

Samsung Plans Hiring, \$38.4 Billion Investment

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SEOUL, South Korea (AP) — Samsung Group said Wednesday it plans to carry out record investment and hiring this year as it seeks to extend global dominance in products including flat screen televisions and memory chips.

South Korea's top business conglomerate is spearheaded by Samsung Electronics Co., which is hoping its Galaxy brand smartphone and tablet device will draw customers away from competitors including Apple Inc.'s iPhone and iPad.

Aggressive spending on investment to boost competitiveness has become a Samsung trademark in recent years. The strategy has paid off. Samsung Electronics, for example, announced record net profit during the first three quarters of last year. It usually announces results for the 4th quarter in late January.

The Suwon, South Korea-based company is the world's biggest maker of flat screen TVs, liquid crystal displays and memory chips and ranks No. 2 in mobile phones behind Nokia Corp. of Finland. The broader Samsung Group also consists of dozens of other businesses covering sectors including shipbuilding, construction, leisure and finance.

The conglomerate said in a statement that it will invest 43.1 trillion won (\$38.4 billion) in 2011 for an increase of 18 percent over last year. Samsung also said that it will hire 25,000 people for a gain of 11 percent over 2010.

Both figures are all-time highs, according to the statement.

The conglomerate employed a total of about 275,000 people as of the end of 2009, the last year for which a figure is available, according to the group.

A total of 29.9 trillion won of the investment will go for facilities, the statement said, with 12.1 trillion earmarked for research and development and 1.1 trillion for capital investment.

Facilities investment will be led by semiconductors with 10.3 trillion won, while LCDs and super thin organic light-emitting diode, or OLEDs, will get 5.4 trillion won each, the statement said.

Samsung did not provide a breakdown by individual company or identify new businesses. The investment plan, however, comes as the conglomerate's key figure this week issued his latest admonition on the need to avoid complacency.

Lee Kun-hee, the chairman of Samsung Electronics and the son of the conglomerate's founder, said in a New Year's message that change must be embraced.

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"Within the next 10 years, all the businesses and products that we now hold as Samsung flagships will fade," Lee said in a statement Monday. "New businesses and products must take root before that happens."

The need for change at Samsung has been a long-running theme for Lee, who turns 69 on Sunday. His only son, Lee Jae-yong, was promoted last month to the rank of president at Samsung Electronics amid expectations he will eventually succeed his father.

Shares in Samsung Electronics fell 1.7 percent Wednesday to close at 942,000 won.

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