

**ПЕТЕРБУРГСКИЙ МЕЖДУНАРОДНЫЙ ЭКОНОМИЧЕСКИЙ ФОРУМ**

**18–20 июня 2015**

**ОТ ИНФОРМАЦИОННЫХ ТЕХНОЛОГИЙ К ЦИФРОВЫМ: ЭПОХА НОВЫХ  
ВОЗМОЖНОСТЕЙ ДЛЯ ТОРГОВЛИ И КОММЕРЧЕСКОЙ ДЕЯТЕЛЬНОСТИ**

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**Модератор:**

**Мирослава Дума**, Основатель, Вигго 24/7; учредитель, культурно-благотворительный фонд «Планета мира»

**Выступающий:**

**Джек Юн Ма**, Исполнительный председатель, Alibaba Group

**Miroslava Duma:**

So let me please welcome Jack Ma on stage.

**Jack Ma:**

Thank you very much. Good afternoon everyone. It is my great honour to join the conference. And I remember two years ago my colleague told me that in Russia we had a fantastic traffic. A lot of Russian boys and girls are buying things through alibaba.com. But at that time we did not have even one person in Russia. So I was very curious as to how they could do it. And we had a campaign trying to promote for one day. And that promotion happened but the result was not good because we had a lot of people selling and buying online from Russia, and then within a whole week the Russian post office system crashed. So, we were wondering what happened. And now I just came this morning and talked to our people and talked to the Russian Post. If a Russian girl places an order online, it takes her 25 days until the order is delivered. But two years ago it took her maybe 70 days to receive her order. But even 25 days for orders is too long, and the demand for Russian products from China is still growing pretty fast. And I would say that in the past years the world has changed so tremendously. A lot of impossible things have become possible. I think for us, 15 years ago nobody heard about Alibaba. We started 15 years ago from 18 people in my apartment; we wanted to create a site that could change the world of trade. It has been 15 years. Now we have grown from 18 people to 34 thousand people. Our revenue and our sales from 0 to half a trillion dollars now, and in 5 years we will cross 1 trillion dollars. And this year our sales will probably be bigger than Walmart Global. And 15 years ago nobody ever heard about Google, iPhone, Facebook, Yandex and Alibaba, but today it seems that so many people could not live without such companies.

What is the magic behind it? I think it is because of the Internet. The Internet is changing the world. People using the Internet going through anything, not only news, not only shopping, but understand each other, exchange ideas with each other. A lot of people still do not understand what IT exactly means. The world

has changed from IT to DT. IT is information technology, DT is data technology. The difference between IT and DT is that IT is about trying to control and DT is about trying to empower the others. IT tries to control the future, DT creates the future. IT is about making 20% of the companies powerful and DT is trying to empower the other 80% of the companies. And IT is about making people like machines, but DT today is about making machines work like people.

So DT requests transparency, DT requests that people share, DT requests that people take the responsibility, and DT hopes everybody, every nation, every organization to be innovative. And IT tried to make everything standard, IT tried to make everything the same. But DT tried to help ensure that everything is unique, everything is different. So I believe that the future world is not based on the skill, it is not based on how much money you have, it is not based on how powerful you are, and of course, it is not based on how strong your muscle is. The future is based on the knowledge, your wisdom and your innovation. So whether you like it or you do not like it, the world is shifting from IT to DT technology. Over the next thirty years the world is going to be changed more, much more than people thought twenty years ago.

So as for the global trade – how about the IT or how about the data technology and the Internet change the global trade. I think the past twenty years WTO did a fantastic job, but WTO also in the last twenty years globalization means bigger company globalization. It is good to help the 20% of big companies to be successful, but also it makes the world unfair in some ways. And I believe next over twenty years the world trade should be focusing on small business, the next world trade organization should be called The World Small Business Trade Organization. The trade is actually, people say, getting more and more difficult, but I think trade is getting easier. No matter if you like it or do not like it, twenty years ago you could never imagine people in Russia buying things in a small town in China. And people could never imagine the Philippines could buy things online from Argentina. But today this thing is happening. But unfortunately because the rules and the laws do not allow small businesses grow faster, this is a big problem. So my belief and Alibaba's belief is that global trade is not the

