



# **E-Commerce Expansion: Alibaba's Impact on the U.S. Economy by State and Industry**

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## Alibaba's Economic Contributions in the **UNITED STATES**

Alibaba provides U.S. brands, ranging from small businesses to multinational corporations, with e-commerce platforms to sell their products to consumers in China. Like all cross-border trading activities, products sold in China, directly and indirectly, create positive economic effects for the U.S. economy. These sales generate billions for U.S. brands, resulting in substantial contributions to the companies along the supply chain and communities across the United States.

### Sales from U.S. brands on Alibaba create ripple effects along the supply chain in the U.S. economy

Direct, Indirect, and Induced Economic Impact, 2024



**\$23.7B**

Total Wages Supported  
for U.S. Workers



**258.1K**

Total U.S. Jobs  
Supported



**\$42.1B**

Total Value Added to  
the U.S. Economy (GDP)

### Alibaba provides substantial benefits to the U.S. economy

Sales on Alibaba by U.S. brands, 2024

**\$53.4B**  
in 2024

An increase of  
**\$6.3B**  
from 2022



### U.S. small businesses generate sales on Alibaba platforms



**\$6.1B**

Sales on Alibaba  
by Small  
Businesses

# E-Commerce Expansion: Alibaba's Impact on the U.S. Economy by State and Industry

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The Alibaba Group offers a wide range of services from basic e-commerce to cloud and AI tools for retailers, wholesalers, and businesses. Following its organizational restructuring in 2023, the Alibaba Group comprises six major business groups. The Taobao and Tmall Group, one of the six business groups and accounting for two-thirds of Alibaba Group's total revenue, facilitates one of the world's largest and fastest-growing digital consumer markets. The Taobao and Tmall Group provides various e-commerce platforms that enable large global brands and small businesses to market their products to over one billion consumers in China.

Taobao is China's leading retail e-commerce platform. Taobao meets all aspects of consumer needs, directing users to various marketplaces, channels, and features within the Alibaba ecosystem, through its top-level traffic funnel via the Taobao app. The Taobao Global platform connects companies, especially smaller brands, to a network of approximately 60,000 independent online Chinese retailers to sell their products in China. In contrast, the Tmall and Tmall Global platforms provide online stores for global brands and their authorized retailers to sell products directly to consumers in China. In 2024, U.S. brands utilized the Taobao and Tmall e-commerce platforms to sell roughly \$53.4 billion worth of products to consumers in China, marking a 13.6% increase from \$47.1 billion in sales in 2022. (Figure 1)

Figure 1.  
**Sales by U.S. brands on Alibaba to consumers in China have grown nearly 14% since 2022**

