STRATEGIC BRIEF | 2 July 2026

# The AI Boom as a Supply Chain Risk

*Why Europe's supply of conventional printed circuit boards is acutely threatened – and what OEMs can realistically do now*

EMS Strategy Group | emssg.com

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## 1. Initial situation: A warning signal from Northern Europe

An EMS company in Northern Europe was informed by its Chinese printed circuit board supplier that deliveries of conventional boards would be discontinued in the near future. The supplier is shifting its capacity to higher-margin, technologically advanced boards for artificial intelligence and related high-performance applications.

Gene Weiner, Independent Director and long-time Board Advisor to the electronics industry, commented on the incident with the question: *„The beginning of the end?“*[1] Dieter G. Weiss, founder of in4ma and Data4PCB, also independently confirmed the situation: The on-time delivery rate of some suppliers has already fallen to 25%. The EMS industry, which anticipates organic growth of 5–7% for 2026, risks being left with unsold orders – without any printed circuit boards.[2]

> **Classification**
> *The documented case points to a structural market shift. It is among the first publicly known indications that the global AI infrastructure boom is affecting the availability of conventional printed circuit boards. Chinese manufacturers are acting rationally from a business perspective – with potential implications for Europe's security of supply of standard printed circuit boards.*

## 2. The cause: Capacity shift due to AI demand

The AI infrastructure boom is generating unprecedented demand for highly complex printed circuit boards with high layer counts, tight tolerances, and specialized base materials. An AI server board requires many times more base material than a conventional board – while offering significantly higher margins. Chinese manufacturers are responding: production capacity is being shifted to where profitability is highest.

The impact on the standard PCB segment is already becoming evident: Standard FR4 material now has delivery times of around four weeks. For advanced materials (high-Tg, low-Dk), delivery times of up to 140 days have been reported. Some CCL grades are now only allocated on a quota basis.[3][4]

The significance of this development is further amplified by the global concentration of printed circuit board (PCB) manufacturing. According to current Prismark data, China accounts for approximately 60% of global PCB production. Capacity shifts by Chinese PCB manufacturers can therefore have a considerable impact on the global availability of conventional PCBs.[11]

### Strategic comparison

| Feature | Conventional printed circuit boards | AI & Advanced PCBs |
|---|---|---|
| **Primary use** | Everyday devices, existing infrastructure | AI data centers, high-performance applications |
| **Margin potential** | Low (commodity segment) | High (special technology) |
| **Market status among Chinese manufacturers** | Deprioritized legacy segment | Strategic growth segment |
| **Delivery readiness 2026** | Capacity shifts, increasing supply bottlenecks and isolated delivery stoppages | Massive capacity expansion |

## 3. What's at stake

The common misconception is that conventional printed circuit boards (PCBs) are interchangeable mass-produced items. The opposite is true. A PCB is a product-specific component that cannot be substituted quickly. A missing component worth just a few euros can bring an end product worth thousands of euros to a standstill.

This does not affect niche applications, but rather the basic services of modern societies: vehicles, household appliances, communication infrastructure and defense electronics are all equally dependent on reliable printed circuit board supply chains.

European associations have recognized the implications. EIPC, Fédération d'Électronique Française, FED and Netzwerk EMS e.V. jointly formulated the following in February 2026: *"A minimum percentage of printed circuit boards manufactured in Europe is not a luxury, but a security policy necessity."* [5] The ZVEI warned that deliveries could be withheld or manipulated.[6]

## 4. Initial market reactions: Consolidation in Europe

The industry is beginning to react. A recent example is the acquisition of Group ACB – a French-Belgian printed circuit board manufacturer – by the SOMACIS Group. This creates a pan-European PCB footprint encompassing Italy, Great Britain, Switzerland, France, and Belgium.[7]

> **Assessment by EMS Strategy Group**
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> The SOMACIS acquisition is a strategically sound move and a sign that the industry has recognized the need for action. However, it does not solve the immediate supply problem in the standard segment: SOMACIS is explicitly positioning itself for mission-critical and advanced PCB solutions – the same growth segment in which Chinese manufacturers are investing. The supply gap for conventional standard circuit boards remains. Consolidation takes time, and new production capacity cannot be built overnight.

## 5. What OEMs and EMS companies can realistically do now

Acting today allows you to limit risks. Waiting until your supplier announces a delivery stoppage leaves you with no time to react. The following recommendations are deliberately realistic – potential limitations are identified.

### Adjust procurement strategy immediately

The most effective short-term measure: Order printed circuit boards as early as possible. Dieter G. Weiss recommends placing orders as soon as the layer stack-up, material type, and thickness are determined – even without a final layout – so that the board manufacturer can procure the base material in a timely manner.[8] Traditional procurement strategies that rely on short-term availability are no longer viable under current market conditions.

