



Audio Visual Market Guide

-EUROPE-

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INTRODUCTION

For quite a number of years, we have witnessed U.S. companies struggle with the identification of promising export markets. It was difficult to determine which country may have potential for your product or service. In fact, exporters were spending valuable company resources assessing market that held little promise. As a result, U.S. Commercial Specialists all around Europe worked together to create a solution – the Audio Visual Market Guide. We are proud to offer you this guide which identifies markets where U.S. AV products or services are likely to succeed. This guide offers foreign market information and additional resources to help increase your international sales.

Our goal is to promote U.S. exports in projects that transcend geographical lines. We focus on the changing world economy in an effort to get you involved in international opportunities before the competition. We are well-connected and have the ability to open doors. Commercial Specialists have an extended network of national and international distributors and importers in their country. The U.S. Commercial Services provides several matchmaking services exclusively for U.S. companies. Please feel free to contact the specialists directly, you can find their contact details with the country reports.

We look forward to opening up markets on your behalf and delivering opportunities to your doorstep.

Sincerely,



Ira Bel
Commercial Specialist, Belgium



Philip Hammerstein
Commercial Specialist, the Netherlands

AUSTRIA

Overview

The Austrian population is 8.4 million with 3.6 million households. In 2010 there were a total of 3.25 million TV households and 2 million DVD households registered. Total spending on consumer electronics amounted to approximately US\$ 1.110 billion in 2011, which is US\$ 67 million less than in 2010.

Consumer Electronics (Sales in US\$)	2011	2010	Change in total sales
Incar Electronics	55.48	68.23	-11%
Static Audio	76.74	77.65	-3%
Portable Audio	64.36	70.59	-9%
Camcorder	42.17	44.65	-13%
Set-Top-Boxes	83.22	94.12	-12%
DVD-Player/Rec.	54.37	57.64	-10%
Plasma-TV	41.06	81.18	-33%
LCD-TV	686.86	694.12	-2%

Recording Media 2011 (Sales Value in US\$, total spending of US\$ 60.16)	
Memory Cards	39.10
DVD	10.83
VHS	3.01
HD Recording Devices	0.60
CD	6.62

Free-to-Air TV is very popular in Austria. A very large number of German language channels are available for free on satellite TV, which is received by around 54 percent of TV households. The dominant public service broadcaster is ORF (Austrian Broadcasting Corporation). There are a number of Austrian commercial TV broadcasters such as ATV and Puls 4 as well as a large number of German satellite channels, which are available to households with a satellite dish. In May 2012, the public service broadcaster ORF had a market share of 34.8%, while the Austrian commercial TV broadcasters ATV, Puls 4 and Servus TV had a market share of 3.4%, 3.1% and 1%, respectively. The German commercial TV broadcasters Sat.1, RTL, Pro Sieben, Vox and kabeleins had a combined market share of 24.1 %, while the German public service broadcasters ARD and ZDF had a market share of 2.9% and 4.8%, respectively.

Moreover, Sky Austria, which is the local subsidiary of the Sky Deutschland AG, offers a high number of digital channels. It had around 240,000 subscribers at the end of 2011. The operator has key movie Pay TV rights and also offers 180 games of the Austrian Soccer League. The public service broadcaster ORF offers live coverage of 36 games.

Current Market Trends

Cable was in 37 percent of Austrian households in 2012, 49% analog and 51% digital. However, even if the penetration remains low, all Austrian cable operators have upgraded networks and already offer triple-play services. For instance, UPC Telekabel is a leading provider of video, voice, and broadband Internet services. Based on the company's operating statistics as of December 31, 2011, UPC Telekabel's networks served up a total of 1,200,000 services to 700,000 Austrian customers. These include 511,000 television, 445,000 broadband Internet, and 350,000 telephony customers. UPC's network in Austria is almost entirely upgraded to two-way capability, with approximately 99 percent of basic cable subscribers served by a network with a bandwidth of at least 860 MHz.

The most important TV development in Austria is high-definition television (HDTV). Already 42% of satellite households have access to high-definition channels and the public service broadcaster ORF, Servus TV as well as Sky Austria offer their programs in high definition.

Main Competitors:

Cable

UPC offers multiple tiers of high-speed Internet access service with download speeds ranging from 35,840 kbps to 102,400 kbps. High-speed Internet access is available in all of the cities in which they operate. Approximately 40% of basic cable subscribers also receive Internet access service, representing approximately 80 percent of their Internet subscribers.

Leading telecom companies are Telekom Austria, T-Mobile Austria, Hutchison 3G Austria and Orange Austria. Pay-Per-View services are provided by UPC Telekabel and Sky Austria.

Internet

75.4% of all Austrian households have access to the Internet. With 72 % of all households, broadband technology is predominant. Connections are made mostly through DSL, cable, fiberglass, satellite, WiFi and wireless local area networks. UPC is a market leader, along with Aon, which is a subsidiary of Telekom Austria and UTA.

Equipment

The major dealers for AV equipment B2C are Media Markt, Saturn and Conrad. Multinational companies like Sony, Philips and Panasonic have offices in Austria. Main competitors are AV and electronics suppliers from Japan, Korea, Taiwan, the United States and European countries.

Buyer Profile:

Residential

There are two main buyer profiles. Young people who buy the more affordable AV equipment and families in their late thirties that replace aging AV equipment with state of the art equipment, which is more expensive.

Business

There are several buyer groups: Companies which own amusement parks buy large AV displays and equipment as well as Cineplex (large cinemas) and rental and staging firms offer AV service for events, theaters, concert halls and entertainment facilities. The market for general business A/V is well developed. The majority of the commercial clients purchase high quality equipment through established distributors.

Current Demand:

Titles that benefited from strong marketing support and promotions during the previous release windows continue to be top titles in VOD, which remains a hit driven market.

Free content helps to grow numbers of orders, but on demand usage is increasing on a transactional basis as well.

Residential

Households are prepared to pay more for quality equipment. The consumer electronics entertainment segment of the AV market including HIFI stereo equipment, TV sets (digital-ready and HDTV compatible sets) is the fastest growing segment. Products of high demand include home entertainment systems, LCD and Plasma TVs, DVD players/recorders, Digital Portable Audio Players (mp3). The demand for LCD projectors for home cinema is also increasing.

Business

Businesses are looking increasingly at DLP technology and for large displays. LED rather than plasma is in demand. In addition, they are looking for integration services such as image projection and manipulation related software and audio integration solutions. Popular AV products in the conference room and public stations (e.g. subway stations), include electronic display systems, control systems and beamers. Demand for wireless, portable products is growing.

Barriers

The Austrian Regulatory Authority for Broadcasting and Telecommunications (RTR) is the regulating authority. There is no specific regulation for non-linear services so far in Austria. There are also no barriers for the import of AV equipment. Applicable national and regional regulatory requirements include the European Union (EU) Waste for Electrical and Electronic Equipment Directive (WEEE) and Restriction of Hazardous Substances Directive (RoHS).

Trade Promotion Opportunities:

ISE - ISEurope – January 29 – January 31, 2013, Amsterdam, The Netherlands

www.iseurope.org

FUTURA- FUTURA – September 13- September 16, 2013, Salzburg, Austria

www.futuramesse.at

Sources:

Fachverband der Elektro und Elektronikindustrie (Association of the Electrical and Electronics Industries)

[http://www.feei.at/](http://www.feei.at)

RTR – Rundfunk und Telekom Regulierungs GmbH (Regulator)

<http://www.rtr.at/>

UPC Telekabel

<http://www.upc.at>

Telekom Austria

<http://www.telekom.at>

For More Information

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BELGIUM

Overview

The Belgian Audio-visual equipment market (AV Market) is a stable market in the center of Europe. Despite the global financial and economic crisis that affects worldwide trade since 2008, no real shifts or shocks have been noticed during the last two years. Also the future is expected to remain stable.

Experts foresee potential during the next years in the substitution and renewal of currently used machines and techniques. Technical progress and general society evolutions also have a direct impact on the AV-market. Digital cinema, security applications, medical equipment, business applications and educational opportunities are some of the elements that ensure and enforce a stable Belgian market context in the future. This context is strengthened by supportive policies for research and development, both on federal, regional and European level.

Current Market Trends

The Belgian AV Market is perceived as 'stable', even during the last two years who were perceived as difficult due the economic and financial global crises. Field experts argue that although some projects and investments were delayed because of the complex economic context, a steady decline of the Belgian AV market never was a real threat compared to other countries.

The market trends that were mentioned 1 till 2 years ago are hence manifesting themselves again. The ongoing process of the development and creation of new technologies in e.g. hospitals, cinemas, concert halls and sport stadiums shape a context of continue demand for AV equipment. Old systems and installations will be substituted in the near future. All experts the Commercial Service talked with agreed the Belgian market will remain stable and no real shifts are expected in the next two years.

Within the Belgian market is a strong awareness of the need for new methods to work in the future. There is a clear trend to use "pooling & sharing" methodologies even as "coordination & networking" services. New opportunities in this field are expected. The main goal is to simplify sharing of information and to improve the quality of services and techniques. Companies are constantly investing in research for further developments in this area. Furthermore, Research and Development is promoted by the regional governments in different ways. The most striking are fiscal benefits on intellectual protected and developed products and services or subsidiaries launched by the government.

Main Competitors

Barco NV and AED Rent are the most important players on the Belgian AV market.

Barco NV, headquartered in Kortrijk (West-Vlaanderen), employs around 3,700 people and has revenue of \$1,373M. They are specialized in the design and development of professional display and visualization equipment and systems for a variety of markets. Barco NV has its own facilities for e.g. Customer Support, Sales & Marketing and R&D. The Belgian market is 1.8% of their global turn-over. AED Rent is an enterprise founded in 1986 and located in Willebroek, nearby Mechelen. AED and its 8 subsidiaries (the "AED Group") have developed into a significant global player in audiovisual equipment. Their main products are computer controlled spots, mixing consoles, lighting fixtures, video-walls, projectors and trussing. The AED Group realized a turnover of EUR 28 million in 2010 and an operating cash flow (EBITDA) of EUR 14.3 million.

Best Prospects

As mentioned before, 'sharing & pooling methodologies' and 'coordination & networking' techniques are becoming more and more integrated in the Belgian AV market. Both Barco and AED Group mentioned these methodologies as the absolute top opportunity for the future.

Another aspect with high potential is to further develop the 'ecology meets economy' attitude towards sustainable products, taking in account environmental challenges. Companies are eager to find so called 'solid state' solutions, for instance in the light projection segment of the market. The will to develop better LED – and laser products to reach high light quality during a longer period of time, is an important aspect. As member state of the European Union, Belgium has to achieve the environmental targets in 2020. These shape challenges and possibilities to develop new, better, more sustainable and high quality products and techniques. In this respect the AED Group is considering the development of a quality label for products who reaches given benchmarks. The central point of concern here is to reduce ones ecological footprint.

Current Demand

Belgium, as part of the highly developed Benelux region with numerous industrial areas, universities, hospitals and shopping centers, has been characterized as region where AV companies are optimistic about their own medium to long term position. Analysts foresee good prospects for the market in general, although the prospects for double-digit can slightly differ.

Experts in the field recognize the global and general economic context which potentially affects nowadays spending and investments. Some final decisions according to IT related investments have been delayed and are foreseen in the near future. Non-intended effects are an increase of alternative solutions, more competitors and more options for customers who are highly demanding for the products they buy. Nevertheless it's important to underline that a steady increase of demand has been noticed during the last couple of months. This trend is expected to continue in the period 2012-2015 (with the Benelux-market in general expected to increase from \$1.42 bn in 2012 to \$1.84 bn by 2015, which is an increase of more than 20%).

Another evolution emphasized by several players in the field is the fact more and more resellers are moving from being a content delivery company to a total service company. Alliances between service companies and AV resellers are step by step developing, while customers tend to increasingly contact those companies to manage their signage projects. Those elements make the Belgian AV-market to a very interesting market with significant potential, demanding for an own approach and a culturally embedded sales structure.

On the European level, it's worth mentioning the EU Media 2007 Audio Visual Support Program, launched in 2007 and ending on December 31, 2013. This program promotes and encourages the creative process within Europe's audiovisual sector and has the purpose to strengthen the base of the European audiovisual sector, particularly small and medium sized companies. The program – having a budget of EURO 755 million - is likely to be beneficial for both European and non-European companies producing audio and visual products. By taking initiatives to strengthen the competitiveness of the audiovisual sector, it facilitates access to financing and promoting use of digital technologies.

Market Issues & Obstacles

Since 1993, all electrical equipment exports to members of the European Union must bear the CE (Conformité Européenne) mark. This mark indicates compliance with European Union health, safety and environmental standards; with it, products may be marketed in all European Union member countries without having to undergo further certification.

Belgium operates under the European Commission's Community Integrated Tariff (TARIC) system, which applies duties to all imports from non-EU countries. Belgium operates under the European Commission's Community Integrated Tariff (TARIC) system, which applies duties to all imports from non-EU countries. Based on the TARIC goods classification system and information for 2008 taken from the TARIC internet database, the duty on products imported from the United States may vary from no duty on flat panel display devices (i.e. LCD/LED monitors), to 2.5% duty on microphones, 4.5% on loudspeakers, 5.7% on lighting technology, or as much as 14% on projection equipment. More information on this topic can be found on the EU Taxation and Customs Union website at the following address: [TARIC](#)

A value-added tax (VAT) is applied to all goods and most services imported to Belgium. A rate of 21% of the worth of a good is applied, as determined by code in the General Agreement on Tariffs and Trade (GATT); in most cases this is simply the selling price of the good. No VAT, however, is levied on sample goods, advertising materials for goods, or goods that are only temporarily imported (i.e. for exhibits at trade fairs). More information on this topic can be found on the Belgian customs website (only available in the French and Dutch language): <http://fiscus.fgov.be/interfdan/>

No serious barriers have been identified at this time. However, European legislation, crystallized in "Weee/RoHS" compliance will have a direct impact on U.S. AV sales to Belgium and the rest of Europe. For more information see: <http://www.buyusa.gov/europeanunion/weee.html>. Weee makes the producer of electronic equipment responsible for its collection and disposal at the end of the product's lifecycle. RoHS restricts the use of hazardous material in the manufacturing of the product.

For More Information

The U.S. Commercial Service in Brussels, Belgium can be contacted via e-mail at: Ira BEL (ira.bel@trade.gov) – Regentlaan 37-40, 1000 Brussels; Phone: +32 2 811 5116; Fax: 32 2 512 3644; or visit our website: www.export.gov/belgium

BULGARIA

Overview

European audio-visual sector has big social and economical potential. Bulgaria is on a leading place in the EU in terms of cheapest consumers goods /including audio-visual technologies/, and is next to the cheapest location on the continent, according to a Eurostat study. The fact that Bulgarian citizens have the lowest income in the EU must also be taken into consideration when reviewing this data /monthly minimum wage is set to 123 EUR/. Bulgarian market for audio-visual technologies (TVs, audio equipment, monitors, laptops and phones, etc.) for 2011 will exceed approximately BGN 1 billion and at retail prices is estimated to about BGN 1.2 billion.

Current Market Trends and Demands

On one hand, Bulgarian customers are focused on high quality products at an affordable price with improved warranty terms. On the other hand customers are attracted by products that can be considered as an investment, perhaps as a reflection of the global economic crisis. So they tend to invest a little more money in order to have a little more long-term use of products. In addition to that the crisis increased the sensitivity of consumers not only to the price but also to the added value of products such as after-sales service, extended warranty, additional services, and customers pay more attention to these conditions.

It is expected that in mid-terms the sales volume of audio-visual technologies will increase due to digitalization and the consumers' preferences for LCD TVs and Blu-ray players. This segment of the market will continue to develop and till 2014 is expected to reach \$293 million. According to the data, provided by the large market players, currently about 10 percent of the sales of AV in Bulgaria is online. It is really difficult to track smaller online sellers because they are part of the grey economy.

In Bulgaria the sales volume during the week before Christmas is five times higher than the usual amount and in December retailers generate profit two times higher than any other month in the year.

