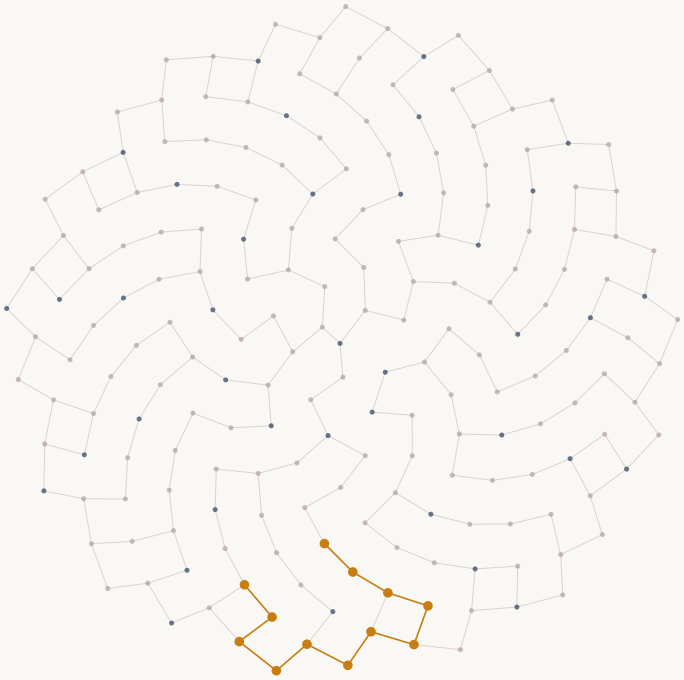

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By Sayari Analyst Team . Published March 2025 . sayari.com

SUPPLY CHAIN

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*Your supplier's headquarters is in a friendly country, yet geopolitical actions still disrupted your production. Learn why ultimate beneficial ownership matters more than where the office is located.*

Supply chain teams assumed that a semiconductor supplier headquartered in the Netherlands-a NATO ally-carried minimal geopolitical risk. The Nexperia case shattered that assumption. In 2018, the Dutch chip manufacturer was acquired by Wingtech Technology, a Chinese semiconductor company partially owned by the state. This transaction triggered export control actions, government interventions, and production stoppages across the automotive industry. The lesson: ultimate beneficial ownership matters more than headquarters location.

Between September and November 2025, the Nexperia disruption exposed this vulnerability. The crisis lasted only weeks, but EU manufacturers reported being "days away" from production stoppages, Mexican automotive plants paused operations, and Tier-1 suppliers scrambled for chip alternatives with no easy substitutes. This pattern is repeating across global supply bases as sensitive technology companies are acquired by state-aligned entities, while export control rules evolve to catch those acquisitions retroactively.

## The Nexperia Timeline: From Acquisition to Disruption

Nexperia is a Dutch semiconductor manufacturer focused on standard automotive chips-drivers, motor controllers, lighting controllers, and power management devices. In 2018, Wingtech Technology, a Chinese state-backed company, acquired Nexperia. The transaction seemed routine; Nexperia remained operationally in the Netherlands and supply chain teams continued sourcing normally.

Six years later, in 2024, the U.S. Department of Commerce added Wingtech to its Entity List, triggering export control restrictions. In June 2025, U.S. officials told the Dutch government that Nexperia was subject to export controls. The formal trigger came in late September 2025 when the U.S. announced the 50% Affiliates Rule-capturing majority-owned subsidiaries of listed entities. Nexperia instantly fell under export control jurisdiction. The Dutch government invoked the Goods Availability Act and took emergency control to maintain operations. China responded by banning Nexperia chip exports. Within weeks, automotive supply chains across Europe, North America, and Mexico faced disruption. The Dutch government suspended intervention in mid-November as a "goodwill" gesture, and China lifted its export ban.

## Three Implications for Your Supply Base

This timeline reveals three structural vulnerabilities that extend far beyond Nexperia.

