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U.S to Approve Lenovo Motorola Deal

by Mosefi Wilfred M / Published today /

Eric Schmidt, the Executive Chairman of Google Inc said on Monday that he is very confident that Lenovo Inc will get approval from the US regulators to buy Google's Motorola Smartphone making division, of which he believes will be China's biggest technology acquisition ever.

Schmidt said that there is a good chance for the deal to pass through the committee of foreign investment in the United States that is concerned with overseas co-operations that acquire property in the United States. It also monitors such kind of acquisitions.

Google Inc sold the Motorola Smartphone division to China's Lenovo because the division was making losses due to stiff competition from other Smartphone making companies such as Apple. Google revealed that they sold the Smartphone business at \$2.9 billion alongside a few patent. Apart from this Google still owns the large proportion of the patent of which they said are worthy \$5 billion.

In a dinner organized by the Cato Institute Think Tank, Schmidt said that Lenovo has got a good experience that they have gained from buying the IBM'S personal computer division in 2005 that was ailing. He said that it was a good experience has they seek the green light for the acquisition of the Motorola Smartphone business.

Schmidt added that Lenovo had a good chance and the business will be okay, and "if we did not know that it was going to be a viable business we would have not done the transaction as we do not want Lenovo to be in trouble".

Last week Lenovo said that it will acquire the Motorola Smartphone business alongside some 2000 patents all at a price of \$2.91 billion. They will acquire it from Google Inc who has said that it is better to give away loss making division such as the Motorola handset business.

It seems that Lenovo will be conducting serious business in the coming years has they had bought the Motorola division from Google amid speculations that they are planning to purchase IBM'S low end server unit for \$2.3 billion.

It is now up to the US to approve the deal of which Google has expressed confident that Lenovo will strike the deal and start their business. The deal will be reviewed by the committee for foreign investment of the United States to ensure that they do not threaten national security in any manner possible.