

Broadcom withdraws Qualcomm offer after Trump blocks bid

14 March 2018



US President Donald Trump in November welcomed Broadcom CEO Hock Tan's decision to move the company back to the United States, but this week blocked the Singapore firm's planned takeover of US chip rival Qualcomm

Singapore-based Broadcom said Wednesday it was abandoning efforts to take over US smartphone chipmaker Qualcomm, two days after its bid was blocked by President Donald Trump over national security concerns.

"Although we are disappointed with this outcome, Broadcom will comply" with the order blocking its effort to buy Qualcomm, it said in a statement.

Broadcom said it had withdrawn its candidates for the board of directors of Qualcomm, which it had hoped shareholders would elect to endorse the \$117 billion deal that would have been the biggest mergers in the tech sector.

Qualcomm, which is the dominant maker of microprocessors for smartphones, had rejected the unsolicited offers from Broadcom, which makes an array of chips for [wireless communications](#), set-top boxes and electronic displays.

Qualcomm insisted the price offered by Broadcom was too low and that it has a bright future on its own, especially ahead of a transition to fifth-generation (5G) wireless communications networks.

The Committee on Foreign Investment in the United States, which said over the weekend it had "confirmed" national security concerns, indicated that a Broadcom-Qualcomm merger could weaken Qualcomm's leadership in the field.

This would likely help Chinese competitors such as telecommunications firm Huawei, particularly in the emerging 5G blazing fast wireless internet, where a stronger China could present a national security issue.

Trump issued on Monday an order barring the proposed mega-acquisition, saying there is credible evidence such a deal "threatens to impair the national [security](#) of the United States," according to a White House statement.

Broadcom indicated in its statement it will move forward with its effort to move its headquarters back to the United States.

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