Electronics Manufacturing Services - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2026 - 2031)

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Report description:

Electronics Manufacturing Services Market Analysis

The electronic manufacturing services market is expected to grow from USD 647.18 billion in 2025 to USD 684.15 billion in 2026 and is forecast to reach USD 903.05 billion by 2031 at 5.71% CAGR over 2026-2031. The growth trajectory reflects OEMs' ongoing preference for outsourcing to focus on R&D while accessing cutting-edge assembly capabilities. Demand for AI infrastructure equipment, the rapid electrification of vehicles, and a wave of supply-chain reshoring from China to diversified regional hubs are the most visible accelerants. Regulatory costs tied to IEC 60601 and RoHS III, volatile semiconductor pricing, and mounting cybersecurity requirements have pushed providers to consolidate and invest in compliance-ready plants. Meanwhile, smart-factory investments in digital MES platforms sharpen productivity and offer differentiation in high-mix, low-volume programs.

Global Electronics Manufacturing Services Market Trends and Insights

OEMs Outsourcing to Focus on Core Competencies

Capital-intensive tooling for high-mix, low-volume programs pushed many North American and European OEMs to rely on EMS partners prior to 2025. General Motors' MES 4.0 roll-out illustrated how digital integration improved shop-floor visibility while external partners handled complex assemblies. Outsourcing lets brand owners redirect spending toward design, software, and go-to-market work. Providers benefited by offering flexible lines that could switch from an industrial controller build to a short-run medical device without retooling. Over 2024-2025, demand for turnkey programs rose sharply in consumer electronics, where six-month refresh cycles require rapid iteration. This driver is poised to keep transaction volumes high through 2027 as product complexity grows and in-house lines struggle to keep pace.

Accelerated Near-/Re-shoring of Supply Chains

Tariff uncertainty and pandemic-era logistics disruptions triggered a fast relocation of PCB and box-build capacity toward Mexico, Eastern Europe, and ASEAN in 2024. Foxconn's USD 383 million board plant in Vietnam typified the movement away from single-country dependence. Mexico leveraged USMCA to secure automotive and server rack programs for the United States, while Poland and Romania targeted European EV platforms. Localization reduced freight lead times by up to 40% and lowered inventory risk. Small-batch manufacturers adopted the same strategy to keep custom builds closer to end customers. The trend remains strongest in 2025 as inflationary freight rates and geopolitical tensions sustain the need for diversified footprints.

Rising Semiconductor and Passive Component Cost Volatility

Memory and power devices swung in price by double-digit percentages during 2024, leaving EMS firms exposed when customer contracts locked BOM prices for quarters in advance. Supplyframe data showed that 75% of components either stabilized or declined, yet high-bandwidth memory faced acute shortages, straining AI server builds. Large providers prepaid chipmakers or hedged with consignment deals, but small firms absorbed margin pressure. Higher obsolescence made inventory buffers riskier, prompting consolidation as scale became critical to weather volatility. Although prices moderated in early-2025, strategic sourcing complexity remains a drag on earnings.

Other drivers and restraints analyzed in the detailed report include:

Surge in EV Power-Electronics RequirementsProliferation of IIoT Edge DevicesIP Protection Concerns in Aerospace and Defense

For complete list of drivers and restraints, kindly check the Table Of Contents.

Segment Analysis

PCB assembly and box-build services contributed 61.85% of the electronic manufacturing services market revenue. Growing preference for closed-loop sustainability drove after-market services toward an 8.05% CAGR, outpacing the broader electronic manufacturing services market. Providers expanded repair hubs on every major continent to cut turnaround times and lower e-waste. Electronics design and engineering engagements intensified as OEMs sought concurrent-engineering savings. Prototype and NPI lines handled shorter lots but yielded high margins by helping brands cut weeks from first-article schedules. Testing and certification labs are integrating cybersecurity assessments alongside electrical safety to meet new regulatory checklists.

In 2025, circular-economy directives in the EU made component harvest and refurbishment viable revenue streams. Leading EMS operators embedded digital twins to predict board-level failures and pre-stage spares. As hardware subscription models spread in industrial automation and consumer devices, post-sale services will become central to contract renewals. Competitive differentiation will hinge on global depot density and data-driven failure analytics.

Contract manufacturing remained the bedrock, representing 70.92% of 2025 revenue, yet original design manufacturing grew faster as brands chased one-stop solutions. ODM revenue is set to climb 8.76% annually, pulling the electronic manufacturing services market toward hybrid engagements where design, sourcing, and fulfillment reside in one vendor. Turnkey manufacturing gained traction for AI servers and medical devices that demand secure supply chains. Private-label builds filled niche appliance and smart-lighting slots requiring cost leadership over brand differentiation.

Taiwan-based providers blurred lines by offering white-box platforms pre-certified for global markets. Foxconn and Wistron introduced reference designs that customers could brand, accelerating launch timelines. Contract manufacturers that fail to develop at least light design capabilities risk margin compression in a commoditizing assembly landscape.

Electronic Manufacturing Services (EMS) Market is Segmented by Service Type (Electronics Design and Engineering, Prototype and NPI Services, PCB Assembly, and More), Business Model (Contract Manufacturing, Turnkey Manufacturing, and More), Manufacturing Process (Surface-Mount Technology, Through-Hole and Mixed Technology, and More), and End-Use Industry (Mobile Devices, Consumer Electronics, and More), and Geography.

Geography Analysis

Asia-Pacific held 47.05% of 2025 revenue and posted a 12.52% CAGR, the highest among regions, as companies diversified into Vietnam, India, and Thailand while retaining China for scale production. Government incentives in India's PLI scheme drew handset and wearables programs, and Vietnam became a preferred site for high-layer PCBs targeting US buyers. North America enjoyed strong inflows into Mexican industrial corridors, with many EV OEMs demanding localized printed-circuit capacity by 2026. Domestic content rules in defense electronics secured new plant builds in Arizona and Texas. Europe prioritized compliance-heavy medical and industrial programs, leveraging proximity to OEM design centers despite higher labor costs.

South America's share remained modest yet grew as Brazil and Mexico advanced electronics clusters linked to automotive final assembly. Taiwan's PCB ecosystem, projected to grow 5.8% yearly through 2025, supplied advanced substrates to global AI server builders. Middle East and Africa saw initial investments in smart metering and renewable energy controllers, often bundled with training initiatives. The electronic manufacturing services market size in emerging regions will broaden as decarbonization projects demand localized electronics content.

List of Companies Covered in this Report:

Hon Hai Precision Industry Co., Ltd. (Foxconn) Pegatron Corp. Flex Ltd. Jabil Inc. Wistron Corp. Sanmina Corp. Celestica Inc. Benchmark Electronics Inc. Plexus Corp. Compal Electronics Inc. Inventec Corp. Universal Scientific Industrial Co., Ltd. (USI) Shenzhen Kaifa Technology Co., Ltd. Asteelflash Group Kimball Electronics Inc. Sumitronics Corp. Nortech Systems Inc. Creation Technologies Ltd. Integrated Micro-Electronics Inc. Zollner Elektronik AG New Kinpo Group (Cal-Comp) SIIX Corp.

Additional Benefits:

The market estimate (ME) sheet in Excel format
3 months of analyst support

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