

European Market for Passives 2012 and Outlook 2013

The members of the European Passive Components Industry Association (EPCIA) have discussed the market development of last year and the expected trend in 2013 at the occasion of the recent Spring meeting near Frankfurt. EECA-EPCIA President Ralph Bronold summarizes:

“After an increase by 9% in 2011 the market for European Passives Components has dropped by 10% in 2012, mainly resulting from the ongoing financial crisis, especially in the Southern European countries. Consequently, the latest market forecast for 2013 is worse (minus 4%) compared to the previous forecast issued in fall 2012 (minus 2%). For 2014 the EPCIA members expect a moderate recovery of the Passive Components market in Europe by plus 4%.”

*“This results in a total **market volume** of around **4 Bn. Euro** overall **Passive Components** in 2013.”*

*“After an increase of the **Capacitors** market by **14%** in **2011** and a strong decrease by **16%** in **2012**, a **further reduction** by **5%** in **2013** is being forecasted. The projection for 2014 shows a moderate increase by 3%, up to a volume of around 1.5 Bn. Euro.*

*The **Resistors** market is fluctuating much less: The market 2013 (704 Mio. Euro) was only 3% below the 2012 volume. For 2014 a slight recovery of this market, up to a volume of 718 Mio. Euro (+2%), is expected.*

*The combined market for **Electromagnetic Components and RF-Filters** was also badly hit in 2012 (minus 6%). For 2013 the experts expect a further decrease by 3% down to a volume of 1.812 Mio. Euro. For 2014 a strong recovery by around 7% is anticipated.”*

Main European market segments for Passive Components

The **Automotive** sector is of major importance, also for Passive Components, in Europe. Coming from an exceptionally high market level in 2011 and 2012, resulting from the success of the premium car manufacturers in Germany, the outlook for 2013 recently became much less optimistic (-4%). Main reason seems to be the softening of the European automotive market.

The **Industrial** market is of similar importance in Europe due to the strong need for energy-efficient drives, the growth of renewable energy and industry automation segments. However 2012 has ended below the estimation of the market experts in spring due to the downturn especially in the renewable energy sector. For 2013 a flat market development is expected - best case!

Sales of Passive Components to the global **Telecom** markets has been fostered by the rapidly increasing number of smart phones but also by the need for more base stations. The dramatically increasing data traffic and the transition towards LTE (Long Term Evolution) help to further support this trend. However the European Mobile Phone and Base Station makers have lost market share. This has resulted in a significantly lower Passives market in 2012. For 2013 the outlook remains sceptical but not as bad as in the previous years.

The **Consumer Electronics** market showed a reduction of around 14% in 2012 primarily as a consequence of the weak market in Flat Panel TV. Also here, the outlook for 2013 stays stable flat in the best case.

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

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