

HP, Foxconn team up for cloud servers

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Hewlett Packard CEO Meg Whitman speaks during a keynote address on November 19, 2013 in San Francisco, California

US computer giant Hewlett Packard and Taiwan's Foxconn unveiled plans Wednesday to join forces to produce servers optimized for the Internet cloud.

"This partnership reflects business model innovation in our server business, where the high-volume design and manufacturing expertise of

Foxconn, combined with the compute and service leadership of HP, will enable us to deliver a game-changing offering in infrastructure economics," said Meg Whitman, president and chief executive at California-based HP.

Foxconn, whose formal name is Hon Hai Precision, is known for making Apple's iPhones, but also produces other equipment including BlackBerry phones.

The joint venture is expected to help HP step up its competition against rivals such as Lenovo, which recently snapped up the server division from IBM.

The non-equity joint venture takes effect on Thursday.

The new product line will complement HP's existing ProLiant server portfolio, including Moonshot, a statement by the firms said.

"Cloud computing is radically changing the entire supply chain for the server market as customers place new demands on the breadth of design capability, value-oriented solutions and large-scale and global manufacturing capabilities," said Terry Gou, founder and chairman of Foxconn.

"In partnership with HP's server leadership, we are embracing this new opportunity to change the industry, capture growth in this emerging market, and deliver end-to-end value as we expand our global leadership in design and manufacturing."

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