

Alibaba acquisition values meal-deliverer Ele.me at \$9.5 bn

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Alibaba is acquiring full ownership of food delivery firm Ele.me in a deal that values the start-up at \$9.5 billion

Chinese e-commerce giant Alibaba said Monday it was acquiring full ownership of leading food-delivery firm Ele.me in a deal that values the Shanghai-based start-up at \$9.5 billion.

The deal is the latest salvo in the intensifying turf battle between tech heavyweights Alibaba and Tencent in the fast-growing Chinese markets for online food ordering and digital payments.

Alibaba and its financial arm Ant already owned 43 percent of the app-based Ele.me and said in a statement that it would acquire all remaining shares.

It said the takeover puts Ele.me's value at \$9.5 billion. Alibaba did not say how much it was paying for the remaining stake.

Ele.me, which means "Are you hungry?", said it operated in 2,000 Chinese cities and had 260 million users as of mid-2017, employing an army of three million scooter-borne [delivery](#) drivers.

The statement by Alibaba, an e-commerce leader through its hugely popular Taobao online shopping platform, implied that it would expand Ele.me's delivery business beyond mere meals.

"Ele.me's fast local delivery [service](#) will build on its core expertise in food delivery to provide consumers with a wider range of products and services on demand," Alibaba said.

"This expansion of offerings will allow Ele.me to efficiently utilise its large delivery force that currently fulfils orders in cities across China."

Ele.me has been competing fiercely with its main rival Meituan, which is backed by Tencent, the Chinese social media, messaging and online payments heavyweight.

Users of meal-ordering platforms tripled in two years to 343 million in 2017, the China Internet Network Information Center said. The vast majority use mobile apps.

Alibaba has been trying to integrate its online e-commerce services with offline bricks-and-mortar services to ensure growth momentum.

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