

Is China exporting a dotcom bubble?

GEORGE CHEN

"Will you marry me, Nasdaq?" that may be the message Jiayuan.com is keen to send to the Nasdaq and potential investors.

Jiayuan.com, an online dating service founded by a student of the Journalism School of Fudan University in 2003 and whose name means "a good destiny of love" in Chinese, today applied for an initial public offering in the United States. It's the latest in a series of Chinese Internet technology and social networking companies to apply for a U.S. listing in recent months.

Now, I'm not a chartered financial analyst or Internet industry expert, so I just want to look at this wave of IPOs from a more personal perspective. First of all, I do believe there's a reason behind the current rush of listing applications; it's not mere coincidence!

The financial crisis changed the global landscape for many sectors, not only the financial industry but also many consumer-driven services. Wall Street investors have long been worried about the performance of traditional media companies such as the New York Times Co, while Google and Apple are already too expensive for some.

Youku.com and Renren.com, clones of YouTube and Facebook in China, naturally sound like a more comfortable investment solution to many Western investors who may have missed the previous gold rush for Google and Apple and are looking for something similar with a cheaper price tag.

Thanks to public relations agencies and global media outlets, once you give Renren.com a nickname like "the Facebook of China", investors have a tendency to be wowed no matter how much they know of the differences in business models between Renren.com and Facebook, or about the way Renren.com really works and its impact on Chinese users.

Let me suggest, dear investor, that before you subscribe to the Renren.com IPO, you register an account and post a message by the way, be careful you don't post anything politically sensitive or your post will likely disappear rather quickly or set up an event and upload some photos to share. User experience is important before deciding to pour big money into the "Facebook of China".

If you don't speak or write Chinese, such a test could be challenging. How about asking a friend



REUTERS

An employee is seen through a glass wall as she walks past the logo of Youku.com above the reception desk at the company's headquarters in Beijing.

in China how they feel about Renren.com. Don't just ask the banker or asset manager trying to sell you the IPO, you need your friend's personal feedback. In my not so financially professional view, that could be more important than reading through hundreds of pages of IPO prospectus.

Of course, I'm not just picking on Renren.com. You should do the same for any of the upcoming China IPOs, including Jiayuan.com. There are many stories of successful love and marriage on Jiayuan.com, however, none of them involved anyone I know of.

Jiayuan.com says it operates the largest online dating platform in China and had more than 40

million registered users at the end of March. However, only 4.74 million of those user accounts were active, on average, during the first quarter of 2011 and less than 1 million of them were paying accounts. This dating site is seeking up to \$100 million from a Nasdaq IPO.

"Don't be fooled by the apparent prosperity of the industry. What is important is how much you can achieve ... and whether your products are attractive. So don't be dazzled by sudden changes in the market, which is on fire," said Robin Li, founder and head of China's largest search engine Baidu, which has a much bigger market share than Google in the world's No.2 economy.

When Renren.com announced its IPO plans, Chinese media were overjoyed. Numerous newspapers carried similar headlines proclaiming that Renren.com, from China, would become the world's first big social network IPO. It does make me feel that Renren.com is now more powerful than Facebook, at least for Chinese media.

As my editors often warn me when I report breaking news, "First be right, and then be first." The same should also apply to the likes of Renren.com.

The writer is a Reuters editor and columnist based in Hong Kong. The opinions expressed are the author's own.

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Protests mount against Indian nuclear plant

AFP, Sakhri Nate, India

In the busy Indian fishing village of Sakhri Nate, it's obvious what the locals think of the plan to build the world's biggest nuclear power plant just across the creek.

"Say No To Nuclear Power. We Don't Want To Get Sick," reads one slogan in Hindi on the side of a tarpaulin-covered shack selling sweet tea and sugary snacks.

Chalked on a wall around the corner is a message for the French company that has signed a \$9.3-billion deal to supply the plant's first state-of-the-art pressurised water reactors.

"Areva Go Back," it says simply in English.

Opposition to the Jaitapur Nuclear Power Project runs deep in this part of the Konkan region of western India, whose people have earned a living from fishing and farming for generations.

As with many in the hard-to-reach coastal area 400 kilometres (250 miles) from Mumbai, 45-year-old fisherman Abdul Majid Goalkar's argument is well-rehearsed.

At least 5,000 people work on about 600 boats, bringing in 50 tonnes of fresh fish, prawns and squid every day, he says. If the plant is built, he warns, all those jobs are under threat.

