



The European Institute for the PCB Community

## **EIPC SPEeDNEWS**

*The Weekly On-Line Newsletter*

*Issue 1 – January 2024*

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### NEWS FROM FINLAND

#### **Aspocomp starts change negotiations in Finland**

Aspocomp Group Plc starts change negotiations on possible temporary layoffs and redundancies in Finland. Today, on January 4, 2024, Aspocomp has issued a negotiation proposal in accordance with the Act on Cooperation to start change negotiations for production-related and financial reasons. The company's entire personnel in Finland, approximately 150 people, are covered by the negotiations. According to a preliminary estimate, change negotiations could result to temporary layoffs and, in addition, to the termination of a maximum 5 positions.

Change negotiations will be initiated to improve the company's profitability and competitiveness and to secure future operational capacity in a weakened market situation. The company adapts its cost structure and number of personnel to reflect the current market and demand situation. Slower-than-expected recovery of the semiconductor cycle and high inventory levels in various parts of the value chain have slowed down the development of the company's net sales.

According to the company's previous estimate, the semiconductor cycle is expected to swing to growth in the first half of 2024, and the industry's long-term growth prospects are still strong. Inflation and interest rates, the risk of recession and the uncertainties posed by Russia's war of aggression continue still to affect the operating environment of Aspocomp and its customers.

The negotiations will start on January 11, 2024, and last six weeks following the Act of Cooperation.

For further information, please contact Mikko Montonen, President and CEO, tel. +358 40 5011 262, [mikko.montonen\(at\)aspocomp.com](mailto:mikko.montonen@aspocomp.com).



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## NEWS FROM FRANCE

### **iCAPE Group Announces Its Financial Calendar for Fiscal Year 2024**

FONTENAY-AUX-ROSES, France--(BUSINESS WIRE)--Regulatory News: ICAPE Group (ISIN code: FR001400A3Q3 - mnemonic: ALICA), a global technology distributor of printed circuit boards, today announces its financial calendar for fiscal year 2024.

Indicative financial calendar<sup>1</sup>

<b>Events</b>	<b>Dates</b>
<b>2023 Full-Year Revenue</b>	Thursday February 8, 2024
<b>2023 Full-Year Results</b>	Wednesday March 27, 2024
<b>2024 First-Quarter Revenue</b>	Wednesday May 15, 2024
<b>Annual General Meeting</b>	Wednesday May 22, 2024
<b>2024 Half-Year Revenue</b>	Wednesday July 24, 2024
<b>2024 Half-Year Results</b>	Thursday September 26, 2024
<b>2024 Third-Quarter Revenue</b>	Wednesday November 13, 2024

#### About ICAPE Group

Founded in 1999, ICAPE Group acts as a key technological expert in the PCB and technical parts supply chain. With a global network of 36 subsidiaries and a major presence in China, where most of the world's PCB production is done, the Group is a one-stop-shop provider for the products and services which are essentials for customers. As of December 31, 2022, ICAPE Group recorded a consolidated revenue of nearly €220 million.

For more information: [icape-group.com](http://icape-group.com)

1 Press releases will be disseminated after market close. Information subject to change.

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### NEWS FROM THAILAND

#### ***PCB makers moving production to Thailand to lower geopolitical risks and for orders from automotive industry***

Molf Lai, DIGITIMES Research, Taipei

According to DIGITIMES Research's observation, there are generally two main reasons for PCB firms to relocate to Thailand: de-risking and opportunities for automotive electronics. With extra support from the Thai government in the form of incentives, Thailand has become a favourite destination for PCB manufacturers and upstream industries, and a PCB industry ecosystem is being formed there, according to DIGITIMES Research's latest report covering Thailand's PCB industry.

Since 2021, Thailand has become a hub attracting investments from PCB firms looking to diversify their risks by embracing a "China+1" strategy. Many PCB manufacturers from China, Japan, and Taiwan have set up plants in Thailand.

China is the largest PCB production base, but since 2018, it has been facing a series of external and internal challenges, such as the US-China trade war, the COVID lockdown, and the dual-control policy introduced in 2021 on energy consumption, which has prompted companies to rethink de-risking and the necessity of decentralized production, the report's data shows.

Thailand has long been an important hub in Southeast Asia for the electronics manufacturing and automaking industries. Since 2020, PCB imports have been increasing. Thailand also has a promising future as far as demand for automotive electronics is concerned. With Thailand boasting a relatively better investment environment than other ASEAN neighbours, the Thai government is also actively attracting investors through incentives,

making the country the top choice for the PCB industry seeking to embrace the “China +1” strategy.

