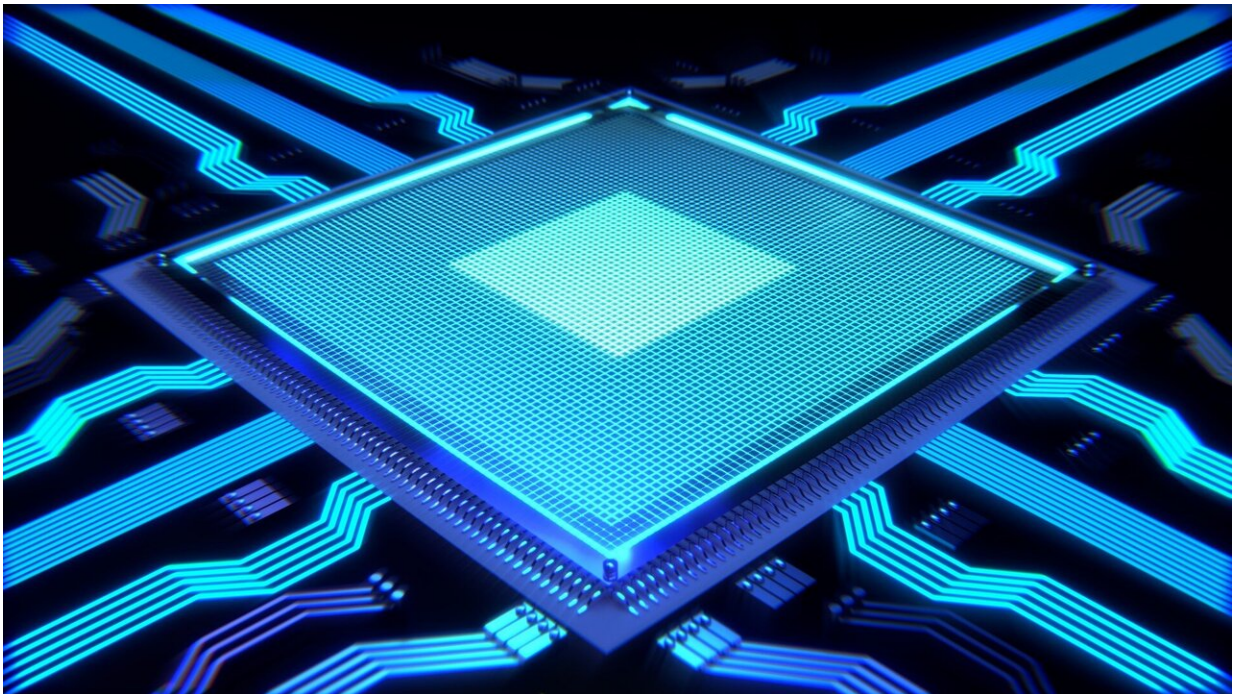


# SK Hynix posts record profit loss on falling chip prices

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The world's second-largest memory chip maker SK Hynix said Wednesday it would reduce investments after reporting its biggest ever operating loss as it was hammered by an industry-wide downturn.

The South Korean chipmaker, which supplies memory chips to Apple, reported an operating loss of 1.7 trillion won (\$1.4 billion) in the

October to December period, which it said was due to "weak demand and a sharp fall in memory-chip prices".

The result marked the firm's heaviest quarterly [operating loss](#) on record, Bloomberg News reported, and the first since July-September 2012.

"With uncertainties still lingering, we will continue to reduce investments and costs, while trying to minimize the impact of the downturn by prioritizing markets with high growth potential," the company said in a statement.

"SK Hynix will stay with the decision announced in October to more than halve the volume of [investments](#) compared with 19 trillion won in 2022," it added.

Korean chipmakers—led by behemoth Samsung Electronics—have enjoyed record profits in recent years as prices for their products soared but the [global economic slowdown](#) has dealt a blow to memory chip sales.

Global memory chip revenue dropped 10 percent last year, as electronic equipment manufacturers "started to deplete memory inventory they had been holding in anticipation of stronger demand", according to tech research firm Gartner.

Hynix's results come a day after Samsung Electronics said fourth-quarter operating profits plunged nearly 70 percent, the biggest drop in more than eight years.

But in contrast, Samsung Electronic said it would not cut investment for the year, adding that despite unfavorable market conditions, it was a "great opportunity for us to prepare for the future."

Despite a "deeper industry downturn" in the first half of 2023, SK Hynix forecast market conditions to improve in the latter part of the year, adding that demand is expected to pick up as global tech firms seek to adopt more [memory chips](#) at low prices.

Shares in Hynix rose almost one percent in Seoul on Wednesday.

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