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## **Wake-up Call: U.S. Falls to Third Place in Exports**

### ***SIA Says Complacency Stalls Action on Competitiveness Policy Initiatives***

**San Jose, CA – April 29, 2008** – The Semiconductor Industry Association (SIA) today expressed concern about a new report from the World Trade Organization (WTO) showing that the United States has fallen to third place in the measure of world's largest exporting economies.

"Our policymakers didn't heed the call five years ago when the U.S. slipped from first to second leading export economy. That we have now slipped further down the ladder to third place should serve as a wake-up call to our policymakers," said SIA President George Scalise. "Exports are a significant metric of global competitiveness. In the new, global economy, the ability to compete in international markets is critical to driving economic growth and maintaining a high standard of living. Over the past several years, we have seen growing recognition of the need for action to enhance the competitive capabilities of the United States in the face of more intense competition from other countries. Despite a strong bipartisan consensus on the actions needed to enhance our competitiveness, little progress has been made.

"The U.S. semiconductor industry has maintained its position as America's second-leading exporter in the face of growing competition from other regions," Scalise continued. "U.S. chipmakers last year had a 46 percent share of a global market of more than \$257 billion. We are facing more intense competition every year. Our leadership position is not a birthright, as the new WTO report has shown. We have a strong, bipartisan consensus on actions needed to strengthen the ability of U.S. industries to compete in the global market. Now we need to translate that consensus into action," Scalise noted.

The SIA has been a leading advocate for passage of legislation to implement recommendations of the Democratic Innovation Agenda and the President's American Competitiveness Initiative. The SIA's agenda includes increased funding of basic research performed at this country's leading universities, the ability to hire world class engineering talent, a tax climate that doesn't discourage research and investment in the U.S., and sound trade policies.

Scalise attributed the lack of action on these proposals to complacency concerning global competition. "There are no serious disagreements about the actions needed to enhance U.S. competitiveness," said Scalise. "What is lacking is a sense of urgency about taking those actions. The 'Three Pillars of Innovation' include maintaining world-class university research programs, access to the best and brightest scientists and engineers, and a competitive investment climate for capital-intensive industries."

“Germany and China, now the world’s first- and second-leading export countries, represent two very different economic models in terms of everything from wage rates to taxation to standard of living – what they share is governments strongly focused on manufacturing competitiveness. That focus has bolstered their success,” Scalise noted.

### ***About the SIA***

The SIA is the leading voice for the semiconductor industry and has represented U.S. semiconductor companies since 1977. Collectively, the chip industry employs a domestic workforce of 216,000 people. More information about the SIA can be found at [www.sia-online.org](http://www.sia-online.org).