



William E. Brock  
Chairman of the Board

Vance D. Coffman  
Vice Chairman

Senator Lisa A. Murkowski  
Honorary Co-Chairman

Senator John D. Rockefeller IV  
Honorary Co-Chairman

Rupert J. Hammond-Chambers  
President

**FOR IMMEDIATE RELEASE**

**May 7, 2008**

Arlington, Virginia, U.S.A.

**TAIWAN'S SEMICONDUCTOR COMPANIES POISED FOR LEADERSHIP  
IN CHINA: US-TAIWAN BUSINESS COUNCIL REPORT**

The US-Taiwan Business Council, in its "*Semiconductor Quarterly Report - Q1, 2008*," contends that liberalized Taiwan investment policies will lead to further migration of less profitable production into China, and to an integrated greater China semiconductor market increasingly dominated by Taiwan companies.

Taiwan President-elect Ma Ying-jeou has declared that new investment guidelines will focus on technology standards, export controls and intellectual property rights. Under the new and liberalized guidelines, China will be opened wider for business by Taiwan chipmakers - particularly as Ma has pledged to follow U.S. guidelines for chip technology transfers.

Although new investments will likely flow from Taiwan to China at a measured pace, it is important that the new Taiwan investment rules for China are released quickly - allowing companies to make informed decisions and to start rationalizing their operations.

Council president Rupert Hammond-Chambers noted, "China's chip industry is not developed enough to support a major influx of cash and new fab building activities, nor will it be ready within the next several years. There is already too much excess capacity in China, but Taiwan companies can play the lead role in rationalizing and better integrating the market into the global supply chain, as they build their presence through direct investment and mergers and acquisitions."

He went on to say, "Taiwan's chip companies continue to position themselves on the forefront of the industry - both in partnership with other leading U.S. and Korean companies, as well as in their own right. For example, the recent announcement of TSMC collaboration with Intel and Samsung on 450mm wafer production - while China's SMIC has taken a wait and see attitude - further underscores the strength of the Taiwan market, while highlighting its leadership potential."

**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.

**Press Contact:**

Lotta Danielsson-Murphy  
[LottaDM@us-taiwan.org](mailto:LottaDM@us-taiwan.org)

Tel: (703) 465-2930  
Fax: (703) 465-2937

P  
R  
E  
S  
S  
R  
E  
L  
E  
A  
S  
E