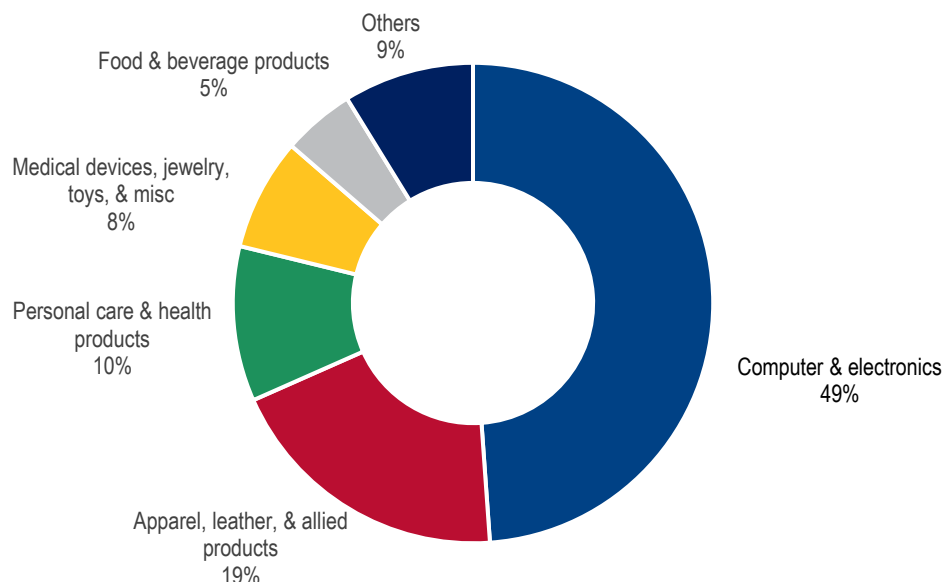


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U.S. brands offer many products on Alibaba platforms, from consumer staples to luxury goods. In 2024, the three largest product categories were computers & electronics (49% of product sales from U.S. brands), apparel & leather products (19%), and personal care & health products (10%). (Figure 2)

Figure 2.

**Computers & electronics accounted for 49% of U.S. products sold on Alibaba platforms in 2024<sup>2</sup>**



## Direct Economic Impact

U.S. brands employ various business models on Alibaba platforms to sell products directly and indirectly to consumers in China. Smaller brands often partner with local retail stakeholders who manage online stores on Taobao Global. This approach enables companies, especially small businesses, to effectively market and sell their products to consumers in China. In contrast, larger brands typically sell directly to consumers through their own online “flagship” stores on Tmall and Tmall Global or authorize global retailers to sell their products in exclusive or specialized stores on those platforms. Brands that own and operate flagship stores retain nearly all revenues from products sold on Alibaba platforms. Conversely, brands that utilize online retailers to sell to consumers in China on Alibaba receive revenue from product sales, minus compensation paid to retail partners for their services. These global retail partners are estimated to receive 26% of the total sales of U.S. products on Alibaba’s platforms, which aligns with standard practices in the broader global retail industry (26.2% gross margin during 2023-24<sup>3</sup>).

Every year, shoppers in China purchase billions of dollars’ worth of U.S. products on Alibaba’s Taobao and Tmall platforms, generating revenue for U.S. brands and benefiting the U.S. economy. In 2024, U.S. brands

<sup>2</sup> Alibaba.

<sup>3</sup> Damadoran Online, Operating and Net Margins by Industry Sector, January 9, 2025.



are estimated to have generated approximately \$39.1 billion after subtracting revenues that flow to global retail partners. This revenue, often called “output” in national account statistics, generated by U.S. brands directly and indirectly creates value for the U.S. economy. (Table 1)

Sales of U.S. products on Alibaba's Taobao and Tmall platforms create a chain of positive economic impacts on the U.S. economy. U.S. brands contribute value-added, defined as sales minus intermediary goods and services costs, to the U.S. gross domestic product (GDP). In 2024, U.S. brands generated \$39.1 billion in revenue from goods sold in China on Alibaba platforms. After subtracting the costs of intermediary goods and services, U.S. brands created over \$25.0 billion in value-added to the U.S. GDP. (Table 1)

U.S. brand sales on Alibaba create jobs for both production and non-production workers across America who fill orders, manage sales, and support operations. In 2024, sales of products from U.S. brands on Alibaba platforms created 110,224 direct U.S. jobs that paid nearly \$12.8 billion in wages. (Table 1)

Table 1.  
**Sales of products from U.S. brands on Alibaba platforms create ripple effects in the U.S. economy**<sup>4</sup>

	Direct Impact (\$M)
Gross Revenue/Output (\$M)	\$39,077.0
Value-Added (\$M)	\$25,025.2
Production and Non-Production Jobs	110,224
Wages and Salaries (\$M)	\$12,762.7

### *Small Business Sales*

Small businesses are integral to the U.S. economy. Alibaba's platforms allow small businesses to sell their products to consumers in China. Based on the official output statistics by business size and small business classifications published by the Bureau of Economic Analysis (BEA), we estimate that U.S. small businesses with under 100 employees generated just over \$6.1 billion in sales on Alibaba's Taobao and Tmall platforms, accounting for 15.7% of U.S. brand sales on Alibaba platforms in 2024. (Table 2)

<sup>4</sup> Alibaba; Bureau of Economic Analysis; Bureau of Labor Statistics; ndp | analytics.

