

Japan's Sharp, Hon Hai to make China smartphones: reports

June 8 2012



Japanese electronics firm Sharp will expand ties with its Taiwan-based partner Hon Hai Precision, including plans to jointly tap China's smartphone market, reports said Friday. "As digital products are getting to be like commodities, it is hard for Sharp alone (to compete on prices)" in China, Sharp President Takashi Okuda told reporters, according to Dow Jones Newswires.

Japanese electronics firm Sharp will expand ties with its Taiwan-based partner Hon Hai Precision, including plans to jointly tap China's smartphone market, reports said Friday.

Osaka-based Sharp and the parent of Foxconn, which builds [iPads](#) and iPhones, are planning to make handsets destined for the Chinese market starting in the next fiscal year, the [Nikkei business](#) daily said.

Hon Hai will also start ordering Sharp's liquid crystal display panels later this year, helping boost operating rates at Sharp's LCD plant in western Japan to 90 percent from the current 50 percent, the report said.

"As digital products are getting to be like commodities, it is hard for Sharp alone (to compete on prices)" in China, Sharp President Takashi Okuda told reporters, according to Dow Jones Newswires.

In March, Sharp said it would offer half of its ownership in the LCD plant to Hon Hai, and sell some of its shares to the Taiwan firm.

Sharp posted a net loss of \$4.74 billion for the year through March 2012 and warned it would remain in the red over the next year amid slumping global television sales.

Last month, Sharp and struggling Japanese rival Sony said they would dissolve their liquid crystal display joint venture, as the sector in Japan struggles.

Japanese companies have blamed tough competition from rivals including South Korea's Samsung, falling prices, slow demand, the impact of severe flooding in Thailand last year, and the high yen for their problems.

(c) 2012 AFP

Citation: Japan's Sharp, Hon Hai to make China smartphones: reports (2012, June 8) retrieved 2 April 2024 from <https://phys.org/news/2012-06-japan-sharp-hon-hai-china.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--