Although there is an increase of the sales in the retail stores, those of food, beverages, clothing, footwear and consumers electronics declined in May. The goods which consumption increases slowly are computers and mobile phones - by 2.0%. Top interest in the AV market is shown to smart phones and tablets. They are the reason for movement in the sector, while the market for ordinary mobile phones and computers is at the same level than last year's Statistical data are confirmed by the Bulgarian Retail Association

Most Popular Products

The most popular products in the audio-visual sector in Bulgaria are personal computers/including laptops/, TVs, mobile phones, home cinema equipment, cameras.

Half of the annual turnover of the consumer electronics market is generated by sales of personal computers (including netbooks) and the necessary accessories for them.

Samsung and LG seem to be the most popular brands for TVs. There is continues trend for the 32-inch TVs to have a leading role in the market. This is determined mostly by the size of the room and the homes that Bulgarians live in. But there is a clear tendency for the consumers to be attracted by 37 and

42 inches TVs. Most likely next year these will be the predominant sizes of TVs that will be preferred by the Bulgarians. Plasma TVs are already dominated by the 42-inch products.

3D technology is still new and these TVs have not yet entered the daily life of Bulgarian customers. In

2011 consumption of this product was almost entirely influenced by negative comments regarding this technology. Next year customers will be more confident for 3D products and some growth in the market is expected.

The interest of customers to tablets will grow higher next year and the so called “smart systems” are expected to become more and more popular amongst customers.

Main Competitors

Technomarket, Technopolis, and Zora are the largest three market players for audio-visual technologies in Bulgaria, and their portfolio covers all products from the consumer electronics sector.

Metro, and Densi are also large retailers where audio-visual products can be bought.

Multirama, and Plesio are focused mainly on laptops, monitors, TVs, games and mobile phones, and accessories.

Germanos, Handy, and Jeff are the major market players for mobile phones and devices and accessories for them as well as for portable computers and cameras.

Buyer Profile

Residential: Low to mid price equipment are the two main profiles. Young people tend to buy the more affordable AV equipment. The professional people concentrate on up to date, and a high quality AV. Business: Corporate sales of AV are targeted mainly to large domestic and multinational companies, government institutions and state owned companies. The educational sector has the tendency to try to implement AV technologies.

Customers use all possible tools for purchases, and as of now crediting is losing popularity. This is a general trend which applies not only to consumer electronics sectors but to all other sectors in Bulgaria. It really depends on the price of the products, but generally for the cheaper products customers prefer to pay in cash.

Eurostat publishes data on the level of consumer prices in the Member States in 2010, the average price level in Europe 27. The percent of the AV technologies in Bulgaria is 89%.

Conclusion

Basically expectations of the AV market in Bulgaria are that there will be no significant improvement of the sales volume. Some retailers expect that the turnovers in 2011 will be higher in comparison with the ones from the last year. Their main argument for that is the fact that the sales volume during the fall was a bit higher.

Bulgaria is the least expensive country in Europe /of all 37/ for consumer electronics. According to the information provided by the retailers, although at the beginning of the year the volume of the sales slightly increased, there is no significant improvement. Customers continue to be price-oriented and the situation is difficult as they are being cautious in spending money for such products.

According to the information provided by the National Statistical Institute the consumption which would increase the growth of the economy of the country still remains low.

For More Information

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CZECH REPUBLIC

Overview

Both, the business and residential markets are growing steadily. The residential market relates to the steady growth in GDP/capita over the past years, to increasing earning power of the Czech households. The former is linked to economic situation world- wide. Growth of the Audio visual market slowed down, being directly related to the economic growth in the Czech Republic. Convergence with IT is one of the trends applied in the Czech Republic. IPTV services are offered mainly through the main telephone operator, Telefonica, the largest provider in the country. During 2012, the A/V market in the Czech Republic reached USD 5.7 billion. Technology and services are almost equally split in monetary terms. The Czech market is still developing, with annual growth of 6.4 percent. The residential market is expected to increase just over 3.5 fold.

Current Market trends

High – definition and digital terrestrial television, together with videoconferencing and Digital Light Projection are the main areas in the Czech A/V sector. Industry in this country is responding to demands concerning digital technology. Digital broadcasting via existing TV stations is almost complete, analog broadcasting is expected to cease within 12 months. Video and audio conferencing, servers, audio and video telephones, audio and video transmission services are currently provided by several companies in the Czech Republic.

Main Competitors

Cable TV: The biggest player in this market is UPC, closely followed by Sky-link.

Barco is one of the most prominent companies on the Czech market. Other global players present in this country include American, German, Japanese, South Korean, and increasingly, Chinese companies. US products are highly thought of, and popular. The competition on the Czech market is very strong. A lot of US firms not only operate, but also ship their products to Netherlands, UK, Ireland and Germany, before reaching the local market. Most products are imported, specifically, video and audio conferencing.

Buyer profile

Residential: Mid to high price equipment are the two main profiles. Young people tend to buy the more affordable AV equipment. The professional people concentrate on up to date, and a high quality AV.

Business: the major clients are corporate business, multi-national companies, and increasingly, sport and wellness spas. The main buyers in public sector include ministries, transportation and state owned companies, dealing with development of infrastructure and education.

Current demand

The results of the latest market research based on interviews with local experts show that there is more optimism compared to last year. The residential segment of the market is still growing, the main interest remains in High definition and digital television, HIFI stereo systems, and HDTV sets.

Business segment include digital signal processing, web casting, high definition mastering/subtitles, video conferencing, and integration services, such as image projections and audio integration.

Companies owning cinemas, sport stadiums, concert halls and theaters are buying the latest, and the largest AV products.

One of the positive effects on the market through-out the European market countries is the EU Media 2007 Audio Visual Support Program, running from January 1, 2007 to December 31, 2013. The program supports small and medium-sized firms, with budget of EURO775 million. Although American companies are not entitled to direct financial support, they can benefit from increased demand for audio/visual products.

Barriers

The Czech Republic follows the European Commission's Community Integrated Tariff (TARIC) system. It means duties are applicable to all imports from non-EU countries. Based on TARIC goods classification system and information, duties vary from 2.4 percent to 14 percent. For more information, please go to EU Taxation and Custom Union website under 'TARIC'.

The Czech Regulatory Authority of Broadcasting and Telecommunications is the only regulating authority in this country.

They're no trade barriers concerning import to the Czech Republic. As a member of the EU, the 'Weee/RoHs' compliance legislation will have an impact on U.S. AV sales. Only specific licensing requirements are needed. Non EU countries are required to comply with CE Mark – 'Conformite Europeene', mark, indicating compliance with European Union health, safety, and environmental standards.

<http://www.micr.cz>

Trade Promotion Opportunities

Conferencing is very popular on the Czech market. The conferences are held mainly in the capital, Prague, and Brno. Well known companies and corporate business prefer this type of promotion opportunities.

For more information, please visit: Association for direct marketing www.cnspp.cz, www.electroindustry.cz

Trade Shows

AMPER

Annual International Electronics Trade Fair, Brno, March 19 – 23, 2013. <http://www.amper.cz>

ISE, held annually in Amsterdam, Netherlands, January 29-31, 2013

www.iseurope.org

For More Information

The U.S. Commercial Service in Prague, Czech Republic, can be contacted via e-mail at: Luda Taylor, Commercial Specialist, (luda.taylor@trade.gov) – Trziste 15, 118 01 Prague 1, Czech Republic; Phone: +420 257 002 315; Fax: +420 724 570 875; or visit our website: www.export.gov/czechrepublic

DENMARK

Overview

Denmark is a highly computerized society with a consistent demand for state-of-the-art IT and A/V products. The market is characterized by a high level of domestic competition from both Danish and international players.

The total market for A/V products showed a turnover of 2010 that was at level with that from 2009. For the first half of 2011 there seem to be a negative turnover trend of approximately 20 percent compared to numbers from 2010, mainly because of a drop in prices. However, also the number of units sold

shows a decline of 7 percent, probably due to the cyclical sensitivity of consumer electronics. In times of crisis it is easy to postpone the purchase of a new TV as well as other kinds of AV products.

Current market trends

According to numbers, retail turnover fell with a 0.85 percent in 2010, but is expected to increase by 1.7 percent throughout 2011. That is from 4th quarter 2010, to 4th quarter 2011, according to a forecast from Dansk Erhverv. However, the level of retail turnover is not expected to reach pre-crisis level.

For the industry of AV products, the underlying explanations behind the numbers are the fact that sales from classic items such as TV's, DVD players, MP3's have stagnated, whereas sales have increased for newly introduced items such as DAB radios, iPod docking stations, BluRay players and home cinema systems. Latest technologies have turned these into high-tech products, and made it possible to sell them at higher prices.

Main competitors

Imported products largely supply Danish demand for all kinds of audiovisual equipment and the leading international suppliers are all present in the market. However, the domestic producer of high-end consumer products, Bang & Olufsen, is leading the way in the upper priced market segments.

Buyer profile

Consumers: Danish consumers are generally affluent, as well as highly trend-conscious, and there is good potential in the top-end of some segments where American products are generally well-received. That Danes are relative wealthy can be supported by the fact that TVs with screen sizes of 40 or above are particularly popular.

Business: Main customers include corporate business, education, newly built or renewed infrastructures (transportation, convention centers) and meeting and event organizers. Flat screen TVs have become increasingly widespread for entertainment and advertising purposes in public places such as train stations, shopping malls, cafés, etc.

Current demand

The fact that 225,000 TV's are set to be replaced is something that makes the future look brighter. This is a result of the closure of the analogue terrestrial broadcast, which demands a conversion to MPEG4 by the end of the year. Most of them are secondary TV's, which if one include the number of TV's from caravans, boats and cottages, adds up to a total of around 1,1 million possible replacements in the years to come.

Also, a newly published report by PwC, expects a growth of over 20 percent in video-on-demand and mobile TV by 2015. Research has found a 24.6 percent increase to be expected in the demand for video-on-demand and well above 30 percent for mobile TV.

Numbers from BFE shows that CRT TV's and flat screens not compatible with HD-technology accounts for 3, 2 million from a total of approximately 5, 5 million TV's in the Danish homes. These are also very likely to be replaced in the nearest future.

As said, Danish consumers are trends-conscious which probably means that the sales of items such as DAB radios, iPod docking stations, BluRay players and home cinema systems will keep increasing in the future.

The top selling product categories (2010 units sold) are: Audio items (such as radios, MP3 players, docking stations etc.) (1.240.000. compared to 1.100.000 the year before); TVs (715,000 compared to 780,000 the year before); Playback equipment (such as DVD players, BluRay players, sound systems, game consoles and cameras) (655,000 compared to 820,000 the year before); Car radios and navigation (376,000 compared to 395,000 the year before).

Barriers

No particular barriers exist for the Danish A/V market. Products have to adhere to existing standards.

Exporting to Europe requires that a CE Mark be used. Source: <http://www.ce-mark.com/cedoc.html>.

For More Information

The U.S. Commercial Service in Copenhagen, Denmark, can be contacted via e-mail at: Peter Strandby, Commercial Specialist, (peter.strandby@trade.gov) – Dag Hammarskjölds Allé 24, Copenhagen, Denmark; Phone: ++45 3341 7117; or visit our website: www.export.gov/denmark

FINLAND

Overview

Within the audiovisual market, product sales are estimated at 75% and services account for the remaining 25%. The Finnish AV market is highly competitive. However, prices in 2011 are expected to remain on the same level as this year due to the economic downturn.

AV systems today include not only audio and video systems, but also their integration into information communications as well as transmission of signals through digital networks. The basic types of pro-AV systems are:

- Fixed installations – such as boardrooms, auditoriums, classrooms, videoconferencing and control centers;

Staged events – such as corporate meetings and events, conferences, trade shows and concerts.

Products include audio systems, video and data projectors, displays and screens, digital signage, racks and cases, lecterns, cables and connectors, computer and AV networking, control systems, interfacing and signal distribution, etc.

Pro-AV systems are used in settings and markets where the sharing of information using audio and video has become standard. This includes businesses, schools and universities, government, the military, healthcare, entertainment, sports arenas, etc. The AV industry includes manufacturers, distributors, dealers, independent representatives, etc.

Audio Visual Association of Finland (AVITA), is a nation-wide association for Finnish companies that manufacture, import, sell and install equipment and systems for professional use in audio, video, lighting, multimedia and other audiovisual fields (see <http://www.avita.org/site/?lan=3>)

For more information on Finland's AV market, please visit:

http://www.ficora.fi/attachments/englantiav/5wMdkUC4Q/Market_review_4b_2010.pdf

Current Market Trends

Sales are concentrated on systems and solutions rather than individual products. This means that growth in a particular product category leads to corresponding growth in related product categories. Manufacturers should pursue opportunities that exist in bundling their products with other manufacturers' products. As Nordic customers are early adopters, opportunities exist for manufacturers on the cutting edge of innovation.

The use of fiber optic cables is increasing with the growing use of digital signals. Connecting AV-devices, such as projectors, sound systems and AV-control devices, directly to a computer network opens up new horizons in networking for signal transmission and remote control.

A future trend may be fully bundled AV-systems, an idea that was tried in the 1980's. The light package would include hardware and equipment, and perhaps installation and design services as well. As these "Install-in-a-Box" solutions achieve the necessary level of sophistication, they may be used to compete for government tenders.

Main Competitors

Oy Darepro, Ltd., established in Finland in 1993, is today one of the leading video screen manufacturers in Europe and a globally recognized pioneer in light-emitting diode (LED) technology video screens (see <http://www.darepro.com/>). Genelec Oy manufactures active studio monitor loudspeakers and has a world leading position in this very specialized field of audio engineering (see www.genelec.com).

Competition between device manufacturers is increasing, and this has started to affect prices. New manufacturers have sprung up and continue to emerge from large markets of the Far East, and competition is forcing manufacturers globally to increase their rate of introduction of new products.

Buyer Profile

The end customer segments that represent the greatest opportunities in Finland are the corporate (45%), residential (10%), education (40%) and meeting and events (5%) segments. Note: government procurement, reflecting disparate utilization, appears to be included within education and corporate figures.

Current Demand

There is an increasing demand for professional AV products and services across Europe. This trend is primarily due to the convergence of information technology and AV technologies, new construction, AV applications such as digital signage and videoconferencing, and the spread of enabling technologies such as broadband and networking technologies.

Barriers

Finland is a European Union (EU) country. Any products imported from EU countries enter Finland duty free, if they have been produced in an EU country. However, Finland does not have a free trade agreement with third countries, such as the United States, Australia, Japan or Canada. The import duty on AV products from third countries varies from 2% to 14%.

One exclusive agent/distributor is usually appointed to cover the entire country, mainly due to the relatively small size of the Finnish market. Finnish importers often represent many different product lines.

There are no barriers for exporting AV equipment into Finland. However, exporter selling products in the EU conform to Waste from Electrical and Electronic Equipment (WEEE) Directive and Restriction of Hazardous Substances (RoHS) Directive (see http://ec.europa.eu/environment/waste/wEEE/index_en.htm) Also a CE mark should be used.



Trade Promotion Opportunities

AudioVisual 2013 Trade Show (Biannual)

November 13-15, 2013

Helsinki Fair Center

Finnish agents/distributors visit audiovisual trade shows in Europe and the United States in order to find new, innovative products to launch to the Finnish market.

See AVITA, Audio Visual Association of Finland (<http://www.avita.org/site/?lan=3>), for more information on trade fairs and AV business in Finland.

For More Information

The U.S. Commercial Service in Helsinki, Finland can be contacted via e-mail at: Ms. Katie JANHUNEN (Katie.Janhunen@trade.gov) – It. Puistotie 14B, FI-00140 HELSINKI; Phone: +358 9 6162 5343; or visit our website: www.export.gov/finland.

FRANCE

Overview

Audiovisual (A/V) is a booming sector and is constantly innovating. Radio, television, telephony and mobile are changing. Indeed, Radio and TV are experiencing a revolution as they move slowly into the digital era. The analog method is being replaced by digital, which will provide better coverage. Although the cost of the switch is high, change is inevitable in order to face the increasing competition from small WIFI devices, online radio and mobile television. Television is already beginning to perpetuate this trend by offering more diverse channels.

