

The Economic Club of New York

Jack Ma
Founder, Executive Chairman
Alibaba Group

June 9, 2015

Waldorf Astoria
New York City

Questioners: Thomas Farley, President
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Introduction

Chairman William C. Dudley

Now we get to hear from Jack Ma about what Alibaba plans to do next. Jack, the floor is yours.

(Applause)

Jack Ma

Executive Chairman, Alibaba Group

Well, I'm so honored. I never expect there would be so many people coming here to listen to my talk. And when I was sitting there, I feel so important. Thank you. Thank you very much. Before my talk, I would like to ask how many people here have used Alibaba's services? Good. Not many. And how many of you here have never been to China? Never been, never been to China. Good. Thank you very much.

Well, 20 years ago I came to America, my first trip to America, to Seattle. Before that, I learned so much about America from my books, from my teachers, from my school, and my parents, and I think I know enough about America. But when I came to America, I saw I was totally wrong. America is not what I learned from the books. And in Seattle, I found the internet, and then I came back and told my friends that I'm going to open a company called Internet. I invited 24 of my friends, had a two-hour discussion, and finally, nobody understand, nobody supported me.

We had a vote. Twenty-three of them against me, forget about it, there's no such kind of network called internet. Don't do it. There's only one person who said, Jack, I trust you. I don't know what that is, but if you want to try, go ahead and try it, because you're still young. At that time, I was 30 years old.

So I started my business without knowing anything about computers, without knowing anything about business. I started my first company – my wife and I and a schoolmate. We borrowed \$1,000, we start the business. It was so difficult. I called myself like a blind man riding on the back of blind tigers. Jumping around for the past twenty years, I survive today.

For the first three years, life was really bad. I remember I tried to borrow \$3,000 from the banks. It took me three months asking any friends I know to borrow the money and failed. I cannot borrow the money. And everybody said Jack is telling a lie because there's no such network called internet in 1996. So one day later in 1996, China was connected to the internet. From Shanghai, we dialed a long-distance call to Shanghai and Shanghai connect to the world. I invited ten media friends to my apartment. I wanted to tell them I'm not telling a lie, there is a network called internet. We waited three hours and a half to see the first, to download the first picture. And people said, is that thing going to work? And I said, yes, it'll work, but not today, in ten years it'll work. But at least it proved that I was not telling a lie.

I remember when we tried to help our small business to sell online. Nobody wanted to sell

because nobody come to buy. So first week we have seven employees, we buy and sell ourselves. The second week someone started to sell on our website. We buy everything they sell. We have two rooms full of things we bought for no use, all garbage for the first two weeks, in order to tell people that it works. It was not easy. Since 1995 to 1999, we failed. We go nowhere, our business, because nothing was ready.

In 1999, I invited 18 friends of mine who came to my apartment. We decided to do it again. We call it the name Alibaba.com and people said, why Alibaba? We believe internet is a treasure island which should Open Sesame for small business. And we're using Alibaba because it's easy to spell, easy to remember. And we want to focus on helping small business, because at that time we see the _____commerce, or the American e-commerce. They focused on helping big companies. They're focusing on helping big companies to save the cost. We believe, China, we don't have a lot of big companies. We have so many small businesses, and small businesses, it's so difficult for them to survive. If we can use the internet as a technology to help small business, it will be fantastic.

So we started to say, if America is good at helping big companies just like America is good at making basketball, we should play ping-pong in China. We should help the small guys. And we should not help small guys to save costs because small businesses know how to save the costs, but small business should learn how to make money. So our business is focusing, helping small business to make money online. And we want to make the company last for 102 years. And

people were curious, why 102 years? Because Alibaba was born in 1999, last year we had, last century we had one year, this century 100 years, next century one year – 102 will cross three centuries. We give a clear goal to any employees. Don't say we're successful. No matter how much money we raised, no matter how much money we make, no matter how much we have achieved, don't forget we want to live 102 years. Now 16 years passed, we have another 86 years to go. Because in the next 86 years, if at any time we die, we're never successful. When I heard this club is 108 years old I was surprised and shocked. There is so much we can learn from that.

