

Broadcom's \$69 billion VMware purchase wins UK competition watchdog's approval

July 19 2023



The Exterior view of VMware headquarters in Palo Alto, Calif., Wednesday, Oct. 24, 2007. Computer chip and software maker Broadcom's \$61 billion proposed purchase of cloud technology company VMware cleared another hurdle Wednesday, July 19, 2023 after Britain's competition regulator gave the deal provisional clearance. Credit: AP Photo/Paul Sakuma, File

Computer chip and software maker Broadcom's \$69 billion plan to buy cloud technology company VMware cleared another hurdle Wednesday after Britain's competition regulator gave the deal provisional clearance.

The Competition and Markets Authority said its investigation found the deal "would not substantially reduce competition" in the supply of hardware components for computer servers in the U.K. The deal also would be unlikely to harm innovation, the regulator said.

Thousands of British businesses and public bodies, including major banks, big retailers, telecom operators and government departments, rely on Broadcom gear and VMware software, the regulator said. Both companies are based in California.

The CMA, which said it's the biggest transaction it has ever investigated, will now seek feedback before issuing its final report Sept. 12. Broadcom is paying \$61 billion in cash and stock for VMware and taking on \$8 billion of its debt.

The European Commission, the EU's executive arm and top antitrust enforcer, cleared the deal last week after Broadcom made concessions to address its concerns about competition.

Broadcom wants to establish a stronger foothold in the cloud computing market, and VMware's technology allows large corporations to blend public cloud access with internal company networks. VMware has close relations with every major cloud company and provider, including Amazon, Google and Microsoft.

© 2023 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed without permission.

Citation: Broadcom's \$69 billion VMware purchase wins UK competition watchdog's approval

(2023, July 19) retrieved 11 May 2024 from <https://techxplore.com/news/2023-07-broadcom-billion-vmware-uk-competition.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.