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**FOR IMMEDIATE RELEASE**

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**US-TAIWAN BUSINESS COUNCIL CALLS ON NEXT TAIWAN  
PRESIDENT TO MAKE SIGNIFICANT CHANGES TO CHINA  
SEMICONDUCTOR INVESTMENT POLICIES**

In its "Semiconductor Annual Report - 2007," the US-Taiwan Business Council calls for a radical change to Taiwan's China chip investment policies.

The Council recommends that Taiwan streamline its export control regime to emulate that of the U.S. - allowing Taiwan companies to invest in China at the same technology levels as U.S. and European companies, including in 12-inch fabs.

The Council also recommends allowing Taiwan chipmakers to move as many 8-inch plants to China as they have 12-inch plants in Taiwan. Taiwan would maintain its "Silicon Shield" by keeping the most advanced technology firmly on the island, while moving older plants to China where they can remain economically viable.

These changes would position Taiwan for a significant period of new growth, with the added benefit of increasing US-Taiwan security cooperation specific to critical "dual use" technologies.

Finally, the Council recommends that Taiwan's incoming president make government support for 18-inch technology R&D a top technology development priority. While this technology remains in the development phase, its deployment would secure important competitive advantages. Taiwan maintains its position as a top partner of choice in the global technology supply chain, and these new technologies - coupled with greater access to China - should herald a new phase of growth for Taiwan's chip companies, while enhancing Taiwan's economy and national security.

Council president Rupert Hammond-Chambers said, "America's technology companies have had long, win-win relationships with their Taiwan partners. A major shift in Taiwan government attitudes toward technology investment in China should provide increased opportunities for U.S. companies - both to those providing infrastructure and those seeking greater cost savings through increased efficiencies in the supply chain." Hammond-Chambers went on to say, "The increased involvement of private equity in the chip sector also favors Taiwan. Its companies are logical partners, as business models change and companies seek to dramatically reduce costs."

**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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