



FIEEC

Major Trends in Electronics production in the World

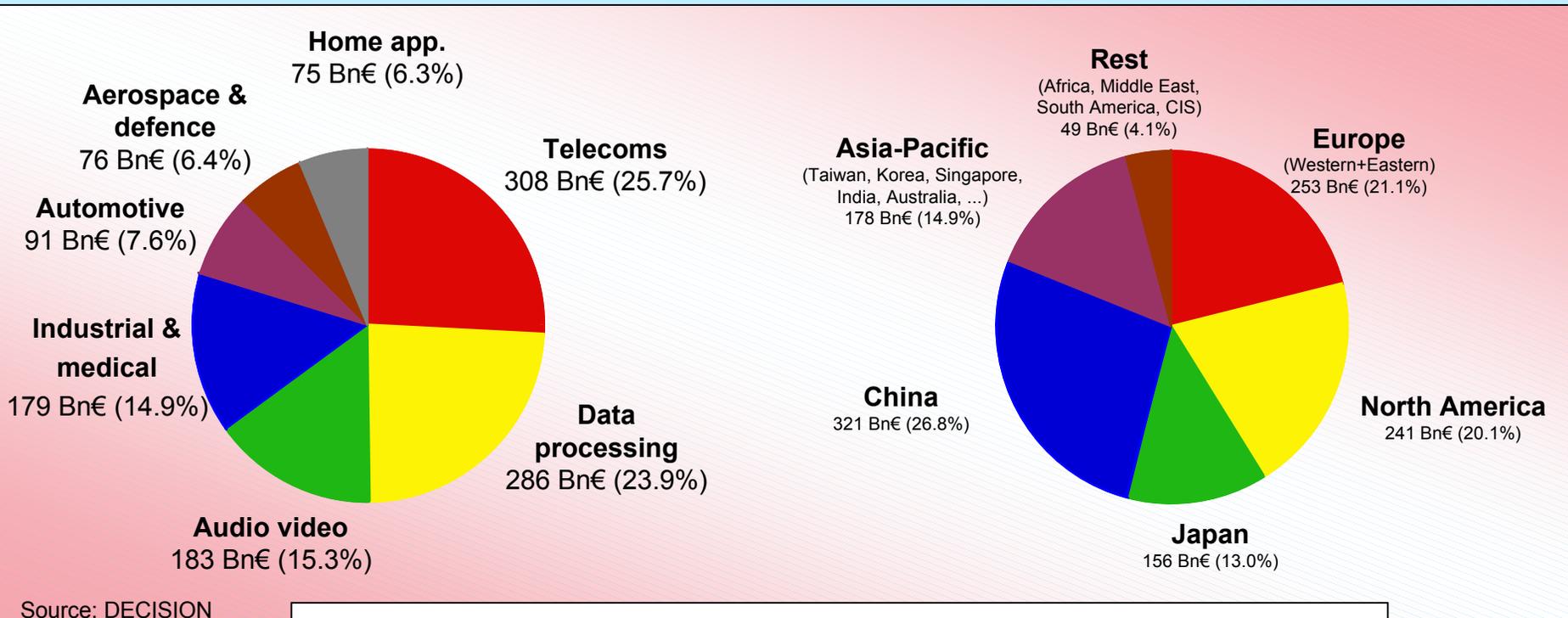
***Gabriel CORON
FIEEC***

WEF – Tel Aviv – November 5th, 2007



Asia represents half of World electronic production... ...Europe and North America still major production areas

The World Electronic Industries in 2007, production per application sector and region



