

CBI MARKET SURVEY

THE ELECTRONIC COMPONENTS MARKET IN SLOVENIA

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Introduction

This CBI market survey gives exporters in developing countries information on some main developments concerning the electronic components market in Slovenia. The information is complementary to the information provided in the CBI market survey 'The electronic components market in the EU' which covers the EU in general. That survey also contains an overview and explanation of the selected products dealt with, some general remarks on the statistics used as well as information on other available documents for this sector. It can be downloaded from <http://www.cbi.nl/marketinfo>

1. Market description: industrial demand and production

Industrial demand

The Slovenian electronic industry is mainly specialised in home appliances, but the country counts a number of telecommunication and EMS enterprises as well. In 2005, the market ranked twentieth in the EU, just between Greece and Latvia. Table 1.1 gives the developments in the several subgroups.

Table 1.1 Slovenia's market of electronic components, 2002-2009, € million

	Market value				Growth rates (%)	
	2003	2004	2005	2010	04/05	05/10 (annual)
Active components	41	48	49	88	3.3	12.3
Passive components	10	10	11	11	12.6	0.2
Electromechanical components	27	28	32	33	13.3	1.0
Total	78	85	92	133	7.6	7.6

Source: Decision (July 2006)

End users

Table 1.2 shows that end users of components are represented in almost all areas (component assemblers are not mentioned here but in table 1.2).

Table 1.2 Slovenian end users of components

End users	Category	Website
Bosch/Siemens	Small kitchen appliances	http://www.bsh.de
Danfoss Trata	Products for heating plants	http://www.danfoss-trata.si
Danfoss Compressors	Compressors for refrigeration equipment	http://www.danfoss-cmpr.si
Domel	Electrical motors and fume exhaust units	http://www.domel.si
Eta Cerkno / EGO	Thermal equipment for domestic appliances	http://www.eta-cerkno.si
Gorenje	Household appliances like plasma and LCD TVs, washing machines etc.);	http://www.gorenje.si
Hidria	Industrial components, power tools, automotive parts	http://www.hidria.si
Iskra Avtoelektrika	Automotive devices and components	http://www.iskra-ae.com
Iskraemeco	Equipment and systems for energy measurement and management segmentation	http://www.iskraemeco.si
Iskratel / Siemens	Telecommunication equipment	http://www.iskratel.si
Kolektor Group	Commutators for electrical motors	http://www.kolektor.si
Liv Plastika	Vacuum cleaners, tools, plastic components	http://www.liv.si
SG Automotive / Schefenacker	Electronic equipment and components valves and tubes	www.sgautomotive.com
Vogt Electronic	Electronic components	http://www.vogt-electronic.com

Source: Slovenian Trade and Investment Promotion Office (2004) and Facts Figures Future (2006).

Gorenje, mentioned in table 1.2, presents the interesting case of a local company, issued from a former communist country, still very competitive and gaining significant market shares inside Europe.

Production

Slovenia is one of the smaller component producers in Europe, although between 2002 and 2004 its production volume – especially of passives – increased enormously. According to Eurostat, the country's product range comprises electromechanicals, passives and assemblies. In production value, the country ranked behind Ireland and Greece in 2004, but ahead of Slovakia, Estonia and Lithuania. Compared to other Central and Eastern European countries, there haven't been significant foreign investments in the manufacturing sector, but there are some Slovenian component producers, as can be observed from table 1.3.

Table 1.3 Examples of Slovenian producers of electronic components

Company	Products	Website
Eti Elektroelement	Circuit-breakers and surge switches; € 73 million sales in 2005	http://www.eti.si
Hobotnica	PCBs production and assembly	http://www.hobotnica.si
Iskra Kondenzatorji	Foil capacitors	http://www.iskra-semic.si
Iskra Feriti	Ferrite materials and magnetic components	http://www.iskra-feriti.si
Intec Tiv	PCBs	http://www.intectiv.si
Magneti Ljubljana	Magnetic inductors	http://www.magneti.si
Resistec UPR / KRAH-RWI	Resistors and rheostats	http://www.resistec.si
SG Automotive / Schefenacker	Automotive components	

Source: Slovenian Trade and Investment Promotion Office (2004) and Facts Figures Future (2006).

Trends

- Slovenian electrical and electronics companies (Gorenje, Iskratel) have become important foreign investors in South Eastern Europe (SEE) over the past few years.
- Slovenian companies invested in China (Avtoelektrika, LE-Tehnika) and Iran as well.

Opportunities and threats

- + Growing market for components.
- + Local production of passives spurred growth in the period 2002-2004.
- Local market for components is small.