Well, today, nobody believed that Alibaba could survive because people say you are free, you're tiny, you know, and especially when we IPO, people say, oh, you are Alibaba, you are e-commerce, you're like Amazon. Because in American points of view, Amazon probably is the only business model for e-commerce. But no, no, we are different.

The difference between us and Amazon is that we do not buy and sell, but we help small business to buy and sell. We have 10 million small businesses on our site buying and selling every day. And we do not deliver our packages ourselves, though we have more than 2 million people help us to deliver over 30 million packages per day. We do not own warehouses, but we manage tens of thousands of warehouses for other small and medium-sized delivery companies. And we do not own inventories. But we do have more than 350 million buyers. We have more than 120 million buyers coming to shop every day on our site. And also we sell, our revenue, our sales last year were \$390 billion. And this year possibly we are going to be bigger than Walmart

globally. And Walmart manages, that size of business has more than 2.3 million people. We grow from 18 people to today 34,000 people.

And the difference between Amazon and us, the other is Amazon is a shopping center. You go there, you buy things you want, exactly it looks like. But in Alibaba on the picture you see it looks like this. When you buy, it's different. People feel surprised. It's different. And they love it. (Laughter) Because here e-commerce is commerce. In China, e-commerce is a lifestyle. Young people....they're using e-commerce to exchange ideas, they communicate, they build up the trust, they build up a record. It's just like Starbuck's. You never go to Starbuck's to test how wonderful coffee is. It's a lifestyle. And this is how internet e-commerce is changing China.

And what we feel proud of is not how much things we sell. I said this year we'll be bigger than Walmart. Yes, we are proud. We know in five years we will sell \$1 trillion. And this is my goal which we think possibly we will make it. We're proud of that, but we're more proud because we create a direct, indirect job, 40 million jobs for China. And we created jobs in the countryside. We created a lot of jobs for women. Over 51% of the power sellers on the internet are women. So we feel so proud of that. And people say, okay, now Alibaba is that. What's your next? What's your future? Because you are everywhere. Eighty percent of the buying and selling online are created by our company.

Our future is that we have to focus on globalizing our business. It's not only sell more things. We

want to make, to globalize the infrastructure of e-commerce. Why internet e-commerce grows so fast in China than the USA? Because the infrastructure of commerce in China was too bad. Not like here. You have Click's Motors. You have all the shops offline, Walmart, K-Mart everything everywhere. But in China, we have nothing, nowhere. So e-commerce in the US is a dessert – it's complementary to the main business – but in China it becomes the main course.

We created the infrastructure. So we think if we globalize our infrastructure, the payment, the logistic center, the transparent platform all around the world, helping the small businesses around the world to sell everywhere, helping the global consumers to buy everywhere. Our vision is in ten years we will help two billion consumers in the world to shop online. Anywhere in the world you're shopping online, within 72 hours you'll receive the products. And anywhere in China, you shop online; you will receive the products within 24 hours.

And we think our globalization still will focus on helping small business and helping them to do business in the most efficient ways. And we think that we will help another ten million businesses on our e-commerce platform. We will empower them. We give them the traffic. We give them the payment system. We'll give them the logistic system so they can do business anywhere easily and quickly. And we will help; we will have 40% of our business outside China. Today we only have 2% of our business outside China.

So people keep on asking; now you are big. You raised that much money, what's your plan in

America? People say, are you going to come? When are you going to come to invade America?

When are you going to compete with Amazon? When are you going to compete with Ebay?

Well, I would say we show great respect for Ebay and Amazon, but I think the opportunity and the strategy for us is helping small business in America go to China, sell their products to China.

China, today China, the middle class for China is almost the same as the American population.

And we think in ten years it will be more than half billion Chinese people will be middle class.

