

Transcript of the Interview with Jack Ma(马云)

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Ma, Jack (Yun) (马云)

Lead Founder, Alibaba Group

Industry: Business

Jack Ma(马云) is the founder of Alibaba Group and has been the chairman and chief executive officer since its inception in 1999. **Ma** is a pioneer in the Chinese internet industry and in 1995 founded China Pages, widely believed to be China's first Internet-based company. From 1998 to 1999, **Ma** headed an information technology company established by the China International Electronic Commerce Center (CIECC), a department of the Ministry of Foreign Trade and Economic Cooperation (MOFTEC). **Ma** currently serves on the board of SOFTBANK Corp, a leading digital information company that is publicly traded on the Tokyo Stock Exchange. As a respected business leader, he was chosen by the World Economic Forum as a "Young Global Leader" in 2001, and selected by China Central Television (CCTV) and its viewers as one of the "Top 10 Business Leaders of the Year" in 2004. He was also named one of the "25 Most Powerful Businesspeople in Asia" by Fortune magazine in 2005, a "Businessperson of the Year" by BusinessWeek magazine in 2007, one of the 30 "World's Best CEOs" by Barron's in 2008, and one of the "TIME 100: The World's Most Influential People" by TIME magazine in 2009. **Ma** is a member of APEC Business Advisory Council, which was established by the Asia-Pacific Economic Cooperation, or APEC, in 1995 as the vehicle for formalizing private sector participation in APEC. **Ma** holds a bachelor's degree in English from Hangzhou Teacher's Institute.

<http://www.alibaba.com/>

NPR profile of Jack Ma here: audio

<http://www.npr.org/templates/story/story.php?storyId=4770462>

Transcript

Interviewee: Jack Ma (马云)

Interviewer: Orville Schell

Date: March 12, 2009

Place: New York (USA)

Jack Ma video 1

Introduction:

00:00-3:17

3:17-06:13

More intro: Jeff introduces Jack Ma and Orville Schell

06:13

*Jack Ma takes the stage

Good morning everyone and I'm happy to see so many early birds....makes a joke...

06:33

This is the 16th day of tour for my management team, I took all of my management team from Alibaba from china into the States, we've visited the Silicon Valley, yahoo, Google, apple, and we visited Microsoft, came to NY, we also visited GE, and um, we came here. It's a long trip and ppl ask me why did you come to the states?

7:05

And first, I want to team build (?), I think it's a great time for team building. 2nd, I want to look for partner, I want to learn, I want to learn the companies...they're my idols, what they're thinking in the world today and what kind of field. 3rd, our US office...we want to invest more money in the States.

7:35

And then, I think the first stop was in Stanford, where an envious student asked, "Jack, what are you going to learn from these companies?" I said, I don't know. Because I am going to tell you in 15 days. And I am here to share with you my observation

7:49

What I've thought about and what I've learned in 15 days. I think the first very important thing I want to tell you that I am 100% made in China. I've never been trained outside of China. I taught myself English in China, 13 years ago, I um...*applause*

8:10

I don't know for whatever reasons, I was in Hangzhou, it's a beautiful city, it's got the West Lakes, and it was the first city that opened to the West, a lot of American tourists visited the city, and I showed them around every morning for 9 years, I never stopped. Just went to the West Lake and showed American tourists, foreign tourists, around the city.

8:33

They taught me English and I'll work as a free guide. And I'll practice my English. I learn what is American culture, I stopped...I'm not only interested in the American language, I English, but also American culture.

8:48

15 years ago I came to Seattle, first trip to the States, and first time in my life, I touched keyboard and computers, and first time in my life I connected to the internet. The first time I decided to leave as a teacher and start a company, called Chinapages.com.

9:08

And that was the first internet company in China, and at that time I called myself a blind man riding on the back of blind tigers. *laugh* without knowing anything about technology or computer, I started the first company. And after 4 years of terrible experience, or failure (?), 10 years ago, I came back again with my CFO (Name), who's here today. We came to the Silicon Valley, with the dreams that we have a dream for Alibaba, we want to help SMEs in China and the world to do business online. We believe internet is a really great place for business and we think, we call Alibaba because we want "open sesame" for SMEs.

09:53

....Small and Medium Sized Companies. We came here to looking for venture capitalists, after 2 weeks, we were rejected by all the venture capitalists because they think, well it won't work because how can you do e-commerce in China? How can you do internet in China? What are you talking about b2b and b2c? Too early for China.

10:11

We were not disappointed. We were inspired by the Silicon Valley spirit, the American dreams...I remember that every evening when I walk on the street, I see the traffic in the Silicon Valley, the road to San Francisco, it's lined with traffic. And every evening when I go to Silicon Valley it's lined with lights, people working day and night. And every Saturday when I go I couldn't even find a parking spot, because people working hard on the weekends.

10:41

This inspired me, and inspired us. I said, "Yes, this is exactly what we are looking for. I want these things happening in our part of the world. In China, in India, in the other side." So, I came home with American dream buried in my mind. Then 10 years passed. And the past 10 years has been tough for us. Today, we grew from 18 founders in my apt to 12,000 people. And we're going to hire 500 new employees this year.

