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MMI Ranks the Top 50 EMS Providers

MMI has released the results of its annual survey to identify and rank the world's Top 50 EMS providers. The MMI Top 50™ standings appear in the tables on pages 2-4.

Together, the Top 50 EMS providers generated 2010 revenue estimated at \$185.7 billion, by far a record result. That's the good news. The bad news is that about 51% of this revenue came from a single company, **Hon Hai Precision Industry**, also known as **Foxconn**. Not only is Foxconn far and away the EMS industry's largest company, it also put up one of the Top 50's highest growth rates in 2010 – so much for the law of large numbers, which says this sort of thing isn't supposed to happen.

MMI estimated that Foxconn's 2010 sales were \$94.8 billion (the company's consolidated results were not yet published as this was written), and its growth rate in U.S. dollars was projected at 59%. Foxconn's size gives it the ability to skew the Top 50 growth rate, and the magnitude of this effect is large because the company's growth rate is so high. The 50 companies produced an aggregate growth rate estimated at 36.5%. Ostensibly, this rate would indicate a sensational year for the EMS business. However, when Foxconn's results are excluded, the growth rate is nearly halved, dropping to a less than spectacular 18.8% (Chart 1).

Still, 18.8% is nothing to sniff at. In

fact, it shows just how robust the EMS industry is, having swung its revenue sans Foxconn from a double-digit decline in 2009 to double-digit growth in 2010. What's more, 17 Top 50 providers aside from Foxconn achieved growth rates of 30% or more.

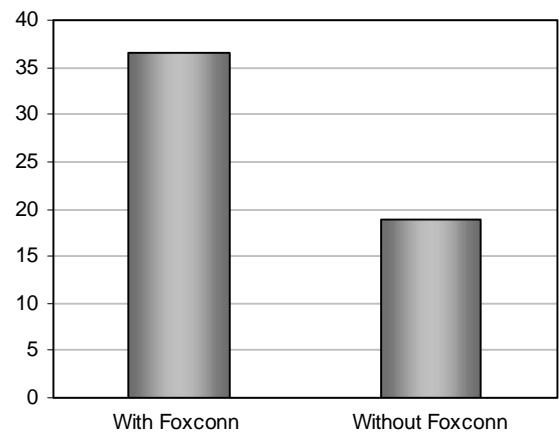
Last year's growth made it more difficult than ever to qualify for the Top 50. To join the Top 50 club for 2010, a provider needed a minimum of \$233 million in revenue.

That's the highest cutoff in the history of the Top 50 and 23% above the previous year's minimum (Chart 2, p. 4).

The bar for top-10 admission went up as well. It took sales of at least \$2.03 billion to be among the ten largest EMS providers in 2010, compared with \$1.59 billion in 2009. So the degree of difficulty increased by 28%.

Thanks in large part to Foxconn, the top 10 increased its already domi-

Chart 1: 2010 Growth of the Top 50 EMS Providers



nant share of Top 50 revenue. The top 10 garnered 88.7% of Top 50 sales, up from 87.6% in 2009. Mainly driven by Foxconn, combined sales for the top 10 grew by 40.8%.

The order of the first six companies in the top 10 remained unchanged from 2009 (see table on p. 2). But a new addition to the Top 50, China's **Shenzhen Kaifa Technology**, cap-

