Daniel Zhang -- *Chairman and Chief Executive Officer*

Thanks, Rob. Hello, everyone. Thank you for joining our earnings call today. This past quarter, our business and operations experienced significant challenges due to the rapid change in the COVID situation during December.

Despite these challenges, we delivered double-digit year-on-year growth in our adjusted EBITA and the free cash flow through effective business management, cost optimization, and operating efficiency. With the lifting of COVID-related measures that end our peak wave, everything is now quickly getting back on track. In general, consumer confidence and business confidence are rising. Logistics has resumed normal operations with the entire supply and manufacturing chains becoming active.

Digital transformation across different industries and sectors has accelerated significantly. Against this backdrop, our various businesses are showing positive trends. Recently, the IMF raised the estimated GDP growth for China to 5.2% this year. Given the expectation for economic recovery following the lifting of COVID-related measures and China's reopening, I have chosen progress as a key word internally to set the tone for Alibaba's development this year.

We need to respond quickly to the change in the macro environment and the major cycles. The theme of progress represents the need to adapt to the trends in the macro environment and for Alibaba's own development. In China's post-COVID economic development, although different businesses across our complex ecosystem face their own unique circumstances, we remain confident in our three main strategic pillars of consumption, cloud computing, and the globalization. Now, I will share how our business performed this past quarter in a different -- in a difficult COVID environment, together with some color on the situation in January and February, and how we plan to capture opportunities across our businesses.

During December quarter, the China consumer market was highly impacted by COVID cases. Taobao and Tmall GMV topped mid single digit year on year, and the consumption demand was greatly suppressed. In terms of category, apparel and other discretionary goods were weak, while healthcare and wellness-related grew strongly. This is consistent with a data trend released by the National Bureau of Statistics of China.

From January to early February of this year, overall sales of online physical goods remained weak. And our China commerce continued to be highly impacted due to COVID cases, as well as people traveling home or to other places during the Spring Festival holidays. But as the influence of COVID cases and the Spring Festival travel subsided in February, especially recovery in categories, such as apparel and sports and outdoors, as work and life returning to normal, all of our merchants have also expressed their strong desire to get to business. We expect this recovery will continue.

In our operations, we are strengthening the user experience and our customer value proposition on Taobao and Tmall to reinforce our market leadership with the following measures. First, enhanced user stickiness and time spent. Taobao and Tmall are home to China's most comprehensive population of online shoppers, and it's the most efficient consumer transaction platform. We are building on our competitive advantage by continuing to introduce a wide variety of consumption-related content in the form of short-form video, livestreaming, and other formats to strengthen consumer stickiness, product discovery, influence, and the user engagement.

Second, enhanced value for money proposition. Price is always a key factor in consumer purchasing decisions. We will continue to improve competitive pricing of products through the design of marketplace mechanisms, promotional marketing features, and the retail model innovations, such as Taobao Deals direct from factory goods and farm-to-table offerings. Third, neighborhood digital retail.

We will cater to consumers quote sensitive needs for highly frequency, everyday necessities through our neighborhood digital retail business, such as [Inaudible] and Taocaicai that fulfill orders from local supply chains using local deliveries. In local consumer services, [Inaudible] restaurant order volume growth rate picked up toward the end of this quarter due to increased home-based consumption from COVID cases. Notably, nonrestaurant order volume growth rate was far higher than what it was for restaurants. Our business saw an increase in revenue due to higher average order value.

Ongoing improvements in operating efficiency resulted in lower expense ratios in marketing and the logistics. Ele.me continued to demonstrate positive unit economics, and it will continue to improve. During COVID, Ele.me adjusted operating strategies safeguarded its delivery capabilities and supported supply recovery. During peak COVID cases, Amap user scale and scale of services used were greatly affected.

As cases eased, usage of Amap quickly recovered. Ride hailing and hotel room booking volume grew very rapidly. Amap has become a new platform providing various destination-based consumer services. Fliggy's domestic and outbound travel activity also quickly grow during the Spring Festival holidays.

As a result of our ongoing development of the supply chain and the service capability over the past two years, recovery of Fliggy's domestic airplane ticket and hotel booking was significantly faster than the overall domestic travel performance reported by the China National Tourism Administration and noticeably better in comparison to 2019 before the COVID outbreak. In international commerce, our various business made steady progress. Trendyol continued to deliver strong growth as overall order volume flow over 50% year on year with local consumer services growing even faster. When Turkey was suddenly hit by earthquakes in early February, we actively organized and delivered support for emergency relief.

