

# Alibaba earnings surge 58 pct on 'Single's Day' boost

February 13 2020

---



Alibaba's earnings increased 58 percent on the back of another record "Singles Day"

Chinese e-commerce leader Alibaba said Thursday that net profit increased 58 percent in the latest quarter, citing another record "Single's Day" sales promotion in November and growth in cloud computing.

Net profit reached 52.3 billion yuan (\$7.5 billion) in the October-December third quarter.

Alibaba dominates China's [consumer culture](#) and its corporate results are widely anticipated for signs that a worsening Chinese economic slowdown and the US-China trade tussle were turning off shoppers.

Revenue growth, the key measure of the company's business health, continued a gradual slowdown.

Overall company revenues reached 38 percent, compared to 41 percent in the same period last year.

Analysts note, however, that it would be difficult for Alibaba to maintain past growth rates forever, and that consumption should remain solid in the future—facilitated by factors including technology and the government's push to encourage domestic consumption as an economic driver.

Alibaba is transitioning to a new era and a leadership team led by CEO Daniel Zhang after charismatic founder Jack Ma stepped aside as group leader in September in a succession years in the making.

Analysts predict that the Chinese internet economy could emerge even more solid due to the ongoing coronavirus crisis, which is expected to boost e-commerce at the expense of traditional retail outlets as shoppers avoid stores.

Chinese shoppers set new records for spending during the annual "Singles' Day" buying spree on November 11, which typically dominates earnings in the quarter.

Consumers spent \$38.3 billion on Alibaba platforms in the world's

biggest 24-hour shopping event, up 26 percent from the previous all-time high mark set the previous year.

US-listed Alibaba in late November raised billions more in a second listing on Hong Kong's stock exchange.

© 2020 AFP

Citation: Alibaba earnings surge 58 pct on 'Single's Day' boost (2020, February 13) retrieved 9 June 2023 from <https://techxplore.com/news/2020-02-alibaba-surge-pct-day-boost.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.