

Press release

## CLEPA warns of automotive production risk amid semiconductor disruption

*Brussels, 23 October 2025* - On 30 September, the Dutch government took control of Nexperia, a key global semiconductor manufacturer, over national security concerns, citing the potential transfer of sensitive technology to its Chinese parent company. In retaliation, China has now banned Nexperia from exporting products manufactured in China, raising the risk of widespread supply chain disruptions for Europe's automotive industry. CLEPA, the European Association of Automotive Suppliers, is actively engaging with stakeholders to assess the impact and coordinate responses to safeguard production continuity.

"This is an extremely sensitive matter," said **Benjamin Krieger**, Secretary General of CLEPA. "We urge all parties to handle it with integrity and caution. We have a deeply interconnected supply chain and Europe's mobility transformation depends on a stable semiconductor ecosystem," he added. "Automotive suppliers are taking big hits as intermediate producers, operating between critical component factories and vehicle manufacturers. We urge all relevant stakeholders to engage constructively and move quickly to find workable, immediate solutions that can prevent production disruptions across the automotive value chain."

CLEPA brings forward the distinctive perspective and operational experiences of European automotive suppliers, which have not consistently been reflected elsewhere. "It is vital that our members' voices are included in discussions and solutions at both industrial and political levels to ensure effective measures are implemented," Benjamin Krieger said.

### Why is this happening?

The disruption comes despite repeated requests by suppliers to diversify sourcing and production locations. Nexperia operates in Europe, but structural imbalance remains. Decisions taken over years have left Europe without sufficient semiconductor packaging capacity, and today we are seeing the consequences. This situation is a clear reminder of the strategic need to strengthen local capabilities.

Chips are essential for vehicle electronics and up to **700 other critical components**. Suppliers are hit first and hardest by disruptions in semiconductor deliveries, and the current disruption presents a serious threat to production capabilities, potentially affecting output within days. The shortage has an ongoing effect on key electronic systems such as radar sensors, which alone consume around **one million chips per week**.

CLEPA urges all parties involved to pursue rapid and pragmatic solutions to safeguard production continuity across Europe's automotive sector.

### **About CLEPA**

CLEPA, the European Association of Automotive Suppliers based in Brussels, represents over 3,000 companies, from multi-nationals to SMEs, supplying state-of-the-art components and innovative technology for safe, smart and sustainable mobility, investing over €30 billion yearly in research and development. Automotive suppliers in Europe directly employ 1.7 million people in the EU.

### **Interested in more information?**

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