Table 2.

**Over 15% of U.S. brand sales on Alibaba platforms were generated by small businesses in 2024<sup>5</sup>**

	Direct Output (\$M)	Share of Small Business Output	Small Business Output (\$M)
Computer & Electronic Products (NAICS 334)	\$23,437	9.5%	\$2,230.0
Apparel & Leather Products (NAICS 315-6)	\$5,845	47.4%	\$2,772.5
Personal Care & Health Products (NAICS 325)	\$3,174	6.9%	\$218.1
Medical Devices, Jewelry, Toys, & Other (NAICS 339)	\$2,214	20.1%	\$446.0
Food & Beverage Products (NAICS 311-2)	\$1,758	7.7%	\$134.7
Electrical Equipment & Appliances (NAICS 335)	\$807	11.0%	\$89.2
Paper Products (NAICS 322)	\$608	6.5%	\$39.7
Furniture & Related Products (NAICS 337)	\$504	24.5%	\$123.6
Transportation Equipment (NAICS 336)	\$299	2.9%	\$8.6
Metal Products (NAICS 332)	\$97	27.6%	\$26.7
<b>Top 10 Industries</b>	<b>\$38,743</b>	<b>15.7%</b>	<b>\$6,089.1</b>
<b>All Industries</b>	<b>\$39,077</b>	<b>15.7%</b>	<b>\$6,122.8</b>

### *Production Worker Employment*

U.S. businesses create products and services to sell to consumers at home and abroad. Manufacturers hire production workers to assemble, package, store, and ship products to customers. Based on official production employment data published by the U.S. Census, we estimate that U.S. brands created 64,194 direct production jobs (58.2% of 110,224 total direct jobs) to support nearly \$39.1 billion in U.S. brand sales on Alibaba's Taobao Tmall platforms in 2024. (Table 3)

<sup>5</sup> Bureau of Economic Analysis. 2021. Updated and Expanded Small Business Statistics: Wages, Employment, and Gross Output by Industry and Enterprise Size, 2012 – 2017; ndp | analytics. In its dataset, BEA defines small businesses as those with under 100 employees.

Table 3.

**U.S. sales on Alibaba platforms generated 64,194 jobs for U.S. production workers in 2024<sup>6</sup>**

	Direct Jobs	Share of Production Jobs	Production Jobs
Computer & Electronic Products (NAICS 334)	61,933	46.1%	28,554
Apparel & Leather Products (NAICS 315-6)	27,927	77.7%	21,688
Medical Devices, Jewelry, Toys, & Other (NAICS 339)	7,133	65.1%	4,641
Food & Beverage Products (NAICS 311-2)	3,109	77.6%	2,412
Personal Care & Health Products (NAICS 325)	2,786	63.3%	1,763
Furniture & Related Products (NAICS 337)	2,242	75.9%	1,701
Electrical Equipment & Appliances (NAICS 335)	2,010	67.4%	1,354
Paper Products (NAICS 322)	1,097	76.5%	840
Transportation Equipment (NAICS 336)	702	70.1%	492
Metal Products (NAICS 332)	350	74.7%	262
<b>Top 10 Industries</b>	<b>109,289</b>	<b>58.3%</b>	<b>63,707</b>
<b>All Industries</b>	<b>110,224</b>	<b>58.2%</b>	<b>64,194</b>

**Total Economic Impact**

In addition to generating revenue directly for U.S. brands, U.S. products sold on Alibaba platforms produce substantial spillover benefits for companies along the supply chain and in large and small communities across America. These benefits, commonly referred to as indirect and induced effects, are estimated using official industry economic multipliers. In 2024, U.S. brands generated nearly \$39.1 billion in direct revenue from products sold on Alibaba platforms, which created an additional \$34.2 billion in indirect and induced output for companies along the supply chain and in U.S. communities. Altogether, U.S. brand sales on Alibaba platforms generated \$73.2 billion in gross output across the U.S. economy in 2024.