So far, all our employees in Turkey are safe. Trendyol's business operations remained stable, and they have mobilized resources to aid disaster relief. As for the data, as the business continue to optimize for order volume growth, they also reduced loss per order by more than 30% year on year. We remain firmly committed to continuing to invest in Lazada's region of Southeast Asia.

To close collaboration with Cainiao, AliExpress greatly optimized and bound order deliveries on key routes. As purchase services quality continue to improve and the impact of VAT and the foreign exchange rate in Spain and France continued to ease, AliExpress order volume is starting to show positive growth. Our globalization strategy will continue to be firmly focused on Southeast Asia and Europe through a mix of localized retail and cross-border commerce. We will continue to make sustainable long-term investments and build businesses that can withstand economic cycles.

Cainiao is celebrating its tenth anniversary this year. It has built a robust comprehensive business covering China and cross-border international logistics, last mile, logistics technology, and more. It is also continuing to make progress in green logistics and emergency response logistics. In China, Cainiao continue to expand its doorstep delivery services for our Taobao and Tmall customers.

During the most recent November 11, more than 18 million orders from Taobao and Tmall were delivered to customers' doorsteps daily at its peak, which includes those delivered directly to doorstep through -- or through Taobao post location in residential communities. Cainiao has also built its own international logistics network over the past few years. As of this past quarter, it had more than 15 international sorting centers in operation. Our cloud business overall revenue growth rate this quarter was 3% year on year.

The growth rate for public cloud was double digit year on year, which was partially offset by a decline in hybrid cloud revenue from project delays due to COVID. In terms of revenue by industry, financial services, education, and automobiles are among the growth drivers. We also announced an important organizational change toward the end of last year. I took on the role of acting president of Alibaba Cloud, in addition to my current role as chairman and CEO of Alibaba Group.

This decision was based on a few considerations. First, cloud computing is one of Alibaba's core strategies for the future. Innovation and other technologies will have an impact not just as on Alibaba Cloud for the entire Alibaba Group. Second, Alibaba Cloud is also the foundation through which Alibaba serves the real economy and will continue to drive physical digital integration.

Third, we believe this is a critical period for technological breakthrough and development in the [Inaudible] of cloud computing and AI. As one of the leading cloud computing service providers, globally, we strongly believe in the vast potential of industrial digitalization and the role of cloud computing as infrastructure to the digital economy. Going forward, we will focus on a few areas to reinforce and strengthen our market leadership position as we look at the opportunities ahead: first, enhance the stability and the security of our cloud computing services while continuing to optimize performance and manage costs through technology investment; second, continue to build a dynamic developers and industry ecosystem for cloud computing; third, collaborate with partners to provide intelligence-based industry solutions to our customers in different industries and sectors; fourth, continue to push forward a holistic cloud-based service product that integrate into our intelligent online workplace collaboration platform and application development platform; lastly, in this exciting era of disruptive breakthrough initiative by generative AI, computer power is essential. On one hand, we will continue building our own large-scale pre-training model.

We are also ready to capture the market opportunities to provide the computing power for the various generative AI models and its applications. This year marks Alibaba Group's 24th year and, in Chinese traditional culture, this means we have gone through two complete calendar cycles. We captured two historical opportunities of e-commerce in China for the consumer internet and start the cloud computing in China for the industrial internet. We will continue to capture the vast opportunities ahead through the impact of technology, both on commerce and other facets of our society and environment.

Although there are many uncertainties in the journey ahead that are very difficult to evaluate, we remain highly confident in the future of Alibaba and China's development. Thank you, everyone. Let me pass the microphone to Toby, who will share our financial results.

Toby Xu -- *Chief Financial Officer*

Thank you, Daniel. Let me start with financial highlights for the quarter. This quarter, our total revenue was RMB 248 billion, an increase of 2% year over year. Income from operations was RMB 35 billion, an increase of RMB 28 billion year over year, mainly driven by a RMB 22.4 billion decrease in impairment of goodwill in relation to digital media and entertainment segments and an RMB 7.2 billion increase in adjusted EBITA.

During December quarter, we have continued to improve operating performance of our loss-making businesses by enhancing operating efficiency and optimizing costs that resulted in 16% year-over-year increase in adjusted EBITA to RMB 52 billion. Overall, adjusted EBITA margin improved by 3 percentage points to 21%. Now, let's look at cost trends as a percentage of revenue, excluding SBC. Cost of revenue ratio remained stable year over year at 60% in December quarter.

