



Google's Schmidt foresees Lenovo-Motorola merger approval from foreign investment regulator approval

By [LawyerHerald](#)

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On Monday, Google Inc Executive Chairman Eric Schmidt told audience at a dinner by the Cato Institute think tank that he is confident that the proposed acquisition of its Motorola smart-phone hardware business by Lenovo Inc will be approved by US regulators. The acquisition of Google's phone business is said to be the biggest technology acquisition by a Chinese company to date. Lenovo is reportedly waiting for an approval from the US Committee on Foreign Investment, which is tasked to monitors acquisitions of US companies or assets by foreign firms.

Telling his audience in the think tank-organized dinner, Schmidt said that his confidence is stemming from the fact that the Chinese company had experience in purchasing a US-based asset in an earlier transaction. It could be recalled that in 2005, Lenovo acquired the ailing personal computer division of IBM.

Last week, Lenovo announced its intention to acquire the handset business of Motorola, including 2,000 patents, in a \$2.91 billion deal, Reuters said. Days before the Motorola business acquisition, Lenovo also said that it has agreed to acquire the low-end server unit of IBM for \$2.3 billion.

"There's a good chance of it being OK. We would not have done the transaction if we thought it would be in trouble," Schmidt told his audience.

Experts have said in an earlier report by the news agency that as long as Lenovo agrees to certain concessions, US regulators will most likely give their approval on the acquisitions. Aside from its history of successful acquisitions in the US, Reuters underscored in its report the fact that Lenovo is independent, and is not controlled by the mainland.

Center for Strategic and International Studies security expert Jim Lewis said, "If there was a Chinese company that was well-positioned to see this deal come off, it's Lenovo. They've done the dance before and they know what the steps are."

Reuters said that the US Treasury Department-headed CFIUS usually needs 30 days to conduct a review on simple deals, but takes another 45 days to review complicated deals.