

The Standard

China's Business Newspaper

Google submits to China censorship

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Thursday, January 26, 2006

Online search engine leader Google, in a bid to strengthen its competitive position in the world's second-largest Internet market, launched its first local site, Google.cn.

But to do so, it agreed - as its competitors have already - to censor its search results to comply with mainland laws and regulations.

"They are following everyone else," said consultant TR Harrington of Darwin Marketing. Yahoo, Microsoft and every big US company has chosen to comply with the local rules when entering the China market, he said.

China's Internet is surrounded by a "firewall" intended to block messages or subjects the government finds objectionable - everything from independence for Tibet or Taiwan, to the Buddhist sect Falun Gong. Google's search services were blocked many times over the past few years because they turned up such sensitive information, giving rivals such as Baidu a competitive edge because their services were always available.

"To develop well in China, you have to work with the government," said Jenny Wu, analyst at Morgan Stanley. "Google has learned its lessons."

The decision is likely to tarnish Google's image with activists and civil libertarians, especially ironic since the company has been widely hailed in the United States in recent days for resisting Justice Department demands that it turn over search requests made by some of its users (though without their names attached).

"In the US, it wants to develop its business but also pursue certain political ideals," Harrington said. "In China, they only want to do business."

Yet that also reflects the different environments in which the company is operating.

"Government can be legally challenged in the United States," Harrington said.

"Although it might take a lot of money, you have a chance [of winning]. In China, you have no chance."

Yet the prize is too big to ignore. China is home to more than 100 million Internet users, second only to the US, and growing fast.

And its more than 400 million mobile users are another magnet. "Google is developing search services over mobile phones," Wu said. "Although it hasn't offered such a service in China yet, we believe that is the trend in the future," he added.

Google has opened a local office and opened a research and development center in Beijing.

With Google moving to strengthen its mainland position, the biggest loser is likely to be local search engine leader Baidu.

"For sure, it would have a negative impact on Baidu," Wu said. "Google is technically more advanced ... [and with its]

new R&D center in Beijing, it will catch up pretty soon," with Baidu's strength in Chinese-language searches.