

## European Market for Passives Latest expectation 2003 and Forecast 2004

During its meeting in Frankfurt, Germany, on November 22, 2003, the EECA - European Passive Components Industry Association (EPCIA) discussed the latest expectation 2003 and the forecast for 2004.

EECA-EPCIA President, Pier Sacchi, commented:

*The latest expectation for 2003 is only marginally lower than in July this year, with exception of resistors.*

*Fixed resistors (+13% growth) perform the best in Passives. In capacitors Aluminium electrolytics (+6%) and Film (+4%) are showing a positive growth over 2002.*

*Electromagnetic components (inductors, chokes & transformers) as well as HF filters stay level.*

*Three product families will face a negative growth: Tantalum capacitors (-17%), Varistors, thermistors and sensors (-8%) and EMC filters (-5%).*

*Price erosion is still affecting many Passive families, also due the US \$ weakness. However the market is growing! The quantities are going up further, but the ASPs remain under pressure, with resistors suffering the least and tantalum capacitors the most, in this respect.*

*As a result EPCIA expects a market for All Passives in 2003 to be more or less equal to that in 2002 in €. (Semiconductors are heading for 15% growth in US \$)*

*With regard to the outlook for 2004 EPCIA confirms the earlier expectation of a growth between 3 and 5% in €, where Semiconductors) forecast >20% in US \$.*

### Situation per country

In 2003 Germany is performing better than the European average, France is doing relatively well, but UK and the Nordic countries are the weakest. Although the British economy is up, this is not reflected in Passives (TV makers moving out!).

### Main European markets for passive components

The **Lighting** sector, an important sector in some countries, is performing well and stable. But only a limited number of passive families are used in this application area.

The **Mobile phone** market (Base stations as well as GSM), a major market sector for passives, is still weak.

**Industrial**, significant in several countries, is stable and good business

The **Automotive** sector is showing a persistent growth and is Passive's best application area.

In **Audio/Video** Terrestrial digital TV has been announced. This could mean an opportunity for passives, to compensate for lost board positions due to LCD-TV taking over from CRT-TVs.

**Sub-contracting (EMS)** is very active in asking for approval testing, enquiries and quotes, but this all is not followed up by strong sales.

The **Distribution sales of Passives** are now 35% of the TAM in Western Europe. This was realized as a result of an annual growth of 1% point to 1,5% point per year, over the past years, of DTAM on TAM.

The UK has the highest DTAM share, Germany and France the lowest, the latter even decreasing.

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