

# Taiwan's Foxconn says Toshiba deal 'not over'

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The head of Taiwan's tech giant Foxconn said Thursday its pursuit of Toshiba "is not yet over", a day after the Japanese firm announced it preferred another group of bidders to acquire its prized chip business.

Foxconn, also known as Hon Hai, is controlled by billionaire Terry Gou and reportedly had Apple as a financial backer in its multi-billion dollar bid for Toshiba's memory chip unit, seen as crucial for the cash-strapped Japanese firm to turn itself around.

Toshiba said Wednesday it would hold exclusive talks with a consortium of US, South Korean and state-backed Japanese investors, dashing Gou's ambitions.

Gou blasted the decision as a "scam" after an annual shareholders meeting in New Taipei City Thursday, accusing Japan's Ministry of Economy, Trade, and Industry (METI) of interfering with the sale and engaging in "bureaucratic politics."

The ministry declined to comment on Gou's remarks when approached by AFP.

Foxconn chairman Gou vowed to keep pursuing the acquisition, telling reporters the Taiwanese firm still had a "more than 50 percent chance".

"The Toshiba case is not yet over. It is very similar to the Sharp deal," Gou had told shareholders earlier Thursday.

He was referring to his takeover last year of the Japanese electronics firm for \$3.7 billion, a move he described as "really worth it."

Gou is known for his aggressive dealmaking prowess, shown by his dogged determination to acquire Sharp despite concerns over the Japanese firm's mounting losses.

The inclusion of Japanese investors in the selected bidding group by Toshiba will ease reported government concerns about losing a sensitive technology to foreign owners.

But a Foxconn official criticized Japanese authorities for taking a protectionist approach.

"There's no end to their corporate crisis if they are not able to open up," said Tai Jeng-wu, who took over as president of Sharp after Foxconn's buyout.

Gou said the deal had been "directed from the very beginning".

"It's a big scam of the high-tech sector," he told reporters.

The Taiwanese firm is the world's largest contract electronics maker and is best-known for assembling products for international brands such as Apple and Sony.

Gou said earlier this year he was mulling a \$7 billion investment to make flat panels in the United States in a joint project with Japan's Softbank.

Foxconn plans to spend more than \$10 billion over five years investing in the US, a plan codenamed "Flying Eagle," Gou told reporters Thursday.

He is in talks with six states, including Wisconsin and Ohio to build plants, which will create tens of thousands of jobs, he said.

"The US has land, talent, resources. There is also protection in its legal and investment climate," he said.

Gou has also said Foxconn aims to increase investment in China this year to try to boost Sharp's market share in the country.

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