"Once they put the (water) pipeline in, we won't be able to go out and fish," he added, gesturing out to sea. "Warm water from the plant will affect the fish stocks, there'll be pollution... It's completely out of the question."

Others want to protect the village's most famous export -- the creamy, Alphonso variety of mango known locally as "the king of fruits" -- grown on rocky, cliff-top land earmarked for the 2,318-acre (938-hectare) plant.

"The main business here is fish and mangoes," said Mahesh Karankar, 32, who runs a shop in Jaitapur village. "If that disappears, what will we sell? How will we earn any money?"

Over the last four years, the grassroots campaign against Jaitapur has built up a steady momentum and become increasingly vocal.

But resistance has hardened since the Japanese earthquake and tsunami that crippled the Fukushima plant, forcing a rethink on nuclear safety around the world and calls in India for a halt to atomic expansion.

Pravin Gaonkar, a fisherman and mango farmer spearheading the anti-nuclear campaign, said the Japanese nuclear crisis was all the more relevant, as the Konkan coast is prone to regular seismic activity.

"Before the incident in Japan we were told how technologically advanced it was, how it was an earthquake-prone zone and yet they had nuclear plants. What's happened has completely changed the scenario," the 57-year-old added.

Another development is that the so-far largely peaceful anti-nuclear campaign has turned violent.

On Monday, the police opened fire on a crowd of protesters, killing one and injuring several others.

The victim, Tavrez Sejkar, was buried in the red earth of the steep hillside cemetery in mainly Muslim Sakhri Nate on Wednesday.

At his funeral, attended by thousands of local people still angry at what they say was heavy-handed police tactics, the local imam called him "shahid" -- a martyr to the cause.

Politics has been blamed for the change in atmosphere around the protests, with fingers pointed at the local hardline Hindu nationalist party the Shiv Sena, which has a lengthy track record of violence and agitation.

On Tuesday, tyres were burnt on the main Mumbai to Goa highway and stones thrown at buses, as Sena members tried to enforce a shut-down protest in the area.

The local Sena lawmaker in the Maharashtra state assembly was arrested on suspicion of rioting.

Comparisons have been drawn with Singur in West Bengal state, where Tata Motors abandoned its plans for a new factory to build its Nano car after violent protests from farmers backed by local political parties.

Fast-growing, energy-hungry India, which wants to increase the share of

nuclear in its energy mix from three percent to 13 percent by 2030, could pay a high price if Areva followed Tata's example.

At full capacity, the six-reactor Jaitapur plant would provide 9,900 megawatts of electricity -- more than double the current energy deficit in all of Maharashtra, home to commercial capital Mumbai.

Supporters say it could provide power to a chunk of the 500 million homes across the country that are currently off the grid and is vital to India's economic progress.

India's environment minister Jairam Ramesh has angered opponents by insisting that the project will go ahead, even as he conceded that additional safety measures may be required because of Fukushima.

"India cannot afford to abandon the route of nuclear power," he said on April 18. "From a greenhouse gas point of view, nuclear power is the best option."

Professor Surendra Jondhale, head

of political science at the University of Mumbai, doesn't think the project will be abandoned, although a delay is likely while the government reviews safety.

Instead he sees it as classic Sena tactics: allying itself with native Maharashtrians who risk losing their traditional way of life and cherished land to "outsiders".

Others suggest the party's real aim is to discredit state industry minister Narayan Rane, a former Sena member who defected to the ruling Congress party and is one of the Jaitapur project's most prominent supporters.

"The Shiv Sena is trying to retain and regain its political stronghold in the Konkan," said Jondhale, who compared the situation to the party's opposition to a power plant backed by US energy giant Enron in the 1990s.

That helped bring the Sena to power in Maharashtra, although they ultimately supported the project.

"Local elections are coming up and next year there are municipal elections

in Mumbai, where there is a strong connection to the Konkan. It helps them politically," added Jondhale.

"We are now seeing the real issue being very much politicised. It's overshadowed the real, genuine protests."

Back in Jaitapur, where a giant poster of Shiv Sena leader Bal Thackeray and local leaders has been put up on the main street, locals Mahesh Karankar and Chetan Narkar say the impact of the violence has already been felt.

