

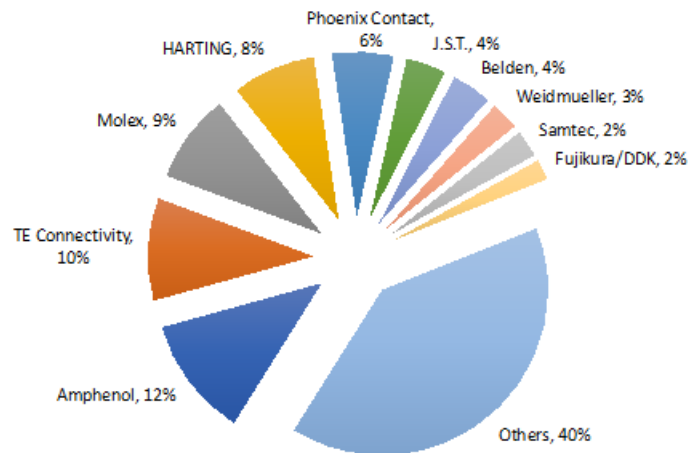
The Industrial Connector Market

All About Being “Smart”!

The connector industry proved to be quite resilient during the pandemic. Over the past nine months, it has shown remarkable growth. The market is up 40.8% YTD in Bookings and 28.1% YTD in Billings as of April 2021. In fact, the recovery started in 3Q20. This also means that the YTD data still compares well with a relative solid 1Q20, when bookings were down only 2.7% and billings down 7.2% versus 2019, despite the onset of the global pandemic.

The industrial market for connectors is showing a similar picture. Industry leaders such as TE Connectivity and Amphenol are showing high double-digit growth in their respective industrial segments through the first four months of 2021 and growth in this market is expected to continue.

Leading Connector Manufacturers' Share in Global Industrial Markets - 2019 Sales



While assessing the performance of the industrial connector market, it is vital to consider some megatrends that were driving the market before the pandemic hit and that will continue to drive growth in this market over the coming years. These trends have a big impact on the manufacturing and energy sectors and include:

- Digital transformation of the manufacturing industry, implementation of IoT, and Industry 4.0/5.0.
- Focus on energy savings, storage, and a shift to cleaner, greener energy sources.
- Re-shoring of manufacturing and/or restructuring supply chains to get closer to the customer and make supply chains more robust.

Apart from these trends, over the past decade, we also noted a change in the geographical distribution of connector sales into the industrial markets. Notably, a shift from Europe and Japan to China, Asia Pacific, and North America. China will not surprise anyone, but the increase in share for North America in the industrial connector market is significant. Its share rose from 22.8% in 2010 to 25.7% in 2020 at an average CAGR of 4.1%, well above the global average of 2.9%. Asia Pacific also grew its share of the industrial market.

Industrial Market for Connectors by Region 2010-2020
Market Share and 10-Year CAGR

Total Industrial Market for Connectors	2010	2010 Share	2020	2020 Share	10-Year CAGR 2010-2020
North America	\$1,322.1	22.8%	\$1,985.3	25.7%	4.1%
Europe	\$2,086.3	36.0%	\$2,519.1	32.6%	1.9%
Japan	\$796.8	13.7%	\$559.9	7.3%	-3.5%
China	\$764.0	13.2%	\$1,521.7	19.7%	7.1%
Asia-Pacific	\$510.3	8.8%	\$777.1	10.1%	4.3%
ROW	\$323.2	5.6%	\$358.7	4.6%	1.0%
Total	\$5,802.7	100.0%	\$7,721.8	100.0%	2.9%
World Connector Market	\$47,938.7		\$62,726.7		2.7%

\$ Million

We divide the industrial market for connectors in three key segments:

Factory Automation and Machinery, covering

- Smart Factories (Industry 4.0 & 5.0)
- Automation & Networking
- Industrial Robotics

Construction and Civil Engineering, covering

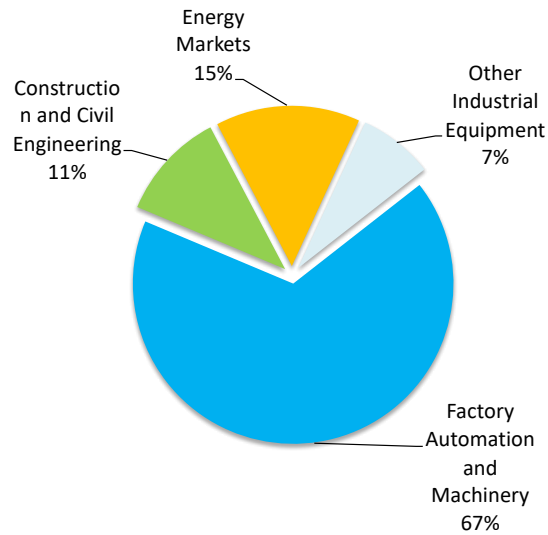
- Smart Cities
- Smart Buildings
- Construction Equipment

Energy Markets, covering

- Smart Grid & Digitization
- Renewable Energy
- Energy Storage

The factory automation/machinery segment is by far the largest with two thirds of total industrial connector sales. The energy market is another 15% of sales and the construction market 11% of sales.

2020 Industrial Connector Market by Segment



Each of these segments has its own dynamics and growth drivers. The outlook for each of these segments through 2026 is good and ranges from a CAGR of 4.9% to 5.9% depending on the segment, and 5.7% for the global industrial market for connectors. This means the market should reach a volume of \$10.7 billion in sales by 2026.

Industrial Market for Connectors by Segment 2019-2020-2026F Percent Change and Six-Year CAGR

Segmentation 2021	2019	2020	% Growth	2026F	6 yr CAGR % 2020-2026
Factory Automation and Machinery	\$5,312.7	\$5,165.1	-2.8%	\$7,286.8	5.9%
Construction and Civil Engineering	\$852.2	\$846.3	-0.7%	\$1,126.5	4.9%
Energy Markets	\$1,150.0	\$1,126.0	-2.1%	\$1,581.5	5.8%
Other Industrial Equipment	\$586.7	\$584.4	-0.4%	\$752.5	4.3%
Total	\$7,901.6	\$7,721.8	-2.3%	\$10,747.3	5.7%

\$ Million

For more detailed information and forecasts for the industrial market for connectors, the split by industry segment, split by product types, the Bishop forecast for 2026, and many more details, we refer you to Bishop's latest publication on the industrial connector market:

[World Industrial market for Connectors 2021 - published April 2021](#)