

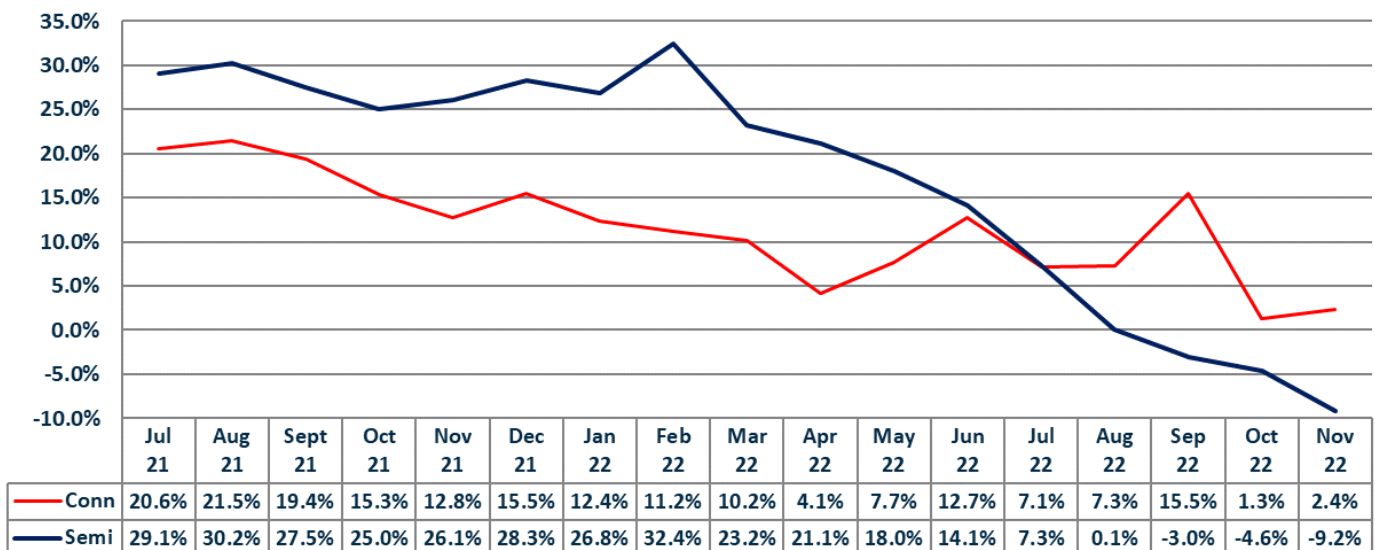
Connector Sales Were Up +2.4% While Semis Declined -9.2%

The Semiconductor Industry Association (SIA) reported November sales of \$45.5 billion, down -9.2% from the prior year, and down -2.9% sequentially. Regionally for November, the SIA reported that the Americas grew +5.2% YOY, Japan increased +1.2%, and Europe increased +4.5%. Asia Pacific/Other decreased by -13.9% and China decreased -21.2%.

Connector industry sales in November were up +2.4% from the prior year and increased +10.7% sequentially. Regionally for November, YOY sales increased +9.3% in North America, +3.1% in Europe, +0.1% in China, and +7.3% in ROW. Japan decreased -9.9% YOY and -2.9% in Asia Pacific.

The following graph compares semiconductor sales performance to the connector industry since July 2021.

**Monthly Sales Performance
Year-Over-Year**



Connector sales growth was higher than semiconductors for the fourth month in a row. Semis sales growth has been negative for three consecutive months.

The following table displays year-to-date performance, measured in US dollars, by geographic region for both components.

**Sales Performance
2022 November YTD**

	Semiconductors	Connectors
North America	16.2%	16.4%
Europe	7.7%	6.5%
Japan	4.3%	-3.8%
China	-6.4%	6.0%
Asia Pacific/Other	-2.1%	6.2%
World	1.6%	8.3%

Source SIA & Bishop

To hedge against shortages and price increases, we believe that customers over-booked during the first half of 2022, which accounts for some of the year-to-date growth in both components. Both components are experiencing slower sales growth in the fourth quarter of 2022 which will probably continue into much of 2023.

Although the surge in COVID-19 Delta and Omicron variant cases (and the common flu) have picked up in some countries, including the US, industrial production around the world has continued to grow, driving demand for semiconductors and other materials. Currently, the pundits are predicting the semiconductor shortage will extend at least into early 2023 or longer. The war in Ukraine, now almost 11 months old, is an ever-changing story, but the higher prices for petroleum-based products are certainly continuing to drive-up inflation which will not help the industry. China's ongoing battle with COVID variants is continuing to cause periodic lockdowns, which in turn is impacting the manufacturing and exporting of materials and components to other countries. The most recent news is that China has ended their stringent quarantine rules/testing, and reopened their borders in spite of COVID cases presently infecting up to 70% of residents in places like Shanghai. The US ban on selling any high-end AI chips to any entity operating in China, will also affect China's growth in electronics.

Many countries have made progress in reviving their economies from the first COVID era, but worldwide inflation is affecting all regions and markets. We are now very near to a recession. We do not anticipate, however, that there will be significant setbacks in connector industry performance in the fourth quarter of 2022, beyond those discussed in this news brief. The year-over-year growth will continue to slow, however, as the comparisons get more difficult, and the worldwide economies slow.

For 2022, SIA/WSTS is forecasting total sales to be up +4.4% on the previous year. Bishop is projecting the connector industry sales to increase +7.5% to 2022.

This news brief is provided as part of your subscription to the Bishop Report. Bishop & Associates, incorporated in 1985, is the leading research firm on the connector industry. The Bishop Report is a monthly newsletter that tracks the performance of the industry. To learn more, or to subscribe, follow this [link](#).