

## Ask The Analyst

### Question 14

**What is the likely impact of the recently announced SIA plan to double US IC exports?**

**Answer:**

My concern is it fails to address the real industry issues. Obviously the points raised are all interesting and valid but I really doubt these are the issues needed to double US SC firm's exports. First off, there are three key points missing:

Point 0: Build products that the market wants to buy at a price the customer is willing to pay

Point 7: Start wafer fabbing again; right now if the US firms doubled their exports they would also double their imports and further strengthen TSMC's near stranglehold on the industry

Point 8 ... Forget about points 2-6 and focus on points 0 and 7. Even if the US government fixed the issues raised it would not solve the problems which are far more fundamental than simply playing with the periphery ... a 'nip here, tuck there' proposal.

Revenues and market share are diagnostic, they come from doing the job right not by cosmetic massaging. If you listen to your customers, build the right products at the right price and then service the hell out of them, revenues and profits will follow. That of course takes commitment and patience, which might actually be the more fundamental problem to address. Maybe Point 9 should be 'Start behaving more like TSMC and MediaTek'?

I never expected to see such a plan come from the US chip industry ... whatever happened to the good old fashioned US SC industry exec 'make lunch or be lunch' mentality that made 'US SC Inc' so formidable in the past?? This plan is not the sort of stuff that made (makes) America great. I really don't see this keeping their global competitors awake at nights.