Opportunities and Risks of Fintech to Economic Welfare

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PART 01

Fintech & Economic Welfare
Fintech & Economic Welfare

Fintech brings many benefits. Some of the benefits can be measured and contributed to IT value.

(1) Fintech empowers conventional banks and reach more clients than ever

✓ JD Finance builds risk control models using more than 600k variables, which are totally different risk control methods than conventional banks.
✓ Supply chain finance and consumer finance can issue loans via mobile phone within just one second.
✓ JD Finance helped 200K SMEs and 400 million users to get more than 500billion RMB loans.
Fintech & Economic Welfare

(2) Fintech can improve the efficiency, reduce the cost, and enable those left behind to catch up.

- Transactions can be conducted more easily than ever
- Make business impossible to possible
Fintech & Economic Welfare

Fintech rebuilds the whole industry. But the increase in GDP will not be reflected as IT value.

1. Pig Face Recognition

Pig face recognition technology gives each pig an ID, enables standardized farming process, and therefore saves $7 per pig. China consumes 700 million pig per year. This is a $5 billion industry helped with fintech.

2. Chicken Farming Industry

Data scientists build risk control model for chicken farming industry. We make sure the interests of the feeder will be only calculated after chicken eat the feeder, which makes the interests of raising a chick to be only less than 6 cent in RMB (less than one cent in US dollar)
PART 02

Big Data & Digital China
We are trying to use big data to solve the puzzle, show the development of digital economy, and find the relationship between digital economy & GDP.

(1) Enterprises don’t have rigorous model. Therefore, we use big data to draw a digital map of China.

- Data Source
- More than 1 billion users’ real time data
- More than 120 variables, which cover all the key factors for each App (transaction amount, transaction frequency etc.)
- More than 170 PB data
Although the model is not theoretically perfect, it shows certain pattern of digital economy.

- Digital world is more skewed than real world
- “IT+” industry is polarized in top cities
Big Data & Digital China

- IT penetration has multiple center effect.
Big Data & Digital China

- Digital world is more skewed than real world

- Guangdong, Zhejiang, Jiangsu, Shandong and Beijing (Top5)

- Guangdong, Zhejiang, Jiangsu (Top3)
### Big Data & Digital China

- **“IT+” industry is polarized in top cities**

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Internet+ Retail</th>
<th>Internet+ Finance</th>
<th>Internet+ Transportation</th>
<th>Internet+ Health Care</th>
<th>Internet+ Education</th>
<th>Internet+ Entertainment</th>
<th>Internet+ Food and Beverage Service</th>
<th>Internet+ Travel</th>
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### Big Data & Digital China

- “IT+” industry is polarized in top cities

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PART 03
The Missing Piece of Puzzle
More indirect links between fintech and social welfare

Many things are missing even if we can use big data to help to draw the picture. There are more indirect links between fintech and social welfare.

(1) Fintech is changing the nature of work

- Crowd funding platform can enable individuals to have their own enterprise, from product producing to financial supports.
- Crowd funding platform can help those individuals with only ideas to get the whole product line and help them to sell the product even before it is produced. By the end of June 2018, JD Finance crowdfunding has helped more than 10,000 innovative startups to obtain much-needed funds and users.
- Crowd funding becomes the first choice of fresh graduates.
More indirect links between fintech and social welfare

(2) Fintech is changing the nature of work

- Data scientist VS. conventional staff
- Job opportunity to woman and disable
- More part time jobs
THANK YOU