



IPC ADVOCATES FOR GOVERNMENT POLICY TO STRENGTHEN ELECTRONICS MANUFACTURING ACROSS NORTH AMERICA

Electronics are at the heart of innovation, security, and prosperity across all sectors of the economy. That's why IPC is fighting for government policies that strengthen the entire electronics manufacturing industry.

IPC advocates for public policies that will spur innovation, growth and competition, while protecting human health and the environment.

FAST FACTS

- Electronics is a major vertical industry in its own right, and it's at the heart of most other sectors including information and communications technology (ICT), automotive, aerospace, defense, retail, manufacturing, finance, and health care.
- The electronics manufacturing industry adds \$484 billion in direct and indirect value to the economy of the United States; \$XX billion to Canada; and \$XX billion to Mexico.
- The industry directly employs 1.3 million workers in the USA.
- The largest producing U.S. states in electronics are California, Texas, Massachusetts, New York, Oregon, Minnesota, North Carolina, Florida, Pennsylvania, Illinois, Arizona, Ohio, Wisconsin, Michigan, Colorado, and New Jersey.

Source: ["Interconnecting America's Economy: The Economic Impacts of the U.S. Electronics Manufacturing Sector,"](#) IPC 2020

"SILICON-TO-SYSTEMS" ELECTRONICS MANUFACTURING STRATEGY

Electronics enable the key technologies of national defense, critical infrastructure, information and communications technology, health care, automotive, aerospace, and more. A healthy supply chain requires investment and resilience in every segment of the electronics industry, not just one component of it.

Governments in the United States, Canada and Mexico need to:

1. Enable investment in new manufacturing processes through grants, loans, loan guarantees, and investment tax credits for the entire electronics manufacturing industry including printed circuit boards, electronics assembly, wire harness manufacturing, and advanced packaging.
2. Spur demand for domestic manufactured components through incentives such as a 25% tax credit on the purchase of a domestically manufactured PCB.
3. Develop a North American "silicon to systems" manufacturing strategy that encompasses a coordinated policy approach to build resilience in the electronics industry.

BUILDING THE TALENT PIPELINE

Manufacturers rely on a skilled workforce to design, fabricate, assemble, and inspect quality electronics. Unfortunately, companies face a perennial challenge of recruiting, retaining, and upskilling enough workers, which limits their ability to be competitive in a global market.

Governments in the United States, Canada and Mexico need to:

1. Ensure the electronics industry is supported in any sector-based strategy or partnerships at the federal and state level.
2. Support industry-led workforce programs to build talent pipelines and career pathways through work-based learning and industry-backed, portable stackable credentials.
3. Adopt industry-backed curriculum in secondary and post-secondary education to graduate students with marketable skills.
4. Streamline compliance and administrative requirements across all jurisdictions for employers participating in industry-led apprenticeships and other programs.
5. Promote electronics manufacturing careers through public awareness campaigns.

SUPPLY CHAIN RESILIENCE

The electronics industry's global supply chain has evolved over many decades in response to market demands and government policies. The growth of electronics manufacturing in Asia over the last 30 years has led to gaps in electronics supply chains in other nations.

IPC advocates for public policies that foster strong and resilient supply chains that can serve the continued growth and innovation of electronics manufacturing. Governments of the United States, Canada and Mexico need to:

1. Inform the public policy process with timely and accurate assessments of supply chains for defense and critical infrastructure.
2. Establish long-term funding and policy direction for the U.S. Department of Defense Executive Agent for Printed Circuit Boards.
3. Identify critical sectors which would benefit from trusted sourcing of reliable electronic components.

TRADE AND COOPERATION

The global marketplace for electronics is one of the most innovative and competitive sectors of the economy. Government policies have a major influence on business decisions on how and where to manufacture electronics. IPC advocates for federal trade policy that encourages fair and open trade. Governments in United States, Canada, and Mexico need to:

1. Pursue a fair, open, and rules-based international trade policy.
2. Engage in bilateral engagement with China to address disputes related to IP theft, market access, and government subsidies.
3. Use caution when considering tariffs, which tend to negatively impact domestic electronics manufacturers by raising the cost of manufacturing in a business with extremely tight profit margins – hurting their ability to be competitive.
4. Consider export controls in limited cases where there is a clear and appropriate need to protect national security.

ENVIRONMENT AND HEALTH

IPC members are committed to environmental stewardship, recognizing that proactive efforts to prevent adverse impacts to human health and the environment can reduce or eliminate business risks and the need for compliance-driven activity.

IPC supports government policy which enables industry-led innovation, rather than harming competitiveness with overly prescriptive regulations.

Governments in the United States, Canada and Mexico need to ...

1. Ensure regulations are practical, cost-effective, and prioritized according to levels of risk.
2. Ensure the policymaking process is based in science, and informed by reality and data
3. Engage frequently and openly with industry to understand the current industry practices and impacts of proposed rulemaking