



press release

Significant decline in sales in the German component distribution

German component distribution (according to FBDi e.V.) shrinks by 20% in the fourth quarter of 2019. Order situation weak.

Berlin, 17 February 2020 - In the fourth quarter of 2019, the German distribution of electronic components has experienced the sharpest decline in orders and sales for years, reflecting the economic situation in the market as a whole. Sales of the distribution companies organized in the Fachverband Bauelemente-Distribution (FBDi e.V.) fell by 20% to EUR 696 million. Orders decreased by 25% to 651 million euros. The book-to-bill rate improved slightly to 0.93.

(FBDi note: the overall statistics for 2018 and 2019 have been adjusted for the numbers of members who no longer participate in the statistics.)

The product segments developed almost in unison. Semiconductor sales shrank by 20.8% to 495 million euros, passive components declined by 20% to 84 million euros, and electromechanics slipped by 17.7% to 74 million euros. Power supplies fell by 16.3%, displays by 16.6%, sensors by 14.5%, and assemblies and systems by 9.8%. The market distribution remained almost the same: semiconductors 71%, passives 12%, electromechanics 11%, with the remainder coming to 6%.

The situation looked relatively moderate for 2019 as a whole: Total distribution sales fell "only" by 7.2% (to 3.34 billion euros), while orders fell by 25% to just under 3 billion euros.

FBDi executive chairman Georg Steinberger: "What is surprising in the fourth quarter is not the decline itself, but the rather high -20%. It may be reassuring that the year as a whole remained within expectations - or even slightly above them, but this did not exactly create positive dynamics for the outlook of 2020. What makes it even more difficult is the outbreak of the corona virus in China and the potential impact on the supply chain. Selective shortages of electronic products and raw materials cannot be ruled out."

The restart of production in China will certainly have a major impact on further development, which Steinberger believes will continue to shift towards March in various product segments:

"The health and safety of people in China and elsewhere is an absolute priority, so it's important to provide the greatest possible support for those affected. As far as the supply chain is concerned, our recommendation would be to talk, plan and not panic."

According to Steinberger, there is not much new to report on the economic climate in Germany: "Although the PMI (Production & Manufacturing Index of IHS Markit) improved from its historic low of 41.7 points to 45.3 in January, it is still far from an optimistic outlook and is well below the European average. Germany is the pessimism world champion."

As far as the components industry and distribution are concerned, the FBDi still expects a positive 2020 and a further upswing in 2021: "We believe that the innovative power of the industry can help to overcome the current social paralysis. The necessary course-setting, whether for the climate or for the modernization/digitization of society, is becoming more urgent than ever, otherwise we will not only miss our self-imposed targets, but also fail to achieve our technological leadership".



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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 per January 2020):

Regular members: Acal BFi Germany; Arrow Europe; Avnet EMG EMEA; Beck Elektronische Bauelemente; Blume Elektronik Distribution; Bürklin Elektronik; CODICO; Conrad Electronic; Distrelec; Ecomal Europe; Endrich Bauelemente; EVE; Future Electronics Deutschland; Glyn; Gudeco Elektronik; Haug Components Holding; Hy-Line Holding; JIT electronic; Kruse Electronic Components; MB Electronic; MEDI Kabel; Memphis Electronic; Menges Electronic; MEV Elektronik Service; mewa electronic; Mouser Electronics; Neumüller Elektronik GmbH; pk components; Pülpichhuisen; RS Components; Rutronik Elektronische Bauelemente; Ryosan Europe; Schukat electronic; TTI Europe.

Supporting members: TDK Europe, Recom.

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