Western - Central – Eastern Europe
25 National European Connector Markets

Bishop & Associates has just released a new six-chapter research report analyzing the European Connector Market. This report provides a comprehensive analysis of the market detailing connector consumption by country, with details by end-use equipment sector, and connector product category. Sales are provided for the years 2006, 2007, and a 2012 forecast.

This report supplies detailed statistics for the following 25 countries:

Member States of the European Union Using the Euro Currency		Member States of the European Union Not Using the Euro Currency		Country's not part of the European Union	
Austria	Italy	Hungary	Bulgaria	Ukraine	Norway
Belgium	Netherlands	Czech Republic	Estonia	Turkey	Switzerland
Finland	Portugal	Poland	United Kingdom		
France	Spain	Slovakia	Denmark		
Germany	Slovenia	Romania	Sweden		
Ireland					

The developments in international markets and electronic production have become very dynamic in the past two decades. From the age of internationalization in which manufacturers set up quasi permanent locations abroad we moved in to the age of globalization which involves moving production locations all over the globe to those areas where end-use markets develop or where production is most cost efficient. The speed at which these changes are taking place is increasing and specialized production companies (EMS providers) have emerged to take over (part of) this effort from OEMs.

The results is that tracking the connector market performance has become equally dynamic and market volumes by location are much more volatile than several decades ago. This means that market research data by country will become outdated faster and has to be updated more frequently.

In an attempt to underline the changes that have taken place in Europe the past two decades on political, economical and social levels Bishop & Associates has now consolidated all European connector markets from Western Europe to Central and Eastern Europe into one concise research report.

Although is it clear that the market dynamics are not the same between Western Europe and Central and Eastern Europe (the CEE region), we can, at the same time, no longer separate these regions in terms of political, economical and social development. Most CEE countries in this report are now part of the European Union and some are getting ready to adopt the Euro. Slovenia already has.

Historic Growth

The European connector market grew by an average of +4.8% per year (CAGR) between 2002 and 2007 measured in local currency (Euro). Measured in US Dollar this would mean a CAGR of 12.5% in the five-year period from 2002-2007.

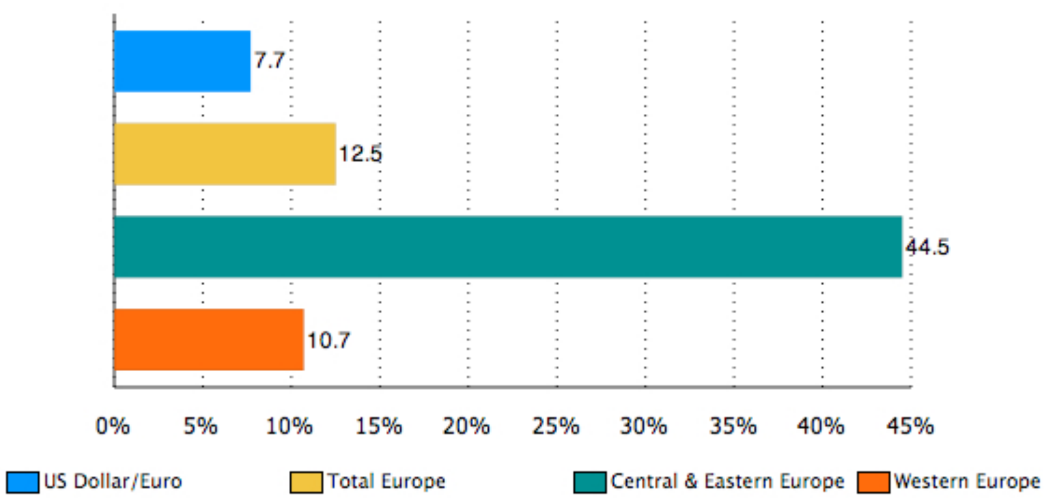
In 2007, the European Connector Market was the largest global connector market (by region).

Region	2007	Market Share
North America	$9,897.6	23.1%
Europe	$11,405.5	26.6%
Japan	$6,759.8	15.8%
China	$7,022.5	16.4%
Asia Pacific	$4,872.0	11.4%
ROW	$2,863.5	6.7%
Total	**$42,820.9**	**100.0%**

$ Millions

Most countries in Central and Eastern Europe countries achieved higher than average growth of their national connector markets. Western European countries have grown at a much slower pace which effectively resulted in a decline of some of their national connector markets when measured in local currency. This illustrates that the European Connector Market is developing at two different speeds.

European Connector Market CAGR by European Region 2002-2007



Outlook

On a macro-economic and global level we identify following drivers for the next 5 years:

- Changing (economic) power structures in the world (China, India, Brazil, Russia) – based foremost on economical and political power mixed with an increasing demand for natural resources and energy.

- The last major push for migration of existing manufacturing plants reaching (temporary) equilibrium within 3-5 years. New plants will be built wherever they are best placed to compete or best-placed service the (local) market.

- Continued high prices for natural resources and energy (oil, metals).

- Exchange rate fluctuations for world currencies: US$ vs. Euro, US$ vs. Chinese Yuan (RMB), Yen. In turn financial markets and other macro-economic factors influence these.

- Increased awareness and support for environmentally friendly innovations such as renewable energy sources, recycling and environmental sciences.