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MMI Top 50

The MMI Top 50 EMS Providers in 2010

Organization	Head-quarters	Sales calendar 2010 (millions)	Rank by 2010 sales	Rank 2009	Sales calendar 2009 (millions)	Sales Growth '09-'10 in US\$ (%)	No. of people	No. of plants	Total facility sq. ft.	Percent space in low-cost regions	No. SMT lines	No. of customers and notable customers
Hon Hai Precision Industry (Foxconn)	Tucheng City, Taiwan	\$94,800 (estimated)	1	1	\$59,540 ¹	59	>1,000,000	not avail.	not avail.	not avail.	not avail.	Dell, Apple, HP, Cisco, Sony, Amazon, Sony Ericsson, Nintendo
Flextronics International	Singapore	\$27,761	2	2	\$23,753	17	~165,000 ²	~120-150	26.6 M ²	76 ²	not avail.	Alcatel-Lucent, Cisco, Dell, Ericsson, HP, Huawei, Lenovo, Microsoft, Oracle, RIM, Xerox
Jabil Circuit	St. Petersburg, FL	\$14,403 ³	3	3	\$11,390	26	~69,000 ⁴	55 ⁵ (incl. AMS)	21.24 M ⁵	not avail.	249	Apple, Cisco, EchoStar, GE, HP, IBM, NetApp, Nokia, Pace, RIM
Celestica	Toronto, Canada	\$6,526	4	4	\$6,092	7	35,000	24 ⁶	6.6 M	~80	not avail.	>100: Alcatel-Lucent, Cisco, EMC, HP, Honeywell, IBM, Juniper, NEC, Raytheon, RIM, Oracle
Sanmina-SCI	San Jose, CA	\$6,503	5	5	\$5,237	24	44,199 ⁷ (incl. temps)	not avail.	12.75 M ⁷	~64 ⁷	not avail.	EchoStar, JDSU, Symmetricom, GigOptix, Mitel, Thales, GE, Ciena
New Kinpo Group	Taipei, Taiwan	\$5,059	6	6	\$3,800	33	35,000	18	11.51 M	80	210	>20: HP, Seagate, Western Digital, Advanced Digital Broadcast, Panasonic, Motorola, Nikon
Shenzhen Kaifa Technology	Shenzhen, China	\$3,081	7	new	\$1,955	58	18,000	4	2.46 M	100	95	45: Seagate, Western Digital, Hitachi, Kingston, Epson, Samsung, ZTE, ENEL, Reliance, China Mobile
Benchmark Electronics	Angleton, TX	\$2,402	8	9	\$2,089	15	~10,000	21	2.95 M	~50	130	~100: Emerson, IBM, Medtronic
Plexus	Neenah, WI	\$2,149	9	10	\$1,591	35	8,840	17	2.49 M	~49	~90	~125: Juniper, GE, Coca-Cola, DragonWave
Universal Scientific Industrial (USI)	Nantou, Taiwan	\$2,029	10	11	\$1,563	30	12,537	4	2.01 M	75	116	>100 (EMS)
Venture	Singapore	\$1,955	11	7	\$2,343	-17	>14,000	not avail.	not avail.	not avail.	not avail.	163: Intermec, HP, Agilent, Micros, Radiant, NCR, IBM, Hypercom
Elcoteq	Luxembourg	\$1,419	12	8	\$2,095	-32	7,899	8	1.87 M	100 (mfg.)	not avail.	EADS, Funai, Huawei, Humax, Inmarsat, Nokia, Philips, RIM, Sony Ericsson, Technicolor
SIIX	Osaka, Japan	\$1,076	13	13	\$865	24	6,872	5 ⁸	777 K ⁸	not avail.	90	~200
Zollner Elektronik	Zandt, Germany	~\$1,056	14	14	\$837	26	7,300	14	2.8 M	55	43	500
Beyonics Technology	Singapore	\$987 ⁹	15	12	\$972	1	not avail.	9	not avail.	100	not avail.	Seagate, Panasonic, Hitachi, SmarDTV, IndigoVision, Hauppauge
Sumitronics	Tokyo, Japan	\$925	16	16	\$810	14	~1,800	4 ¹⁰	not avail.	not avail.	140	~60
UMC Electronics	Saitama, Japan	\$895	17	15	\$671 ¹¹	33	9,628	6	864 K	85	133	
Orient Semiconductor Electronics	Kaohsiung, Taiwan	\$842	18	18	\$619	36	5,100	5	491 K	99	72	63
Kimball Electronics Group	Jasper, IN	\$741	19	17	\$629	18	3,432	8	1.12 M	56	36	>50: Johnson Controls, FLIR Systems, Xhale Innovations, Avantis Medical Systems

Note: Unless otherwise indicated, data represents 2010 year-end. ¹ Revised by applying an average quarterly exchange rate to each quarter's sales. ² As of March 31, 2010. ³ For the period Dec. 2009 to Nov. 2010. ⁴ Full-time employees as of Oct. 1, 2010. ⁵ As of Aug. 31, 2010. ⁶ Includes manufacturing, services sites and offices. ⁷ As of Oct. 2, 2010. ⁸ Excludes facilities of SIIX affiliates. ⁹ Sales of Beyonics' EMS division from Feb. 2010 to Jan. 2011. ¹⁰ Sumitronics also uses 26 partner plants. ¹¹ Original 2009 figure provided by the company was higher.

