

Samsung seeks alternatives to Japanese suppliers in trade row

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Samsung is the biggest of the family-controlled conglomerates that dominate business in South Korea

South Korean tech giant Samsung Electronics, the world's biggest smartphone and memory chip maker, is seeking alternatives to Japanese

suppliers for some key materials, it said Wednesday with Seoul and Tokyo embroiled in a bitter trade dispute.

The row has seen the Japanese government impose restrictions on chemical exports crucial to chipmaking and last week Seoul and Tokyo removed each other from their "white lists" of trusted trading partners.

Two of the Japanese chemicals targeted, hydrogen fluoride gas and photoresists, are essential to making memory chips, while the third chemical, fluorinated polyimide, is used for high-spec TV screens and smartphone displays, including hotly-anticipated folding models from Samsung.

Tokyo's move has also raised international concern about the effect on global supply chains and possible price hikes for consumers worldwide.

A Samsung spokesperson told AFP the firm was "seeking ways to diversify" supplies of materials and components where it relied heavily on Japanese imports.

Analysts have warned the restrictions—and reduction in the availability of the materials—would "significantly impede" chip producers.

Japan holds a 60-70 percent share of the global hydrogen fluoride market, according to Taipei-based market intelligence firm TrendForce, which could make it difficult for Korean companies to find alternatives elsewhere.

But the Samsung spokesperson denied a South Korean media report that the firm had decided to replace all the approximately 220 Japanese chemicals and materials it uses for chip production with Korean or overseas products.

Samsung is by far the biggest of the family-controlled conglomerates that dominate business in the world's 11th largest economy, and it is crucial to South Korea's economic health.

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