

THE UK ELECTRONIC MANUFACTURING SERVICES INDUSTRY 2006-2011

A Strategic Overview of the UK EMS Industry

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A Strategic Study of the UK EMS Industry

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1 Introduction

1.1 Scope & Methodology

This is the first edition of the UK Electronic Manufacturing Services (EMS) Industry report and provides a strategic outlook for the UK EMS industry. The data has been initially extracted from Reed Electronics Research's regular survey of the European EMS industry, the latest edition being published in August 2007, before being fully updated to take into account latest industry developments impacting the sector.

EMS is defined as electronic manufacturing offered as a service to other companies. It does not include the in-house activities of companies, which also provide an EMS service. The production of the printed circuit board is to some extent included, since some EMS companies have acquired PCB production capabilities and all are often involved in the design aspects of the PCB layout when offering design services as part of the EMS activity.

The generation of the market numbers has been completed using both a 'bottom up' approach where details of EMS companies have been accumulated from all sizes of companies, and a 'top down' view of published data from a variety of sources. Statistical information which was obtained from government departments, trade associations, company annual reports and various other publications, and in particular the *Yearbook of World Electronics Data*, was combined with data obtained from individual companies, to evaluate the state of the market and future developments. The previous reports on the European EMS industry along with data from RER's database were used as a base point in evaluating market developments during interviews with key personnel of a cross-section of EMS companies. Further information was obtained by Questionnaires in personal, telephone and fax interviews.

Forward looking forecasts are constructed from the last full reported year (2006) and include known information to date on EMS company activities such as collaborations, mergers, acquisitions and closures. These forecasts also include information from EMS and other companies on their expectations for growth in the coming years.

The forecasts assume constant values.

1.2 Report Structure

Section 3 provides an analysis of the trends impacting the UK and European EMS industry. Information has also been provided on the overall European market to allow the user to benchmark the UK relative to Europe as a whole.

Section 4 provides a breakdown of the UK EMS industry. An overview of the electronics industry is provided along with a summary of the key factors impacting the EMS industry. Information has been provided on the role the global "Tier 1" companies are playing in terms of UK production along with profiles of the leading EMS companies operating in the UK.

Section 5 is a directory of over 225 manufacturing locations in the UK. Companies who are focused solely on cable and wire harnesses are not covered within the directory.

1.3 Reed Electronics Research

In 2008, Reed Electronics Research (RER) will have tracked developments in the European electronics industry for 35 years, providing in-depth research through both published and bespoke studies. The company's core research database provides production and market data on 26 European countries and 53 globally. This is supported through specific studies covering a wide-range of sectors within both the European and global electronics industries.

In August 2007, Reed Electronics published the eighth edition of the European Electronic Manufacturing Services Industry report (previously titled the European Contract Electronic Assembly Industry). The report has tracked the development of the European EMS industry since 1993 and provides the backdrop for the latest analysis which covers the period through to 2011.

To meet customer's requirements for the latest news and developments, RER also publishes the respected industry newsletter European Electronic Markets Forecast (EEMF). Updated monthly, EEMF enables you to track with minimum time and cost, the key issues and opportunities impacting the European electronics industry. From originally researched articles to the latest company developments and market analysis EEMF is your virtual "Research Analyst" utilizing over 30 years of industry and market research experience to provide you both in hardcopy and electronic formats not only reliable but objective analysis and news on the European and global electronics industry.

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30 September 2006 Paragon Electronics Ltd reported overall sales of £14.6 million, up from £13.8 million for the same period a year earlier.

4.4.15 Kimball Electronics

US EMS provider Kimball Electronics Group established a manufacturing presence in the UK through the acquisition of Bayer HealthCare's Diagnostics Division located in Bridgend, Wales in April 2006. Following the acquisition, Kimball has continued to provide manufacturing services to Bayer as well as seek new medical customers for the facility. For the 19 months to the 30 June 2007 the company reported revenues of Euro 211.7 million and a profit of Euro 2.7 million, the company employing an average 155 people during the period.

The plant occupies 94,000 sq ft and is certified to ISO 9001 and ISO 13485.

The future of the Kimball's UK operations, however remain uncertain. In February 2008, Kimball announced it was looking at various options for the Bridgend plant including closure. Although a final decision has not been finalised the company entered into 90 day consultation period with workers at the site.

Outside of the UK, Kimball has European manufacturing facilities in Ireland and Poland. Globally the Kimball Electronics Group, which reported sales of US\$673 million in the year to 30 June 2007, has additional manufacturing facilities in the USA, Mexico, China and Thailand.

4.4.16 MRP Electronics/Asteel

MRP Electronics PLC was founded in 1987 and today occupies a recently refurbished factory of 30,000 sq ft in Bedford, England. Services offered by the company include SMT and conventional assembly, BGA assembly, complete product assembly, test, prototyping/NPI and materials procurement.

Key markets for the company include defence, medical, consumer, finance, measurement equipment and telecommunications.

The company has invested continually in the latest production and has an extensive range of Philips and MIMOT pick and place machines. MRP currently has eight machines configured in four lines, one of which is dedicated for fast track prototype assembly.

