

# A.I. SPECIAL REPORT FORTUNE

JULY 2018 FORTUNE.COM

ASIA PACIFIC EDITION

China's two  
tech titans are  
battling for  
supremacy.  
The winner  
gets the  
world.

By Adam  
Lashinsky



# ALIBABA VS. TENCENT

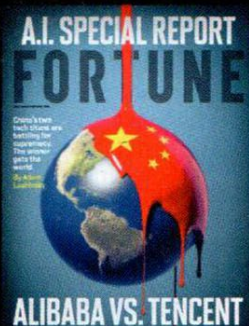


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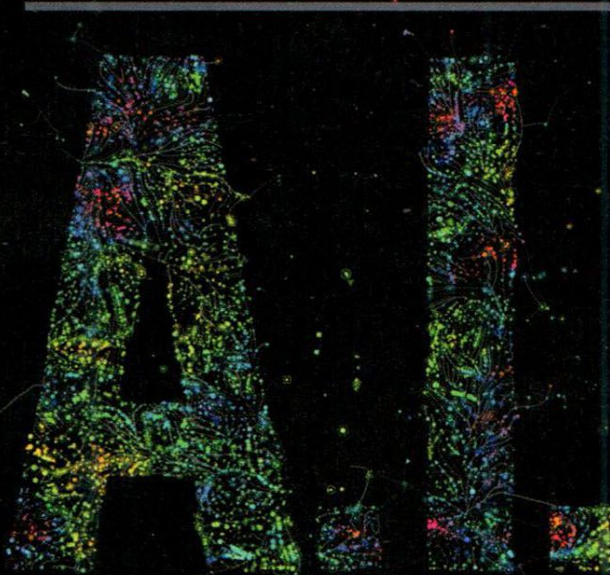
JULY 1, 2018



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▲ ON THE COVER:  
ILLUSTRATION BY  
JUSTIN METZ



ARTIFICIAL INTELLIGENCE: SPECIAL REPORT

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BY JONATHAN VANIAN

Business is betting billions on A.I., only to find that its algorithms and systems can amplify human prejudice. Can Silicon Valley keep bigotry at bay?

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AI ILLUSTRATION BY DANIL KRIVORUCHKO; ROBOT: JOAN CROS—NURPHOTO VIA GETTY IMAGES



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If a trade war breaks out, American agriculture is likely to pay a hefty price.

Text by BRIAN O'KEEFE; graphic by NICOLAS RAPP



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WORLD IN

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# BRIEFING



## America: Who'll Keep on Truckin'?

Autonomous trucks may revolutionize the industry one day, but the U.S. could be facing an acute driver shortage well before then.

By Kirsten Korosec

TRANSPORTATION

**THE TRUCKING INDUSTRY,** the backbone of the U.S.

economy, is carrying more weight than ever despite a critical shortage of drivers. And now this compression point is sending waves of pain through the supply chain from distributors and wholesalers to retailers and consumers in the form of fast-rising shipping costs. Even Amazon and its Prime members are feeling the pinch.

This predicament was a long time coming. An aging driver population that continues to



