



European Semiconductor Industry Association

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FOR IMMEDIATE RELEASE

ESIA welcomes the new expanded ITA

ESIA welcomes the conclusion of the expansion of the Information Technology Agreement (ITA), achieved yesterday at the 10th WTO Ministerial Conference WTO in Nairobi, Kenya. The expanded ITA will eliminate customs duties on 201 high-tech products, including semiconductors such as Multicomponent Integrated Circuits (MCOs). Earlier this year, the World Customs Organisation (WCO) decided to classify MCOs under a single semiconductor heading in the international customs classification system.

The expanded ITA will greatly facilitate the free flow of MCOs, which, like other semiconductors, are the enabling technology for most ICT goods. Customs duties will be eliminated to the benefits of both consumers and businesses. MCOs are an example of the industry trend of expansion of functionality and performance, called 'More than Moore,' where the European industry has specific strengths. They combine in one semiconductor device many functions previously done by several products.

The expanded ITA is the biggest tariff-cutting deal in the WTO since 1996. It is valued at around € 1 trillion and covers close to 90% of global trade in the products concerned. The majority of the products' customs duties will be eliminated within 3 years from 1 July 2016.

"The conclusion of the ITA is a landmark deal that promotes innovation worldwide, facilitating trade of high-tech products, including advanced semiconductors such as MCOs. They represent a quickly growing portion of the market, performing essential functions in many electronic devices and contributing to the further development of the digital economy, in areas such as IoT. They can be found – among others – in applications which are used to improve road and car safety, and to enable resource and energy efficiency in automobiles and household appliances and in many other high tech products", says Hendrik Abma, Director General of ESIA.

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ABOUT ESIA

The European Semiconductor Industry Association (ESIA) is the voice of the Semiconductor Industry in Europe. Its mission is to represent and promote the common interests of the Europe based semiconductor industry towards the European Institutions and stakeholders in order to ensure a sustainable business environment and foster its global competitiveness. As a provider of key enabling technologies the industry creates innovative solutions for industrial development, contributing to economic growth and responding to major societal challenges. Being ranked as the most R&D intensive sector by the European Commission, the European Semi-conductor ecosystem supports approx. 200.000 jobs directly and up to 1.000.000 induced jobs in systems, applications and services in Europe. Overall, micro- and nano-electronics enable the generation of at least 10% of GDP in Europe and the world.