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**BUSINESS
& MONEY**

Swoop on \$40bn ARM wins over chip titans

Nvidia's takeover of Cambridge pioneer has stoked national security fears

Jamie Nimmo

Three of the world's largest chip companies have broken ranks to give their blessing to Nvidia's \$40 billion swoop on UK semiconductor group ARM, in a big boost for the US giant's controversial takeover.

Broadcom, MediaTek and Marvell have become the first customers of the Cambridge-based ARM to support the takeover publicly.

The government intervened in the deal in April when culture secretary Oliver Dowden referred it on national security and competition grounds. It is also being reviewed in the United States, European Union and China.

The move by the chip firms comes at a crucial time for Nvidia as the UK's competition watchdog prepares to deliver its judgment – a review that has cast doubt on the takeover going through.

The deal is part of a global power struggle, both between American tech titans and between Washington and Beijing.

Rival Qualcomm and tech giants Google and Microsoft have voiced fears that Nvidia could limit the supply of ARM's technology to its competitors or raise prices. Meanwhile, the US is engaged in a tech arms race with China as both battle to bolster domestic supply of microchips.

ARM, which is being sold by Japan's SoftBank, has a neutral licensing model, offering its cutting-edge designs to more than 500 companies that make their own chips. Nvidia has insisted it will not change ARM's model.

ARM's £24 billion takeover by SoftBank in 2016 was fiercely criticised for passing Britain's crown jewels to an over-seas investor. But the latest deal has sparked even more concern, amid fears that Nvidia could limit ARM's growth for its own benefit.

Hock Tan, chief executive of Broadcom, a \$190 billion (£135 billion) chip giant, said: "Nvidia has assured the industry that it will increase the overall investment in ARM's technology, and that it will continue to make that technology available to the industry on a fair, reasonable and non-discriminatory basis."

Rick Tsai, boss of Taiwan's MediaTek, the world's biggest mobile chip developer, said that the semiconductor industry "will benefit from the combination of Nvidia and ARM", adding: "We believe that the merger will

enable MediaTek and other industry participants to bring more competitive and comprehensive products to the marketplace."

Matt Murphy, chief executive of Marvell, a \$45 billion maker of chips for data centres and mobile networks, told The Sunday Times that concerns raised by Qualcomm and others were "real and legitimate" but added: "I haven't seen any unwillingness from Nvidia to address those. I'm counting on the various regulatory agencies and government bodies ... to ensure that."

However, Murphy added that he "wouldn't be sad" if the deal was blocked and ARM remained independent.

Semiconductors are the new geopolitical battleground as the US and China fight for tech supremacy. ARM's technology is found in most smartphones, including those made by Chinese companies such as Huawei, which has been banned in the US over national security concerns.

China, where ARM has a joint venture, fears that the US government could block exports of components made there. Nvidia and ARM argue that most of the technology is made outside the US.

Critics of the deal include Hermann Hauser, who helped to spin ARM out of Acorn Computers in 1990. He has said the deal would be a disaster for Britain.