

Samsung promotes chairman's son to president

December 3 2010, By KELLY OLSEN , AP Business Writer



In this photo taken Wednesday, Dec. 1, 2010, Lee Jae-yong, son of Samsung Electronics Co. Chairman Lee Kun-hee, smiles as he arrives at Samsung Electronics Co.'s headquarters in Seoul, South Korea. Lee has been promoted to president in a reorganization of top management posts Friday, Dec. 3, at the huge conglomerate the giant company anchors. (AP Photo/Yonhap, Suh Myung-gon) KOREA OUT

(AP) -- A scion of the family that founded the sprawling Samsung conglomerate has been promoted to president at the flagship electronics business, sending its shares to a record high.

Lee Jae-yong, 42, who is being elevated from executive vice [president](#) at Samsung Electronics Co., would retain his chief operating officer

position, Samsung Group said in a statement Friday.

In another promotion, Lee's younger sister was made president of a theme park and resort operator that plays a key role in the conglomerate's complicated structure based on cross shareholdings by group companies.

Samsung Electronics is a major force in the global electronics industry, holding the top spots in [memory chips](#) and flat screen televisions and ranking No. 2 in mobile phones behind Finland's Nokia Corp. The company is also the flagship corporation of the Samsung Group [conglomerate](#), which consists of dozens of other businesses including shipbuilding, construction, leisure and finance.

Investors cheered the news, sending shares in Samsung Electronics 4.1 percent higher to close at a record 894,000 won (\$777).

Shim Jae-young, a strategist at Meritz Securities in Seoul, said the stock price rose on optimism that the promotions signal plans for vigorous investment in new business areas. It also benefited from signs that U.S. consumer sentiment is improving, which is positive for Samsung sales, he said.

Lee Jae-yong, the son of Samsung Electronics Chairman Lee Kun-hee and grandson of the conglomerate's founder, was widely touted to become president after his father told reporters last month a promotion was imminent.

He assumes his new position as Samsung Electronics enjoys strong growth. The Suwon, South Korea-based company earned 4.46 trillion won in the July-September quarter, up 17 percent from the year before and a record profit for the third straight quarter.

Samsung Group traces its roots back to 1938 when Lee Byung-chull, the father of Lee Kun-hee, founded an export business in the South Korean city of Daegu.

[Samsung Electronics](#) had 17 executives with the title of president before Friday's announcement was made, according to the group, though it could not immediately provide an updated figure. Lee Jae-yong's rise, however, has been closely watched given that he is a member of the conglomerate's founding family and widely expected to eventually to succeed his father.

The promotion of Lee and other executives was an "organizational realignment to better prepare for the future in the rapidly changing business environment of the 21st century," the statement said.

Lee Jae-yong "is expected to continue to strengthen the competitiveness of Samsung's strategic businesses and to lay the foundation for Samsung's future new growth businesses," the statement said.

Lee Jae-yong, who also goes by Jay Y. Lee, joined Samsung in 1991 and has also served as chief customer officer and vice president for strategic planning. He graduated from South Korea's elite Seoul National University with a degree in East Asian history and has an MBA from Japan's Keio University. His father is a graduate of Japan's Waseda University.

Lee's promotion comes as Choi Gee-sung moves up to vice chairman from president while retaining his other title of chief executive officer.

Lee Boo-jin, the eldest daughter of the Samsung chairman, became president and CEO of the Hotel Shilla, a luxury hotel chain. Lee, 40, was also named president of Samsung Everland Inc., a theme park and resort operator that is widely seen as the de facto holding company for the

conglomerate.

©2010 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Citation: Samsung promotes chairman's son to president (2010, December 3) retrieved 25 April 2024 from <https://phys.org/news/2010-12-samsung-chairman-son.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.