Currently, the PCB investment boom is concentrated in Bangkok and the Eastern Economic Corridor (EEC), where more than 60% of Thailand’s automotive and electronics manufacturing factories are located. The growth of Thailand’s automotive electronics industry is expected to be a key factor affecting the future position of Thailand’s PCB industry in the global electronics supply chain.

## **Board of Investment (BOI) plans enhanced support for Thailand’s electronic circuit industry**

*JANUARY 09, 2024*  
*nationthailand.com*

Thailand’s Board of Investment (BOI) is promising more direct support and incentives for local electronic circuit suppliers to boost their capabilities so they can enter the global electronic circuit production ecosystem.

This commitment aligns with the government’s goal to position Thailand as Southeast Asia’s electronic industry hub, focusing on advanced production of printed circuit board (PCB) and Printed Circuit Board Assembly (PCBA). They are both critical components of all electronic smart devices.

Narit Therdstearasukdi, BOI secretary-general, said recently that Thailand has become the first relocation choice for major global PCB and PCBA manufacturers in the ASEAN region. The second and third choices are Vietnam and Malaysia.

“Tech and trade wars over the last few years have put a lot of pressure on these companies to shift to zones that offer security, stability, sustainability, and neutrality,” he said, adding that Thailand meets all these requirements. Operations can also start almost immediately here, he said.

“To position Thailand as a global leader in the production and export of electronic circuit boards, BOI will collaborate with key stakeholders, like the Thailand Printed Circuit Association [THPCA],” he said.

This move will make Thailand an excellent destination for investment and will improve suppliers’ performance to maintain Thailand’s competitiveness, he said.

Narit also believes local suppliers have the potential to enter upstream industries like wafer production, design and development of new products.

“I would say our current incentives and support measures for investors are sufficient to meet their needs. So, we need to focus more on improving Thai suppliers’ performance so they do not fall behind,” he said.

The BOI said 106 projects with a total investment value of 150.56 billion baht have sought investment promotion in PCB and PCBA production between November 2018 and November 2023.

Last year alone, 36 PCB and PCBA projects were submitted for investment promotion from the BOI, totalling approximately 96 billion baht.

BOI plans enhanced support for Thailand’s electronic circuit industry

Major manufacturers such as Delta Electronics, Apex Circuit, KCE Electronics and Cal-Comp Electronics continue expanding their investment in Thailand. Furthermore, several new leading electronics producers, such as Zhen Ding Technology, Unimicron and Compeq have shown interest.

THPCA president Pitharn Ongkosit, meanwhile, expressed gratitude for the collaboration with BOI and emphasised the need for talent development in the industry.

According to THPCA, Thailand’s electronic circuit board industry is valued at more than US\$1.4 billion or approximately 48 billion baht and is expected to reach \$8 billion by 2025.

This remarkable expansion is foreseen as a result of more than 30 additional investment projects in Thailand.

Beyond this, the authorities will also hold the Thailand Electronics Circuit Asia (THECA) trade show focusing on the manufacturing and solutions of PCB and PCBA from July 24 to 26 at the Bangkok International Trade and Exhibition Centre (Bitec).

Hosted by THPCA, the event intends to serve as a catalyst for stimulating investments, creating business opportunities and fostering the development of products and services that meet the demands of both the industrial sector and consumers.

BOI plans enhanced support for Thailand’s electronic circuit industry

Apart from showcasing goods, the event will also feature conferences and international workshops on a wide variety of topics. So far, representatives from China, South Korea, Japan, the Philippines, India and the Netherlands have confirmed their attendance.

More than 300 exhibitors and 4,000 delegates are expected to participate.

THPCA expects the tradeshow to contribute to the establishment of international industrial networks, creating jobs, revenue and overall economic growth in Thailand.





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## NEWS FROM THE UK

### **Semiconductor Industry Update Webinar - Registration Now Open**

Last year's IFS forecast called for a double-digit decline in 2023, contrary to perceived wisdom favoured ongoing industry growth. Our forecast proved right.

With 2023 now firmly in the rear-view mirror, all eyes are fixed on 2024's outlook. This time around, industry consensus favours strong double-digit growth, driven by Gen AI, strong demand for GPUs, and a recovery in memory and, on an annualized basis, the math clearly shows the chip industry value growth is powering ahead.

But, inventory levels remain stubbornly high with wafer fab utilization rates low, casting a shadow over the future

- When will unit growth return?
- Can the world economy continue to defy gravity forever?
- Is the current surge in ASPs sustainable?
- Is the 'recovery' real or just a reflection of last year's bad data providing a weak base for comparison?

