

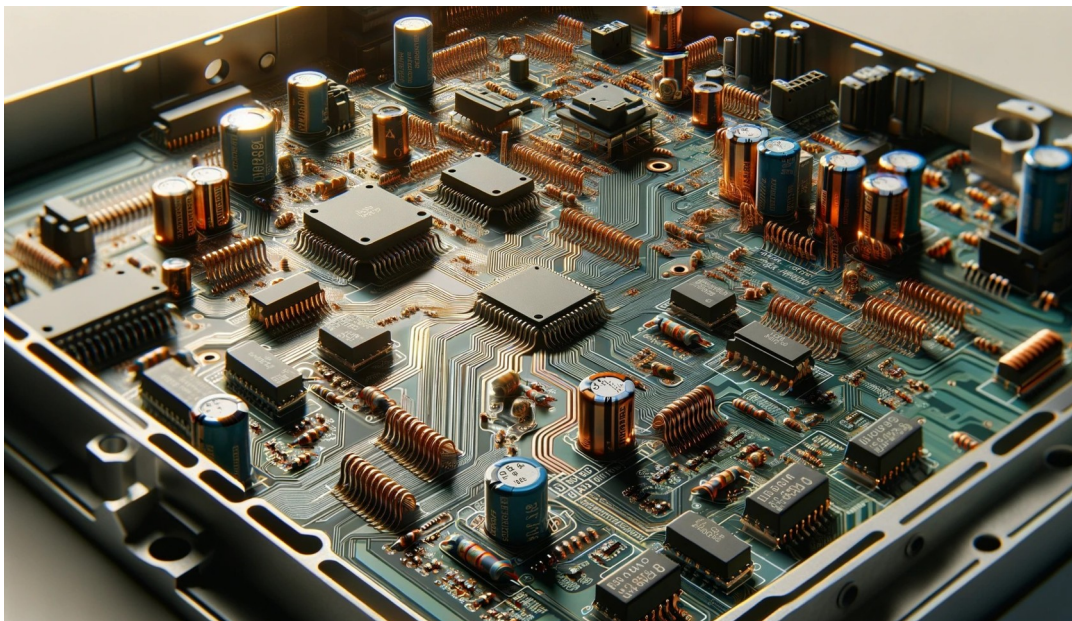
India's EMS Market: A Beacon of Opportunity

Author: Karthik Chandapura

March 12, 2024

Outsourcing is a long standing practice in the manufacturing industry. It's often impractical for companies to build complex products entirely in-house. This is where working with [Electronics Manufacturing Services](https://www.indicelectronics.com) (EMS) becomes advantageous for Original Equipment Manufacturers (OEMs). By collaborating with EMS providers, OEMs can leverage the efficiencies and expertise that come with specialization.

EMS acts as a critical link between component sourcing and the creation of finished equipment. Major Original Equipment Manufacturers are increasingly exploring alternative sources to mitigate uncertainties and disruptions in the current supply chain.



Reduced Dependency on China Due to Geopolitical Factors:

A Gartner survey reveals that about 33% of supply chain leaders have already shifted or are planning to shift their business operations out of China. This trend can be attributed to several factors:

- **Increased Costs:** Rising business costs due to higher tariffs imposed by the Chinese government.
- **Changing Perceptions:** The earlier belief that outsourcing to China was both easy and cost-effective is losing ground. Issues with intellectual property rights and unethical business practices have tarnished this image.
- **Competitive Manufacturing in South Asia:** Other countries in South Asia are emerging as strong competitors in manufacturing, offering viable alternatives to China.
- **Growing Geopolitical Tensions:** The escalating geopolitical unrest has further complicated the global subcontracting relationship with China, prompting businesses to seek more stable and reliable manufacturing hubs.

International companies are diversifying their manufacturing strategies, assessing the potential of subcontractors across the globe.

Outsourcing Electronics Manufacturing Services (EMS) to India, and specifically to Bangalore, offers a synergistic blend of advantages:

1. **Cost Reduction:** Outsourcing to India can significantly reduce labor and operational costs due to the lower cost of manufacturing labor in India compared to other countries. This is particularly evident in Bangalore, where the abundance of skilled labor and the availability of specialized industrial zones drive down manufacturing costs.
2. **Government Support:** The Indian government's initiatives, such as the 'Make in India' and 'Atmanirbhar Bharat' programs, provide incentives and support for local manufacturing, while Bangalore's local government actively promotes the city as a hub for electronics manufacturing.
3. **Skilled Workforce:** India has a reputation for producing a large number of skilled engineering and technology graduates each year. Bangalore, in particular, is home to numerous engineering and technology institutions, ensuring a steady supply of qualified professionals for electronics manufacturing roles. This skilled workforce contributes to efficiency, innovation, and problem-solving capabilities within the EMS ecosystem.
4. **Infrastructure Advancements:** India, in general, and Bangalore, in particular, are investing heavily in infrastructure development to support the electronics manufacturing sector. This includes the development of specialized electronic manufacturing clusters and industrial parks to facilitate the establishment and growth of manufacturing units. These dedicated zones provide advanced amenities, streamlined processes, and seamless connectivity, enhancing the attractiveness of both India and Bangalore as EMS destinations.

5. **Focus on R&D and Design Innovation:** India and Bangalore place a strong emphasis on research and development (R&D) in electronics manufacturing. This is evident in the numerous R&D centers and collaborations between EMS providers, OEMs, and academia. These collaborations lead to the development of advanced technologies, process improvements, and customized solutions for OEMs.
6. **Dedicated Industrial Zones:** Both India and Bangalore offer dedicated industrial zones specifically designed for electronics manufacturing. These zones provide a conducive environment for EMS operations, including streamlined regulatory procedures, access to skilled labor, and infrastructure support, such as power, water, and logistics facilities. This infrastructure reduces operational costs and enhances efficiency for EMS providers.
7. **Proximity to Global Markets:** Bangalore's strategic location in South India provides easy access to major global markets, reducing transportation costs and lead times for OEMs.

India's EMS Market - In Conclusion

INDIC EMS Electronics, a leading EMS provider in Bangalore, offers a complete range of services for OEMs, from design to quality assurance. Leveraging Bangalore's skilled workforce and infrastructure, along with India's competitive costs, INDIC EMS ensures cost-effective, high-quality manufacturing. We specialise in the entire [electronic manufacturing](#) process, prioritising innovation, customer satisfaction, and continuous improvement. Our expertise in quality assurance and regulatory compliance, combined with advanced facilities and rigorous quality control, positions INDIC EMS as a prime choice for OEMs seeking comprehensive, reliable manufacturing solutions in a dynamic market.