The MMI Top 50 EMS Providers in 2010

Organization	Head-quarters	Sales calendar 2010 (millions)	Rank by 2010 sales	Rank by 2009 sales	Sales calendar 2009 (millions)	Growth '09-'10 in US\$ (%)	No. of people	No. of plants	Total facility sq. ft.	Percent space in low-cost regions	No. SMT lines	No. of customers and notable customers
AsteelFlash Group	Paris, France	\$662	20	19	~\$473	40	~4,700	12 sites	1.35 M	50	38	125
Fabrinet	Singapore	\$653	21	25	\$379	72	~6,400	4 sites	~1.1 M	98	18	JDSU, Oclaro, Opnext, Finisar, Emcore, Coherent, Infinera, Newport
Nam Tai Electronics	Shenzhen, China	\$534	22	21	\$408	31	5,824	5	1.22 M	100	not avail.	Hikari Alphax, Sony, Sharp, Epson Imaging, Sony Ericsson, Stanley Electric, TI, VTech Communications
Wong's Electronics	Hong Kong	~\$510	23	30	~\$310	65	~6,100	3	~947 K	100	~50	~30
3CEMS Group	Guangzhou, China	\$465	24	22	\$402	16	12,000	7	2.27 M	not avail.	48	270: Dell, HP, Asustek, Nintendo, Flextronics, Pioneer, Delta, Foxconn, Canon, Sony, Honeywell, Samsung
Creation Technologies	Burnaby, BC, Canada	\$462	25	27	\$353	31	2,350	11	590 K	6	30	180
VIDEOTON Holding	Székesfehérvár, Hungary	\$438	26	23	\$400	10	6,700	11	5.9 M	100	16 (57 placers)	>50: Braun, Electrolux, Philips, HP, Bosch, Continental, Denso, NCR, Sensata, Valeo, Visteon, ABB, Alstom, Ametek, Carrier, Eaton, Emerson Electric, Sensus, Sanyo, Siemens, GE, Kopp, Telent, 3M
Enics	Zürich, Switzerland	\$426	27	26	\$378	13	2,700	7	648 K	40	not avail.	ABB, Atlas Copco, Bombardier, Danfoss, Gambro, Getinge, Honeywell, KONE, Leica, Roche Diagnostics, Schneider Electric, Vaisala, Varian Medical
Integrated Micro-Electronics, Inc.	Laguna, Philippines	\$393 ¹²	28	24	\$396	-0.6	12,737	12 sites	1.97 M	99	95	>130
VTech Communications	Hong Kong	\$373	29	37	\$263	42	3,500	1	450 K	100	16	68
Alco Electronics	Hong Kong	\$366	30	20	\$463	-21	5,400	3	2 M	100	110	10: Wal-Mart, Target, Shopko, K-Mart, Forest River, Allied
Topscom Technology	Hong Kong	\$350	31	31	\$300	17	5,500	2	1.61 M	not avail.	60	110: Philips, Sony, Huawei
Neways Electronics International	Son, The Netherlands	\$338	32	38	\$262	29	2,027	13	not avail.	40	19	~620: ASML, FEI, Philips, Rhein Metal, ThyssenKrupp
WKK Technology	Hong Kong	\$330 (estimated)	33	28-29	\$310	6	4,500	1	725 K	100	29	35
LaBarge	St. Louis, MO	\$324	34	36	\$269	20	1,568	10	591 K	0	10	175: Raytheon, Sikorsky Aircraft, Kaman Aerospace, General Dynamics, Goodrich, L-3, Northrop Grumman, Parker Aerospace
éolane	Le Fresne sur Loire, France	\$320	35	48	\$220	45	2,300	13	861 K	16	30	450: Thales, Safran, EADS, Alstom, Schlumberger, Sercel, France Telecom, SFR, Atlas Copco, Areva, DGA, Somfy, Fukuda, PSA, Renault, Valeo, Mentor
OnCore Manufacturing Services	San Jose, CA	\$304	36	42	\$241	26	1,029	5	345 K	15	22	

Note: Unless otherwise indicated, data represents 2010 year-end. ¹² Does not include IMI's sales of power semiconductor assembly and test services.

