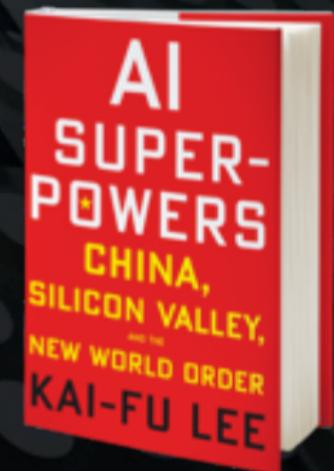


The Era of AI: *The Rise of China &* *The Future of Work*

Dr. Kai-Fu Lee

Chairman & CEO, Sinovation Ventures
wwwaisuperowerscom



Four Waves of Artificial Intelligence Applications

Wave 4: Autonomous AI

2015



Wave 3: Perception AI (digitized physical world)

2011



Wave 2: Business AI

2004



Wave 1: Internet AI

1998



Five Premises of AI



US Leads in AI Science & Top Scientists

Turing Award Recipients in AI



Deep Learning Inventors



Also Silicon Valley Seems to Dominate the World

... in every field

PC: **Wintel**

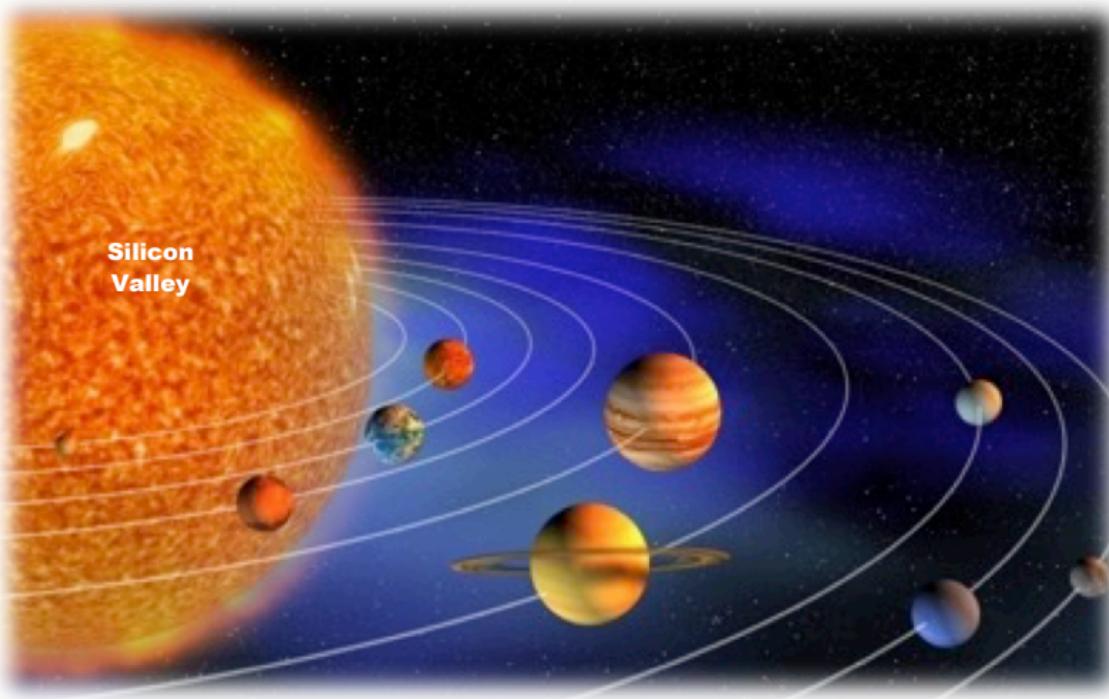
Software: **Oracle**

