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**FOR IMMEDIATE RELEASE**

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Arlington, Virginia, U.S.A.

**US-TAIWAN BUSINESS COUNCIL WELCOMES TAIWAN APPROVAL OF PROMOS 0.18-MICRON INVESTMENT IN CHINA, URGES CONTINUED REFORMS**

The US-Taiwan Business Council today welcomed Taiwan's approval for ProMOS Technologies to build an advanced 0.18-micron chip manufacturing facility in China. The Council congratulated the Taiwan government on taking another step towards liberalizing cross-Strait investments, but cautioned that continued reforms are necessary.

Council President Rupert Hammond-Chambers commented, "This is an important and timely decision. Reviews of specific cases are welcome, and it is vital that leading Taiwan companies like ProMOS are able to actively compete, offering their expertise in all global markets - including China. Nevertheless, it remains critical for the Taiwan government to develop a clear consistent process for such investments, and to finalize and release new guidelines for the semiconductor industry to replace those that expired in December 2005. Removing the 40% equity cap on Taiwan investments in China should also be addressed. Taiwan does not have the luxury to delay such efforts while its regional competitors continue to innovate and reform."

The Council contends that present barriers to cross-Strait investments are hurting Taiwan companies, and by extension their U.S. partners, while a liberalized and transparent cross-Strait economic relationship would be beneficial not only for Taiwan but also for the many partner companies that rely on Taiwan to research, design, and manufacture myriad goods for consumption in the global market.

While it supports export controls and other measures to address the serious military threat facing Taiwan, the Council maintains that such concerns should not impact further liberalization of the cross-Strait commercial relationship, as Taiwan's economic security can be greatly enhanced by strengthening its gateway position into the China market. Given its role in the global supply chain, the Council asserts that Taiwan's security is better addressed through sustained transformation and modernization of its military, including passage of the long-delayed 2007 defense budget.

**About the US-Taiwan Business Council:**

The US-Taiwan Business Council ([www.us-taiwan.org](http://www.us-taiwan.org)) 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 business intelligence, offers access to an extensive network of relationships, and serves as a vital and effective representative in dealing with business, trade, and investment matters.

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