MMI Top 50

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PartnerTech	Vellinge, Sweden	\$300	37	33	\$280	7	1,269	9	800 K	15	9	>200: Tomra, Beijer Electronics, Axis Communications
Scanfil EMS	Sievi, Finland	\$292	38	34-35	\$275	6	2,260	6	1.33 M	72	not avail.	Nokia Siemens Networks, Ericsson, Alcatel-Lucent, ABB, KONE, Metso, Cassidian
Hana Micro-electronics	Bangkok, Thailand	\$290	39	45	\$227	28	6,500	2	585 K	100	91	~130
V.S. Industry	Senai, Malaysia	\$287	40	49	\$196	46	4,060	8	1.18M	100	34	55: Dyson, Itron, Valeo Thermal Systems JPN, Panasonic, Hozelock
Surface Mount Technology (Holdings) Limited	Hong Kong	\$286	41	47	\$223	28	>6,500	4	~1.25 M	100	>120	
SRI Radio Systems	Durach, Germany	\$282	42	28-29	\$310	-9	430	2	324 K	not avail.	6	42: Nokia Siemens Networks
Kitron	Billingstad, Norway	\$272	43	34-35	\$275	-1	1,121	8	538 K	25	15	Atlas Copco Tools, Danaher Motion, Saab Dynamics
CTS Electronics Manufacturing Solutions	Lisle, IL	\$270	44	32	\$286	-6	not avail.	7	503 K	36	not avail.	>90
EPIQ	Tessenderlo, Belgium	\$266	45	44	\$229	16	3,139	5	350 K	70	23	35
Selcom Elettronica	Bologna, Italy	\$263	46	40	\$249	6	2,099	6	592 K	30	18	75: Bosch und Siemens Hausgeraete, Electrolux, KONE Elevators, GD, Fagor Brandt, Gambro, Denso, Sanyo Energy
SMTC	Markham, Ontario, Canada	\$263	47	new	\$180	46	1,565	4	500 K	62	30	>25: MKS Instruments, Vocera Communications, FEI, Kontron Canada
SVI	Bangkadi, Pathumthani, Thailand	\$258	48	50	\$190	36	2,504	5	850 K	100	20	>50: ABB
KeyTronicEMS	Spokane Valley, WA	\$237	49	new	\$175	35	2,036	9	987 K	65	8	49
EPIC Technologies	Norwalk, OH	\$233	50	39	\$252	-8	1,800	3	300 K	70	16	26

Note: Unless otherwise indicated, data represents 2010 year-end.

tured seventh place. **Benchmark Electronics** and **Plexus** each moved up one position to eighth and ninth respectively. Rounding out the top 10 was **Universal Scientific Industrial**, which returned to the top 10 after a one-year absence. Gone from the top 10 were **Venture** and **Elcoteq**, whose sales declines left them out of contention.

Besides Shenzhen Kaifa, two other companies in the 2010 Top 50 did not appear in the prior year's group. Both companies are North America-based,

and both are former members of the Top 50. Canada's **SMTC** (47th) rejoined the Top 50 after missing the 2009 cut, while U.S.-based **KeyTronicEMS** (49th) returned to the Top 50 for the first time since making the 2005 list.

