

TikTok Parent ByteDance to Lay Off Staff at Indonesian E-Commerce Unit

BY SHERRY QIN

TikTok's parent company

ByteDance will lay off staff at its Indonesian e-commerce unit to cut costs in the wake of a deal that let the video-sharing app reopen its online shop in the Southeast Asian country.

TikTok, owned by Beijingbased ByteDance, bought a 75% stake in Indonesian group **GoTo's** e-commerce platform Tokopedia in January. It committed to invest over \$1.5 billion in the enlarged entity over time.

Post-merger, the company "identified areas to strengthen our organization and better align our teams with company goals," and as a result, will make structural adjustments as part of its strategy for continued growth, a ByteDance spokesperson said on Friday.

The spokesperson didn't comment on the number of people being laid off. Bloomberg had earlier reported that 450 jobs were slashed.

Jakarta-based GoTo is an Indonesian conglomerate that offers ride hailing, e-commerce and financial services. It was one of Southeast Asia's most valuable tech groups when it went public in April 2022.

The Tokopedia tie-up came as TikTok, known mainly for its viral short-form videos, has been seeking to leverage its rising global popularity and China's position as the world's factory floor to compete in the online retail space known as social commerce.

Indonesia had been one of the more lucrative e-commerce markets for TikTok since it launched its shop there in 2021, but the company was forced to stop retail services in October last year after Jakarta authorities banned online shopping on social-media platforms, a move intended to protect small merchants from ecommerce competition.

The merger returned Tik-Tok's shopping services to the world's fourth-most populous nation where the app has made significant inroads.

Still, the Chinese social-media giant faces fierce competition from rival shopping apps like Sea's Shopee and Alibaba's Lazada.

Globally, TikTok aims to increase the total amount of goods sold on its platform, or gross merchandise value, to \$20 billion this year from less than \$5 billion in 2022, The Wall Street Journal has reported.

TikTok bought a 75% stake in GoTo's e-commerce platform. GREG BAKER/ AFP/ GETTY IMAGES

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