### Qualifying European suppliers – with realistic expectations

Having a qualified European supplier as a dual source is sensible – but not a panacea. It creates resilience against capacity-related or geopolitically motivated failures of individual suppliers. However, it does not solve global material shortages: European board manufacturers also source their raw materials – CCL, fiberglass fabric – predominantly from Asia. If the base material is scarce worldwide, switching suppliers will not help.

> **Assessment by EMS Strategy Group**
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> The EMS Strategy Group has been pointing out for some time that Europe's one-sided dependence on Asian suppliers in the printed circuit board (PCB) value chain – from raw material procurement and base material production to board manufacturing – represents a structural risk that would materialize sooner or later. It was not a question of if, but when. The goal cannot be to completely exclude Asia from the supply chain – that is neither realistic nor necessary. The point is to take timely precautions to mitigate a complete supply disruption: building up European capacities while the pressure is still manageable, and not only when everything is falling apart.

### Review inventory strategies

Strategic safety stocks of stable printed circuit board types can create buffers. However, for frequently revised assemblies, building PCB inventories should be approached with caution. It may be more sensible to agree on material buffers at the base material level directly with the board manufacturer – provided they are able to do so.

### Recalibrate delivery times in project planning

Standard FR4 currently takes around four weeks, while advanced materials take up to 140 days.[9] Companies that still base product launches and delivery commitments on outdated planning assumptions are creating delays and contractual risks. A review of internal planning assumptions is strongly recommended.

## 6. What policymakers can do – and what they cannot achieve

The right discussions are underway at the political level. In June 2026, ZVEI, ILFA, and European partners emphasized in Brussels that technological sovereignty requires strengthening the entire value chain – from semiconductors to printed circuit boards. The European Chips Act 2.0 must include PCBs.[10]

**Assessment by EMS Strategy Group**

Political initiatives are necessary – but their impact unfolds over years, not months. Building new production capacity takes years rather than months. This doesn't solve the current supply problem. For companies that need to produce today, short-term operational measures are what count – not industrial policy. Both are necessary, but on different timescales.

## 7. Conclusion

The delivery stoppage by a Chinese printed circuit board supplier to a northern European EMS company is an early but clear signal: The global AI boom is triggering a capacity shift that is increasingly putting pressure on the standard segment.

There is no easy solution. A European secondary supplier helps mitigate capacity-related disruptions, but not global material shortages. Political measures have a medium- to long-term impact. What companies can do now: plan procurement earlier, qualify suppliers in Europe, and adapt planning assumptions to the new market reality.

Those who postpone these adjustments will likely have to make them up later under significantly greater time and cost pressure.

**Key message**

*Conventional printed circuit boards are not a residual commodity risk. They are the foundation of functioning production. The supply situation has changed structurally – procurement strategies must change as well.*

## List of sources


**[1]** Gene Weiner (Independent Director/Board Advisor): public LinkedIn post, June 2026 – Initial report on the Northern European EMS delivery stoppage

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**[3]** ILFA: “Supply bottlenecks for basic materials”, March 6, 2026 – evertiq.com (freely accessible)

**[4]** hilelectronic.com: PCB Material Shortage Guide, June 2026 (freely accessible)

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**[6]** ZVEI Position Paper: “Decline in Printed Circuit Board and EMS Manufacturing”, Dec. 2025 – zvei.org (freely accessible)

**[7]** SOMACIS Group: Press release on the acquisition of Group ACB, June 2026 – somacis.com

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**[9]** MaRCTech2: “PCB Material Shortages: What Customers Need to Know”, May 2026 – marctech2.com (freely accessible)

**[10]** ILFA: “Europe’s Microelectronics Business Case in Brussels”, June 3, 2026 – ilfa.de (freely accessible)

**[11]** Prismark Partners: Prismark Research Featured in CNBC Report on Global PCB Supply Chains, June 2026 – China's share of global PCB production projected to reach approximately 60% by 2026 (freely accessible)

## About the author

Dirk Kaussen is Founder and Managing Director of EMS Strategy Group. With around 40 years of experience in the electronics industry — including founding and managing his own electronics manufacturing company in Germany — he brings deep expertise in manufacturing processes, EMS partner selection, supply chain stability, relocation projects, and risk management. His approach combines practical solutions with a direct connection to industrial reality.

## About the EMS Strategy Group

EMS Strategy Group supports industrial enterprises in the strategic advancement and optimization of their electronics manufacturing operations – from high-level planning to operational execution. Our core expertise lies in the strategic relocation of manufacturing volumes to European EMS providers, the establishment of new production capacities, and the expansion of existing manufacturing structures.

Furthermore, we design resilient supply chain frameworks, conduct comprehensive risk assessments, and guide dual-sourcing strategies to secure and fortify supply chains. Upon request, we manage projects closely until a successful serial production ramp-up is achieved.

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