

Adobe to shut research arm in Beijing

SHANGHAI, CHINA: US software company Adobe will shut its research arm in Beijing by the end of the year, laying off 350 people, according to a statement, as foreign technology firms face a worsening business climate in China.



Adobe says it will close its offices in Beijing and shut down the research and development division there, putting 350 people out of work. Image: <http://chinhdangvu.blogspot.com> Chinhdangvu]]

US technology firms, including Microsoft and Qualcomm, have come under investigation over business practices, the latest in a series of industries to face tougher government scrutiny.

However, Nasdaq-listed Adobe denies the move is a reflection of the Chinese market and says it is part of a broader strategy to place technical teams in fewer locations, according to the statement provided to AFP.

"The move will not affect Adobe's overall level of investment in research and development and is not an indication of financial performance in China or worldwide," the statement said.

Adobe, which is based in San Jose, California, this month said net income for the three months ended August fell 46% year-on-year to \$44.69m.

"We are committed to China as a long-term market, and will continue our sales presence nationally as always," the firm, which makes the Acrobat and Photoshop software, said.

Chinese authorities have raided the offices of Microsoft as part of an anti-monopoly investigation aimed at its Windows operating system - which is used on the vast majority of computers in China - and the Office suite of programmes.

The head of the government agency investigating Microsoft for what it calls "monopoly actions" said last month that the probe includes the way the US company distributes its media player and browser.

Chinese state media has reported that US chip maker Qualcomm is also being probed over an alleged monopoly in the mobile phone chip market.

Some analysts have linked the investigations to a US government move to indict five members of a Chinese military unit for allegedly hacking American companies for trade secrets.

Source: AFP via I-Net Bridge

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