

European Market for Passives 2010 and Outlook 2011

During its March meeting at site of Murata Elektronik GmbH in Nürnberg (Germany), the EECA - European Passive Components Industry Association (EPCIA) has discussed the market development 2009 and the forecast 2010. EECA-EPCIA President, Ralph Bronold, commented:

"The experts of EPCIA reported about a significant decrease of the European Passives market in the first half of 2009 and a moderate recovery beginning of the 4th quarter 2009. Overall the market volume has dropped by minus 21%. In 2010 a further recovery of the Passive Components market is expected. Market participants assume a growth of 13% in 2010.

*The outlook for 2010 indicates a growth of 18% for **Capacitors** and 12% for **Resistors**. The combined market for **Electromagnetic Components, EMC- and RF-Filters** shall increase by 10%.*

*The outlook for **Total Passives** shows an increase of 13% against 2009.*

In 2011 the markets are expected to grow again by 6% fuelled by the ongoing recovery of the world economy.

Overall situation

The market development as reported above is similar in most European countries.

Main European market segments for Passive Components

The **Automotive** sector, still of major importance for Passives, will long-term continue to grow further due to the ever increasing requirements with regards to fuel saving, environmental- and safety regulations, comfort and car-entertainment applications but also the emerging electric and hybrid-electric vehicles. In the first half

of 2009, this market segment has been affected most by the economic crisis. In the second half the situation has improved strongly, mainly as a - one-time - positive consequence of the wrecking bonus scheme which has been introduced in several countries.

The **Industrial market** is expected to remain important in Europe with continued long-term growth perspective. Applications in the renewable energy area like Wind or Solar power will support the long-term growth trend. The Industrial market segment has also been hit heavily in 2009, but could recover in the last half year due to growing markets especially in the field of renewable energy applications.

The **Telecom** market, including the base station segment, was under heavy pressure in consequence to the bad market environment in 2009. Meanwhile, the telecom market has recovered but Chinese and Korean companies are gaining market shares from European telecom companies.

Consumer Electronics production has shifted to East Europe and Turkey in the last 10 years. Therefore the decline of the global consumer market had a smaller impact on the European Passives market.

Distribution: This sector also faced a considerable downturn in business since the third quarter of 2008 and has not improved much in the major part of 2009. However, since the distribution stock level reached a record low mid of 2009 and the overall market situation has improved, we currently experience a very positive purchase order development.

Further inquiries to:

EECA - EPCIA Chairman – Ralph M. Bronold:
Email: Ralph.Bronold@epcos.com

EECA - EPCIA Secretary: Dr. Marcus Dietrich
Email: dietrich@zvei.org