

China's Alibaba boosts stake in SE Asia online sales

SHANGHAI, China - Chinese e-commerce giant Alibaba said on Wednesday it would inject another \$1 billion into Southeast Asia's Lazada, as the cashed-up company increases its stake in the region's nascent online shopping market.



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The investment will raise Alibaba's holding in Lazada to 83% from 51% and take its total outlay on the company so far to more than \$2 billion.

"The e-commerce markets in the region are still relatively untapped and we see a very positive upward trajectory ahead of us," said Alibaba chief executive Daniel Zhang, estimating only 3% of Southeast Asia's retail sales are conducted online.

Alibaba, founded by China's richest man Jack Ma, is a dominant player in the fast-growing online commerce market as shoppers increasingly shun bricks-and-mortar stores. Earlier this month Alibaba forecast annual revenue growth of 45-49%. That followed an almost doubling in its net profit in the quarter ended March 31, on a 60 percent surge in revenue.

Alibaba's Taobao platform is estimated to hold more than 90% of China's consumer-to-consumer market, while its Tmall platform is believed to handle over half of business-to-consumer transactions.

But its international commerce business accounted for only 10% of revenue in the last quarter.

Source: AFP

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