In 2024, U.S. brand sales on Alibaba directly added just over \$25 billion to the U.S. GDP and contributed an additional \$17 billion in indirect and induced value added. In total, sales of U.S. products on Alibaba platforms added nearly \$42.1 billion to the U.S. GDP in 2024.

U.S. brands employ workers across America to produce and sell products and manage operations. In 2024, U.S. brand sales on Alibaba platforms created 110,224 direct U.S. jobs and supported 147,867 indirect and induced jobs along the supply chain and in communities nationwide. These 258,091 total jobs generate wages and support individuals and families across the country. In 2024, \$23.7 billion was paid to workers in connection with sales of U.S. products on Alibaba's platforms, including \$12.8 billion in direct wages paid by U.S. brands and nearly \$11 billion in indirect and induced wages. (Table 4)

<sup>6</sup> U.S. Census. 2023. Annual Survey of Manufacturers; Bureau of Labor Statistics; ndp | analytics.

Table 4.

**Sales of products from U.S. brands on Alibaba platforms create ripple effects in the U.S. economy<sup>7</sup>**

	Direct Impact	Indirect and Induced Impact	Total Impact
Gross Revenue/Output (\$M)	\$39,077	\$34,167.2	\$73,244.2
Value-Added (\$M)	\$25,025.2	\$17,027.0	\$42,052.3
Production and Non-Production Jobs	110,224	147,867	258,091
Wages and Salaries (\$M)	\$12,762.7	\$10,954.3	\$23,717.0

The economic contributions of Alibaba to the U.S. economy are distributed across states. The largest Census division is the Pacific, which generated over \$19.2 billion in output, followed by East North Central (\$9.8 billion) and South Atlantic (\$9.7 billion). (Table 5)

Table 5.

**Alibaba's economic contributions are realized across America<sup>8</sup>**

	Total Output (\$M)	Total Value-Added (\$M)	Total Jobs	Total Wages (\$M)
<b>MIDWEST</b>				
East North Central (IL, IN, MI, OH, WI)	\$9,760.8	\$5,259.2	31,389	\$2,152.8
West North Central (IA, KS, MN, MO, NE, ND, SD)	\$5,628.6	\$3,153.3	19,001	\$1,340.7
<b>NORTHEAST</b>				
Middle Atlantic (NJ, NY, PA)	\$7,940.7	\$4,535.6	26,044	\$2,020.4
New England (CT, MA, ME, NH, RI, VT)	\$4,525.6	\$2,732.8	16,572	\$1,465.2
<b>SOUTH</b>				
East South Central (AL, KY, MI, TN)	\$3,100.9	\$1,602.5	9,834	\$582.0
South Atlantic (DC, DE, FL, GA, MD, NC, SC, VA, WV)	\$9,712.9	\$5,518.2	33,587	\$2,472.8
West South Central (AR, LA, OK, TX)	\$8,541.1	\$4,814.9	31,590	\$2,490.7
<b>WEST</b>				
Mountain (AZ, CO, ID, MT, NV, NM, UT, WY)	\$4,796.1	\$2,866.89	18,440	\$1,432.1
Pacific (AK, CA, HI, OR, WA)	\$19,237.5	\$11,568.8	71,633	\$9,760.3

Alibaba platforms provide a variety of vehicles for premium brands, smaller brands, and entrepreneurs in the U.S. to penetrate the world's largest consumer market of more than 1.4 billion people. Utilizing innovative

<sup>7</sup> Alibaba; Bureau of Economic Analysis; Bureau of Labor Statistics; ndp | analytics.

<sup>8</sup> Geographic divisions are defined by the U.S. Census Bureau.



