

# Opportunities and Risks of Fintech to Economic Welfare

**Zhaoli Meng**

Dean of JD Finance Research Institute



Fintech & Economic Welfare



Big Data & Digital China



The Missing Piece of Puzzle

# 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

# 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



Tencent

JD

Ctrip

Didi

Meituan

Dianping

- ✓ 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



# Big Data & Digital China

(2) 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

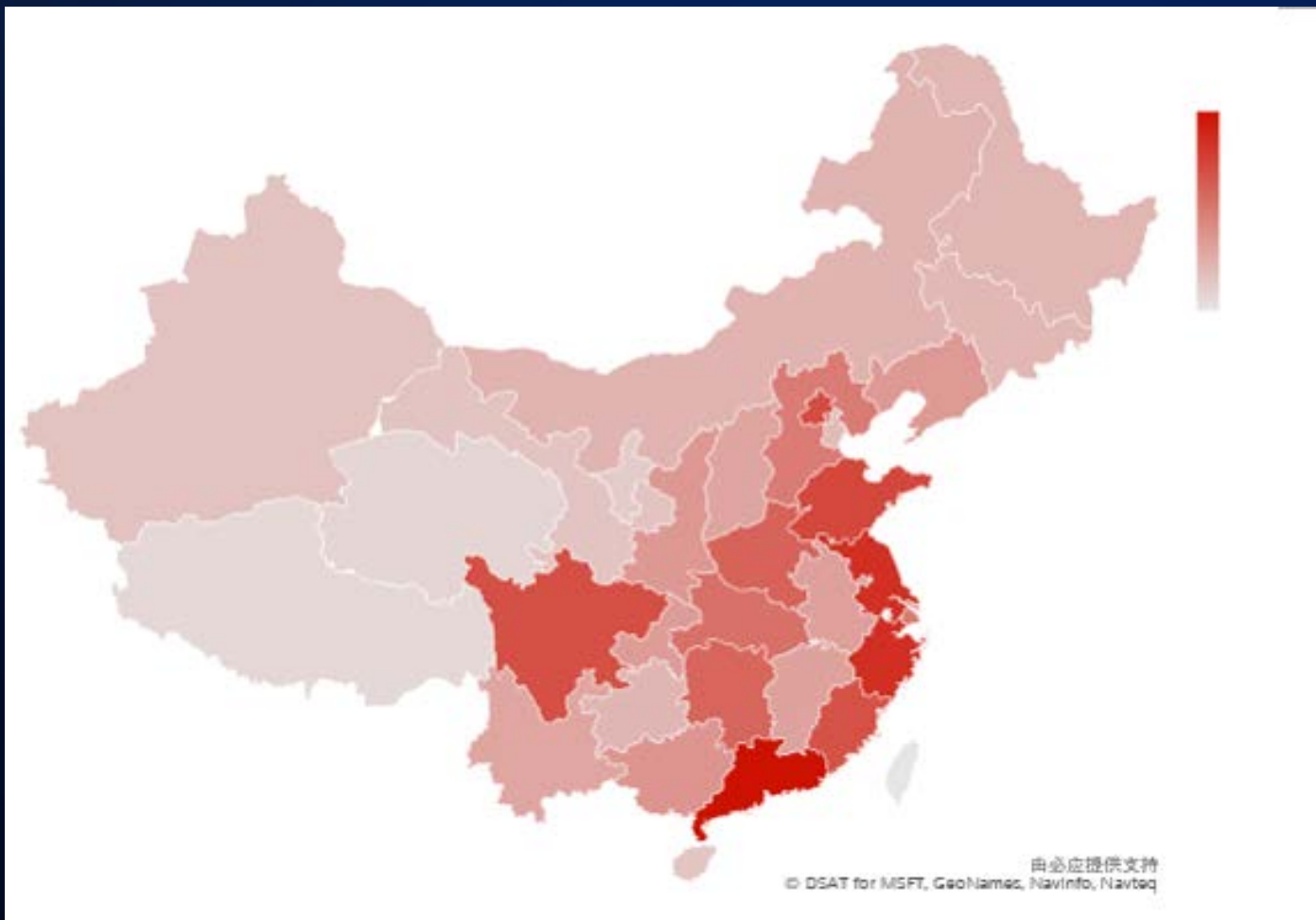
# Big Data & Digital China

- IT penetration has multiple center effect.

