

Dutch government to restrict sales of processor chip tech

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the logo of ASML, a leading maker of semiconductor production equipment, hangs on the head office in Veldhoven, Netherlands, Monday, Jan. 30, 2023. The Dutch government announced Tuesday that it is planning on imposing additional restrictions on the export of machines that make advanced processor chips, joining a U.S. initiative that aims at restricting China's access to materials used to make such chips. Dutch Minister for Foreign Trade and Development Cooperation Liesje Schreinemacher sent a letter to lawmakers outlining the proposed limitations, which come in addition to existing export controls on

semiconductor technology. Credit: AP Photo/Peter Dejong, File

The Dutch government announced Wednesday that it is planning on imposing additional restrictions on the export of machines that make advanced processor chips, joining a U.S. push that aims at limiting China's access to materials used to make such chips.

Dutch Minister for Foreign Trade and Development Cooperation Liesje Schreinemacher sent a letter to lawmakers outlining the proposed limitations, which come in addition to existing [export controls](#) on [semiconductor technology](#).

"In view of technological developments and geopolitical context, the government has come to the conclusion that it is necessary for (inter)[national security](#) to extend the existing export control of specific semiconductor production equipment," she wrote.

Prime Minister Mark Rutte visited U.S. President Joe Biden in January for talks on advanced chip machines made by Dutch company ASML and other topics.

The Biden administration in October imposed export controls to limit China's access to advanced chips, which it says can be used to make weapons, commit [human rights abuses](#) and improve the speed and accuracy of its military logistics. It urged allies like Japan and the Netherlands to follow suit.

China has criticized the moves as violations of market principles in [international trade](#).

The Biden administration also is close to tightening rules on some

overseas investments by U.S. companies in an effort to limit China's ability to acquire technologies that could improve its military prowess, according to a U.S. official familiar with the deliberations.

The expected action is the latest effort by the White House to target China's military and technology sectors at a time of increasingly fraught relations between the world's two biggest economies.

ASML, headquartered in the southern Dutch town of Veldhoven, is the world's only producer of machines that use [extreme ultraviolet lithography](#) to make advanced semiconductor chips. The Dutch government has prohibited ASML from exporting some of its machines to China since 2019, but the company had still been shipping lower-quality lithography systems there.

ASML has research and manufacturing centers in Beijing and Shenzhen, China, as well as a regional headquarters in Hong Kong.

The Dutch minister's letter to lawmakers did not mention China.

It said the new export control measures target "very specific technologies in the semiconductor production cycle on which the Netherlands has a unique and leading position, such as the most advanced Deep Ultra Violet (DUV) [immersion lithography](#) and deposition."

It added that the decision for additional export controls "was made carefully and as precisely as possible (surgically), in order to avoid unnecessary disruption of the value chains and to take into account the international level playing field."

The government said it would publish the new regulations "before the summer."

In a statement published on its website, ASML said that the new restrictions will apply to its "most advanced deposition and immersion lithography tools."

"Due to these upcoming regulations, ASML will need to apply for export licenses for shipment of the most advanced immersion DUV systems," the company said, adding that it "will take time for these controls to be translated into legislation and take effect."

The company added that based on the announcement "our expectation of the Dutch government's licensing policy, and the current market situation, we do not expect these measures to have a material effect on our financial outlook that we have published for 2023 or for our longer-term scenarios."

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