From 2006 to 2010, television became the first line of media, before the press and the radio. However, the internet's popularity is rapidly rising and is project to soon take over as the leader in A/V. As of

2010, the French market for television amounted to 12 billion Euros (\$16.1 billion), and is expected to reach 13 billion Euros (\$17.4 billion) by 2013.

The analog method is currently being phased out and replaced by Digital Terrestrial Television (DTT), also known as TNT. France has seen a significant decrease in the number of households dependent on analogue terrestrial radio, down 3.8% from 7.9% of the population in just 2010. There has been a total decrease in analogue terrestrial radio use of 25% from 29.1% in 2008, revealing that only 4.1% of households receive TV uniquely from this source.

Furthermore, secondary residences, of which 73.9% are equipped with at least one TV, that are operating on analogue radio signal have dropped to 39% and those that use satellite now represent only 8% of the pool. It has been reported that 45% of secondary residences in France use at least one digital mode of reception.

The number of French households possessing digital TV, has raised up to 91.6% in the latter half of 2010. Even more notably, as of the end of 2010, multi-equipped households that were entirely digital became more numerous than those that were only partially digital. 90% of households' main TV sets are now digital, with 59.4% of secondary TVs having gone digital as well.

Source: http://www.csa.fr/upload/publication/observatoire_equipement_vague6.pdf

As of the first semester of 2011, around 26.2 million French households were equipped with some sort of digital reception (TNT, cable, satellite, ADSL, etc.). As of June 2011, 16.8 million French households were equipped with at least one TNT adapter, amounting to 63% of households that already possess a TV.

Source: http://www.csa.fr/upload/publication/chiffrescles_audiovisuel_2esemestre2011.pdf

The French consumer electronics market generated total revenues of 7.6 billion euro (\$10.2 billion) in 2009, representing a compound annual growth rate (CAGR) of 7.4% for the period spanning 2005-2009.

Source: <http://technews.tmcnet.com/news/2011/10/27/5887633.htm>

Current Market trends

There is a significant move toward digital household products, as well as other high tech A/V developments. Both DVR, Video on Demand, Podcasts and Internet A/V are on the rise in France. As of May 2011, there were 14.5 million of 'at least one-time users' of DVR and more than 1 billion pieces of content viewed through DVR between January and August 2011. There are 45 identified DVR services, of which the major players include MYTFI, M6 Replay, pluzz.fr, Canal + A La Demande, Arte +7, Direct 8

Replay and Gulli Replay. About two thirds of all Video on Demand is attributable to cinema movies and almost 95% of Video on Demand sales are made by 'managed' networks (cable and ADSL). In September

2011 alone, 15.9 million podcasts were downloaded in the metropolitan areas of France, mainly through Europe 1, RTL and Radio France. Internet A/V has been propelled by Google, in the lead above Facebook, MSN, Microsoft and YouTube.

France is currently making the transition to digital broadcasting with the final phase having started on November 30, 2011. The French market is looking more and more for Internet-connectable products including HDTVs, mobiles phones, and blue-ray players.

In reference to A/V hardware, France represents 15% of the European market for flat screen television sets. However, due to the economic crisis, this market retreated by 2% in 2010. Although there have been dozens of new products conceived over the past couple of decades, there are two products that seem to play a large role in growth in the industry – LCD flat screens and Blu-Ray DVD players.

Another popular trend in the A/V market is the migration of TV to the Internet – more consumers are receiving their information in video format online. There has been a shortening of the value chain and new intermediaries have been introduced with "Enhanced TV" vision, "Portal" vision and "Media Center" vision, all of which offer internet programming.

Following the current trend of high definition (HD) is 3D. Western Europe was reported to have 2,101 3D screens in 2010, and is expected to reach 3,405 screens by 2013, with the technology's premier market being movie cinemas, followed by television, video games and "digital signage."

Main Competitors

The most serious competition to the A/V industry comes from the mobile industry. Mobile is quickly gaining a significant share of the French market by introducing new technologies that gather radio, TV, entertainment (music and games), Internet and computing software on a single mobile device (Smartphone). Mobile has become increasingly essential in everyday life. However, 3G is reaching its boundaries and a move to 4G is already well underway. In France, operators have experienced difficulty with the deployment of 4G through Wimax.

The French telephony market is extremely competitive. There are currently four industry leaders (Orange, SFR, Bouygues Telecom and Free) and all must compete with MNVO, which is gaining notoriety for their cheaper subscriptions.

The main competitors in the market for television are Philips, Samsung, Panasonic and Sony. The sales of video equipment as complement of the TV set such as DVD players and Blu-ray have decreased over the past few years. Samsung and Sony are, however, the major suppliers on that market.

The market leaders in French television service are TF1, M6 and France Télévisions (France 2, France 3 and France 5), but have been losing significant market share to new TNT channels. TNT is quickly becoming the sole leader in DTT in France. Out of the top five leading TV channels in France, TMC (a free access channel over the TNT network) is actually ranging right after the historical leaders TF1, France 2, M6, and France 3.

France has an important weight on the market supply of TV programs. Endemol France is a major player in production of entertainment programs, real-TV and mini-series. The company produced approximately 800 hours of program during the 2010-11 season. Zodiak France, as part of the Zodiak Media group, produces a large range of game shows and series. TF1 Productions is a leader for several broadcasting channels as TF1 and affiliated companies. It includes Glem, Alma, TAP and several others.

Buyer profile

Residential

The second most important market for the A/V industry is represented by households, making up 27% of the total market share. Households principally spend in telephony and mobile sectors. In general, French consumers prefer to subscribe to services that have an after sales office in France. Therefore, it is more strategic for American manufacturers and service providers to create a business partnership in France in order to gain market shares. In terms of digital TV subscriptions, the demographic groups experiencing the most growth in the area are students and those over 75, with a growth rate of 18% and 12% in the latter half of 2010, respectively.

Source: http://www.csa.fr/upload/publication/observatoire_equipement_vague6.pdf

Business

Corporations are the main users of audiovisual products. They represent 29% of the French market. In the professional arena, the use of Internet for videoconferences and telecommunications are essential.

Other

Events/venues planners are the next category using audiovisual products with 16% of the French market. Government/Military and Education/Training are close behind with 12% and 10%, respectively. The smallest category of consumer is retail distribution, with 6% of market share.

It is important to stress that Education is the fastest growing customer segment. Other fast-growing segments are Government, Corporate and Hospitality. The slowest growing customer segments are rental & staging companies, home/residential and retail/distribution.

Current Demand

The current demand is focused on two main areas: Residential and Business

Residential

It is estimated that sales of digitally connected TV displays in Europe will reach a total of 12.6 billion euro (\$16.9 billion) by 2013. Consumers are searching for more ways to keep up in the digital age and households are willing to pay more for quality high-tech equipment. They are looking for quality of build and reproduction as well as features and durability. The demand for LCD projectors for home cinema is also on the rise.

Business

Cinemas will be looking to invest further in 3D screens and many television service companies are adding digital and internet services. Growth of the advertising market in the five largest European countries is estimated to be 2.8%, with 18.8% percent of that growth going toward online advertising. The online advertising market is estimated to reach nearly 65 billion euro (\$87 billion) by 2013.

Market Issues & Obstacles

The major regulatory body for the audiovisual market in France is the Conseil Supérieur de l'Audiovisuel (CSA). The CSA is an independent administrative body that ensures that broadcasters meet legal standards, assigns frequencies to television and radio stations, and advises the French government or Parliament on audiovisual matters, if necessary. The CSA is additionally responsible for upholding the principle of political pluralism, protecting the interests of children, encouraging free competition within the market, and protecting the French language in broadcasting. CSA has the legal ability to apply sanctions to channels that do not comply with audiovisual laws.

Since January 2006, non-French stations that broadcast in France find themselves under the regulation of the CSA as well. Thus, the CSA is an important body to research when considering any audio or visual broadcasting in France. However, the regulatory body for advertising in France is separate. The Bureau de Vérification de la Publicité (BVP) is responsible for the regulation of advertising. They primarily advise on issues such as the ethics of advertisements, and what is appropriate material.

In addition to the CSA and the BVP, ARCEP (l'Autorité de Régulation des Communications Électroniques et des Postes) regulates the entire French communication industry. Their mandate is to reinforce transparency and nondiscrimination, manage the allocation of resources, including frequencies, universal service, price regulation, dispute settlement, and sanctions and promote competition and innovation in the burgeoning mobile market.

By law, 60% of audiovisual and cinematographic programs must be European and 40% French, per year. For Cable, TNT, and Satellite channels, these obligations can be fulfilled in multiple years. If they do not meet these requirements, they are obligated to become involved in the production of French programs, with at least 50% of Europeans programs having to be broadcasted in accordance with

European directive.

All electrical equipment sold in the European Union must carry a CE mark. This mark indicates compliance with European Union health, safety, and environmental standards. With the CE mark, products may be sold in all European Union member states without having to undergo further certifications.

France, like other countries in the European Union, has certain environmental requirements for the equipment sold their territories. This legislation includes WEEE and RoHS, which demand producer responsibility of the impact their product has on the environment. The collection and recycling of waste as well as the restriction of certain substances in products are included under these requirements.

Trade Promotion Opportunities

Trade Show: Satis 2012, Nov. 13-15, Paris, France See: www.satis-expo.com

For More Information

The U.S. Commercial Service in Paris, France can be contacted via e-mail at: Ms. Myrline Mikal-Goide, Commercial Specialist; (Myrline.Mikal-Goide@trade.gov) – Phone: +33 01 43 12 70 90; or visit our website: www.export.gov/france.

GERMANY

Summary

With 6,412 event locations and almost 302 million visitors yearly to its conferences, arenas, theaters, and exhibitions, the German event market is the largest in Europe and the second largest market worldwide after the United States. The market underwent rapid growth in the late 90s and is still experiencing a modest upward trend. Total expenditure in the area of commercial tourism and events totaled USD 78.02 billion in 2009.

Roughly 2.46 million public events and conferences took place in Germany in 2009. The largest venues, stadiums and event halls, contribute 64%, or 193 million people to the overall number of visitors. 16% of the visitors participated in an event at a midsized location, such as colleges, universities, airports and amusement parks and 20% visited events in hotel conference rooms and similar facilities. On average, venues were occupied 158 days per year, and statistically each German participates in four events a year. The market conditions in the event sector can be seen as strong indicators for demand of professional sound and stage equipment.

The world will focus on audiovisual equipment and musical instruments, March 21-24, 2012, in Frankfurt! Over 200 American companies will exhibit at Musikmesse and Prolight + Sound, the international trade fair for event and communication technology, AV-production and entertainment. The U.S. Commercial Service in Frankfurt provides counseling, market research, and their support services to U.S. exhibitors before, during and after the show. Please let us know how we may be of assistance to your business objectives, whether or not specifically related to Prolight + Sound 2012. For more information please contact: <http://export.gov/germany/Contact/Frankfurt/>

Key Suppliers

Germany is home of one of the top international companies for stage and event engineering: Procon Event Engineering, a subsidiary of Procon Multimedia. Other market leaders include Neumann&Müller and Bosch Rexroth. Neumann&Müller GmbH has worked with Allianz AG, DaimlerChrysler AG, Deutsche Bank AG, Siemens AG, T-Mobile, Nokia, and BMW. For larger events, suppliers typically offer stage and event equipment as only one of their product lines. Bosch Rexroth, for example, offers a variety of drive, control, and mobile applications in addition to stage equipment. When seeking a partner, event agencies report that the most common resources they use are friends and experts, the Internet, trade press, and trade fairs.

Procon Event Engineering	http://www.procon.com/en/
Neumann&Müller	http://www.neumannmueller.com/
Bosch Rexroth	http://www.boschrexroth.com/
Waagner-Biro Stage Systems Group	http://www.waagner-biro.at/

Market Issues & Obstacles

Since 1993, all electrical equipment exports to members of the European Union must bear the CE (Conformité Européene) mark. This mark indicates compliance with European Union health, safety and environmental standards; with it, products may be marketed in all European Union member countries without having to undergo further certification.

Germany operates under the European Commission's Community Integrated Tariff (TARIC) system, which applies duties to all imports from non-EU countries. Based on the TARIC goods classification system and information for 2008 taken from the TARIC internet database, the duty on products imported from the United States may vary from no duty on flat panel display devices (i.e. LCD/LED monitors), to 2.5% duty on microphones, 4.5% on loudspeakers, 5.7% on lighting technology, or as much as 14% on projection equipment. More information on this topic can be found on the EU Taxation and Customs Union website at the following address:

http://ec.europa.eu/taxation_customs/index_en.htm

Trade Events

Prolight + Sound

March 21-24, 2012 in Frankfurt am Main, Germany

Messe Frankfurt Exhibition GmbH

Ludwig-Erhard-Anlage 160327 Frankfurt am
Main

Germany Tel: +49 69 7575-194 15

www.pls.messefrankfurt.com

info@messefrankfurt.com

Resources & Contacts

VDE - Verband der Elektrotechnik Elektronik Informationstechnik e.V.

Association of Electrical Engineering Electronics and
Information Technology

Stresemannallee 15, 60596 Frankfurt am Main

Germany

Tel: +49 69-6308-0

www.vde.com

service@vde.com

Bundesverband der Veranstaltungswirtschaft

German Association of Event Industries

Lenhartzstr. 15 20249 Hamburg

Germany

Tel: +49 40-460 5028

www.idkv.de

info@bdv-online.com

For More Information

The U.S. Commercial Service in Paris, France can be contacted via e-mail at: *Volker Wirsdorf, Senior Commercial Specialist*; (Volker.Wirsdorf@trade.gov) – *American Consulate General, Gießener Straße 30, 60435 Frankfurt, Germany*; Phone: +49-69-7535-3150; Fax: +49-69-7535-3171; or visit our website:

www.export.gov/germany

GREECE

Overview

The audio-visual (AV) market in Greece is showing signs of endurance, even during times of economic slowdown for the Greek economy. As the Greek market is currently undergoing technology convergence and digitization, it is experiencing increased residential and business investment in the electronic audio-visual segment.

This activity is spear-headed by the Government of Greece's focus on Digital Strategy 2008-2013, in the context of the E.U. Community Support Framework IV and under the "Digital Convergence" program, as well as the heavy digital focus set by the new Government of Greece which was elected on October 4, 2009. The AV market sector looks strong despite last year's economic developments in Greece, triggered by the recent financial crisis, which resulted in increased competition among the retailers' driving down prices. Furthermore, the sector should be positively impacted by the analogue to digital broadcasting switchover by 2015.

In Greece, the demand for audiovisual equipment is essentially met by imports. The products are imported mainly from the European Union countries and the U.S. for computers and peripherals, as well as other countries such as China and Japan. According to the latest available results, in a Greek population of 11.2 million, there is an average of two television sets per Greek household - where 99 percent of these households currently watch 'free-to-air' TV. Three percent of households have a satellite connection and one percent of the total population has digital terrestrial TV.

Current Market Trends

AV- related consumer electronic devices include camcorders, DVDs, MP3s, MP4s, LCD and plasma televisions, and home audio. The new technologies and developments in the industry continued to positively impact the demand for new cutting-edge products which entered the market in 2010, although this was slightly hampered in certain areas due to the economic slowdown. The market growth which continues to be observed in specific hi-tech products is related to technology developments and anticipated broadcasting capabilities, especially in the field of 'high-definition', which now impacts every device image category (reproduction, display, and recording). High-definition is the main trend which developed the market for televisions (LCD and Plasma), camcorders (mostly subscription HDD hard drive and memory Flash) and media players and recorders (High Definition DVD and Blu Ray). High definition technology has also impacted computers and game consoles, as seen in the new X-Box 360, Wii, and PlayStation 3, as examples.