The demand from middle class, the demanding for good products, good service was so powerful, so strong, and I think China today cannot afford the good products, good service to them by the terrible air we have, the water we have, the land resources. I don't think China will be able to do that.

And the next thing is that China has been focused on exporting in the past 20 years. And I think the next 10, 20 years China should be focusing on importing. China should just learn to buy.

China should spend the money. China should buy a lot of things from global. And I think that

American small business, American branded products, you should use the internet, go to China.

In the past 20 years, big companies of America are already all over China, but it's a great opportunity for using e-commerce for small business to go to America.

In the past years, we have helped a lot of American farmers selling things to China. For example, the Seattle cherries. You would never believe that the American Ambassador to China, he came to us, he say, Jack, can you help us to sell the cherries in Seattle? I said, how can we sell

cherries? The cherries are still on the trees. And we started a play(?) order – 80,000 families booked the order. And we got orders; we picked up the cherries, and shipped to China. Within 24 hours, 80,000 families, 160 tons of cherries were sold. And last year, we sold over 300 tons of cherries. And I don't know what's this year about.

We also helped Alaska's seafood. We helped Canada to sell lobsters. The lobsters we sold, probably in 10 years they cannot sell. And we also have a lot of American branded companies like Nokia, Estee Lauder, and companies using our site to sell. And Costco, the company, they sold 600 tons of nuts on our site for the first month, for the first month they're using Alibaba, \$6.5 million.

So I think if we can help to sell lobsters, if we can help sell the cherries, why we cannot help the small and medium-sized companies to China using our system? So this is what I want, and also I want to take one day for example, November 11, the Singles' Day. We make that a shopping day. Last year, for that day we sold \$9.7 billion. And for the first minute shopping, we have 24 million people rushed in for the first minute. And this year we guess, the number was scary. So my purpose coming here, that we need more American products to China. We have hungry 100 million people coming to buy every day. So this is why we're coming here. We're not coming here to compete. We're coming here to bring the small business. My vision is that in 10, 20 years anywhere, you buy anywhere, sell anywhere. Philippine people can buy salmon in Norway. Norway people can sell things to Argentina. Argentina can buy and sell to China. This is how the

internet is going to change.

And lastly, I want to say we have changed China. We feel proud of that. And we think that the power of change is so powerful. The first revolution of technology, we have the organization of business called a factory and had a first World War because of the strength of the arms and muscles. The second revolution, energy, we have the organization called companies and have the second World War. This time, internet, the data, and I think we have a new business called platform, and the third World War is going to happen. And this war is not between nations. This war, we work together against the disease, the poverty, the climate change. And I believe this is our future, the human being, the nations unite together, rely on the young people, using not the guns, using computers, using the data to solve the human problems, solve the society's problems. And this is what I'm passionate about. It's not about the money. It's about dreams. It's not only the technology that changes the world. It's the dreams you believe that change the world. And we know the way is not easy. As I always told, in the past 20 years doing internet business in China, today is difficult and tomorrow is much more difficult. But the day after tomorrow is beautiful. Most people die tomorrow evening, if you don't work hard. Thank you very much.

(Applause)

QUESTION AND ANSWER PERIOD

CHAIRMAN WILLIAM C. DUDLEY: Thank you very much, Jack, for those provocative and

really uplifting remarks. I mean I feel good about it, let's go! Now to question Jack we have Tom Farley of the New York Stock Exchange and Glenn Hutchins, the vice chair of the Club and co-founder of Silver Lake Partners. I understand Silver Lake is an investor in Alibaba so you're conflicted. If you also have a question, you can email them to the Club's president, Jan Hopkins at questions@econclubny.org. That's questions@econclubny.org. Tom, your first question.

THOMAS FARLEY: Good afternoon Jack. Welcome back to New York. It was riveting as usual. You mentioned in your talk that it's not about money. As you likely know, we're having a societal dialogue about income inequality in this country. And people who amass great fortunes can be vilified irrespective of whether or not the activities they've engaged in to amass those fortunes have created a social good. When I think about you in the last fifteen years, you've clearly amassed a great fortune personally as well as for your employees and your investors. At the same time, you've created directly or indirectly 15 million jobs and lifted an entire swath of China up and given them a better quality of life. What do you say to people who say, Jack, you're too wealthy, you've amassed too great a fortune?