power, the global trade is not the weapon, the global trade is the right and the freedom of any business, and it should benefit the business of any size. Global trade should also create jobs for any nations. So this is what we believe and we want to make sure that global trade really benefits because of the Internet. And I think also the world has to think in a different way. Because of the Internet we have to think of the global trade, we have to think of the global business in a different way. WTO is good but it is the organization negotiable by the government and the business follow. How about we, the business decide on something and make the government follow that? I think that we should design the new system that meets the trend, meets the future of trade. I do not have the answer to what the right organization or the right rules for the future of trade is, but I believe the current trade rules need to be changed. And think about the one thing, I think about over a billion people who were born in the 1980s. That means the whole world has got more than one billion people which are called millenials. They breathe, they eat, they drink the Internet, and they are our hope. And they are not the trouble. I believe because of these young people the world is going to be growing faster. And I think we should design a new rule for this new generation. And I believe that the future of 'small' is beautiful. The future of trade should belong to the small business, not the big business. So, ladies and gentlemen, let us work hard supporting the young people, supporting the data technology, embrace the Internet, change the rules and make a new rule for the future. This is why I am here, and I am also here to say 'We should not only buy things online, we should also sell things online'. China is such a huge nation – 1.3 billion people. Now we have 300 million people who are middle class. In 10–15 years we are going to have more than half a billion people becoming middle class. The demands of the middle class, whether it is for good products or good services, are huge. It is the opportunity for any nation, it is the opportunity for any business. And I think Russian people, young people do not complain. Think about the huge potential. The Internet is new for anybody, think about the data technology. It is a challenge to anybody, but it is also an opportunity to anybody. If I were a young Russian person using the Internet, creating something, selling

something online, the future was going to be good. And I and Alibaba would do anything to support the young people, to support the small business. Thank you very, very much.

**Miroslava Duma:**

Thank you Jack for one more inspiring speech. So now it is my turn.

Alibaba is China's if not the world's biggest online commerce company. Its valuation is around 216 billion dollars (correct me if I am wrong with the numbers because I was preparing my speech about a week ago, and the numbers are going up every single day, so I might have some wrong numbers). Hundreds of millions of people visit Alibaba platform every single day. Alibaba hosts millions of businesses and merchants, over 250 billion dollar transactions happened last year on Alibaba platforms. More than those of eBay and Amazon combined. 80% of China's online shopping market is dominated by Alibaba. You captured the world stage like no other in September 2014 with the record-breaking 25 billion dollar initial public offering on New York Stock Exchange, the biggest IPO in the history, by the way. Congratulations!

**Jack Ma:**

Thank you!

**Miroslava Duma:**

And became one of the most valuable tag platforms in the world after that. 87 billion dollars were collected in assets by Alibaba money market fund Yu'E Bao. Alipay has more than 900 million registered users globally. You have created 100 million employment opportunities and an affordable platform for one billion people. You proved that in a communist society an entrepreneur can succeed, and that is pretty amazing. It is a great pleasure to welcome you in Russia for the second time, and the first time in St. Petersburg. So Jack, after this amazing success what is next for you?

**Jack Ma:**

Thank you. Well, first, I think it is not because I am smart. I never think I am smart because my parents never thought I am smart, my teachers never thought I am smart. And people did not think we were smart before the last year's IPO, people said 'well, this company will never work', but after the IPO everybody says 'Wow, you are so smart'. We are just normal people and we were very lucky.

**Miroslava Duma:**

And hard-working you should be.

**Jack Ma:**

We worked very hard, but there are more people working harder than we are. We are not smart, but there are more people who are smarter than we are. But the only thing is that we have the big dream for the future, we are always optimistic. Fifteen years ago when we started the dream, we believed that the Internet is going to change the world. If we were not successful, somebody else would be successful. So we have to work hard in order to catch the wave. So fifteen years passed, we survived. We did create a lot of things. Compared to yesterday, we are a big company. But compared to the future we are still a young company. Our average age is 28 years old. We are doing something nobody has done before. So we worry every day because we noticed that very few Internet companies in the world can survive happily for three years. We are lucky today but we do not know whether we will continue to be lucky in the future. The best way to keep your company lucky is to make sure you share the luck with the others. So the next fifteen years what we want to do is to help more small businesses around the world to do business online. Today, I think, 90%, I think should be more than 90% of the B2C business that are making money on our site. And we think if we can make that model successful in China, why should we not help India, help Russia, help Mexico, help with the creation of small business, help more young people and let their dreams realize? So I think a lot can be done and the future of Alibaba is still focused on helping small business, helping

the consumers buy anywhere online, help small business sell anything and anywhere online.

