

# Korea protests punitive Japan chip tariff

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South Korea warned Friday it would take Japan's punitive tariff on Hynix Semiconductor to the World Trade Organization.

Japan announced Thursday that semiconductor chips manufactured by Hynix would be subjected to a 27.2-percent countervailing tariff due to the company's heavy financial support from state-owned Korean banks.

Tokyo said the banks had bailed Hynix out of financial trouble twice, enabling the world's second-largest chip maker to undercut its competitors.

The JoonAng Daily newspaper said Friday that Seoul characterized the move as having no legal basis and coming at the behest of Japanese chip companies.

If enacted, the tariff would apply to Hynix's dynamic random access memory chips beginning Jan. 27 and would last five years. The chips are used in digital music players, personal computers and other consumer electronics.

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