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THE US-TAIWAN BUSINESS COUNCIL SUPPORTS TAIWAN GOVERNMENT ASSISTANCE FOR AILING DRAM INDUSTRY

The US-Taiwan Business Council announced today that it strongly supports Taiwan government assistance for the domestic semiconductor sector, with a specific focus on the DRAM industry. While the Council does not favor nationalization of Taiwan chip companies, such assistance is imperative to inject needed liquidity and to safeguard the future of this vital sector during the global recession.

Taiwan's DRAM makers remain among the world's most competitive low cost producers, and are responsible for approximately 30% of global production - adding significant value to the global technology supply chain. As competitors like Germany and South Korea devise assistance packages for its leading players, including for Qimonda AG and Hynix Semiconductor, the Taiwan government must respond in kind to ensure that this most important strategic industry remains viable.

Memory modules are an integral part of the technology supply chain, and falling DRAM prices can be a boon for consumers of personal computers and other electronics. But given the significance of technology manufacturing and services to Taiwan's economy, extreme distress in the DRAM industry could easily have a ripple effect that would negatively affect not only other Taiwan technology companies but also the Taiwan economy as a whole.

In addition, many of Taiwan's DRAM companies have significant debt obligations to Taiwan banks. A series of defaults would negatively impact the liquidity of these financial institutions, thereby adding further pressure on Taiwan's already ailing economy.

Council President Rupert Hammond-Chambers commented that, "while the DRAM industry is experiencing distress, leading U.S. technology companies remain committed to Taiwan - as illustrated by the recent Micron Technology investment of US\$400 million in Inotera Memories. U.S. businesses continue to gain directly from the innovations, increased efficiencies, and cost savings delivered by our technology partners in Taiwan, and these savings are passed on to American consumers."

Hammond-Chambers went on to note that "according to SEMI, Taiwan was the top global buyer of semiconductor equipment in 2007, at US\$10.65 billion, and Taiwan should remain in the top three global markets for such equipment in 2008. The health and growth of the Taiwan semiconductor sector, and the DRAM industry specifically, is essential for numerous leading American semiconductor equipment manufacturers and exporters."

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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