SUPPLY CHAIN

Samsung supply chain: Corning to invest $1.5bn in bendable glass output

U.S. glassmaker to boost South Korean production for foldable phones

Samsung's Z Flip 5 and Z Fold 5 phones rely on Corning's ultrathin, flexible glass. © Reuters

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SEOUL -- U.S. specialty glass producer Corning will invest $1.5 billion in South Korea to increase supply capacity for products including ultrathin, bendable glass used in Samsung Electronics' foldable smartphones.

Corning CEO Wendell Weeks announced the investment at a ceremony on Friday celebrating the 50th anniversary of the company's entry into South Korea.

Corning's South Korean production hub is in Asan, adjacent to a major Samsung display division facility.

Corning started its South Korea business in 1973 by building a joint venture factory with Samsung to produce glass for television picture tubes. As the industry shifted to liquid crystal displays, Corning continued to supply glass to Samsung.

Their business relationship continued after Corning bought Samsung's stake in the joint venture in 2014 and made it a wholly owned subsidiary.

Samsung turned to organic light-emitting diode (OLED) panels when competition from Chinese companies increased in LCDs. Corning supported Samsung by developing glass for its OLED panels, and its ultrathin glass technology is now indispensable for Samsung's industry-leading foldable smartphones.

Speaking at the ceremony, Samsung Chairman Lee Jae-yong praised Corning for helping Samsung become a global company.

Corning has more than 3,000 employees in South Korea. Japanese rival AGC, formerly Asahi Glass, is a major supplier of glass substrates for South Korea's LG Display.