11:14

We have a big vision for tomorrow and day after tomorrow. We grow from one member to over 13 million SMEs using our service in China. 8 million SMEs using our service outside China. We grow from b2b, to b2c, to c2c online payment. People complained that China cannot do Internet, because of this or because of that. People complained that China cannot do ecommerce because they're not ???? enough .

11:40

They say that China don't have payment, that's minimum payment. Ppl say that China doesn't have logistic, that's ??? logistic. We made it happen. And 10 years later, today, we came. We're looking for American dreams again. We're looking for the great idol companies that we want to learn from, that we want to benefit from. What they want to do in the next 10 years, and after the trip, I was very surprised to see, most of the companies we've visited, they're very depressed mood.

12:15

People talking about...people talking about numbers, people talking about IPO , people talking about stock shares. People do not talk about their dreams, ppl do not talk about their visions. Even some of the companies I visited, the engineers are telling you about the wonderful product, not about how this wonderful product is going to change the world, change the ppl. They're talking about how this product can make money.

12:39

I was a little bit disappointed. And this reminds me why this economic crisis came, why this economic crisis came. And...that the very interesting thing I see, the great inspiration in some of the companies, the American dreams are still there and people still fighting for it.

13:00

For example a company I visited, Starbucks. They do have the dreams, they do have...they know what they're doing, they know the Starbucks spirit, the culture, the ????. The talk...when I see them talk about their product, their ????, you see their shining eyes. They know their..they know what the globalization mean. They know what they can help the people. One of the (slogans?) of the Starbucks is "the only easy day was yesterday." That's today's situation.

13:38

So, I think the world today everywhere is the same. Nobody is happy. But you are the only people that can make use yourself happy. Early this year, I was having dinner in a restaurant, the owner of the restaurant, she came to me, she knows me because she's our member. She said, "Jack, what do you think about the economy, it's terrible. how long do you think the situation will last?"

14:08

I said, "well, this year." "Wow, this year? the economy is going to recover?" I said, "no, this year we're going to get used to it." *laughs* We have to get used to it. The wonderful yesterday is gone. And the wonderful year, year 2007, may not come back. Forget about

that. Let's look at tomorrow. I think this for a lot of people are difficult (?). You are difficult, but people are much more difficult than you are in this part of the world.

14:40

So I believe, I think this is a great opportunity for everybody. And I sincerely think this financial crisis, this economic crisis; it's not a crisis today. It was a crisis of last year, October, last year, before October, August, September, it was a crisis. I believe we should worry more at that time. (????) At that time, I think I remember year 2007, I walk on the street, every panel every meeting I went, people talking about what? People talking about IPO, people talking about stock prices, ppl talking about, a bout how much money you make. Ppl never talk about the value created for the customers.

15:27

And every panel, every major conference I went, and the bankers will tell you, go IPO, you can raise more money. But they don't tell you what you raise money for. And I know something wrong with it, we're stuck in 2007. Especially one thing that shocked me, because we are the company going through internet bubble bursting period, it was a terrible experience. I think last year, early last year, in 2008, one of the events I went, there was some ppl say, "wow, the evolution...there was a Chinese real estate company that went public in HK, and the analyst... the of this company owns that much land, plus each land, plus that much market, plus PE, that's the market capital of this company. And it remind me, year 2001, Yahoo, how much page did Yahoo have, plus each set, plus PE, makes the market capital of the Internet.

16:25

That was the bubble bursting. And I think, wow, something's happening. So we told ourselves, be careful, something wrong is coming. So in July, I wrote a letter to my whole staff, in paraphrase (?), I said, the ??? is coming, let's get ready for it. It was just one month before the Olympics. Well, we prepared. Today a lot of ppl still complain, "wow this thing caused by banks, this thing caused by that." *shakes head* It's too late to complain. You could complain last year, but if you didn't complain last year, let's prepare now.

17:03

let's take action now. Cuz how could people complain, the business ppl complain, the smartest ppl on Wall St. they did not foretell the final crisis. If you're business ppl you did know something wrong was happening.

17:18

I, I bet if you paid attn to the customers, you definitely feel something wrong w/ your partner, something wrong with your customer, something wrong you banks. You have to feel that something wrong w/ the environment. *pause*

17:33

And I think, i don't think this is a crisis today. I think it's...it's the growing pain of the modern (?) economy, It's the growing pain of globalization. 10 years later, I strongly

believe, there will be more successful ppl than today. 10 years later, I believe there will be more successful companies than today.

17:56

You will be the next Google, the next Ebay, you will be the next face if you take action today. If I did not take action 10 years ago for the Alibaba dream. I will never be able to stand here to talk. and I think one of the beliefs that I have, if Jack Ma can be successful, then 80% of the ppl can be successful as well. i don't have any financial background. I don't have a rich father, and I don't have any relationship with any gov't officials.

18:32

And I failed 3 time for entering universities. Nobody said Jack, you're smart, you're clever, you're a genius. Only 2007, Nov. 6, the day when I went IPO. Some people said, Jack, you're smart. *laughs.

18:51

and I think something wrong because our stock go from 13.3 dollars, HK dollars, to 40 dollars in 2 weeks, without doing anything right. And our stock go form 40 dollars to 3 dollars without doing anything wrong.

19:09

laughs not because we're wrong, something wrong with the shareholder. Today, and I think what Alibaba believe, the reason we survive is we always believed Customer number 1, employee number 2, shareholders number 3.