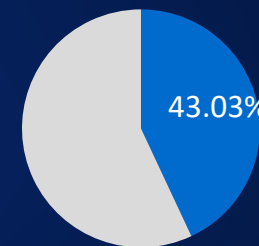


# Big Data & Digital China

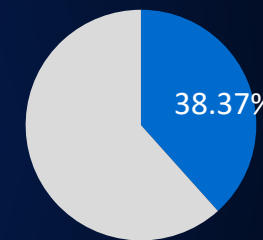
- Digital world is more skewed than real world



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

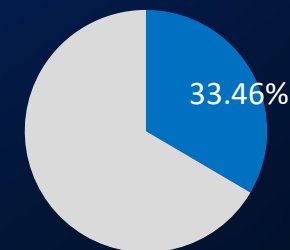


Digital World

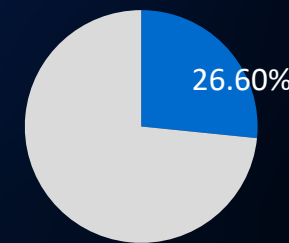


GDP

- Guangdong, Zhejiang, Jiangsu (Top3)



Digital World



GDP

# Big Data & Digital China

- “IT+” industry is polarized in top cities

■ Top 4 cities

Ranking	Internet+ Retail	Internet+ Finance	Internet+ Transportation	Internet+ Health Care	Internet+ Education	Internet+ Entertainment	Internet+ Food and Beverage Service	Internet+ Travel	Internet+ Business Service	Internet + Public Service
1	Beijing	Beijing	Shenzhen	Guangzhou	Beijing	Beijing	Shanghai	Beijing	Beijing	Shanghai
2	Shanghai	Shenzhen	Guangzhou	Shenzhen	Guangzhou	Shenzhen	Beijing	Shanghai	Shenzhen	Beijing
3	Shenzhen	Shanghai	Beijing	Beijing	Shanghai	Shanghai	Shenzhen	Shenzhen	Shanghai	Guangzhou
4	Guangzhou	Guangzhou	Chengdu	Chengdu	Shenzhen	Guangzhou	Guangzhou	Guangzhou	Guangzhou	Shenzhen
5	Chengdu	Chengdu	Shanghai	Dongguan	Hangzhou	Chengdu	Chengdu	Chengdu	Chengdu	Chengdu
6	Chongqing	Dongguan	Dongguan	Foshan	Chongqing	Chongqing	Hangzhou	Wuhan	Chongqing	Hangzhou
7	Suzhou	Zhengzhou	Chongqing	Shanghai	Zhengzhou	Dongguan	Nanjing	Hangzhou	Hangzhou	Tianjin
8	Dongguan	Chongqing	Suzhou	Changsha	Wuhan	Suzhou	Tianjin	Nanjing	Dongguan	Nanjing
9	Hangzhou	Xi'an	Hangzhou	Chongqing	Hangzhou	Hangzhou	Chongqing	Chongqing	Nanjing	Suzhou
10	Wuhan	Suzhou	Tianjin	Zhengzhou	Dongguan	Wuhan	Suzhou	Tianjin	Suzhou	Chongqing

# Big Data & Digital China

- “IT+” industry is polarized in top cities

Top 4

Ranking	Total Index	Digital Economy	Digital Government	Digital Life	Digital Culture
1	Shenzhen	Shenzhen	Guangzhou	Shenzhen	Beijing
2	Guangzhou	Guangzhou	Shenzhen	Guangzhou	Shanghai
3	Beijing	Beijing	Foshan	Beijing	Shenzhen
4	Shanghai	Shanghai	Dongguan	Shanghai	Chongqing
5	Chengdu	Wuhan	Chongqing	Dongguan	Guangzhou
6	Wuhan	Chengdu	Beijing	Chengdu	Chengdu
7	Chongqing	Hangzhou	Chengdu	Chongqing	Suzhou
8	Dongguan	Dongguan	Changsha	Changsha	Tianjin
9	Hangzhou	Chongqing	Shanghai	Suzhou	Dongguan
10	Changsha	Zhengzhou	Wuhan	Xi'an	Wuhan

# 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.
- 15 ✓ 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