

European Market for Passives 2010 and Outlook 2011 / 2012

The European Passive Components Industry Association (EPCIA) has discussed the market development 2010 and the forecast for the current and the next year at its March meeting in Munich (Germany). EECA-EPCIA President, Ralph Bronold, commented:

*"For 2010 the experts of EPCIA reported an **exceptional growth and recovery** of the **European Passives market** of **46%**. This confirms that the economic crisis of 2008/2009 has been overcome. Obviously even the high mark of 2007 has been exceeded in 2010. It is expected that the **market volume 2011** will increase further by **8%**. For **2012 a moderate growth of 4%** is expected, up to a volume of approx. 4.6 Bn. Euro.*

*After a dramatic increase of the **Capacitors** market by **63%** in 2010, the **2011** figures indicate a more healthy growth of around **5%**. The **Resistors** market in **2010** also could improve strongly by **47%**. For this year this market is expected to grow by **5%** as well.*

*The combined market for **Electromagnetic Components and RF-Filters** shall increase by a strong **12%** in 2011 after an exceptional growth of **34%** in the last year."*

At the present time, it is not possible to determine the extent to which the natural and nuclear disasters in Japan will affect the market development of European Passive Components. Furthermore EPCIA members still report about very long lead-times and ongoing supply problems in the area of sub- and raw materials.

Main European market segments for Passive Components

The **Automotive** sector is still of major importance for Passives. This sector has a

lot of further growth potential due to the increasing requirements with regards to fuel saving, environmental- and safety regulations, comfort and car-entertainment applications. The emerging electric and hybrid-electric vehicle markets are also becoming key drivers. The automotive market has improved particularly strong in 2010 due to the strong sales of premium cars, especially to export markets.

The **Industrial** market is a similar important segment in Europe with an excellent long-term growth perspective. The strong need for energy-efficient drives, the remarkable development of various applications in the renewable energy area like wind-power or photo-voltaic and the recovery of the traditional industry automation market have boosted this segment. The Industrial market segment has also been hit heavily in 2009, but could recover very well in 2010 by around 40% and is expected to grow again by 8% this in 2011.

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

The **Consumer Electronics** market has recovered similar to the other segments, at least until late summer 2010 due to the strong sales of flat-screen TVs and home appliances. In 2011, a slight softening of this market is expected.

Distribution: The distribution stock level has reached bottom in mid of 2009. Due to the overall improving market situation since begin of 2010, this sector also showed a very positive development during the year 2010 and still until today.

Further inquiries to:

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

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