

South Korea to build 'world's largest' chip center

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South Korea said Wednesday it would build the world's largest chip center using \$230 billion of private investment mostly from Samsung Electronics, as it seeks an edge in the global industry.

The plan is part of the South Korean government's drive to invest heavily in six key technologies, including chips, displays and batteries, all areas where the country's tech giants are well-established already.

South Korea will "build the world's largest scale system semiconductor cluster in the capital areas using massive private investments worth 300 trillion won," President Yoon Suk Yeol said at an economic policy meeting.

"Speed is important. The government will do its best to realize the cluster project," he added, according to a transcript provided by his office.

Separately, Samsung said in a statement sent to AFP that it plans to invest 300 trillion won in the cluster area over the next two decades.

South Korea's Industry Ministry said the cluster plan is due to be completed by 2042.

The vast majority of the world's most advanced microchips are made by just two companies: Samsung and Taiwan's TSMC.

In May 2022, Samsung announced a massive 450 trillion won investment blueprint over the next five years aimed at making it a frontrunner in key sectors from semiconductors to biologics.

Securing supplies of advanced chips has become a crucial issue internationally, with the United States and China locked in a fierce battle for control of the chips market.

The geopolitical significance of advanced chips were demonstrated last May when US President Joe Biden kicked off a South Korea tour by visiting Samsung's sprawling Pyeongtaek chip plant.

At the plant, Biden underscored the importance of bolstering technology partnerships among "close partners who do share our values".

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