Portal: **Yahoo**

Search: **Google**

Smart phone: **Apple**

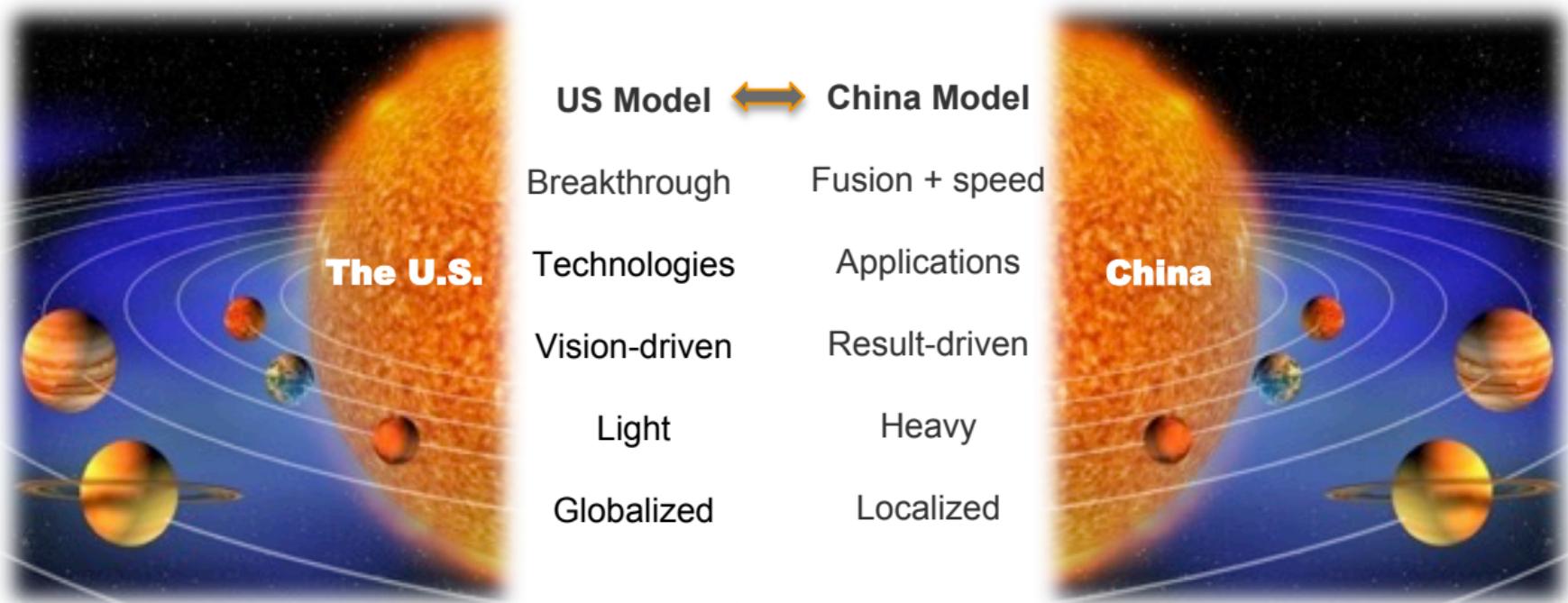
Social: **Facebook**



Until the "Chinese Miracle" in the last 10 years



2018: US & China Have Become Parallel Universes



Advantage 1: Chinese Product Innovation Caught up with US



Advantage 2: Tough Market Begets Tough Entrepreneurs

Gladiator-like
Chinese entrepreneurs



Strong fund raising capability
High competitive barriers

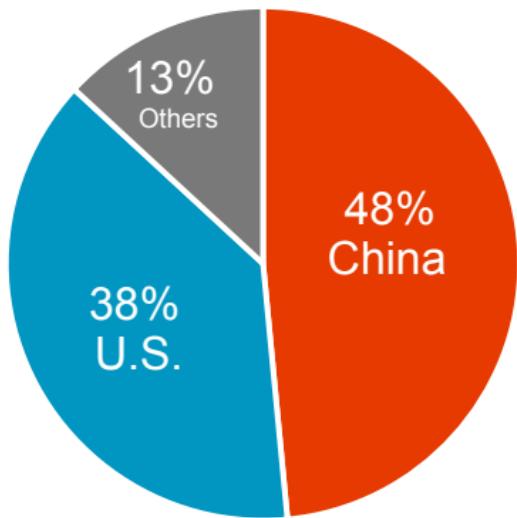


We're only working:

996

Advantage 3: China's AI Capital Leads the World

2017 world-wide AI investments



China-US Top Voice Recognition Company Valuation (in USD billions)



