

# China's Alibaba to set up logistics hub in Malaysia

KUALA LUMPUR, Malaysia: Alibaba and Malaysia announced on Wednesday that they will set up a logistics and e-commerce hub in the Southeast Asian country to boost small and medium-sized companies, a first for the internet giant outside China.



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The hub will be located near Kuala Lumpur International Airport as part of a "digital free trade zone" formally launched by Alibaba's founder Jack Ma and Malaysian Prime Minister Najib Razak in the capital. The facility will act as a warehouse and centralised customs clearance for Malaysia and the region, Alibaba said in a statement.

Officials refused to divulge investment figures, but an Alibaba spokeswoman said the facility would be operational at the end of 2019.

Ma, who in November became the Malaysian government's "digital economy" adviser, said "97% of business in Malaysia are small businesses but they control only less than 40%" of economic output.

"I think 90% of small businesses could produce at least 80% of the GDP... if we have more small businesses, that means we have more jobs."

Najib said at the event with Ma that "the only sector that can give double-digit growth is the digital economy."

Alibaba is China's dominant player in online commerce, with its Taobao platform estimated to hold more than 90% of the consumer-to-consumer market, while its Tmall platform is believed to have over half of business-to-consumer transactions.

The company, often compared to US giants Amazon and eBay, has expanded outside its core e-commerce business, in sectors ranging from sports to entertainment.

*Source: AFP*

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