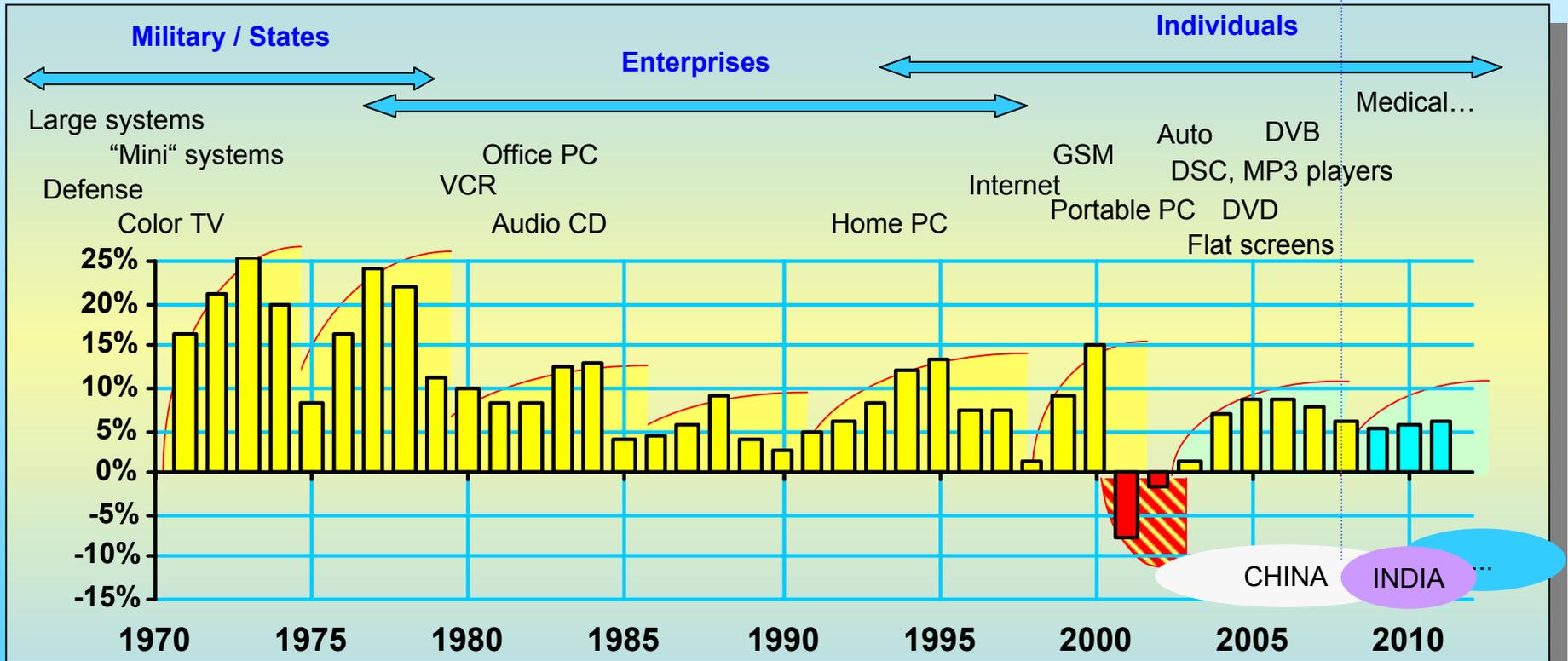
Source: DECISION

Total equipment production = € 1,198 billion

Hardware value is larger than the world 8th economy (Canada), together with IT and professional software & services electronic ecosystem is larger than Japan (world 2nd economy) !

Towards new growth cycles ...

Growth cycles of the electronics industry 1970-2011



Source: DECISION



Different growth profiles for electronic production: the more developed countries

