Chinese retail site, Yahoo! Japan unveil deal

May 10 2010, by Joan Feng

A woman in Beijing shops on the Taobao website in 2008. Taobao, China's largest retail website, and Yahoo! Japan on Monday announced new online platforms that will allow merchants on their respective sites to sell products in both markets.

China's largest retail website Taobao and Yahoo! Japan on Monday announced a new partnership aimed at increasing online shopping options for consumers in the world's number two and three economies.

Under the partnership, Yahoo! Japan merchants will list around eight million items in a special Chinese-language TaoJapan section, giving them access to more than 190 million Taobao users, the companies said.

Online stores on Taobao will be able to offer about 50 million products from China to Japanese consumers at Yahoo! Japan's China Mall, the companies said in a statement.

"If Taobao can do well in Japan, we believe it can also do well worldwide," the Wall Street Journal quoted Jack Ma, founder and chairman of the Alibaba Group which owns Taobao, as telling reporters in the eastern city of Hangzhou.

The new services, available from June 1, will allow Internet users in both countries to buy and sell using systems and procedures that are familiar to them in their native languages, it said.

"We expect that the Asian economy will continue to grow further, led mainly by China and Japan, and that the Internet business and e-commerce business will be the core of that growth," said Masayoshi Son, chief executive of SoftBank, Yahoo! Japan's biggest shareholder with a 41 percent stake.

Food and cosmetics will be not be available on the China Mall due to Japan's strict import rules, Taobao said in a separate statement.

The new platforms are expected to see the combined number of users hit 250 million, Taobao said.

That figure would dwarf the 90 million active users at US online marketplace eBay, where goods worth a total of 60 billion dollars were sold last year.

Unlike eBay, Taobao charges nothing to list items for sale and the site's revenue comes from advertising.

Both SoftBank and US Internet company Yahoo! are shareholders in the Alibaba Group, which is China's largest e-commerce company.

Alibaba Group's Hong Kong-listed subsidiary Alibaba.com already has a joint venture with SoftBank called Alibaba.com Japan.

The cooperation with Yahoo! Japan is the latest effort by the Alibaba Group to expand in overseas markets.

Last month, its wholesale website Alibaba.com announced a new platform, AliExpress, allowing payments from users of US online payment service PayPal.

Online shopping in China has boomed in recent years, as the nation's more than 400 million Internet users -- the world's biggest online population -- become increasingly web-savvy.

Baidu, China's top search engine in terms of market share, said in January it would set up a joint venture with Japanese retail website Rakuten to launch a shopping mall targeting domestic web users in the second half of 2010.

Transaction volume on Taobao, which means "treasure hunt" in Chinese, exceeded 200 billion yuan (29 billion dollars) in 2009.

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