

May 28, 2021

YB Dato' Seri Mohamed Azmin Ali
Minister of International Trade and Industry
Menara, MITI, Level 30
No. 7, Jalan Sultan Haji Ahmad Shah
50480 Kuala Lumpur, Malaysia

Dear Minister Azmin:

On behalf of the Semiconductor Industry Association, the voice of the semiconductor industry in the U.S., we extend our sincere appreciation for your efforts to support essential semiconductor business operations during the COVID-19 pandemic while taking swift actions to protect Malaysian citizens from COVID-19, and are grateful for your government's willingness to engage the private sector throughout the various Movement Control Orders (MCOs).

We appreciate the inclusion of electrical and electronic (E&E) companies, including semiconductor companies and their suppliers, on the list of exemptions from previous MCOs to ensure continuity of operations. Given the essential nature of semiconductors in controlling and enabling critical infrastructure and life-critical equipment, as well as Malaysia's important role as one of the world's leading silicon wafer manufacturing and semiconductor assembly/test regions, we encourage your government to **again designate the E&E/semiconductor sector as an essential sector exempt from the nationwide lockdown June 1-14, 2021.**

Semiconductors are essential components of the technologies that control and enable critical infrastructure and life-critical equipment, such as health care and medical devices, water systems and the energy grid, transportation and communication networks, and the financial system. Semiconductors also underpin the IT systems that enable remote work and access to services across every domain, including medicine, finance, education, government, food distribution and more. Semiconductor and related supply chains will be necessary to support the greater range of services that will be digitized in the coming weeks and months in order to keep the global economy productive and to accelerate the recovery

Malaysia is a key player in the global semiconductor supply chain, and is the United States' largest semiconductor trading partner. Approximately 7% of total global semiconductor trade flows through Malaysia, while U.S. trade with Malaysia accounts for 24% of all U.S. semiconductor global trade. In fact, the U.S. imports more semiconductors directly from Malaysia than from any other country.

The semiconductor industry is at peak capacity, with an increasing global shortage of semiconductor chips. It is essential that Malaysia's sizable semiconductor sector stay operational to ensure continued supply of these critical components that support health care, critical infrastructure and countless other essential applications. Any policies that

would shut off capacity to meet the extremely high market demand could be catastrophic to many downstream sectors and the progress of the global economy to recover from the pandemic shutdown.

The semiconductor industry remains committed to ensuring the health and safety of its workers and the communities in which it operates. SIA's White Paper, "COVID-19 and the Semiconductor Industry," outlines the extraordinary measures that many semiconductor companies around the world are taking to guard against COVID-19 while ensuring continuity of essential operations.

Again, we thank you for your tremendous efforts to engage our industry and support essential semiconductor business operations. We stand ready to support Malaysia's efforts to combat the pandemic and welcome the opportunity to provide feedback on the impact to business operations as the circumstances evolve. Please feel free to contact SIA's Manager of Global Policy, Jennifer Meng at ymeng@semiconductors.org for more information.

Sincerely,



John Neuffer,
President & CEO
Semiconductor Industry Association

Cc: H.E. Dato' Azmil Mohd. Zabidi, Ambassador of Malaysia to the United States
The Honorable Brian McFeeters, U.S. Ambassador to Malaysia