

# Alibaba revenue jumps in first quarter

August 15 2019

---



Chinese e-commerce giant Alibaba said 2019 first quarter revenues beat analyst estimates

Chinese e-commerce giant Alibaba said Thursday that first quarter revenue beat analyst estimates, defying a slowing economy and a trade war with the United States.

Revenue for the April-June period rose 42 percent year-on-year to 114.9

billion yuan (\$16.7 billion), a company statement said, outpacing an average analyst estimate of 111.6 billion yuan compiled by Bloomberg News.

Joe Tsai, Alibaba's Executive Vice-Chairman, attributed the results to China's demographic trends and continued urbanization, pointing to the growing urban middle class willing to shell out for brands on Alibaba's e-commerce platforms.

Net profit for the quarter was 21.2 billion (\$3.1 billion), more than double from the same period a year earlier.

Revenue in the Hangzhou-based company's core e-commerce segment, which accounts for the vast majority of its business, jumped 44 percent, while the smaller but fast-growing cloud computing unit surged 66 percent.

"Alibaba had a great quarter, expanding our user base to 674 million annual active consumers, demonstrating our superior user experience," said Daniel Zhang, Chief Executive Officer of Alibaba.

"We will continue to invest in technology and bring digital transformation to millions of businesses globally."

Alibaba has been pouring money into what it calls "new retail", which optimises in-store sales and service using data culled online.

It has also been fighting to grow its business abroad, primarily in Southeast Asia where it runs the Lazada e-commerce platform.

Orders on Lazada grew over 100 percent on-year for the third consecutive quarter, the company said.

Alibaba's large entertainment division including the Netflix-like Youku grew 6 percent, as China's [movie industry](#) faces a tough regulatory environment with authorities canceling films they deem unpatriotic and continually changing censorship guidelines.

Zhang told investors the movie streaming platform is investing in [original content](#) with average daily subscribers up 40 percent year-on-year.

Alibaba dominates China's rapidly expanding consumer culture and its corporate results are typically closely watched for any signs that a Chinese economic deceleration and the US-China trade tensions were turning off shoppers.

Companies such as Alibaba are at the nexus of a national economic strategy to encourage more domestic consumer spending and thereby lessen the reliance on fickle foreign demand for Chinese exports.

© 2019 AFP

Citation: Alibaba revenue jumps in first quarter (2019, August 15) retrieved 17 June 2024 from <https://techxplore.com/news/2019-08-alibaba-revenue-quarter.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.