**Miroslava Duma:**

So when you were a child did you have a dream?

**Jack Ma:**

Oh yes, I had dreams, a lot of dreams like any child has a lot of dreams. But it is good to have dreams than no dreams. And a lot of people when they get old they forget about dreams. When you do not have dreams that means you get old. When you have dreams, it means you are still young. And I do have dreams, my dream is to make sure that Alibaba can last 102 years. Now we have existed for 16 years, we have 86 years to go.

**Miroslava Duma:**

So I have this question – why exactly 102 years? Because I heard it in your road show about 102 years. Why not more?

**Jack Ma:**

Well, in China, I do not know about the other parts of the world, every business wants to last a hundred years. So that has become a slogan. Nobody takes it seriously. Any order, any request you give to your team should be accurate. We were born in 1999, in the last century we had one year, in this century we want to have one hundred years, and next century we want to have one more year, so that makes 102 years across three centuries.

**Miroslava Duma:**

OK, so this is the idea?

So everyone talks about how you started with 20 thousand dollars and 18 people in your apartment.



**Jack Ma:**

Fifty thousand dollars.

**Miroslava Duma:**

Fifty thousand dollars and 18 people in your apartment. What are the key learnings from that time that you learned and that you want to share with young people who want to conquer the world and achieve success?

**Jack Ma:**

My advice to young people would be – do not conquer the world, serve the world. It is impossible to conquer the world. When you want to conquer the world, you will be in trouble. So I think if you want to change the world, change yourself first, change your behaviour and focus on the dream, you should do it not because your father wants you to do it, you should do it not because people think it is right, you should do it because you believe it works. And you cannot do it alone; you have to do it together with people. If you have a bunch of people, so I set. If you really want to do it, think about it clearly, and persist it, and you know that nothing can be successful next day. You have to think 'if I do it, is it possible I wait five years later, ten years later. So think about the future, remember the dreams. And work with a team. And also, do not worry about mistakes, today I saw so many books about Alibaba and about me, I read none of them, I am scared of reading those books because it is so difficult to learn from other people why they are successful, you have to learn why people feel. Doing business is like going to the battlefield. Those people who survive are the winners. So to learn how people feel is more important than to learn why people succeed. I think if you want to be successful, learn why people feel. We hope that one day we will publish a book called Alibaba: 1001 mistakes. And that will be a very valuable book.

**Miroslava Duma:**

So, talking about learning, we all know the story about how you were rejected from Harvard ten times, and you promised to go and teach there one day. Do you have any plans to create a digital college or school where you could actually share your experience with young people for them not to get information from those books?

**Jack Ma:**

I think young people here probably know the first time I was invited to speak at Harvard, I told them three things about why we survived. The first – I do not know anything about technology. Second – I do not have money. Third – we never planned. This is all the opposite of Harvard. I do not know anything about technology, because I am not trained as a technology guy, I was trained to be a high-school teacher. And because I do not know anything about technology, we make our technology simple enough for anybody to be able to use it. And I said 'If Jack Ma cannot use it, 80% of our users cannot use it'. Secondly, because we do not have money, so we had to make sure to make best use of all the money. Most companies die not because they do not have money, because they have too much money. And the plan? How can you make plans at that time? Fifteen years ago when you do Internet. So fifteen years ago if you have such a big business plan for you Internet, you are telling a lie, because nobody knows the plan. To keep changing is the best plan, but do not change your vision, do not change your dream. And I say, if there are nine rabbits on the ground, if you want to catch a rabbit, change yourself but do not change the rabbit, stick to one rabbit first. That is philosophy.