Specifically with respect to televisions, there has been a yearly average increase of 5.7 percent from 1994 to 2008, with replacement cycles of TVs falling to six years from 10 years in the 1990's. Digital televisions were introduced in Greece in 2002 and for the first couple of years represented less than two percent of total television unit sales. After 2004, the year of the Athens Olympic Games and the Greek national soccer team's victory in the European Championship, digital TV sales increased. The expectations are that high-definition technology will continue to be the driving force behind the growth of the market, especially since there is an E.U. directive for Greece to switch from analog to digital broadcasting by 2015.

The leader in electronic consumer sales growth for the year is the LCD flat-screen television which continues to dominate the market, followed by Plasma (PDP) TV, and by Blu-Ray players. Main drivers of this trend are the increasing demand for a larger screen size, for high-definition, and the integrated receiver DVB-T.

In other cases, however, such as Digital Camcorders and MiniDV, the market is considered congested and stagnant. Camcorder sales showed a decline of 29.4 percent and DVD players of 25 percent for the same period. Also, the market revenue for GPSs decreased for the first time primarily because of the decline in prices and not because of quantities sold.

The home cinema segment continues to grow, spurred by competition and falling prices. This has had an impact on other sub-segments, such as Hi-Fi equipment and home audio, whose sales are on a downward trend, with home cinema "in a box" and portable devices replacing them. As portable entertainment demand has been increasing, especially among younger consumers, CD players have slowly become obsolete as MP3 players have begun to dominate the portable audio market. Also, the home cinema concept positively impacts the market for computer monitors.

The market for photographic equipment has been less affected by market conditions. For example, the digital picture frame has become a popular gadget for Greek consumers, and the popularity of DSLR has protected compact digital photographic cameras, with only a 4.3 percent reduction in sales from last year.

Computer spending in Greece for 2010 decreased by two percent - particularly within the PC market - with an expectation for this to increase in the coming years through at least 2013. For the first quarter of 2010, sales of desktop computers for professionals declined by 15 percent and for home users by 19 percent. On the other hand, laptop sales increased for home users by 1.3 percent.

It is worth noting that during the 1995-2007 period, the annual average computer sales growth rate was around 18 percent, with desktops covering 52 percent of the market, while laptops and servers accounted for 46 percent and 2 percent, respectively.

Finally, with respect to 'smart phones' the Greek market followed the international sales growth trend with a 23 percent increase in sales, and 14 percent increase in value within the category in 2008. The trend in 2009 has been the same. In 2010 the "smart" phones sector is one of the few that showed a significantly positive trend. The types of mobile phones with the largest increase in demand since 2008 are 3G devices and those supporting music services, i.e., radio and MP3.

Distribution Channels

A large percentage of AV equipment, including consumer electronics, is purchased at big retail outlets such as Plaisio, Multirama, Media Markt, Kotsovolos, Ilektroniki Athinon, Public and Saturn. These chains, as well as the big super markets, have transformed the business environment and made it significantly more competitive. Further competition is enhanced via "own brand" and unbranded products, and market demand has been increasing due to falling prices of about 15-20 percent, compared to the previous years.

Main Competitors

The main competitors in the market for televisions are Philips, Sony and LG followed by Samsung, JVC, Panasonic and Thomson. In DVD recorders Philips holds the primary position. For digital cameras, competitors include Sony, Olympus, Canon, Nikon and HP, while in video cameras Sony is the leader, with JVC, Canon and Hitachi trailing. For portable sound systems, Sony and Philips are well imbedded, while U.S. firm Apple, with its iPod, follows closely behind.

Through the second quarter of 2010 Hewlett-Packard had the highest sales volume with a market share of 24.5 percent, followed by Plaisio computers with a share of 12.4 percent, Acer Group with a market share of 10.4 percent, Toshiba with a share of 8.2 percent, Dell with a share of 8.1 percent, Sony with a share of 6.5 percent and Lenovo with a share of 5 percent, followed by e-shop, Apple, Multirama, Samsung and other smaller brand names. Apple Computer sales had a market share of 2.9 percent but exhibited a significant increase from last year of 29.2 percent. Also, in the laptop and netbook segments companies with highest sales volumes for the first quarter of 2010 were Hewlett-Packard, Acer Group, Toshiba, Sony, Dell, Plaisio Computers, Lenovo, Samsung, Asus and Apple.

Current Demand

Residential

One of the main contributors to the growth of this sector is the increasing familiarity of digital technology by the residential buyers, and the widening of the age-group target for audio-visual products. Pre-occupation with 'digital gadgets' now begins at the young age of around 12, while in the past it was the 25 to 35 age - group. Furthermore, young people tend to continue living with their parents well after they finish their higher education and until they get married. Therefore, they play a decisive role in the selection of home audio visual equipment. After they leave their home, they tend to buy their own equipment, incorporating the latest technology trends. Young people 12 to 30 years old are mostly interested in CDs, Mp3s, DVDs, mobile phones, and digital photo cameras. In addition to the above, the older age groups buy home entertainment systems according to the family needs and available disposable income. The older demographic of 30+ is more focused on personal home entertainment systems, which include the latest in television technology and DVD readers.

Business

Main buyers include corporations, television and radio stations, educational institutions, advertising agencies, public organizations, sports and convention centers, exhibition and event organizers, and local pubs and cafes, which employ the latest in visual technology. Most businesses are buying high-end technology equipment based on their audio-visual needs, including those for training and corporate use, public display, and transmission, i.e., projectors, electronic display systems, signage, teleconference, etc.

Barriers

There are no major barriers to entry in the Greek market. The European directive on Waste from Electrical and Electronic Equipment (WEEE), as well as the directive on Restriction of Hazardous Substances (RoHS), apply. WEEE requires the manufacturer of the electronic equipment to collect and dispose of the product at the end of its lifecycle, while RoHS restricts the use of hazardous material in its production.

Trade Promotion Opportunities

Integrated Systems Solutions /Audio Video Lighting Digital PRO – April 16-18, 2010, Athens (Helexpo)
(Co-located with DTE-Digital Technology Expo – <http://www.dte.gr>)

<http://www.avlpro.gr>

pro@smartpress.gr

Co-Organized by:

Premier Events Group

9 Karneadou Street,

GR-106 75, Athens, Greece

Tel: + 30-210 728-9000

info@premierevents.gr

<http://www.premierevents.gr>

Smart Press A.E.

15 Mager Street, Vathis Square

GR-104 38, Athens, Greece

Tel: + 30-210 520-1500

Fax: + 30-210 524-1900

smart@smartpress.gr

<http://www.smartpress.gr>

Infosystems 2010 (Helexpo) - September 2010, Thessaloniki

Organized by: HELEXPO

<http://www.helexpo.gr>

Organizations:

Hellenic Audiovisual Institute

11, Fragoudi & Al. Pantou Street

GR - 176 71 Kallithea, Athens, Greece

Tel: +30-210 909-8690, +30 - 210 909-8691

iom@iom.gr

<http://www.iom.gr>

Greek National Council for Radio and Television (NCRTV) (the independent administrative authority that supervises and regulates the radio/television market) <http://www.esr.gr>

Resources & Contacts

Euromonitor International

<http://www.sepe.gr>

<http://www.capital.gr>

<http://www.gfk.com>

<http://www.mavise.com>

<http://www.publicissue.gr>

<http://www.idc.com>

<http://www.icap.gr>

For More Information

The U.S. Commercial Service in Athens, Greece can be contacted via e-mail at: *Betty Alexandropoulou, Commercial Specialist*; (Betty.Alexandropoulou@trade.gov) – U.S. Embassy/Commercial Service

91 Vas. Sophias Avenue, 10160 Athens, Greece; Phone: +30 210 720-2346; Fax: +30 210 721-8660; or visit our website: www.export.gov/greece

HUNGARY

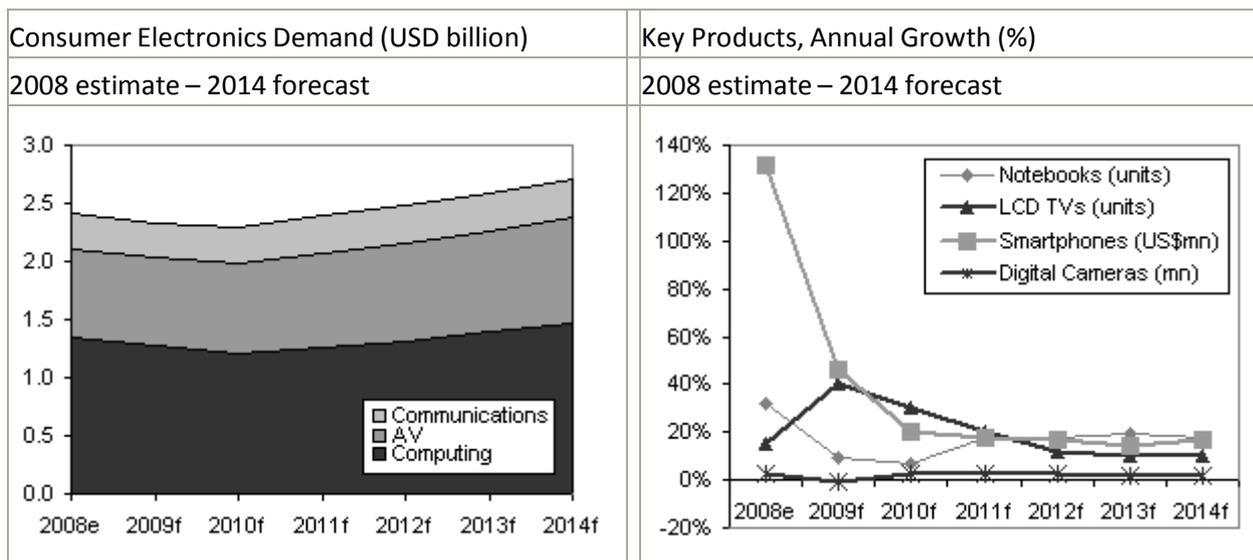
Overview

The Hungarian consumer electronics market continued to decrease in 2010 and the between the period of January – September 2011 and reached a value of USD 266 million. After the fluctuating growth rates between 2006 and 2010, the Hungarian consumer electronics market is expected to stabilize and accelerate by an annual 0.5-1.2 percent in the forthcoming years.

Hungary's consumer electronics market is nearly fully dominated by imports. It is defined as the addressable market for computing devices, mobile handsets, and video audio and gaming products, is projected at around USD 2.6 billion in 2010. Following a sharp deceleration from late 2008 and in 2009, spending is expected to increase at a 1.9 percent to USD 2.9 billion by 2014, driven by growing popularity of digital lifestyle products such as LCD and plasma TV sets, mobile devices, notebooks, high-end HiFi systems and also by lower prices and more flexible terms.

Current Market Trends

Growth is stable largely because private consumption is constrained by a heavy burden of foreign- currency denominated debt, decreasing purchasing value of the local currency and a significant number of residential mortgage loans. In addition to these, due to continued economic uncertainty such as relatively high unemployment and limited purchasing power consumers were and are switching to saving as opposed to consumption.



Source: BMI - Business Monitor International, December 2010

Selling conditions for consumer electronics will remain challenging even over 2012-2013 but the projection for rising incomes, product innovation and demographic trends should support a growth trajectory for consumer electronics spending. Mobile telecommunication penetration in Hungary remains much lower than in neighboring markets, pointing to continued potential in the handset

segment. Meanwhile, digital television subscriptions rose to 57.8 percent of Hungary's 3.8 million television subscribers in December 2011, driving spending on flat-screen TV sets.

Computers, mobile devices were the biggest consumer electronics market category in 2010 and first nine months of 2011, at 47 percent, and will dominate spending over the forecast period. Despite an adverse economic climate, sales of PCs are projected to achieve moderate growth during the 2010 - 2014 forecast period. Spending will grow for notebooks and netbooks, which account for above 50 percent of sales and will also lead to increased sales for computer games.

AV devices ranked second for consumer electronics market spending in 2010-2011, at 36 percent of consumer electronics spending. Demand for digital TV sets will be the main driver for spending as Hungary makes further progress towards digital broadcasting. Other growth drivers will include LED TV sets, digital cameras, portable media devices and Blu-ray format DVD players.

Mobile handsets accounted for about 17 percent of total spending. The replacement market will continue to dominate and there will be growing demand for PDAs, smart phones, 3G and the newly introduced 4G sets. Spending is expected to grow for such devices at a 2 percent through 2014, with 3G and later on 4G models accounting for about 50 percent of sales. Computerized education, such as digital boards, has also been introduced in primary schools. By December 2011 close to 6,800 digital boards were used in school in Hungary.

Current Demand

The fastest growth for this sector is coming from *entertainment electronics and mobile communication*. Game consoles –are still the most lucrative devices. Sales of *professional conferencing and AV equipment* contributed significantly to sector output in the past three years, totaling 30 percent of the market's aggregate revenues. Hungarians of all ages love music, creating strong demand for new, high quality sound technology; Hungarians under 35 are avid MP 4-5 and iPod, iPad and Ebook users. The sale for such devices is seasonal, over 70 percent of annual sales happen before Christmas. According to industry experts, this market is expected to grow 8 percent annually.

Digital has rapidly expanded and is replacing analog in Hungary making *LCD and plasma televisions* a lucrative market. 3D TV sets sales are still marginal in Hungary and are considered a luxury item due to high retail prices but as technology evolves and prices will likely to decrease there is a promising future for 3D TV sets sales in Hungary for the second half of the decade. Demand for digital TVs has been surpassing that for analog sets. Currently, cable is about 45 percent of broadcasting (1.8 million households) and digital cable television and IPTV subscribers rose to 24 percent by the end of 2011. UPC with 26 percent is the market leader taking into consideration all technologies, followed by DIGI with 23 percent and Hungarian Telekom with 22.2 percent.

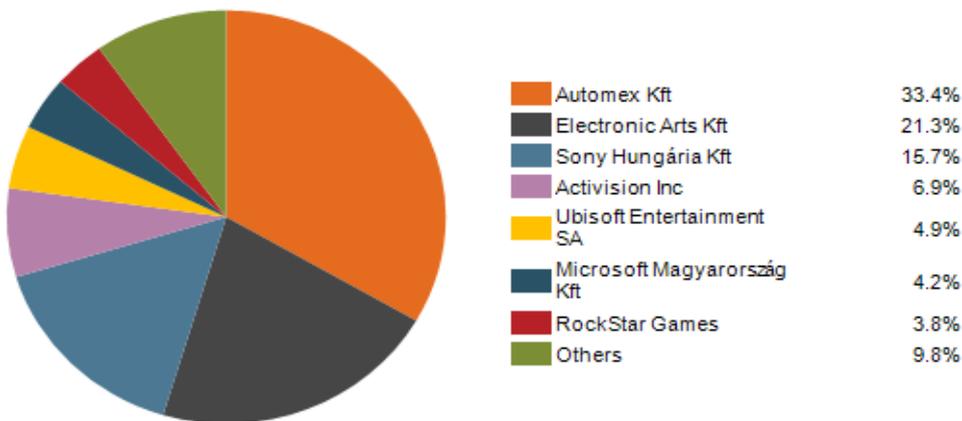
For business, electronic display systems, large LCD and plasma screens, signage, projectors, sound and control systems are most in demand. The demand for wireless and portable products is also growing. U.S. brands have a good market presence particularly in the professional AV segment.

Nintendo's brand DS and Wii held the largest market share in 2009 in the video games sector keeping its leading position. As one of the first video game companies, it is a one well known brand in Hungary. Its leading position was attacked in the past few years by the other multinational brands including Electronic Arts, PlayStation and Xbox 360. Demand for games consoles can be boosted by the heavily-

marketed release of 'latest versions'. Sony - PlayStation brand - had the biggest increase in the market share. Its brands are available through the main hypermarkets, consumer electronics chains and Internet retailing.

Unfortunately, in the long term the declining birth rate and families delaying having children in Hungary will negatively influence the performance of the video games sector since the main target group for video and PC-based or on-line computer games are mostly teenagers.

