

Chinese takeover of UK's largest microchip producer faces national security review

The acquisition of the UK's biggest microchip factory, Newport Wafer Fab, by a Chinese-owned technology company is to undergo a national security assessment.

The business secretary Kwasi Kwarteng announced the move after Nexperia, which is headquartered in the Netherlands but part of Shanghai-based Wingtech, completed the purchase in July last year for a reported £63m.

Mr Kwarteng wrote on his Twitter account: "There will now be a full assessment under the new National Security and Investment Act.

"We welcome overseas investment, but it must not threaten Britain's national security."

The Act gives the government 30 days to investigate and the power to intervene retrospectively.

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The factory produces semiconductors – a key component in electronic products from top end smart phones to microwave ovens.

The move follows a decision by Boris Johnson last year to ask national security adviser Sir Stephen Lovegrove to look at the deal amid widespread concern over its potential implications.

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Ciaran Martin, the former chief executive of the National Cyber Security Centre, had described [the acquisition](#) as posing a greater threat to British interests than Huawei's involvement in the 5G network.

MPs had also called on ministers to intervene.

The Commons Foreign Affairs Committee demanded tougher action to stop strategically important companies being sold overseas.

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Its chairman, Tom Tugendhat, welcomed the business secretary's decision: "We need to maintain a base to build on to ensure the UK is resilient. This isn't just about security today but independence tomorrow", he wrote.

He had voiced concern that competitors, particularly in China, had a track record of using foreign investments to gain access to important technologies and information.

Nexperia was yet to comment.

It has consistently argued that the company – and its parent firm – are separate from the Chinese state.