Three additions to the 2010 Top 50

Chart 2: Top 50 Cutoff (Millions USD)

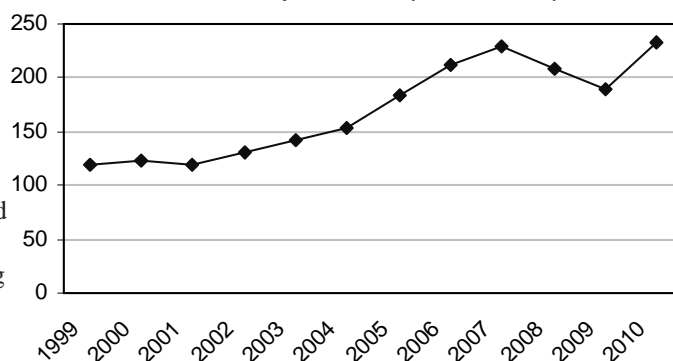
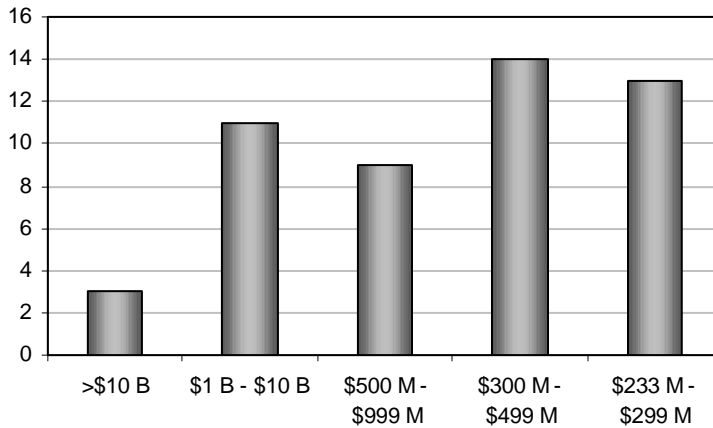


Chart 3: Distribution of Top 50 Providers by 2010 Sales



meant that three companies came off the list. One provider was acquired. A second company's sales fell below the Top 50 minimum. And a third company failed to respond to the Top 50 survey.

With the number of Top 50 companies reporting high growth rates, there was plenty of upward mobility in the 2010 standings. Eight companies moved up in the standings by six places or more from their 2009 rank. The company making the greatest advance was France's **éolane**, which went from 48th place in 2009 to 35th in 2010.

Although a 54% majority of the Top 50 had sales of less than \$500 million, the distribution of companies by sales presents a more nuanced picture (Chart 3 above). For one thing, there were more providers in the \$1 billion to \$10 billion bracket than in the \$500 million to \$999 million bracket. This counterintuitive result was also true for the 2009 list (March 2010, p. 5). Even though the 2010 distribution in the bottom two brackets was roughly even (Chart 3), the lowest bracket was more crowded with 13 companies occupying a range of just \$233 million to \$299 million, compared with 14 providers over a much wider range of \$300 million to \$499 million.

Six companies participating in the Top 50 survey reported 2010 revenue that was below the Top 50 cutoff.

They appear in the table below.

As in past years, Top 50 data yielded two productivity ratios. Employee counts for 47 companies totaled over 1.5 million people, more than one million of which worked for Foxconn. If one were to assume one million employees for Foxconn, the revenue per employee for these 47 providers works out to \$110,400. But this ratio is heavily skewed by the economics of Foxconn's massive Chinese workforce. With Foxconn excluded, revenue per employee increases to \$141,200, which is in line with the 2009 ratio of \$140,000 based on 48 companies sans Foxconn.

The other ratio, revenue per square foot, was derived from a group of 45 providers that supplied facility space data. On average, their facilities generated \$633 of revenue per square foot. This 2010 ratio is 17% above the 2009

Other Participants in the Top 50 Survey		
Organization	Headquarters	2010 sales (millions)
MC Assembly	Palm Bay, FL	\$204
EN ElectronicNetwork	Bornheim-Hersel, Germany	\$200
ESCATEC	Penang, Malaysia	\$196
Connect Group	Kampenhout, Belgium	\$183
LACROIX Electronics	Vern-sur-Seiche, France	\$171
ChungHong Holdings Limited	Suzhou New District, China	\$68

average of \$541, which was computed from 39 providers. Note that these ratios are approximate: they incorporate some data that are imprecise or correspond to different time intervals.

Methodology. Providers were ranked based on calendar 2010 sales in U.S. dollars. Where information was not publicly available, *MMI* depended on companies to provide accurate data. Companies were asked to convert sales in non-U.S. currencies into U.S. dollars by using an average annual exchange rate corresponding to the sales year. Where possible, sales of non-EMS businesses were excluded. In some instances where EMS providers also do ODM work, ODM sales were mixed into the reported revenue.

