JOINT STATEMENT OF THE 3RD MEETING OF THE
WORLD SEMICONDUCTOR COUNCIL (WSC)
APRIL 1999
FIUGGI, ITALY

The European Electronic Component Manufacturers Association (EECA), the Electronic Industries Association of Japan (EIAJ), the Korea Semiconductor Industry Association (KSIA), the Semiconductor Industry Association (SIA) of the United States, and the Taiwan Semiconductor Industry Association (TSIA) today held the third meeting of the World Semiconductor Council (WSC) in Fiuggi/Italy. The WSC was created pursuant to the Agreement between EIAJ and SIA on International Cooperation Regarding Semiconductors of August 2, 1996. It is the purpose of the WSC to enhance mutual understanding, to address market access matters, to promote co-operative industry activities, and to expand international co-operation in the semiconductor industry in order to facilitate the healthy growth of the industry from a long-term, global perspective. All WSC activities are based on a respect for market principles. The WSC reaffirmed that markets should be open and competitive, free of all tariff barriers, without discrimination based on capital affiliation. Purchasing decisions should be based on quality, cost, delivery, and service.Opening statements were made by Pasquale Pistorio (EECA), who chaired this meeting, and by Takamitsu Tsuchimoto (EIAJ), Yoon-Woo Lee (KSIA), Wilf Corrigan (SIA), and Morris Chang (TSIA). The keynote speech under the title "1999 The Year of the Question Marks", was delivered by Doug Dunn (ASML). A report on the EU Economic Situation was given by Jean-Philippe Dauvin (EECA).Antitrust counsel were present throughout the meeting. During the meeting, the following reports were received and actions confirmed.

New Member

The Council Members welcomed the Taiwan Semiconductor Industry Association (TSIA) as a new member following the formal commitment of the Taiwan customs territory to expeditiously eliminate semiconductor duties and its Authority's agreement to support the objectives and activities of the WSC and Government Consultative Mechanism.

Agreement Establishing a New World Semiconductor Council

The Charter of the WSC is based on the 1996 bilateral Agreement between EIAJ and SIA.

The WSC approved a multilateral Agreement establishing a new World Semiconductor Council to take effect on August 1, 1999, provided that conditions attached to its coming into effect have been met by that date.

User/Supplier Cooperation

The User/Supplier Cooperation Committee reported the results of four symposia that were held in the Tokyo area since the last WSC in April 1998. Those four symposia included two on telecommunications, one on automotive and one on emerging applications (multimedia).

Members attending the Council recognised that the co-operative activities in the Japanese market are being faithfully conducted and continued by the participating industry associations in accordance with the Agreement between EIAJ and SIA on International Cooperation Regarding Semiconductors, dated August 2, 1996. It was also reported that UCOM will be dissolved and terminate its activities on August 2, 1999. Before the termination two more events are planned. A symposium will be held on June 24 for emerging applications (advanced video), and a Business Promotion Forum is planned on June 10 for automotive chips.

Reports were well received by the members attending the Council. Appreciation to UCOM was expressed for their excellent support of these activities during the past eleven years. In gratitude, a reception will be held in Tokyo on July 22 to thank the UCOM participants.

Supplier/Supplier Cooperation

Environment, worker safety and health, the year 2000 challenge, further liberalisation of trade and investment, and market development were reaffirmed as issues on which there is shared common interest in the semiconductor industry.

Specifically, the WSC approved several actions:

The 3rd World Semiconductor Council has adopted a Position Paper on PFC Emissions Reduction Goal that was worked out and proposed by the ESH Task Force established under the WSC and consisting of expert representatives from the four semiconductor industry associations, EECA, EIAJ, KSIA and SIA. (Position Paper attached to this Joint Statement.) This agreement exhibits a proactive initiative of world semiconductor industry towards responsible environmental stewardship through international co-operation.

The WSC will also co-operate to ensure all industry suppliers of equipment and gases deliver solutions globally to provide a fair and harmonised base for the reduction of PFC emissions by world semiconductor industry.

At this meeting, the WSC, noting agreement on a global PFC emissions reduction goal as stated in the attached position paper, encouraged other co-operative efforts of the WSC ESH Task Force to share information and explore approaches to issues such as energy and water conservation, chemical management, and worker safety. Members confirmed their support for the 6th International Semiconductor ESH Conference, which will be hosted by SIA on June 14-16, in Williamsburg/Virginia.