Source: CB Insights 2017 Global Artificial Intelligence Investment

Sinovation Ventures's AI unicorns, total valuation \$21B

BITMAIN4Paradigm
第四范式Face++ 旷视**MOMENTA**

Horizon Robotics

Valued at \$15BnWorld's most profitable
mining machine + AI
chip company**Valued at \$1Bn**China's first AI
unicorn in Fin-Tech**Valued at \$2.2Bn**World's first AI unicorn
in computer vision**Valued at \$1Bn**China's first AI unicorn
in autonomous driving**Valued at \$1.5Bn**China's unicorn in
consumer AI chip

Advantage 4: AI Enters into Era of Implementation

Early Adopter Wide-spread Application



Research Driven

Application Driven



Expert is King

Data is King



Advantage US



Advantage China

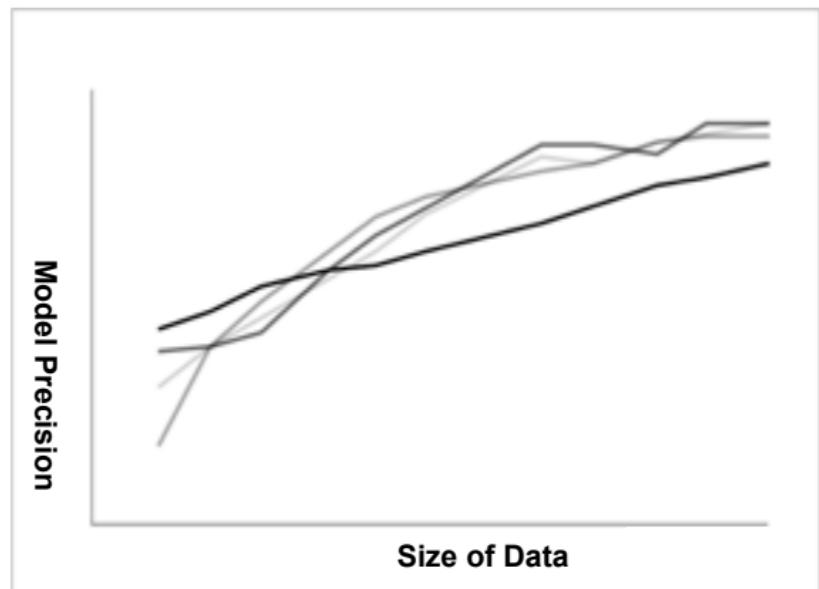


Massive Data is Critical for AI Product Success

Big Market = Big Data = Best AI

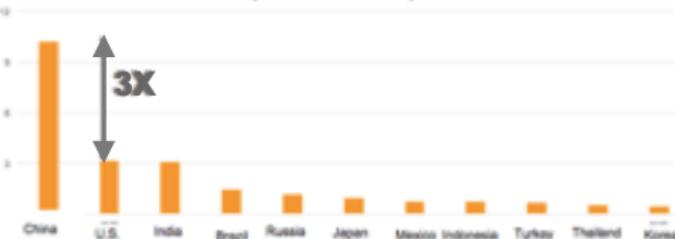


Algorithms are important
Data is even more critical



Advantage 5: China is the Saudi Arabia in Data

Mobile Internet users by country
(100 million)



Mobile Internet, China vs. U.S.
(USD trillion)



Food Delivery, China vs. U.S.
(10,000/day)



Shared bike rides, China vs. U.S.
(million/day)



