

Beijing-Brussels chip war becomes a new frontline of US-China rivalry

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On 30 September 2025, the Ministry of Economic Affairs of the Netherlands invoked the Goods Availability Act of 1952 to seize control of Nexperia, a Chinese-owned semiconductor manufacturer headquartered in Nijmegen, claiming that the company constituted a threat to Dutch and European “economic security.”

Dutch authorities then ousted Nexperia CEO Zhang Xuezheng, also the founder of Wingtech Technology, which acquired Nexperia in 2019.

This Chinese enterprise is a key supplier of legacy chips that are widely utilised in the automotive industry and consumer devices. It operates fabrication sites in Britain and Germany, as well as assembly and packaging facilities in China, Malaysia and the Philippines, shipping “more than 110 billion products annually” according to the company’s website.

In December 2024, the US Department of Commerce (DOC) added Wingtech to its Entity List, a blacklist which subjects foreign corporations’ access to US technology to complicated licensing requirements.

The US Bureau of Industry and Security, an agency under the DOC, recently extended export control restrictions to corporations 50 percent or above owned by listed entities. Consequently, Nexperia has been caught up in the trade war between the US and China.

Amsterdam Court of Appeal documents contradicted the claims made by Dutch Prime Minister Dick Schoof and Minister of Economic Affairs Vincent Karremans that the government’s seizure of Nexperia was not a measure against China and that the Netherlands did not act under pressure from Washington.

Washington warned Amsterdam this past June that the Chinese CEO of Nexperia must be replaced by a non-Chinese citizen if the company was to be spared from the Entity List and US sanctions, as reported by the *South China Morning Post*.

Following Nexperia’s seizure, on 4 October, China’s Commerce Ministry prohibited the company’s Chinese branch and its subcontractors from exporting completed components packaged and tested in the country.

Beijing’s export bans immediately sparked concern in European countries. According to data from the European Commission, the automotive sector is a pillar of the European economy, employing 13 million workers and accounting for 7 percent of the European Union’s GDP.

In response to heightening tensions, the European Automobile Manufacturers’ Association urged a prompt solution to the dispute on 16 October, warning disruptions in chip supplies could “threaten production stoppages” because “the homologating of new suppliers for specific components [including testing overall electromagnetic

compatibility] and the build-up of production would take several months.”

Car manufacturers which have adopted a just-in-time approach to production had stockpiles of Nexperia chips on hand for only a few weeks, including Tesla. This also applies to Apple and Samsung, which are Nexperia’s clients.

The episode resembles the COVID-19-induced chip shortage in the car industry and factory shutdowns, but this time with a significant difference. There is no capitalist way out of the breakdown of all post-war mechanisms and arrangements based on free trade.

Citing Zhou Chao, a researcher at the Beijing-based think tank Anbound, the *South China Morning Post* warned Nexperia’s “developed in Europe, made in China” business model would become “unsustainable” as rapidly escalating geopolitical tensions had accelerated decoupling within the technology industry and supply chains.

China is prepared to meet any escalation made by the United States and/or Europe. Nexperia China has instructed its workers in a letter dated 18 October to follow orders from the local leadership and ignore instructions from the Dutch headquarters.

China’s Commerce Minister Wang Wentao held a video conference with EU Commissioner for Trade and Economic Security Maroš Šef?ovi? on 21 October, with the former opposing the overstretch of the notion of “national security” and with the latter promising to facilitate a solution between Amsterdam and Beijing, as revealed by the *Global Times*, a state-owned Chinese tabloid.

EU-China rivalry will continue to escalate. Far from the illusion that “an equal and orderly multipolar world” had become “a historical inevitability” and “a reality” in which China works to advance “equality among all countries” and avert “the strong bullying the weak,” as proclaimed by Minister of Foreign Affairs of China Wang Yi at the Munich Security Conference early this year, Washington’s global trade war against both China and the EU will only fuel economic tensions between Beijing and Brussels.

A commentator of the *South China Morning Post* stated that with Trump’s White House simultaneously shutting the door on Chinese high-tech exports and erecting a trade barrier against the EU, this made Europe “the only place rich and open enough to absorb [Chinese exports], leaving local [European] producers struggling to compete.”

Data from the EU showed the region has a huge trade deficit with China, which amounted to €305.8 billion in 2024 and €297 billion in 2023.

Europe, similar to the United States, has lagged significantly behind China in innovation and manufacturing. Both the US and the EU see China as an existential threat to their global and regional dominance.

