

Google 'Confident' About Further Growth in China, Executive John Liu Says

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Google Inc. (GOOG), which pulled its Internet search engine out of China last year, said it's "confident" of growing in the country under new Chief Executive Officer Larry Page.

The company sees more "upside" in China, John Liu, Google's head of sales in the world's biggest market for Internet, said at a conference in Beijing yesterday. Google founders Page and Sergey Brin know China "very well," he said.

Google is aiming to boost revenue from Chinese customers in display advertising and export marketing as the Mountain View, California-based company has failed to keep pace with Baidu Inc. in China's search-engine market. Page, who took on the CEO role April 4 and succeeds Eric Schmidt, is ramping up spending on hiring and marketing as he faces rising competition from rivals Apple Inc. (AAPL) and Facebook Inc.

Liu, in charge of local operations since 2009, is negotiating with the Chinese government about online map services, and is seeking to increase adoption of Google's Android software for phones in the country.

Google last month said the Chinese government is disrupting its Gmail e-mail service and disguising the blockage as technical issues on Google's part. China's Foreign Ministry spokeswoman Jiang Yu called that claim "unacceptable."

That friction followed Google's decision to shutter its search-engine service in China last year to avoid complying with the government's rules on Web censorship. Since the March 2010 move, Chinese users of Google search have been redirected to an unfiltered site in Hong Kong.

Censorship Rules

Google in July was able to renew its Internet-service license in China through 2012, even after shuttering its Google.cn site in China and redirecting users to a Hong Kong site. The company had said it was no longer willing to comply with online censorship rules on topics such as Tiananmen Square crackdown in 1989 and Tibet independence.

Google accounted for 19.2 percent of China's search market by revenue in the first quarter, declining from 19.6 percent three months earlier, according to research company Analysys International. Baidu's market share rose to 75.8 percent from 75.5 percent, according to Analysys.

A March 4 opinion piece in the official People's Daily, the mouthpiece of China's Communist Party, compared Google with the British East India Company, whose sales of opium in the country was the root of two 19th-century conflicts.

China's tax authorities have begun investigating three local Google affiliates for alleged offenses, the Economic Daily reported on March 31. Google said that day that it's in "full compliance" with Chinese tax law.

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