Advantage 6: Techno-Utilitarian Chinese Policies



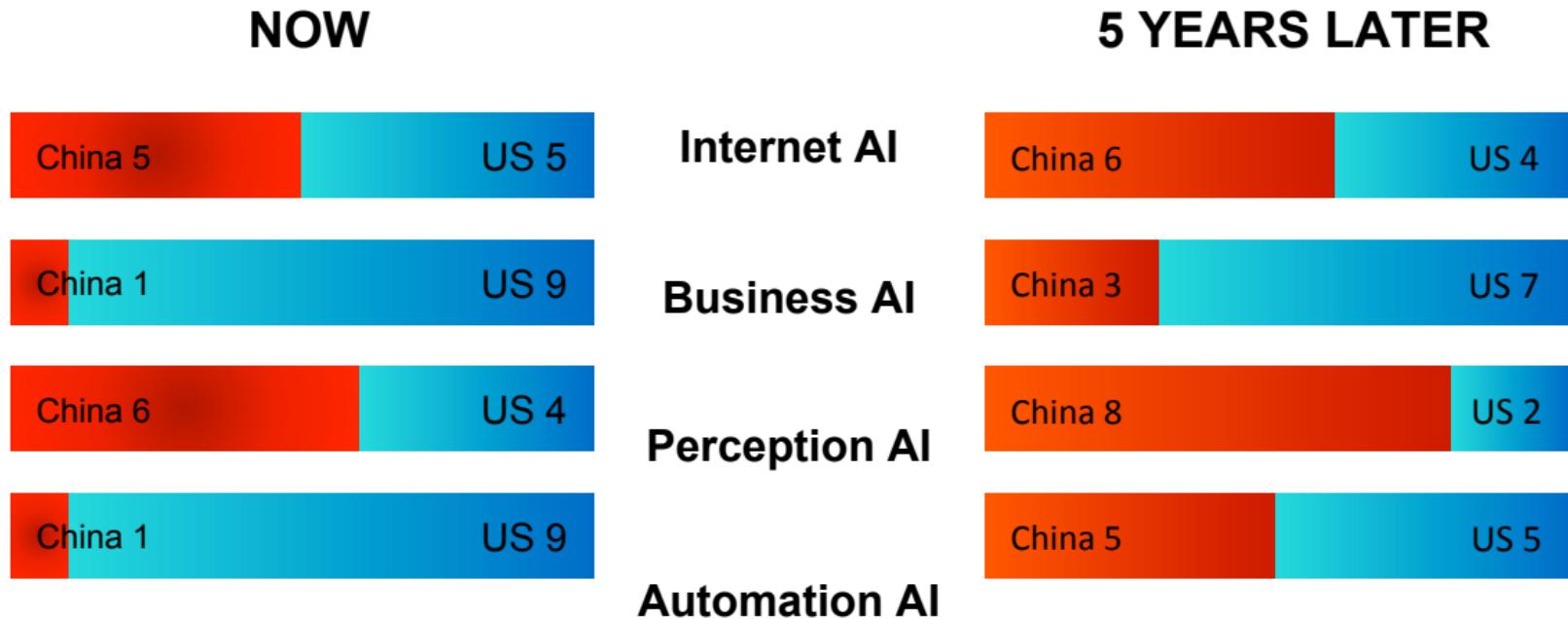
Chinese State Council AI Development Plan, July 2017

- By 2020: Lead AI technology & applications
- By 2030: Become global AI innovation hub

Sino-US comparison:

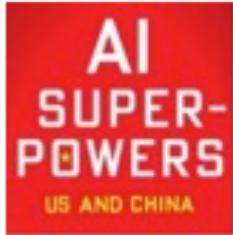
- United States: Prohibit driverless truck testing
- China: Create new cities and highways for autonomous vehicles

