



The tech dragon

China could challenge U.S. for high-tech leadership

BY WILLIAM ARMBRUSTER

Fannin profiles 12 Chinese high-tech entrepreneurs who are leading the way.

Half of them began their careers in the U.S. and then moved back to China, where they started their own “copycat” enterprises. Robin Li, for example, spent five years in the mid-1990s working in software jobs for Dow Jones &

Co. and Infoseek, a Disney-owned search company. He later returned to China where he established Baidu, (pronounced buy-do) China’s leading search engine. The young, inexperienced Baidu team unabashedly borrowed Google’s design. Today, Baidu is locked in fierce competition with Google for dominance of the Chinese search engine market. Fannin expects that Baidu “will continue to one-up Google in China with its home home-grown smarts.”

Other young entrepreneurs include Jack Ma, who created Alibaba, China’s leading e-commerce site, which has 16 million users in China. Its English version has 3 millions users, mostly global buyers and importers searching for and trading with China’s numerous suppliers. Fannin describes Alibaba as “an online flea market” with 35 product categories. In addition, Ma has challenged eBay with an online auction site called Taobao.



Rebecca A. Fannin

Peggy Yuyu started China’s response to Amazon with an online bookselling venture called Dangdang. It has nearly 13 million registered users, compared with 11 million for Amazon’s Chinese subsidiary.

Then there are the “home-grown” innovators who have created their own enterprises without copying American ideas. These include Jeff Chen, who has signed up 11 million users for Maxthon, a Web browser that has attracted Google as an investor, and Liu Yingkui, who invented software for selling financial services over cell phones.

Skeptics such as Yahoo! founder Jerry Yang doubt whether China will be able to challenge the U.S. for technology leadership for at least another 15 to 20 years. Perhaps. But look at how far and how fast China has come a manufacturing superpower. I don’t think anyone would have bet on that 20 years ago. And as Fannin writes, “The Chinese technology revolution is an unstoppable as a locomotive.” ☀

Don’t be surprised if the next Steve Jobs or Bill Gates comes from China. That’s the premise of a new book entitled “Silicon Dragon: How China Is Winning the Tech Race.”

The author, Rebecca A. Fannin, has no doubts about the strength of the challenge. “China is leapfrogging past a legacy of outdated forms that stymie Western firms. Because of the size and stature of China’s markets, such innovations could set world standards for technology.”

Chinese car exports double

China’s automobile exports last year more than doubled to 188,600 units, according to figures from the General Administration of Customs.

The country’s overall auto imports and exports reached \$66.9 billion in 2006. Car importers were up 24.5 percent and exports increased 45.3 percent.

Exports of Chery, the largest Chinese auto brand, soared 132 percent in 2007 to 119,800 units. In 2008, Chery expects

to export 180,000 units.

Total auto output grew 22.9 percent to 9.04 million units last year, according to the National Development and Reform Commission, the country’s top economic planning agency. Zhu Hongren, the commission’s deputy director of economic performance, told the Xinhua state news agency that quantity is no longer a problem and Chinese producers should increase their focus on improving quality. ⚙