Samsung outlines $20.6 billion investment plan

KELLY OLSEN - AP Business Writer - Associated Press

Samsung said Tuesday it plans to invest 23.3 trillion won ($20.6 billion) over the next decade in technologies including solar cells and medical devices, aiming to boost sales and increase its work force by tens of thousands.

The plan was agreed at a meeting Monday of top executives of electronics and medical companies in the Samsung Group, according to a release. Lee Kun-hee, chairman of group flagship Samsung Electronics Co., was among the participants.

Samsung, which consists of dozens of companies in areas spanning electronics to shipbuilding to fashion, said the money would be spent in five areas: solar cells, rechargeable cells for hybrid electric vehicles, LED technologies, biopharmaceuticals and medical devices.

The expansion is expected create about 45,000 jobs and result in an additional 50 trillion won in annual revenue for affiliate companies by 2020, the year through which the investments are slated, Samsung said.

"When other global companies hesitate, we must move ahead decisively to take this opportunity, and this will also benefit the country's economy," Lee told Monday's meeting, according to the statement. "Striving to resolve unemployment, we should hire young and highly skilled employees also."

South Korea's jobless rate, which surged to a nine-year high of 5 percent in January, has since eased and stood at 4.1 percent in March. The Korea Chamber of Commerce & Industry said in a report earlier this year that Samsung Electronics created the most new jobs in South Korea of any company over the five years through 2008.

The largest individual investment planned is 8.6 trillion won in LED, or light emitting diode, technology applications such as backlit displays, lighting and car electronics, the release said.

Samsung also said it plans to invest 6 trillion won in solar cells, 5.4 trillion won in rechargeable cells for hybrid vehicles, 2.1 trillion won in biopharmaceuticals and 1.2 trillion won in electronic healthcare equipment such as blood testing devices.

Lee, who was convicted of tax evasion and later pardoned by South Korea's president, returned to lead Samsung Electronics in March this year after resigning in April 2008 following his indictment. He is widely considered the driving force behind the rise of Samsung Electronics to the top tier of global technology companies.

Also attending Monday's meeting were other top executives from Samsung Electronics, Samsung SDI Co., Samsung LED Co. and Samsung Medical Center.

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