Being bullied by Trump's gangster regime simply cannot convert the continent's ruling elites into proponents of multipolarity.

Increased geopolitical tensions between Washington and Beijing, on the contrary, will exacerbate the long-existing rift between Brussels and Beijing.

Europe may not want to engage in a trade war with both the US and China but, driven by the requirements of the expansion of European capital, Brussels may have no choice, according to the *Post*.

The *Global Times* in its editorial wrote that the intervention made by the Dutch government "violates the principles of a market economy and fair competition" and "runs counter to the international trade rules that the EU has consistently advocated."

Without naming the confiscation of Russian central bank funds by the EU, the news outlet indicated that the Dutch government's intervention "not only harms the legitimate rights and interests of Chinese companies but also undermines international investors' confidence in the EU market."

Put plainly, if European governments could unilaterally grab Russian and Chinese assets under the pretence of "national security" with impunity, what they will do to China next? Which Chinese sector is Brussels' next target?

Shen Yi, Director of the Center for BRICS Studies and Professor at the School of International Relations and Public Affairs at Fudan University in Shanghai, likened the Netherlands' launching the Semicon Coalition in Brussels this March and a Semicon conference joined by all EU members in September 2025 to "a pirate party."

The Netherlands had "turned itself from a pirate to pirate fleets" and continued to believe that capital accumulation could be done through plundering China, he added.

In response, China must "axe" those "scoundrels" who understood only the language of force. Chinese enterprises must safeguard their overseas interests through "pragmatic cooperation" with Beijing in order to survive in a world where "the strong prey on the weak," Shen asserted.

The promotion of multipolarity functions to disarm and chloroform the international proletariat to the looming danger of direct military showdowns between the US and China.

Rare earth elements

China, which dominates the production of rare earth elements (REEs), has implemented export bans on REEs for military uses. But Beijing has not used its trump card: imposing export restrictions on REEs used in civilian applications such as automotive chips, wind turbines, alloys and electrical components. It is calling on Amsterdam and Brussels to de-escalate.

The chip war between Beijing and Brussels can only be understood as a component part of a broader tech war between the US and China, which is bound to escalate, however.

China has a monopoly on global rare earth mining (about 70 percent), and their refining and processing (about 90 percent). Furthermore, the world's second largest economy is the only one capable of producing 5N (99.999 percent) pure REEs with economies of scale. N stands for nine and represents purity as a percentage. REEs utilised in the most advanced chips made by Taiwan Semiconductor Manufacturing Company Limited must reach 5N or above to ensure

maximum and reliable chip performance.

No US companies could meet US domestic demands for REEs in terms of technology or scale. In January 2025, USA Rare Earths, an American rare earth magnet supplier, could only create "a sample of dysprosium oxide (Dy₂O₃) with a purity of 99.1%." This 2N experiment was touted by the corporation as "a breakthrough in domestic rare earth production," as reported by *mining.com*.

As the Center for Strategic and International Studies noted, REEs are crucial for various "defence" technologies, encompassing "F-35 fighter jets, Virginia- and Columbia-class [nuclear-powered attack] submarines, Tomahawk missiles, radar systems, Predator unmanned aerial vehicles and the Joint Direct Attack Munition series of smart bombs."

The depletion of rare earth minerals needed for military purposes by US imperialism will only strengthen Washington's determination to wage war and then "win" it in the most barbaric way. US War Secretary Pete Hegseth delivered a fascistic rant to general and flag officers at Quantico, Virginia in late September, asserting that US imperialism would refuse to follow "stupid rules of engagement," and would fight to inflict "maximum lethality." We "intimidate, demoralise, hunt and kill the enemies of our country," he said.

On 24 October, Nexperia's Chinese branch defied orders from the Dutch headquarters to expel Vice-President of Global Sales and Marketing John Chang, a Chinese executive of the firm.

It remains to be seen how the fight over the Chinese semiconductor corporation among the US, the EU and China will drag on and cause supply disruptions.

What is evident is that, similar to the Smoot-Hawley tariff measures adopted by Washington in 1930 and the German Reich's autarky policy, the global economic warfare launched by Trump's fascist gang is a prelude to all-out wars on all fronts between nuclear-armed powers.

The only way to end the international trade war and halt the descent into actual wars is through the international unity of workers in China, Europe and the United States in a socialist anti-war movement against capitalism.



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