Inviting Opportunities for EMS Providers at the Heart of Europe

EMS opportunities in Germany

The European Electronic Manufacturing Services (EMS) provider market is expected to witness a CAGR of 10.1% between 2011 and 2017. Further demand for cost reduction will increase the role of EMS providers in the electronics market.

Germany hosts the entire value chain with Europe’s largest electronics industry accounting for EUR 178 billion in 2011. German EMS accounts for 20% of the European EMS market. Growth drivers include automotive, industrial, medical electronics and renewable energy.

Automotive electronics

Automotive electronics is the biggest segment of the German electronics industry with 39.6% market share. Microelectronics value per vehicle is expected to grow from USD 155 in 2000 to USD 400 in 2020. A low EMS provider penetration rate (less than 12%), and the increasing number of electronic products are attractive factors for EMS providers in the automotive electronics segment.

Industrial Electronics

Industrial Electronics accounts for 25.1% of German electronics. Revenue grew 146% from 2000 till 2011 and constitutes 50% of Europe’s market. Germany’s strength in industrial electronics creates opportunities for EMS providers specialized in this field.

Electromedical Technologies

The electromedical industry in Germany has an annual turnover of around EUR 1.5 billion. Medical technologies are one of the key areas of the federal government’s high-tech strategy. The combination of medical and information technologies ensure EMS providers with strong positions: contractors will benefit from product
Electronic Manufacturing Services in Germany

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There is a low EMS provider penetration rate (less than 12%) in automotive electronics.

German industrial electronics accounts for 50% of Europe’s share.

EMS providers will benefit from increasing opportunities in medical technology and renewable energy.

**About Us**

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- market research & competitive analyses
- assistance with market entry strategies
- legal and tax information
- support with the site selection
- information on financing and incentives

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**Trends in EMS Segments**

Due to the importance of electronic assembly cost optimization for Original Equipment Manufacturers (OEMs), EMS future markets will also include design, aftermarket services, and supply chain support. Frost & Sullivan reports the following EMS segments to drive value and growth by 2020:

- Supply chain support industry revenue is projected to increase from 8.5% in 2010 to 20% in 2020.
- Design services are forecasted to increase from 5.5% in 2010 to 15% by 2020.
- Aftermarket services are expected to account for 10% of the EMS provider market revenue by 2020.

**German EMS Industry Landscape**

Germany is the host to approximately 350-400 EMS companies. 80% of them are small enterprises with less than EUR 10 million annual turnover. However, large companies (that have more than EUR 50 million annual turnover) still constitute around 50% of industry turnover.

**Association & Networks** - About 35 EMS providers from Germany, Austria and Switzerland are organised in the "Services in EMS" initiative within the ZVEI.

**Advantages**

The advantages of establishing your business in Germany:

- The European EMS provider market is expected to witness a CAGR of 10.1% between 2011 and 2017.

**Renewable energy**

By 2020, it is projected that renewable energy will account for 36% of electricity generated in Germany. Gaining cost benefits from EMS providers’ improved process control and manufacturing expertise will remain a primary driver for increasing the EMS role in the global renewable energy and smart grid markets. Participating in the renewable energy industry necessitates significant R&D investment.

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