

Chinese ecommerce rival JD.com to take on Amazon in Europe next year

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China's ecommerce giant JD.com plans to challenge Amazon in Europe as early as 2019, aiming to be ubiquitous across the continent within "a few years", according to the company's chief.

Richard Liu, founder and chief executive, told the Financial Times his company will launch its ecommerce platform and delivery services in France, then the UK and Germany.

It will spend at least €1bn over two years to build a logistics network in France. By contrast, Amazon says it has invested €15bn in Europe in the six years from 2010. JD recently announced plans to launch in the US this year.

Mr Liu said he was aiming for half of profits to come from outside China within 10 years, although the bulk of

product sales would remain in China — suggesting the company will expand beyond its ecommerce operation globally. Last year it spun off its lending branch, JD Finance, as a separate group.

Mr Liu said JD planned to launch its first European research centre in Cambridge in the UK in the first half of 2019. The centre will be its second outside China, and will focus on artificial intelligence and big data.

"UK talent and education is first-class," Mr Liu said, adding that the cost of hiring AI talent was now lower in Europe than in the US and even China.

After meeting UK premier Theresa May during her visit to Beijing, Mr Liu signed a memorandum of understanding with the government to sell £2bn of British goods — mostly food and beverages — to customers in China over the

next two to three years, through direct procurement and third-party sales.

Mr Liu said he expected sales of UK goods on JD to soar from £3bn-£4bn last year to more than £10bn in three years.

Unlike Amazon and rival Alibaba, JD owns and runs its logistics network. Its army of migrant delivery workers means it can deliver a box of cereal within 24 hours in Beijing for less than a dollar.

"We built our logistics to be online from day one," said Mr Liu. "Companies like DHL built their systems on decades-old technology, it's very hard for them to overturn their systems overnight."

But in Europe, Mr Liu said, it is considering enlisting local partners for last-mile delivery, although it will own its own network of warehouses.

Additional reporting by Yingzhi Yang

