



European Semiconductor Industry Association

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FOR IMMEDIATE RELEASE

ESIA succeeds in new WCO classification of advanced semiconductors (MCOs)

ESIA welcomes the recent announcement by the World Customs Organization (WCO) to classify multi-component integrated circuits (MCOs) under a single semiconductor heading in the international customs classification convention to take effect on 1st of January 2017. The decision by WCO members will greatly simplify classification operations of MCOs for industry and customs administrations. The classification initiative is complementary to ESIA efforts to achieve zero-duty treatment of MCOs via an Expanded Information Technology Agreement (ITA).

MCOs take functions previously done by two or more semiconductors and combine them into a single device manufactured using semiconductor technology. They are an example of the industry technology trend of expansion of functionality and performance, generally called "More than Moore", where the European industry has specific strengths.

MCOs have a growing share of the global semiconductor market and are used in applications which – among others - reduce road fatalities, enable resource efficiency in vehicles, improve car safety (e.g. in electric power steering, braking systems, tire-pressure monitoring devices, airbag systems), and save electricity in electronic equipment and household electrical appliances. Also they perform essential functions in many different consumer products such as mobile phones and smartphones, cameras, MP3 players, etc.

"The new MCOs classification in the Harmonized System will allow industry to streamline compliance operations resulting in a real facilitation of global trade. ESIA now calls for a rapid conclusion of an ambitious Expanded ITA in order to fully reap the benefits of the WCO decision", 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.