



**Asia-Pacific
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China's Digital Economy: Innovation Policies and Reflections

Submitted by: Tencent Research Institute



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China's Digital Economy: Innovation Policies and Reflections

Xiongshan Cai

APEC GRP 11th

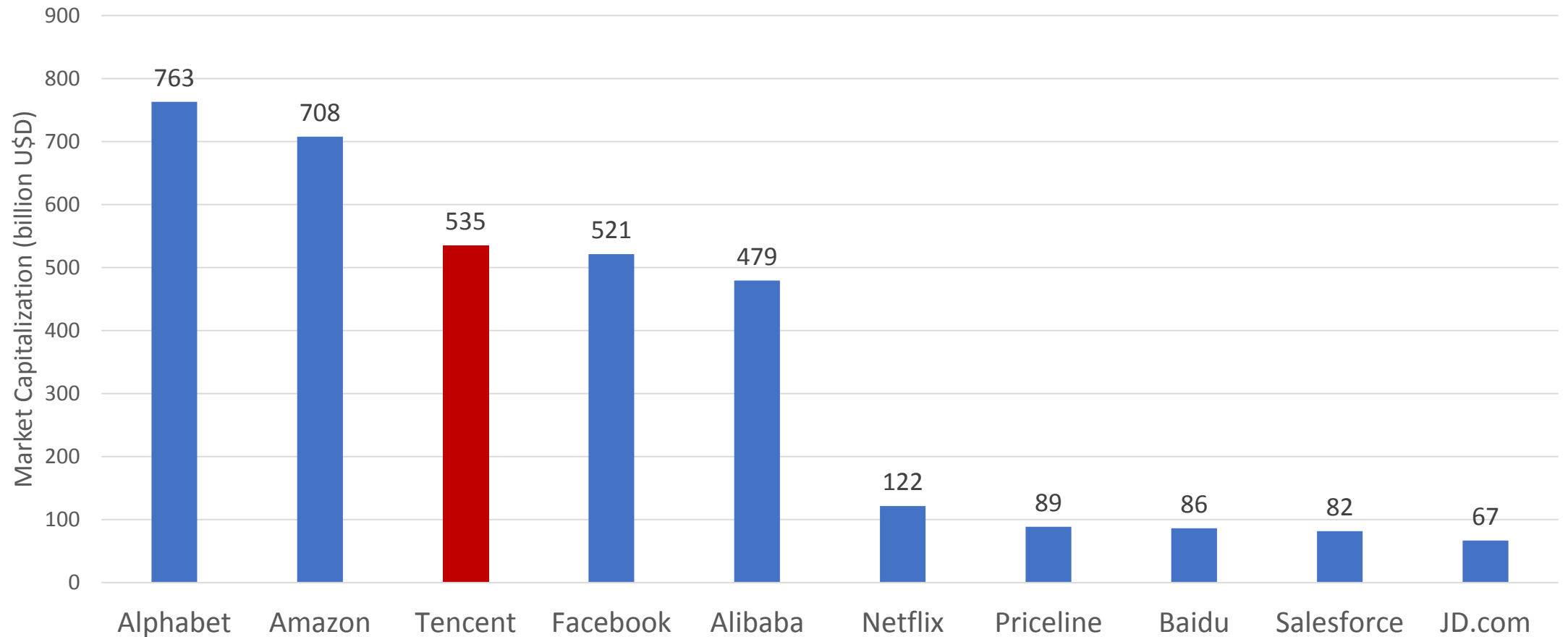
Papua New Guinea ,August,2018

Outline

- New Economy
- New Model
- New Technology
- New Challenge
- New Reflections

Top 10 Internet Companies

Top 10 Internet Companies By Market Capitalization, 2/16/2018



Internet Use in China

CNNIC 41st Report on Internet Development in China (January 2018):

- 772 million Internet users (55.8% penetration rate)
- 753 million mobile Internet users (97.5% of total Internet users)
- 209 million Internet users in rural areas (27.0% of total Internet users)
- 533 million online shoppers (up 14.3% from end of 2016)
- 531 million online payment users
- 221 million bicycle sharing users

Technology Enterprises in China

CNNIC 41st Report on Internet Development in China (January 2018):

- 102 listed Internet Enterprises, total market value: 8.97 trillion RMB
- 77 Unicorn Internet enterprises at end of 2017
- 592 AI enterprises as of June 2017 (23.3% of global total)

Mobile Payment

WeChat Pay

Ali Pay



Legal Framework for Digital Economy

Sources of Law	Name of the Law
Laws	Decision of the Standing Committee of the National People's Congress on Maintaining Internet Security Cyber Security Law
Administrative regulations	Telecommunication Regulation Computer Information System Security Protection Regulations of PRC Management Measures of Internet Information Service
Departmental Rules	Interim Measures for the Management of Online Car-hailing Business Services Implementation Rules for Road Test Management of Automatic Vehicles in Beijing (Trial) Provisions on the protection of personal information of internet and telecommunication users.....

New Model: Sharing Economy

		The US(California)	China
Platform	Nature & Status	Transportation Network Company, (TNC)	Online Car Hailing Company
	License	YES	YES
	Labor Contract	NO	YES
Vehicle	Business Permission	NO	YES
	Private cars	YES	NO
Drivers	Driving License	YES	YES
	Criminal Background Check	YES	YES

New Tech:Artificial Intelligence

- 2017 The Next Generation AI Development Plan
- The Management Specification of Road Test for Autonomous Vehicles
- Implementation Rules for Road Test Management of Autonomous Vehicles in Beijing
- Autonomous Vehicle Safety Test Standard (on the way)

New Challenge :Data Protection

- Cyber Security Law
- Provisions on Personal Information Protection for Telecommunications and Internet Users
- National Standard
- Industry Standard
- Rules for Specific Sectors (e.g. Financial and Health Sector)

Data Protection Approaches

	EU	USA	China
Data Protection Law (Unified)	YES	NO	NO
Data Protection Authority (Unified)	YES	NO	NO
Cross-boarder data transfer rules	YES	NO	YES
Government Lead	YES	NO	YES

New Reflections:

- **Pro-Innovation laws and policies for Digital Economy**
 - Wait and see
 - Think twice before regulating
 - From regulating to governance
- **Address the common issues**
 - Liability of AI
 - Intellectual property of AI
 - Algorithm bias
 - Data ownership
- **Cooperation and international norms in Digital Economy**
 - AI Ethics
 - Data rules etc.

Thank you !



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