



October 21, 2015

**To: Representatives of the Governments and Authorities Meeting on Semiconductors (GAMS)**

**Cc: Information Technology Agreement (ITA) Expansion Negotiating Parties**

The World Semiconductor Council (WSC) applauds the agreement to expand the scope of the ITA to eliminate tariffs on more than 200 ICT products, including advanced and next generation semiconductors known as Multi-component ICs (MCOs). The inclusion of these new products will adapt the ITA to some of the most significant technology developments in our industry in the last two decades.

Semiconductors play a critical role in driving economic growth, innovation, and productivity. The immediate elimination of duties on MCOs will not only drive this growth, but will also significantly reduce administrative costs given that MCOs will be classified under the HS heading 8542 effective January 1<sup>st</sup>, 2017.

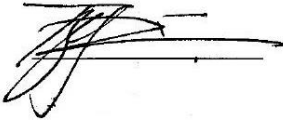
The WSC – comprised of the semiconductor industry associations in China, Chinese Taipei, the European Union, Japan, Korea and the United States- has advocated for the elimination of duties on MCOs since 2008. The recent decision by ITA Parties to include MCOs in the expanded ITA provides the opportunity to implement such long-standing consensus.

Therefore, the WSC strongly urges all ITA parties to agree, in their review of each Party's schedule, to eliminate tariffs for MCOs immediately upon entry into force of the expanded ITA, without staging periods. This reflects the position taken by all WSC members in past WSC Joint Statements.

Any further delay would represent a missed opportunity to facilitate the free flow of MCOs, which like other semiconductors, are the foundational enabling technology for virtually all ICT goods. Countries that eliminate tariffs on MCOs upon entry into force will help their ICT manufacturers and business sectors that use technology become more competitive in world markets. No staging will also help Parties avoid the complexity and burden caused by the multitude of MCO subheadings reflecting the functions and duty rates under which MCO are classified today, lack of harmonization, and potential compliance disputes.

The original ITA was intended to cover all semiconductors and integrated circuits due to wide-spread recognition of the enabling role semiconductors play in driving innovation, productivity and economic growth to the benefit of industry and consumers. The WSC again strongly encourages all Parties to agree on immediate tariff elimination

on MCOs, and be ready to deliver a strong outcome by the WTO Ministerial Conference in Nairobi in December 2015.



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2015 WSC Chair  
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**On Behalf of the Members of the World Semiconductor Council:**

- Semiconductor Industry Association in China  
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- Semiconductor Industry Association in Chinese Taipei  
Website: <http://www.tsia.org.tw/>
- Semiconductor Industry Association in Europe  
Website: <http://www.eusemiconductors.eu>
- Semiconductor Industry Association in Japan  
Website: <http://semicon.jeita.or.jp/>
- Semiconductor Industry Association in Korea  
Website: <http://www.ksia.or.kr/>
- Semiconductor Industry Association in the US  
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