

Alibaba posts solid revenue ahead of shopping festival

November 5 2020



Alibaba reported solid revenue growth for the July-September quarter, providing some much-needed good news amid turmoil over its Ant Group affiliate's abandoned IPO

Chinese e-commerce leader Alibaba on Thursday reported solid 30 percent year-on-year revenue growth for the July-September quarter,

providing some much-needed good news amid turmoil over its Ant Group affiliate's abandoned IPO.

Hangzhou-based Alibaba said revenue—a key measure of the internet giant's business health as well as overall Chinese consumer spending—rose to 155 billion yuan (\$23 billion).

The announcement comes ahead of China's November 11 "Single's Day" shopping festival next week, which was popularised by Alibaba and is now the world's biggest annual shopping event.

Alibaba's latest quarterly earnings provided further evidence of China's recovery from the coronavirus, which emerged in the country late last year and hammered its economy earlier in 2020.

Alibaba has said the pandemic may be helping [e-commerce](#) as consumers opt for the safety of online shopping.

Alibaba's profit for the quarter fell 60 percent, however, to 28.7 billion yuan compared to last year, when it booked a significant one-time gain upon receiving a 33-percent equity interest in its financial arm Ant Group.

Global markets were stunned on Tuesday by the suspension of Ant group's planned record-breaking \$34 billion IPO.

The suspension came amid rising acrimony between Alibaba's billionaire co-founder Jack Ma, who is also Ant Group's controlling shareholder, and Chinese regulators.

Regulators have threatened Ant's bottom line by suddenly tightening online lending requirements in the run-up to the planned issue of shares, which had been set to begin trading on Thursday.

Beijing has imposed the new curbs on online financial services apparently out of fear that the world-record IPO would give a huge boost to Ant Group's business activities, analysts have said.

Ant Group made its name with the online payments platform Alipay, but has expanded into offering loans, credit, and insurance, putting it at odds with traditional state-owned [financial institutions](#) and government regulators.

News of the IPO cancellation hammered Alibaba shares listed in New York and Hong Kong earlier this week.

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