

**JOINT STATEMENT OF THE 4TH MEETING OF THE
WORLD SEMICONDUCTOR COUNCIL (WSC)
APRIL 2000
CHEJU, KOREA**

The European Electronic Component Manufacturers Association (EECA), the Electronic Industries Association of Japan (EIAJ), the Korea Semiconductor Industry Association (KSIA), the U.S. Semiconductor Industry Association (SIA), and the Taiwan Semiconductor Industry Association (TSIA) today held the fourth meeting of the World Semiconductor Council (WSC). The meeting, held on Cheju Island in the Republic of Korea, was conducted under the Agreement Establishing a New World Semiconductor Council, which was signed on June 10, 1999, in Brussels, Belgium. It is the purpose of the WSC to address issues of global concern in the semiconductor sector with a goal of increasing fair and open competition in the industry and promoting technological advance and sound environmental and safety practices. The WSC encourages cooperation in such areas as environment, intellectual property rights, trade and investment liberalization, and market development. All WSC activities are based on a respect for market principles. The WSC reaffirmed that markets should be open and competitive, and free of all tariff barriers. WSC activities are guided by principles of fairness and respect for market principles, consistent with World Trade Organization (WTO) rules and with the laws governing the respective member associations. Antitrust counsel were present throughout the meeting. Opening statements were made by Y. W. Lee (KSIA), who chaired the meeting, Arthur van der Poel (EECA), Kazunari Shirai(EIAJ), Wilf Corrigan (SIA), and Morris Chang (TSIA). The keynote speech under the title "International Cooperation for the Semiconductor Industry in the 21st Century" was delivered by Professor Chulsu Kim of Sejong University. A report on the Current Status and Prospect of Korean Economy was given by Hong-Rae Cho. During the meeting, the following reports were received and actions confirmed.

Environment, Safety and Health

At the third WSC meeting, EECA, EIAJ, KSIA and SIA adopted a PFC emissions reduction goal - that goal calls for the industry to aggressively reduce its PFC emissions over the next decade, during which time production volumes will be increasing. The WSC received a report on the status of those efforts. The subgroups of ESH Task Force are studying further areas for potential international cooperation, including energy saving and chemical management.

Cooperative Approaches to Serving the Global Environment

The WSC is firmly committed to sound, positive environmental policies, recognizing the major contribution the worldwide semiconductor industry is making and will continue to make to the global environment. Semiconductor devices make possible the monitoring and control of emissions to an extent not previously possible. Recognizing and sharing global environmental concerns, the industries pledge themselves to work closely with environmental authorities regarding regulatory proposals. The WSC members agreed to work together on common approaches wherever possible, and to share information at the earliest feasible stage about emerging problems and regulatory responses, with a view to contributing positively to public policy formulation. The WSC will include in its recommendations to governments several

principles that should guide government policy making with regard to environmental product regulations.

Internet Task Force

The growth of the Internet, along with the information technology products and infrastructure that support it, are enabled by - and dependent upon - semiconductors. Without semiconductors, there could be no World Wide Web. The growth in the Internet and the related information technology sector is driving economic growth, improving education, creating new industries and improving existing ones, and it is speeding up communications capabilities. It is also the primary force fueling growth in the chip industry today. For that reason, the WSC has focused on promoting policies that will foster Internet growth, such as a prohibition on punitive tariffs on Internet commerce. The policies that are being developed to govern the Internet - from taxation and tariffs to privacy and security - could have a tremendous effect on the ability of this sector to continue growing. The associations representing the world's leading semiconductor producers encourage our governments to pursue policies that will foster growth, rather than encumber the development of the internet and electronic commerce. The best approach may be one that encourages industry to take responsibility to the greatest extent possible, while at the same time providing a predictable, transparent regulatory regime. The WSC adopted an Internet Policy White Paper (attached to this document) that addresses these issues. The White Paper will be presented to the respective governments/authorities of members of the WSC during their meeting in June 2000 in Seoul.

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 also reaffirmed that markets should be tariff-free. In order to spread the benefits of information technology to consumers around the world, additional countries should be encouraged to sign on to the Information Technology Agreement (ITA). The WSC applauds the progress made towards China's accession to the World Trade Organization (WTO) on commercially viable terms, including its decision to eliminate tariffs on semiconductors and other information technology products by joining the ITA. The WSC calls on the government of China and all other governments engaged in negotiations with China over its accession to the WTO to complete the negotiations as soon as possible, in order that China may join the WTO this year. The WSC is also hopeful that China will eliminate its semiconductor tariffs soon and thereby become eligible for WSC membership. The WSC also believes that all current and future WTO members who have not already done so should join the ITA.

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.

Technology

Paolo Gargini of Intel Corp. presented the WSC with an overview of the technology challenges facing the industry as outlined in the International Technology Roadmap for Semiconductors

(ITRS). The ITRS details technological challenges for which solutions still remain to be explored and developed. The WSC congratulated Mr. Gargini on the work that has been done by technical experts of the world's semiconductor industry associations on the ITRS, noting that cooperative efforts to identify key technological roadblocks that the industry faces are very important and should be continued. The WSC also noted that the April 2000 International Forum on Semiconductor Technology (IFST) meeting in California, was another good example of international cooperation on pre-competitive technology issues

Reports to Governments

The results of today's meeting will be submitted to the respective governments/authorities of the members of the WSC for consideration at the annual meeting of WSC representatives with the governments/authorities (to be held this year on June 15 in Seoul, Korea) as described in the Joint Statement Concerning Semiconductors by the Governments of the United States, Japan, Korea and the European Communities. The WSC's report to governments will include the following information and recommendations:

Updated report on the semiconductor market and trade flow data prepared by industry experts;
The Internet Policy White Paper
Information on the value of adding additional signatories to ITA.
Reports on the co-operative EHS activities.

Next Meeting: The next meeting of the WSC will be hosted by the Electronic Industries Association of Japan (EIAJ) on May 17, 2001.

WSC Website: The WSC has under development a new website which will be unveiled in June, 2000. Information about the members of the World Semiconductor Council can be found on the new WSC website on or on each association's respective website:

WSC: <http://www.worldsemi.org>
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>