

WASHINGTON, Oct. 16, 2013 /PRNewswire-USNewswire/ -- Senior executives from Semiconductor Industry Association (SIA) member companies and other multi-national semiconductor companies around the globe today sent a [letter](#) to Chinese Vice Premiers Wang Yang and Ma Kai encouraging China to support duty-free coverage for semiconductor products in an expanded Information Technology Agreement (ITA). The ITA promotes fair and open trade by providing for duty-free treatment of certain information technology products, including semiconductors, but the list of covered products has not been updated since the ITA's inception in 1996.

Signed by 34 senior executives of semiconductor companies that enable integrated circuit (IC) design and production worldwide, the letter demonstrates the solidarity of global semiconductor industry leaders in support for ITA coverage of multi-component integrated circuits (MCOs), multi-chip integrated circuits (MCPs), and semiconductor equipment and materials.

"The inclusion of MCOs in an expanded ITA is very important to the global semiconductor industry, and is well-aligned with China's IC sector development goals outlined in its 12th Five Year Plan," said

Ian Steff

, SIA's Vice President of Global Policy and Technology Partnerships. "Tariff-free treatment for all MCOs, regardless of end-application, as well as for other products that comprise the semiconductor supply chain, will fuel semiconductor design and manufacturing investments, reduce costs for consumers, promote exports, and strengthen overall IC sector development and growth worldwide."

Global semiconductor executives seek for China to use this unique opportunity to support duty-free treatment for MCOs and other semiconductor priorities for the benefit of semiconductor designers, manufacturers, and customers around the globe. The intent of the

original negotiators of the ITA was to provide for duty-free treatment for all types of semiconductors and other products supporting the semiconductor supply chain. Global semiconductor leaders urge all ITA parties to continue to embrace this fundamental ITA principle in any expansion of the agreement in order to fully realize the benefits that chip technology provides to downstream information communication technology (ICT) advancement.

The global CEO letter comes on the heels of a recent joint WTO-OECD-UNCTAD [report](#), which found that countries that are signatories to the ITA have seen a significant increase in ICT economic activity, while growth in non-member nations has not kept pace. These findings highlight the importance of expanding the ITA in continuing global ICT growth and spurring continued innovation and technological growth in the sector. For the semiconductor industry, this means ensuring that MCOs are included in an expanded ITA agreement.

"A successfully expanded ITA would be among the most commercially meaningful World Trade Organization (WTO) trade agreements for the semiconductor industry in decades," Steff said. "We look forward to working with Chinese officials to reach a prompt, impactful deal on ITA expansion."

About the SIA The Semiconductor Industry Association (SIA) is the voice of the U.S. semiconductor industry, one of America's top export industries and a key driver of America's economic strength, national security and global competitiveness. Semiconductors – microchips that control all modern electronics – enable the systems and products that we use to work, communicate, travel, entertain, harness energy, treat illness, and make new scientific discoveries. The semiconductor industry directly employs nearly a quarter of a million people in the U.S. In 2012, U.S. semiconductor sales totaled more than \$146 billion, and semiconductors make the global trillion dollar electronics industry possible. Founded in 1977 by five microelectronics pioneers, SIA unites companies that account for 80 percent of America's semiconductor production. Through this coalition, SIA seeks to strengthen U.S. leadership of semiconductor design and manufacturing by working with Congress, the Administration and other key industry stakeholders to encourage policies and regulations that fuel innovation, propel business and drive international competition. Learn more at www.semiconductors.org

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Global Semiconductor Leaders Encourage China to Support Expansion of Key Trade Agreement

Written by Australian Business

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