

Contract Electronics Employment Steady

TECHNOLOGY: Jobs rise at many; one sends work to China



Making circuit boards at Multi-Fineline in Anaheim: most production now done in China

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Local employment at contract electronics makers has stabilized after several years of job losses, according to this week's Business Journal list.

The 15 largest contract electronics makers here saw local employment hold steady at 2,521 workers in the past year, an improvement from the 12% decline they saw in 2009.

A year ago, the list saw a reshuffling as a big entry—Taiwan's Foxconn Electronics Inc.—fell off.

In 2008, Foxconn moved local operations to the City of Industry and shuttered its Fullerton plant, where it had made computers, components and telecommunications gear.



The move eliminated an estimated 600 contract electronics manufacturing jobs in the county, though many former Fullerton workers likely now commute to Foxconn's City of Industry site.

This year also saw a sizable decliner, No. 7 Anaheim-based Multi-Fineline Electronix Inc., which has been shifting work to China.

But Multi-Fineline's cutting was offset by hiring at other companies. Without Multi-Fineline, the 14 other companies on the list saw a 4.7% rise in employment to 2,432 local workers.

Eight companies on the list hired workers. Three companies cut jobs. One was flat and three were Business Journal estimates.

Contract electronics makers here have been adding jobs with a strengthening economy and a focus on specialized products.

The companies make printed circuit boards and other products for makers of computers, consumer electronics and medical devices. Some serve niche markets for products that have military, aerospace and industrial uses.

Products made here end up in a wide variety of devices, including computers, cell phones, aircraft and medical gear.

Many contract electronics makers have been in Orange County for years, having started decades ago to serve a single customer.

Local circuit board makers have been able to stay competitive by designing and building prototypes or churning out small batches for jobs that need to be turned around fast.

Asian competitors produce less complex boards that can be made in big batches on the cheap.

Multi-Fineline, which makes flexible circuit boards for cell phones, smartphones and other mobile devices, recently shifted the bulk of its production from Anaheim to China.

That led to the biggest drop on this year's list, with the company shedding about 100 jobs, a 53% decline, for a total of 89 local workers.

The company still does some manufacturing of prototypes and complex jobs in Anaheim. Most production is done in three factories in China.

No. 1 Santa Ana-based Express Manufacturing Inc., which makes electronics used in the telecommunications and gambling industries, moved to the top of the list last year with Foxconn's departure and stayed there this year.

The company, known as EMI, added 47 jobs in the past year for a total of nearly 700 workers in Santa Ana.

Workers were brought in as orders picked up, according to spokesman John Koon.

“EMI has brought in new customers as well as grown existing customers, which required increasing staff,” he said. “We anticipate that we will continue hiring as business grows.”

EMI makes products locally and in Asia.

“The biggest driver of growth for EMI in the past year is due to being able to offer our existing U.S. customers an alternate manufacturing location in China,” he said. “In this uncertain economy, customers need to have the flexibility of building products in either the USA or Asia as volume fluctuates.”

No. 2 TTM Technologies Inc. of Santa Ana added 14 local workers in the past year here for a total of 420.

The maker of printed circuit boards is seeing the benefits of an acquisition it made about a year ago.

TTM bought a unit of Hong Kong-based Meadville Holdings Ltd. for \$521 million, a move that doubled its sales and profits.

Analysts are paying renewed attention to TTM.

The company’s third-quarter results were “strong” and its guidance for the current quarter is “solid” said Stifel, Nicolaus & Co. analyst Matthew Sheerin.

Earlier this month, Sheerin reiterated a “buy” rating on TTM’s shares, which had a recent market value of \$1 billion.

The list, always a work in progress, has two new entries this year.

No. 15 Santa Ana-based Prototype Express has 35 workers here, up from 30 a year ago.

The company, which started in 1991, makes prototypes of radio frequency telecommunications gear and other devices.

No. 11 Fullerton’s Golden West Technology, a family owned contract electronics maker, has been here since 1974.

It started out serving a single customer—a Swedish aerospace company that now is part of LM Ericsson.

Golden West makes products for the aerospace, defense, medical and industrial markets.

The company is what’s called a “turn key” manufacturer that procures all of the materials needed to make a product and then tests it and ships it out, according to Russell Rieth, Golden West’s president.

The company has 50 workers here, up a bit from last year.

“We are actually having a good year,” Rieth said. “Our three biggest customers are growing, so we are, too.”

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