

## European Market for Passives 2012 and Outlook 2013

At the October meeting in Vienna (Austria) the members of the European Passive Components Industry Association (EPCIA) discussed the market development 2012 and the forecast 2013. EECA-EPCIA President Ralph Bronold summarizes:

*"The experts of EPCIA reported about a steady decrease of the European Passives market since end of 2011. The drop in market has further accelerated in the first half of 2012, mainly caused by the ongoing financial crisis in Europe. In consequence, the present market forecast for 2012 is worse compared to the initial forecast issued by EPCIA in spring 2012 (minus 1%). For 2013 EPCIA has now revised its forecast from 2% to minus 2%. A fundamental recovery of the Passive Components market in Europe seems currently not in sight.*

*"After a 7% increase of the **European Passives market** in 2011 the experts of EPCIA forecast a decrease of 6% in 2012. This results in a **market volume** of approx. **4.2 Bn. Euro** overall **Passive Components** in 2012.*

*After an increase of the **Capacitors** market by **12%** in 2011 a strong decrease by **11%** in 2012 is expected. For 2013 a slight increase of 1% up to a volume of around 1.630 Mio. Euro is being projected now. The **Resistors** market has suffered less: in 2012 the level of 2011 will be reached again and for 2013 a slight recovery of this market, up to a volume of 744 Mio. Euro (+3%), is expected.*

*The combined market for **Electromagnetic Components and RF-Filters** was also affected negatively: the experts expect a decrease by 3% in 2012 down to a volume of 1.854 Mio. Euro after a positive development (+3%) in 2011. For 2013 a further decrease by 6% is expected."*

### Main European market segments for Passive Components

The **Automotive** sector is of major importance to the Passives. The European automotive market has been strong in 2011 (+13%) and even slightly better in 2012 (+14%), mainly due to the lasting success of the German premium car manufacturers. The outlook for 2013 now seems significantly less optimistic (-4%) due to the slow-down of the European automotive markets.

The **Industrial** market is of same importance in Europe due to the strong need for energy-efficient drives, the growth of renewable energy and industry automation segments. 2011 ended roughly at the level of 2010 but the forecast 2012 (-20%) has - in contrary to the EPCIA April reporting - significantly worsened as a consequence of the downturn especially in the renewable energy sector. For 2013 a slight recovery of 3% is expected.

In the past the global **Telecom** market has benefitted from the strong sales of smart phones and consequently the need for more base stations due to the increasing data traffic and the transition towards LTE (Long Term Evolution). However the European Mobile Phone and Base Station makers have lost market share. This will result in a 15% lower Passives market in 2012. The outlook for 2013 is flat.

The **Consumer Electronics** market has improved until late summer 2010 but showed a reduction by 9% in 2011 and a further reduction by another 11% in 2012 as a consequence of the ongoing transfer of production of consumer electronics to far-east. Also here, the outlook for 2013 is flat.

Overall the result for 2013 will be heavily impacted by the ongoing Euro currency crisis and the reduction of consumer confidence in Europe.

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