Four Waves of AI: China to Catch Up with US in 5 years

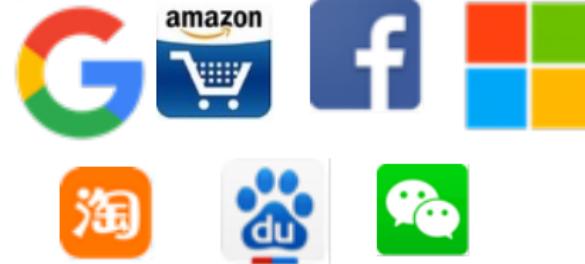


The Four Forces Accelerating AI

- 1 Sino-US dual engine drive



- 2 7 giants with own virtuous cycle



- 3 AI VC & funds growing rapidly

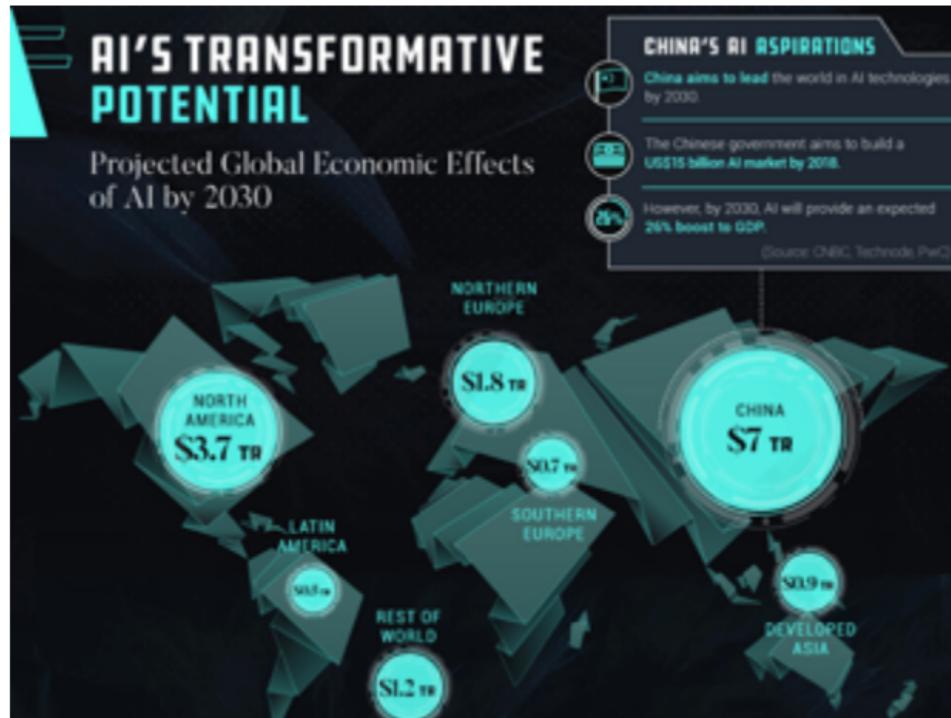


- 4 AI platform emerging; many apps coming



Google Cloud

Just “Weak AI” Will Create Unprecedented Wealth



\$ 15.7 Trillion

By 2030

PwC predicts the size of the world AI market (2017 China + India GDP = \$15.3 trillion)

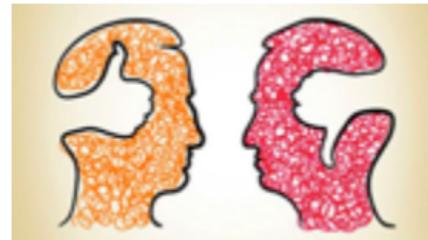
AI Will Also Cause Unprecedented Challenges



