

# China vendors 'riot' online over Taobao fee hike

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A sign is displayed outside a classroom from which students run an online Taobao shop in Yiwu. Tens of thousands of frustrated small Chinese vendors are "online rioting" in protest at a decision by the nation's top web retailer Taobao to raise service fees, state media say.

Tens of thousands of frustrated small Chinese vendors are "online rioting" in protest at a decision by the nation's top web retailer Taobao to raise service fees, state media said on Thursday.

Nearly 40,000 small sellers have attacked big brands such as Japan's clothing chain Uniqlo by placing huge orders online, immediately cancelling them and leaving negative comments, the Beijing Business Today newspaper said.

[Taobao](#) Mall, the business-to-consumer branch of Taobao, which

operates like a Chinese [eBay](#) or Amazon, earlier this week announced an up to ten-fold increase in service fees from next year.

Service fees will rise from 6,000 yuan (\$940) to as much as 60,000 yuan (\$9,400) a year, and a compulsory fixed sum deposit will go from 10,000 yuan (\$1,570) to up to 150,000 yuan (\$23,500).

Taobao said the 15-fold increase in the vendors' deposit would "encourage sellers to operate at Taobao Mall in a more active and serious way". The deposit is in place for situations where a customer demands a refund but the individual retailer refuses to pay.

The fee increase has raised speculation that Taobao intends to squeeze out small vendors, who have reacted in a wave of online protest directed at the site.

"We gathered... to form the anti-Taobao union on Tuesday night and joined the price-hike fray," a wedding gown vendor identified by her surname Quan was quoted as saying by the official China Daily newspaper.

"We (small vendors) are the ones that helped Taobao prosper in the first place. How can they treat us so harshly now?" she asked in the report, which dubbed the vendors' actions "online rioting".

Jack Ma, chairman of Taobao parent Alibaba Group, on Thursday likened those involved to "Nazis" on his Twitter-like Weibo account.

"I logged on to the Internet last night and heard those people singing Nazi (style) 'get rid of everything and destroy everything' military songs," he said.

Taobao said Wednesday it had reported the online unrest to police and

vowed that it will "by no means tolerate the atrocities that harm other innocent sellers."

It added that some of those engaged in the online rioting were not legitimate vendors.

Ma said the company would not change its decision, while an Alibaba spokeswoman said on Thursday the firm was open to talks with the angry vendors.

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