

Samsung injects \$920m into Vietnam factory

Funds will be used to build mobile components, local government says

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HO CHI MINH CITY -- Samsung has added \$920 million to its investment in Vietnam, home to half its global smartphone output, to produce circuit boards, camera modules and other parts, according to a provincial government in the Southeast Asian country.

Thai Nguyen province said on Wednesday that it has granted Samsung Electro-Mechanics Vietnam a certificate to increase capital to a total of \$2.27 billion, with the additional investment to be used to make mobile components including touch sensor modules, linear motors and lenses.

Samsung overall is Vietnam's biggest foreign investor and exporter, with factories across the communist nation, from Bac Ninh operations supplying Apple, to Saigon Hi-Tech Park plants making fridges and washing machines.

“With the background it has, SEMV will make efforts to attract many more projects from the Samsung Company in South Korea,” said a post on the Thai Nguyen local government website.

As an alternative to neighboring China, Vietnam has lured increasing technology investment from the likes of Intel, Foxconn and LG, but many of them, including Samsung, faced unprecedented supply chain stoppages starting in May 2021, when the country’s deadliest COVID-19 wave hit. Now that most Vietnamese are vaccinated, however, the country is unlikely to again require workers to sleep at factories en masse, as it did last summer.

Thai Nguyen said Samsung employs 6,585 people in the northern province outside Hanoi and will use part of the additional capital to fund housing and other construction. It quoted Kim Sang Nam, general director of Samsung Electro-Mechanics Vietnam, as thanking the local government for a speedy approval.

Samsung Vietnam confirmed the investment amount to Nikkei Asia but did not provide any further details.