

Four Industries in China That AI Is Likely to Revolutionize

Artificial intelligence is forecast to lift China's GDP by 26%, or \$7.0 trillion, by 2030

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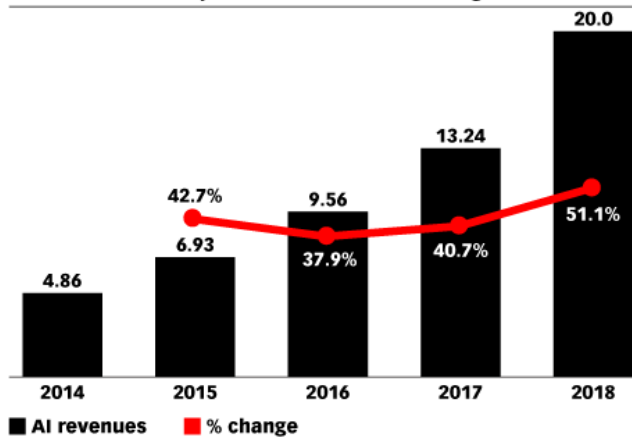
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Sometimes it seems that discussions of artificial intelligence (AI) within China's tech scene have reached a fever pitch.

In mid-2017, China's government outlined a blueprint to turn the country into a global "innovation center for AI" by 2030. Between now and then, China will see a 26.1% bump--the equivalent of \$7 trillion--in its GDP owing to AI, according to PwC. That compares with a 14.5% GDP gain derived from AI expected for North America, a figure equal to \$3.7 trillion.

Artificial Intelligence (AI) Revenues in China, 2014-2018

billions of Chinese yuan renminbi and % change



Source: *Analysys International Enfodesk, "2017 China Artificial Intelligence (AI) Industry Analysis Series: Smart Voice Usage Edition," April 21, 2017*
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Important AI-supported technology, such as facial recognition, is expected to reshape many sectors. And some industries will most likely feel the disruption before others:

No. 1 Autonomous Driving: According to an August poll of internet users in China from Rakuten AIP, 98% of respondents in China had some level of awareness of autonomous cars. Cities in China are being built around the concept of autonomous driving. Search engine Baidu plans to introduce an open-source autonomous driving platform called Apollo to automobile manufacturers it has partnered with to help bring self-driving cars to the road by 2020. Domestic ride-hailing giant Didi Chuxing is also betting on the technology to help alleviate the country's severe traffic jam problem. Tencent, the owner of popular messaging service WeChat is also reportedly developing its own self-driving vehicle system as well.

No. 2 Retail and Ecommerce: Enhancement in product and service personalization, demand prediction, and supply-chain management are just a few of the potential benefits of using AI in retail. For example, ecommerce giant Alibaba's AI-powered virtual stylist, FashionAI, can recognize millions of clothing items, then pair that information with the tastes of designers and digital shoppers on its ecommerce sites to provide brick-and-mortar shoppers with a real-time fashion consultation.

No. 3 Financial Services: AI will enhance things like personalization, automate certain processes and provide added security such as ID authentication for financial sectors like banking and insurance. In one example, Baidu's online banking joint-venture aiBank plans to use AI to improve risk management. In another, tax and financial services platform Onlyyou uses AI for data input to automate financial bookkeeping. And machine-learning outfit 4Paradigm is working with insurers to help tease out fraudulent claims.

No. 4 Healthcare: With an aging population and overstretched state medical care programs, the healthcare industry will greatly benefit from AI in areas such as computer-assisted medical diagnosis, medical-imaging, patient's health monitoring, and personalization of treatments. Shenzhen-based iCarbonX is developing a smart mirror that performs 3-D scans of patients to help track their health status. Leading AI company iFlytek plans to launch its AI-enabled robot to work alongside human doctors. The company claims the robot will be able to automatically capture patient information and make an initial diagnosis.