Electronic equipment: production per zone, annual growth, 2006-2011



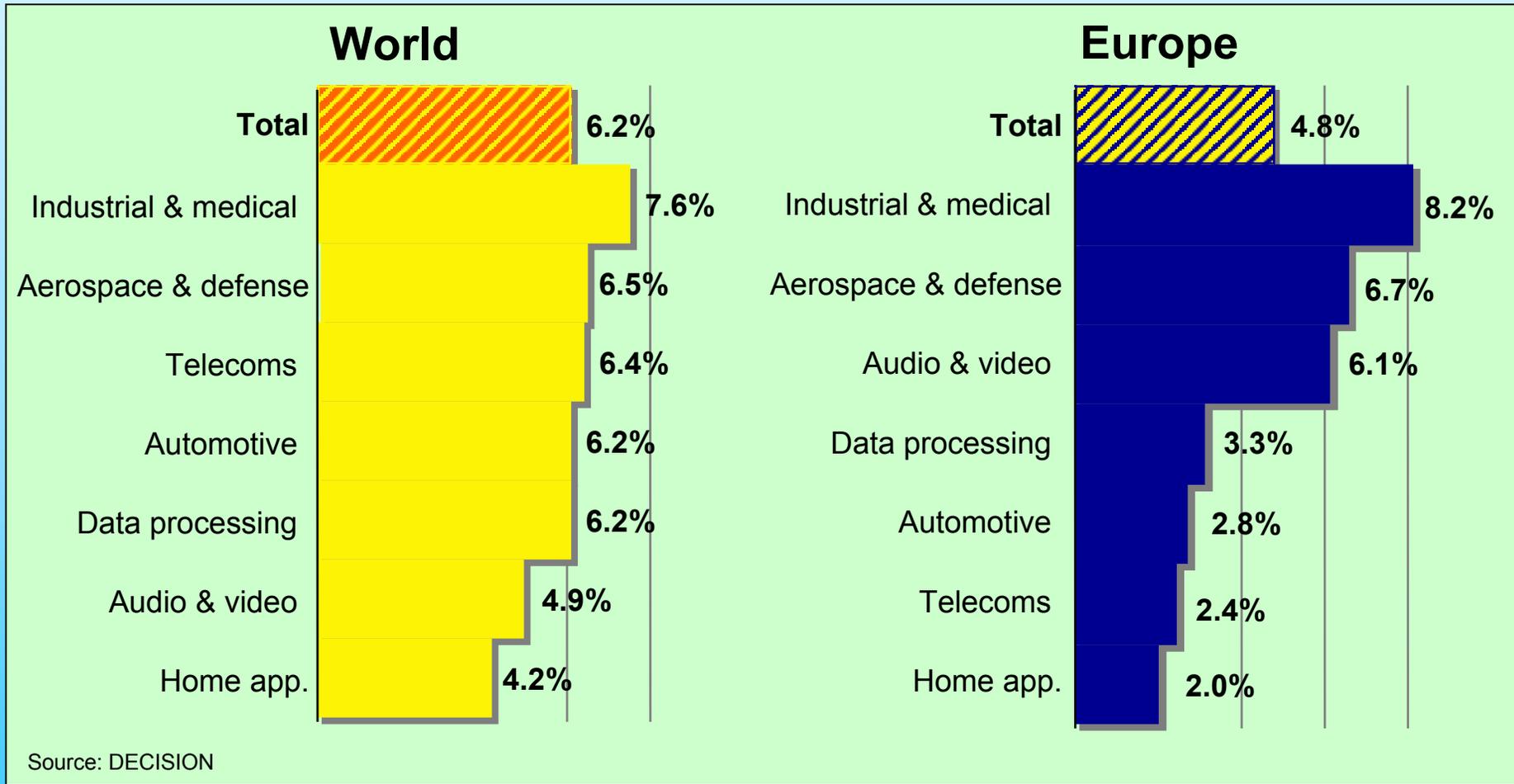
Different growth profiles for electronic production: the developing countries