Our direct sales businesses and logistics services continue to grow, driving up our cost of inventory and logistics. So, we were able to keep our cost of revenue ratio stable, primarily through optimizing content cost, traffic acquisition, and improving operation efficiency. Product development expenses ratio remained stable during the quarter. Sales and marketing expenses ratio decreased 3 percentage points year over year to 12% in December quarter, reflecting our continued effort in optimizing user acquisition and user retention spending across businesses.

General and administrative expenses ratio remained stable at 3% in December quarter. Non-GAAP net income was on the 49.9 billion, an increase of only 5.3 billion, or 12% year over year, mainly due to increase in adjusted EBITA, partially offset by a decrease in equity pickup of our equity method investees results. Our GAAP net income was RMB 45.7 billion, an increase of RMB 26.5 billion year over year, primarily due to the increase in non-GAAP net income and a RMB 22.4 billion decrease in goodwill impairment mentioned earlier. As of December 31st, 2022, we continue to maintain a strong net cash position of RMB 379 billion, or $55 billion.

Our strong net cash position is supported by healthy cash flow generation. In December 2022 quarter, cash from operating activities was RMB 87 billion, and free cash flow were RMB 82 billion, respectively, which were up by RMB 7 billion and RMB 10 billion versus a year ago. Majority of the difference between operating cash flow and the free cash flow was operating capex at RMB 5.8 billion, down by RMB 3.5 billion versus a year ago. Net cash neutral from investment and acquisition activities, including disposals, was on RMB 1.9 billion compared to an outflow of RMB 4.7 billion in the same period last year.

Importantly, we have continued to enhance returns to shareholders through share repurchases, given our strong balance sheet and free cash flow generation capability. During the quarter, we repurchased approximately 45.4 million of our ADSs for approximately $3.3 billion and our share repurchase program. Now, let's look at our segment results. Revenue from China commerce segment in December quarter was RMB 170 billion, a decrease of 1% year over year.

Customer management revenue decreased by 9% year over year to RMB 91.3 billion. Taobao and Tmall online physical goods paid GMV declined by mid single digit. Customer management revenue declined a few percentage points further versus paid GMV mainly due to higher order cancellation rates as a result of supply chain and logistics disruption caused by COVID-related impacts. Direct sales and others revenue grew 10% to RMB 74 billion, primarily driven by strong growth of our Freshippo and Alibaba Health direct sales businesses.

China commerce segment adjusted EBITA increased from RMB 749 million to RMB 58.6 billion in December quarter. Segment EBITA margin remained stable at 34%. This reflected significant loss reductions from Taobao Deals, Freshippo, and Taocaicai, partially offset by decreasing profits from customer management services. Our international commerce segment revenue in December quarter was RMB 19.5 billion, an increase of 18% year over year.

Revenue from international commerce retail business increased by 26% to RMB 14.6 billion. The increase was primarily driven by accelerated revenue growth of Trendyol as a result of its strong order growth and more efficient use of subsidies. Lazada and AliExpress also saw recovered revenue growth this quarter. Revenue from our Alibaba.com wholesale business remains stable year over year.

International commerce segment adjusted EBITA loss narrowed by RMB 2.2 billion to RMB 763 million in December quarter. The loss reduction year over year was primarily contributed by the reduced losses from Trendyol and Lazada. Trendyol continued to generate strong revenue growth and have enhanced operating efficiency. Continued narrowing of losses from Lazada was a result of ongoing improvement in monetization rates by offering more value-added services, as well as enhanced operating efficiency.

Our local consumer services segment revenue in December quarter grew 6% to RMB 13 billion, primarily due to positive GMV growth of to-home business, driven by higher average order value of Ele.me. Local consumer services adjusted EBITA loss reduced by RMB 1.9 billion year over year to RMB 3.1 billion. Most of the loss reduction was driven by Ele.me business, while other major businesses within this segment also saw recorded reduced losses. Ele.me continued to improve its unit economics per order by increasing average order value, reducing delivery cost per order.

Its UE continued to improve year over year and remained positive this quarter. Revenue from Cainiao, after inter-segment elimination, grew 27% year over year to RMB 16.6 billion, primarily contributed by the increase in revenue from domestic customer logistics service as a result of service model upgrade since later 2021 to enhance consumer experience, as well as increase in revenue from international fulfillment solutions services. In December quarter, 72% of Cainiao's total revenue was generated from external customers. Cainiao recorded adjusted EBITA loss of RMB 12 million in December quarter.