JACK MA: Thank you Tom. Well, honestly the best life I had was when I graduated in 1988. My first job, my pay was \$10 a month, for three years. And every time when I collect the money, I'd say I'll work hard for another three months, I could be able to buy a bicycle. And today I have that much money; I don't have time to spend the money. And I think the money is not, if you have less than \$1 million, you're the happiest person in the world. You know how to use the

money. If you have \$10 million, you start to worry because the valuation, because where to buy stocks, the foundation, and this. We have \$1 billion, that's not your money. That's the trust of people on you because the people believe, Jack, you can manage the money better than the others. You manage the money for the others. So I think the money I've got today is a responsibility. It's the trust of people on me. I don't know, I remember the day when I started the business, I asked my wife, I said, do you want one day, want your husband to be the richest person of the city or you want your husband to be respected by business people? She said, of course, the respect of the business people because we will never be rich. (Laughter) But today, the things I got are all out of my expectation, and I never thought this money belonged to me. If I believe this money belongs to me I have a problem. My life would never last long if I believe this is the money in my pocket. This is money I spent on behalf of the society and I spent it in my way, in our way, that can do most efficient and better than government, better than the other people. So to me, it's one of the resources that I have, it's the trust, I should do better.

GLENN HUTCHINS: Jack, American business has long complained about counterfeit products in China. You've had your share of that problem which you're now grappling with. Can you explain to us how you're doing that?

JACK MA: Okay, well, I think when I come here and I go to Europe, I always have a problem about counterfeit issues. For Alibaba business model, we do not buy, we do not sell. We help 10 million businesses, small businesses. We have one billion product listings on our site. We are the

suffers. People buy fake products on our site. They would never complain to seller. They complain to _____, and _____ complain to us. I remember three years ago I talked to commerce, the Minister of Commerce in China. He said, Jack, let's work together fighting against the fake products. I said, yes, let's do it together because I got support from the government. After we launched the policy for taking out and shutting down, closing more than 10,000 shops every week, we put more than 2,000 people, even to today, 2,000 people full-time working for anti-counterfeit products. And we have 5,700 people, volunteers, doing that. We're using data technology. And I remember three years ago when we launched the campaign, over 3,000 people came to our office demonstrating and they take the gasoline to our company saying, because they are so powerful, it's the war against the criminals, the bad guys. They said anybody go to Alibaba to demonstrate, they will pay the air ticket fare. They pay for the hotel rooms and they pay for every day in the daytime, 100 RMB per hour and even 200 RMB for an hour if you go to Alibaba, against, because they are the fake product owners. And I was so angry and I wrote a letter to my employees and to these guys. I would shut down the company tomorrow if we say sorry to them. And these guys go to Hong Kong; they opened a funeral for me for four days. They burned my picture. They burned my coffin. And I said, we will never take one step back. Four years have passed. Today, in the real world, every 100,000 transactions, there are six and seven cases concerned with counterfeit products. In our own line, every 860,000 there is only one complaint. Why? We're using data. We trace who is the buyer, who is the seller, who is the manufacturer. We work with the police and destroy all of them. And I got a lot of personal threats. I'll tell you guys, it is the war. It's a very lonely war. I feel upset when I heard somebody

sue us in the court because we have to fight it together. Our business model, there are three things that will become the cancer – counterfeit, intellectual properties, and a rating system, the credit system. If these three systems, anything trouble, it will destroy our business. So I will promise here that we will do anything against it. China was not the owner of branding in the past 30 years because a lot of people just produce and sell. They don't have the brand. Today, more and more Chinese companies care about a brand, care about intellectual properties. And I believe without internet, it's so difficult to solve the problem. And today, we have the most unique technologies and we want to work here with you guys on the American and European brands. Let's work together – with your experience and know-how, how to fight against them, let's work together. And I would say, I got a lot of, even death threats from these guys. The police do not understand us. They got a report that somebody is selling fake Gucci and LV Vuitton, so the police is there. They found a lot of fake products. They went inside a room, there's a lot of my pictures inside. And they realized that we were wronged by them. So this is the war and we are getting somewhere. And I have confidence with the internet, with the young people we have, with the commitment, and with your support and help, we will win the war.