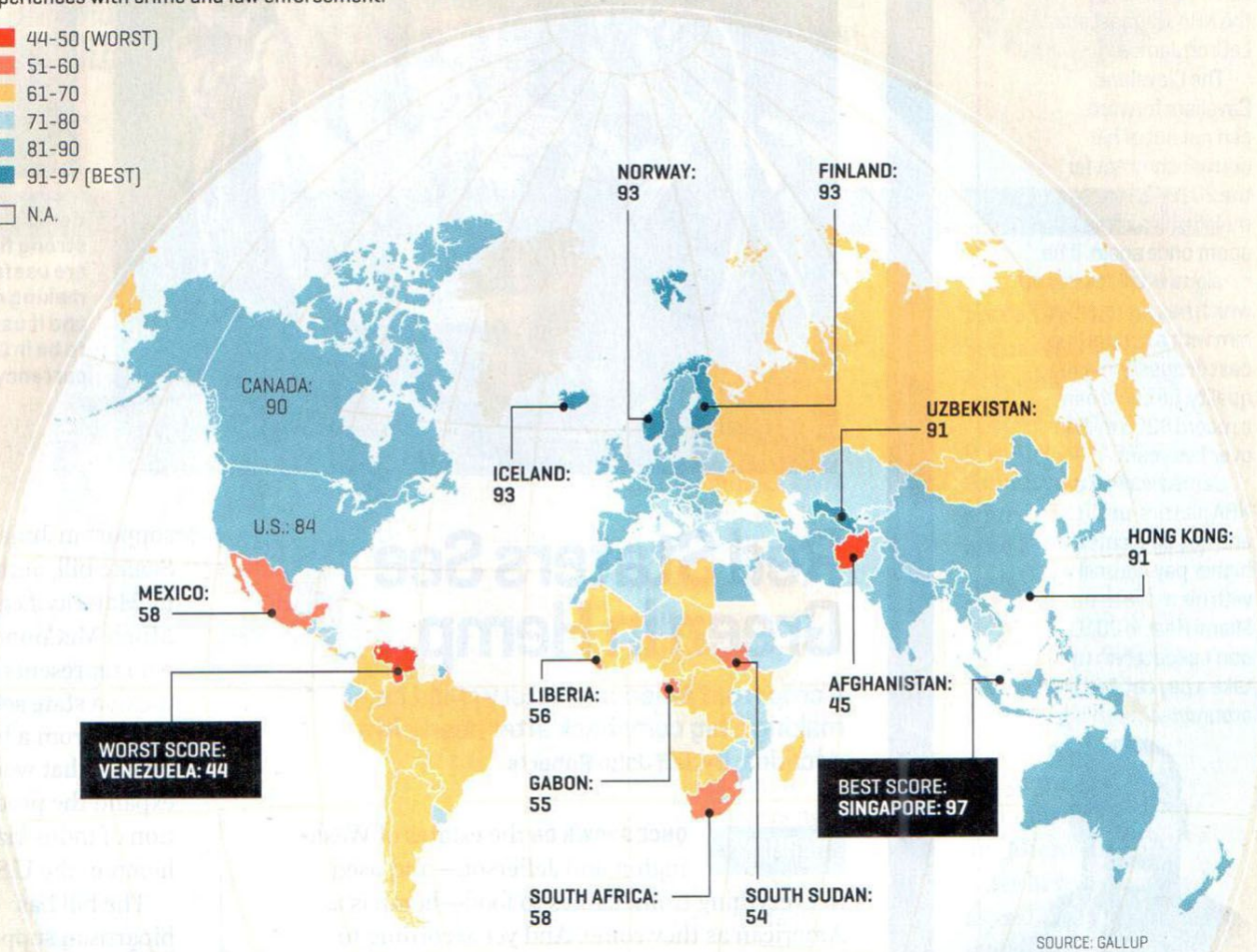
TRUCK: DWAKI/KULLA—CORBIS/GETTY IMAGES; SIGN: PATRICK STRATTNER—GETTY IMAGES



**SINGAPORE MAY HAVE BEEN** the perfect place for a summit to ease rising nuclear tensions. Based on a Gallup poll measuring how safe citizens feel and how confident they are in law enforcement, the city-state is the most secure nation among 142 countries surveyed. Venezuela finished dead last with just 24% of its citizens having faith in the police. The U.S. scored worse than 31 other countries, including Slovenia and India. [To read how global security affects your portfolio, see "Where to Hide From the Headlines" in this issue.]

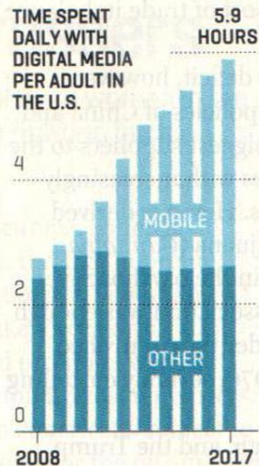
## GALLUP 2018 GLOBAL LAW AND ORDER INDEX

Based on people's sense of personal security and their experiences with crime and law enforcement.



## NEVER UNPLUGGED

It's hard to imagine that anyone once predicted the death of the Internet. The changing nature of work and increasingly capable smartphones mean consumers today spend an ever-growing share of their waking hours online: about 5.9 hours in 2017, up 4% from a year earlier. Meanwhile, prices for goods sold online have fallen 3% in the past two years, compared with 1% off-line.



## MORE JOB OPENINGS THAN UNEMPLOYED

Time to gussy up the old résumé. For the first time on record, U.S. job openings exceeded the number of unemployed in April, with 6.7 million postings against 6.3 million seeking work. And that trend may continue with the number of unemployed falling under 6.1 million in May. While wages for job stayers rose a muted 2.9% in April, job switchers gained 4%.