In the year to 30 September 2006, MRP reported sales of £9.4 million, up from £8.5 million for the same period a year earlier. Sales in 2007 were estimated at £12 million.

At the beginning of February 2008 French EMS provider Asteel announced it was acquiring MRP. Asteel, which was ranked 17th largest European EMS company in 2006, has extensive manufacturing capacity in France along with a low cost facilities in Tunisia and Romania. In December 2007, Asteel acquired the US EMS company Flash Electronics with manufacturing locations in the USA and China.

The move provides MRP with improved purchasing power, in-house design and development and access to high volume manufacturing in China.

4.4.17 PartnerTech

The Swedish company PartnerTech has evolved from the original Facit company, which began the production of mechanical calculators in 1924, the company changing its name to PartnerTech in 1993. Acquisitions have played an important role in the emergence of PartnerTech as a leading European EMS provider, the company ranked 9th in 2006. The company offers a complete range of services from design and development,

5 Directory

Company: **2K2 Electronic Services Ltd**

Address: Castle Works, Castle Road, Wroxall, Isle of Wight, PO38 3DS, England

Tel: +44 1983 853635

Fax: +44 1983 853956

Website: www.2k2esltd.co.uk

Managing Director: Peter Scott-Jackson

Production Director: Andy Scott-Jackson

Company: **ABI Electronics Ltd**

Address: Dodworth Business Park, Barnsley, S75 3SP, England

Tel: +44 1226 207420

Fax: +44 1226 207620

Managing Director: Nigel Bentley

Website: www.abielectronics.co.uk

Company: **Aclet Electronics Ltd**

Address: Unit 34, Northfield Way, Aycliffe Industrial Estate, Newton Aycliffe, Co. Durham DL5 6UF, England

Tel: +44 1325 307429

Fax: +44 1325 311913

Commercial Director: David Taylor

Website: www.aclet.co.uk

Company: **ACW Technology Ltd**

Address: Strategic Park, Comines Way, Hedge End, Southampton, Hants. SO30 4XX, England

Tel: +44 23 8048 6000

Fax: +44 23 8048 6001

Managing Director: Owen Reeves

Sales Director: David Taylor

Plant Area: 150,000 sq ft

Sales: £36.9 million (September 2006)

Website: www.acw.co.uk

Note: The company opened a facility in Zhuhai, China at the beginning of 2007

Company: **ACW Technology Ltd**

Address: Dinas Isaf West, Tonypanydy, Mid-Glamorgan CF40 1XX, Wales

Tel: +44 1443 425200

Fax: +44 23 8048 4882

Managing Director: Owen Reeves

Sales Director: David Taylor

Plant Area: 50,000 sq ft

Parent Company: ACW Technology, England

Website: www.acw.co.uk

Company: **Aero Stanrew Ltd**

Address: Gratton Way, Roundswell Industrial Estate, Barnstaple EX31 3AR, England

Tel: +44 1271 341300

Fax: +44 1271 341301

Website: www.newchapel.co.uk

Parent Company: New Chapel Industries

Company: **Walters Microsystems**

Address: 12 Merlin Centre, Lancaster Road, Cressex Industrial Estate, High Wycombe HP12 3TB, England
Tel: +44 1494 795100
Website: www.waltersmicro.co.uk

Company: **Weedon Electronics Ltd**

Address: Unit 66, Wilbury Way, Hitchin, Herts SG4 OTP, England
Tel: +44 1462 427700
Managing Director: Guy Janney
Website: www.weedonelectronics.com

Company: **Whiteley Electronics (South) Limited**

Address: Unit 3 Grove Road, Cosham, Portsmouth, Hampshire PO6 1LX, England
Tel: +44 23 9232 6223
Fax: +44 23 9237 6327
Sales and Marketing Manager: Craig Miller
Website: www.whiteley-subcontract.com

Company: **Wilson Process Systems**

Address: Waterworks Road, Hastings, East Sussex TN34 1RT, England
Tel: +44 1424 722222
Fax: +44 1424 720730
Managing Directors: Tim and Nick Wilson
Plant Area: 25,000 sq ft
Sales: £5 million+
Employees: 100
Website: www.wps.co.uk

Company: **Xitek Ltd**

Address: Unit B2, Haysfield Business Centre, Spring Lane North, Malvern, Worcs WR14 1GF, England
Tel: +44 1684 899125; Fax: +44 1684 899178
Website: www.xitek.co.uk

Company: **X-Online Technology**

Address: Wallbrook Court, Rotherwas Ind. Estate, Hereford HR2 6JE, England
Tel: +44 1432 364800
Fax: +44 1432 352282
Managing Director: Dan Seago
Website: www.x-onlinetechnology.co.uk

Company: **Zeal Electronics Ltd**

Address: Vanguard Trading Estate, Storforth Lane, Hasland, Chesterfield, Derbyshire S40 2TZ, England
Tel: +44 1246 209009
Managing Director: Anthony Hagin
Website: www.zeal-electronics.com

Company: **Zirkon Ltd**

Address: Butlers Leap, Rugby, CV21 3RQ, England
Tel: +44 1788 534800
Fax: +44 1788 569283
Managing Director: Kelvin Pass
Sales & Marketing Director: Tony Inskip
Website: www.zirkonlimited.co.uk

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