THOMAS FARLEY: Jack, you've expertly navigated the political situation in China as well as China - US political tension over the years. As you look out over the next five to ten years, what are your concerns with respect to either the political situation within China or the relationship between China and the US?

JACK MA: Well, in the long run I'm pretty confident with the relationship. Short-term, for whatever reason...I remember Max, the US ambassador to China, he asked me the question, what do you think about China and US? Well, I asked him, how many people here know about the Chinese religion, Buddhism, Taoism, and Confucius? The Western religion is Christian. You have to find a competitor, whether good or not. You must find a competitor. In China religion, the Buddhism is about human insight, how to understand your heart, how to make your heart big enough to indulge the others, to embrace the others. The Taoism is about how to become harmonious with the nature. Confucius is how to make sure you work in society in a disciplined way. So in our philosophy, in our culture, Confucianism, Taoism, and Buddhism, we don't need to have a competitor. Your competitor is yourself. That's our philosophy. And if China keeps on sticking to its own philosophy, its own religion, we will have no problem at all. And I think the US and China should work together, finding some goals, something that we should fight together, the AIDS, the cancer, the disease, the poverty, and I think the air, the climate change. If we work in the projects, on that together, G-20 like a G-2, US and China should work together. If big countries do that, the small companies then will follow. And I think, I thought I knew America so well 20 years ago, before I came to America, and when I came, no, that's not what I learned from the books. You guys, you go to China a lot. You know China is not what you think. Unfortunately, I saw so many Chinese experts here. They only go there once a year or less than that. They've become the experts. I'm sorry for that, and I always got criticism, Jack, the internet, the censorship, China government, this and that, this and that. Well, now in the world I'm on the top ten internet companies. China had four. If government is really that censorship,

there would be no chance. Of course, we can do better. So communication, communication, make the young people understand each other. Learn, appreciate the other side. This probably can make the world better. I'm not a politician. I speak like business people. (Laughter) I have to understand my partner. I understand my competitor. And I never try to kill, because business, doing business is like going to the battlefield. But the battlefield only, the other people die, you win. Business world is not the other people die, you win. Even if the other people die, you may not win. You should learn to work with the competitor. Learn from the competitor. Focus on the customer. Focus on the future. Focus on the young people. This is what I believe for all time. And political, I think maybe the same, I don't know.

GLENN HUTCHINS: So, Jack, you described in your remarks how different your company is from Amazon and Ebay which a lot of Americans don't understand, and how uniquely designed it is, or was for success in China. As an investor in the company, many people complain to me that the Chinese government does not allow US participants to be successful in the Chinese market because there's not a level playing field. How do you address that concern?

JACK MA: Well, first, there are a lot of successful American companies in China. We don't see a lot of successful Chinese companies in America. Business, you all have to have patience. You all have to prepare for the future. Microsoft, IBM, Oracle, Walmart, they are pretty successful in China because they've been there for 10, 15, 20 years. Internet, if you want to conquer China, if you want to win China, in two or three, because internet needs speed. If you want to win China

or win the market by speed, you will never win. You have to think about in 10, 20 years, what I can make China different? How can I be better, making the customers better. The reason why we win Ebay, people say, oh, because you are free. No, free is not a business model, I agree. But we know if Ebay lose, they can go back to China. If we lose, we go nowhere. We have to create unique value for Chinese users and customers. In this we can survive. So I think, yes, there are still some problems between China government and maybe some USA business. But there are also problems with Chinese companies with US government. If you have the patience, if you think about a 10, 20 years, if you think like me, like blind, running on a blind tiger, for 10, 20 years, suffer everything, make mistakes, change yourself, this day will come. And I'm confident with that. Next 10, 20 years, I bet there will be a lot of internet, US internet companies successful in China because you cannot stop it. You cannot stop internet. You only stop by those people who use the internet in the wrong way.