Given the importance of the Y2K challenge to all semiconductor manufacturers, the WSC decided to exchange information on utility infrastructure readiness.

Because the Internet is one of the leading electronic infrastructures for the next decade, the WSC asked the Joint Steering Committee to create a mechanism to explore co-operative activities to facilitate E-Commerce and the use of the Internet.

To support international co-operation on technology, the WSC endorsed being a sponsor of the International Forum on Semiconductor Technology, to be held in California in April 2000.

The WSC anticipates that the Technology Roadmap will address post-silicon-based technology in the future.

Free and Open Markets

The WSC reaffirmed its commitment to policies which promote free and open markets around the world, intellectual property protection, full transparency of government policies and regulations, non-discrimination for foreign products in all markets, and an end to investment restrictions tied with technology transfer requirements.

The WSC received a report on the work of a study group to assess the causes of dumping and possible recommendations for fair and effective antidumping measures world-wide. The WSC determined to address this subject again in the Joint Steering Committee after a period of six months.

The WSC also reaffirmed that markets should be tariff-free. In order to spread the benefits of information technology to consumers around the world, further countries should be encouraged to sign on to the Information Technology Agreement.

Adopting a non-regulatory, market-oriented approach to E-Commerce, the WSC reaffirmed its position that the Internet should be a tariff-free environment. The WTO moratorium should remain in place.

The WSC applauds the recent significant progress made towards China's accession to the World Trade Organisation (WTO) on commercially viable terms, including its elimination of tariffs on semiconductors and other information technology products under the Information Technology Agreement (ITA).

The WSC decided to communicate further with the China Semiconductor Industry Association regarding its WSC membership.

Analysis of Semiconductor Market and Trade Flow Data

The WSC received and reviewed a report on semiconductor market and trade flow data, including data on market size and market growth.

Reports to Governments

The results of today's meeting will be submitted to the governments of members of the WSC for consideration at the meeting of the Government Consultative Mechanism (to be held this year on 10 June in Brussels) as 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:

(1) report on the semiconductor market and trade flow data prepared by industry experts;
(2) reports on the user-supplier co-operative activities, and
(3) reports on the supplier-supplier co-operative activities.

The next meeting of the WSC will be hosted by the Korea Semiconductor Industry Association in April 2000.

Information about the members of the World Semiconductor Council can be found at their respective websites:

EECA:	http://www.eeca.org
EIAJ:	http://www.jeita.or.jp
KSIA:	http://www.ksia.or.kr
SIA:	http://www.semichips.org
TSIA:	http://www.tsia.org.tw

List of Council Attendees:
EECA
Pasquale Pistorio
President and CEO
STMicroelectronics
Ulrich Schumacher
President and CEO Infineon Technologies A.G.
Arthur van der Poel
Chairman and CEO
Philips Semiconductors International B.V.
Jurgen Knorr
Chairman of EECA Semiconductor Policy Committee
c/o MEDEA

EIAJ
Takamitsu Tsuchimoto
Executive Vice President
CEO of Electronic Devices
Fujitsu Ltd.
Suehiro Nakamura
Corporate Executive Vice President, Sony Corporation
President & CEO Core Technology & Network Company
Masanobu Ohyama
Corporate Senior Executive Vice President
Toshiba Corporation
Shigeki Matsue
Associate Senior Vice President
NEC Corporation
Kunio Hasegawa
Corporate Officer
Executive Vice President, Semiconductor & Integrated Circuits
Hitachi, Ltd. Koichi Nagasawa
Vice President & Director
Group President, Semiconductor
Mitsubishi Electric Corporation
Yasumasa Mizushima
Corporate Senior Vice President
Logistics & Procurement
Sony Corporation
Mamoru Kitamura
Senior Vice President
Toshiba Corporation

KSIA
Yoon-Woo Lee
CEO and President
Samsung ElectronicsIn-Kil Hwang
CEO and Vice Chairman
Anam Semiconductor
Kye-Hwan Oh
Senior Executive Vice President
Hyundai Electronics

SIA
Wilf Corrigan
CEO & Chairman of the Board
LSI Logic Corporation
John Dickson
President, Microelectronics Group
Lucent Technologies
Steve Appleton
Chairman, CEO and President
Micron Technology
Brian Halla
Chairman of the Board
President and CEO
National Semiconductor Corporation
Pallab Chatterjee
Senior Vice President, Chief Information Officer
Texas Instruments

TSIA
Morris Chang
Chairman & CEO
TSMC
Hong-Jen Wu
President
UMC