

Briefing Paper

NEXPERIA CRISIS

30 October 2025

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Nexperia Crisis: Painful Memories of Past Semiconductor Shutdowns

The ongoing crisis at Nexperia has sparked uneasy memories of the semiconductor factory shutdowns that once hit the industry hard. At the time, temporary production halts disrupted supply networks, causing severe imbalances. The resulting start-stop manufacturing cycles led to significant inefficiencies, increased “empty mileage,” and rising operational costs across the sector.

Industry observers fear that the current Nexperia situation could again trigger temporary production outages. OEMs are on high alert, and the European Automobile Manufacturers’ Association (ACEA) has already expressed concern about potential supply chain disruptions.

Background

- Nexperia is a Dutch semiconductor manufacturer specializing in standard components such as diodes and transistors, widely used in the automotive industry.
- The company is owned by Wingtech Technology, a Chinese firm with partial state ownership.
- Growing geopolitical tensions between China, the U.S., and Europe have put Nexperia under scrutiny regarding governance and export-control issues.
- In early October 2025, the Dutch government intervened, taking effective control of Nexperia, citing national security and supply-chain risks.
- In response, China imposed export restrictions affecting Nexperia, escalating the conflict and threatening the global supply of standard semiconductor parts.
- Given Nexperia’s critical role in the automotive supply chain, industry experts warn that production disruptions could lead to temporary factory shutdowns and broader supply instability.

Current Situation

Here is what we currently know about initiatives from various stakeholders to avoid line-stops:

Corporate / Supplier Measures

- OEMs and Tier-1 suppliers are actively searching for alternative chip sources, to reduce dependence on Nexperia’s parts.
- Companies are undertaking risk assessments of their supply-chains: for example Volkswagen Group said it is identifying potential exposures due to Nexperia-related components even if not direct suppliers.
- Some firms are resorting to stockpiling and component rationing across model ranges, effectively holding buffer inventories to prevent immediate stoppages.

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- Suppliers are activating “remediation plans”: stand-by strategy for switching supply, reducing single-points-of-failure, and reassessing qualification pipelines for alternate chips.

OEM / Auto-Manufacturer

- Auto-makers (via associations like ACEA) are issuing alerts and urging supply-chain stakeholders to prepare for possible line stops.
- They are also coordinating with suppliers to map vulnerability of specific components (especially electronic control units) that use Nexperia chips.
- Automatically reviewing product portfolios & production sequencing: prioritising models or platforms less exposed, delaying launches or adjusting production plans where needed.

Policy / Government

- The Dutch government made a formal intervention in Nexperia (taking control) on the grounds of strategic technology/capability risk.
- The European Commission and national governments (e.g., Germany’s economy ministry) are actively engaging in diplomatic talks with China and other parties to restore chip flows and reduce escalation.
- Policymakers are calling for the establishment of more resilient semiconductor supply chains in Europe, with reduced geographic risk, increased local capacity, and better strategic oversight.

Follow-up

OEMs report that they still have existing stock, but it appears to be a race against time to determine whether inventories will last until normal supply is restored.

We recommend maintaining close communication with OEM planning departments to stay informed about potential production adjustments and to ensure maximum flexibility in transport planning and logistics operations.

We will continue to monitor developments closely and report accordingly.

ECG - The Association for European Vehicle Logistics