19:24

And I again and again want to say, in the company, it's the customers that pay you. it's the customers that make you different. It's the employees that stay with you. I think, a lot of shareholders say, "jack get me the shares. we've been long time shareholders." when disaster came, they're all gone.

19:42

My colleagues stay with me and I appreciate that. We still have the dream in their heart, we want to change, we want to change the future.

19:44

So, i think the other thing I want to share with you is that. 10 yrs ago, there was a movie, I watched the American movie, called Forest Gump. *laughs* because of that movie, I started to think about how the SMEs can succeed. Because in Forest Gump, it was shrimp. So we, as a Small and medium sized company, said, "let's catch the shrimp."

20:17

and not catch the whales. Because forest gump is not a smart guy, luckily, most of the smart guys went to the banks. *laughs* but he's focused, and he's not talented. But he's very very hard working And he's very simple. And he's very optimistic. The thing that I brought to tell

my wife, my friends, forest gump said, "life is like a box of chocolate, you never know what you're gonna get."

2051

Today is the same thing. I think I feel happy because of the financial crisis. Because it shows that business should be back to basics, back to values, back to think we're not made of money today, we're made of spirit, we're made of dreams, we're made of the first day ???, we're made of the values that we committed, we promised. So I think...I tell myself, we are lucky, today Alibaba grew, I'm only 40 some years old, I'm still pretty young. And I think in my life I have such a privilege, such a chance to take this challenge. I always admire the American Idol ?????? (cannot understand what he says)

21:40

????? ...which we do not have a chance to be their heroes. But today, everybody can be the heroes. Everybody have a chance to be (???person on American Idol). Everybody who have dreams, take action and you will be there. So I think i am lucky, if I am 60 years old, I'm too old to have the opportunity to take the challenge. now I am 40 and I have the chance. My team, our average age of 26 years, the average age of the Alibaba group, these are the ppl, 40 years later, tell their children, and their children's children, say we overcome the most terrible period of the world (?), this is the owner, and this is the pride, that we got through together.

22:20

And i think, it's the chance that we will see a new world that's coming. My American friend, i think America gave me the American dreams, and (buried??) it in China. and I'm bringing a lot of ideas and dreams to the thousands and millions of SMEs...the Asian entrepreneurs.

22:43

Doing internet business in China is not easy. And doing internet is not easy. You compete. Compete not because you are smart, compete because you are hardworking. Get up early. Compete b/c we have the dreams, compete because we think the internet can change the world, improve China. there is more than 1000 chance that you fail, at least 1000 chance, I don't know why we survived. But we never gave up one thing that the hope, the hope to survive.

23:17

There's a huge storm...there's a huge storm outside, there must be some where they can hide yourself. If you hide yourself well, you get through it. If you're not prepared, you die. And I tell myself again and again i share this value with the most ppl in the company.

23:35

Today is difficult, tomorrow will be much more difficult, but the day after tomorrow is beautiful. But most ppl die tomorrow evening. *laugh* If you don't work hard today, you'll never see the sunshine. So I think after my trip, I go back home and tell ppl, let's catch the chance, let's do something different. So now, ppl here, if you're laid off, think about something different. Don't cry for tomorrow, let's expect...don't cry for yesterday, let's

expect for tomorrow. Tomorrow is always good. But it's tough. But we should send something for our young ppl, if you're young, do something for yourself. Don't wait. It's not a disaster, it's not a crisis that government can do. This is something that...

24:25

A lot of ppl waiting for gov't, waiting for this incentive plan. Wonderful time have terrible companies. Terrible time have wonderful companies. Do something for yourself, the only way is to take action. When you think about it, nobody is going to help you, only you help yourself. That's the thing I learned from Idol. Let's do it. So, only when we take action, only when we care ourselves, only when you do something different, this time of the year, this time of the world. I think you'll see the sunshine of ...tomorrow.

clip ends

Clip 2

OS: ...extraordinary growth, how did this happen? When you analyze China's dynamic ...what do you think are the reasons?

:13:

Ma: I think...without the open up policy, we will not be here. I think China changed a lot because of the Open up policy because government efforts and the very important thing is entrepreneurial spirit. Hundreds and thousands of ppl like me, really thinking about how to change, how to build up the...build up something. To change ourselves, change the country. I don't think. I think the world has changed a lot in the past 30 years.

:44

Uh...Not like the most Americans these days I visited, they always think big, think about the world. I do small. The things most ppl worry about, i never worry. Because there are plenty of ppl who worry about it, I cannot change it.

1:04

The thing that ppl do not worry about??? And I think it's the entrepreneurial ship, be different, improving, and china, the whole country started to say let's open door, let's reform, let's improve. That made the big change.

1:23

OS: Do you remember when you were uh a boy, growing up, what were your aspirations, and how did these changes Deng Xiao Ping brought out affect the changes, how did that affect you? when did you get the idea that you could write yourself somewhat wiser as a business person?

1:41

Yea, I remember. So I was born in 1964 and um, I remember the Chairman Mao, Deng Xiaoping down, Chairman Mao died, Gang of Four, and then um, and then um...you know, failed a lot of schools....and then, I think that China um...in 1992 when Deng Xiaoping spoke in Shenzhen. Move fast, develop the nation, and I was in the university that day, I was teaching at the university, because I promised to my president that I was, my school president said, I will stay there and teach for 5 yrs. A lot of ppl just, when they signed on the job, they change the job immediately.

