

European Market for Passives 2010 and Outlook 2011

During its October meeting at the company site of Vishay Electronic GmbH in Selb (Germany), the European Passive Components Industry Association (EPCIA) has discussed the market development 2010 and the forecast 2011. EECA-EPCIA President, Ralph Bronold, commented:

*"The experts of EPCIA reported a **significant growth and recovery of the European Passives market in the first three quarters of 2010**. This confirms that the crisis of 2008/2009 has been overcome. Overall the **market volume 2010 will increase by 40%** compared to 2009. In **2011 a further growth of 9%**, fuelled by the ongoing recovery of the world economy, is expected.*

*Compared to 2009, **2010 figures indicate a growth of 53% for Capacitors and 44% for Resistors**. The combined market for **Electromagnetic Components, EMC- and RF-Filters** shall increase by **30%**.*

Main European market segments for Passive Components

The **Automotive** sector is of major importance for Passives. Due to the still 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 markets, this sector bears a lot of further growth potential. Since the second half of 2009, this market segment has improved strongly, mainly as a positive consequence of the wrecking bonus scheme but meanwhile also due to the strong car sales especially to export markets.

Traditionally the **Industrial market** is an important segment in Europe with an excellent long-term growth perspective. The need for energy-efficient drives and a strong growth of various applications in the renewable energy area like wind-power or photo-voltaic boosts this market. The Industrial market segment has also been hit heavily in 2009, but could recover fairly well in 2010 and is expected to grow further by 8% in 2011.

The **Telecom** market, including the base station segment, could also benefit from the economical recovery of the markets in 2010. Strong sales of new mobile phones and especially smart phones are also pushing this market.

Similar to the other segments, the **Consumer Electronics market** has recovered fairly well, at least until late summer 2010, mainly driven by strong sales of flat-screen TVs and home appliances. In 2011, a slight softening of the consumer market is expected because of too high stocks at the manufacturers.

Distribution: The distribution stock level has reached bottom in mid of 2009. Due to the overall improved market situation since begin of 2010, this sector also showed a very positive development during the year. For 2011 it is estimated that this market will stay stable.

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