



Press Release

German Component Distribution Sector Defies Challenges

Despite component shortages, the German component distribution market (according to FBDi e.V.) posted further growth during the first quarter of 2018. The order situation remains stable.

Berlin, 18 June 2018 – Despite the poor supply situation affecting numerous electronic components, German distributors reported continued growth during the first quarter of 2018. For the period January to March 2018, the distribution companies organised under the Fachverband Bauelemente Distribution (FBDi e.V.) reported sales of 978 million euros – up 7% compared with Q1/2017. Orders rose 8% to 1.09 billion euros. The book-to-bill ratio of 1.11 (the ratio of orders received to units shipped and billed) remains in the “green” zone.

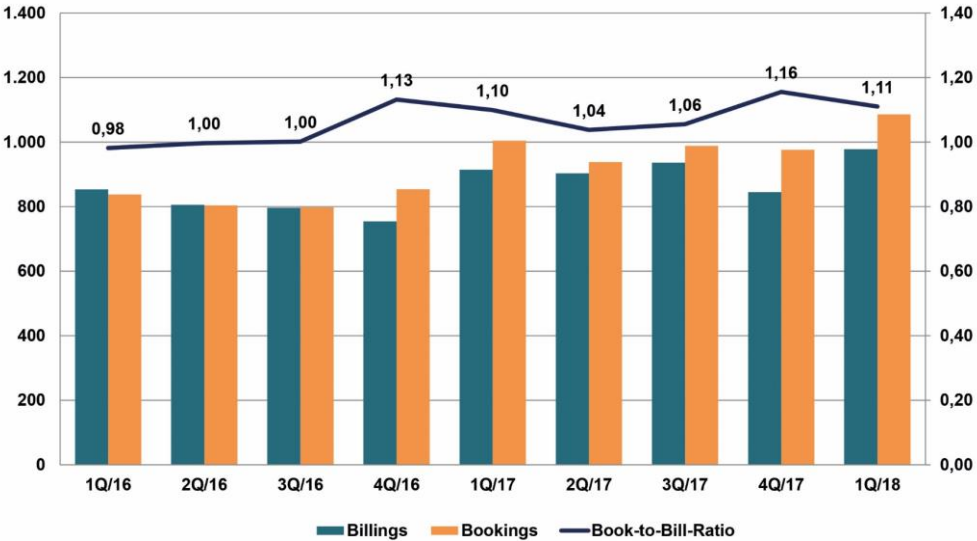
Among the larger product segments, passive components recorded the strongest growth of 10.6% (to reach 136 million euros), followed by the electromechanics (7.1% to 105 million euros) and semiconductors (6.5% to 676 million euros). Power supplies grew 14% to almost 30 million euros, while sales of displays fell 5.5% to 22 million euros. The sales breakdown remained virtually unchanged with semiconductors accounting for 69.1%, passive 13.9%, electromechanics 10.7%, power supplies 3%, and the others amounting to 3.3%.

FBDi Chairman of the Board of Directors Georg Steinberger remarked: “The low growth rate for Q1/2018 is largely the result of delays to purchase orders and existing orders caused by the long delivery times affecting numerous components. There is little prospect of any significant easing of lead times for a wide variety of passive components. Based on our assessments, the first quarter is a good indicator for 2018 as a whole.”

“Although the economic indicators for the German electronics industry remain strong,” adds Steinberger, “and the capacity for innovation is high, economic policy tensions between the USA, Europe and China may very well act as a brake on growth.”

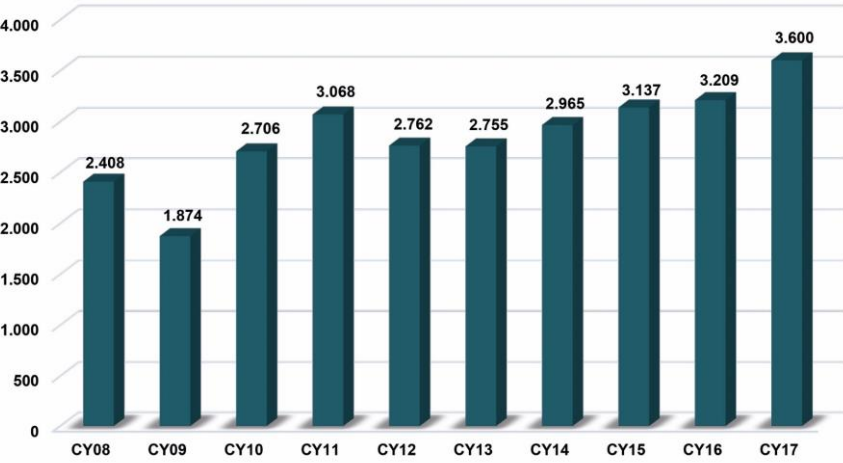
Turning to the component industry in particular, data from market researchers such as IC Insights show that investment in new production capacities in 2018 rose to more than 100 billion dollars (for semiconductors alone), with the production of passive components also set to expand drastically. “However, most market participants agree that demand for components in certain key products (smartphones) will continue to increase rapidly so that an easing is likely to occur in 2019 at the earliest. Consequently, price increases and long delivery times will set the tone for 2018.”

**Electronic Components Market Germany (FBDi e.V.)
in Million Euro**



Source: FBDi e.V., June 2018

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About FBDi e. V. (www.fbd.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 June 2018):

Members: Acal BFi Germany; Arrow Europe; Avnet EMG EMEA; Beck Elektronische Bauelemente; Blume Elektronik Distribution; Bürklin; CODICO; Conrad Electronic SE; Distrelec; Ecomal Europe; Endrich Bauelemente; EVE; Glyn; Haug Components Holding; Hy-Line Holding; JIT electronic; Kruse Electronic Components; MB Electronic; Memphis Electronic; MEV Elektronik Service; mewa electronic; Mouser Electronics; pk components; RS Components; Rutronik Elektronische Bauelemente; Ryosan Europe; Schukat electronic; TTI Europe.

Supporting members: Amphenol FCI; Future Electronics Deutschland; TDK Europe

Information for the press: Due to the ongoing addition of members the FBDi reported statistics could need to be adjusted retrospectively.

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