2:23

But I was assigned to teach at the university, and I promised my president, 5 years, I'm not gonna change my job. 1992, I was just...3 year, omg, if I did not promise, I could probably get another job. My pay at that time was 10 dollars a month, but ppl offered me to, eh 120 dollars a month. And I said no, a promise is a promise. But that

2:51

the period when I said, when I finish my 5 year promise, I'm going to do some real business. So change to me is that, ppl do not feel ashamed to be business people. People think business is good. and ppl think you can be rich, you can help other ppl be rich. At the beginning of my business career, I just wanted to change myself. I think Everything I taught my student on the face I learned from books. And I want to be a business ppl for 10 years and go back to teach, share the real experience with young ppl, that was my thinking.

3:30

OS: But that is a bit strange isn't it, such uh...vibrant market revolution came out of a social revolution, you know, state-controlled, uh very anti-capitalist. How do you explain that incredible transformation and the psyche...eh

Ma interrupts

3:53

Ma: the world is strange. I never expected that America become so socialist. *audience laughs* I never expect that so many ppl look at the...you know, watch tv and look at the government, like 20 years ago China. *audience laugh* People are changing, I think the magic of the world is that...you know...I don't know, China, it is changing, for various reasons. Government reason, ppl reason, culture. I think that, people like you in the State, they ??? China, the Internet. And today, well I don't know but, the world is changing.

4:40

OS: It still doesn't explain though, where did this incredible entrepreneurial instinct come from in the society that spent 30 years opposing capitalist roaders.

4:52

Ma: I think eh...it's been the open up policy. Without the open up policy, we will never see this thirst ???... like Forest Gump, We never know the ford, we never know the great business. Without the open up policy we'll never see so many Panasonics, Mitsubishi (?)

stuff, without the open up policy, we never have a chance to go...I think without...30 years ago I taught myself English in West lake...you know, by receiving so many foreign tourists, I would never be able to know there was another world outside.

05:27

And I think this change...and you learning, people learn, I see a of musicians, a lot of artists, they learn from outside. But I think next few years, I suggest that American ppl pay more attention to China growth, china model, ??? to learn.

Hm. mentions China model

5:51

OS: Let's talk about that. with the crisis, what should china start studying about Chinese model as you describe it?

06:05

Ma: We move fast. Because I think we see today China, China has a lot of problems. Everywhere ppl talking about problems. Ah, esp when I leave...eh, in the States, in the UK, ppl ask me, how can you do Internet in China? China puts censorship on internet.

06:25

It's impossible. Ppl just see 1% of the bad things, they do not see 99% of the good things. If it is against your principle, you say, well it's no good. Let's see things in a different way. I was educated in China, they told me that capitalism is no good. But when i came here (???), and it's different, and we have to start to learn. But now I think it's time for the West to look at China. China's been criticized for 50 years, China cannot grow, cannot sustain, this and that, but it keeps on growing.

7:03

How to explain that? China changed. We transformed. There was one ???? but there are a lot of ppl like us, we have the dreams, we think we should..we can not only improve ourselves, we can improve the world. we are also learning to be globalized. And internet, esp the same thing..you know, Internet is speedy at this thing? I think b/c of Internet, everything that's happening today, we get that. so information go into China, information leave China.

7:43

I think...I'm very shocked when I visit the West, and people ask me that question and I say, "well, well we Chinese know more about West, much more than West know about China." I think we can name, at least, today, Chinese people can tell about Obama policies, what they look like, we can tell how many States, the names, I think most Westerns only know about Shanghai, Beijing, they do not know even Hangzhou. *audience laughs*

08:18

Let's look outside, Chinese people in the past 100s of years, they looked inside. We are oriental. We looked inside more than outside. Now we start to look outside. I think

American ppl, and western ppl, Look both inside and outside. Look at things different, and appreciate it, Enjoy it. See the difference inside. So I think what the American public, the Western public think is...look at China in a Chinese way. Ah, this guy I've been cruising for 50 years is doing pretty well, what' wrong?

08:50

Just like ppl ask me, Jack, how can you do it? how do you grow from Alibaba to Taobao to Alibaba Group that fast? I said, I dot' know. I don't know why we grow. The professor know how to grow. Because the ppl can make it cannot tell why. The ppl who can tell why, never know how to make it grow. *audience laugh* So maybe China cannot know how to grow. I don't know, because I think different ppl have a different view.

9:19

But ppl outside should study it. I see some ppl in my class that are better than I am. I don't listen to him, I want to watch carefully what he does. what is he trying to do?

09:35

OS: well, for all its' uh problems, China has been quite an economic success story. How in your view is China doing in surviving the current economic crisis that's seizing the world?

9:46

Ma: I think they're doing the right strategy. For example, quick action. no matter if you here believe or not. I strongly believe in China gov't's execution power. They want to make it happen, make it happen.

10:02

This is good about the power... government, the Chinese gov't, they can make thing happen. The 2nd and the huge countryside...the domestic...I think the domestic ???? will be in China for about 10 years, 10-15 years. We should not rely on export, we should rely on domestic demand. Others, you know, wonderful days nobody wants to make a change. Today they have to make change. And you see china's gov't spending money on the countryside, invest a lot in ???, b/c the China countryside is huge market for domestic consumptions. And the thing ppl worry about , omg, this 20, 30 million ppl lost job, going back to countryside.

