

UK blocks chipmaker's sale to Chinese firm, citing security

November 17 2022



Britain's Business Secretary Grant Shapps leaves Downing Street following a cabinet meeting in London, Tuesday, Nov. 8, 2022. Credit: Aaron Chown/PA via AP

The British government has blocked a Chinese-owned company's takeover of a Wales-based microchip maker, calling it a risk to national

security.

Nexperia, a Netherlands-based firm owned by China's Wingtech, announced last year that it had acquired a 100% stake in Newport Wafer Fab, one of Britain's biggest semiconductor manufacturers.

The government said late Wednesday that Business Secretary Grant Shapps issued an order "requiring Nexperia to sell at least 86% of Newport Wafer Fab to prevent against potential [national security](#) risks."

Shapps said development of the Newport site by Nexperia could "undermine U.K. capabilities" in the sector.

Nexperia said it was "shocked" by the decision.

"The decision is wrong, and we will appeal to overturn this divestment order to protect the over 500 jobs at Newport," the firm's U.K. country manager, Toni Versluijs, said. "This decision sends a clear signal that the U.K. is closed for business."

Britain has grappled with balancing the importance of economic ties with China and concerns about Beijing's growing global clout and assertiveness.

The head of Britain's MI5 [intelligence agency](#), Ken McCallum, on Wednesday highlighted the "scale and breadth of (China's) information acquisition, using not only intelligence officers and cyberhackers but businesspeople and researchers to steal government and commercial information alike."

At a Group of 20 summit in Indonesia this week, British Prime Minister Rishi Sunak said China was "the biggest state-based threat to our [economic security](#)," though he has also stressed the importance of ties

with Beijing.

The China Research Group of U.K. Conservative lawmakers, which argues against closer ties with China, welcomed the government's decision.

"Our long-term [security](#) relies on the resilience of our economy and that means ensuring we don't allow strategic assets to fall into the hands of authoritarian powers for the sake of short-term advancement," it said in a statement.

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Citation: UK blocks chipmaker's sale to Chinese firm, citing security (2022, November 17)
retrieved 4 May 2024 from

<https://techxplore.com/news/2022-11-uk-blocks-chipmaker-sale-chinese.html>

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