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US-TAIWAN BUSINESS COUNCIL CALLS ON TAIWAN GOVERNMENT & PRESIDENTIAL CANDIDATES TO ARTICULATE NEW CROSS-STRAIT TECHNOLOGY INVESTMENT POLICIES

In its "Semiconductor Report - Third Quarter 2007," the US-Taiwan Business Council calls on Taiwan President Chen Shui-bian to further liberalize cross-Strait technology investment policies and to release guidelines for Taiwan semiconductor investments in China, replacing those that expired in 2004. The Council also calls on the two major candidates in Taiwan's 2008 presidential elections - Frank Hsieh (DPP) and Ma Ying-jeou (KMT) - to clearly state their intentions for future Taiwan-China technology investment policies.

Council President Rupert Hammond-Chambers noted "Taiwan's ongoing investment in 12-inch fabs has pushed it past the U.S. as the world's second largest producer of chips in 2007. That good news is tempered by the unwillingness of the Taiwan government to create a transparent process for expansion in China. This is a critical issue, correlating directly with the ability of Taiwan's leading technology businesses to maintain their global competitiveness."

Taiwan's semiconductor companies continue to ramp up domestic investment in cutting-edge capacity, but find themselves limited globally by the slow, arbitrary process affecting investment decisions in China. The result has been two technology communities - one based in Taiwan, focused on domestic technology development, with the other based in global banking centers around the world, free to focus on China as a base for global production and for serving global customers. This second community falls outside Taiwan government control - hurting both the companies, who would benefit from integrated operations, as well as the broader Taiwan economy.

Hammond-Chambers added "The lack of a transparent government process and a formal set of policies for technology investments in China is hampering Taiwan's ability to serve its global customer base. Taiwan's semiconductor industry deserves a transparent, forward-leaning policy balancing Taiwan's legitimate national security concerns with the demands of the global technology supply chain. This policy framework, which should include investments in 300mm fabs, needs to be released without delay."

More information on the Q3, 2007 semiconductor sector report is available at www.us-taiwan.org/tech.

About the US-Taiwan Business Council:

The US-Taiwan Business Council (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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