



European Semiconductor Industry Association

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FOR IMMEDIATE RELEASE

ESIA welcomes agreement on ITA

ESIA welcomes the conclusion of the expansion of the Information Technology Agreement (ITA), achieved yesterday aside 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). The deal comes after the World Customs Organisation (WCO) had decided, earlier this year, to classify MCO under the appropriate semiconductor heading in the international customs classification system. The expanded ITA, now concluded, together with the earlier WCO classification decision, will greatly facilitate the free flow of MCOs, which like other semiconductors, are the foundational enabling technology for most ICT goods. Customs duties will be eliminated and administrative procedures simplified, for the benefits both of consumers and businesses.

The agreement 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 the date of the application of the agreement, which is 1 July 2016.

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 conclusion of the ITA really is a landmark deal which promote innovation worldwide, facilitating trade of very advanced products such as MCO. These represent a quickly growing portion of the market, performing essential functions in many electronic devices – from smartphones to cameras and computers. 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 cars and household appliances and in many other high tech products"

ESIA is an Industry Association of:

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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.