Market Sector

New Tax Could Help Spur Medical Device Outsourcing

A new tax on medical device manufacturers could spell good news for EMS providers who target the healthcare sector. U.S. healthcare reform legislation calls for the new tax, which may provide yet another reason to outsource medical devices, according to *Contract Manufacturing in Medical Devices (Materials, Processing, Electronics, Finished Products)*, a new report by **Kalorama Information** (Rockville, MD, and New York, NY). The healthcare market research firm reports that the once conservative medical device industry is outsourcing at an increasing rate, and the new tax, which could put pressure on margins, will be one more factor in the growth of the \$60-billion market for outsourcing medical devices and their parts.

In order to partially subsidize healthcare financing and reduce the deficit strain, the Patient and Protection Affordable Care Act institutes a 2.3% excise tax on "taxable medical device" sales beginning Jan. 1, 2013.

The tax applies to medical devices intended for human use, but exempts eyeglasses, contact lenses and hearing aids, as well as devices that are “generally purchased by the general public for retail or individual use,” as determined by the Secretary of the Treasury. The Medical Device Manufacturers Association and other groups successfully fought to reduce the target size of the new tax as well as the rate, but even in its revised form Kalorama thinks there will be an impact.

“The tax itself won’t force a firm to

outsource,” said Bruce Carlson, publisher of Kalorama Information. “But since the law taxes revenues notwithstanding the cost of manufacture – it could add further pressure to bring costs down in order to restore profits.”

Although the new tax will not go into effect until 2013, it is a consideration now for many in the industry, according to Kalorama, and will be for the next few years as they await any further action on healthcare reform. Because the excise tax does not include a blanket exemption for Class I devices, the large category of non-re-

tail Class I products comprising a wide range of medical devices, including low-risk hospital and physician offices supplies, will be subject to the new tax.

“2013 is not that far away in terms of planning for manufacturing and soliciting vendors,” said Carlson. “Device manufacturers will make outsourcing decisions in the coming year, and the future tax will be a factor on their minds.”

Kalorama’s report projects revenues for various areas of device manufacturing services.

News

Elcoteq Buys AMS Provider

Elcoteq (Luxembourg), through its U.S. subsidiary, has acquired **BroadTech** of Lewisville, TX, a provider of aftermarket services. According to Elcoteq, the acquisition further strengthens its AMS offering in the U.S. and will serve as a global platform in developing Elcoteq’s reverse logistics and quick-turnaround repair services. Employing about 80 people, BroadTech offers reverse logistics, repair, refurbishment and related information management services to the wireless and consumer electronics industries. (The company’s offering also includes supply chain management and forward logistics.)

Elcoteq expects the acquired business to generate additional sales of about \$15 million to \$20 million a year in Elcoteq’s AMS business segment. The deal is expected to have a positive impact on the profitability of the AMS segment this year. The purchase price was not disclosed.

“This is a strategic step for Elcoteq in building a leading global aftermarket services provider to the consumer and communications electronics industries,” said Vesa Keränen, head of Elcoteq’s AMS business segment.

Combining BroadTech’s AMS capabilities with “our cost-effective high-volume depot repair operations in Monterrey and Juarez in Mexico will increase the value proposition to our combined customer base consisting of the leading original equipment manufacturers, network operators, retailers and insurance companies,” he noted.

David Lopez, president and founder of BroadTech, will continue to manage its operations under Elcoteq.

AMS assumed a prominent role in a new organization that went into effect last year at Elcoteq (Sept. 2010, p. 1).

Sparton Adds Byers Peak

Through a subsidiary, **Sparton** (Schaumburg, IL), a supplier of electronic and electromechanical products, subassemblies and related services to highly regulated markets, has acquired certain assets and assumed certain liabilities of **Byers Peak**, whose business includes medical manufacturing. The all-cash transaction is valued at \$4.35 million, subject to post-closing adjustments, and is expected to add \$10 million in annual revenue for Sparton.

