

# EUROSMART

The Voice of the Smart Security Industry

## PRESS RELEASE

### **Eurosmart General Assembly Confirms Strong Growth Focus on smart security solutions improving the usability of digital services while protecting privacy and combating fraud**

**Brussels, April 23<sup>rd</sup> 2013** – At its annual General Assembly in Brussels on April 23<sup>rd</sup>, Eurosmart, the voice of the smart security industry, released the 2012 shipments figures as well as the 2013 forecast for the worldwide smart secure devices shipments and the smart secure contactless markets. Eurosmart also outlined its focus for 2013 which will continue to be on serving the ever increasing need for securing transactions in the digital world while integrating the latest technological innovations.

“The Smart Security Industry shows good growth perspectives in 2013”, states Oyvind Rastad, Eurosmart’s chairman. “Shipments in 2012 were up 11% from the year before and we are expecting another increase of around 9% this year. This is driven by a number of factors. One is the increasing number of secure e-documents like eID cards, electronic health cards and drivers’ licenses. The second one is the EMV migration in Asia and Latin America as well as in the US. Last but not least, comparatively new technologies like 4G and Near Field Communication (NFC) are driving growth. For NFC alone we see an increase of approximately 67 percent, from 150 million Secure Elements shipped in 2012 to our forecast of 250 million units to be shipped in 2013. Altogether, these developments show the continuing trend toward the digitalization of all aspects of our lives, in all parts of the world. This in turn drives the need for infrastructure and system upgrades, opening tremendous opportunities for the smart security industry”.

According to Rastad, our society faces the growing challenge of enjoying the benefits of being increasingly interconnected while, at the same time, having to safeguard privacy and trust. Eurosmart will continue promoting smart security solutions that aim to improve the usability of digital services while protecting privacy and combating fraud.

A particular focus in 2013 will be on the growing need for ensuring trust and security of mobile devices, applications and transactions.

#### **The newly elected Eurosmart Bureau consists of:**

Oyvind Rastad (Gemalto): Chairman  
Dr. Jochen Schöllmann (Giesecke & Devrient): Vice Chairman  
Jerome Ajdenbaum (Oberthur Technologies): Vice Chairman  
Sonja Gatzke (Infineon Technologies): Treasurer

General Secretary: Bruno Dupont (no voting right)

For further details, the Eurosmart 2012-2013 Activity Report is now available on [www.eurosmart.com](http://www.eurosmart.com).

Details on the forecast for 2013 are listed below.

## Worldwide Smart Secure Device shipment – 2012 and 2013 forecasts

(Source : Eurosmart, April 2013)

Eurosmart estimated worldwide Smart Secure Devices (microprocessors)  
Millions of Units

	2012	2013 forecast	2013 vs 2012 % growth
<b>Telecom</b>	<b>5.100*</b>	<b>5.350</b>	5%
<b>Financial services</b>	<b>1.200</b>	<b>1.480</b>	23%
<b>Government - Healthcare</b>	<b>310</b>	<b>360</b>	16%
<b>Transport</b>	<b>135</b>	<b>160</b>	19%
<b>Pay TV</b>	<b>135</b>	<b>145</b>	7%
<b>Others</b>	<b>90</b>	<b>100</b>	11%
<b>Total</b>	<b>6.970</b>	<b>7.595</b>	9%

\* Source SIMalliance

## Worldwide Smart Secure Contactless market figures – 2012 and 2013 forecasts (included in the above forecasts)

(Source : Eurosmart, April 2013)

Eurosmart estimated worldwide Smart Secure Contactless Devices (microprocessor)  
Millions of Units

	2012	2013 forecast	2013 vs 2012 % growth
<b>Financial services</b>	<b>295</b>	<b>455</b>	54%
<b>Government - Healthcare</b>	<b>170</b>	<b>210</b>	24%
<b>Transport</b>	<b>135</b>	<b>160</b>	19%
<b>Others</b>	<b>60</b>	<b>70</b>	17%
<b>Total</b>	<b>660</b>	<b>895</b>	36%

## Trends in Smart Secure Device Markets Worldwide

### Telecom

- Rapid ramp-up of NFC deployment expected to continue with significant volumes of NFC SIMs
- M2M technology opens the door to a wide range of promising new market applications (automotive, smart metering and connected devices)
- SIM market demand supported by deployment of 4G, with currently over 140 commercial LTE networks globally
- Continuous SIM demand in developing markets

## **Banking-Retail**

- EMV migration continues to drive growth (Asia, Latin America and CISMEA)
- Largest mag-stripe markets are converting to chip (China, US)
- Continued strong growth of dual interface devices (combining both contact & contactless technology), forecasted to represent close to one in every three payment card shipped in 2013

## **Government ID-Healthcare**

- Steady growth in National eID programs, with large reference countries already rolled-out and new programs to be implemented (e.g. Brazil, India, Japan, Russia and Turkey)
- The ICAO standard for electronic Machine Readable Travel Documents is now used worldwide in four kinds of documents: Passports, Residence Permits, National eID with travel function and Registered Traveler Programs. ICAO standard increases the volumes for contactless projects
- More than ten EU Member States will implement electronic driving licenses along the new regulation, as published in May 2012. The 1<sup>st</sup> implementation will be France in September 2013
- New countries are starting to adopt eVRC (vehicle registration card), especially in Europe
- High penetration of contactless sustains overall contactless technology growth
- This massive steady deployment of e-documents drives the need for infrastructures and systems upgrades, opening tremendous various opportunities for the smart security industry

## **NFC**

- Following shipments of nearly 150 million units in 2012, Eurosmart expects more than 250 million NFC secure elements to be shipped in 2013. NFC secure elements include NFC enabled UICCs and embedded secure elements and other form factors of NFC enabled secure elements
- Major handset manufacturers are including NFC in their smart phones
- MNOs, banks and merchants have started to market secure NFC services
- Industry alliances and partnerships are rolling-out several projects worldwide

## **About Eurosmart**

*Eurosmart is an international non-profit association located in Brussels and representing the Smart Security Industry for multi-sector applications. Founded in 1995, the association is committed to expanding the world's Smart Secure Devices market, developing Smart Security standards and continuously improving quality and security applications.*

*Members are manufacturers of smart cards, semiconductors, terminals, equipment for smart cards system integrators, application developers and issuers who work into dedicated working groups (communication, marketing, security, electronic identity, new form factors, and prospect emerging markets). Members are largely involved in political and technical initiatives as well as research and development projects at the European and international levels.*

*Eurosmart is acknowledged as representing "the Voice of the Smart Security Industry".*

*Eurosmart members are companies (Austriacard, EM Electronic Marin, FNMT-RCM, Gemalto, Giesecke & Devrient, Infineon Technologies, Inside Secure, LFoundry, Morpho, NedCard, NXP Semiconductors, Oberthur Technologies, Samsung, STMicroelectronics, Toshiba), payment systems (GIE Cartes Bancaires, MasterCard), laboratories (CEA-LETI), research organisations (Fraunhofer AISEC), associations (Smart Payment Association, Mobismart, Danish Biometrics) and independent experts (Michel Koenig). For more information, please visit [www.eurosmart.com](http://www.eurosmart.com)*