

Alibaba opens US data center in new challenge to Amazon

March 4 2015

Chinese online giant Alibaba will open a data center in Silicon Valley, it said Wednesday, challenging US rival Amazon in the field of cloud computing.

The company's Aliyun unit, which already competes with AWS (Amazon Web Services) in China, will offer cloud services to US firms in what was described as a gradual rollout.

"For the time being, we are just testing the water," said Sicheng Yu, vice president of the unit, in a statement on the company's corporate site Alizila.

"We know well what Chinese clients need, and now it's time for us to learn what US clients need," he said.

The new Silicon Valley [data center](#) will offer several services including [cloud computing](#) on demand, on an as-needed basis.

"The market is quite crowded in the US but we offer some unique value and there's room for us," Yu said.

Alibaba operates the largest e-commerce platform in China, similar to those offered by eBay and Amazon in the United States.

Alibaba completed the world's biggest [initial public offering](#) with its \$25 billion listing on the New York Stock Exchange in September, making

its founder Jack Ma China's richest man overnight.

But shares have been struggling in recent weeks following revelations of probes in China about fake merchandise being sold on the platform that were not disclosed ahead of the IPO.

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