Located near Denver, CO, Byers Peak primarily manufactures outsourced medical devices in the therapeutic device market. The company also has a field service and installation

group that mainly provides water filtration and disinfection systems for the medical industry as well as device refurbishment programs. In addition, Byers Peak provides electromechanical device manufacturing support for a limited number of non-medical customers.

According to Sparton, the acquisition will expand its business in the therapeutic device market, diversify its customer base, further extend its geographic reach in the western U.S., and broaden its offerings with the inclusion of field service and refurbishment capabilities. Byers Peak also brings long-term customer relationships that will utilize Sparton’s expanded list of service offerings.

Jake Rost of Byers Peak has been appointed VP and GM of Sparton Medical Systems. Prior to Byers Peak, Rost held management positions at **Peak Industries**, the precursor of **Delphi Medical Systems**, whose contract manufacturing business was acquired by Sparton in August 2010.

Another deal done... EMS provider **Norautron** (Horten, Norway) recently acquired **Elektronix** (Lysaker, Norway), a supplier of customized hardware and software.

Alliances... EMS provider **Absolute Turnkey** (Santa Clara, CA) has part-

nered with **PTH Solutions** (San Jose, CA) to support PTH's PCB board design and software services in Vietnam. Absolute Turnkey's assembly and test capabilities complement and provide additional vertical integration for PTH's box build and electromechanical services. PTH Solutions was formerly known as PTH Manufacturing. ...**The Morey Corporation** (Woodridge, IL), an EMS provider, has announced the formation of the Rugged Telematics Alliance, a group of seven companies offering a turnkey telematics solution for the heavy vehicle and equipment space....**TELNET**, an engineering firm in Tunisia, and **LACROIX Electronics Solutions**, a design services unit of EMS provider LACROIX Electronics (Vern-sur-Seiche, France), intend to create a joint organization offering complete product engineering services. The alliance will also provide industrialization and manufacturing in the facilities of LACROIX Electronics, formerly known as LACROIX Electronique.

Sanmina-SCI Unveils New ODM Effort

Recently, **Sanmina-SCI** (San Jose, CA) revealed that it has introduced its own high-end storage product as part of a custom design and ODM activity. The company has started shipping the storage product and believes that demand for it will be "pretty good" in 18 months, reported chairman and CEO Jure Sola during Sanmina-SCI's earnings call in January.

For Sanmina-SCI, the new storage product signals renewed interest in ODM work, *MMI* believes. Back in 2006, the company decided to exit certain ODM product lines. At that time, Sanmina-SCI said it would "realign" its ODM business to focus on joint development manufacturing services, which reduce risk because revenue is guaranteed. The company tried to develop a channel business for ODM

products and found that competition was fierce.

But that was then. ODM products are now part of a strategy that Sanmina-SCI is pursuing in high-end markets. Sola said the company would be coming out with other custom design and ODM products for those markets.

What is the appeal of such products? According to Sola, operating margins for the custom design products, especially high-end units, run about 10% to 15%. He said his company is not interested in custom design or ODM type products that can't deliver operating margins better than 10%. "It's not worth the investment for us otherwise," said Sola.

Sanmina-SCI is also expanding the list of internally developed products that are shipped to end users in the defense and aerospace segment.

Some new business... **Flextronics** (Singapore) will expand its range of infrastructure capabilities to include services for data center I/O connectivity products through a relationship with **Emulex**, a new customer in the converged networking solutions space. Flextronics will provide Emulex with vertically integrated offerings, primarily from Flextronics' Zhuhai, China, location, and worldwide logistics support. In addition, **Eastman Kodak Company** (Rochester, NY) has renewed and expanded its relationship with Flextronics Global Services (FGS) related to Kodak's warehouse business for Europe, Africa, Middle East and Russia. From Venray, the Netherlands, FGS provides Kodak with services that include warehousing, distribution and transportation management for outbound Kodak shipments to retailers and end customers. Under the new agreement, FGS will handle forward logistics for Kodak's graphics business as well. Finally, Flextronics will provide electromechanical design services for **eSolar** (Burbank, CA), a provider of

