



Elon Musk wants to turn X into a banking application

Introduction

Here's the vision from the owner of Tesla and Space X: by the end of 2024, X (the late Twitter) should be able to offer a bouquet of financial services, i.e. bank accounts, online payments, investment advice and management. Preview below.

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Known for his bold investments in space exploration, electric vehicles and renewable energies, Elon Musk is constantly pushing back the boundaries of the imaginable. The acquisition and transformation of social media powerhouse Twitter into X has also surprised and continues to surprise. While X is becoming a "digital public square" where everyone can express themselves freely, the former Twitter is also set to redefine the financial landscape. It's important to understand the origins of this vision and the potential upheaval it represents for the world of finance. It's not a new dream or a billionaire's whim, but a genuine obsession that dates back to the early days of the internet. With X, Musk aims to create a complete financial centre that will challenge traditional banking norms and usher in a new era of digital finance.

Autonomous passenger transport

Before the world came to know Elon Musk as the businessman behind SpaceX rockets and Tesla electric cars, he was a budding entrepreneur with a keen interest in digital finance. The late 1990s and early 2000s were a time of transformation for online businesses, and Elon Musk made his contribution. In 1999, Musk co-founded X.com, an online payment company that aimed to simplify financial transactions in the digital age. When the Internet was in its infancy, Musk envisioned a world where money could flow seamlessly across borders, without the friction of traditional banking. In today's context, it's clear that X.com was much more than just a company; it was already a statement of intent, a foundation for Musk's grand ambitions in the financial sector.

However, as with all entrepreneurial ventures, it was not without its difficulties. After a series of mergers and rebrands, X.com eventually became PayPal. Musk's role in the creation of PayPal cannot be underestimated. Although he was ousted as CEO in a management shake-up, his fundamental influence was evident in the company's ethos and direction. When PayPal went public in 2002 and was subsequently acquired by eBay, Musk's stake in the company brought him a substantial sum of money, providing him with the capital needed for his subsequent projects. Beyond the financial gains, however, PayPal's success reinforced Musk's belief in the potential of digital finance. It was clear that his aspirations in this sector were far from over. Over the years, as he focused on rockets and cars, the lure of the financial revolution remained. Many years later, with the acquisition and transformation of Twitter into X, it seems that Musk has come full circle, returning to his roots in the world of finance, but with a grander vision than ever before.

Elon Musk's ambitious plan for X

In essence, Musk envisions X as a one-stop shop for all financial needs. With the aim of simplifying and streamlining financial transactions, making them as intuitive as sending a "tweet".

Perhaps the most audacious part of Musk's project is his eagerness to replace the traditional banking system with X within a year, which seems more than a little ambitious... However, Elon Musk is notorious for setting deadlines that are far too tight and often impossible to meet. It was he who famously said: "If you give yourself 30 days to clean your house, it will take 30 days. If you give yourself 3 hours, it will take 3 hours". But here, his project seems much more complicated. Banks have been the foundation of the financial system for centuries, and challenging their dominance requires not only technological innovation, but also a change in public perception and trust. Musk believes that by offering a more efficient, transparent and user-friendly platform, X can win over users and make traditional banks obsolete, in a short space of time.

One of X's underlying philosophies is the idea of financial autonomy. Musk imagines a platform where users have total control over their financial lives without the need for intermediaries. In Musk's own words, he wants X to manage users' "entire financial lives" so that they "no longer need a bank account" by the end of next year.

X as a financial centre

Although specific details have yet to be revealed, some of the features that could be offered by X have already filtered through from integrating crypto-currencies and blockchain technology to offering AI-driven financial advice, the possibilities are vast. Musk is used to being at the forefront of technological innovation, and with X, the financial sector could soon be part of his playground.

The aim of X is to offer a single platform for visualising and managing all financial functionalities, from bank accounts and credit cards to investing and borrowing. X aims to offer a centralised dashboard, providing users with a holistic view of their financial health and enabling seamless transactions between different financial instruments. What's more, given Musk's interest in cryptocurrencies, it's no surprise that X is expected to feature robust crypto-currency integration. Users could be able to trade, invest and transact using the most popular crypto currencies, bridging the gap between traditional finance and the world of digital assets. As mentioned, eliminating intermediaries is at the heart of X's philosophy. The platform is expected to offer direct peer-to-peer transactions, enabling users to send and receive money without the need for banks or third-party services. This not only speeds up transactions, but also reduces the associated costs.



Thanks to advances in artificial intelligence and Musk's experience in the field, X may choose to harness AI to offer personalised financial advice to users. Whether it's investment strategies, budget advice or loan recommendations, AI can help users make informed financial decisions and help differentiate X's offering. Decentralised finance (DeFi) is changing the game in the financial sector, and it is likely that X will integrate DeFi solutions, enabling users to lend, borrow and collect interest in a decentralised way, free from traditional

banking constraints. Furthermore, in the digital age, security is paramount. X should implement state-of-the-art security protocols, ensuring that users' financial data and assets are protected from potential threats. This could include biometric authentication, end-to-end encryption and blockchain-based security measures. One of the challenges posed by traditional banks is their limited accessibility across borders. X, as a digital platform, aims to offer global accessibility, ensuring that users in different parts of the world can access and use its financial services without geographical constraints, making this offering potentially even more attractive in countries where financial institutions are less robust.

Is the project feasible?

When Elon Musk announced his intention to turn X into a financial centre, he provoked a mixture of impatience, scepticism and curiosity. The real question on everyone's mind is whether he can really pull it off? To assess the feasibility of X's vision, we first need to look at Musk's track record. Whether revolutionising the electric car industry with Tesla or pioneering space travel with SpaceX, Musk has always turned seemingly impossible dreams into reality. His ability to disrupt well-established sectors and introduce revolutionary innovations lends credibility to his ambitions for X. A key factor in X's success will be its technological infrastructure. Given Musk's involvement with companies at the forefront of technological innovation, there can be little doubt that X will have access to cutting-edge technologies. This includes AI, blockchain and advanced security protocols, all of which are crucial for a financial platform of X's stature. The modern consumer is increasingly turning to digital solutions. The rise of digital wallets, online banking and the adoption of crypto currencies testify to a disaffection with traditional banking services. If X can offer a superior, user-friendly experience, it has a good chance of being quickly adopted.

One of the main obstacles X could face is regulation. The financial sector is heavily regulated, and any misstep could have serious repercussions. However, Musk has navigated regulatory waters before, whether with Tesla's autonomous

driving features or SpaceX's launches. By taking the right approach and working with regulators, X is likely to find its way. As previously mentioned, for users to switch from established banks to a new platform like X, trust is imperative. Despite initial reluctance, Musk's reputation and emphasis on security could allay concerns. If X can demonstrate flawless security and a commitment to user privacy, it can earn the trust of users.

What's more, for X to replace traditional banks, it needs to offer transparent global transactions, which means managing different currencies, regulations, and financial ecosystems. This is a complex challenge, but Musk is no stranger to global integration, having been involved in international projects such as Starlink, which aims to provide worldwide Internet coverage. Finally, and perhaps most importantly, one of Musk's undeniable strengths is his ability to rally people around a vision. His charisma, combined with a clear roadmap for X, can attract the best talent, investors, and partners. It is precisely this collective effort that is likely to be the driving force behind X's success.

Although the challenges are considerable, if anyone can revolutionise the financial sector, it's Elon Musk. His ability to turn visions into successful projects, combined with the changing financial landscape, suggests that his dreams of the X future could turn into reality.



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