Technology drivers for the next five years will include:

- Green' Engineering – environmentally friendly engineering and innovation.

- Complete integration of communication, computer and consumer electronics with spin-offs from and into all other sectors: automotive, medical, transportation, military & aerospace, business & office and industrial. Innovations in the communication sector are driven by mobile and wireless applications. VOIP will grow exponentially. Consumer electronics is driven by integration of video, audio and navigation combined with services on demand over IP networks. Bandwidth requirements will continue to grow and possibly trigger an exponential growth of fiber optic networks and Fiber to the Home (FTTH).

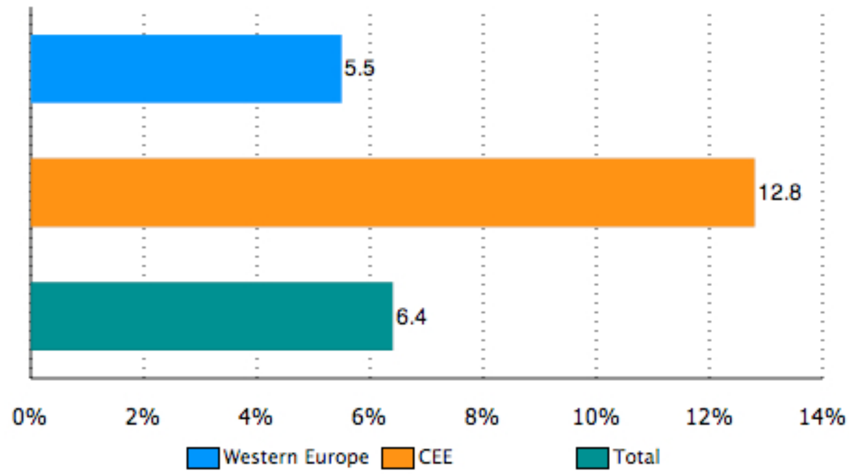
- Miniaturization combined with high-speed signal transfers: advanced functionality using smaller PCB footprints and (possibly) higher power consumption – thermal engineering will remain a key factor.

- Networking the 'world' by embedding chips capable of wireless communication into anything from objects to animals or even human bodies giving information about anything almost anywhere at virtually no cost. RF-ID could play an important role in this. For industrial applications Ethernet will further develop as the de-facto standard.

- Other innovations in the field of home and building automation, robotics, MEMS technology and use of new materials.

The Outlook for the European Connector market for 2008 has to be split in to an outlook for the CEE region and one for Western Europe. Overall we expect the European connector market to grow with a CAGR of 6.4% until 2012.

2007-2012 European Connector Market CAGR by Region



Five-Year Forecast by Market Sector

Manufacturing of Computer, Communication and Consumer electronics has moved on a large scale out of Western Europe to China/Asia but also to Central and Eastern Europe. At the same time the automotive industry is setting up production facilities further East in Slovakia, the Czech Republic and Russia.

Some other equipment sectors have been less affected by production shifts. Mainly 'protected' markets such as Military/Aerospace equipment, Instrumentation and Control equipment, Medical Equipment and to a certain degree Industrial Equipment as production series are usually smaller and systems more complex. Systems with high IP content are usually kept close to home.

At the same time new growth markets are emerging. Markets for Renewable Energy (wind power, solar energy) and Waste & Water Treatment are booming in Western Countries (including the USA). Besides the PCB and Rectangular I/O connectors these will become lucrative markets for Photovoltaic, Heavy Duty and Power connectors.

The European industry will also continue to perform well in the transportation sector as trains, planes and heavy vehicles become more sophisticated, complex and require advanced engineering capabilities. Emerging economies in Asia and India will continue to support the demand for capital goods like machinery, plant equipment and modern transportation equipment. Some of this equipment (or the mechanical parts) will be build closer to the end user, but sophisticated electronics and control equipment will be designed and produced in Europe for some years to come

Medical equipment production continues to grow strong. It is a sector in which European companies can compete as it is highly specialized and often does not involve mass production.

The automotive industry, by far the biggest connector market sector in Europe, will further evolve and the production capacity build-up will continue in Central and Eastern Europe while the production of new vehicles in Western Europe is not likely to increase. The electronics content in vehicles in Europe will however further increase resulting in a higher connector market volume.

The communication sector is driven by wireless and mobile applications, which may lead to booming business in specific niches. If combined with increased throughput, bandwidth requirements and Fiber to the Home (FTTH) developments, the market for RF and Fiber Optic connectors also looks promising. Especially since FOC and RF connectors are also used in the growing Medical sector.

As expected the computers and peripherals connector market will further decline in Western Europe over the next five years. This decline is partly offset by the growth of this sector in the CEE region. The medical equipment sector will remain the fastest growing market sector. The transportation (non-auto) sector is also growing at an above average rate, with a CAGR of 7.7%.

The following table of contents shows the detail provided in this new report.

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Chapter 6 - European Connector Market Overview and Outlook

To Order The European Connector Market . . . .

Research Report M-720-08, ***European Connector Market*** is available for $4,500. If you would like additional information about this report, or would like to place an order, please complete the following information and fax or mail it to Bishop & Associates, Inc. You may also place your order on our website: www.connectorindustry.com. Additional print copies of this report are available for $450.

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