Find out the answer to these and other key questions at Future Horizons' IFS2024 annual industry update outlook webinar, **Jan 16, 2024**, 3pm UK GMT

<https://www.futurehorizons.com/page/136/Industry-Update-Webinar>

Register at

[https://us02web.zoom.us/webinar/register/7416911384194/WN\\_NHk\\_8-UiS3KSh90PA3dptw](https://us02web.zoom.us/webinar/register/7416911384194/WN_NHk_8-UiS3KSh90PA3dptw)

### **What Will You Hear**

This one-hour broadcast will focus on the chip industry outlook, including:

- What happened in 2023 vs. last year's January forecast?
- What is the market forecast for 2024?
- What's happening in CapEx, investment, and onshoring trends?
- What are the likely opportunities and implications for the industry?
- How to build resilient business strategies, plus
- Opportunity to ask specific questions in advance, during and after the webinar.

### **Who Should Attend**

All companies, small and large, from startups to established market leaders.

- Key decision-makers in the design, manufacture, or supply of semiconductors.
- Government organizations in industry, trade, and investment.
- Those involved in M&A, investment, or finance within the electronics industry.
- Senior industry executives planning future marketing strategy.

### **Your Trusted Industry Advisor**

Founded in 1989, Future Horizons has been in the business of forecasting and analyzing the semiconductor market for 35 years and has been a trusted advisor to governments, investors, startups, and most of the top global semiconductor firms. Our forecast track record and hands-on industry experience, dating back to the first commercial IC, longer than any other analyst and most industry execs, make this a must-attend event for key decision makers in semiconductors, electronics, and all related industries. We always present accurate and insightful analysis at these events, consistently helping our clients save time and money with our insightful and accurate analysis of the industry.

### **Fee**

For a small investment of UK £150 plus £30 UK VAT you will gain accurate industry insight to make good strategic decisions in these uncertain times

- Discount available for 3 or more attendees from the same company/organisation
- Can't attend? No need to miss out, order the webinar video recording and slides instead.
- If already registered or not directly suitable for you, please pass it to a colleague or associate.

- The event can also be repeated on-line or in-person in-house for your added convenience and flexibility.

Register now at

[https://us02web.zoom.us/webinar/register/7416911384194/WN\\_NHk\\_8-UiS3KSh90PA3dptw](https://us02web.zoom.us/webinar/register/7416911384194/WN_NHk_8-UiS3KSh90PA3dptw)



## Issue 1 - January 2024

### NEWS FROM THE TPCA

#### ***Recovery in sight for Taiwanese PCB Industry***

Recovery is now finally in sight for the Taiwanese PCB industry after enduring a year of market correction with the end of the pandemic boom. The global output of Taiwanese vendors in Q3 2023 was NTD 207.1 billion, and while this represented a decline of 18.4% over the same period last year, it also meant a quarterly growth of 22.3%.

There are signs suggesting that the weakness of the electronic component industry is now coming to an end. The 2023 total output of NTD 778.3 billion was weighed down by a variety of negative factors, including weak end-user demand, international conflict, high inflation, and high inventory. This represented a decline of 15.8% from last year, but the overall output was still slightly higher than the 2020 pre-pandemic levels, reports the Taiwan Printed Circuit Association (TPCA).

Closer observation showed that end product sales have begun to recover by Q3. While the sales were mostly reflected by the consumption of channel or client-side inventories and will take time before they have any effect on the upstream component supply chain, the depletion of end inventories will undoubtedly usher in a new period of growth for the Taiwanese PCB industry. Total output is therefore projected to reach NTD 837.7 billion and grow by 7.6% year-on-year in 2024.

Looking back on the performance of individual products for the Taiwanese PCB industry in Q3, IC carriers that are closely linked to semiconductors reported a quarterly growth of 11.2%. The same period last year was an all-time high, but the high baseline meant a decline of 34.3% year-on-year. Four consecutive quarters of market correction meant annual decline had shrunk to just 6.8% for multi-layer PCBs, making it the first PCB product to bottom out and start rebounding. For flex PCBs, smartphone sales are now on the mend, but existing inventories are still being consumed. Weak performance by key notebook customers meant annual output declined by

22.8%. As for HDI, mobile phones and automobiles are showing signs of recovery, but the weakness of the notebook and consumer electronic segments meant an overall decline of 12.2%. Fortunately, the magnitude of decline has shrunk significantly, so demand for HDI is beginning to recover as well.

In terms of production region, China-based production capacity among Taiwanese vendors reached 63.7% in Q3, up from the first half of the year. This is because China mainly produces mobile phones, notebooks and consumer electronic products with distinct peak and off-peak seasons. A higher percentage of Taiwanese production is dedicated to carriers, so adjustments in carrier revenue have a greater impact on Taiwan's overall performance.