As for schools, I do not think I can teach technology, I do not think I can teach management, but we want to share our mistakes, our suffering, and our thinking with the young people. So now we have a university called Lakeside University. Lakeside is the name of my garage where we created Alibaba, where we created Alipay, where we created Taobao. So we want to make sure, no matter who you are, no matter how successful you are, do not forget your first daydream, do not

forget your garage culture. I spend a lot of time with young people sharing my thoughts with them.

**Miroslava Duma:**

Let us talk about Russia. So it is your second time in Russia and your first time in St. Petersburg. How do you like it so far?

**Jack Ma:**

It is beautiful. I think it should be my second time in St. Petersburg. The first time was about 6–7 years ago, I came here with my family with a tour.

**Miroslava Duma:**

So you had a chance to go to the Hermitage, to go sightseeing.

**Jack Ma:**

Last time I had a wonderful chance but this time I have no time. But when I arrive in St. Petersburg, it was so beautiful. I was shocked, you know. So neat and beautiful! It is a wonderful time to invest in Russia.

**Miroslava Duma:**

And so what is Alibaba doing in Russia?

**Jack Ma:**

Well, we have been doing little business called AliExpress, helping the Russian consumers buy products online. But that business is tiny, although we are already pretty welcome in Russia. But my purpose of coming here this time is I want to try to convince the young Russian people, I want to convince the Russian small business, using the Internet, using e-commerce, to sell things to China, to the other part of the world. Do not think about, if you are in St. Petersburg, just opening a small coffee bar in St. Petersburg, think about the world as a small place, just try to sell things everywhere in the world. This thing sounds ridiculous,

just like fifteen years ago when I told my friends and investors that in the future the Internet was going to help a lot of people sell things easily, cheaply, efficiently and quickly. Nobody believed. And I believe we should do it now.

**Miroslava Duma:**

So, your consumer shopping platform AliExpress is one of Russia's popular and most visited platforms. And some sources say you have twenty million unique visitors every month. So can you tell us about the projects that AliExpress is arranging with Skolkovo? As far as I know, the contest started yesterday.

**Jack Ma:**

OK, so, we think that if it is possible, we want to make sure AliExpress is a platform for global small business of any nation, any size, to sell things on that. And we are different from the other B2C models like Amazon. We do not buy and sell, we help other people to buy and sell. And we are looking for partners in Russia, different from the other, what we call the American business model, of globalization. We think we should look for partners, make the partners successful. If the partners are successful, we have a chance to be successful. And my belief is that the Internet is WWW, which means win, win, win. The first 'win' should be consumers, the customers. The second 'win' should be the partners. The third 'win' should be ourselves. And we believe that if the consumers win, if the partners win, we will win. So three wins, WWW. You cannot miss one. So in Russia we are looking for more partners.

**Miroslava Duma:**

And also, there was an announcement about Tmall Global in Russia's retailer ABK. Can you also tell us just a few words about that collaboration?

**Jack Ma:**

Yes, at Tmall Global we have more and more European brands and supplies manufacturers try to sell to China. As I said just now, China has more than 300

million middle class people. And they want good products, they want good services. And I do not think that China today can produce enough services and good quality products to the people in China. So I think Tmall Global Division is trying to help people with good products to sell online. And I am very happy that two weeks ago we had a first Russian business starting to sell on Tmall Global. This is the first and I hope we can have a million small businesses in Russia that can sell on Tmall Global to meet the great demand from the consumers.

**Miroslava Duma:**

Good luck with that!

**Jack Ma:**

Yes, sure, I have confidence with that.

**Miroslava Duma:**

You have transformed commerce in China overcoming the challenges of China's vast size, large and distributed population, and relatively undeveloped brick and mortar retail industry. And Russia is facing similar challenges. How can you help with that?

**Jack Ma:**

I think not everybody in China likes us. Some people hate us. Department stores hates us, supermarkets hate us. The reason is that they think our model destroyed their model. But it is not Alibaba that destroys their model; it is the revolution of the technology that changed the whole world. And one of the reasons why e-commerce in China grows so faster than in America is because the infrastructure of commerce, of doing business in China was too bad, so e-commerce soared up. In America every city, every town has a supermarket, Walmart, Kmart, everything. So it is difficult for e-commerce to go inside. So e-commerce in America is a dessert, in China – it is the main course. Russia is the same. Russia is so big, the cities are so scattered. And the infrastructure of

business and trade is not that good. And I think that is the opportunity for e-commerce.