Loss reduced by RMB 80 million year over year. Revenue from cloud segment after inter-segment elimination was RMB 20.2 billion in December quarter, an increase of 3%, mainly driven by healthy double-digit public cloud growth, partially offset by declining hybrid cloud revenue, as we continue to drive high-quality recurring revenue growth. Revenue growth from noninternet industries was 9% and contributed 53% of overall cloud revenue. The noninternet revenue growth was mainly driven by solid growth of financial services, education, automotive industries, which was partially offset by the decline in public services industry.

Revenue from customers in the internet industry declined by 4%, mainly driven by declining revenue from the top internet customer that has gradually stopped using our overseas cloud services for its international business. On the other hand, we saw improving demand from internet customers in December quarter. Adjusted EBITA of cloud segment, which comprised of Alibaba Cloud and DingTalk was a profit of RMB 356 million in December quarter, increased by RMB 222 million year over year. Revenue from our digital media and entertainment segment in December quarter was RMB 7.6 billion, a decrease of 6%, primarily due to the decrease in revenue from Alibaba Pictures.

Adjusted EBITA was a loss of RMB 25 million, reduced by RMB 1.3 million year over year, primarily due to the narrowing of loss from Youku, driven by disciplined investment in content and production capability. Let me wrap up with some final thoughts. Our December earnings results continue to demonstrate our ability to execute and achieve the key operating and financial objectives we have set since the beginning of the fiscal year. Despite another quarter of global macro and COVID uncertainties that weighted on our revenue growth, we have continued to focus on higher-quality growth, supported by consumers and customer-centric initiatives; improved operating efficiency and cost structure throughout the organization, enhanced shareholder return through ongoing share repurchases.

Consistency and persistence were key factors to our success in delivering these results in a challenging 2022. As Daniel mentioned, we believe 2023 will be a year of progress for Alibaba. It is expected that China's economic activity will recover in 2023, which would catalyze and stimulate a gradually consumption recovery. In 2022, we have strengthened our operational and financial capabilities.

We are confident that those enhancements will position us well to benefit from China's recovery. We exited 2022 with a strong financial position of U.S. dollar, 55 billion in net cash, allowing us the financial flexibility to grow our businesses and improve returns for key stakeholders, including shareholders. In 2023, we intend to increase investments in major businesses that improve their competitive position and growth prospects while maintaining our mindset of enhanced operating efficiency.

Thank you. Now let's turn to Q&A.

Rob Lin -- *Head of Investor Relations*

For today's call, you are welcome to ask questions in Chinese or English. A third-party translator will provide consecutive interpretation for the Q&A session, and our management will address your question in the language you ask. Please note that the translation is for convenience purposes only. In the case of any discrepancy, our management statement in the original language will prevail.

If you are unable to hear the Chinese translation, bilingual transcripts of this call will be available on our website within one week after the meeting. [Foreign language] Operator, please connect the speaker and SI conference lines. Please start the Q&A session when ready. Thank you.

Questions & Answers:

Operator

[Operator instructions] Your first question comes from Alex Yao from JPMorgan. Please go ahead.

Alex Yao -- *JPMorgan Chase and Company -- Analyst*

[Foreign language] Thank you very much, management, for taking my questions. I'd like to start by asking a question that addresses the long term. And after that, I'll come back to some shorter-term questions. But starting with the long term, as you said in your speech, Daniel, Alibaba has now been around for 24 years, marking the completion of two complete cycles, as per Chinese culture.

And through these two cycles over the past 20-plus years, Alibaba has captured digitalization-enabled opportunities around commerce, around logistics, and around cloud. So, looking forward, what do you think will be the next big area or areas where Alibaba can achieve significant growth? As you yourself said, there have been two major opportunities that Alibaba has seized in the first 24 years, e-commerce and cloud. But seeing in the next three to five years, what will be the big opportunities where you think Alibaba can achieve huge growth? And then coming back to the short term, looking at this year, some of the major developments we've seen, the very rapid success of ChatGPT, as well as some important changes in the competitive environment with opportunities and challenges, how do you see Alibaba better marshaling its core competitiveness in the short term? And will part of that involve further optimization of costs and driving operational efficiencies? Thank you.

