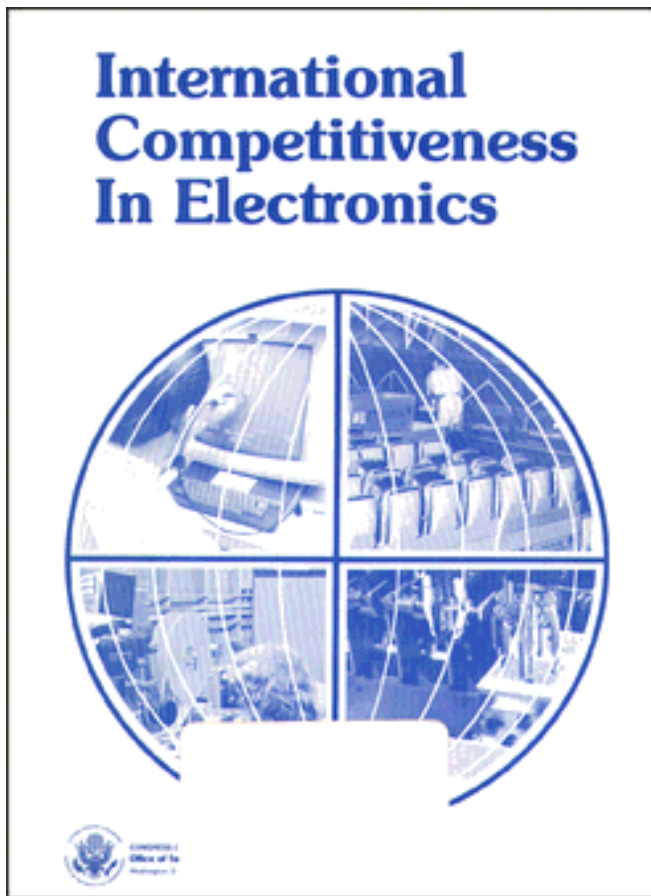


International Competitiveness in Electronics

November 1983

NTIS order #PB84-170695



Recommended Citation:

International Competitiveness in Electronics (Washington, D. C.: U.S. Congress, Office of Technology Assessment, OTA-ISC-200, November 1983).

Library of Congress Catalog Card Number 83-600610

For sale by the Superintendent of Documents,
U.S. Government Printing Office, Washington, D.C. 20402

Foreword

This assessment, requested by the Senate Committee on Commerce, Science, and Transportation, the House Committee on Ways and Means, and the Joint Economic Committee, completes a series of three reports on the competitiveness of U.S. industries. The series began with *Technology and Steel Industry Competitiveness* and continued with *U.S. Industrial Competitiveness: A Comparison of Steel, Electronics, and Automobiles*.

Today, the subject of international competitiveness has more visibility among the general public than ever before. It has emerged as one of the primary economic issues facing Congress. Debates over “reindustrialization” and “industrial policy” beginning several years ago have been renewed. This assessment continues OTA’s exploration of the meaning of industrial policy in the U.S. context, while also examining the industrial policies of several of our economic rivals.

Electronics virtually defines “high technology” in the 1980’s. This assessment sets the characteristics of the technology itself—a technology already of such ubiquity that microprocessors and computers outnumber people in the United States—alongside other forces that exert major influences over international competitiveness. These factors range from human resources and costs of capital to the priorities that corporate managers place on manufacturing technologies and the quality of their products. The report concludes by outlining five options for a U.S. industrial policy, drawing on electronics for examples of past and prospective impacts, as well as on OTA’s previous studies of the steel and automobile industries.

OTA is grateful for the assistance of the advisory panel for this assessment, as well as for the help provided by many individuals in other parts of the Federal Government. OTA assumes full responsibility for the report.



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