, it must _____ there.
15. The timing of the decision is significant, coming just days before Meta's earnings _____ and a visit by U.S. President Donald Trump.
16. Chinese authorities demanded that parties involved in the deal _____ after starting an investigation.
17. Meta claimed it followed all laws related to the _____ regarding the acquisition.
18. Blocking the acquisition indicates a growing _____ in the AI sector between China and the U.S.

Answer

Multiple Choice: 1. \$2 billion 2. An advisor to Alibaba 3. iMPact 4. Sensitive technologies 5. 2020 6. Tech competition



True-False: 7. False 8. True 9. False 10. True 11. False 12. False

Gap-Fill: 13. startup 14. stay 15. report 16. withdraw 17. transaction 18. divide

Answer

CATEGORY

1. Business - LEVEL3

POST TAG

1. AI race
2. China
3. ESL learning
4. esl news
5. Level 3
6. Meta-Manus
7. U.S.

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