

Seoul approves Samsung's new investment in China

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South Korea on Wednesday approved Samsung Electronics' plan to build a new plant in China to produce high-tech memory chips used in tablets and smartphones, the Ministry of Knowledge Economy said.

Following the approval, the world's largest memory chip maker will select a site for the plant and seek Chinese government permission with a view to starting production in 2013, the ministry said in a statement.

South Korean firms need [government approval](#) when they build strategic, key or sensitive factories abroad.

Samsung had requested permission for its planned export of key technology relating to NAND flash memory chips. When completed, the plant will produce 10,000 12-inch wafers per month.

The approval comes after a 10-member technology security committee met twice last month to consider Samsung's need to invest in China and the risks of technology leaks.

Jun Dong-Soo, president of memory business at Samsung's device solutions, has said the new plant would help the company meet growing demand and strengthen its competitiveness in the memory business.

Demand is weak for DRAM ([dynamic random access memory](#)) chips used in personal computers, pushing prices down and giving makers an incentive to adopt more advanced technology.

The flash memory chip market is robust thanks to growing demand for mobile devices such as [tablet computers](#) and smartphones.

Samsung had 45 percent of the global DRAM market in the third quarter last year, followed by South Korea's Hynix with 21.6 percent, according to research firm IHS iSuppli.

Its share of the world market for [NAND flash chips](#) was 39.1 percent followed by Japan's Toshiba with 31.4 percent in the third quarter.

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