

Lu resignation a blow for Baidu's push into AI, analysts say

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The resignation of a senior Baidu executive is a major setback to the

Chinese internet giant's push into artificial intelligence, an analyst said Monday, as the company tries to diversify away from its search engine business.

The loss of [chief operating officer](#) and AI expert Lu Qi is the latest blow for the [company](#), often referred to as China's Google, which has invested heavily in its deep learning efforts.

Lu was overseeing Baidu's move into AI-related businesses, from autonomous driving to facial recognition, and his departure last week saw the firm's share price slump almost 10 percent in New York Friday.

Baidu has spun off non-core assets such as its movie streaming platform iQiyi and financial services arm as it moves to make AI central to its future, plans that dovetail with Beijing's strategic goal of dominating the field.

His departure followed the loss of Baidu's chief scientist Andrew Ng last year, when the firm also lost its driverless car unit head Wang Jing, among other key AI scientists.

"Lu Qi's departure, like those of Wang Jing and Andrew Ng, is a significant setback to the progress of Baidu's AI programme," said Mark Natkin, managing director at technology consultancy Marbridge Consulting.

Natkin believes Baidu will be able to recruit other talent but said the departure would slow the company down.

The speed bump sets the company back at a critical time as it races against Chinese peers Tencent and Alibaba and even Silicon Valley giants like Amazon and Google to launch driverless cars and the next generation of AI-enabled products.

Investment Bank Credit Suisse lowered its outlook for the company, with its analyst citing Lu's importance to Baidu's future.

"We view Dr Lu as instrumental to Baidu's transition to becoming an 'All in AI' company," said the analyst Thomas Chong in a widely-cited research note.

Lu's arrival in Beijing from Microsoft was seen as a major coup for Baidu. His departure to spend more time with his family in the US and move to "research and investment" projects followed a similar jump by Ng last year.

Baidu CEO Robin Li thanked Lu and said the firm's "strategy to transform into an AI-first company (was) firmly in place".

The tech giant has since promoted the current manager of its AI Group, Wang Haifeng.

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