10:50

I think if we do it properly, this is going to improve, and speed up countryside reform. These 20, 30 million ppl have been working in the cities, they're like educated. I think 40 years ago, Chairman Mao asked young ppl to go to countryside, they are called ????.

11:10

At that time, they forced ppl to go. Now these ppl go back. So if we populate the countryside with infrastructure, give more opportunities for them, to speed up the civilization. The countryside, it is good. The other things is that, in the cities.... because American place...American ppl think that Chinese people never spend money, they save money. Learn from that.

*audience laugh

11:40

While you have money, save the money.

11:47

OS: So to save money now is exactly what the economy doesn't want.

11:49

Ma: No...I think the ppl ...start to spend money, I believe the ppl in the cities of China will start to spend money. And I'm encouraging our team, when i tell my young ppl....ppl, go spend money, they say life is wonderful, let's go spend it.

audience laughs

12:08

So, I think the cities...because they save money during the wonderful time, now they will go spend money. Of course, the university students, they graduate from school, and they cannot find jobs.....maybe have problems.

12:26

The gov't pay attn to them, and I don't think it's the gov't that should pay attn to them, it should be the business ppl, the entrepreneurs, the SMEs, the private sectors, lets' take action. create jobs for them. i remember, a lot of ppl when I was in graduate university, a lot of ppl didn't have jobs, it's terrible. But it's not gov'ts work, only that job...don't wait for them, let's do from private sectors. that's what we call social responsibilities.

12:56

everywhere i go, talk about social responsibilities. It is time to...take action, and i think we're learning that.social responsibility from the West. and we're doing that.

13:13

OS: I want to talk a little bit about your eh, your senses in China...what are the social responsibilities of a company, of a CEO in ???/ industry?

13:23

Ma: I think social responsibility, it is not eh...it's not a slogan. Every business should bury the social responsibility into the business model.

13:39

we should not only care for yourself, you care for the...customer, the environment. I think social responsibility is a general concept f all those things in the world. After being...10 years of social responsibility. I think we all get the same idea, what does social responsibility mean? But the very important, is take action, and the very important thing is put that thing in reality, put that thing in action. And it's always easy to say that andbut

tough time, I think today the social responsibility for any business...care employee, create more jobs, and do something. This is called social responsibility. We talk about ...environmental protection, every important last year, and the year before last, this and that.

14:29

now it is time. i think, I think...esp in this crisis time, we have plenty plenty of things to do to realize the goal of social responsibility.

14:44

OS: right, you're talking to your employees over the Internet right now, what do you think their responsibilities as employees of Alibaba and responsibility...?

14:58

Alibaba, from the first day, while we focused on small medium sized companies. and b/c i think SMEs... more than 70% of the jobs in China, the private sectors. If we help one SME, this SME will help 30, 40 ppl. I bet today, if Alibaba bankrupt, over 80,000 SMEs in China will bankrupt. If each SME hires 10 ppl, 8 million ppl will lose their jobs.

15:35

It is not the job for fun. Alibaba is not a job for fun, Alibaba is the job to make more ppl successful. ...this is the basic, thing why you create company for. I think I am proud to say that Alibaba ppl share the same vision. So we've been here for 10 years, this year, this is our 10 year anniversary, so I am going to tell, share w/ the ppl to ...16,000, and million and millions of SMEs and consumers in China the visions for the next 10 years.

16:16

What we're gonna do in the next 10 years. In the past 10, we just proved that Internet can help China, e-commerce will exist in China.

16:24

Next 10 years ,let's help more ppl. For example, I canceled the ???, which our largest C2C size...we have 100 million users on..... and we could charge them money, but we decide forget about revenue, forget about profit...we created 570,000 jobs last year.

16:47

Next 2-3 years, president XXX, he knows we only give you one KPI, one goal, create another one million jobs for China. That's it.

17:01

that's called social responsibility. Because there are ???/ ways to make money, and we would like you to prepare early. Today, I think I can now compare w/ Bill Gates who makes more money. *laughs* Nobody, very few ppl can. I can compare with him who can contribute more to the world, who can make more ppl rich, who can give more ppl...

I think ???? him.

17:30

OS: ??? How many ppl on each site now?

17:43

Ma: Well, we top um...we have 100 million users, registered users, and 1.5 million power ???, and most of the power setters are disabled ppl, jobless ppl, and also today, more and more university students join, they sell things...just like ebay, but we're much bigger than ebay in China.

18:00

OS: You mentioned that over year ago, you did have a sense that we were heading into a darker time, what was about what you saw in the economic system that make you have that fear?

18:19

Ma: I first, I think, year 20...like most company, most entrepreneurs, I was worried all the time. I was worried all the time. When good things happen, i know something bad is coming. *laughs* When bad things coming, I know good things are coming. This is...for 14 years, entrepreneur doing business in China, I get this experience. When I feel...every time I think of success, I can relax, omg the problem came. So ...I just can't believe the world, everybody go wowo go buy shares.

18:58

My customers, SMEs, a lot of ppl tell me about how much money they make in year 2006 and 7, not make money from customers, they make money from stock market...I got that money! Everything they don't talk about customers, they don't about service, they talk about investment, They talk about stock market, and you know something is wrong. And the second point is because we have 30 million SMEs using our service...bc/ we have 18 million ?? using our service, They don't talk about import export, trading... and you know something is wrong. and you know something's wrong. People only talk about money.