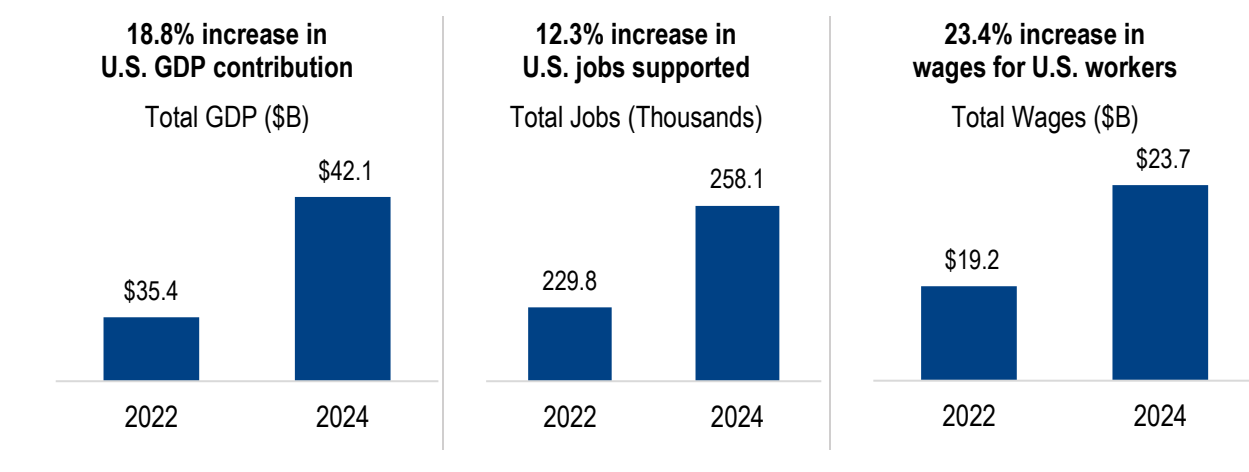
technology, Alibaba provides U.S. brands with the tools to sell their products — from consumer electronics to fresh produce — to consumers in China across many demographics. Like all other cross-border trading activities, products sold in China, directly and indirectly, create positive economic effects for the U.S. economy.

## Total Impact Over Time

The total economic contributions from large and small U.S. brands utilizing Alibaba's e-commerce platforms have increased over the years. The economic contribution of Alibaba platforms to the U.S. GDP grew nearly 19% from \$35.4 billion in 2022 to nearly \$42.1 billion in 2024. During that time, the impacts of Alibaba platforms on U.S. jobs increased over 12% from 229,780 workers to 258,091 workers and on U.S. wages grew over 23% from \$19.2 billion to just over \$23.7 billion. (Figure 3)

Figure 3.

**The total economic contributions of Alibaba platforms to the U.S. economy have grown considerably over the past three years**



## Final Remarks

The economic contributions of Alibaba in the U.S. are far-reaching. U.S. businesses, large and small, across various industries utilize Alibaba's Taobao Tmall platforms to sell products to over a billion consumers in China. These sales increase the output of U.S. businesses, generating jobs and wages, and adding to U.S. GDP. This economic activity includes U.S. brands that sell on Alibaba's platforms (direct effect), their supply chains (indirect effect), and the local communities where U.S. workers at the brands and along the supply chain spend their wages (induced effect). In 2024, the total impact (direct, indirect, and induced) of sales from U.S. brands on Alibaba platforms contributed \$42.1 billion to U.S. GDP and supported 258,091 U.S. jobs that paid \$23.7 billion in wages. Since 2022, the impact has grown; contributions to GDP increased by 18.8%, total U.S. jobs grew by 12.3%, and the wages paid to U.S. workers increased by 23.4%.

## Data Sources and Methodology

This report is based on data from Alibaba, official industry statistics, economic multipliers compiled and published by U.S. government agencies, and third-party independent research. Below are the descriptions and sources of the four major datasets utilized in this report.