Company Shares (by National Brand Owner) Video Games - Hungary - Retail Value RSP - % 2009



Source: Passport by Euromonitor International

Market Size Video Games - Hungary 2009 - 2014



Source: Passport by Euromonitor International

Competition

The consumer electronics market faces tough competition in Hungary like in the rest of Europe. Competition between device manufacturers is increasing, and this has started to affect prices. New manufacturers have sprung up and continue to emerge from large markets of the Far East, and competition is forcing manufacturers globally to increase their rate of introduction of new products. The trend of the switch from analog to digital equipment will continue to dominate the Hungarian market. Digital TV is now widely available through set top boxes, just as the introduction of digital radio broadcasting has created a fast growing market for digital (DAB) radios. We expect to see a continued growth in flat panel HD TVs (16:9), LED projectors, DVD and Blue-Ray recorders. Demand for Home Entertainment Centers that integrate several digital technologies in one box is also rising. Video-on-demand, mobile TV and IP-based TV are still new and emerging service products in Hungary.

The market is characterized by rivalry among brands and retail channels as well. There is a smaller group of end-users with affordable net income who always purchase the superior product in terms of performance and stick to a certain brand that they have grown to know and trust. However, pricing is another issue and low-end products are more popular since price remains the determining buying factor for a majority of Hungarian consumers. Buyers in the retail sector, on the other hand, may be suspicious of a very low-priced product compared to its rivals and a smaller step-down in price for one player could easily create a price-war situation.

Online, internet sales are popular in Hungary. Cross-sale has also spread in Hungary: personal computers can function as home entertainment centers as well as home offices, and games consoles fulfilling similar leisure functions to audio and video products. Retailers tend to cross-sell software, peripherals, processor and memory upgrades, and consumables such as blank media and printer cartridges. On the other hand, there are fewer hardware 'extras' in the consumer electronics market, and content such as recorded DVD are generally not sold by specialist electronics retailers, although general merchandise stores may.

Japan, Korea, Taiwan and the Netherlands are primary suppliers of imported consumer electronics, which dominate the market. Samsung is the market leader with 22 percent share, followed by Matsushita, marketed under the Panasonic, National and Technics brands with 18 percent share and by LG Electronics with 15 percent. Other multinationals such as Sony, Philips, Toshiba, JVC etc. are also major suppliers. Thomson, another major player, is now moving away from consumer electronics towards electronic content distribution and IP access devices for home networking. Local producers, like Videoton and BEAG, are producing conferencing equipment, amplifiers, digital boards, sound-mix systems and microphones.

Market Access

Hungary is a European Union (EU) country and has harmonized its standards with European norms. Products certified in Hungary or another EU member state can be marked in the country. In addition, products certified to meet EU standards (identified by the "CE" mark) by authorized U.S. testing laboratories are acceptable. ISO 9000 standards are being used increasingly in Hungary as evidence of high product quality. There are special barriers to importing AV equipment into Hungary, but exporters selling electrical products in the EU must conform to the WEEE and RoHS directives. Please note that the standard electricity voltage in Hungary is 230V A.C. Domestically, the "Hungarian Made" mark is an award given to products that are judged to be of outstanding quality, environmentally friendly, and favorable to energy consumption.

Distribution Practices

Over 60 percent of consumer electronics/AV equipment is purchased at specialized electrical and electronics retail stores, such as Media Markt, Saturn and Euronics. However, leading companies are increasing brand awareness by selling consumer electronics in hypermarkets, discount, variety store, and general merchandise retailers which represents about 20 percent of the retail sales. Online shopping for AV equipment has been increasingly popular over the past three years. Furthermore, as mass retailers increase their market share, prices are likely to fall, making all kinds of innovative consumer electronics and AV products even more affordable.

Barriers

The most effective way for manufacturers to enter the Hungarian market is through a selected distributor. One exclusive agent/distributor is advised to be appointed to cover the entire country, mainly due to the relatively small size of the Hungarian market. Hungarian importers often represent many different product lines. Hungarian agents/distributors visit audiovisual trade shows in mostly in Europe and the United States (CES) in order to find new, innovative products to launch to the Hungarian market.

Since the service component of the overall AV market is significantly large in Hungary, distributors are required by law to provide after-sale and part replacement services of up to 10 years, depending on the value of the equipment. Products need to have CE marking and the import duty for consumer electronics and AV equipment – under HS codes 8517-8528 – is an average 10 percent. Value-added Tax (VAT) is 27 percent as of January 1st, 2012.

For More Information

The U.S. Commercial Service in Budapest, Hungary can be contacted via e-mail at: Csilla Viragos, Commercial Specialist; (csilla.viragos@trade.gov) – Phone: +36-1-475 4250; or visit our website: www.export.gov/hungary

IRELAND

Market Overview

The Irish market for audiovisual (AV) products and services remains a challenging environment as the tough economic climate affects both consumer and professional markets. At the same time, the continual emergence of new and innovative digital AV products is helping to sustain demand across both the consumer and professional end-user segments. U.S. brands have a good market presence and opportunities exist for companies with quality innovative products.

Current Market Trends

There are no available statistics on the Irish AV market; however, anecdotal evidence reveals that the Irish market for AV products and services remains very challenging as Ireland continues to manage its current economic difficulties. Nevertheless, the ongoing convergence of ICT and AV is helping to sustain Irish demand for the latest innovations in both the consumer and professional end-user segments.

Technological developments being adopted in the market include: internet and interactive TV, LCD screens, home cinema systems, wireless applications, streaming media, HD-TV, digital signage, digital whiteboards and videoconferencing systems. Irish agents and distributors of AV equipment are continually seeking to identify and source the latest innovative products.

Main Competitors

All AV equipment is imported into Ireland and international brands are widely available across all industry segments. The principal competitors are AV manufacturers and suppliers from the Far East (Japan, Korea, Taiwan) and Europe (Netherlands and Germany). U.S. brands have a good market presence particularly in the professional AV segment. The major international brands have local sales and marketing operations supported by an extensive network of Irish agents and distributors. Smaller international brands, meanwhile, utilize the agent/distributor network to achieve market penetration. U.S. Commercial Service Dublin can facilitate introductions to this agent/distributor network for interested U.S. companies with quality innovative products.

Buyer profile

The professional AV segment is largely concentrated around the corporate, conference and education user groups. The corporate market encompasses over 1,000 large Irish and multinational firms across a wide range of industry sectors. The conference market experienced good growth in 2012 with over 70 international conferences being held in Ireland. The new Convention Center in Dublin (CCD) has provided a further stimulus to the Irish conferencing market. The CCD has hosted over 570 events encompassing 420,000 delegate days in its first two years of operation. Ireland assumes the EU Presidency in January 2013 and there will be several large scale European-level conferences during its six-month Presidency. It is anticipated that over 83 international conferences encompassing some 75,800 delegates will convene in Ireland in the next few years.

There has been significant growth in the 'whiteboard' segment of the educational market in recent years as the Irish government's 3-year plan to invest over \$200 million in IT equipment for classrooms underpinned demand in the educational sector. Within the professional segment, AV products are generally sold via "total solution" suppliers.

The consumer segment, meanwhile, has fallen dramatically as new house completions have plummeted (95,000 units in 2006 to 8,000 in 2012) and consumer spending has decreased significantly (6% in 2006 to -1.8% in 2012). The outlook for 2013 remains poor with new home completions forecast at 2012 levels while consumer spending growth is projected to fall again by 0.5 percent.



The retail channel is the key sales channel for the consumer segment. International retailers such as DSG International (Currys & PC World) and Harvey Norman compete alongside Irish chains such as Power City and DID Electrical.

Current Demand

Popular AV products in the corporate, conference, and education sectors include multimedia projectors, digital whiteboards, control systems, LCD screens and electronic display systems and digital signage. Demand for wireless, mobile/portable products continues to grow.

Within the consumer segment, the switchover from analog to digital television in October 2012 saw a large number of Irish households investing in new televisions and set-top boxes to ensure they would retain their TV signals. Despite the poor economic climate, continued consumer interest in gadgets and new technologies is underpinning demand for large flat panel LCD and Plasma TVs and accessories, home cinema systems, and digital set-top boxes and DVD players/recorders. Flat panel televisions have over 75 percent market penetration.

Barriers

There are no barriers to importing AV equipment into Ireland, but exporters selling electrical products in the EU must conform to the WEEE and RoHS directives. U.S. Commercial Service Dublin can provide guidance to U.S. AV suppliers on achieving WEEE & RoHS compliance in Ireland. The standard electricity voltage in the Republic of Ireland is 230V a.c., nominal, at 50Hz, with plugs being of the 3-pin IS411 (BS 1363) type. Any electrical item sold on the Irish market should include a 3-pin plug attached to the power cord.

Trade Promotion Opportunities

As local trade events only offer promotional opportunities, Irish agents and distributors attend international audiovisual trade fairs in Europe (IS Europe) and the U.S. (InfoComm) seeking to identify and source the latest innovative products. Consequently, U.S. Commercial Service Dublin promotes U.S. exhibitors at both IS Europe and InfoComm to the Irish audiovisual community and offers a customized contact service whereby Irish company interest is relayed direct to relevant U.S. AV firms.

For More Information

The U.S. Commercial Service in Dublin, Ireland, can be contacted via e-mail at, Pdraig O'Connor, Commercial Specialist; Pdraig.O'Connor@trade.gov – +353 1 237 5848

ITALY

Overview

The European Information Technology Observatory (EITO) forecast a growth of 3.1 percent in the European consumer electronics (CE) market for the year 2010, equal to a total market volume of 84.4 billion USD. The strong growth is due to a remarkable increase in sales of LCD devices and plasma televisions. In the EU, more flat screen televisions are being sold than ever before for a total of approximately 61.5 million devices (an increase of 25 per cent). The strongest growth among the major EU countries is in Italy, at a rate of 4.8 per cent to 8.5 billion USD, and Germany at a rate of around 3 per cent to 17.5 billion USD.

The market has also received an additional boost from the increasing digitalization of film and television. In France, Italy and Great Britain, sales of set-top box devices are seeing growth rates of up to 85 per cent. Blu-ray players, digital cameras and hi-fi systems are also seeing an increase in turnover.

The Italian market for professional AV equipment and services represents approximately 10 percent of the total European market and is estimated at approximately \$1.5 billion. The largest product markets include the more mature market segment of professional audio, video and lighting equipment for stage events (indoor or outdoor) that holds the lion's share, wireless connectors and software, streaming media and webcasting, control systems, and displays. The segments offering the best opportunities are digital signage, followed by the videoconferencing segment. Services are also a very integral part of the industry.

The market for AV home entertainment products is estimated at over \$8 billion and is an increasingly important market as it has been one of the fastest growing in Europe over the last few years. Opportunities may exist for U.S. companies offering innovative, high quality solutions.

Digital technology convergence and integration of applications are the key driving factors for this industry. As in the rest of Europe, the ongoing convergence of information and audiovisual technologies continues to stimulate demand for the latest innovations in both the consumer and professional end-user segments. Audiovisual on-demand services have multiplied in Europe and are evolving very rapidly.

Current Market Trends

Demand in the CE sector is generally driven by high-end products. Products with the most potential for growth include those based on innovative, digital technology. Price is a critical determining factor considering current market conditions.

Market data for the Italian audiovisual (AV) industries is captured within the CE industries. Partial statistics available indicate that the CE sector witnessed a slight decline of aggregate turnover in 2009, down 2.2 percent at current prices. This downturn mirrors the continued effects of the economic crisis that has adversely affected high-tech goods. These same factors have also affected the overall flow of imports that decreased by 5.5 percent in 2008. Notwithstanding, imports from the Americas grew by 2.3 percent in 2008, up 1.4 percent over the previous year. Exports fell by 2.4 percent. For the coming year, industry experts estimate an overall decrease in turnover of 4.3 percent based on current orders that do not show a short-term reversal.

With regard to the home AV market, the main segments that saw an increase in sales last year and that should continue to provide the best sales prospects include digital receivers, game consoles, navigation devices and audio-video accessories. The biggest increases for groups of products are recorded in digital consumer electronics and communications technology. Topping the list of most popular products are blu-ray players (up 61 percent) and set-top boxes (up 29 percent). These product categories have kept the entire CE industry above water, despite the financial crisis. The first great wave linked to the switchover to digital transmission recorded a 30 percent increase in sales in the first trimester of 2009. These categories, along with audiovisual accessories and audiovisual portable devices, grew in marked contrast to the losses that characterized the majority of the remaining product categories.

Main Competitors

There are some Italian manufacturers of professional audio equipment for stage events including RCF, Audiolink, Fbt, and Reference Lab; and of lighting equipment such as Lupo. Video equipment producers are virtually absent. Rental services of equipment for stage events are carried out by approximately

1,500 local companies. The market relies heavily on foreign companies and all the big players are present in Italy, including Sony, Panasonic, Matsushita, JVC, Philips, and Barco. U.S. technological expertise is highly regarded especially for control systems. The most important companies in the market include Crestron, Amx, and Extron.

Buyer profile

Residential

Mid- to upper-class families with children are the most receptive to new, sophisticated home entertainment AV equipment. Italian users are relatively less mature in the use of digital technologies compared to the European average, but they are rapidly catching up. With a fixed-access user base approaching 13.6 million in 2010, Italy's broadband market is growing slowly in relation to other markets in Western Europe. The number of business and home Internet users is estimated at 31 million people in 2009. While the Internet penetration rate among Italian enterprises with over ten employees is close to 95 percent - one of the highest in Europe -, the household PC penetration rate is still lagging, reaching 54.3 percent.

The so-called "digital divide" is certainly evident between urban and rural areas that do not have adequate infrastructures in place. The architecture of the fixed and mobile network was not designed for the new traffic. This scenario forcefully poses the question of the creation of new broadband transmission networks. The development of the sector can only pass through the creation of this infrastructure. Analysts' estimates indicate that in 2011 a band capacity of at least 50 Mbps will be needed, compared to the current 3-8 Mbps. Italy is behind not only in terms of proliferations (last of the G7 group), but also of the quality of the broadband connections, since it is characterized by lower connection speeds than elsewhere.

Italy's "umbrella" association *Confindustria* – in cooperation with the ANITEC association – has devised an action plan to promote the development of infrastructures and services for digital innovation. The plan calls for national and local financing, and it is estimated that investments of approximately \$15.3 billion are needed by 2016 to build "next generation networks".

Business

The corporate segment represents approximately 70 percent of the professional AV market. Major buyers are large companies, banks, and equipment rental companies. The “institutional” segment (public administration, law enforcement agencies, schools and universities) represents about 30 percent of the market. About 10 percent of businesses sell online.

Current Demand

Residential

Multimedia continues to be the emerging activity among young people: the use of old media is combined with that of new media (Internet, pay TV, videophone, and MP3 players). Young people download audiovisual contents at times. More and more people of all ages watch recorded media thanks to personal video recorders (PVR).

In terms of product categories, LCD and plasma TVs show the strongest growth potential, followed by home theater systems, MP3 players and loudspeakers. As a result of market development, the digital entertainment segment is expected to grow.

Italy shows the same dynamics that characterize the evolution of the audiovisual sector in Europe and worldwide: the past year saw further consolidation of the weight of pay TV, and strengthening of new digital platforms (satellite and terrestrial). Digital Terrestrial Television (DTT) has become one of the main vehicles for the diffusion of digital content to Italian families. According to the DGTVi association, the number of Italian families with at least one receiver was 17.5 million (August 2010 data) and a total of approximately 39 million receivers sold since the beginning of the switchover. About three quarters of all DTT receivers sold are integrated digital TV sets (IDTVs). Italy is currently in the final switchover phase in Emilia-Romagna, Veneto and Friuli-Venezia-Giulia regions.

A complete DTT overview for Europe can be found at:

http://www.obs.coe.int/about/oea/pr/mavise_oct2010.html

Business

Large display systems in public spaces (such as train stations, airports, malls and pubs) have become increasingly popular. Companies are investing in larger LCD and plasma displays, and video-projectors. Good opportunities exist for digital signage products and special software for stage events.

Barriers

There are no trade barriers limiting the presence of foreign companies in Italy. In fact, many multinational companies have established an office in Italy. The Italian climate for distribution agreements and investment from U.S. companies is favorable.