Daniel Zhang -- *Chairman and Chief Executive Officer*

[Foreign language] Thank you, Alex. I will take those questions one by one. First, indeed, over the past 20-plus years, the major opportunities for us that we've seized have been around applying digital technology to commerce, logistics, and cloud computing. And this is indeed the long-term strategy of Alibaba.

We remain firmly committed, as always, to our three core strategies around consumption, cloud, and globalization. When we talk about globalization, it is indeed globalization of our consumption and cloud-based offerings. So we will remain firmly committed to those core strategies. [Foreign language] Why going forward, will Alibaba continue to remain focused on those three core strategies and not seek out new arenas in which to compete? Well, very simply, it's because we think that in those three areas, the ceiling is high enough, and the market is big enough.

There's more than enough for us to accomplish there, especially as we continue to evolve our technology where we're confident that we can continue to find huge opportunities in those three core areas. And we can look at them one by one, beginning with consumption. If you look at the size of consumption in China today as a percentage of GDP and you think about the latest forecast from the International Monetary Fund, the IMF, of 5% economic growth in China, imagine what China's GDP numbers will look like if that can be maintained, 5% per annum growth for a period of 10 years. And if China's economy does grow by 5% a year for 10 years, you can certainly imagine that the proportion of the size of the contribution of consumption in China within GDP.

So, we're talking about 40 trillion today against 110 trillion. Proportion will certainly be even higher 10 years down the road. Turning to technology, we can look back at the trajectory that we've already traveled through. Twenty years ago, 10 years ago, e-commerce has taken on a completely different look and continue to evolve.

And we've said in the past that we would digitalize commerce in China. That's now being completely accomplished. Looking to the future, we now have these exciting new technologies coming to the fore, including generative AI, which you mentioned. And I think that certainly will also be transformative and create new experiences, the new formats of consumption.

But this digitalization, when it comes to consumption, is not just having an impact on the consumer side. It's also having an impact on supply chains and the way they're organized. And I think that really is just getting started. [Foreign language] When it comes to cloud computing, this is an industry where China is really just getting started.

And you can look at a few figures to support that. First of all, if you look at the proportion of IT spending within total GDP in China, it's only 1%. In the U.S., it's as high as 5%. And if you look at the proportion of cloud within IT spending numbers, it's 15% in China today, 21% in the United States in the figures from IDC.

So ,I think that those two figures represent a huge opportunity for us in China. And of course, as technology continues to develop new cutting-edge technologies, like generative AI come to the fore, but also VR, virtual reality, which we've discussed before. All of these technologies, as they're deployed, they're going to require massive compute power to support them. So, we expect to see exponential growth in demand for compute power.

So, for us as a cloud vendor, I think that story is really just getting started. And, of course, these are not just trends in China, but for the world. And we intend to take our offering to the world. We're already the leader in China when it comes to consumption and to cloud computing and one of the leaders in the world.

And we will continue unshakably to be committed to and to pursue those core three strategies that we've adopted while continuing to embrace new technologies and make technological breakthroughs in order to create new and more exciting prospect for Alibaba as a company. [Foreign languge] And then, moving on to your second question about new technologies and developments in the market, of course, those are always new market developments on a daily basis. But as I said, Alibaba has identified progress as our keyword, as our overarching theme for 2023. We'll be seeking progress in technology in our business and also in the ways that we create user value.

We will be investing, therefore, to drive progress in new technology and to integrate new technology with business to create new value and new kinds of business with tremendous prospects going into the future. And in fact, that's what Alibaba has always done over the past 20 years. We haven't been a low-price competitor. We haven't been relying on heavy subsidies.

We haven't been engaged in low-quality, low-level competition. Rather, we've always invested in technology and the belief that technology can make the impossible become possible, and that can also make business that had been impossible also become possible. So we will continue to seek and drive new technology breakthroughs to open up new frontiers in commerce and in business.

Rob Lin -- *Head of Investor Relations*

Thank you. Next question.

Operator

Thank you. The next question is from Ronald Keung from Goldman Sachs. Please go ahead.

Ronald Keung -- *Goldman Sachs -- Analyst*

[Foreign language] Thank you. We know that in 2022, a major theme for Alibaba was optimizing cost structure and driving operational efficiencies. Going into 2023, as we've talked about, we can expect to see a pickup in the macroeconomic situation potentially, hopefully leading to GMV turning positive, GMV growth turning positive again. I'm wondering when you expect to see that happening.

