

European Market for Passives 2013 and Outlook 2014

At the October meeting in Selb (Germany) the members of the European Passive Components Industry Association (EPCIA) discussed the market development in 2013 and the expected trend for 2014. EECA-EPCIA President Ralph Bronold summarizes:

“The European Passives Components market in 2013 continued to be relatively weak and finished with a minus 3% compared to 2012. This results mainly from the overall soft economy, especially in the southern European countries. For 2014 a slight recovery (plus 2%) of the Passive Components market in Europe is envisaged.

The forecast for the 2013 Passive Components market in Europe is 4,1 Bn. Euro overall.

*After a decrease of the **Capacitors** market by 11% in 2012 and 4% in 2013, a **slight recovery by 2%** up to a volume of around 1.6 Bn. Euro in 2014 is being forecasted.*

*The **Resistors** market in 2013 has reached the level of the previous year (750 Mio. Euro). For 2014 a small improvement, up to a volume of 766 Mio. Euro (+2%), is expected.*

*The combined market for **Electromagnetic Components** and **RF-Filters** was also negatively affected in 2012 (minus 6%) and in 2013 (minus 4%) with a volume of approx. 1,8 Bn. Euro. For these markets a growth of 1% for 2014 is expected“.*

Main European market segments for Passive Components

The **Automotive** sector is of particularly high importance, also for Passive Components, in Europe. Herein the German market shows a very positive development, supported by ongoing strong Sales of premium class cars,

also to Export markets in China, U.S. or Russia. However, the European market for small and mid-sized cars is under pressure due to strong imports from Korean and Japanese car manufacturers. This has a significantly negative impact especially on car makers and 2nd tier suppliers in France, Italy and Spain.

The **Industrial** market, which is of similar importance as Automotive, shows an ever increasing demand for energy-efficient drives and industry automation applications. On the contrary, Solar and Wind Energy business has not improved yet but has probably bottomed out.

The overall outlook in the Industrial market for the last quarter of 2013 and beyond is fairly optimistic.

Sales of Passive Components to the global **Telecom** markets is being fostered by the rapidly increasing number of multi-featured smart phones but also by the need for more base stations due to the roll-out of LTE (4G) network services. However, the remaining European Players in these markets have drastically lost share over the last years, also resulting in a significantly lower Passives market in 2013. The 2014 outlook for Europe remains sceptical.

As already reported in the past, the **Consumer Electronics** market in Europe has almost vanished and is now supplied from China and Korea and therefore is meanwhile of negligible importance.

The **Distribution** market in 2013 is developing almost flat so far but an improvement is expected in the coming months due to the comparably low stock levels at present.

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