

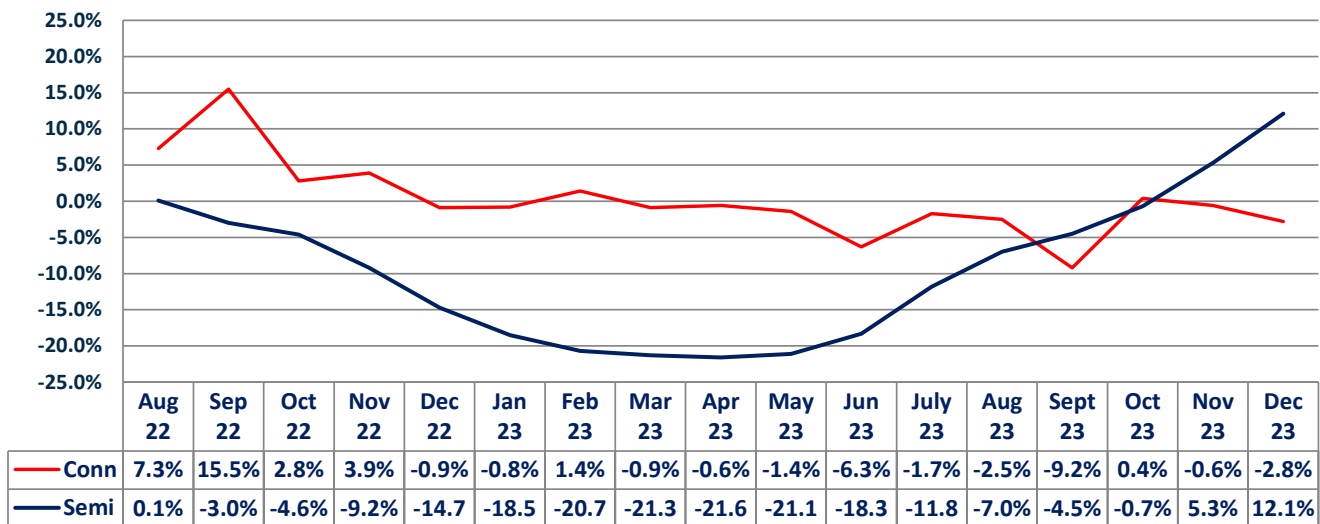
Semiconductor Sales Up +12.1% in December Connector Sales Down -2.8% Led by a Decline in all Regions but China and ROW

The Semiconductor Industry Association (SIA) reported December sales of \$48.6 billion, up +12.1%. Year-over-year, the Americas grew +13.1%, China increased +19.9%, Europe grew +2.5%, and Asia Pacific/All Other grew +11.6%, while Japan declined -3.8%.

Connector industry sales in December were down -2.8% from the prior year and decreased -13.2% sequentially. Regionally for December, YOY sales decreased -3.2% in North America, Europe saw a decrease of -6.9%, Japan a decrease of -7.9%, and Asia Pacific a decrease of -5.9%. YOY connector industry sales increased in China and ROW, +2.8% and +7.7% respectively.

The following graph compares semiconductor sales performance to the connector industry since August 2022.

Monthly Sales Performance
Year-Over-Year



As the graph shows, semiconductor sales are experiencing a strong double-digit rebound, with semiconductor sales growth once again stronger than connector growth. That means semiconductor sales have outpaced connector sales now three months in a row!

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

Sales Performance 2023 December YTD

	Semiconductors	Connectors
North America	-8.1%	-0.3%
Europe	3.6%	3.8%
Japan	-2.6%	-9.4%
China	-18.5%	-5.7%
Asia Pacific/Other	-13.2%	-7.0%
World	-11.2%	-2.7%

Source SIA & Bishop

Some interesting trends include:

- “Global semiconductor sales were sluggish early in 2023 but rebounded strongly during the second half of the year, and double-digit market growth is projected for 2024,” said John Neuffer, SIA president and CEO. “With chips playing a larger and more important role in countless products the world depends on, the long-term outlook for the semiconductor market is extremely strong. Advancing government policies that invest in R&D, strengthen the semiconductor workforce, and reduce barriers to trade will help the industry continue to grow and innovate for many years to come.”
- Because semi demand traditionally leads connector demand by several months, the strong double-digit growth in semiconductors in December was extremely optimistic news. Hopefully this signals the connector industry is also on the road to recovery.
- With the world in a continued state of chaos and financial markets still in a state of economic uncertainty, there is still a possibility that a recession could occur. According to Business Insider, “a recession is likely to hit the US economy in 2024, a new economic model highlighted by the economist David Rosenberg suggests. The economic indicator, which Rosenberg calls the “full model,” suggests there's an **85%** chance of a recession striking within the next 12 months.”

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