**Miroslava Duma:**

So, with regards to China's one-belt, one-road policy, what is your view in this and the role of Alibaba in this, if there is any?

**Jack Ma:**

Yes, one-belt, one-road is I think a fantastic strategic decision of the Chinese government. I think, 20 years ago, it is more like americanization, twenty years later – how can we help the small business develop in nations working together, instead of a big company, rich company, rich nation can benefit. And I think China as the second-largest economy, is taking the responsibility. And Alibaba will be honoured to join the new globalization that is to help the small business around the world using the Internet, using e-commerce that can benefit everybody.

**Miroslava Duma:**

So you spend millions of dollars a year battling fakes which is basically impossible in China. How do you manage this?

**Jack Ma:**

Fake products existed in this world for so many years, and exists in any model, and in e-commerce. It is a challenge globally, it is a challenge of the Internet and of e-commerce. We have been working day and night, we have 2,000 people working full-time for ending the fake products. We have 5,700 people volunteering to fight against it. We probably have the most sophisticated and advanced technology to trace the sellers of fake products, the manufacturers of fake products. But it is not easy to kill this. It is just like a disease. When it comes so strong and we want to kill it, it takes time. But we have full confidence to fight in this war. And this thing in China today is improving a lot. There are much less

fake products online than offline. Because online, when you have the data, we will trace who the manufacturer is, who the seller of fake products is, so we report to the police, report to the government, and shut it down.

**Miroslava Duma:**

You announced that 47% of Alibaba employees are women.

**Jack Ma:**

Yes.

**Miroslava Duma:**

And more than 30% of the top management is women as well. Right? So this made you very popular among the female population.

**Jack Ma:**

Thank you.

**Miroslava Duma:**

And who are the female role models in your life?

**Jack Ma:**

Who are the female role models in my life? I am a man. I cannot learn from a female role model. But there are a lot of females that I respect in my life.

**Miroslava Duma:**

Maybe in your family?

**Jack Ma:**

In my family, of course, my wife, my mother, my daughter. I mean, they are fantastic. I feel so proud about them. I think that I can say for sure that in the future it is not about how strong your muscle is, but it is about how wise you are.

In the first revolution of technology people were trying to make their muscle stronger, so that when the machine comes, in the second technology revolution people want to run faster and longer, so that energy comes. In this revolution of technology people try to make sure the brain is smarter. So this century is about the competition of knowledge, the competition of user-friendliness, competition of caring of the others. Women care of others much more than they care of themselves. They have to care about their husbands, their children and their parents, and they care about the business. But men care about themselves more than they care of the others. One of the secret sources of Alibaba's success is that 47% of our employees are women, 33% of the senior management is women. They are very loyal. And more than 51% of the sellers on Taobao are women. Because on the Internet nobody cares whether you are a man or a woman, they care whether you serve them well or not. And I think that normally the best role model is not the people that you see on the television, the best role models are the people next door. 10–15 years ago I saw Bill Gates and Warren Buffett as my role models. I was so frustrated because I did not know where to learn, how to learn from them. And then I started learning from my neighbours, and I have become what I am today. So always think that the best role models are the people you can feel, you can touch, you can communicate with. The role models are not only in the movies. My role model, if you do want me to say who my role model is, is the American movie character Forest Gump. That is my role model.

**Miroslava Duma:**

You often say that Alibaba must solve social and mental health problems. You invested into a soccer team, as you once said, to develop the sense of a team play in Chinese people. You invested into a film producing company to make movies because, as you also said, you want to change the definition of a hero in Chinese movies because all the heroes die in the end. So no one in China wants to be a hero, as you said. And you speak quite a lot about young people, that you want to help them, you want them to be more motivated. Can you tell us about



what you do to help young people in general, about your involvement in charity foundations and about the conference, about the philanthropy conference that you are arranging next October?

