

Alibaba unit invests \$200m in South Korea's Kakao Pay

SEOUL: Alibaba's payment affiliate Ant Financial will invest \$200 million in a unit of South Korean messaging giant Kakao, the companies said on Tuesday, the Chinese firm's latest step to expand its global reach.



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The investment in Kakao Pay comes less than a month after Ant bought US-based payments operator MoneyGram for around \$880 million and struck a partnership deal with Thailand's Ascend Money in November.

Ant is behind Alipay, which accounts for 80 percent of electronic payments in China where it is used for e-commerce at Alibaba online venues and a large number of mobile applications. Ant is also involved in investment services and online banking.

"South Korea is an important market for Ant Financial in its global expansion," said Douglas Feagin, president of Ant Financial International, in a joint statement with Kakao.

The companies said the investment was part of a larger strategic partnership to connect Ant's 450 million users worldwide with Kakao Pay, which currently has more than 14 million subscribers.

Kakao, best known for its mobile messaging service Kakao Talk, has more than 48 million users globally. It decided in January to spin off its mobile payment service Kakao Pay into a separate entity which offers services such as bill payment

and remittance.

Shares in Kakao soared 4.25 percent to 88400 won in afternoon Seoul trading Tuesday.

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