19:47

You know ppl lose value. When ppl talk about money, *gestures to eyes* this eye is RMB, this eye is US dollar. They talk with Hong Kong dollars. They're not entrepreneurs, they're not business ppl. You know the world has changed. You know, if this disaster doesn't come last year, it'll come next year. So...especially, in China, ppl have High expectations of Olympics.

20:21

My god, everybody focus on one thing. Be careful, something that they're not paying attention to is coming. I was so worried, too worried in July. So July, I wrote that email. And that email leaked out, I purposely let it leak out. I wanted to tell you, I want the SMEs, watch, the ?? day is coming. I don't know when it will come, but I know it will be very serious, I think the whole world will be united to solve this problem.

20:51

When you see ppl change, the bad things are coming.

20:58

OS: Let's talk a little bit about, I mean, clearly, you're a major player in the world today in US and China? And what are your thoughts on how we can to solve the economic crisis? and i should also say like the climate change, one country cannot solve the situation, how do you view the future of Sino-US relations in the world of deep crisis?

21:23

Ma: i think the world has high expectations of USA, and the world has high expectations of China. These two countries must be united, understand each other, share information, be more transparent. They have to trust each other. And I think in this world today, we should be anti-protectionism. I was shocked when I go around the world and see ppl say let's do something let's do something, they do not think trade is about fairness. Solve the problem, work together. So I think the USA, they have much more potential. I have strong confidence in the USA, after this trip, I see ppl, they are totally depressed, but they'll come back.

22:15

And you see the coming back thing is coming. And I think when I see China, China may suffer more in some ways. Financially US suffers more. But the real business base, the mfg base, China suffers even worse.

22:36

Millions of ppl lose job, they go back to the countryside. i do not see them crying. Ppl think about what they can do. And I think the same thing, let's not complain about the banks, let's not complain about Lehman Brothers, I think China-USA, these are the two countries that should take the lead to pick ppl up. We have the largest potential domestic market, you have the tech, innovation, wonderful ppl, and already global position...things. I think if these two nations are united, understand each other, and be open to each other,

23:24

we just solve the problem, much easier.

23:28

OS: before we open the question to you all, I should just also say that ppl listening over the internet, please send your Q's in. How do you feel as you look at America now, about Obama's policy, Clinton's trip to China, what's your sense of their postures for China?

23:57

Ma: I think it's impressive for me. Obama telling um, I watched a lot of movie...and I think he's living the American dreams. From the Chinese pt of view, I see the inspiration in his heart. You want to change, you want to move things ahead. but I think one thing i worry about is ppl have too high expectation of him, this is a worry.

24:30

Just like, if ppl, my team have too high expectation of me instead of doing things themselves, help each other. I feel excited about what Obama said, and I feel excited about the incentive plans, the package, and I think he's gonna move things ahead, and I think he's got a lot of good things...I feel excited. he's young, I think he's about my age, or younger...I don't know.

25:04

But he's very young, energetic, and it's his chance, it's this generation's responsibility to take us out. And I like that, and I just want to say, to help him, to really support him, is do something.

25:22

Do something yourself. If China solves its own problem, it's going to help the world solve its problems. If China doesn't solve its mfg problem, there are so many companies bankrupted, it's going to be another big disaster. Now, I think with Hillary Clinton...we're on the same boat, we care for each other. I like that. This is what... China, USA, Europe, Japan, no one should laugh at each other, do not point at each other.

25:58

I tell..the first day when I set up Alibaba in my apt, 18 ppl, I told my team, we will have all kinds of challenges, we may fail, we may bankrupt, but we never ever finger pointing to each other. Let's solve the problem first.

26:20

I think I like Obama today, let's do something. And to support him the best thing is do something ourselves.

26:30

OS: That's a good American sentiment. Audience question.

26:57

Audience : Tell us about your plan to expand in the US?

27:03

Ma: We decided b/c last year, when we realized the problem was coming, I think the problem was international trade. A lot of SMEs in China, India, Argentina, still want to sell things aboard. But I think because of the economic crisis, a lot of ppl will not be able to get order. So internally, we changed the business plan and we changed the product services. We decided to invest 13 million US dollars on marketing, and most of the money will be spent in the USA, and 2nd is Europe.

And the 2nd thing we did on this trip, we interviewed a lot of ppl in Silicon Valley, we want to expand more in the US, we want to hire more ppl. The 2nd thing is b/c we now have 25 ppl in Silicon Valley, for b2b alone we grew to 50 ppl. And we are gonna hire 5000 ppl in China...back in China, when good days come, we can come back to the States. B/c I

appreciate many years ago, a lot of Chinese students come to US, they learn and they come back to contribute. Today, I think we are open, please join us. we hire ppl.

The 3rd thing is that we want to help Alibaba grow business, the S&M size companies...come to the states to help the SMEs, help the entrepreneurs. If you have a dream, you want to buy things from China, sell things to India, we give the services. And i think we come here not w/ technology, not w/ the money, we come here w/the customers around the world, w/ the dreams. Hire ppl, invest in market, and bring the dreams together. Let's do something in ...various countries.

