

European Market for Passives 2011 and Outlook 2012

The European Passive Components Industry Association (EPCIA) has discussed the market development 2011 and the forecast for the next year at its October meeting in Nurnberg (Germany). Ralph Bronold, President of EECA-EPCIA commented:

*"After an **exceptional growth** and full **recovery** of the **European Passives market** of **46%** in **2010**, the experts of EPCIA forecast a further increase of **8%** in **2011**. For **2012 a moderate growth of 2%** is expected, up to a volume of approx. 4.6 Bn. Euro."*

*After a tremendous increase of the **Capacitors** market by **64%** in 2010, the **2011** forecast indicates a more healthy growth of around **12%**. The **Resistors** market has also improved strongly by **47%** in **2010**. For **2011** this market is expected to grow by only **2%**. For **2012 a slow down - on a high level - of the Capacitors and Resistors market is expected.***

*The combined market for **Electromagnetic Components and RF-Filters** will increase by a strong **14%** in **2011** after an exceptional growth of **43%** in the last year."*

At present it is extremely difficult to forecast to what extent the financial crisis in Europe and the economical consequences of the natural flood disaster in Thailand will affect the further development of the European Passive Components market. Today the EPCIA members report about lead-times coming back to normal, after a long period of excessive lead-times.

Main European market segments for Passive Components

The **Automotive** sector is still of major importance for Passives. Due to the ever

increasing safety and comfort requirements and new applications like electric and hybrid-electric vehicles, this sector has a lot of further growth potential. The automotive market has improved particularly strong in 2010, continuing in 2011 due to the strong sales of premium cars especially to export markets. For 2012 markets are expected to grow on a low level of only 2%.

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 growth of various applications in the renewable energy segment and the recovery of the traditional industry automation segment has boosted this market in the last two years. The Industrial market segment has recovered extremely well in 2010 and is expected to grow by a strong 8% in 2011. The unknown further development of the photo voltaic market, which suffers since mid of 2011, will strongly impact the overall trend in the industrial segment in 2012.

The **Telecom** market has also benefited from the world-wide recovery of the markets in 2010. Strong sales of new mobile phones and especially smart phones are supporting this trend in 2011. For the next year a lower growth rate compared to 2011 is expected.

The **Consumer Electronics** market has improved until late summer 2010. For this year and also 2012, a slight softening of the market is expected.

Distribution: Fostered by the overall improving market situation since end of 2009, this sector has also shown a very positive development during 2010 until mid of 2011. Since then the situation has changed. Excessive stock leads to less demand in the distribution segment.

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