

China's Alibaba chief silent on Yahoo stake

September 10 2011, by Bill Savadove



Jack Ma, head of Chinese Internet giant Alibaba, delivers a speech at his company's annual gathering of entrepreneurs in Hangzhou, in eastern China's Zhejiang province. Ma gave no hint of the future of Yahoo!'s stake in his firm but said he wasn't responsible for the recent ouster of its chief.

The head of Chinese Internet giant Alibaba, Jack Ma, Saturday gave no hint of the future of Yahoo!'s stake in his firm but said he wasn't responsible for the recent ouster of its chief.

Alibaba, China's top [online retailer](#), is 43 percent-owned by the US [Internet company](#).

Yahoo!'s board of directors fired chief executive Carol Bartz just days ago and announced a "strategic review", amid speculation the faltering company may divest itself of its Asian assets, which include Alibaba.

"These days, we have a lot of things happening -- the CEO of Yahoo!

has stepped down," Ma, chairman and chief executive of Alibaba, told the company's annual gathering of entrepreneurs.

"A lot of people said it's because of me," he said, to the laughter of the audience. "Actually, I will tell you, it has nothing to do with me."

Alibaba is one of Yahoo!'s most prized assets. But the relationship was strained earlier this year in a dispute over Alibaba's online payments platform Alipay.

Alibaba Group includes [Taobao](#), China's largest online marketplace with more than 800 million product listings and 370 million registered users.

Yahoo! notified the US [Securities and Exchange Commission](#) in May that ownership of Alipay had been shifted to a Chinese firm owned mostly by Ma.

Yahoo! said the transfer was done without the knowledge or approval of Alibaba's board of directors or shareholders.

But Ma has insisted that Yahoo! was informed of the transfer of ownership and it was done to comply with Chinese licensing regulations.

The two eventually reached an agreement in July under which Alibaba Group will "continue to participate in Alipay's future [financial performance](#), including a future IPO or other liquidity event".

Speaking at the conference, Ma said he aimed to shake up sectors traditionally controlled by Chinese state companies, such as banking, telecommunications and logistics.

"What we can do is shake them a little bit to make them feel pressure so they have to change," he said.

To that effect, Ma said Alibaba plans to invest in logistics, though he gave no details. Use of wireless Internet has also posed a challenge to China's state-backed telecom companies, he said.

Speaking earlier, another Alibaba official said mobile Internet provided a new way to service customers.

"In the era of mobile Internet, we can provide customised services with very low cost," said Wang Jian, chief architect of Alibaba Group and president of [Alibaba](#) Cloud Computing.

"You will be able to provide services at any time to all the people. You will not be limited by traditional ways," he said.

China has nearly 500 million Internet users. But the country had more than 900 million mobile phone subscribers at the end of April, highlighting the potential for mobile Internet use.

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