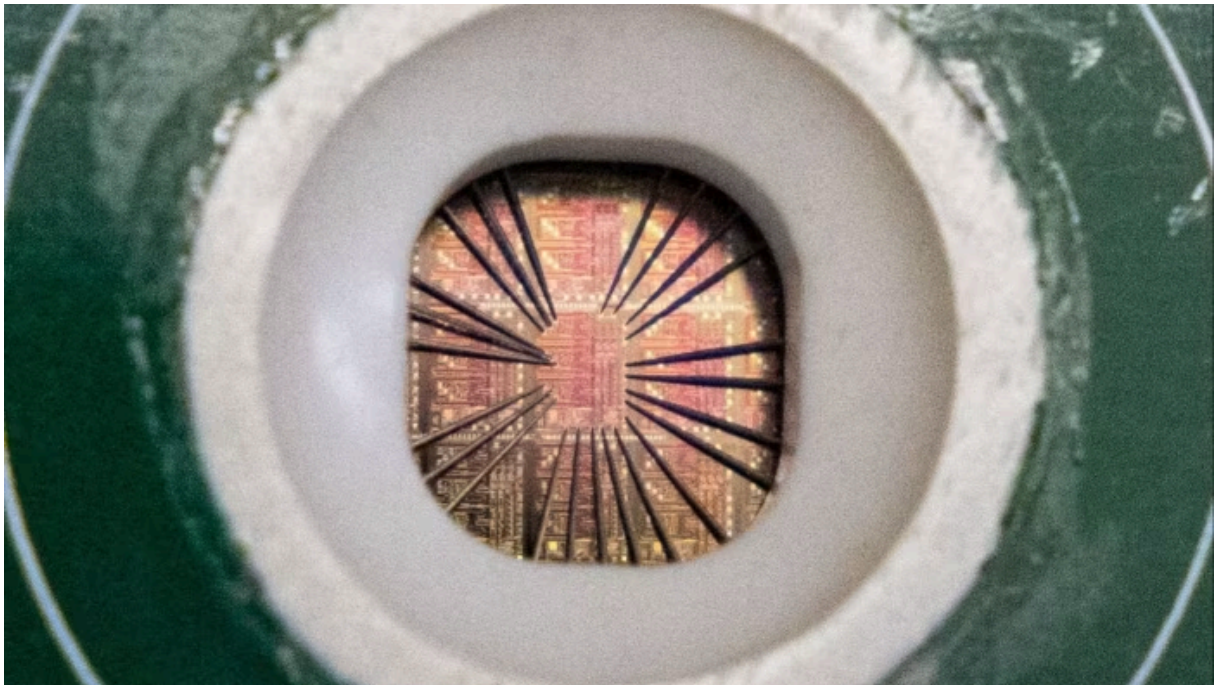

Nexperia**Dutch government takes control of Chinese-owned chipmaker Nexperia**

Move by The Hague escalates frictions between western countries and Beijing over access to high-end technology



A silicon semiconductor wafer being tested © Hollie Adams/Bloomberg

Andy Bounds in Brussels, **Ryan McMorro** in Beijing and **Demetri Sevastopulo** in Washington

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The Dutch government has taken control of Nexperia, a Chinese-owned but Netherlands-based semiconductor maker, to try to ensure enough of its chips stay in Europe for the automotive and consumer electronics industries.

For the first time, The Hague has used its Goods Availability Act because of “a threat to the continuity and safeguarding on Dutch and European soil of crucial technological knowledge and capabilities”, the ministry of economic affairs said in a statement on Sunday.

A state-backed Chinese investment consortium acquired Nexperia for \$2.75bn in 2017 after it was carved out of NXP Semiconductors, a Dutch chip manufacturer. The following year, the consortium began selling its shares to Chinese technology group Wingtech, which became Nexperia's majority owner in 2019.

The move escalates frictions between western countries and China over [access to high-end technology](#) such as advanced semiconductors and critical raw materials. On Thursday, China [placed sweeping restrictions](#) on the exports of rare earths used in products from cars to wind turbines.

The Dutch ministry statement said that it had acted because of "serious governance shortcomings and actions" at Nexperia.

"The decision aims to prevent a situation in which the goods produced by Nexperia (finished and semi-finished products) would become unavailable in an emergency," it added. "Nexperia produces, among other things, chips used in the European automotive industry and in consumer electronics."

Vincent Karremans, the Dutch economy minister, can now block or reverse decisions taken by Nexperia's board. His department acted on September 30 but only made its move public on October 12.

Wingtech, which started as a contract manufacturer for smartphones, said in a statement that the decision "constitutes an act of excessive interference driven by geopolitical bias, not by fact-based risk assessment".

It added: "This move gravely contravenes the European Union's long-standing advocacy for market-economy principles, fair competition, and international trade norms."

The company said in stock exchange filings that it had appealed to the Chinese government for assistance and detailed the change in control at Nexperia. Wingtech's shares in Shanghai fell by the maximum 10 per cent on Monday.

Wingtech said that on September 30 the Dutch government had issued an order requiring Nexperia and its global subsidiaries, branches, and offices not to make any adjustments to their assets, intellectual property, business operations or personnel for one year.

The following day, three top Nexperia executives with Dutch and German nationalities submitted an emergency request to the Amsterdam court of appeal to intervene at the chipmaker. The court immediately suspended the powers of Chinese chief executive Zhang Xuezheng.

The court also suspended Zhang from his positions as executive director of Nexperia and non-executive director of its holding company, Wingtech said.

A week later, on October 7, the court ordered the appointment of an independent, non-Chinese director, who would hold decisive voting power and represent Nexperia.

The court also ordered that all shares in Nexperia — except one — should be placed under custodial management by a designated individual, not yet named, for management purposes, Wingtech said.

Washington last year added Wingtech to its “entity list”, accusing the company of helping China acquire sensitive semiconductor manufacturing technology. The designation requires US companies to seek a licence to sell to them. Those licence requests are often denied.

The US commerce department last month introduced new rules that extend the sales restrictions to subsidiaries of companies on the entity list, meaning that Nexperia would be subject to restrictions because of its Wingtech ownership.

The Chinese commerce ministry on Sunday listed the US action as one of the reasons it had imposed the broader rare earth restrictions.

Nexperia is based in Nijmegen but has subsidiaries across the world. The company said it “complies with all existing laws and regulations, export controls and sanctions regimes”.

In November 2022, [Nexperia was blocked from buying Newport Wafer Fab](#) in the UK over national security concerns related to the Dutch company being owned by Wingtech.

Under US pressure, The Hague has already restricted the sale by Dutch group ASML of advanced semiconductor-manufacturing machines to China.

The ministry said its latest action was not “directed at other companies, the sector, or other countries” and that “parties may lodge an objection to this decision before the courts”.

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