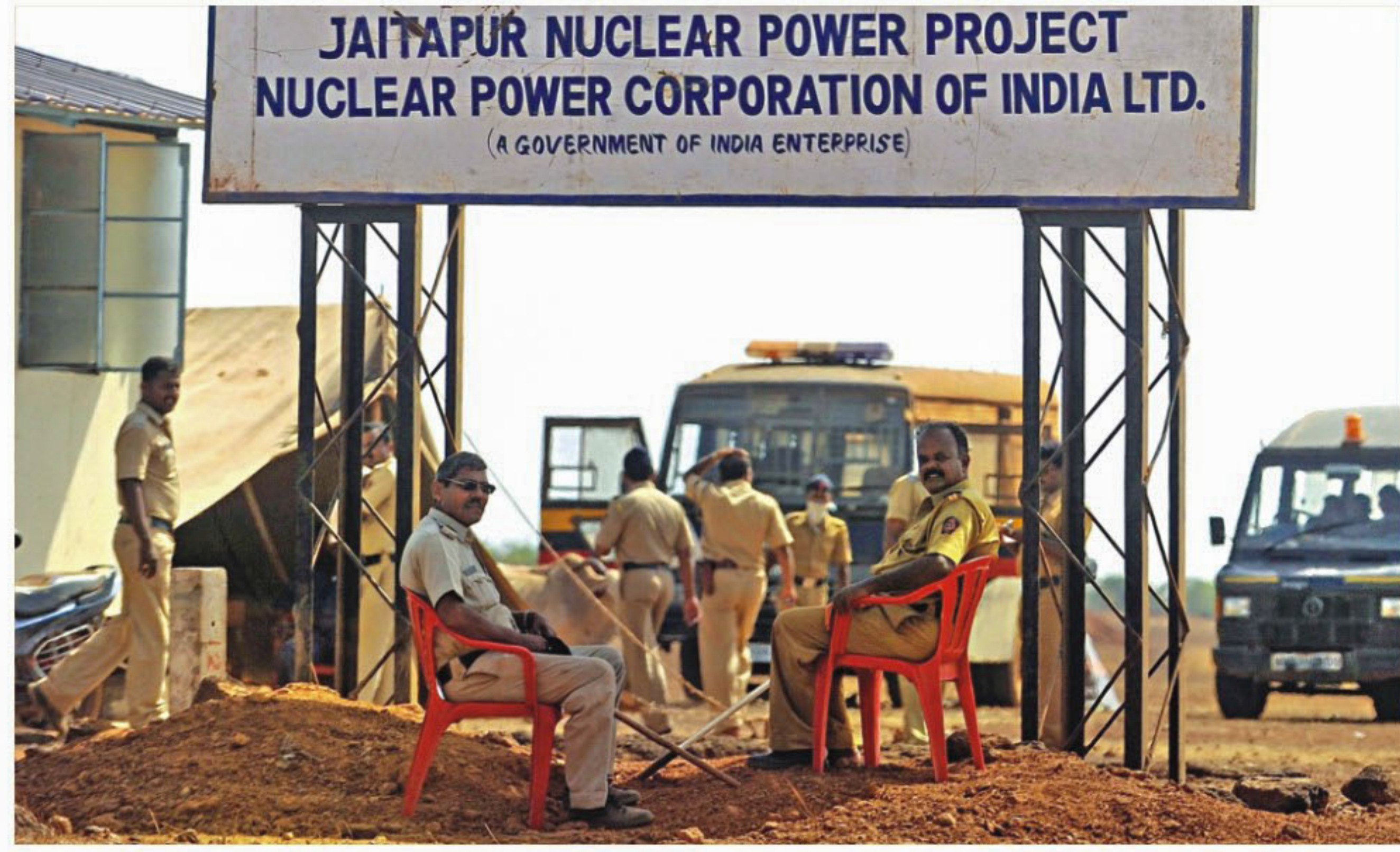
Police have locked down the area, fearful of further unrest. As a result, three days' worth of fish is rotting in warehouses.

"Whether the Shiv Sena is with us or against us we don't care," said 23-year-old Narkar. "We don't need anyone to help us carry on our protest."

Another demonstration is planned for Sunday. Pravin Gaonkar says there will be no let up after that.

"If the government does nothing, at least 5,000 fishermen and farmers will go to Delhi and protest," he added.

"Before the incident in Japan we were told how technologically advanced it was, how it was an earthquake-prone zone and yet they had nuclear plants. What's happened has completely changed the scenario"



AFP

Police officers guard the proposed site of the Nuclear Power Project near Jaitapur, some 400 kilometres south of Mumbai.