

Alibaba Group to take majority 51% stake in Cainiao

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The Hangzhou-based technology giant also announced its intent to invest a further RMB100 billion (US\$15.2 billion) over the next five years to strengthen its global logistics network, as it works toward its goal of fulfilling orders in China within 24 hours and within 72 hours in other parts of the world. The investment will go into research and development in logistics data technology, to develop smart warehousing, smart delivery and global logistics infrastructure—all core to Cainiao’s vision of the global logistics network of the future.

Both investments are aimed at enhancing the logistics experience for consumers and merchants tapping the Alibaba ecosystem. They should also improve efficiency and lower costs in China’s logistics sector, Alibaba said.

“Our goal with this investment is to provide comprehensive, first-class experience for consumers globally,” said Daniel Zhang, CEO of Alibaba Group. “Our commitment to

Cainiao and additional investment in logistics demonstrate Alibaba’s commitment to building the most-efficient logistic network in China and around the world.”

Zhang said enhancing logistics capabilities within the Alibaba ecosystem further enables the group’s [New Retail](#) strategy of bringing online and offline retail into one seamless experience for shoppers.

“We will also continue to deepen our collaboration with various logistics partners to achieve this goal,” Zhang said.

After increasing its stake to a majority in Cainiao, Alibaba will gain one seat on the logistic company’s board, giving it four out of the seven total seats.

This transaction is expected to be completed in October 2017, subject to satisfaction of customary closing conditions. After the transaction’s completion, Cainiao’s financial results will be consolidated under Alibaba Group and reported as part of its core commerce business segment.

Credit Suisse acted as financial advisor to Alibaba, and Morgan Stanley was financial advisor to Cainiao.

Source: [Alizila](#)