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Summary

Researchers around the world continue to collect information and analyze what technologies are being used by China to track and control the behavior of the Uighurs - the Turkic Muslim minorities. At the same time in China the experts are pondering over the evaluation of the results of the experiment called the "social credit system" and trying to understand: is it just a bureaucratic propaganda or something that will truly really affect the lives of millions of Chinese citizens?

The venture capital market is actively developing in the South-East Asia market, while Google has closed the Dragonfly project, and the race for innovative leadership between the US and China continues to increase momentum.

International organizations continue to issue recommendations on the use of artificial intelligence.

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China: the most high-tech police state in the world

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Scientific research on taxi reform in China.

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Huawei acquired the Russian company specializing in facial recognition "Vokord".

Google and Facebook oppose the forced separation of businesses within companies, arguing that they must stay big to compete with China.

Cartier, Bulgary and other luxury brands launch their own services in WeChat.

Japan has formed a working group to study the effects of Libra on monetary policy.

Google terminated Dragonfly, its project of a censored search engine for China.

Alibaba will get control over a joint venture in online retail organized by Mail.Ru Group, Megafone and RDIF.

Facebook has banned pre-installation of all applications, including the social network itself , on smartphones produced by Chinese manufacturer Huawei.

American startups refuse Chinese money in order not to lose potential government contracts.

Huawei expects a drop in revenue from international sales in the amount of 40 to 60 million dollars as a result of the trade war with the United States.

Waymo announced a partnership with Renault-Nissan to create autonomous mobile services for France and Japan.

Alipay will launch a mini-program to make access to ride-hailing platforms (Grab, Gett, Careem) more convenient for Chinese tourists.

The Chinese ride-hailing platform Didi is coming to Latin America, starting with Chile and Colombia.

Chinese self-driving car manufacturers AutoX and Pony.ai were allowed to provide their services in California.

Citi will launch a co-branded cards together with a Singapore-based startup Grab.

The number of active users of ByteDance applications has reached 1 billion.

The United States has lifted key restrictions on Huawei apart from the ban on the purchase of potentially dangerous equipment by telecommunications companies; meanwhile Chinese giant is looking for partners in Russia.

Chinese marketplace Tmall Global has launched their website in English.

India became the fourth country to land an automated station on the Moon.

Huawei helped to build a 3G network in the DPRK.

Investments News:
- RDIF and CIC will create a Russian-Chinese scientific and technical innovation fund with a capital of up to $ 1 billion;
- Twitter might invest over $ 50 million into ShareChat, an Indian application for language networking;
- Facebook to finance Indian startup Meesho;
- Japanese open-source self-driving car start-up Tier IV raised $ 100 million in a Series A funding round;
- Grab to recieve funding in the amount of $ 300 million from the investment management company Invesco;
- Indonesian coffee startup Kopi Kenangan, which allows to pre-order through an application, will recieve $ 20 million from Seqoia India;
- Chinese leader in voice recognition iFlytek will get public investments of $ 407 million.

At the G20 summit, the Guidelines on the Use of Artificial Intelligence were adopted - Russia and China did not sign the document.

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Stories

China: the most high-tech police state in the world

04.06.2019   Coda | LES | BBC News | Meduza | Shanghaiist

New evidence of China's digital war with the Uighurs, which has unfolded in the Xinjiang region, is appearing online. The Coda and LES.Media publishers have issued reports describing how Chinese authorities treat Turkic Muslims and which new technologies-based methods are used.

Most of the reports indicate the same methods that have previously been described by other Russian and foreign media. The concept of a system of monitoring and rapid response based on artificial intelligence IJOP uses so-called "three eyes":

(1) Surveillance cameras that can recognize faces (according to official data, by 2020 their number should increase to 626 million). Based on the data from the cameras, the system can make a decision to send a signal to the police;

(2) Check-points system located in all public spaces (shopping centers, hospitals, parks, banks, etc.). The "gates" system X-rays through people and their belongings, takes photos and scans identity cards, giving to the police profiles of passing people (name, gender, personal number, profession, marital status, criminal record, degree of trustworthiness, whether foreign passport is owned, information about trips abroad: when, where, how long and why) and gives a suspicion rating;

(3) Mobile applications that scan and subsequently monitor all user's activity, including his correspondence, contacts, location, and other data.

Of course, the system of total control would not be complete without the cooperation of developers of popular applications (for example, WeChat) with the authorities. The BBC correspondent published in WeChat photos of Hong Kong demonstrations in memory of the anniversary of the events on Tiananmen Square in 1989, after which his account was blocked "for spreading malicious rumors". To unlock the account, the application required to take a snapshot of the face and record a voice message. Thus, it is obvious that China is not collecting biometric profiles of only those suspected of extremism, but rather anyone whom it considers suspicious and being a potential threat to the regime.

