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**FOR IMMEDIATE RELEASE**

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**US-TAIWAN BUSINESS COUNCIL RELEASES REPORT ANALYZING US-TAIWAN-CHINA SEMICONDUCTOR INDUSTRY INTEGRATION IN 2003**

The US-Taiwan Business Council today announced the availability of the "Semiconductor Report - Annual Review 2003", the latest in a series of reports analyzing developments and emerging trends in the integrated relationship between the U.S., Taiwan, and China in the semiconductor industry. This report is part of a suite of products and services available to Council members in the technology community, including weekly sector-specific news eBulletins, quarterly and annual analysis reports, strategic consulting, relationship building, and an ongoing series of technology events.

The Annual Review of 2003 highlights the growth of Taiwan's semiconductor industry over the past year, especially in the foundry and fabless sectors, and discusses the prospects for 2004. It also focuses on the domestic and international factors that will determine whether or not Taiwan will be able to continue expanding its own industry and remain a global leader for semiconductor manufacturing and design. The report discusses the role of the U.S. in China's semiconductor industry growth, as well as how the U.S. and Taiwan can work together to limit the negative impact this growth may have on the global semiconductor industry. In addition, particular attention is given to the pending TSMC vs. SMIC intellectual property lawsuit and its implications for semiconductor companies in the U.S., Taiwan, and China.

The report states that "The Bush Administration's apparent nod of approval for U.S. semiconductor companies to sell state-of-the-art semiconductor manufacturing equipment to China ... has serious implications for Taiwan, China, and the U.S. in that it removes a major hurdle that has been holding back China's development as a chip-manufacturing powerhouse."

In addition, "The ability of Chinese firms to obtain advanced chip making machinery - coupled with China's growing electronics industry, domestic market, and a steep 17 percent VAT on imported chips - should ensure that orders for advanced semiconductors flood in to China, much to the detriment of Taiwan chipmakers."

The Semiconductor Reports are released quarterly, and also include contact information for U.S. and Taiwan government and semiconductor industry officials, data essential to establishing or maintaining a relationship with Taiwan, biographies of U.S. and Taiwan government officials, sources for information on Taiwan's semiconductor industry, a summary of news on Taiwan's semiconductor industry and its relationship with the U.S. and China, and an appendix detailing trade and investment trends.

The reports are distributed free of charge to Council members and U.S. government officials. Members wishing to be added to the distribution list, or non-members interested in receiving reports and services through Council membership, can contact Judson Payne, Director of Corporate Affairs, at [JPayne@us-taiwan.org](mailto:JPayne@us-taiwan.org) or (703) 465-2930.

**About the US-Taiwan Business Council:** The US-Taiwan Business Council is a membership-based non-profit association, founded in 1976 to foster trade and business relations between the United States and Taiwan. The Council provides its members with access to an extensive network of relationships, and serves as an effective representative in dealing with business, trade, and investment matters.

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