**Jack Ma:**

OK. Thank you. Well, people probably know that when I graduated from the university, altogether I applied at least to 30 jobs, all rejected by people. Nobody helped us. And when we started our business, it was so difficult, and I know that at that time nobody helped us. If somebody helped us, we would be different. So today we have the money, we have the resources. If we can help more young people, the world is going to be changed, because young people are the hope, they are the future. And I would say that one the reasons that Alibaba grew is that we have women and young people, we rely on them. And the next ten years we have confidence in what we are doing. We will improve our e-commerce, we will improve our financial system to support small business, we will improve the logistic system to support small business, we will improve the data technology to support small business, we will help build up the cross-board thing. But what are the things we should do ten years later? So we focus on two 'H' - the first 'H' is health, the second 'H' is happiness. Because I think the world should think about health because of the climate change, because of water pollution, because of the air. We should think that these may cause problems. The world has so many problems with diseases, and we can do something about that. And as for happiness, we find so many young people today are not happy.

**Miroslava Duma:**

Why do you think so?

**Jack Ma:**

People are not happy.

In every generation at the beginning young people are happy. But we need young people to be optimistic about the future. We should have young people

think about the future, that the future is always better, no matter how many difficult problems you have. The future is always better. Whether you like it or you do not like it today in Russia, in ten years' time there will be more successful Russian companies than today. Ten years later there will be more successful young people than today. The future is always better.

So, why I make movies? To make sure young people think about the future, to enlighten them, to make sure they are happy, to make sure they are optimistic. People say that there is no opportunity. I think opportunity is everywhere. When people complain, if you can solve the complaint, that is opportunity.

**Miroslava Duma:**

But your company actually gives hope to millions of people, and you are a real example of American dream. And your life is a testimony that everything in life is possible. When someone says 'no', you say 'it is just the beginning'. So where does this fear of no failure come from?

**Jack Ma:**

Well, because I had no choice. I have to say 'yes' because nobody will give you a chance.

**Miroslava Duma:**

Well, other people just get demotivated. And you get stronger.

**Jack Ma:**

Well, I think we have to get used to the tough days, tough life, because successful periods are always short. A darker period is always long. And also, another things is life's balance – you always have probably 50% good time, 50% bad time. So when you see the good time, think of the bad time. When you see the bad time, think about the good time. My philosophy is that you always have to think about good things when bad things come. Whether you like it or you do not like it, have a good sleep, tomorrow is another day. So what are you going to do?

If you have a problem and you cry, that is not going to solve your problem. If I cried, my eyes could have been blinded already, because I could have probably cried ten thousand times in the past fifteen years. I always make other people cry, I make my competitors cry.

**Miroslava Duma:**

So, the last question. Jack Ma is a spiritual leader of Alibaba. What do you do to keep the people who are creating history every single day together with you motivated? I know about this great initiative that you arranged – you marry couples that work at Alibaba, and last year there were 700 couples that got married at one event actually. So what teambuilding secrets can you share with us?

**Jack Ma:**

Well, I think I do not want the people working for me; I want people working for the dreams, the mission we agreed together. It will be too difficult if people working for me, because you do not want people working for you. Because I am working for this dream, and I hope everybody is working for their dream. I tell the people joining me not to work for me, but to work for their dream, because I work for my dream. So this is very important. And secondly, in China there is a saying: It takes you a thousand years' effort to be on the same boat. And I think it takes ten thousand years together we are in the same company. So treat each other well. We should make the company happy, make everybody happy. Every year we have a lot of weddings. Last year we probably had 700 couples married. It is so difficult for young people to find boyfriends and girlfriends because they are too busy. So we hire so many people, and if they become wives and husbands, why not! And every year, I become the guy guaranteeing that, wishing them well for their good marriage and encouraging the others to do the same. We have had 102 weddings this year. And every year we choose 102 couples worth to have a wedding in our company. I feel so excited when a man and a woman in a team get married. I believe they are professional. Many big companies do not want

their employees marry. I think it is OK, as long as they are professional, and as long as they are not in the same department. We have so many businesses, they could be anywhere.

**Miroslava Duma:**

Jack, thank you so much for this amazing conversation. We wish you all the best of luck helping the rest of the world. And you are seriously just great! Thank you!

**Jack Ma:**

Thank you so much!

Thank you!