

Alibaba hires US lobbying firm to help with Yahoo bid

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China's Alibaba Group has hired a US lobbying firm, fuelling further speculation that it is preparing a bid for Yahoo.

It has hired Duberstein Group, a firm headed by former White House chief of staff, Kenneth Duberstein.

In October, Alibaba's founder Jack Ma said he was willing to buy Yahoo and there have been recent reports linking the firm to such a move.

There have been fears that any deal may face political opposition in the US.

The Duberstein Group filed a declaration about it being hired by the Alibaba Group with the US Senate on 23 December.

Over-cautious?

Chinese technology companies such as Huawei have faced political opposition over moves to acquire firms in the US.

However, analysts said that while national security was cited as a reason to block moves by Huawei, it may not be the same for Alibaba.

They said that ultimately it is the users' call whether or not to subscribe to a website's services and continue using it.

"I don't think there should be a big concern. Users may share or keep as much data as they

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like," said Mark Natkin of Beijing-based consultancy Marbridge Consulting.

"If they subscribe to Yahoo and [they know] Yahoo is owned by a Chinese company, they are going to have to make the decision themselves," he added.

Confirmed rumours

Alibaba and Yahoo's relationship goes back to 2005, when Yahoo bought a 43% stake in the Chinese firm for \$1bn.

However, the relationship between the two has since deteriorated and Alibaba has been trying to buy back its stake, a move which Yahoo has so far resisted.

However, last week there were reports that Yahoo's board was considering reducing its stake in Alibaba.

At the same time, Yahoo's dwindling market share has resulted in reports linking various companies, including Alibaba, with a possible takeover bid.

Analysts said Alibaba's latest move will only add more fuel to the fire.

"It is one more confirmation of the rumours that Alibaba is keen to strike a deal with Yahoo, to reclaim its share that Yahoo owns," Tim Charlton of Charlton Media Group told the BBC

Source :bbc.co.uk