

Samsung seeks to borrow for Austin expansion

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Samsung Electronics Co. plans to expand its just completed chip factory operations in Austin, according to a report by Bloomberg news service.

The South Korean electronics giant has asked for proposals from banks to borrow as much as \$1 billion to expand production at its factory in Austin, which is one of the largest in North America.

The company had reported in early December that its latest plant expansion, which cost \$3.6 billion, was running at full production.

Samsung's Main Fab in Austin produces both flash memory and low-processor chips, including those made for Apple Inc.'s portable devices, including smart phones and tablets.

Apple is the largest customer for Samsung's chip business, which is the second largest in the world. And sales of Apple smart phones and tablets have expanded enormously in the past year.

And many of Samsung's own mobile devices also use low-power processor chips similar to those made in Austin, where the company employs 2,400 workers.

The Korean company may almost double spending on its logic- chip business, which oversees manufacturing of Apple's A4 and A5 processors, to a record 8 trillion won this year, said Shin Hyun Joon, a Seoul-based analyst at Dongbu Securities Co.

Operating profit at the business probably more than doubled in 2011 and may increase 82 percent this year, according to Korea Investment & Securities Co.'s estimate, the Bloomberg report said.

Courtesy of JB Goodwin