Italy is a member of the European Union (EU). Technical specifications are essentially those established by the EU, which have been incorporated into Italian regulations. These include CE marking and the newly enacted WEEE directive (Waste from Electrical and Electronic Equipment) and RoHS directive (Restriction of Hazardous Substances). Please see http://www.buyusa.gov/europeanunion/weee_italy.html for specific information regarding the implementation of these directives in Italy.

Trade Promotion Opportunities

Trade show:

SIB 2011 –International Exhibition of Show Business, Installation and Broadcast Technology. SIB is the only Italian exhibition addressing the professional market for lighting, audio, video broadcasting and system integration technologies. Rimini, Italy. The 2010 edition has been cancelled and new dates for 2011 are yet to be announced.

<http://en.sibinternational.it/>

Trade Associations:

ANITEC (ANIE) - Italian Association of Companies in the ICT and Consumer Electronics industries. See

<http://www.associazioneanitec.it/>

ANDEC – Italian Association of Manufacturers and Importers of Consumer Electronics. See

www.andec.it.

Other resources:

AGCOM: The Communications Regulatory Authority (Autorità per le Garanzie nelle Comunicazioni). See

http://www.agcom.it/eng/eng_intro.htm#

Sources

The European Information Technology Observatory (EITO), the Italian Association of Companies in the ICT and Consumer Electronics industries ANITEC (ANIE), the Italian Association of Manufacturers and Importers of Consumer Electronics (ANDEC), the Italian association of Information & Communication Technology companies (Assinform, an affiliate of the Confindustria Association), and the DGTVi association for the development of digital terrestrial television.

For More Information

The U.S. Commercial Service in Rome, Italy can be contacted via e-mail at, Maria Calabria, Commercial Specialist; (Maria.Calabria@trade.gov) – Phone: +39 06 4674 2382/2202; or visit our website: www.export.gov/italy

THE NETHERLANDS

Overview

TV via cable networks is the largest TV technology in the Netherlands. Terrestrial digital TV (DVB-T) is provided by KPN's Digitenne; DVB-S (satellite) is provided by CanalDigitaal; IPTV via DSL networks is provided by KPN and Tele2; and (analog) TV is provided by FTTH. Cable television is provided by Ziggo, UPC, and some other small players.

Current Market trends

The Dutch TCG market generated sales of 8.8 billion dollar in the first 9 month of 2012. This is 0.8 percent down on 2011. An October 1 increase in sales tax, from 19 to 21 percent, did lead to a temporary increase in sales. However, total sales declined by 18.4 percent compared to the same quarter in 2011. The dip applies to almost all categories. Only the sales of headphones and docking/mini speakers bucked the trend.

There has been a shift in the technical consumer goods market. The market for televisions and radios declined sharply, and sales of innovative products like smartphones and tablets increased sharply. The TV market is at saturation level, with sales dropping and prices under pressure. During the first 9 months of 2012 sales of buying groups and independent retailers fell by 4 times more than in chains. Audio Hifi products have taken the biggest hit, as is the case for audio home systems and loose components such as amplifiers, tuners and receivers. Sales of loudspeakers are also under pressure.

The IT market has shown better results. Looking at growth rates for each quarter of 2012 compared to the same quarter in 2011, we see positive growth for all quarters in 2012. In addition, when we compare third quarter results with previous quarters, we see sales growth of 13.7 percent. The tablet segment is the main contributor to the growing IT market in 2012. Tablet sales have increased because new models were introduced by the main tablet players. In addition, new brands entered the market. In the Netherlands, 4.3 million people have a tablet and 7 million have a smartphone. This means one third of the population over 13 years of age uses a tablet. Sixty percent of tablets are iPads, but Samsung has been gaining market share over the last few months. The number tablet and smartphone users is extremely high, and very important for other sectors as well, because it stimulates other market segments. Products that profit from tablet sales are mainly portfolios, skins, stylus pens, keyboards, connection cables and screen protectors. Not only the sales of directly-related products increase, but there is a shift in other markets as well – previously stand-alone machines are being integrated with these products. Conventional products are being connected with tablets, such as thermostats and lights at home. There is a huge potential for other markets facing this kind of integration.

There is growth in other product segments as well. Networking devices for example, show positive growth figures from the last quarter of 2011 to the third quarter of 2012 (compared to the same period in 2011). The highest growth was in the third quarter of 2012, which is the result of network switches and access points that stimulated networking devices growth to double digits. The growth of these two product groups has compensated for the declining router market, which is also part of the networking devices product group (Machine2Machine).

When combining all IT product groups together, and comparing their growth rates with previous periods, we see that a few specific product areas are responsible for growth in the IT market.

	Q4 2011 \$ Mil	Q1 2012 \$ Mil	Q2 2012 \$ Mil	Q3 2012 \$ Mil	Q3 12 /Q3 11 +/-%	Q1-3 2012 \$ Mil	Q1-3 12 +/-%
Consumer Electronics (CE)	712	604	553	534	-19.5%	1,691	-15.7%
Photo (PH)	88	81	99	90	-14.5%	270	-13.8%
Major Domestic Appliances (MDA)	491	480	449	490	2.6%	1,419	-1.2%
Small Domestic Appliances (SDA)	282	248	219	222	2.5%	689	3.1%
Information Technology (IT)	935	827	745	880	5.2%	2,452	6.7%
Telecommunication (TC)	536	585	574	582	12.4%	1,741	11.6%
Office Equipment & Consumables (OE)	231	231	195	188	-9.5%	614	-11.6%
GfK TEMAX® Netherlands	2,521	2,291	2,265	2,291	-1.3%	6,847	-1.1%

Source: GfK TEMAX® The Netherlands, GfK

Main Competitors

Multinational company Philips Electronics, headquartered in Amsterdam, is the largest Dutch producer of AV equipment, accessories and supplies. Philips has factories worldwide and increasingly outsources manufacturing activities. Production in the Netherlands is limited - the market depends on imports. Because of the declining market and the growing number of competitors, Philips decided to focus more on Medical Equipment instead of AV and Audio. Main competitors include AV and electronics companies from Japan, Korea, Taiwan, and European countries.

Buyer profile

Residential

About the size of the state of Maryland, the Netherlands is densely populated with a total population of 16.7 million people. The unemployment rate is about 6.8 percent. There are about 7.2 million Dutch households and an active working population of approximately 7.04 million people. DSL coverage is total, and fast broadband cable has 90 percent coverage. DSL has a market share of 60 percent, and broadband cable a market share of 40 percent. In 2011, 94 percent of the population had an Internet connection, 20 percent above the European average. Eighty-four percent of them use the Internet on a daily basis. The Netherlands has Europe's fastest average internet speed and is ranked 4th world-wide with an average speed of 8.8MB.

Business

As new technologies develop, purchasing agencies for government and educational institutions are becoming more important buyers. Sales channels to the business market include IT distributors, system integrators, and telecom companies.

Current Demand

The flat-TV market is driven by innovation. Consumers are interested in 3D and on-demand TV. Because the switch to digital has already taken, most consumers have already invested in new HD TV's.

Within Hifi, consumer investment in new products and features is ongoing. Sales decreased in 2012 in the following subsectors: soundbars within the speaker sector, home theatre systems with Blu-Ray players, and new digital receivers. Most consumers have already replaced their old products for new digital ones. However, docking stations and headphones are gaining popularity and did extremely well in the first 9 months of 2012.

Business

Market Issues & Obstacles

All electrical equipment exports to members of the European Union must bear the CE (Conformité Européenne) mark. This mark indicates compliance with European Union health, safety and environmental standards; with it, products may be marketed in all European Union member countries without having to undergo further certification.

A sales tax (VAT) is applied to all goods and most services exported to the Netherlands. This tax is 21 percent of the value of the product, as determined by the product code in the General Agreement on Tariffs and Trade (GATT); in most cases this is simply the selling price of the product. No VAT, however, is levied on sample goods, advertising materials for goods, or goods that are only temporarily imported (i.e. for exhibits at trade fairs).

Trade Promotion Opportunities

- FIAR – trade association of manufacturers and distributors of AV products – www.FIAR.nl
- FHI – Federation Technology Sectors - <http://www.fhi.nl/>
- ICT-Office – trade association for IT and communication - <http://www.ictoffice.nl/>

For More Information

The U.S. Commercial Service in The Hague, The Netherlands can be contacted via e-mail at, Philip Hammerstein, Commercial Specialist; (philip.hammerstein@trade.gov) – +31 70 310 2416; or visit our website: <http://www.buyusa.nl>

GfK Group

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NORWAY

Overview

The Norwegian import market for audiovisual equipment services and goods has been growing over the last few years except from a dip in 2008. Most market segments will enjoy increasing revenues, as Norway was hit only moderately by the first and so far also second financial crisis.

The Norwegian market is relatively small, but technology savvy, innovative and largely homogeneous, and often one of the first to try out new technology. The general trend is that consumers and businesses spend more money on AV equipment and buy high end products. Norway has one of the world's highest GDP per capita and wealth is relatively evenly distributed.

ICT goods totally			Audio and video	
Exports from Norway	Exports from Norway	Imports to Norway	Exports from Norway	Imports to Norway
2010	2203	6886	164	1354
2009	3210	6653	155	1335
2008	3287	7130	126	1402
2007	2789	7263	126	1454
2006	2568	7262	130	1352
2005	2203	6329	129	1119
2004	2063	6181	115	967
2003	1923	5113	99	821
2002	1969	5071	98	767
2011 © Statistics Norway				
USD Million				

Current Market trends

In the private market, continued high sales slim (and increasingly smarter) HDTVs, phones, and most lately touch pads drive a large part of the sales, but also cameras and home entertainment systems. Home IT systems seem to merge with stereo components and TVs. Around 600,000 TV's were sold annually in 2009 and 2010, with 2011-numbers not released. Digital cameras are reaching a plateau off around half a million units a year in 2009 and down to some 400 000 in 2010. 111 000 sold SLR's in 2010 make Norway a leading market for this technology as well. HD and 3D drives the sales in this category.

In the business market, professional integrates AV-equipment in education and boardrooms have a significant part of the market. High-end flat screens and sound systems for control rooms have also evolved rapidly over the last few years and offer greater functionality at a price level most corporations can manage. Several Norwegian cities are currently building concert halls and other public buildings in need of significant AV investments.

Main Competitors

Most major international payers are on the Norwegian market, whereas the international vendor Tandberg (acquired by Cisco in 2009) is the largest and most visible local company. US products in this market have a high reputation. This especially applies to the integrated complex systems with speakers, panels, screens, switches, cables and other infrastructure technologies.

Buyer profile

With an overall population of 4.9 million, the Norwegian market is small. However, Norwegian end-users are technology savvy, innovative, largely homogeneous, and are often among the first to try and adopt new technology. Especially AV products represent areas where Norwegian end users wish to stand out and display the latest products. Norway is also often used as a test market for foreign manufacturer to effectively measure the potential of their products.

Current Demand Board rooms, education, control rooms, movie theatres and concert halls

The AV industry has evolved dramatically, enhancing communication everywhere today - from the boardroom to the classroom to the family room. The vendors in Norway experience a fast migration from purely professional equipment to high-end personal home-equipment. Control Systems, Projectors, Displays and Sound Reinforcement Equipment and Acoustics represent the top product opportunity. Each of the segments account for approximately ten percent of the total b2b-market. Digital movie theatres are now being built and 3D is coming after years of talk. U.S. vendors offering technology in this niche segment are advised to look for opportunities in Norway and the Nordics. Products (hardware) account for almost 65 per cent of the market opportunity, while services account for about 35 per cent.

Consumer electronics

The consumer electronics part of the AV industry has been a significant driver for pricing and technology development in the business markets, also in Norway. Expenditure per household is considered to be among the highest in Europe and products on display are in the higher end. Norwegian households have generally not suffered from the financial crisis.

Distribution

Foreign vendors in the business market should approach the large integrators or contractors with a good track record when introducing a new brand or technology to the market, rather than serving the clients from abroad. Norwegian customers usually prefer having a point of contact in the country for installations, especially for higher end and complex systems. Systems integrators in Norway are often smaller shops and not necessarily independent. Consumer electronics are often bought online for the private market.

Barriers

European legislation, crystallized in "Weee/RoHS" compliance will have a direct impact on U.S. AV sales to Norway and the rest of Europe. Norway is not a member of the European Union (EU), but is linked to the EU through the European Economic Area (EEA) agreement. By virtue of the EEA, Norway is practically part of the EU's single market

For More Information

The U.S. Commercial Service in Oslo, Norway can be contacted via e-mail at, Heming Bjorna, Commercial Specialist; (heming.bjorna@trade.gov) – Address U.S. Commercial Service, Embassy of the United States of America, Henrik Ibsens Gate 48 – N-0244, Oslo, Norway; Phone: + 47 21 30 87 60; or visit our website: www.export.gov/norway

POLAND

Overview

With a population exceeding 38 million, Poland is the 6th largest country among the 27 EU members. Poland maintained a positive economic growth throughout the crisis, with 4.3% GDP growth in 2011. The latest estimates for 2012, forecast GDP growth at 2.0-2.3% level and still positive growth in 2013, despite further slowdown of the economy. In addition to a large domestic market for AV products, Poland is increasingly serving a gateway to other markets the Central and Easter Europe.

The Polish consumer electronics market, including the AV, is one of the most promising sector in Poland. The AV devices market, currently estimated at \$2.4 billion, is expected grow by approximately 7% in 2012 and maintain a similar growth through 2016. The consumer sales are driven by the demand for flat screen television sets and mobile devices. On the corporate sales, major growth opportunities exist in the digital signage systems as well as equipment streaming media and webcasting.

The current high growth of the Polish market, across the economy, is attributed to the availability of European funding, which can be used for financing up to 70% of investment projects. Please see our Country Commercial Guide for more general information on the EU funding.

Current Market Trends

The most visible trends in the audio visual industry in Poland are the technology convergence, digitalization and mobility, which are consistent with the industry world's trends. As far as the adoption of new technologies and solutions is concerned, the Polish market is usually some two-three years behind the Western European countries.

The digitization is the primary driving force for the demand for higher quality consumer equipment. The development of digital technologies combined with the growth of access to the internet, result in a boom for entertainment services, which, in-return, enhance the trend for investments in new equipment. The latest development of 3D technology makes very high potential for both consumer as well as professional products utilizing this technology.

Poland has been gradually switching to digital terrestrial television broadcasting over last year. The final switch off of the analog signal in the country is set for July 31, 2013. The expanded availability of digital and HD TV broadcasting enables the development of value-added services such as pay-per-view or on-line e-commerce, which are new to Poland.

Most consumer sales continue to be handled by combined AGD/RTV outlets, which offer very limited services, if any. Audio/visual equipment is also commonly sold in the over 2,000 Polish internet retail outlets. Consumers still need to be educated about advantages of integrating various IT and AV technologies at home. This situation should create new opportunities for suppliers and service companies. The B2B market is project-oriented with an emphasis on consulting and integration work and cooperation with architects and developers, which requires a substantial value added on the part of resellers.

Main Competitors

There is limited competition from Polish companies since they manufacture mainly screens, accessories, and components. Most international AV suppliers do business through local partners or resellers without a direct presence in Poland. At the moment, Asian low-cost manufacturers prevail in the market.

Several global LCD producers and TV set manufacturers have invested in Poland (such as LG, Philips, Sharp, Toshiba Samsung and Orion.) Approximately 80% of LCD panels sold in Europe are currently produced in Poland.

Buyer Profile

Residential

With current per capita still growing but currently representing some 62% of the EU average, most Polish consumers are determined to buy AV equipment for the lowest possible price. Well-educated young people (Poland is one of the youngest nation in Europe) are increasingly buying more technologically advanced products.

Business

Most active Polish buyers are in the public and private education and trailing sector, the private healthcare sector and restaurants/hospitality business.

Current Demand

Residential

Low-end products are the most popular ones since price remains the determinant purchasing factor for a majority of Polish consumers. As prices for technology products drop, the focus of many buyers changes from the cheapest products toward more innovative products with improved functionality. The demand for sophisticated, high quality consumer products is currently limited, but expected to grow.