1. Alibaba provided annual sales data for 2022, 2023, and 2024, categorized by business unit, store type, and product category. This study includes the following Alibaba business units: Taobao, Taobao Global, Tmall, and Tmall Global. The store types included are Taobao and Taobao Global stores and Tmall and Tmall Global flagship, exclusive, and specialized stores. Alibaba's sales data are classified into over 130 product categories. These sales figures are adjusted across business units and stores to align with the restructuring of the Alibaba Group in 2023.
2. Alibaba also provided a range of estimated gross profits of global retail partners by product category and store type. Retail partners' gross profits are total sales on Alibaba platforms minus the cost of goods sold paid to the U.S. brands that leverage the platforms and retail partners. Global retail partners, independent retailers not employed by the Alibaba Group, help U.S. brands market and sell their products on Alibaba platforms. Less than half of the retail partners for U.S. brands on Tmall Global are U.S. retail partners, while most retail partners in Taobao, Taobao Global, and Tmall are Chinese retailers.
3. Official industry statistics by state, which include gross output, value-added, employment, wages, small business output, and production worker employment, were obtained from the U.S. Bureau of Economic Analysis (BEA), the Bureau of Labor Statistics (BLS), and the Census. The industry data are classified according to the North American Industry Classification System (NAICS) codes at both the 2-digit and 3-digit levels.
4. Official industry-level economic multipliers by state were obtained from the U.S. Bureau of Economic Analysis (BEA). The agency's Regional Input-Output Modeling System (RIMS II) calculates and publishes economic multipliers, including indirect and induced impacts, for gross output, value-added, employment, and wages by industry and state.

Using Alibaba's proprietary sales data, estimated gross profits from global retail partners, official U.S. industry statistics, and economic multipliers by state, the study estimated the total direct, indirect, and induced impacts of products from U.S. brands sold on Alibaba platforms on the U.S. economy by state. Below are the major calculations used to quantify the economic impacts.

1. Revenues of U.S. brands from products sold on Alibaba platforms:
  - a. Annual sales encompass revenues from U.S. brands and gross profits from global retail partners. The study estimated average gross profits of retail partners on Alibaba platforms, categorized by business unit and product type, to calculate the revenues earned by U.S. brands from sales of their products on Alibaba platforms.

- b. The study created concordances to align Alibaba's product categories with 21 manufacturing and non-manufacturing industries based on 2-digit and 3-digit NAICS codes. It then categorized product-level revenues of U.S. brands in 2024 into 21 NAICS industries.
2. Direct economic impacts by industry by state:
  - a. Production/Sales: The study used the industry production distribution across all U.S. states published by BEA and the Census Bureau to estimate the impacts of Alibaba sales on U.S. production by industry by state.
  - b. Value-added/Contribution to GDP: The study applied value-added-to-output ratios from the BEA to calculate the direct value-added of U.S. brands for each of the 21 NAICS industries in each state.
  - c. Employment: The study divided the annual revenue of U.S. brands by gross production per employee from the BEA and BLS to calculate direct jobs in each of the 21 NAICS industries in each state.
  - d. Wages: The study applied BEA's wage-per-employee data to the number of estimated jobs to calculate direct wages for each of the 21 NAICS industries in each state.
  - e. Small Business Production: The study used national-level industry production by business size published by the BEA business to calculate the value of small business production (sales) in each of the 21 NAICS industries in each state.
  - f. Production Worker Employment: The study calculated the share of production workers by industry and state using data published by the Census and applied it to the number of direct jobs for each NAICS manufacturing industry in each state.
3. Indirect and induced economic impacts by industry: We used BEA's economic multipliers to calculate indirect and induced impacts of production, value-added, employment, and wages in each NAICS industry in each state.
4. Total economic impacts to the U.S. economy: We calculated the sum of direct, indirect, and induced economic impacts by state, division, region, and the U.S. overall; geographic regions and divisions are defined by the U.S. Census Bureau.