

Alibaba shares soar as it plays down hit from record \$2.78 bn fine

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Alibaba said the fine would not have a major negative impact on its business

Shares in tech giant Alibaba surged nine percent Monday as the ecommerce titan reassured investors that a record \$2.78 billion antitrust fine imposed by China would have little impact on its operations.

Regulators slammed the tech giant with the penalty on Saturday after a months long probe concluded it had been abusing its dominant market position.

But in a conference call to investors on Monday, Alibaba's board put a positive spin on the regulatory blow saying it appeared to be the end of the investigation, with chairman Daniel Zhang saying the fine would not have a "negative impact" on [business operations](#).

The sanction comes as the government cracks down on major Chinese tech platforms—and Alibaba in particular—over allegations of anti-competitive behaviour and misuse of consumer data.

"We had good guidance on some of the specific

issues under the anti-monopoly law and I would say that we are pleased that we are able to put this matter behind us," company vice-chair Joe Tsai added.

Alibaba will introduce measures to lower entry barriers and business costs faced by merchants on its shopping platform.

The firm's [stock price](#) jumped 8.99 percent to as high as HK\$237.60 in Hong Kong on Monday morning before easing back marginally.

Alibaba has faced special scrutiny after co-founder Jack Ma publicly criticised Chinese regulators in October as being stuck in the past after they expressed growing concern over the push into online lending, wealth management and insurance products by Alibaba's online-payments arm, Ant Group.

"We have continuous communication with the regulators," Zhang said, adding that the group will "fully comply" with the requirements.

The probe, which began in December, centred on Alibaba's practice of forbidding merchants who wish to sell their wares on its popular online marketplaces from simultaneously offering them on rival e-commerce sites, the State Administration for Market Regulation said on imposing the fine Saturday.

E-commerce giants Alibaba and JD.com, along with messaging-and-gaming colossus Tencent, became hugely profitable on the back of growing Chinese digital lifestyles and government restrictions on major US competitors in the domestic market.

But their success has drawn the scrutiny of Beijing as the platforms amassed hundreds of millions of regular users.

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