Business

The best business opportunities are for the digital signal processing, web casting, and AV integration. Displays, video conferencing equipment and equipment for the education sector are also experiencing higher demand than average. Corporate buyers are increasingly interested in purchasing wireless products. International companies are seen as leaders in implementing new AV technologies.

The implementation of the EU Audiovisual Directive in 2011 has enhanced the demand for archiving and control products and services.

Barriers

There are no trade barriers or limitations for the sales of audiovisual equipment to Poland. Polish customs duties are the same as in all EU countries, tariffs are available at

http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm

The standard 23% Value Added Tax (VAT) is applied on all AV products, and is the responsibility of the importer. AV equipment standards in Poland are the same as in other European countries. Poland has also adopted the EU RoHS and WEEE Directives.

Trade Promotion Opportunities

AudioShow, Warsaw, November 9-10, 2013 2012- major event for audio visual and home cinema show for consumers

www.audioshow.com.pl contact: info@audioshow.com.pl

ISE, Amsterdam, January 29-31, 2013 - the largest European professional AV and electronic integration show <http://www.iseurope.org/home.php>

CeBIT, Hannover, March 5-9, 2013 - the most popular regional event for digital IT and Telecommunications solutions. For more information on the show and the U.S. Commercial Service programs at this event, please see <http://export.gov/germany/TradeShowsEvents/FeaturedGermanTradeShows/cebit/index.asp>

For more information

The U.S. Commercial Service in Warschaw, Poland can be contacted via e-mail at: Maria KOWALSKA (Maria.Kowalska@trade.gov) – ul. Poznanska 2/4; Phone: +48 22 625 4374; or visit our website:

www.buyusa.gov/poland

ROMANIA

Overview

In the last few years the Romanian market for audio-visual equipment and services has grown quickly and become more dynamic. The Romanian economic performance has grown as well as consumer AV equipment purchases.

Current Market trends

Despite the world economic crisis, the decreasing prices of AV products and the increasing consumer demand for these products, the trend of lowering prices of AV products and the necessity of AV products/services of the consumers is stimulating demand for the latest innovations in both the residential and business sectors. Governmental institutions from all sectors, private and public companies, broadcasters, film studios, entertainers, media, and other businesses are purchasing the latest AV technology products. According to EU laws, the conversion from analog to digital equipment is mandatory by the end of 2014.

Main Competitors

All of the major producers of AV solutions are present in the Romanian market through direct offices or through distributors. Brands like ACTi, AIPHONE, Axis Communication, BriefCam, BVE, Cisco, Huawei, LifeSize, Mirial, Samsung, Sanyo, Sony, Panasonic, Polycom, Projecta, Premier Mounts, RadVision and Tandberg have good references on the market.

Buyer profile

With an overall population of 22 million, the Romania is a market with high potential. The purchasing power of the consumers is growing and there are flexible leasing schemes for purchases of AV products. Retail megastores and consumer electronics wholesalers are the typical sales channels in the residential market. Leading retailers include www.altex.ro, www.emag.ro, www.cora.ro, www.domo.ro, www.metro.ro, www.technomarket.ro, and www.metro.ro.

The professional solutions are provided through channels distributors or local offices like www.polycom.com.ro.

Barriers

In 2006, Romanian legislation began to mandate that all electronic equipment be WEEE/RoHS compliant. WEEE makes the producer of electronic equipment responsible for its collection and disposal at the end of the product's lifecycle. RoHS restricts the use of hazardous material in the manufacturing of the product.

Trade Promotion Opportunities

Well known companies and corporate business prefer Trade Shows and promotion opportunities.

Conference promotions are very popular in the Romanian market. The conferences are mainly held in the capital, Bucharest.

Trade Shows

[Bucharest International Technical Fair](http://www.tib.ro)

5 to 9 October 2011/ **37th edition** <http://www.tib.ro>

For More Information

The U.S. Commercial Service in Sofia, Romania can be contacted via e-mail at, Monica Eremia, PhD, Commercial Specialist; (monica.eremia@trade.gov) – +40-21-200-3358; or visit our website:

www.export.gov/romania

SERBIA

Overview

There is no separate statistics about the size of the AV market in Serbia. However, it was estimated at approximately USD 85m annually (Serbia's population is 7.5 million). According to a recent poll, AV and other consumer electronics equipment are represented in the following percentages of Serbian households:

Cable TV 44.4%

Satellite receiver/antenna 20% PC/laptop 52.1%

DVD player 56% Video camera 8%

Digital photo camera 32%

(Source: RATEL – Annual Report 2011)

An increasing number of households are willing to purchase the latest home entertainment A/V equipment. In the business sector, private companies as well as public agencies are becoming increasingly significant buyers while the state owned and private television networks are major purchasers.

One of the basic characteristics of the given market in the observed period was the absolute dominance of cable network radio and TV program distribution service, both analogue and digital TV. Since CATV operators have already positioned themselves according to geographical areas, it is likely that the acquisition of small operators may lead to a change in the market structure. Since the IPTV platform was first introduced towards the end of 2008, it has not yet accomplished significant market power in terms of the number of subscribers and effected revenues. Given the fact that the fixed-line subscribers, 3 million of them in Serbia at this time, may be considered as potential IPTV users, the expansion of this platform seems likely in the following years. Unlike the cable network radio and TV program distribution service, structure barriers are nonexistent for the DTH service provision since satellite distribution network may cover the whole territory of the Republic of Serbia.

In July 2009, the Government of the Republic of Serbia adopted the Strategy for Switchover from Analogue to Digital Broadcasting in the Republic of Serbia which aims at defining the framework and providing fundamental strategic guidelines for the introduction of digital radio and TV program broadcasting in the Republic of Serbia. The Strategy envisages the basic advantages of the digitalization as follows: for the users (better sound and picture quality, content variety, more radio and TV programs, new services for the disabled and elderly, etc.), for service providers (the possibility of adapting the content to suit the needs of different target groups, interactivity, etc.) as well as for the state itself primarily by enabling the more efficient radio frequency spectrum usage (digital dividend). The date set as the final deadline for the digital switchover for terrestrial TV broadcasting in the Republic of Serbia is 4 April 2012, but it is expected to be extended by the end of 2013..

The sales of mainly three product categories are expected to move significantly upwards; plasma and LCD screens, DVD recorders and digital cameras. The sale of Hi-Fi equipment is on a downward trend as sound systems and home cinemas "in a box" are replacing them. Digital photography shows a very fast growth.

Main Competitors

The main competitors in the market for televisions are Samsung, LG, Philips and Sony followed by JVC and Panasonic. In digital cameras competitors include Sony, Olympus, Canon, Nikon and HP, while in video cameras. There is one local brand - WEG, which is mostly produced in China.

US manufacturers are not among the top 5 suppliers of AV equipment in Serbia. The three leading multimedia equipment distributors operate approximately 30 megastores in their respective retail chains. In 2009, a number of specialized A/V equipment distributors opened their retail stores in major Serbian cities.

Current Demand

The consumer electronics entertainment segment of the AV market is the largest and fastest growing segment. Among television sets, there is a trend towards medium-size analog LCD or Plasma TVs. In the coming year we expect the demand for digital TVs to surpass that for analog TVs. Most businesses are buying high-end technology equipment based on their audio/ visual needs including those for training and corporate use, public display, transmission, (projectors, electronic display systems, signage, public address, teleconference, etc).

Primarily households, new or existing homeowners; the demand increases dramatically during the Christmas season. Due to digitalization process, public agencies are expected to become increasingly significant buyers while the state owned and private television networks will remain major purchasers.

Barriers

None, except for the pending introduction of WEEE/ROHS compliance – Serbia is a not EU member, but it has already adopted related legislation in order to harmonize it with the Union.

Trade Promotion Opportunities

Audio/Video Show Belgrade, Hotel Holiday Inn, October 2007

For More Information

The U.S. Commercial Service in Belgrade, Serbia can be contacted via e-mail at, Zorica Mihajlovic, Commercial Specialist; (zorica.mihajlovic@mail.doc.gov) – U.S. Embassy/Commercial Service Kneza Milosa St. 50, 11000 Belgrade, Serbia; Phone: +381 11 306 4751; or visit our website: www.export.gov/serbia

SLOVAK REPUBLIC

Current Market trends

Since September 2011, throughout the entire country, television programs have been broadcast in terrestrial (DVBT) mode only. End users have been rapidly replacing traditional CRTs or analog plasma with digital Flat Panel Displays. Advances in digital technology for the AV/IT/Telecom/ Consumer Electronics market are stimulating demand for the latest innovations in both the residential and business sectors. Technological developments gradually being adopted in the market include: Triple play Internet Services (www.slovanet.sk, www.tcom.sk, www.orange.sk), interactive cable TV (www.upc.sk), 3D TV, video on demand, wireless AV applications, streaming media, and HDTV.

Main Competitors:

Players in this market include multinational companies such as Sony, Philips, Panasonic, Samsung, LG, Hyundai, Toshiba, Sencor, JVC, and Thomson, as well as local producers Orava and OVP.

Buyer profile:

Slovakia has a population of 5.4 million people. There are about 2.2 million households. We estimate that the number of households with digital LED, LCD or Plasma TV reached 1.6 million and the number of households with analog TV (including CRT, Plasma, or LCD) is still about 1 million. The most households replaced their analog TV with digital TV and about thirty percent of citizens are planning to buy equipment required to watch digital TV and are willing to pay 15% more than past years. Forty percent of Slovak households have broadband Internet access. Retail stores and consumer electronics wholesalers are the typical sales channels in the residential market. Leading retailers include www.electroworld.sk, www.nay.sk, www.datart.sk and www.tpd.sk.

Online shopping for AV equipment at Internet portals like www.mall.sk, www.alza.sk, www.hej.sk, www.obchodobchodov, www.tpd.sk, www.giga.sk or www.dunaj.sk is becoming very popular. In the business segment of the market, there are about 3,100 companies registered. As new technologies develop, purchasing agencies for government and educational institutions are becoming more important buyers. Sales channels to the business market include AV and IT distributors, system integrators, and telecom companies.

Current Demand:

The consumer electronics entertainment segment of the AV market is the largest and fastest growing segment. Among television sets, there is a trend towards medium-size or large digital LED, LCD or Plasma TVs with DVBT, DVBS and DVBC receivers. Popular products include: 3D LED and LCD TVs, DVD players/recorders, Blue ray players, Digital Portable Audio Players (mp3) and Set Top Boxes, HiFi Audio Equipment, and Digital Satellite receivers. For the business segment, popular AV products include electronic display systems and signage, projectors, and control systems. The demand for wireless/mobile/portable products is growing.

Barriers

Slovak Market is a competitive but price-sensitive market. Also, electronic waste must be collected and treated according to the government's Waste Electrical and Electronic Equipment Directive (WEEE) and Restriction of Hazardous Substances Directive (RoHS).

Trade Promotion Opportunities

Elektro a Svetlo - Fair of Electronics and Power Engineering, March 2013

www.incheba.sk

Elo Sys - Fair of Electrical Engineering, Electronics and Power Engineering, October 2013

www.tmm.sk

For more information

The U.S. Commercial Service in Bratislava, Slovak Republic can be contacted via e-mail at: Marian VOLENT (Marian.Volent@trade.gov) – Panska 14, 81499 Bratislava, Slovakia; Phone: +421 2 59205318; or visit our website: www.export.gov/slovakia.

SPAIN

Overview

The Spanish market for consumer electronics equipment has experienced a decline of 10 percent compared with the previous year 2009, totaling 4,188 million of Euros, due to the sharp drop in demand and falling prices for receivers for TV LCD and the dragged economic crisis. The size of the market is smaller than in the EU leading countries as Germany, U.K. and France. All A/V product lines except TVs and DTT decoders are down in demand. In Spain the Audiovisual sector represents 1.9 percent of total production, a 1.8 percent of employment, a 3.4 percent of exports and 9.9 percent of imports

Current Market Trends

The recent switch to digital television, high-definition and digital terrestrial television are the main areas of interest in the Spanish A/V sector. Consumers are adopting digital technology, and the industry needs to increase the digital content available. Production and postproduction are well equipped with digital technology, whereas distribution and exhibition still require major modernization and adaptation to new business models and supports.

The TV receiver market has grown by 6% in units due to consumer reaction last purchase of equipment adapted to DTT. All receivers that are sold incorporate DTT decoders, except for some free label brands and over 90% includes HD. The 22 and 32 inches TVs represent 55% of the market and larger screen represents the 20%.

The use of LEDs in the professional lighting sector is allowing new concepts and designs to be created at a lower cost and that are longer lasting compared to traditional technologies (discharge lighting). There is also a trend towards the convergence of lighting and sound, with speakers that incorporate a screen or ultra thin LEDs that allow images to be reproduced based on the sounds being played, creating speakers with a highly aesthetic component, which can be integrated into the surroundings where they are located

Future Prospects in this Market

The negative Spanish economic context will affect demand in the short term. GDP growth is expected to be negative in 2011. Accordingly, demand for AV professional equipment and services will suffer in most segments.

Opportunities are found in residential, medium-sized to large LED television screens, home cinema systems loudspeakers for MP3 support, Digital Terrestrial Television decoders and wireless applications. In business, high definition mastering with subtitles, digital signal processing, webcasting, public address systems and digital signage. In this line, it should highlight the entry into the market of the MP5, a product that is expected to have significant growth in demand

Main Competitors

Imported products largely supply Spanish demand for professional audiovisual equipment, as local production is limited and concentrates on parts. Major global players, including European, U.S. and Japanese firms, are present in the Spanish market either through distributors or subsidiaries. Industry sources estimate that U.S. brands supply approximately 20 percent of the import market. Most U.S. products are imported into Spain through the U.K, the Netherlands and Germany in transit to their final destination.

Buyer profile

Residential: Households in newly constructed residential areas, mid-to-upper class urban citizens.

Business: Main customers include sports facilities, newly built or renewed infrastructures (transportation, convention centers), theaters and event organizers.

Current Demand

Importers, installers, distributors and other manufacturers of audio, video and professional lighting equipment and apparatus, large purchasers (sports facilities and stadiums, auditoriums, theaters, discotheques, shopping malls, theme parks, companies that organize concerts and events). All companies that offer and participate in tenders to supply public entities and large purchasers.

Barriers

There are no specific trade barriers or limitations to the import and marketing of U.S. professional audiovisual equipment in Spain. Apart from import duty, which ranges between 2.5 and 4.5% on a CIF basis, a 18 percent value-added tax is levied on all products or services, whether produced domestically or imported. Information on standards can be obtained from AENOR, the Spanish Association of Standards (www.aenor.es). E.U. legislation is available at website: www.europa.eu.int/eur-lex. Meeting domestic laws and standards should not be difficult for U.S. exporters.

In late February of 2005, the Spanish Ministry of Environment adopted Royal Decree 208/2005, which deals with the management of discarded electric and electronic products. The legislation applies to manufacturers, importers, distributors and users of all categories of electric and electronic equipment found in Annex 1 of the decree. More information is available at www.buyusa.gov/spain/en/weeerohs.html.

All equipment must be CE marked and, in some cases, certified in Spain if it is to be connected to the Public Switching Network, or if it uses the electromagnetic spectrum for transmission. www.ce-mark.com/cedoc.html.

Trade Promotion Opportunities

Trade Shows:

SIMO NETWORK - International ICT Services and Solutions Trade Fair

Madrid, Spain, October 2-4 2012

Email: simonetwork@ifema.es

www.ifema.es/web/ferias/simonetwork/default.html

Trade Associations:

AMETIC – Spanish Association of Electronics, Information Technology and Telecommunications Companies

<http://www.aetic.es/>

AITE – Association of Spanish Audiovisual Technical Industries

<http://www.aite.es>

For more information

The U.S. Commercial Service in Madrid, Spain can be contacted via e-mail at: Carmen Ribera (Carmen.Ribera@trade.gov) – US Commercial Service American Embassy, Serrano 75, 28006 Madrid, Spain; Phone: +34-913081544; or visit our website: www.export.gov/spain.

