Alibaba’s Investment and the Digital Economy

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Alibaba’s Mission and Vision

Founded in Hangzhou in 1999

// Mission
To make it easy to do business anywhere.

// Vision
• To build the future infrastructure of commerce.
• To be a company that lasts at least 102 years.
Development of a Digital Economy

Digital Economy:
- Shared Economy
- Cross-border eCommerce
- Rural eCommerce
- Smart City
- Mobility
- New Retail
- New Manufacturing
- New Finance
- New Technology
- New Energy

Infrastructure:
- eCommerce Platform
- Digital Payment Platform
- Smart Logistics Platform
- Cloud Computing & Big Data

Environment:
- Education
- Government & Policy
- Integrated Market
- Entrepreneurship
- World Factory
- Finance Market

Physical Infrastructure
Internet Infrastructure
Social Stability
Population, Market Size
Goals of our M&A and Investments

✓ Complimentary to our business strategy ✓ Future technology & trends

M&A and Investments at Alibaba

Solidify market position of core businesses

Identify new technology trends

Tap into new addressable markets
/ Alibaba’s Capital Allocation Philosophy
M&A and Investments are always done for strategic reasons, never for financial reasons.

Focus on long term value creation and synergies with Alibaba instead of standalone return of the acquired asset.

In some circumstances, we invest minority stake to develop an equity relationship of mutually aligned interests.

Success or failure depends on People + Innovation – we look for company culture alignment.

All investments and partnerships we create need to add value to our mission.
Evolution of Our Investments

International Expansion | Digital Media & Entertainment | Consumer Services
International Expansion | eCommerce / New Retail | Cloud Computing & New Technology
International Expansion | Logistics | Others

FYR 2017
- International Expansion: 38%
- eCommerce / New Retail: 15%
- Consumer Services: 16%
- Digital Media & Entertainment: 21%

FYR 2018
- International Expansion: 15%
- Consumer Services: 9%
- eCommerce / New Retail: 43%
- Cloud Computing & New Technology: 11%

1Q FYR 2019
- eCommerce / New Retail: 26%
- Consumer Services: 45%
- Logistics: 6%
- Others: 9%
Four Barriers that Impede the Transformation of the Digital Economy

**Government Regulation & Policy**

Government regulation and policy should give space to innovation and entrepreneurship. Create an open and inclusive environment (sandbox approach) for domestic and international companies and investors to participate.

**Access to Capital**

Create framework and platform for SME’s and startups to access to capital. Government can consider setting up national funds or taxation policy to support startups and young entrepreneurs that are building the foundation for the ecommerce ecosystem.

**Access to Talent**

Upgrade the education system and encourage collaboration between academia and industry and digital capacity building programs at a national level to develop entrepreneurship, creativity and talents for the digital economy.

**Infrastructure & Connectivity**

Government can invest heavily in digital and physical infrastructure, i.e. port, airport, road, internet and 4G etc, improve the connectivity and speed. This is important for the development of logistics, payment, big data and ecommerce.
Thank you!

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