At what point can we expect to see positive growth returning in the GDP, GMV numbers? And also, how are we going to achieve a balance between growth and investment in this new year? Because we know there are people who are engaging in a lot of subsidization behavior in the markets. How are we going to achieve that balance between growth and investment?

Daniel Zhang -- *Chairman and Chief Executive Officer*

[Foreign language] Starting with the part of your question that had to do with the pickup in consumption that we've seen following the end of COVID measures in China. You know, obviously, we're following that situation very closely, just like all of you, just like everybody else. But in my script earlier, I did lay out as detailed and comprehensive a picture as I could, January certainly was still a challenging time through the Spring Festival, especially with people traveling widely in large numbers across the country. Life and work, however, began to normalize around the time of the Lantern Festival and thereafter with improvement in consumption sentiment, indeed, as expressed in consumption behavior.

And I also shared with you the impact that that had in different categories, including apparel, sports, outdoor, and health. Certainly, what we see across all merchants is a strong desire to get back to business. They want to have a bumper year in 2023 to make up for everything they lost over the past three years. That's certainly a shared hope across the board for all merchants.

Of course, since the resumption of normalcy, if you like, it's only been a short time. It's just been about half a month. So, we do need to keep our eyes on how that ongoing picture continues to develop. But certainly, we are optimistic about continued improvement in the situation.

The other part of your question had to do with market competition and price subsidies. Price subsidies are nothing new. Every couple of days, somebody out there comes up with a bright idea to try to engage in heavy price subsidies in order to win more opportunities and turn around the business. But I think if you take a clear-eyed look at history, nobody, no player ever has managed to achieve that kind of turnaround by relying on price subsidies.

What it takes really is technology innovation, which, in turn, empowers business model innovation. At the end of the day, it's really about merchants being able to provide to consumers the best products at the best prices in a way that is sustainable in the long term so that the merchant can make a return and continue to invest in a sustainable cycle. So, Alibaba has a lot of experience in empowering merchants to do that. We also have experience in utilizing platform mechanisms to enable sustainable growth.

And as Toby said in his script, we have deep pockets with $55 billion in cash. So, we can continue to leverage these approaches to create value for users and maintain our leadership in the market.

Rob Lin -- *Head of Investor Relations*

Thank you. Next question.

Operator

Thank you. The next question is from Eddie Leung from Bank of America Merrill Lynch. Please go ahead.

Eddie Leung -- *Bank of America Merrill Lynch -- Analyst*

[Foreign language] Yes. Thank you for taking my question, management. My question has to do with local services. We understand that there's been a turnaround in unit economics and has positive UV continuing to improve.

But at the same time, we understand that there are various short-form video platforms that are also now investing heavily in local services, and this could lead to further changes in the competitive landscape. So, I'm wondering if you could talk to us, please, about your strategy for local services going forward to continue to maintain and strengthen that leadership position.

Daniel Zhang -- *Chairman and Chief Executive Officer*

[Foreign language] Well, when it comes to local services, as you know, there are really two different kinds of services, to-home and to-store or to-destination because the store is one kind of a destination. So, starting with to-destination, you know, any media platform, be it short-form video or other kind of media, can find ways to develop to-destination business in the context of local services. They can promote a local destination, be it a store or something else, through their media offering. They can allow consumers to place an order.

But when it comes to fulfillment, you still have to physically go to the store to fulfill your order. So, certainly, any media has any kind of influence with an audience can find opportunities to do that to drive traffic to a physical location like a store. But Alibaba has opened up a whole new paradigm on the to-destination front with the important transformation and very successful transformation of Amap that we've succeeded in realizing over the past few years, taking it from simple map tool to a map and location-enabled offering that spans search discovery and fulfillment. And today, Amap has achieved very high penetration in a whole range of categories that we've talked about from ride hailing through to hotel reservations through to gas stations and indeed finding electric charging facilities for new energy vehicles.

And I don't think that's something that any other kind of media platform, any media platform could accomplish. Now, the other piece, when we talk about local services is to-home. And Olam is part of that section of local services. You mentioned Olam in your question.

And indeed, following several years of hard work, I think Olam is very much is on the right track. Unit economics are positive and continue to improve. Things continue to move in the right direction in terms of the number of orders the number of users as well as the unit economics. So, when we talk about to-home, this is local or neighborhood e-commerce.