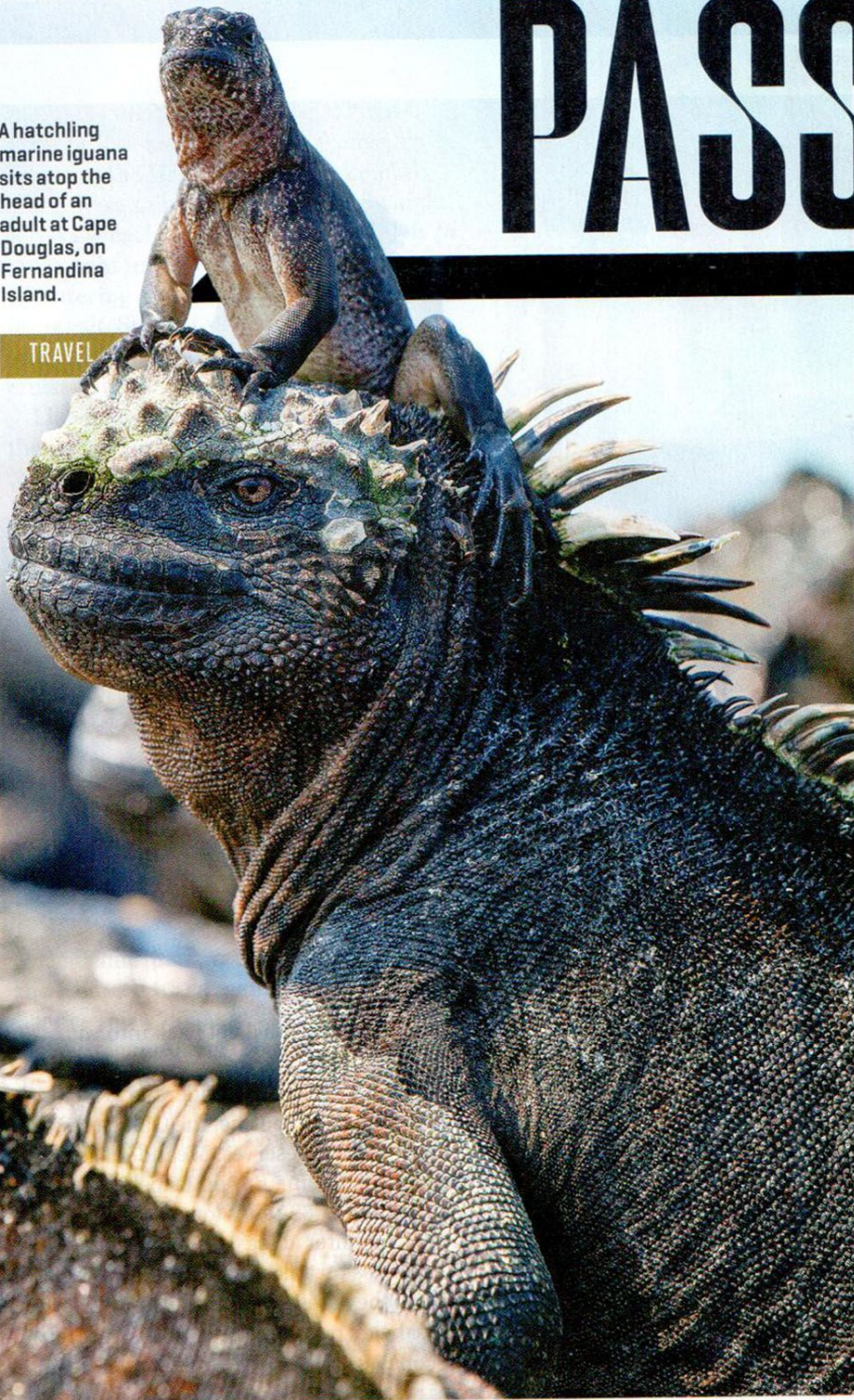




# PASSIONS

A hatchling marine iguana sits atop the head of an adult at Cape Douglas, on Fernandina Island.

TRAVEL



ARRIVING ON FERNANDINA ISLAND, the youngest (at less than 1 million years old) and westernmost in the Galápagos, is like discovering a land that time forgot. Once you disembark from your inflatable *panga* at Punta Espinosa, its sole landing site, and make your way through the dense mangrove forest that fringes the coastline, you're greeted by a colony of hundreds of charcoal-colored marine iguanas lounging atop one another and sneezing out salt water in a spirited chorus.

La Cumbre volcano, one of the world's most active with six eruptions in the past 50 years, dominates the landscape, its rippled lava fields extending in every direction. In its shadow, sea lions splash in the shallows, their distinctive barks intermingled with the crashing waves, as scarlet Sally Light-foot crabs scuttle along the ebony shoreline and Galápagos hawks survey the scene from above. No foreign species has ever invaded Fernandina—human visitors aside—making it one of the world's most pristine ecosystems.