Privacy



Security

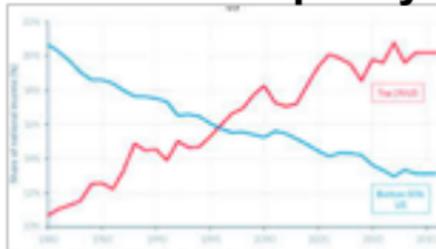


Bias from Data

Giant Dominance



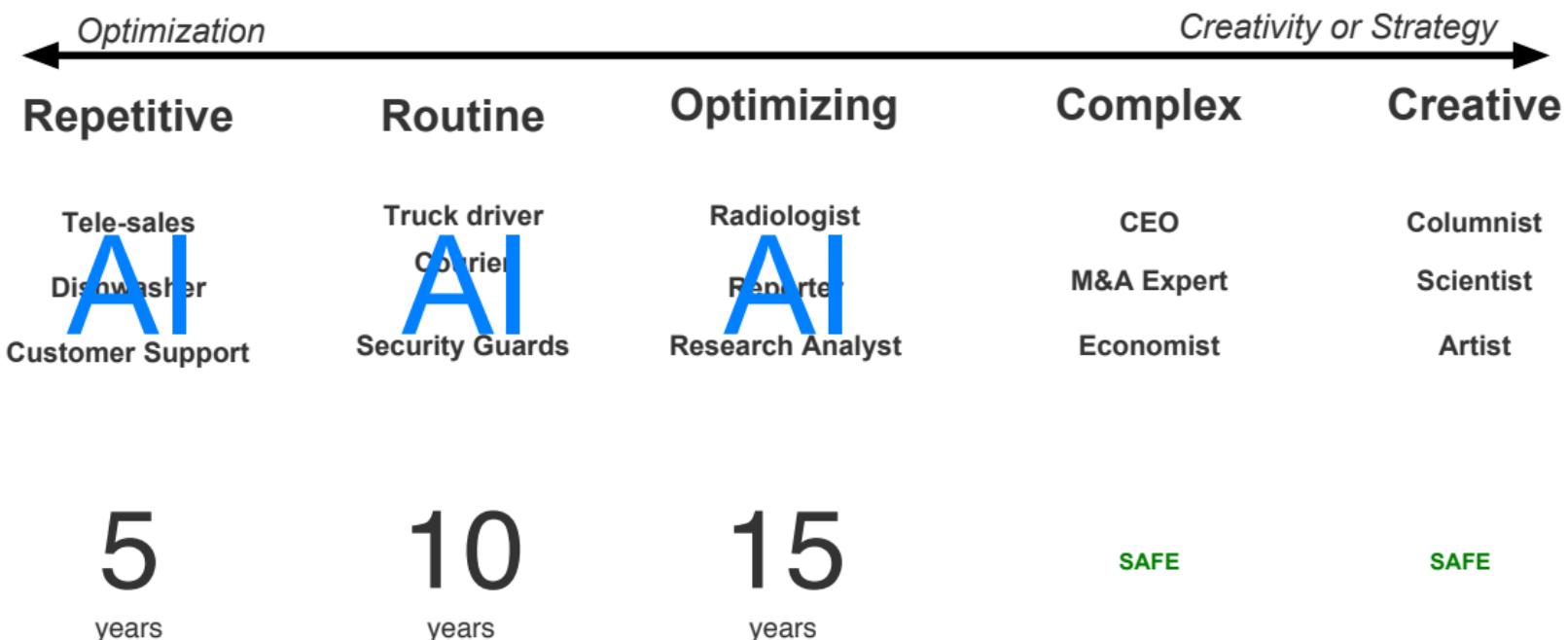
Wealth Inequality



Job Displacement



AI Displaces Jobs Much More Than It Creates



The Displacement is Happening ... Starting NOW!!

Blue collar

THE WALL STREET JOURNAL.

Asia Edition • July 17, 2018 Today's Paper Video

Robotic Chefs Arrive in Restaurant Industry

Flipping burgers, cooking pizzas and making coffee is just the beginning



White collar

FINANCIAL TIMES

Citi issues stark warning on automation of bank jobs

Investment banking leaders eye future in which machines take over 'lower-value tasks'

Citigroup's investment bank has suggested that it will shed up to half of its 20,000 technology and operations staff in the next five years, as machines supplant humans at a faster pace.

 TOUTIAO AI LAB
今日头条人工智能实验室

Wave of Unemployed All Becoming “Creative”?

Optimization

Creativity or Strategy



Complex

CEO

M&A Expert

Economist

Creative

Columnist

Scientist

Artist

SAFE

SAFE

Two Weaknesses of AI: No Creativity & No Love!