Electronic Equipment: production per zone, annual growth, 2006-2011



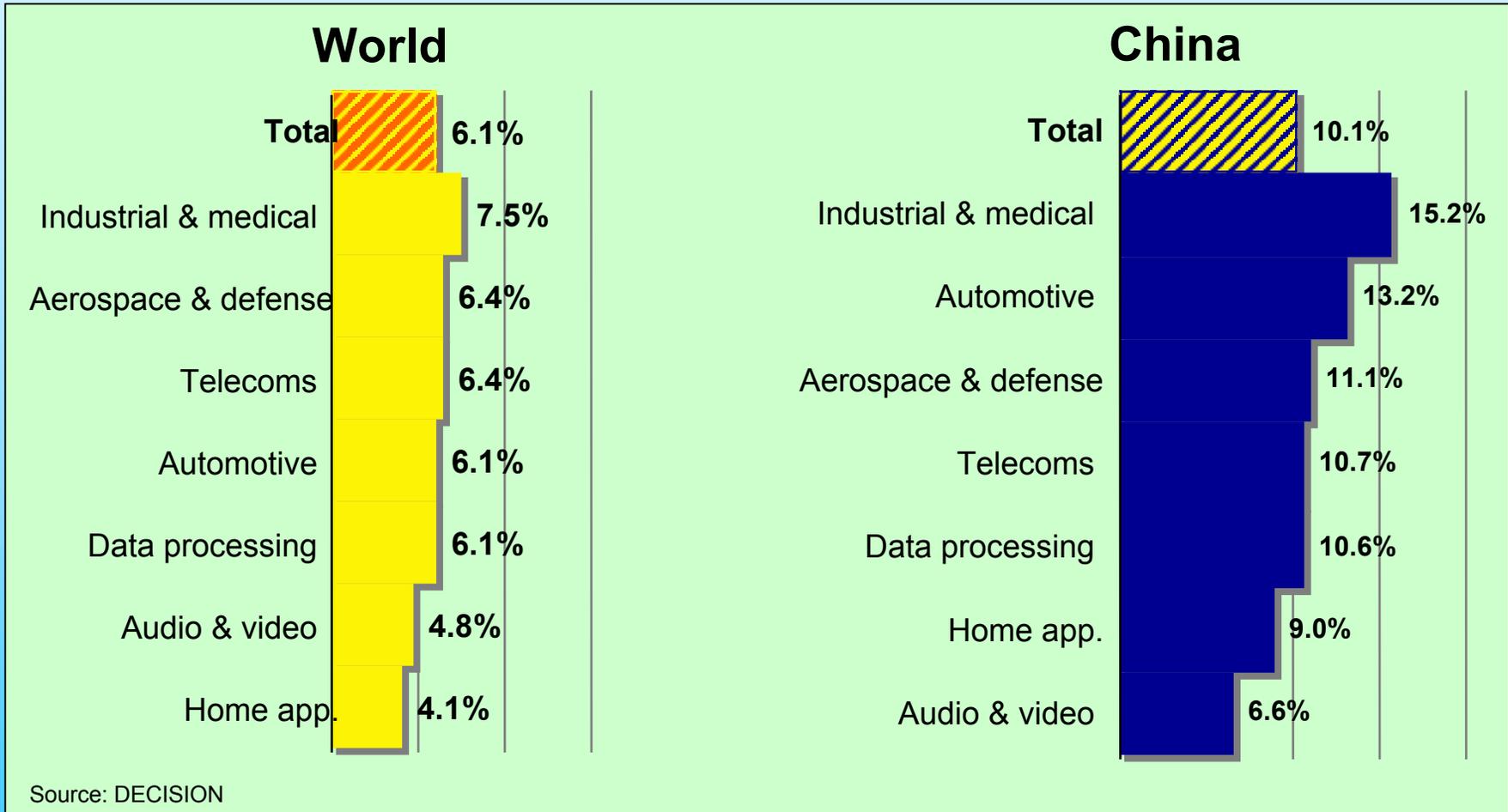
Globalisation at work in the West

Electronics industry, Average annual growth per application sector, 2006-2011



and in the Far-East

Electronics industry, Average annual growth per application sector, 2006-2011



The world factory

Between 2000 and 2006, China doubled its share of world electronic production from 11% to 24% !

