JOINT STATEMENT OF THE 2ND MEETING OF THE WORLD SEMICONDUCTOR COUNCIL (WSC)

APRIL 1998

CARLSBAD, CALIFORNIA

After a daylong session of policy talks, members of the World Semiconductor Council --- representing the chip industries of the United States, Japan, Korea and Europe --- issued the following joint statement. The statement summarizes the council's efforts to forge a consensus on economic, trade and environmental issues that face the global semiconductor industry. For additional information about the statement, contact any of the individual associations.The Semiconductor Industry Association (SIA) of the United States, the Electronic Industries Association of Japan (EIAJ), the European Electronic Component Manufacturers Association (EECA), and the Korea Semiconductor Industry Association (KSIA) today held the second meeting of the World Semiconductor Council (WSC) in Carlsbad, California. The WSC 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 are based on a respect for market principles. The Council reaffirmed that 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.Opening remarks were made by Mr. Corrigan (SIA), Mr. van der Poel (EECA), Mr. Ohyama (EIAJ), and Mr. Mun (KSIA). Special speeches were then given by Mr. Scalise (SIA) and Mr. Tsukamoto (EIAJ). Antitrust counsel was present throughout the meeting. During the meeting, following reports were received and actions confirmed.

New Membership

The Council members agreed that the Taiwan Semiconductor Industry Association (TSIA) would be welcomed as an associate member at the next annual WSC meeting following the formal commitment of the Taiwan customs territory to expeditiously eliminate semiconductor duties and TSIA and Chinese Taipai's agreement to support the objectives and activities of the WSC and Government Consulting Mechanism. The Council also welcomed President Jiang Zemin's announcement that China would join the Information Technology Agreement, and encouraged China to implement its tariff liberalization schedule as rapidly as possible in order to promote the development of the Chinese electronics industry. The Council agreed to inform the China Semiconductor Industry Association (CSIA) that the WSC would welcome CSIA's participation as a WSC associate member in the 1999 WSC meeting following China's formal commitment to expeditiously eliminate its tariffs on semiconductor products, ideally under the ITA, as well as CSIA and the Chinese government's agreement to support the objectives and activities of the WSC and Government Consulting Mechanism. The Council reaffirmed its willingness to admit other new associate members 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 the continuation of cooperative activities in the Japanese market by the participating industry associations, such as seminars, exhibitions, one-on-one meetings and the like, in accordance with the Agreement between EIAJ and SIA on International Cooperation Regarding Semiconductors, dated August 2, 1996.Confirmation was given to promotion of user/supplier cooperation through symposia on telecommunications in April, on automotive chips in October, and on emerging applications in December. 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. 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, worker safety and health, intellectual property rights, liberalization of trade and investment, and market development were reaffirmed as issues on which there is shared common interest in the semiconductor industry.Specifically, the Council approved several actions: The Council recognized the need to move towards 300mm wafers in order to continue to drive down costs of semiconductor manufacturing, and reaffirmed the importance of international collaboration between J300, International Sematech (formerly I300I), and the Semiconductor Equipment and Materials International (SEMI) to develop 300mm wafer and wafer equipment standards. The Council also encouraged continued cooperation between International Sematech and Selete to speed the introduction of 300mm manufacturing equipment. To exchange information on environment, safety and health (ESH), it was confirmed that the members will become actively involved in the fifth international ESH conference to be held in Korea in May of this year. The WSC adopted a position statement which recognized the importance of reducing emissions that may contribute to global warming, and welcomed the voluntary, proactive action plans launched individually by the European and Korean companies and associations to reduce emissions of PFCs, a substance that may contribute to global warming. These plans follow action plans by the U.S. and Japanese industries. The WSC also encouraged similar activities from other semiconductor industries. In addition, the WSC's ESH task force will discuss other cooperative efforts to share information and approaches to issues such as energy conservation, water conservation, waste and chemical management, and worker safety.The WSC reaffirmed their commitment to policies which promote free and open markets around the world, intellectual property protection, 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 particular, the JSTC's Remarking Task Force will work together to address the issue of fraudulent remarking of semiconductors through voluntary actions by affected members, including sharing of information regarding remarked products and working with relevant governmental authorities at the national and multinational level, as appropriate. The WSC also reaffirmed that markets should be tariff-free. In order to spread the benefits of information technology to consumers around the world, countries which have not signed on to the Information Technology Agreement are encouraged to do so and the WTO was encouraged to finalize the expansion of product coverage through the second information technology agreement (ITA II). The WSC emphasized the potential that electronic commerce has to benefit consumers around the world by lowering transaction costs and providing greater consumer choices. Adopting a non-regulatory, market oriented approach to electronic commerce, the WSC agreed that the Internet should be a tariff free environment whenever it is used to deliver products or services.

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.

Analysis of Causes and Remedies for Dumping

The WSC agreed to establish a JSTC study group to assess the causes of dumping and develop possible recommendations to governments for fair and effective antidumping measures worldwide in the semiconductor industry.A report will be made to the WSC by the 1999 WSC meeting.

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 (to be held this year on June 12) 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 for their review:

- 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 European Electronic Components Association on April 23, 1999. Information about the following members of the World Semiconductor Council can be found at their respective Web sites:

Semiconductor Industry Association:	http://www.semichips.org
EIAJ:	http://www.eiaj.or.jp
EECA:	http://www.eeca.org
KSIA:	http://www.ksia.or.kr

List of Council Attendees
SIA
Wilfred Corrigan
Delegation Chairman
Chief Executive Officer & Chairman of the Board
LSI Logic Corporation Jerry Sanders
Chairman of the Board & Chief Executive Officer
Advanced Micro Devices
& SIA Chairman of the Board John Dickson
President, Microelectronics Group
Lucent Technologies Steve Appleton
Chairman, Chief Executive Officer and President
Micron Technology Chuck White
Vice President & Director, Strategic Planning
Motorola Kevin McGarity
Senior Vice President, Semiconductor Group
Texas Instruments

EIAJ
Masanobu Ohyama
Delegation Chairman
Senior Executive Vice President
Toshiba Corp. Hajime Sasaki
Senior Executive Vice President
NEC Corp. Suehiro Nakamura
Corporate Executive Vice President, Sony Corp.
President, Semiconductor Company Tsugio Makimoto
Senior Executive Managing Director
Hitachi, Ltd. Takamitsu Tsuchimoto
Executive Vice President and CEO of Electronic Devices
Fujitsu Ltd. Shoji Hirabayashi
Senior Executive Vice President
Mitsubishi Electric Corp. Toshio Ono
Executive Vice President
NEC Corp. Yasumasa Mizushima
Corporate Senior Vice President of Logistics & Procurement
Sony Corp.

EECA
Arthur van der Poel
Delegation Chairman
Chairman and CEO
Philips Semiconductors International B.V. Pasquale Pistorio
President and CEO
SGS-Thomson Microelectronics Ulrich Schumacher
President and CEO

Semiconductor Group
Siemens AG Jurgen Knorr
Chairman of EECA Semiconductor Policy Committee
c/o Semiconductor Group
Siemens AG

KSIA
Yoon-Woo Lee
Delegation Chairman
President and CEO
Samsung Electronics Co. Chung Hwan Mun
Vice Chairman
LG Semicon Co.
& KSIA Chairman Kye-Hwan Oh
Senior Executive Vice President
Hyundai Electronics Industries Co.