

Press release

The German component distribution market starts the year on a positive note – with specks of clouds on the horizon

The German component distribution market (according to FBDi e.V.) grew 6.3% in the first quarter, while orders soared 20%.

Bad Birnbach, 6 June 2017 – Component distributors in Germany enjoyed a highly successful start of the new financial year. After a rather mediocre 2016, sales by companies registered with the Fachverband Bauelemente Distribution (FBDi e.V.) in Germany grew 6.3% to reach 907 million euros during the first quarter - a record result. The prospects for the upcoming quarters are even more promising, as orders have jumped 20% to over 1 billion euros. The book-to-bill rate was 1.11.

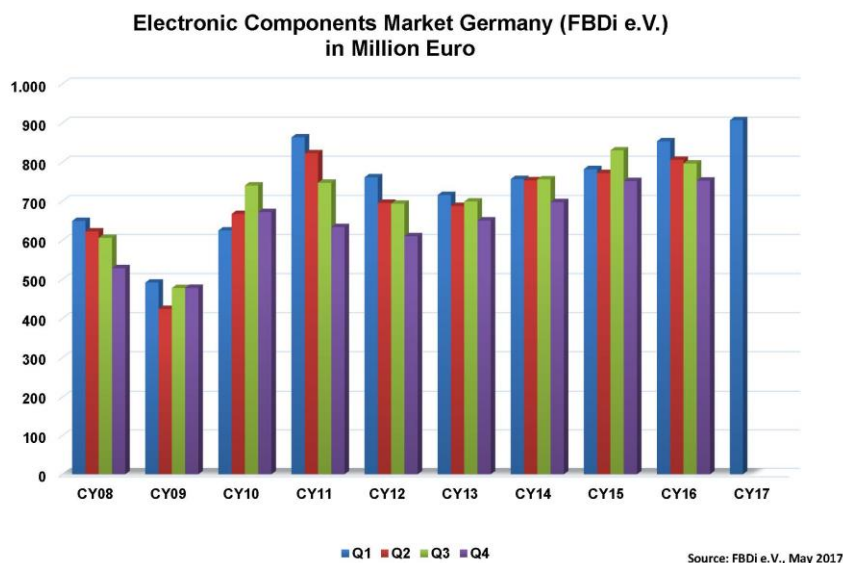
The top performer among the product segments is electromechanics, which grew by almost 13% to 91 million euros, followed by passive components, which rose 7.5% to reach 122 million euros. Semiconductors climbed to 635 million euros (+5.9%). Power supplies also recorded double-digit growth of 12.2% to reach 25 million euros. Displays and sensors performed rather less well, with both items recording falls in the double-digit range. The breakdown of component types remained largely unchanged with semiconductors accounting for 70%, passive 13%, electromechanics 10%, power supplies 3%, and the remainder spread across other components and assemblies.

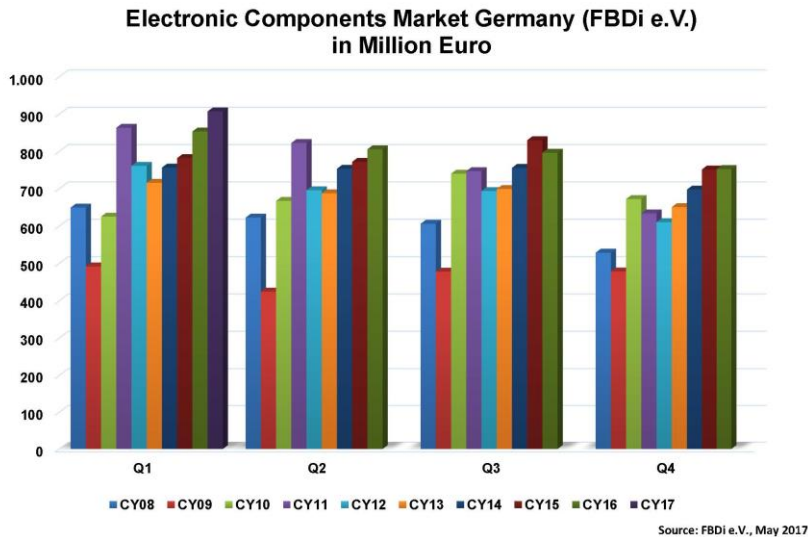
FBDi Chairman of the Board Georg Steinberger remarked: "This is a strong start that is set to improve further thanks to the excellent order situation. The overall position of the German high-tech industry is even better since its electronics manufacturing activities are focused to a large extent in lower-cost regions of Eastern Europe. Perceived growth among customers in the first quarter is leaning more toward double-digits."

Naturally, there are ongoing risks, Steinberger added: "We suspect that increasing delivery times in the semiconductor industry and the generally high workload at

factories is leading to duplicate bookings. The year 2017 will also continue to be dominated by price increases by the manufacturers. The fact that more and more semiconductor components are single-source products is significantly restricting customer choice and therefore the potential for negotiation. Many manufacturers are also constricting their sales channels or attempting to supply typical distribution customers themselves – a move that will not necessarily lead to a more customer-friendly service."

In addition, policies and their product-relevant decisions and directives are likely to cause rather more substantial difficulties in 2017. Steinberger adds: "As if the administrative burden posed by RoHS, WEEE or conflict minerals were not already significant enough, the FBDi believes that the amendment to the Chemicals Regulation by the EU Commission and ECHA (European Chemicals Agency) will result in a complete disaster and will impose a duty of disclosure on the entire electronics industry, that merely represents the collateral damage of the Chemicals Regulation. Simply put - it is impossible to trace and administer information across hundreds of substances and millions of different products, extending all the way down to the materials chips and capacitors are made of. Even installing a chemical laboratory in every logistics centre would not solve the problem."





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About FBDi e. V. (www.fbdi.de):

The FBDi e.V. – Fachverband der Bauelemente Distribution e.V. (Professional Association of Component Distribution), founded in 2003, is well-established in the German association community and represents a large portion of distributors of electronic components with operations in Germany. In addition to the preparation and advancement of numerical data and statistics concerning the German distribution market for electronic components, work group engagement and reporting on important industry themes (amongst others, education, liability and rights, traceability, and environmental themes) form essential pillars of the association’s work. The FBDi is a member of the International Distribution of Electronics Association (IDEA).

Member companies (as of January 2017):

Acal BFi Germany, Arrow Central Europe, Avnet EMG EMEA (Avnet Abacus, Avnet Silica, EBV, MSC Technologies), Beck Elektronische Bauelemente, Blume Elektronik Distribution, Bürklin Elektronik, CODICO, Conrad Electronic SE, ECOMAL Europe, Endrich Bauelemente, EVE, Farnell, Future Electronics Deutschland, Haug Components Holding, Glyn, Hy-Line Holding, JIT electronic, Kruse Electronic Components, MB Electronic, Memphis Electronic, MEV Elektronik Service, Mouser Electronics, pk components, RS Components, Rutronik Elektronische Bauelemente, Schukat electronic, Distrelec Schuricht, SHC, TTI Europe.

Supporting members: Amphenol FCI, elotronics, mewa electronic, TDK Europe.

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