Chinese share of World electronic equipment production (in value)

Equipment	Chinese share of world production 2007	Chinese share of world production 2011
TV	35%	39%
Mobile	37%	42%
PC	43%	46%
DVD	71%	70%
DSC	27%	27%
STB	41%	48%

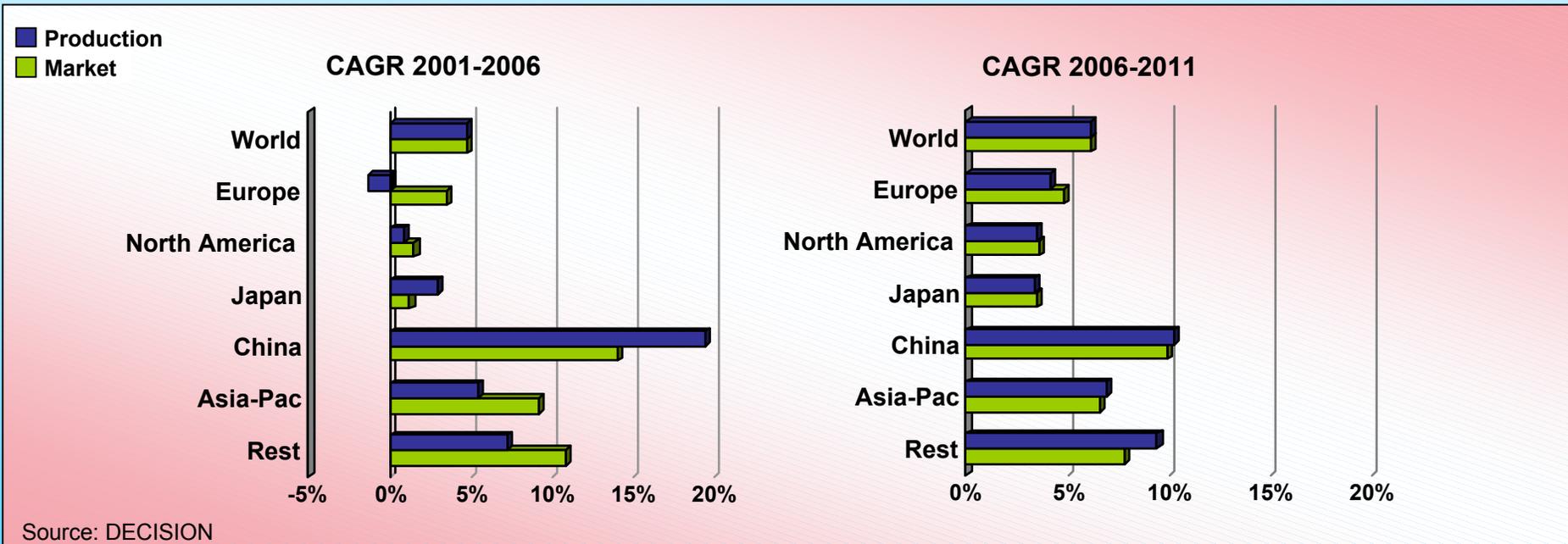
Source: DECISION

2007-2011 evolution:

- **strong focus on mass market products: 37% of world production in 2007, 41% in 2011**
- **some dependency in professional equipment: 17% of world production in 2007, 20% in 2011**