AI is just a tool, and cannot create



AI has no self-awareness or love

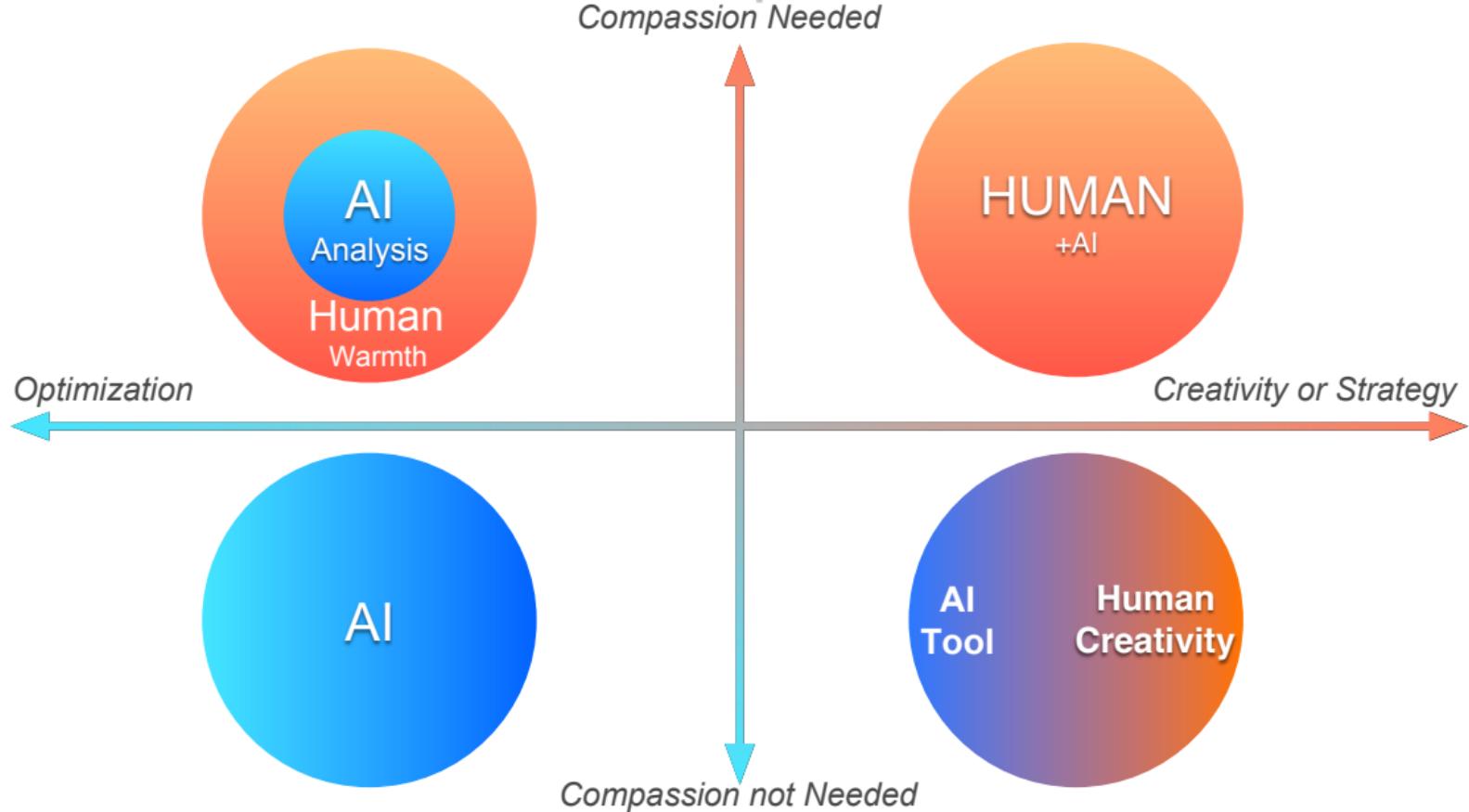


PROPRIETARY: not or duplication nor distribution

Compassion Needed



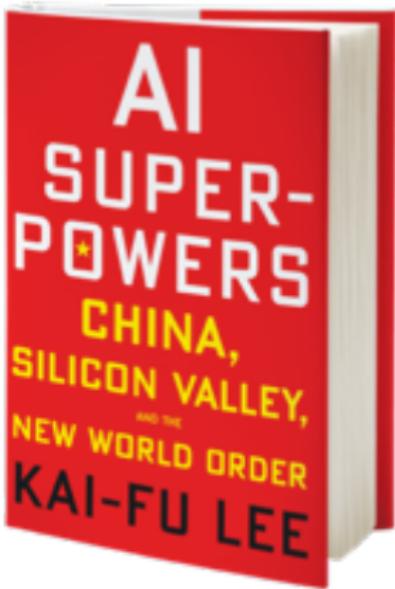
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AI: Era of Human Enlightenment

1. Be thankful of the AI Era:
 - Liberate us from routine work
 - Push us into thinking what makes us human

2. Be responsible for humanity:
 - We have free will,
 - and must choose to write our ending to the AI story



Thank you!

Text "AI" to 345345 to
receive a copy of
today's presentation.

Alsuperpowers.com