According to media reports (1, 2), the Chinese authorities also use special program to scan and download the contents of the smartphones of tourists entering the Xinjiang Uygur Autonomous Region. The application that is being installed on the phones of tourists is called "Feng Tsai" (Fēng cǎi, Fēng - "bee", cǎi - "collect") or BXAQ. It is used on Android phones. iPhones, according to the testimony of tourists, are checked differently, by connecting them to a special device using USB. According to experts, the application saves and sends to the server all phone contacts, text messages, information about calls and calendar events, as well as information about other applications and usernames used there. Apparently, "Feng Tsai" does not continue scanning if it is not removed after the first use.

It is interesting to note that even large American technology corporations are suspected of cooperation – Twitter, that has been blocked in China since 2009, recently froze a significant number of accounts of Chinese activists (students, human rights activists, lawyers) on the eve of the anniversary of the same events on Tiananmen Square. A Twitter spokesman said the incident was a result of the fact that these accounts were suspected of "spamming" and unethical behavior.

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Social credit system: an experiment that becomes reality?

19.06.2019   Bloomberg | Abacusnews

The social credit system is a grandiose bureaucratic project of the Chinese government, which should become fully operational in 2020. At the same time, despite the declared achievements and close attention of researchers around the world, Abacus claims that the majority of Chinese citizens (for example, living in Rongcheng or Hangzhou), whose lives were meant to be changed due to the social credit system, are not even aware of its existence, or consider it not a real project, but a "part of state propaganda." At the same time, there are indications on the Web that many people (especially debtors) have already experienced the whole negative effect of becoming a part of this system.

Bloomberg comes to similar conclusions. They interviewed local residents in public places of of Suzhou, where the Osmantus data center, which collects two dozen different metrics about Chinese citizens and received government awards for its innovativeness, is located. Not even one person was able to talk neither about the evaluation system, nor about the potential benefits for "respectable" citizens (for example, such as priority service in health care organizations). The article also suggests that in the context of the trade war with the Trump administration, the development of a social credit system is not a priority, therefore it is unlikely that it will start fully working in the near future.

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Yandex presented a self-driving vehicle designed in partnership with Hyundai

11.07.2019   YouTube

The car is designed on the base of the Hyundai Sonata 2020 with a platform, which allowed the autonomous control system to be built into the on-board computer. The prototype was assembled in just a few weeks, which means that the system will quickly be installed on other cars.

As noted by The Bell, in March 2019 Yandex signed an agreement with Hyundai on joint work on unmanned vehicles: Yandex is responsible for machine learning and computer vision, while Hyundai is responsible for creating the component base and ensuring the operation of the software.

Prior to this, Yandex was building self-driving systems only on the basis of the Toyota Prius – company has around 50 of them. With the new cars, the number of the vehicles owned by the company will increase to at least a hundred. It is planned that self-driving cars will be used in the Yandex.Taxi service.

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Analytics & Opinions

China Internet Report 2019

13.06.2019
SCMP

Ключевые положения отчета, подготовленного South China Morning Post и Abacus:

1. В Китае в 3 раза больше пользователей, чем в США (829 млн против 293 млн), аналогичная ситуация с мобильным интернетом. При этом мобильные платежи в КНР осуществляют людей больше, чем вообще живет в США (583 млн пользователя против 329 млн жителей).

2. 56 китайских компаний вышло на IPO с общей рыночной капитализацией в размере $222 млрд.

3. Китайские техногиганты известные как BAT (Baidu, Alibaba, Tencent) построили экосистемы, в то время как их конкуренты развивали ключевой бизнес.

4. Ключевой тренд развернулся: ранее копировавшие все подряд у своих иностранных конкурентов китайские приложения теперь сами стали образцом для подражания (например – концепция супер-приложения, объединяющего в себе различные сервисы: от шоппинга до денежных переводов и бронирования билетов).

5. Китай активно развивает 5G и массово применяет искусственный интеллект (в части контроля доступа, персонализированных рекомендаций, наблюдения и решений умного города).

6. Система социального кредита, все еще существующая в статусе эксперимента, постепенно становится реальностью.

Полная версия отчета доступна на сайте South China Morning Post.

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Trade war between the US and China – a war on innovation leadership?

11.06.2019
RIAC

Head of the Department of Science and Innovations of the IMEMO Ivan Danilin shared his understanding of the trade war between the USA and China. Key points of the interview:

• In this case, trade war and the race for leadership in the field of innovative technologies are the same;

• China and the United States are highly interdependent: US companies make super-profits in the Chinese market and vice versa. America owns most of the key technologies (for example, in the field of semiconductor equipment), but depends heavily on supplies from China, where the main production facilities are concentrated;

• China is now at a turning point in its development, it is important for it to switch the economy from the path of a developing country to the path of a country leading in innovation (which means reducing GDP growth to 6-7% instead of the usual double digits);

• To answer the question on whether China manage to succeeded in achieving the desired objectives will only be possible in the 30-s. And the United States understand perfectly that they cannot suppress China's development, therefore, they are already doing everything possible to slow down its pace and win in the long run.

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Scientific research on taxi reform in China.

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