Taiwan Seeks Merger With Restructured Elpida

The Associated Press

TAIPEI, Taiwan (AP) — Taiwan's government said Wednesday it would continue to push for the consolidation of the island's memory chip makers with Elpida Memory Inc., two days after the Japanese chipmaker filed for bankruptcy.

The Economics Ministry said in a statement that U.S. chipmaker Micron Technology Inc. is expected to continue to play a key part in the consolidation, which may include Elpida if the Japanese maker is restructured after bankruptcy.

Elpida filed for bankruptcy Monday after amassing debts from nose-diving prices. The Tokyo-based company, which employs more than 3,000 people, said its business was hit when prices of dynamic random access memory chips declined from about 2007, and got worse with the global downturn.

Elpida and Micron have discussed consolidation with the six Taiwanese DRAM makers for months to head off competition from South Korea's Samsung Electronics Co.

Samsung and another South Korean maker, Hynix Semiconductor, together control more than 60 percent of the world memory chip market, according to marketing firm TrendForce Corp.

Taiwan's Nanya Electronics has had technical cooperation for years with Micron. The company declined to comment on news reports that it has persuaded the Taiwan government to offer Micron more incentives to make a deal possible.

Rexchip Electronics, a Taiwanese maker in which Elpida has a majority stake, said it will sell its chips either to a restructured Elpida or find new buyers as it is seeking $135 million in outstanding payments from Elpida.

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