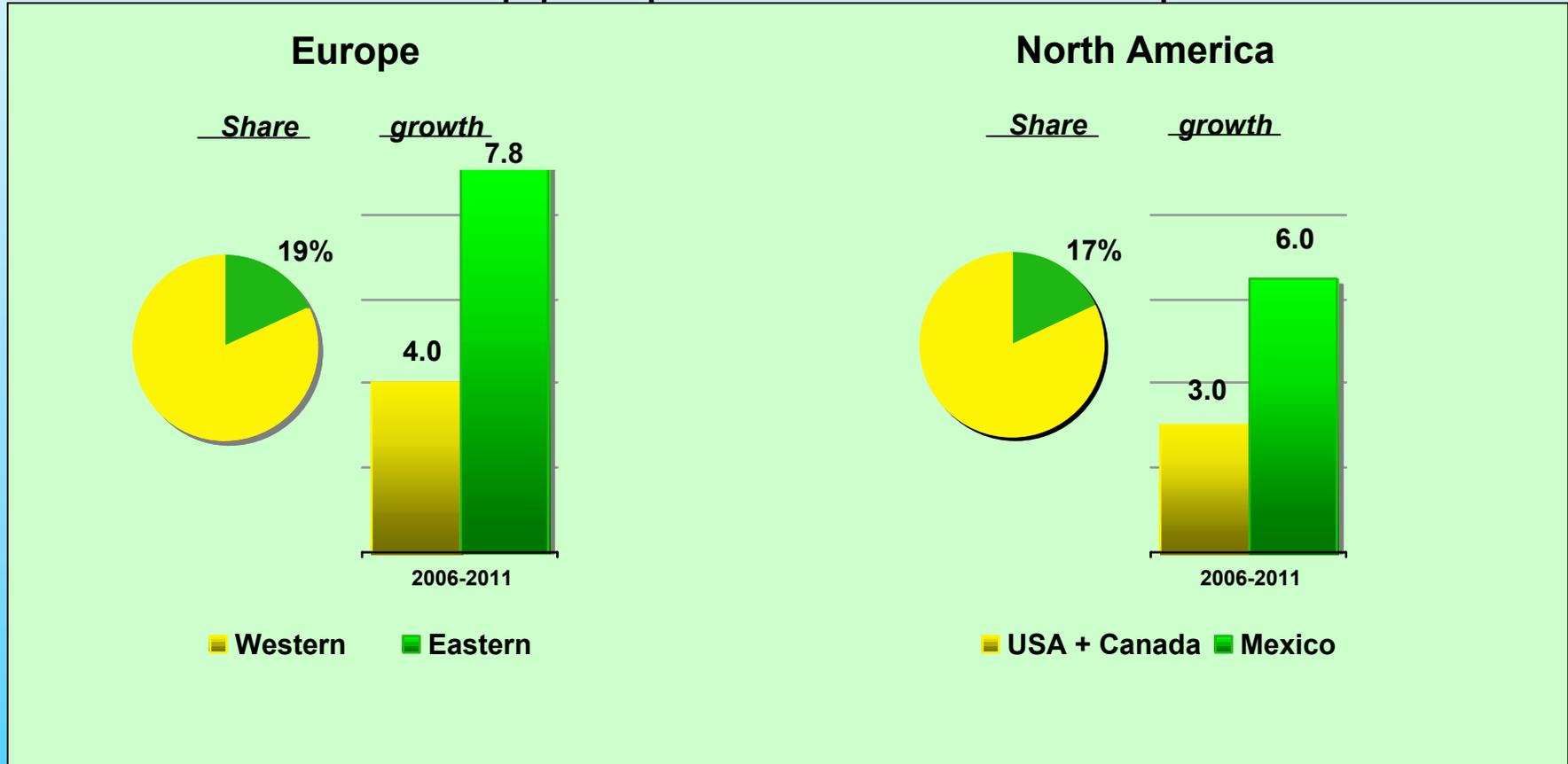
Towards a new balance between market and production

Comparative growth of production versus market, per region 2000-2011



Low cost is also in the West

Structure of the electronic equipment production in 2006-2011 for Europe and North America



Toward a greater geographical bipolarisation? The market side

Emerging countries

Mature economies

- Low cost « boxes »
- « commodities »
- Very short product life cycle
- Poor value added for customer
- Linear growth

- New applications
- Crossed value added chains
- Long time life cycle
- High value for customer
- Very dynamic growth

- PC
- Telecom
- Audio - Video

- Power saving
- Medical « health & beauty care »

Rigid

Agile



New demands

