Xinhua, China Mobile announce search venture

The Associated Press

The state-run Xinhua News Agency said Thursday it will launch a search venture, giving Google a new, well-financed rival following the closure of its China-based Web search engine.

In a two-sentence dispatch, Xinhua said it signed a framework agreement Thursday with partner China Mobile Ltd., the world's biggest phone carrier by subscribers. It said work has reached a "substantive operation" stage.

The dispatch did not say whether the venture was aimed at the Web or at China's smaller but fast-growing market for mobile phone-based search.

Xinhua's External Relations Department referred questions to an editor who prepared the dispatch. She declined to give more details and would give only her surname, Hu.

Google Inc. closed its China search engine in March to avoid cooperating with Beijing's Web censorship — a move that industry analysts say will likely create opportunities for local rivals.

China has the world's most populous Internet market, with 420 million people online, and competition among search providers is intense.

Google's share of Internet search revenues fell from 30.9 percent in the first quarter to 24.2 percent in the quarter ending June 30, according to Analysys International, a research firm in Beijing. Baidu's share rose from 64 percent to 70 percent.

In mobile search, Google has 12.3 percent of the market to Baidu's 34.3 percent. Another Chinese rival, Easou.com, also is ahead of Google with 16.9 percent.

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Xinhua News Agency: www.xinhuanet.com

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