concentrating solar thermal power plant technology....**Raytheon Missile Systems** has awarded **LaBarge** (St. Louis, MO) \$4.5 million in contracts to continue producing complex cable harnesses for the Tactical Tomahawk cruise missile....**Obsidian** (Edmonton, Alberta, Canada) has selected **Suntron** (Phoenix, AZ) as its manufacturer of choice to support the full production phase of Obsidian's Longbow product series for high-speed, secure data transfer....**Beijer Electronics**, a maker of human machine interface solutions, has chosen **PartnerTech** (Vellinge, Sweden) as electronics supplier for Beijer's new platform. PartnerTech will manufacture in China for its longtime customer....**Sparton** (Schaumburg, IL) has announced a contract win from **Talyst** (Bellevue, WA), a provider of pharmacy automation, medication dispensing and medication packaging solutions. Sparton will provide a full system build at its Frederick, CO, operation....**NBS** (Santa Clara, CA) is manufacturing a line of high-density, low-power servers for **SeaMicro** (Santa Clara, CA), which claims to be the only server vendor whose hardware is manufactured exclusively in the U.S. SeaMicro received a \$9.3-million stimulus grant as part of President Obama's American Recovery and Reinvestment Act, and some of that money helped create 25 manufacturing jobs at NBS....**Kemppi Oy** (Lahti, Finland) has contracted **Incap** (Helsinki, Finland) to manufacture electronic assemblies for Kemppi's arc welding equipment at Incap's factory near Bangalore, India, and deliver them to Kemppi's factory in Chennai, India.

Foxconn Eying More TV Capacity in China, Reports Say

Depending on which source you read, **Foxconn** (Hon Hai Precision

Industry) either has decided to build a major LCD TV facility in the city of Yantai in Shandong province of north-eastern China or is seeking customer approval for such a project.

Foxconn plans to construct an LCD TV plant in Yantai with an annual capacity of 30 million panels per year, reported China's *Economic Observer*, which relied on government sources. According to this report, the plant would be a joint effort between Foxconn and **Sony**. However, a Sony spokesperson told *Reuters* that Sony does not intend to make such an investment. What's more, Foxconn has not yet obtained Sony's approval for the proposed expansion to Foxconn's LCD TV activity in Yantai, according to *Reuters*.

Meanwhile, Nanning in Guangxi province of southern China has emerged as yet another site in Foxconn's massive program to bring on new capacity in China. According to announcements posted on the Taiwan Stock Exchange, Foxconn recently invested \$50 million in a new Nanning operation in the computing space, while Foxconn's handset subsidiary, Foxconn International Holdings, put \$35.3 million in a new mobile devices operation in Nanning. (Both investments were indirect.)

But the focus of Foxconn's expansion program is on inland provinces,

and Foxconn's investments in inland locations will allow the provider to downsize its Shenzhen operations in Guangdong province, which currently employ about a half million people. A Foxconn executive recently told the *Financial Times* that Foxconn plans to shift 200,000 jobs inland from Shenzhen with the goal of eventually turning Shenzhen into an engineering center.

Still, it would be wrong to infer that Foxconn has stopped investing in Guangdong province. *Digitimes* reported that Foxconn used a new factory in the Guangdong city of Huizhou to win back some desktop business from **Acer**.

*More new facilities...*In Çorlu, Turkey, Foxconn officially opened a plant last month that will assemble **HP** desktops mostly for export, a Turkish newspaper reported (Aug. 2010, p. 7). *...PACE Electronics* (Sodus, NY), a provider of component sourcing and EMS, has added a six-story building to its factory compound in Heshan, China. The new building houses, among other things, SMT assembly, a dedicated area for lighting and ballast products, a lighting products lab, and 17 new injection molding machines.

*People on the move...*Hari Pillai, president and COO of Sanmina-SCI

will resign from the company and continue in a consulting capacity on terms to be determined. As of March 17, all sales and operations will report directly to Jure Sola, chairman and CEO. *...Trent Carruthers* recently assumed the role of CEO at **Adeptron Technologies** (Markham, Ontario, Canada). He had served as interim CEO since September 2010. *...ESCATEC* (Penang, Malaysia) has named David Taylor director of customer service. He joins the EMS company from **Protronica**, ESCATEC's sales rep firm in the UK.

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