29:20

OS: q from the internet: In an interview a few years ago, you talked about how ebay lost the battle in china and it will be difficult for ebay to relaunch in China. If you were to launch Taobao in the US, what step would you take to make sure Taobao doesn't meet the same fate here as Ebay?

29:47

Ma: We defeated Ebay for the first round. Ebay never lose. I always believe one thing, you lose only when you give up. If you don't give up, you always have a chance. So we were lucky we won the first round, we win in China. But we think in the States, if we come to the States, we'll have the same problem.

But if we come to the States, we won't come to compete. We come to create value for the customers. Many many MNCs, they go to China, they want to compete w/ local companies instead of making the customers happy. They spend time making the bosses happy instead of making the customers happy. This is entrepreneurship, making the customers happy. If we were to come to the States, we want to make the customers happy. we don't want to compete w/ Ebay, Amazon, or ...competition is just fun, it's not the goal of the business. Let's um partnership.

So we, the whole Alibaba management come to this time, we visited so many companies, we want to show...during the bubble period, everybody think about shares, revenues...no, let's calm down, we can do it together. So we come here looking for partners, we do not come to compete, and my philosophy is that everywhere we go, let the local ppl partner be the leader. If they don't want to be the leader, then we will. If they want to be the leader, support them. So I think we do not come here to compete w/ Ebay, but we want to see if Ebay wants to work w/ us. And I think China's market is big enough, US market...we come here not b/c we want to make more revenue or profit, one of ht main reasons I think I see so many SMEs, so many MNCs...they come from small pieces (???) they need to use the same services as Indian SMEs, the Chinese SMEs, Korean SMEs...this is why we come here.

32:15

Question: now in China, the SMEs are facing a big challenge. The Chinese gov't announced a large program to help the economy, most of it will go to infrastructure not SMEs. A lot of ppl predict only a short term benefit, you are the great expert on SMEs, you have 1.8billion

in your bank, maybe more. (Ma: 2 billion) So what is your country going to be able to do to Keep SME sector in China healthy and growing?

33:10

Ma: that's a good question, I think China gov't is focused on the infrastructure, the big companies. I consider this the first step. There will be more steps, one step won't solve the problem. To solve the problem it takes 2nd step, 3rd step, 4 step. So this is first. 2ndly, I personally have strong confidence in SMEs. The SMEs, the good things for them is they never have bank loans before. So they don't have bank loans, so what? Most SMEs in China, the world live in terrible conditions. But at least I heard today from the world leaders they are paying attn to the SMEs, I'm not trying to plead the gov't to help the SMEs...please do something...meanwhile I encourage SMEs to do something. No one helped us in the past 18 years, we helped ourselves. We grew from 18 ppl SME to 12,000. we're still considered SMEs.

I think very important, the banks, as I said earlier this year in China, most of the banks...wow, we'll help SMEs. But none of them took action, very few of them, banks do not change, let's change the banks. we have to move forward. We are today in China, we try to convince China Construction Bank to give loans under 1 billion (?) to SMEs.

34:55

and I think China's gov't is smart enough. Job creation is the number 1 priority in next 1 year or 2, and everyone knows the prospect of SME and job creation, the engine. so this is the engine, next step. But again, most of the SMEs, they are entrepreneurs, entrepreneurs move ahead themselves. SME, come easy, die easy. But if they do it in a proper way, they find it. I believe SMEs are good, I've got confidence b/c in the old days, only big companies can afford IT technology, only big companies can afford those things. Today, SME can use IT at the same cost. And I think 5 years later b/c of the financial crisis, I bet there will be a system of financing SMEs, of supporting SMEs. This is a great chance I see, this is the mission that Alibaba team should have, to make China...eh...we have the river, like Changjiang river, but we don't have the channel to water all the fields. So this watering system is something...where the opportunities are for the next 5 yrs.

36:37

OS: next question:

You're a teacher and you're business person...do university in China and US produce/teach entrepreneurs and how do you produce entrepreneurs?

36:54

Ma: I'm still a teacher, up till now I don't know about the market, about finance. And I tell ppl what I read, I still work as a teacher. And I...this is the debate I have with MBA ppl. I think 95% of the MBA joined the Alibaba for the first 4 years, before 2004, and 95% left. I think there are 2 reasons, ppl always want to look for the best ppl. I don't want the best ppl, I want the most compatible ppl.

Some companies believe in elite, the genius guy. We believe in normal ppl. So I think the MBAs...when they join Alibaba, they talk about big strategy. Everything they say is right, but everything they do is terrible.

37:58

I don't know what is wrong. And the china education and American education def needs some change. So i call ourselves, if you find good ppl and you're not ready, it's like buying a Boeing 707 engine to put into a tractor. And both sides are frustrated. Today, entrepreneurship in the Universities are not taught, and they cannot be taught. Most professors tell me we teach skills, we don't teach entrepreneurs. I think it can be taught if they want to. I think if profs are real entrepreneurs, it can be taught.

38:30

OS: what about the idea that you really become an entrepreneur by being an entrepreneur.

39:00

Ma: I have said that, Alibaba is testing it, we're testing ourselves. I think entrepreneurship can be taught. Professors can't tell you why we're successful instead of opening a barber shop. He cannot teach you entrepreneurship. He cannot teach you entrepreneurship inside. So, 20 yrs later, we call it Alibab school focus on teaching entrepreneurship.

