

# NEC, Lenovo in talks on joint venture: report

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Leading Japanese and Chinese electronics firms NEC Corp. and Lenovo Group (logo pictured in Shanghai) are in the final stages of talks to form a joint venture in the personal computer business, according to a report. A likely scenario would see Lenovo taking a majority stake in NEC Personal Products Ltd., a wholly owned NEC unit that makes and sells PCs, the Nikkei business daily said.

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NEC released a statement on Friday, saying "no decision has been made" in relation to the Nikkei report.

An official at Lenovo also told AFP that he was unaware of the matter.

The leaders in their respective domestic PC markets aim to boost their [competitiveness](#) through economies of scale by combining development, production and materials procurement, the Nikkei newspaper said.

They could also decide to work together in other areas such as information technology equipment and services, it said.

NEC controlled about 18 percent of the Japanese PC market in 2009, but globally it came in 12th with a share of less than one percent, the Nikkei said, citing data by IDC intelligence firm.

Lenovo had roughly 27 percent of its home market and was ranked fourth in the world with a market share of about eight percent, it said.

By working together, they hope to catch up with such global giants as top-ranked Hewlett-Packard Co. of the United States, the Nikkei said.

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