THOMAS FARLEY: Jack, for those of us in the room who would like to start a business here, say in the year 2015, and grow it in a decade to \$240 billion of market cap, (Laughter), can you give us some advice on how you maintain the culture and the spirit of the company as you grow from, I think you said 18 in the apartment in 1999, to 34,000 now?

JACK MA: Yes, I think we feel proud because the 18 people, start 18 people, to 34,000 people, I learned so much from American business. I learned from GE, Microsoft, and IBM, Walmart, especially the value system, the mission, the value. People got crazy about me. For 18 people,

wake up, we talk about value, mission, vision, everything. And when we go to bed, we talk about that. I remember 10 years ago when I come to America to speak, I said we operate Alibaba by the value system, mission, and vision. There is a guy called David Wong, he was sitting there, he's American, a big company guy. He said, Jack is a crazy guy because in China, talking about value, talking about mission, it's impossible. So I said, Mr. Wong, welcome to China some day. So he came to China, spent three days in my company. The day when he left he said, Jack, I know you are crazy, but now I find there are about 100 people crazy in your company.

(Laughter) People in the crazy hospital never think they are crazy. They think the people outside are crazy. (Laughter) It's not my vision, it's not my value. It's our vision, our value. Those people we hire together. We hired, we tell them from the first day, this is what we believe. We want to help small business. We want, this is our value, this is our mission. If you agree, join. If you don't agree, leave. If you are joining, you're still not happy, you still can leave. But if you join the team, you must follow the rules we have. But it's difficult to keep the culture because you're 34,000 and we are going to have 50,000 people in five years. Well, when I was talking about we had a head count freeze a month ago, I say 34,000 people is already big enough. Our goal is in five years, that's year 2019, we'll reach \$1 trillion GMV. But I want less than 50,000 people in the company because the fewer people we have, the more jobs we can create for the others. The more people we have, we will create less jobs for the others. This is my philosophy. And that thing came to America and our stock dropped like 4% that day. People think, wow, terrible business. If you freeze the head count, that means your business is terrible. I think this is traditional thinking. And we think about not keeping our culture, we should create a culture 10,

20 years later, what kind of culture we should have. Because now the human beings are moving into, from IT to DT, IT information to data technology. It's so different. IT is to make yourself powerful. DT is to make the others powerful. IT is to make sure you know something the other people don't know. DT is to make sure everybody knows, it's transparent, how to be more creative. So in that way, 10, 20 years later the culture of the company is trying to make sure the other people, your employees, your customers are more powerful than you are. So we are creating some new things, adding the news in. So every time when we have young people, we know we dilute our culture, but we also know if we can understand young people better, we can create a new culture that sits and meets 30 years later. Guys, my grandfather learned the world by newspaper. He trusted everything the newspaper said. And my father also listened to the radio. He said the radio said. And me, watch TV. My son, my daughter, they think internet; I want to get involved in it. So you will go to the new generation. They were born, breathe, and think everything internet. This is going to be a new century. And the value will be the same, the vision the same, but your culture will be different. And this is make me a headache every day. Think about how we can have a better organization, a better culture, train those young people, rely on these young people, making sure it's their future. Their future will be our future. Their hope will be our hope. Especially, you know, all companies are so different. We have 33% of the management are women. We have 49% of the employees are women. And in a normal business you don't have that many women, leaders. And then women make us – the user friendliness – women make a big difference. So I'm excited and also a headache, how can I make the future better? But excited because I know the future culture of the company will be surely better than

today.

