

China's Alibaba to set up logistics hub in Malaysia

March 22 2017



Alibaba founder Jack Ma speaks during the launch of Malaysia's 'digital free trade zone' in Kuala Lumpur on March 22, 2017, with his Chinese firm to set up an e-commerce hub with the Southeast Asian country

Alibaba and Malaysia announced Wednesday that they will set up a logistics and e-commerce hub in the Southeast Asian country to boost small and medium-sized companies, a first for the internet giant outside China.

The hub will be located near Kuala Lumpur International Airport as part of a "digital free trade zone" formally launched by Alibaba's founder Jack Ma and Malaysian Prime Minister Najib Razak in the capital.

The facility will act as a warehouse and centralised customs clearance for Malaysia and the region, Alibaba said in a statement.

Officials refused to divulge investment figures, but an Alibaba spokeswoman said the facility would be operational at the end of 2019.

Ma, who in November became the Malaysian government's "digital economy" adviser, said "97 percent of [business](#) in Malaysia are small businesses but they control only less than 40 percent" of economic output.

"I think 90 percent of small businesses could produce at least 80 percent of the GDP... if we have more [small businesses](#), that means we have more jobs."

Najib said at the event with Ma that "the only sector that can give double-digit growth is the digital economy."

Alibaba is China's dominant player in online commerce, with its Taobao platform estimated to hold more than 90 percent of the consumer-to-consumer market, while its Tmall platform is believed to have over half of business-to-consumer transactions.

The company, often compared to US giants Amazon and eBay, has expanded outside its core e-commerce business, in sectors ranging from sports to entertainment.

Citation: China's Alibaba to set up logistics hub in Malaysia (2017, March 22) retrieved 26 April 2024 from <https://phys.org/news/2017-03-china-alibaba-logistics-hub-malaysia.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.