

China to Nationalise Ingram Micro Owner?

Written by Marco Attard
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In an effort to contain "deepening economic damage" from the coronavirus the Chinese government plans to take control of the HNA Group, the parent company of distributor Ingram Micro, Bloomberg reports.



While the Ingram business remains profitable, the same cannot be said about other HNA assets. After all, HNA Group is a massive conglomerate spanning aviation, real estate, tourism, logistics, construction, marine transport and technology. It is also currently saddled with debt worth no less than \$69 billion, at least according to Bloomberg. Thus the reports the Chinese government might simply take the company over and sell off the airline assets in order to meet "financial obligations."

Will the situation with the parent company affect Ingram? So far the distributor says it does not comment on "rumour and speculation," and the current issues relating to HNA have nothing to do with it. Ingram also insists it operates as a "separate, stand-alone company that has effectively ring-fenced, or isolated its business to significantly minimize impact from any issues

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experienced by HNA or its affiliates.”

“The U.S. government mandates that we continue to run our business as a stand-alone company, consistent with our pre-HNA acquisition practices,” the Ingram statement continues. “So any change in our ownership does not impact the fact that Ingram Micro maintains independent operational and financial strength. It is business as usual and will continue to be business as usual.”

[HNA Group acquired Ingram](#) for \$6 billion little more than 4 years ago. At the time HNA Group was soaring high, and was looking to further diversifying its already diverse business by taking a stab at the distribution business. Fast forward a few years though, and HNA Group was saddled in debt, as the \$50bn shopping spree Ingram was part of did not bring about the expected profits. In fact, [rumours of Ingram being on the chopping block](#) have surfaced a number of times, but all ended with the current US-China trade war putting a spanner in the works.

In the meantime, Ingram remains in rude health, buying services and consulting firms such as Ictivity, Quosphere and Cloud Harmonics, among others, but we will learn more about the state of things at the distributor during the Ingram Micro Cloud Summit 2020 taking place on May 2020.

Go [China Nears Takeover of HNA Group as Virus Hits Business](#)