



Dutch Government Intervenes on Nexperia and Rewrites Europe's Geoeconomic Playbook

Description

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The Dutch government's move at Nexperia is a bold act to protect critical chip capacity in Europe. The Netherlands-based Chinese semiconductor manufacturer produces [one-quarter of the world's supply](#) of basic semiconductors like diodes and transistors, underscoring its importance in global supply chains, with Volkswagen and Volvo already warning that Nexperia's troubles could force [factory shutdowns](#).

With China's subsequent export curbs and evolving US rules shaping the backdrop, this is geoeconomic warfare in action. At best, we expect mitigated agreements and slow derisking and, at worst, a sharper cutoff of corporate business between rival geographical blocs.

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- The Dutch government invoked an unprecedented law to assert control over Nexperia, a Chinese-owned maker of basic semiconductors such as transistors, arguing that governance failures threaten the secure supply of critical components in the Netherlands and across Europe.
- The company immediately filed a complaint in Dutch courts, and the Chinese government issued an export control order in retaliation debarring Nexperia and its

subcontractors from exporting certain finished components and subassemblies produced in China.

- The episode marks a turning point in how the EU and its member states deploy their economic security measures and offers a glimpse of what's to come.
- Two major companies—Volkswagen and Volvo—have warned that Nexperia's troubles could force [factory shutdowns](#). Business leaders should brace for potential disruptions in essential inputs as the case unfolds. Building inventories becomes priority.
- More broadly, this signals a new era of volatile, fast-moving geoeconomic risks threatening both continuity and costs.

The Facts

At the end of September, the Dutch Ministry of Economic Affairs invoked an [emergency](#) and [never](#)-previously-used statute—the Goods Availability Act—to step in at Nexperia, a Dutch chipmaker owned by China's Wingtech since 2018. When invoked, the minister of economic affairs has the power to block decisions made by Nexperia for a prescribed period (in this case, one year).

The company requested an inquiry at the Amsterdam Court of Appeal; following its own assessment, the court suspended the Chinese CEO of the company for the duration of the procedure and appointed a temporary nonexecutive director with decision-making powers. At the same time, the company's shares have been transferred to a trustee appointed by the court.

Why?

[According to the minister of economic affairs](#), there were [serious governance shortcomings](#), with the chief executive shifting production capacity, funds, and intellectual property to a foreign entity he owns unrelated to Nexperia. This, the minister argued, raised the risk of knowledge leakage, jeopardizing production capacity, intellectual property, and the continuity of chip production in the Netherlands and Europe.

Why Now?

In December 2024, Wingtech, Nexperia's parent company, was placed on the US Department of Commerce's list of entities subject to stringent export license requirements for certain items. The objective of this list is to restrict exports of items that could undermine US national security or foreign policy interests. In September 2025, the

US [extended some restrictions](#) to majority-owned subsidiaries.

Immediate Fallout

In response, the Chinese government issued an export control notice prohibiting Nexperia and its subcontractors [from exporting specific finished components and subassemblies manufactured in China](#).¹ This countermeasure could ripple across European auto supply chains if prolonged.

Why This Matters Geoeconomically

First, we continue to see how US extraterritoriality shapes third-country choices. By putting Wingtech on the Entity List and tightening rules for affiliates, Washington raised the risk that Nexperia could be caught in US restrictions. That, in turn, increased Dutch incentives to ring-fence the company to preserve access to US technology and maintain European production. As the US and the EU are closely interconnected economically, US decisions will continue to influence the EU's behavior.

Second, the Netherlands formalizes its security of supply as a state power. The Goods Availability Act dates to 1952 and had never been used this way, underlining [the shift](#) from laissez-faire to strategic autonomy in essential inputs. The move is a landmark in Europe's evolving economic security toolkit: not a classic foreign investment screening, but a direct, time-limited commandeering of corporate decision rights to keep critical goods available.

Third, weaponized interdependence cuts both ways. National regulatory control over a Dutch headquarters and China's grip over assembly plants and logistics became bargaining chips. Businesses with distributed supply chains now see an increase in the cost and risk of operating a corporate structure across rival jurisdictions.

What Happens Next?

The most probable near-term outcome is an attempt to mitigate through an agreement. This would involve ring-fencing Nexperia's Dutch governance and assets (board-level undertakings, intellectual property custody arrangements, and the relocation of certain decision-making functions to the Netherlands) in exchange for China narrowing or lifting its company-specific export controls. The Dutch Minister of Economic Affairs initiated talks with Chinese counterparts to de-escalate the situation and ensure the continuity of Nexperia.

In the meantime, derisking from China will be critical. In the upcoming year, Nexperia and its customers will accelerate shifting activities to Malaysia, the Philippines, Vietnam, or Europe to reduce exposure to Chinese countermeasures. Even if it is more costly and time-consuming, the incentives for Nexperia to derisk are now clear.

Last, the parties will no doubt be locked in litigation in the immediate future. When such an exceptional clause concerning security is invoked, it is difficult to imagine Dutch courts ruling against their own government.

The EU's geopolitical playbook just got a new page.

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