When it comes to far-flung escapes, few rival the Galápagos. Located in the Pacific Ocean some 600 miles off the coast of mainland Ecuador, the archipelago of 20 volcanic islands (and dozens more islets) remains an unspoiled utopia despite hosting more than 200,000 annual visitors. Home to a slew of species found nowhere else on earth—the giant Galápagos tortoise, the Galápagos finch (13 unique species in total), and the Galápagos penguin (the world's >>

## ECUADOR'S ENCHANTED ISLES

When it comes to far-flung escapes, few rival the Galápagos Islands.

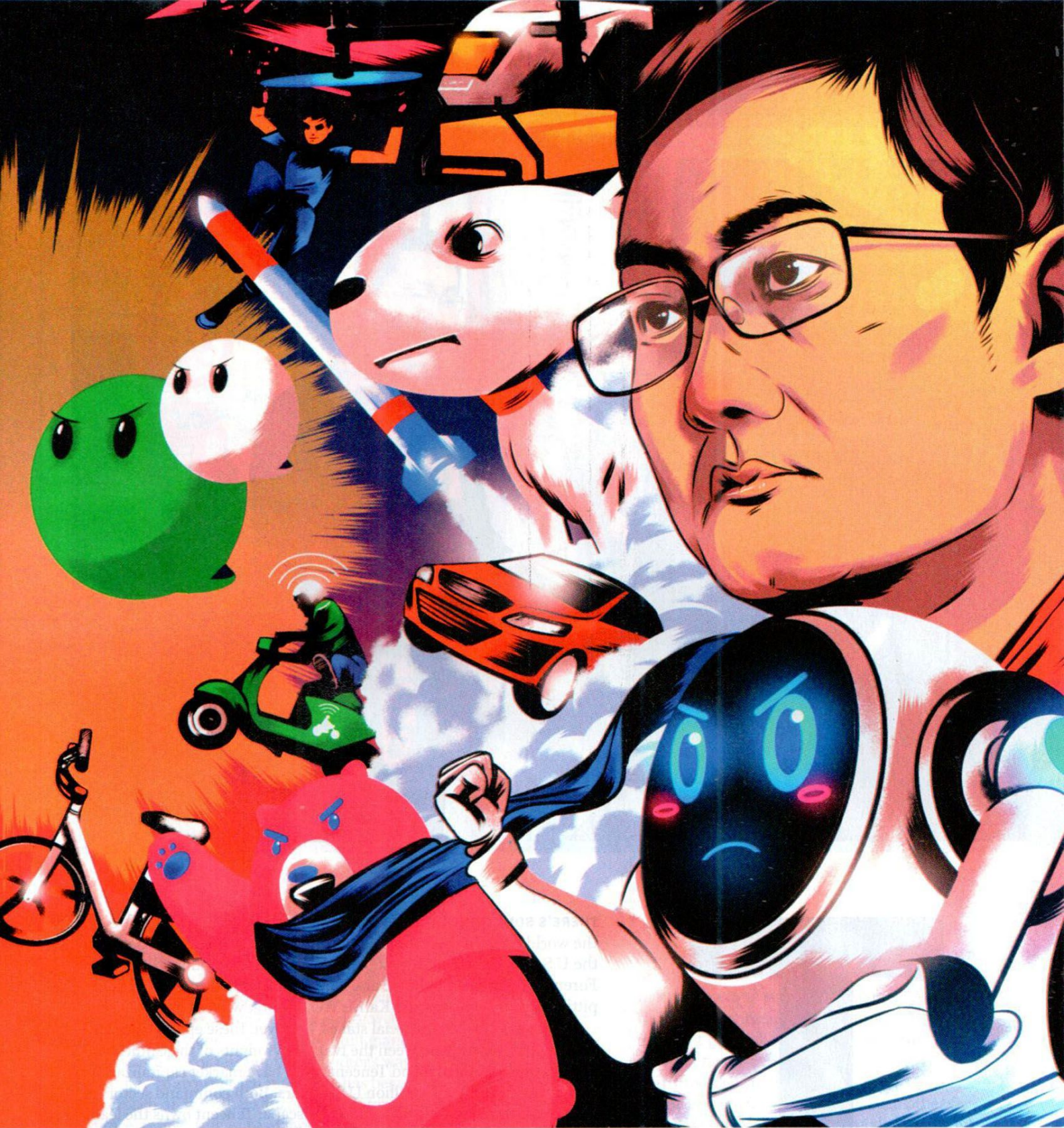
By Alexandra Kirkman





# MA VS. MA





JACK MA OF **ALIBABA** AND PONY MA OF **TENCENT** BUILT TECH EMPIRES THAT DOMINATE CHINA'S DIGITAL ECONOMY. IS THE WORLD BIG ENOUGH FOR BOTH OF THEM? **BY ADAM LASHINSKY**