First, supplier ownership becomes a single point of failure even when manufacturing is located in stable countries. Nexperia's factories remained in the Netherlands, yet majority ownership by a Chinese state-aligned entity made NATO-country chips hostage to U.S.-China tension. This inversion-where ownership geography matters more than production geography-is still unfamiliar to most supply chain risk teams. The assumption that "made in Europe" equals "safe from geopolitical pressure" no longer holds.

Second, export control actions have retroactive impact on legacy M&A; activity. The Nexperia acquisition closed in 2018; Wingtech was listed in 2024; the 50% Affiliates Rule was announced in September 2025. Yet all three events conspired to disrupt supply in the same quarter. A transaction that appeared benign six years ago became a critical vulnerability only after regulatory shifts. Most supply chain teams do not monitor M&A; activity in their supplier base for these kinds of delayed exposures. They assume that if no problem surfaced in the first year or two, the transaction is clean. The Nexperia case shows that assumption is wrong.

Third, tier-N transparency is critical and rarely achieved. Many companies impacted by the Nexperia disruption did not source directly from Nexperia. They sourced from Tier-1 suppliers that had embedded Nexperia sub-components in their assemblies. When the chip export ban took effect, those Tier-1 suppliers discovered-often days into the crisis-that their products contained Nexperia components they did not even know were there. This visibility gap between direct suppliers and multi-tier component dependencies represents one of the largest unaddressed risks in modern supply chains.

# The Visibility Gap: Why Traditional Supplier Programs Fall Short

Most supplier programs operate on a tier-1-only model. You know who you buy from directly. You may even have visibility into who your tier-1 suppliers buy from. But you almost certainly lack systematic visibility into sub-assemblies, embedded components, and sourcing decisions made by suppliers' suppliers. When geopolitical risk manifests as a component shortage, this visibility gap becomes a liability.

Identifying ultimate beneficial ownership requires tracing through corporate layers that corporate websites and questionnaires do not reveal. A Dutch company sourcing from a Chinese parent that is partially state-owned is not automatically visible in standard supplier intelligence systems. M&A; monitoring across the supply base is not standard practice. Most procurement teams lack systematic processes to flag when a supplier undergoes significant ownership changes, especially involving sensitive jurisdictions. Sub-assembly component dependencies remain invisible without trade data and supplier transparency tools.

The Nexperia disruption exposed this gap in real time. Companies with advanced supply chain visibility saw connections to Nexperia and reacted within hours. Companies without those tools discovered the problem when production paused. For automotive OEMs and Tier-1 suppliers on razor-thin margins, hours of visibility difference translate directly to dollars and customer impact.

# The Path Forward: From Vulnerability to Resilience

Addressing geopolitical risk requires three actions. First, map ultimate beneficial ownership across critical suppliers in sensitive sectors like semiconductors, aerospace, and defense electronics. This means going beyond what suppliers tell you in questionnaires. It means accessing corporate records, ownership databases, and government filings to understand who actually controls the entities you depend on. When an owner is state-aligned or domiciled in a sensitive jurisdiction, that is material information for supply chain strategy.

Second, establish M&A; monitoring for suppliers in sensitive categories. When a significant ownership change occurs-especially one that involves state-aligned entities or sensitive jurisdictions-treat it as a trigger for deeper due diligence. The time to assess the implications of an acquisition is at the moment it happens, not six years later when a regulatory action forces the issue.

Third, map multi-tier dependencies for critical product lines and materials. Supply chain intelligence platforms can identify UBO across global supplier bases and flag ownership changes. Trade data analysis and supplier network mapping reveal multi-tier dependencies. Monitoring regulatory lists like the BIS Entity List alerts your team to the moment when a supplier or supplier's owner enters regulatory scope.

Sayari helps supply chain teams identify beneficial ownership structures and track critical dependencies across complex global networks. Sayari's sourcing and procurement capabilities and trade compliance software surface the ownership and M&A; intelligence that traditional supplier programs miss. The next geopolitical disruption may already be embedded in your supply chain. To learn how supply chain leaders are managing these risks, request a demo and explore our sourcing and procurement platform.

Please visit sayari.com to learn more.

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