

Tmall Global Unveils New Initiatives to Boost China's Imports

Hangzhou, China, March 21, 2019 – Tmall Global today unveiled two key initiatives that further Alibaba's plans to bring \$200 billion worth of international goods into China over the next five years and help businesses of all sizes enter the China market.

The initiatives – the Centralized Import Procurement (CIP) and Tmall Overseas Fulfillment (TOF) – are import solutions offered by Tmall Global to help international brands accelerate their entry into China and capitalize on hot demand for high-quality products.

As the biggest cross-border platform in China, Tmall Global not only helps brand open up flagship stores on the platform, but also offers direct import services that can help bring international goods, from companies of all sizes sell into the Chinese market, benefiting Chinese consumers with an expanded choice of imported products.

"These new initiatives on Tmall Global, supported by the entire Alibaba ecosystem and benefiting both current and future partners, are needed enhancements as we strive to meet the rising demand of Chinese consumers for high-quality international products," said Alvin Liu, General Manager of Tmall Import-Export, at the Tmall Global 2019 Global Partners Summit.

At the China International Import Expo in November last year, Alibaba pledged to bring \$200 billion worth of international goods into China over the next five years through its platforms.

Alibaba unveiled the CIP program today as a key part of Alibaba's new retail business. By leveraging the six procurement centers Alibaba has set up across the globe, the program sources imported goods for all the online and offline outlets within the Alibaba ecosystem, including technology-driven grocery chain Freshippo (also known as "Hema" in Chinese), Tmall Supermarket and Intime Department Store. The program is a quick and low-risk way for international brands to enter China, allowing them to reach the nearly 700 million active users on Alibaba platforms.

TOF is a consignment solution that allows brands to place a small batch of products at one of the TOF centers to be sold on the Tmall Global platform. This gives businesses around the world a chance to try out and fine tune their product assortment before making a full entry into China. TOF centers are currently available in Japan, South Korea and the US, with plans to expand into Europe later this year.

To support these new initiatives, Alibaba's smart logistics network, Cainiao, will continue to expand its network of bonded warehouses in China, with an aim to triple its total size to three million square meters in three years.

"Over the years, Tmall Global has added a full suite of innovative and value-added services to help overseas brands succeed in the China market, including plugging them in to the entire Alibaba economy. The consumer insight from our ecosystem provides Tmall Global partners a complete view of their customers' engagements even if they do not have operations in China. These market entry and in-market expansion programs are our key differentiators and have created unique benefits for international brands," said Liu.

Tmall Global data shows China's demands for imported goods is gaining strong traction across age groups, regions and categories. Those born after 2000, or "Generation Z," is the fastest-growing consumer group on the platform. The platform is attracting more shoppers in less developed regions, and Tmall Global has successfully propelled the growth of three categories: anti-hair loss products, beauty-from-within products such as collagen drinks and trendy footwear in 2018.

China's "Generation Z" is also fueling demand for pet products and beauty devices. In 2018, the number

of pet-related brands on Tmall Global doubled from the previous year, and sales of beauty devices on the platform also quadrupled from a year earlier.

Recognizing young Chinese consumers' love for content, Tmall Global will continue to offer brands a raft of content-generating tools to boost brand awareness. By tapping into Alibaba's own digital-media channels, such as Taobao Livestream, brands can directly speak to Chinese consumer through multiple touchpoints, including livestream services, videos and testimonials by popular influencers and key opinion leaders.

According to Chinese data-analytics firm Analysys, Tmall Global is the biggest cross-border platform in China. The platform offers Chinese consumers over 20,000 overseas brands and over 4,000 product categories from 77 countries and regions.

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About Tmall Global

Launched in 2014, Tmall Global (www.tmall.hk) is an extension of Alibaba Group's Tmall platform that addresses increasing Chinese consumer demand for international products and brands. It is the premier platform for overseas brands and retailers to reach Chinese consumers, build brand awareness and gain valuable consumer insights in forming their overall China strategy, without the need for physical operations in China. According to Analysys, for fiscal year 2018, Tmall Global was the number one import e-commerce platform in China based on transaction value.

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