

# Alibaba founder Jack Ma stepping down as CEO (Update)

January 15 2013, by Joe Mcdonald

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One of the world's most successful Internet entrepreneurs, Jack Ma, founder of e-commerce giant Alibaba Group, announced Tuesday he is stepping down as chief executive but will remain chairman.

In a letter to employees, Ma said he would no longer be CEO after May 10 but will remain active as executive chairman. He said a successor will be named by May but gave no indication who it will be.

Alibaba Group's business-to-business Alibaba and consumer-oriented Taobao and Tmall platforms are among the world's busiest e-commerce outlets. The group manages Yahoo Inc.'s China arm.

Ma, a former English teacher, founded Alibaba in 1999 to link Chinese suppliers with retailers abroad. The Hurun Report, which follows China's wealthy, estimated his net worth last year at \$2.4 billion.

Ma said that at 48, he is no longer young by Internet industry standards and Alibaba needs to promote younger leaders. He said Alibaba executives who were born in the 1960s would start to hand over responsibility to younger managers this year.

"It's not because I want to take things easy," he wrote. "It's because I see that Alibaba's young people have better, more brilliant, dreams than mine, and they are more capable of building a future that belongs to them."

The move comes a week after Alibaba announced it was reorganizing its seven business units into 25 smaller divisions meant to compete more effectively in China's turbulent Internet market. Ma said that would be the hardest "cultural transformation" in company history.

Ma is part of a generation of Chinese Internet entrepreneurs who built successful businesses in e-commerce, entertainment, search and other fields. In addition to Ma, several others have become billionaires, including Robin Li of search giant Baidu and Ma Huateng of Tencent, an entertainment and Web portal company.

China has the world's biggest population of Internet users, with 564 million people online as of the end of 2012, according to an industry group, the China Internet Network Information Center.

The country trails the United States and Japan in total e-commerce spending but is forecast by the Boston Consulting Group to take the No. 1 position by 2015.

Alibaba Group is privately held and doesn't report its finances. But the company said that on Nov. 11, an informal holiday in China dubbed "Singles Day" that has become a popular online shopping day, the 50,000-plus merchants on Taobao and Tmall.com took in a total of 19.1 billion yuan (\$3 billion). That would be the biggest e-commerce day on record.

Yahoo paid \$1 billion for its stake in Alibaba in 2005 and turned over control of Yahoo China. But the relationship grew strained as Alibaba grew quickly while Yahoo shrank in the face of competition.

In September, Alibaba paid \$7.1 billion in cash and stock to buy back about half of the 40 percent of the company owned by Yahoo. The U.S. company still owns 23 percent of Alibaba.

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