Useful sources

- Chamber of Commerce and Industry of Slovenia - <http://www.gzs.si>
- Slovenian Trade and Investment Promotion Office (TIPO) - <http://www.investslovenia.org>

2. Trade: imports and exports

Imports

In 2005, Slovenia's imports of components and assemblies totalled € 138 million and € 67 million respectively. The country was a small importer of electronic components in Europe, ranking behind Estonia, but ahead of Lithuania and Greece. Most probably as an effect of growing local production, the total import value of components in Slovenia declined in recent years: 7% in the period 2003-2005. Electromechanicals (47%) accounted for the largest share of total imports, followed by passives (35%) and actives (18%). Assemblies imports declined as well –12%. DCs' shares in 2005 were 4% (components) and 5% (assemblies) respectively. China was by far the most important DC assemblies supplier (4%), and was the most important components supplier (2%) as well, followed by Bosnia and Herzegovina and India (both 1%).

Exports

The total export value of Slovenia increased € 1 million in the period 2003-2005, totalling € 151 million in 2003. In the same period, electronic assemblies exports were down by 27%, totalling € 22.9 million in 2005. Unfortunately, Eurostat doesn't give export data of 2001. In addition, the value of re-exports is unknown, as Eurostat doesn't allow such detailed analysis. Both domestically-owned companies (such as Gorenje, Iskraemeco and Kolektor) and foreign-owned and mixed companies (Iskratel and Danfoss) perform well as exporters.

Opportunities and threats

- + Import value of components has been increasing fast in recent years.
- Small import shares for DCs.
- Import value of components and assemblies has been declining in recent years.
- Export value of assemblies has been declining in recent years.

Useful sources

- EU Expanding Exports Helpdesk - <http://export-help.cec.eu.int/>
- Eurostat – official statistical office of the EU - <http://epp.eurostat.cec.eu.int>

3. Trade structure

Generally, the intermediary channels (importers, agents, distributors) are the most suitable trade channels for DCs. Beside the distributors with European presence (such as Silica (<http://www.silica.com>; part of Avnet)), there are some local ones, such as IC Elektronika (<http://www.ic-elect.si>). Please refer to the CBI market survey "The Electronic Components market in the EU" for general information on trade structures in Europe. For more information on finding prospects in this country, please refer to section 6.

4. Prices

Prices of electronic components and assemblies continue decreasing year after year. While electromechanicals and assemblies are down by 5-10% annually, semiconductors and most passive components decrease by 10-30% annually. However, there might be exceptions, depending on supply in relation to demand and raw material costs. For prices, please refer to <https://www.avnet-emea.com>. After being registered, you can get online price information. Another example is the site of distributor Spoerle (<http://www.spoerle.com>; click on the icon of the shopping cart).

5. Market access requirements

- Manufacturers in developing countries should be aware of the market access requirements of their trading partners and the country government. Requirements are demanded through legislation and through labels, codes and management systems. These requirements are based on environmental, consumer health and safety and social concerns.
- For more information go to 'Search CBI database' at <http://www.cbi.nl/marketinfo>
- In Slovenia, the VAT tariff is 20%. For more VAT tariffs, consult <http://www.expatax.nl/vatrates>.

6. Business practices

Finding prospects

Among the helpful websites that can be used to identify prospects are the company databases such as Europages - <http://www.europages.com>, KellySearch - <http://www.kellysearch.co.uk>, Kompass - <http://www.kompass.com> and Thomas Global Register - <http://www.trem.biz>. Refer to the manual "Digging for Gold" for guidelines on searching with these databases. In addition, the exhibitor database of trade fair Electronica (refer to trade fairs; below) can be

used to identify key players in the industry. Moreover, trade associations mentioned in section 1 might contain company data as well.

Trade press

In general, German trade magazines contain very good information, also for this country. Another good option might be the magazines of neighbouring countries. To find relevant European trade magazines, visit Components Source (<http://www.componentssource.com>; click 'magazines') or consult the CBI market survey "The Electronic Components Market in the EU".

Trade fairs

Some relevant trade fairs in this country are:

- EPE-PEMC - <http://www.epe-association.org>
- Hevreka - <http://www.ljubljanafair.com>

Furthermore, a good option could be to visit the largest components trade fair in Europe held in Germany every other year: Electronica (<http://www.global-electronics.net>). Visiting trade fairs in neighbouring countries could be an option as well. Please refer to Auma (<http://www.auma.de>) and EventsEye (<http://www.eventseye.com>) to find relevant fairs.

This survey was compiled for CBI by Facts Figures Future in collaboration with Mr. G. Fandrich.

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