GLENN HUTCHINS: A question from the US financial markets. Why did you decide to go public and why did you decide to do it in the United States?

JACK MA: Why did I..

GLENN HUTCHINS: To take your company public and why did you decide to do it in the United States?

JACK MA: All right, people ask me this question and I said, if I have another life, I would keep my company private. (Laughter) I do it, not for myself; I do it for the shareholders, customers, employees. They need it. I don't need it. Life is tough when your IPO, before IPO it's already tough, now after IPO it's much worse. (Laughter) But, you know, then we can help more people. Then we can use our money, and when we IPO the company was more transparent. It's not only our people watch us, the global watch us, improve us. We may not like the criticism, but you have to get used to it. You have to listen. You have to hear. Every time when I see some rumors here in America because you guys don't use my services, our services, don't use the service, so I understand. But it's a great opportunity for us. Learn us. Know us. And we're working together, helping more of America's small business using our services. At that time, we can be better. But why in America? We were rejected by Hong Kong. (Laughter) My first priority was in Hong

Kong. We had a partnership system because I had 57% of shares, I think, close to 60% of shares when I founded the company. I give 18 founders, every founder have their shares, and today more 70% of the employees I think, they have the shares Alipay, Alibaba. And my percentage, from that to less than 7%. I feel proud. It's about sharing the prosperity together with your young people. This, giving you the best time of their life, joining the company, you should give them the good return. So, but such a huge company, so influential in China, the founder put together less than 10%. It's not, and I don't want in the future, Jack Ma will get old, will die, was sick, will be stupid, will make a lot of mistakes. And I don't want to say Jack Ma died, our founders disappeared, and the company is in trouble. We have to look for successors, just like you have kids. If you want to have kids, you should have kids when you are young. And I started looking for successors when I was 40 years old. Now I'm 51. Training young people. So we know, keep the culture is the key. We should not like, I like the American system of doing business, but I don't really like your current independent director system too much. Because like a group, I went to one of the board, it's not like a directors, it's like lawyers making decisions. (Laughter) Nobody really makes the final call. Whether you agree or don't agree, let me check my lawyers. If they agree, yes, agree. (Laughter) Many companies are going that way. And I know Alibaba will go that way if we do not change today. We should find people that have the same passion, mission, and value. So we formed the partnership. We think the partners are the young people, the young generation. They should make sure, keep the culture of the company, keep the mission of the company, keep making sure, helping small business, helping consumers. But the Hong Kong guys, they don't agree. They think, you know, we'll be doing that for 100 years, why are

you, Jack Ma, looking for a change? Yes, Jack Ma is for change. So we were rejected. And we came to America. We're so lucky and so thankful. I really think the \$25 billion, that's not the money we raised, that's the trust, that's the credit. That's the wish and hope that we raised in America. And we will use the money better, in a way that can help more and more small business. Not only China. Alibaba was founded in China, but it was created for the world. That is why we call the name Alibaba, not other some Chinese character that you never know.

(Laughter) And I hope, I hope you may not like investors, you may not like, because you don't know us. You may not like it for short-term, but 5, 10 years, I think our people will work day and night and always our philosophy, customer number one, employee number two, shareholders number three. Because we know if we take care of the customer better, if we take care of the employees better, the shareholders will be taken care of. And we know that is our philosophy, and we respect, we're thankful, that's all about it. Thank you. (Applause)

CHAIRMAN WILLIAM C. DUDLEY: Thank you, Jack, very much, for I think what we would all call inspiring remarks. Truly inspiring remarks. I think the fact that you are taking the long view, I'm very much in favor of that so I think that's terrific. We can do well to take your counsel here in the United States, I think, in that regard frankly. I want to thank Tom and Glenn, our questioners. We're going to continue our events in the fall. We're going to hear from Ben Bernanke. He's writing a book which will be published this fall and he's going to come to speak to us about that. And you're also going to hear from me in a fall event. So enjoy your summer. Enjoy your lunch and we'll see you again in the fall. Thank you. (Applause)