

China's Alibaba to invest \$1.0 bn in cloud computing

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Chinese e-commerce giant Alibaba will invest \$1.0 billion in its cloud computing arm to expand its international presence, the company said Wednesday, as it looks outside its core business and beyond traditional markets.

The Aliyun unit will use the funds in part to set up cloud computing centres in Singapore and Japan, as well as in the Middle East and Europe, Alibaba said in a statement.

New York-listed Alibaba's Tmall.com site is believed to command more than half the Chinese market for business-to-consumer transactions, while its Taobao platform holds more than 90 percent of the consumer-to-consumer market in China.

The Aliyun unit already provides cloud computing services through five data centres in China and its special administrative region of Hong Kong, and earlier this year made its first foray further afield with one in the US technology hub Silicon Valley.

"This additional \$1.0 billion investment is just the beginning," Alibaba's chief executive officer Daniel Zhang said in the statement.

"Our hope is for Aliyun to continually empower customers and partners with new capabilities and help companies upgrade their basic infrastructure."

Alibaba offers business services to several companies through the Internet "cloud" including US chip giant Intel, Singapore Telecom (Singtel) and Hong Kong-based Towngas, the statement said.

Alibaba on Wednesday also announced it will pursue "strategic collaboration" with a Chinese software company, Yonyou, for cloud computing, big data and other areas, it said.

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