Market correction in the PCB industry had a flow-on effect on the performance of material and equipment supply chains. The depreciation of the Japanese Yen this year also helped boost the market share of Japanese supply chains. Weak demand and over-supply put pressure on the prices of Taiwanese PCB raw materials. Annual output in 2023 is estimated to be NTD 268.8 billion, a decline of 24.9% from the previous year.

A weak market also affects the capital expenditure plans of PCB makers. PCB equipment makers are therefore impacted as well. This year, Taiwanese equipment makers' total output is estimated to be NTD 56.6 billion, a decline of 15.9% compared to the previous year. However, as more PCB vendors shift their production locations to Southeast Asia, this will inevitably generate more demand for equipment, so related benefits should begin to emerge next year.

Generally speaking, bringing global inflation and rate rises back under control is helping to restore consumer confidence. Customers will start placing orders again once inventories are depleted as well. The 2024 outlook for electronic end products is therefore quite positive. At the same time, ITRI expects the Taiwanese semiconductor industry (including IC design, fabrication, assembly and testing) to grow by 14.1% next year. The Taiwanese IT electronics industry will also grow by 7.57%. Based on the above, the general consensus is that the PCB industry is now on the rebound

## PCB growth stocks that challenge profit doubling in 2024

After 2023, most PCB stocks are showing signs of recession, especially in the first half of 2023 when they face the pressure of high inventory destocking, and new applications (such as AI servers) are still in the initial stage of project development and have low contribution, so The overall PCB market output value will decline in 2023, and most Taiwanese companies will also face an operating recession.

However, inventory problems have gradually returned to healthy levels since the second half of 2023, and new products have entered mass production, coupled with consumer electronics such as NB and mobile phones in 2024 It is expected to regain growth performance in 2020, as well as the support of new applications, etc. PCB major manufacturers are expected to restore their order-taking strength when the industry recovers.

Considering that the base period will be low in 2023, PCB boards are expected to challenge the profit doubling in 2024. Factories, legal persons are named, including upstream material factory Lianmao, PCB board factory Jinxiangdian, Boxhi, Huatong, Dynamic Investment Control, and carrier board factory Xinxing, Jingshuo, etc.

Among the above-mentioned industries, Jinxiang Electronics is expected to have good operating performance in 2023 and is expected to be supportive in the first half of 2024. Although there is traditional off-season pressure of reduced working days in the first quarter, the customer order volume is about the same as that in 2023. The four seasons are similar, which contributes to the demand for AI servers.

Those with a lower base period of 2023 include Huatong and Primus. However, Huatong is an Apple concept stock, and the relative demand in the first half of the year is still dominated by low-orbit satellites. There are still Apple concept stocks that first squat and then jump in the first and second half of the year. However, with the recovery of the NB/mobile phone market, profit is expected to challenge double performance in 2024; while Bozhi will suffer from customer inventory depletion in both servers and industrial computers in 2023, until the fourth quarter of 2023 Only then have we seen the boost in demand, and new orders are expected to resume in the first half of the year.

In addition, Dynamic is also a PCB factory that will see profit growth in 2023 and is expected to continue to grow in the first half of 2024, mainly due to the opening of new production capacity and the support of high-end automotive HDI orders; as for the carrier board factory, the same is expected in 2023. In a relatively low year, profit performance in 2024 is also expected to grow significantly. However, the first half of the year is still relatively conservative, especially in the first quarter, which has Chinese New Year factors and relatively healthy supply and demand. The demand for high-end carrier boards still requires new products. After the design introduction, it is generally expected that it will take about the second half of 2024 for the carrier board to be more meaningful.



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## International Diary

### 2024

#### **EIPC Winter Conference**

##### **Visit Schweizer Electronic AG**

Schramberg/Villingen-Schwenningen, Germany

Tuesday 30 & Wednesday 31 January

#### **EIPC Technical Snapshot Webinar**

Registrations via [www.eipc.org](http://www.eipc.org)

March

#### **EIPC @ ECWC16 WECC**

Anaheim, USA

April 8-11

#### **EIPC Technical Snapshot Webinar**

Registrations via [www.eipc.org](http://www.eipc.org)

May

#### **EIPC Summer Conference**

##### **Visit ESA/ESTEC**

Noordwijk, The Netherlands

Tuesday 4 & Wednesday 5 June

#### **EIPC Technical Snapshot Webinar**

Registrations via [www.eipc.org](http://www.eipc.org)

September

#### **EIPC Technical Snapshot Webinar**

Registrations via [www.eipc.org](http://www.eipc.org)

October