39:34

OS: Jack, do you think that in some way economic crisis we're all experience is going to help out Alibaba...b/c what you provide is what's needed in a moment like this, or do you think we'll end up???

39:52

Ma: honestly, I've never been that excited to see this financial economic crisis, personally. I see it as an opportunity, as all human beings...it's the transition period from labor intensive, machine intensive, money intensive, to knowledge intensive. To innovation, to create innovation. I can't believe 10 yrs ago, w/o internet, w/o technology, w/o knowledge based economy, I could stand here to speak. I ??? my father's knowledge, my father was a gov't officer, w/o a rich uncle somewhere. I think this is a good opportunity, absolutely.

40:45

china today has 300 million internet users, ...3 yrs ago, I said in one of the forums in the US, I said, in 3 years, i believe internet users in China will be bigger...the number will be much bigger than US. And a lot of my friends, my Internet colleagues, said no no no. And i said, we have 1.3 bil ppl, you only have around 300 mil ppl, for you guys to have more than 300 ppl to use the internet, it takes 2 years to have babies. For us, 5 years. So we believe, next 5 years, China's internet users, mobile internet users, will be 500 mil users. When business start to use computers, when they start to use internet, they'll never stop. I don't' think they will go back to pen and papers, they will keep on using the internet, the computers. I have confidence, and I think making that thing happen is our dream, our mission.

And I'm working on that.

42:06

OS: last question:

How do you see the new wave of smart ppl going back to China? Can they survive?

42:40

Ma: Sorry for speaking the things upfront. I want to say, don't believe you are smart, there are always smarter ppl. If this guy believes that I'm smart, then he's in trouble. The experience I got, everywhere I go, I find smarter ppl than me. So smart ppl usually know there are much smarter ppl than they are. China today, I think China...the US market made it too open, and brought the financial market into extreme of this (??) (hand motion), but china is this (???). So I think there are huge opportunities in China. I think ppl like financial guys, and ppl who graduate from MBAs, go to China, and open it. And there is huge potential there. But never ever think you are smart ppl, that you're wonderful ppl, you want to go back, you want to save something, you want to solve something.

43:55

No. We hire a lot of professionals from outside companies, many of them join us. "Ok...I'm VP of multinational company and you are a terrible shabby small start up, let's solve the problem. And i remember when we only have 500 million dollar capital and the guy gave me a presentation 12 million dollars to spend on marketing, and I look at it go, omg it's a wonderful plan, but I have no money.

he said, i never spend money below 10 million. and I said, I only have 5 million, don't waste money! I have these kind of terrible experience. And these ppl came to you to understanding you, they don't work little by little, not by sleeves up but..???, never work.

So if you go back to China, ...just last example.

44:57

Many MBAs join Alibaba, the first thing they give me is the business plan, business strategy. Oh my god wonderful plan, wonderful strategy, I don't know how to answer them. Later I said, anybody give me business plan, within 3 months of joining the company, usually leave the company. If he thinks he's smarter, he should build up his own business. Understand the company, digest. So the company, the guy who joined the company, i sent to the sales ppl. We have more than 3000 off ground sales knocking door to door, talk to the managers, listen, I sent those MBAs to these and most of them die. I say, if you survive after 6 months, come back everything you tell me I listen. Otherwise goodbye see you next time. Don't think you have knowledge...tell yourself, what I have, I have terrible experience in the US, i don't care to have another terrible experience in China. If you have this kind of mood, you have a chance to win. And we think, we're looking for not experience, we're looking for those ppl ready to take from tiny things, and take actions, and humble, and working hard. So I think, chance there, opportunity there, opportunity in the states. 5 yrs later the US security, financial industry will be back. When ppl worry too much, good thing coming. My last

comment...last August was the most terrible period, just before the earthquake came it was the most terrible period. Now the Earthquake came, let's think about rebuilding.

I think I've never seen so many gov't leaders, business leaders, normal ppl focused, cared about the financial crisis. If the expressway there's traffic, policeman there, the mayor there...there will be no disaster, and fix the problem. We will rebuild it, so there's opportunity in the states. In 5 years, new security system will be build up. the world will be good, as long as we're prepared. Today is difficult, tomorrow is much more difficult, see the sunshine the day after tomorrow. Don't die tomorrow.

Notes:

1. It sounds like a graduation ceremony speech: take action now, adapt to crisis, tomorrow is beautiful, pursue your dreams...
2. Ma puts a lot of emphasis on the Open Door policy. Echoes Gavin Ni...possibilities opened up because of the policy.
3. Saw the bubble burst coming b/c ppl only talk about money.
4. Believes in Chinese gov'ts execution power and ability to make things happen.
5. China should rely on domestic market and the countryside to develop further. Comparable to Cui Zhiyuan, who also believes that China now relies more on the domestic market. But it seems that Ma is of the more common belief that China grew b/c of export-dominated mfg market and will now decline b/c of the decline of export whereas Cui is of the opinion that China has always relied on domestic market.
6. Emphasizes that China needs to solve the manufacturing problem in order to fix the financial crisis in China.
7. Sees the economic crisis as a transition point towards a more knowledge based economy.

**The full-length video of this interview is available in the online repository of Rutgers University Libraries: <http://rucore.libraries.rutgers.edu>*