SWEDEN

Overview

The effects of the rapid recovery in 2010 and 2011 faded in the fall as the Swedish economy entered a slower phase. The weak development outside the country, especially in the neighboring region further impacted the Swedish economy. Exports declined and many companies announced production cutbacks. Confidence among households and businesses dropped quickly and this will mean more cautious spending and investment going forward.

The Swedish market is small with few players per brand as compared to larger markets in Europe. Swedish customers, corporate and residential, are generally known to be sophisticated users and early adopters of new innovations and seek the highest performance for their money.

Current Market Trends

The local Swedish trade association does not maintain statistics on the Swedish AV market. However, according to market players, the market has experienced good growth much as a result of the conversion from analog to digital television and also the need for increased innovative communications. The event industry is seeing steady growth. Two large new arenas are being constructed in the Stockholm area, so it is expected that the event segment will continue to see growth over longer term. The convergence of ICT and AV has changed the way products are being marketed. Video conferencing services have become part of the offering from suppliers that market communications as a service.

Development in the videoconferencing segment has been driven by increased environmental awareness as well as cost savings measures.

Main Competitors

The majority of AV equipment is imported into Sweden, and companies from Japan, Korea, and Taiwan are dominant in most segments, but there are U.S. and European competitors active in the market as well. The most common way for AV products to be sold in Sweden is via “total solution” suppliers.

There are also niche market suppliers that provide selected equipment and systems. Sales processes are somewhat different in Sweden compared to the U.S. In Sweden, equipment is sold more directly to corporate customers rather than through several layers. In the consumer market, most sales are via retailers.

Buyer Profile

Residential: Represents around 14% of the market. Customers are mainly young to middle age looking for the latest technology.

Business: The largest buyer group is the corporate market. Meetings and events is a growing segment with a high interest in high-end products. The education segment represents a steady group of buyers. However, this customer group is more sensitive to political decisions in terms of funding.

Current Demand

Residential: Smart TVs, NAS disks, DVD players/recorders, home cinema systems, and wireless solutions.
Business: Video conferencing and web meetings, projectors and other technical equipment for conference rooms, and interactive whiteboards.

Barriers

There are no barriers for importing AV equipment into Sweden. However, all electrical equipment to the European Union must carry the CE mark. This mark indicates compliance with European Union health, safety and environmental standards. With this mark, products may be marketed in all European Union member states without having to undergo further certification.

Exporters selling electronic products in the EU must conform to the WEEE and RoHS directives. Further information is available from

WEEE: <http://europa.eu/scadplus/leg/en/lvb/l21210.htm>

RoHS: http://www.kemi.se/templates/Page_4026.aspx

A value-added tax (25%) is levied on all products imported into Sweden. More information on this can be found on the Swedish Customs web site:

<http://www.tullverket.se/en/startpage.4.4ab1598c11632f3ba9280002814.html>

The European Commission Community Integrated Tariff (TARIC) is in place in Sweden. Based on the TARIC goods classification, the duty on products imported from the United States may vary. More information can be found on http://ec.europa.eu/taxation_customs/dds/tarhome_en.htm

Trade Promotion Opportunities

LLB 2013, April/May, 2013

The largest trade show in the Nordics for AV equipment held every other year

For more information on the show, contact LLB, the Swedish Association for Audio, Video and Lighting suppliers, <http://www.llb.se>.

Sign Scandinavia, October, 2012.

Digital signage, an annual trade show for the sign making industry. For more information, go to

<http://www.kistamassan.com/eng/events/signscandinavia09>

Swedish agents and distributors regularly visit international AV trade shows in Europe and the U.S. seeking new and innovative products to launch on the Swedish market.

For more information

The U.S. Commercial Service in Stockholm, Sweden can be contacted via e-mail at: Gunilla LaRoche (Gunilla.LaRoche@trade.gov) – U.S. Embassy, Dag Hammarskjölds väg 31, SE-115 89 Stockholm Sweden; Phone: +46 8 783 5353; or visit our website: www.export.gov/sweden.

TURKEY

Overview

Turkey's Audio Visual Information Technology market size is estimated to have reached \$7.5 billion in 2011 and the total ICT industry (including telecommunications is currently estimated at \$32 billion (ref: Interpro). These figures are expected to increase at an annual rate of 10% each year by 2015.

The nation has an estimated 21 million TV homes (including increased satellite TV customers). Turkey's computer hardware sales were estimated at \$5.5 bn in 2011 and are expected to achieve \$10.1 billion by 2015. There are an estimated 40 million internet users in Turkey. The main incumbent of the communication sector Turk Telekom is providing 6.7 million people with ADSL connections. The software market in Turkey was estimated as \$929 million in 2011 and is expected to increase to \$1.5 billion by 2015 at a rate of 13%.

The demand for consumer targeted a/v products is continuing to increase significantly. New hotels and office buildings have increased a/v and smart building demands, this trend is expected to continue in these industries. Entertainment a/v market size is expected to remain constant, however new technology upgrades expected in this sector, especially as Turkey switches from analog to digital technology in broadcasting.

Main Competitors

Vestel (www.vestel.com.tr), Beko (www.beko.com.tr) and Arcelik (www.arcelik.com.tr) are the main producers of a/v equipment in Turkey. Vestel, Arcelik and Beko produce audiovisual equipment such as LCD and plasma sets, sound systems as well as white goods such as refrigerators, kitchen appliances and air conditioning units. Turkey is also the only country in Europe to produce notebooks. Newly opened

HP Notebook plant proves the expected substantial growth potential in consumer electronics sector. Most multinational competitors such as Sony, Creative, Toshiba, Philips, Samsung have been in the market for a number of years and continue to compete for market share.

The overwhelming portion of AV equipment is imported, especially in the broadcast market. Home technologies have significant imports from the Far East. Superstores are comparable to Best Buy in the U.S. as Mediamarkt, Electro World, Teknosa, Vatan Bilgisayar and Darty are competing for market share in the Turkish market.

Buyer Profile

Turkey's population of 74 million is relatively young and given the current demographics of computer and internet users, it is evident that the computer market is far from reaching saturation levels. Turkey has the youngest population in Western Europe, with a median age of 28.5 in 2011. Turkey has the highest birth rate in Western Europe, and as a result the youngest population. This growing market of young consumers is ideal for consumer business as young people spend more, particularly on goods such as a/v equipment, mobile phones and consumer electronics' (Euromonitor).

Further evidence to this young buying power is the number of people using mobile phone in Turkey, which has grown over 208% over the past 6 years.

Increased Internet speeds and other enhancements will continue to boost PC sales, especially notebooks. Audiovisual equipment associated with the PC or notebook (speakers, headsets, and digital media) are in demand as notebooks take on a further entertainment role. Apple has gained significant market share with their Iphone and Ipad success recently.

Current Demand

Audio Visual Equipment

- Sound systems (especially home theater)
- LCD and Plasma Televisions
- Auto A/V equipment
- A/V aids for the advertising industry
- Movie Jukeboxes
- Digital Cameras
- Studio/filming technology (analog and digital)

Audio Visual Broadcast Equipment

- Items related to the digital broadcast migration (DVB T2)
- IP TV
- Digital studio and broadcast equipment
- Mass data storage
- High Definition (HD) content

Consumer Electronics

- MP3 players, PDA phone related accessories
- Wireless accessories such as wireless data carrier, TV broadcast extenders to other rooms in

Buildings

- Smart Home/Building Technologies (residential and commercial)

Notebook PCs

- PC related audio/visual systems (speakers, wireless headphones, wireless speakers, movie Software and download services)
- Wireless connectivity + accessories (especially 3G compatible)

The audiovisual and consumer electronics market is a good prospect, as smart homes, LCS/plasma



TVs, digital cameras, removable data storage and PDA's are in demand.

Market Issues & Obstacles

Standards and Import Regulations: CE marks are an issue. ITC products need a CE mark to be imported into Turkey. Since Turkey is in the Customs Union with the European Union, ITC products need to meet EU directives on low voltage and electromagnetic compatibility. The EU Waste regulation of Electrical and Electronic Equipment (WEEE) Directive and Restriction of Hazardous Substances (RoHS) Directive are also in effect.

For more information

The U.S. Commercial Service in Ankara, Türkiye can be contacted via e-mail at: Mr. Ihsan G. Müderrisoğlu, (Ihsan.Muderrisoglu@trade.gov) – Phone: +[90] (312) 457-7167; or visit our website:

www.export.gov/turkey.

UNITED KINGDOM

Overview

The United Kingdom is the largest European market for high-end AV consumer electronics products including HD TVs, Blu-Ray and DVD Players, MP3 players, mobile handsets and games consoles. The market is valued at over \$13 billion accounting for 14.4% of the European consumer electronics market value.

The UK market is mature and driven by British consumers who are early adopters of new technologies: UK citizens spend more per head on cutting-edge product categories such as mobile handsets, HD - ready TVs and Blu-Ray players, than any other EU country. Additionally the UK market is forecast to grow by 7% by 2014.

Market Overview

The UK is the number one gateway to Europe, giving easy access to the 27 member states of the European Union, the world's largest single market, with its population of nearly 500 million. Additionally the World Bank ranks the UK fifth in the world on "Ease of Doing Business" making it the highest ranking country in Europe.

The AV sector in the UK encompasses a broad range of companies, from ground breaking smaller companies to global businesses. Promotions by leading retailers such as DSG, KESA, John Lewis and Tesco ensure that cutting-edge AV products are adopted more rapidly in the UK and in larger numbers than elsewhere in Europe. Online sales, predicted to capture over \$1 in every \$5 spent on all new commerce by 2013, will reinforce this trend. Online sales of AV accounted for over 20% of all AV sales in 2011, up from 16.4% the previous year. That is over double the rate for all retail items bought online in the UK, which reached 9.8% of total retail sales in 2011.

The UK AV market is similar to the U.S. in many respects:

- Strong presence of foreign manufacturers (Japan/Korea);
- Traditional retail market dominated by a handful of national superstore chains;
- Smaller local stores focus more on the customized, high spec, end of the audio-visual market (e.g. hi-fi, home cinema);
- Major non-traditional consumer electronics retailers (e.g. grocery stores) moving rapidly into the market;
- Increasing trend by consumers to buy consumer electronics via the internet;
- Increasing emergence of internet-only retailers; and
- Traditional retail stores moving rapidly on-line to compete.

Market Segments

TV Sets

The TV viewing market landscape is changing rapidly with new technology driving the rapid growth of time-lapsed viewing and viewing via the internet.

- 9.5 million TV sets were sold last year (down 4%)
- The UK has the highest penetration of flat-screen TVs in Europe
- The fastest growing screen size is 20-25 inch (up 25%) and 37+ (up18%)
- 70% of TV sets in the UK were HD ready by 2010
- Internet connectivity is now available on more than a third of new sets sold



TV Receivers

Broadcast Type	Supplier	Installed base	
Free Terrestrial	Freeview	60 million	
Pay Satellite	BSKYB	10 million	
Free Satellite	Freesat	1 million	
Pay Cable	Virgin Media	4.7 million	

DVD/Blue Ray and Home Cinema

- The UK DVD player market is worth \$600 million;
- More than 1 billion DVD discs have been sold in the UK in the 10 years since the launch of the format;
- The UK Blu-Ray player market is worth \$168 million;
- Blu-Ray player sales were up 21% over the last year;
- The market for home cinema receivers is worth \$71.2 million; and
- Over 150,000 home cinema units were sold in the last year.



Audio

- The UK Hi-Fi market was worth \$150 million in 2011;
- Music streaming product sales rose by 37% over the last year;
- 12 million digital radios have been sold since the introduction of Digital Audio Broadcasting (DAB) in 2004, with over 2 million units sold in the last year; and
- Over 40% of UK homes owned a DAB radio by 2011.



Music

- Sales of CD music singles were down by over 30% in 2011 and CD albums were down by 15%;
- Sales of downloaded music rose by 20% in 2011 and by 35% over the last 5 years; and
- Over 40% of UK adults own an iPod.



Computer Games

- The UK Games console hardware market declined by 24% to \$1.2 billion in 2011;
- Sales of static consoles were down 21% on the previous year, with sales of handhels down nearly 40%;
- The games software market declined by 3.7% to \$3.1 billion; and
- The slowdown in the games sector was reflected in a decline in the number of new games titles launched in 2010. At 1,626, it was the lowest for six years.



Market share in 2011 between the three main suppliers was as follow:

Manufacturer	Software Units	Software Value
Sony	15.7 million	\$707.2 million
Microsoft	18.2 million	\$860.8 million
Nintendo	23.5 million	\$753.6 million

Prospective Buyers

Leading store and internet retailers include:

RETAILERS	PRODUCTS	WEBSITE
CURRYS	ALL	www.currys.co.uk
TESCO	ALL	www.tesco.com
ARGOS	ALL	www.argos.co.uk
ASDA WALMART	ALL	www.asda.com
JOHN LEWIS	ALL	www.johnlewis.com
BEST BUY	ALL	www.bestbuy.co.uk
COMET	TV/DVD	www.comet.co.uk
EURONICS	TV/HIFI/DVD	www.euronics.co.uk
HMV	DVD/GAMES	www.hmv.com
JESSOPS	CAMERAS	www.jessops.com
GAME	COMPUTER GAMING	www.game.com
GAME STATION	COMPUTER GAMING	www.gamestation.co.uk

Internet only retailers include:

MAJOR UK ONLINE ONLY RETAILERS	PRODUCTS	WEBSITE
DIXONS	ALL	www.dixons.co.uk
AMAZON	ALL	www.amazon.co.uk
PLAY	ALL	www.play.com
DABS	ALL	www.dabs.com

Market Issues & Obstacles

There are no specific trade barriers, however importers may have to pay applicable import duties. There is a 20 percent value-added tax (VAT) levied on almost all products and services, whether produced domestically or imported.

Competition

There are many competitors for every AV/IT technology in the UK market. At the lower end of the market the main differentiator is price, with branding, quality and features becoming more important towards the more expensive end of the market. The UK is a sophisticated market, which is well educated on the current technologies available. This is partly due to government advertising around the 2012 analog switchover and partly due to intensive customer advertising and education from digital video broadcasting – satellite and terrestrial- vendors.

Regulations

Manufacturers must take into account the financial impact of various pieces of certifications, regulations and legislations.

Taking into consideration the EU membership of the United Kingdom, products and equipment imported from the other EU member states are exempt from customs, which provides EU products a competitive advantage over the US competitors. Import duty for non-EU goods is calculated on the type of goods, their value and their country of origin. For details about the rates of duty applying to particular goods it is advisable to call the HMRC Tariff Classification Service Enquiry Line on Tel +44(0)1702 366 077. Detailed guidance on exporting to the United Kingdom can be found at <http://www.businesslink.gov.uk/bdotg/action/layer?topicId=1079717544&r.lc=en&r.s=tl>.

Products tested and certified in the U.S. to American standards are likely to have to be retested and re-certified to EU requirements as a result of the EU's different approach to the protection of the health and safety of consumers and the environment. Where products are not regulated by specific EU technical legislation, they are always subject to the EU's General Product Safety Directive as well as to possible additional national requirements.

EU standards created under the New Approach are harmonized across the 27 EU member states. While harmonization of EU legislation can facilitate access to the EU Single Market, manufacturers should be aware that regulations (mandatory) and technical standards (voluntary) might also function as barriers to trade if U.S. standards are different from those of the EU.



To sell products on the EU market, U.S. exporters are required to apply CE marking whenever their product is covered by specific product legislation. More information can be found at www.export.gov/CEmarking.



Companies selling electrical goods in the European Union must also conform to the EU legislation for electrical and electronic equipments (EEE), which includes the Waste Electrical and Electronic Equipment Directive (WEEE), which sets out the responsibilities of EEE producers with regard to the collection and recycling of waste from EEE at their end of life. The WEEE Directive is currently under the process of being revised by the EU. For further information refer to <http://export.gov/europeanunion/weeerohs/index.asp>.

For More Information

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