Industry chatter has long said M&A activity among the major placement companies is inevitable.

Yet throughout the gut-wrenching downturn of 2001-02, the widespread pause in 2008-09, and the subsequent fallout starting last spring, nothing concrete took place.

Sure, a few companies have changed hands -- Mydata was bought out by Micronic, Dover divested
Universal Instruments to Francisco Partners,
which in turn sold it to Patriarch Partners,
ASM took Siplace
off Siemens' hands, and H2 Equity Partners did
the same for Philips with Assembleon.

But there are more than 25 pick-and-place OEMs around the world, and despite fierce competition the number is actually growing.

Today, Juki and Sony announced the signing of a non-binding memorandum of intent to discuss the possible integration of their respective surface-mount technology equipment and related businesses. Will this finally get things rolling?

Under the MOI, Sony and Juki would integrate their SMT businesses under a newly established company, whose name is yet to be disclosed. Both companies are ponying up cash for the "startup," Juki presumably providing the lion's share as stands to receive two-thirds of the shares in the new venture.

The deal could be consummated by September if everything holds up.

It's unclear what a merged entity's worldwide market share would be, but I suspect it would be the largest in the world. Juki currently is neck-and-neck with Yamaha and Fuji in Asia, and is probably the current leader for new units sold in the US. Sony hasn't been able to penetrate the

US, but has done well in Mexico, where many Japanese OEMs have or had larger factories. It also sold thousands placement machines to Foxconn, reportedly as part of a an arrangement under which Sony outsourced production of various consumer electronics. Latin Americas is up for grabs. Siplace and Assembleon continue to hold sway in Europe, but others have made inroads of late.

This could also affect Juki's deals as a full-line distributor for other suppliers. Sony currently makes everything from screen printers to placement machines to AOI. Juki resells printers (GKC) in the Americas and Europe, as well as various soldering equipment lines.

The bigger question, however, is will this spur other M&A? Not many companies align so neatly as Juki and Sony. So while many placement companies have been on the block for some time, and the lure of better share, less competition and -- hopefully -- greater margins is always on the CFOs' minds, the merging of differing technology, approaches and cultures (not to mention the acquisition price) haven't been enough to seal any deals thus far. And we don't see that changing any time soon.