

China: Qualcomm plan 'has difficulty' resolving concerns

April 19 2018

Qualcomm Inc.'s latest proposal for its \$44 billion acquisition of NXP Semiconductors "has difficulty" resolving concerns of Chinese anti-monopoly regulators, a government spokesman Thursday.

The Commerce Ministry spokesman's comment was the first Chinese statement about the U.S. chipmaker's proposed acquisition since a trade dispute blew up between Beijing and President Donald Trump over technology policy.

China is the final major government withholding approval of the deal. It would allow Qualcomm, which flourished by supplying chips to the mobile phone boom, to broaden its product range into other industries.

"As for remedial measures already proposed by Qualcomm, the market test conducted by the investigating agency found Qualcomm's plan has difficulty resolving the related market competition problems," said the spokesman, Gao Feng, at a regular ministry briefing.

Qualcomm, headquartered in San Diego, withdrew its proposal for the deal Monday and submitted a new plan this week, Gao said.

The spokesman gave no details of what Qualcomm proposed to satisfy Chinese competition concerns or why regulators found problems with it.

Gao didn't respond to a reporter's question about whether the review was influenced by the dispute with Trump or Washington's decision to

penalize a Chinese tech company this week over sales to Iran and North Korea.

Trump has threatened to raise tariffs on up to \$150 billion worth of Chinese telecom equipment and other goods in a dispute over complaints Beijing pressures foreign companies to hand over technology. China has announced its own \$50 billion list of U.S. goods for possible retaliation and says it is ready to take other steps.

In a separate case, American authorities this week barred state-owned ZTE Corp., one of China's biggest technology companies, from exporting U.S. components. The Commerce Department said ZTE reneged on a pledge to discipline employees who were involved in violating U.S. controls on technology sales to Iran and North Korea and instead paid them bonuses.

© 2018 The Associated Press. All rights reserved.

Citation: China: Qualcomm plan 'has difficulty' resolving concerns (2018, April 19) retrieved 23 April 2024 from <https://phys.org/news/2018-04-china-qualcomm-difficulty.html>

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.