So deliveries from restaurant to home are one example of that, but it's not just restaurant food orders. It could also include things like medicine, it could include groceries or other kinds of daily essentials. But to succeed in this space, you need to be able to successfully integrate local neighborhood supply neighborhood demand and neighborhood level fulfillment all in one place at the same time. And again, this is something that certainly no media outlet could ever possibly hope to achieve.

And this is where Ele.me has been a great success because you need to be able to integrate in real-time local supply, the local demand, and the local fulfillment capabilities. They only need to intersect in the space-time continuum in a single coordinate in a way that achieves chemical synergies. So, that's far beyond the capabilities of any media-oriented player. We continue to successfully grow our local services business in the priority cities we've identified.

And, of course, your business will look very different if you're going after 50 cities versus 100 cities. We continue to focus on the key cities that we've identified, continuing to improve the service to win and build confidence with consumers and drive long-term growth.

Rob Lin -- *Head of Investor Relations*

Thank you. Next question.

Operator

Thank you. The next question is from Jiong Shao from Barclays. Please go ahead.

Jiong Shao -- *Barclays -- Analyst*

[Foreign language] Thank you, management. Toby, you said that in the past quarter, free cash flow exceeded $11 billion. And we know that there are other initiatives underway within Alibaba to monetize on certain investments. And in the last quarter, you conducted a $3.3 billion of share buybacks under the buyback program.

But I'm wondering what other potential methods could be available for Alibaba to increase shareholder value to increase returns to shareholders. Are there any other things you can, for example, considering distributing dividends or further expanding the scale of the share buyback program?

Toby Xu -- *Chief Financial Officer*

[Foreign language] Thank you for your question. You touched on a couple of things. First, as you all will have seen from various media reports, we have been divesting some of our investments. I think that's normal for any corporate any company that's making a lot of strategic investments is also at some point going to make a timely exit from those investments.

And that's indeed part of the original plan. When you make those current strategic investments, you are planning on exiting at a certain point. You also talked about our share buyback program. In fact, it had already been upsized, as previously announced.

It had been a $25 billion program. And as we spoke about last time, that was increased by $15 billion to a total of $40 billion. In the December quarter, we bought back another $3.3 billion of shares, and we do think that pursuing the share buyback program is a good way to return value to our shareholders. Now, under the existing already enlarged share buyback programs, we still have a remaining quota of $21 billion to be deployed.

So, at this point in time, no, we are not considering further expanding that quarter, rather, what's on our minds at this point in time is how we can best make use of that remaining quota of $21 billion, how to deploy it and when to deploy it in line with the authorization given to us by the board of directors in order to further enhance shareholder value.

Rob Lin -- *Head of Investor Relations*

Thank you. Next question.

Operator

Thank you. The next question is from Alicia Yap from Citigroup. Please go ahead.

Alicia Yap -- *Citi -- Analyst*

[Foreign language] I'd like to follow up on Daniel's earlier remarks about how Alibaba intends to continue to focus on and invest in technological innovation as a means to create new business models and new opportunities for the businesses. I'm just wondering if you could break that down for us a little bit and explain which of the businesses this year we can expect to see adopting new technological innovations that lead to new business models and new opportunities that will, for example, result in accelerated CMR growth or boost cloud revenue or will perhaps be in local services, where these breakthroughs will be met. But I appreciate if Daniel could give us some more color on a segment-by-segment basis.

Daniel Zhang -- *Chairman and Chief Executive Officer*

[Foreign language] Well, driving business growth with technology has been a constant theme for Alibaba throughout its history. But looking to the future, there are certainly several big opportunities for us that we can already see clearly. The first is around AI. Lately, generative AI has become a hot topic around the world.

But we're not talking about having a chat bot for the sake of a chat bot. Rather, we're talking about integrating that capability deeply into the business around consumption, around user experience for content generation to drive higher advertising effectiveness. AI can play a huge role in all of those different areas, and we have been working on that and continue to do so. Also, when it comes to how to match supply and demand more effectively, how to achieve higher effectiveness in terms of marketing and promotion, how do we achieve higher efficiency and better user experience around different services, all of those are places where we can leverage AI to make huge improvements.

So, that's the first part of the answer. But beyond that, when we talk about cloud computing and big data, Alibaba has substantial capabilities in terms of providing processing power. We have IS and PaaS offerings. But when we look at the future, and we also have, of course, our large pre-training model for AI.

