

**JOINT STATEMENT OF THE 1ST MEETING OF THE
WORLD SEMICONDUCTOR COUNCIL (WSC)
APRIL 1997
OAHU, HAWAII**

The Semiconductor Industry Association (SIA) of the United States, the European Electronic Component Manufacturers Association (EECA), the Korea Semiconductor Industry Association (KSIA) and the Electronic Industries Association of Japan (EIAJ) today held the inaugural meeting of the Semiconductor Council in Oahu, Hawaii. The Council was created pursuant to the Agreement Between EIAJ and SIA on International Cooperation Regarding Semiconductors of August 2, 1996. The Council's purpose is to enhance mutual understanding, to address market access matters, to promote cooperative industry activities, and to expand international cooperation in the semiconductor sector in order to facilitate the healthy growth of the industry from a long-term, global perspective. All Council activities will be based on a respect for market principles. Markets should be open and competitive, free of all tariff barriers, without discrimination based on capital affiliation, and with purchasing decisions based on quality, cost, delivery and service. The Council meeting held today demonstrates that the semiconductor industry is shifting from confrontation to competition and harmony based on a global point of view and comes as the industry marks 1997 as the 50th anniversary of the invention of the transistor. The meeting was hosted by EIAJ and convened at 10:00 a.m. Opening remarks were made by Dr. Hajime Sasaki, chairman of the Hawaii meeting of the Council, and senior executive vice president of NEC Corporation. Speeches were then given by the respective associations' chairmen, Mr. Ohga (EIAJ), Mr. Weber (on behalf of Mr. Stein, chairman, SIA), Dr. Villa (EECA) and Mr. Mun (KSIA). Dr. Sasaki and Mr. Crawford of SIA, co-chairman of the Hawaii meeting then explained the concept and purposes of the Council which were formally confirmed at this time by the respective participants. A discussion period was held in the afternoon, and the following actions were confirmed.

New Membership

The Council members agreed to welcome additional semiconductor industry associations from significant semiconductor producing countries into the Council upon their meeting all of the requirements for membership, including expeditious elimination of semiconductor tariffs.

User/Supplier Cooperation

Members of the Council recognized continuation of mutually agreed upon cooperative activities in the Japanese market by the participating industry associations, such as seminars, exhibitions, one-on-one meetings and the like. The industries believe that these activities will help users find new opportunities to work with foreign suppliers to develop new markets and new products, and will also strengthen industry cooperation. Confirmation was given to promotion of user/supplier cooperation through the hosting of a symposium in May in Tokyo and other initiatives to aid users' development of new markets and products, including another user/supplier seminar and exhibition in fall 1997 in Tokyo. Similarly, the industries believe that, in principle, cooperative activities involving users and suppliers should take place, if necessary and feasible, in every major region of the world.

Supplier/Supplier Cooperation

Standardization, environment and safety, intellectual property rights, liberalization of trade and investment, and market development were recognized as the issues on which there is shared common interest in the semiconductor industry. Specifically, the Council approved several actions: Concerning standardization, a report was given on the recent international collaboration toward standardization of 300mm wafers. Confirmation was given to active promotion of 300mm wafer standardization. The Council agreed upon the importance of joint research and development efforts, including, inter alia, the development of standards for the next generation manufacturing technology through international collaboration. To exchange information on environmental safety and health (ESH), it was confirmed that the members will become actively involved in the fourth international ESH conference to be held in Milan, Italy in June of this year. The industries also welcomed the voluntary action plans recently launched individually by the U.S. and Japanese industries with regard to the reductions of PFCs, a substances that contributes to global warming. To further cooperate in the area of ESH, the Council called for the study of the feasibility of additional ESH projects beyond the annual conferences, such as sharing ESH research data and cooperative activities aimed at achieving a cost-effective approach toward the reduction of PFC emissions. The Council members agreed that they would urge their governments to pursue policies that promote free and open markets around the world, intellectual property protection, including vigorous action against fraudulent re-marking as an example, full transparency of governmental policies and regulations, non-discrimination for foreign products in all markets, and an end to investment restrictions tied with technology transfer requirements around the world. In this regard, the Council affirmed that markets should be tariff-free, and encouraged countries which have not signed on to the Information Technology Agreement to do so.

Analysis of Semiconductor Market and Trade Flow Data

The Council received and reviewed reports from industry experts on semiconductor market and trade flow data, including data on market size, market growth, and market shares of foreign semiconductor products in Council member markets and other major semiconductor markets. The reports, which will be submitted to Council member governments for their review, also included information on design-ins, international joint ventures, and the development of long term and other cooperative relationships, as well as data prepared for the Council meeting and other published industry data.

Reports to Governments

The results of today's meeting will be submitted to the governments of members of the Council for use in the governmental consultations described in the Joint Statement by the Government of the United States and the Government of Japan Concerning Semiconductors dated August 2, 1996. This will include the following reports and recommendations:

- reports on the semiconductor market and trade flow data prepared by industry experts;
- reports on the user-supplier cooperative activities;
- reports on the supplier-supplier cooperative activities; and
- recommendations of the Council with respect to government actions to promote liberal trade and investment policies as set forth above.

The next meeting of the Council will be hosted by the Semiconductor Industry Association in Tokyo in June, 1998.

List of Council Attendees

EIAJ

Norio Ohga
Chairman and CEO
Sony Corporation
Hajime Sasaki
Senior Executive Vice President
NEC Corporation
Chairman of the Hawaii meeting
Tsugio Makimoto
Executive Managing Director
Hitachi, Ltd.
Takamitsu Tsuchimoto
Managing Director
Fujitsu Limited
Shoji Hirabayashi
Senior Managing Director
Mitsubishi Electric Corporation
Seiichi Watanabe
Director
Sony Corporation
Takuji Shinmura
Managing Director
Mitsubishi Electric Corporation
Toshio Ono
Executive Vice President
NEC Corporation

SIA

Curtis J. Crawford
President
Microelectronics Group
Lucent Technologies Inc.
Co-Chairman of the Hawaii meeting
Steven R. Appleton
CEO and President
Micron Technology Inc.
Wilfred Corrigan
CEO and Chairman of the Board
LSI Logic Corporation
Thomas D. George
President, Semiconductor Products Sector
Motorola Inc.
William P. Weber
Vice Chairman,
Texas Instruments, Inc.

EECA

Enrico Villa
General Manager,
SGS - Thomson Microelectronics
Helmuth Murrmann
Chief Technology Officer,
Siemens Semiconductor Group
Roel Pieter Kramer
Chief Technology Officer,
Managing Director,
Philips Semiconductors
Enrico Villa

KSIA

Chung Hwan Mun
Vice Chairman,
LG Semicon Co., Ltd.
Yoon Woo Lee
CEO & President,
Samsung Electronics Co., Ltd.
Ryong Yull Rha
Senior Executive Vice President,
Hyundai Electronics Industries Co., Ltd.
Duke M. Koo
Senior Managing Director,
LG Semicon Co., Ltd.