And what we're seeing today with recent developments is that our -- the view that we took on the future has panned out and proven to be consistent with what's happening in the market. But going forward, there's going to be exponential growth in demand for computing power to support these kinds of AI applications, and Alibaba is ready to provide precisely that kind of computing power. So, that is a big opportunity for us as well. And then, just to add another word because I think implicit in your question was a concern around advertising revenue.

AI can be leveraged in the ways that we talked about earlier when we talked about supply chains and local services to better match local demand with fulfillment capabilities, local supply in a certain time window and to make that whole local or neighborhood-based digital commerce scenario run much more efficiently. And we will continue to be working in those directions to grow our business. These are opportunities.

Rob Lin -- *Head of Investor Relations*

Thank you. Next question.

Operator

Thank you. The next question is from Jerry Liu from UBS. Please go ahead.

Jerry Liu -- *UBS -- Analyst*

[Foreign language] Thank you. I have a couple of questions. My first has to do with take rates, looking at GMV and CMR growth on Taobao and Tmall over the past few quarters. We understand that there will be special circumstances that have changed the relationship between the two.

But looking forward, you know, to this quarter or even the few quarters to follow, do you think we will expect to see any change in the relationship between the growth rate of GMV and CMR and could CMR grow faster than GMV in the next few quarters? Second question to Daniel has to do with your assuming the position of interim or acting head of Alibaba Cloud Intelligence. I'm wondering since you've taken up that role, what new strategies or new initiatives have you put in place for the cloud business? What changes have you made to the strategies and initiatives of that cloud business?

Toby Xu -- *Chief Financial Officer*

[Foreign language] Well, on your first question regarding the relationship or the ratio between CMR and GMV. We discussed this issue previously. And just to recap briefly, the issue of late really has been the high rate of order returns due to, among other things, logistics disruptions because when we talk about GMV, we're talking about paid GMV. But after the consumer has made payments and after logistics and fulfillment, the consumer -- well, logistics don't work out.

There's a logistics problem, the consumer will return the good. So, overall, what we're seeing now is, of course, recovery in logistics and declining return rates. So, I think what we're seeing now, it's fair to say that the ratio or the gap between pay GMV and the CMR is narrowing.

Daniel Zhang -- *Chairman and Chief Executive Officer*

[Foreign language] Secondly, on the question about cloud. We see the development of this industry, not only in China, but worldwide as an absolutely historic opportunity. And this is an opportunity of extreme strategic importance to Alibaba. So, I'm extremely excited to take up the helm and be personally in charge of Alibaba Cloud at this important juncture.

This is something I'm extremely passionate about, and we absolutely must not fail to seize and capitalize on this crucially important historic opportunity. We have an excellent foundation in Alibaba Cloud today, thanks to the hard work of the previous president of that business unit over the past 10 years or so. We're already now no. 1 in China and one of the top cloud vendors indeed in the world with an excellent market position and a strong foundation to build on.

Building on that foundation going forward, I think one of the first things we have to do is get back, if you like, to the essence of the cloud, the fundamentals of the cloud, which is leveraging cloud to make available computing power. We need to ensure that we're doing that with extremely high availability, high security, make sure that we're consistently exceeding customer expectations around stability and security. So, that's point one. Point two, I think we need to place emphasis on public cloud offerings.

When we talk about cloud, it's not often clear that we're all necessarily even talking about the same thing. There are so many different definitions of cloud out there. What is cloud computing? Well, I think, for Alibaba, we need to be firmly rooted in China, but also have a global vision and ensure that we're making great in fundamental core capabilities around IS and PaaS, so that we will not only be a leader in China, but be a leader worldwide. Cloud computing is an industry that's built on scale of economy, if you have more scale than you have no economy.

So, we need technology breakthroughs to achieve those economies of scale. We need to be able to enable our users not just to use cloud, but to use cloud well and to achieve demonstrable economic benefit from leveraging those cloud offerings. We need to be paying a lot of attention to public cloud and further drive scale there. This is a very important part of serving the digitalization of industry and providing cloud-based compute power, especially for data-intensive sectors.

And then, I know I've already touched on this quite a few times already, but another very important point is with generative AI and its more broad-based application in the near future. We can expect to see very rapid growth in demand for high-performance computing power. You need infrastructure to be able to power that, and the infrastructure needs to be integrated from chip through network through to compute power, had all the global vendors are talking about that. But we, in Alibaba, see this as an extremely important opportunity, and we intend to fully capture it.