

## A Watchful Eye on the Connector Industry

A day celebrated primarily in the United States, Memorial Day traditionally ushers in the beginning of school breaks, summer "holidays" or "rests", and beach vacations. It also brings us that much closer to the midpoint of the year, and what a year for the connector industry 2026 is shaping up to be.

Through April, bookings have increased +41.6% year-to-date and +47.6% year-over-year. Increases like this have not been seen since 2021, when the industry was recovering from the initial shock of COVID. Billings are also good, increasing +19.6% year-to-date and +20.9% year-over-year. Once again reminiscent of post COVID billings.

And it isn't just one region driving this growth. Although as the tables below indicate not all regions have performed in the same manner, they have all done remarkably well considering the regional and global headwinds the industry is currently facing.

### April 2026 Connector Industry Bookings by Region

	YOY % Change	YTD % Change
North America	65.8%	53.5%
Europe	33.0%	32.7%
Japan	24.1%	20.5%
China	39.6%	39.6%
Asia Pacific	64.9%	44.0%
ROW	23.3%	31.9%
<b>Total World</b>	<b>47.6%</b>	<b>41.6%</b>

### April 2026 Connector Industry Billings by Region

	YOY % Change	YTD % Change
North America	23.4%	19.4%
Europe	14.5%	15.7%
Japan	1.7%	3.7%
China	26.0%	20.3%
Asia Pacific	26.3%	35.9%
ROW	21.2%	13.7%
<b>Total World</b>	<b>20.9%</b>	<b>19.6%</b>

With bookings and billings like these, it is not surprising that the industry is presently sitting with approximately 14.1 weeks of backlog, a week and a half more than we ended 2025 with, as shown in the table below.

### Industry Backlog

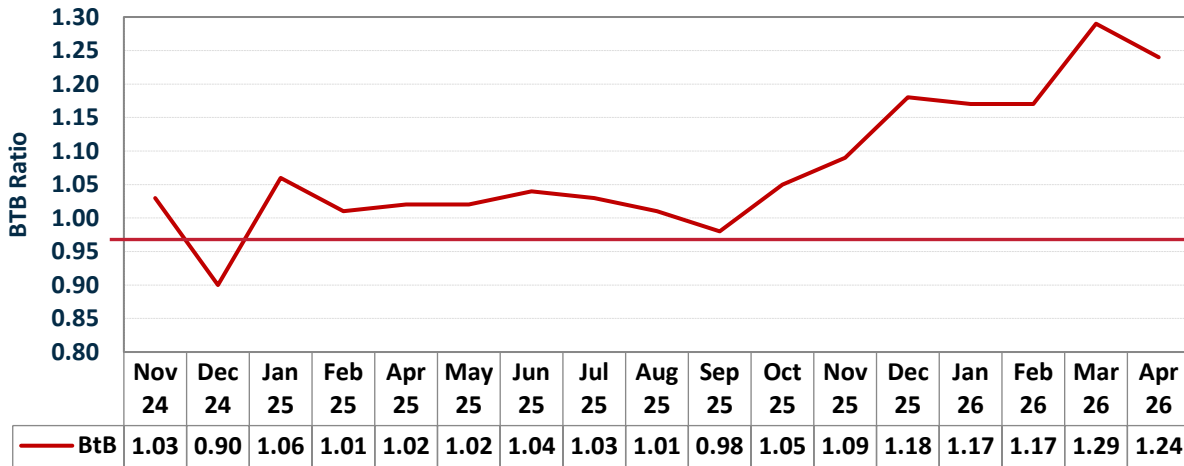
	Full Year 2025	Apr 2026
BtB Ratio	1.00	1.24
Beginning Backlog	\$21,287	\$24,067
YTD Bookings	\$101,868	\$43,717
YTD Billings	\$99,165	\$36,191
Ending Backlog	\$24,067	\$31,593
Backlog in Weeks	12.6	14.1

\$ Millions

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Driving this backlog is an unusually strong book-to-bill. As the chart below shows, the industry has now had a book-to-bill of over 1.0 in 20 of the last 24 (two years) months. And what makes this even more unique is that even after post COVID, when we were achieving growth over 1.0 for months on end, the growth was never beyond 1.20, as it has been in the last two months!

### Connector Industry Book-to-Bill



Naturally, growth like this has also made many industry experts and analysts concerned that a downturn is imminent. In fact, as pointed out in May of 2026, by the World Economic Forum, "Nearly nine in ten chief economists surveyed expect global growth to weaken over the coming year" and "94% expect global inflation to rise as the closure of the Strait of Hormuz drives up energy and food costs and disrupts supply chains". They also noted that "92% expect greater AI adoption over the coming year, but optimism about the speed of productivity impact across industries has cooled."

Although most would agree that from an economic standpoint, the world we live in today is much different than the one we lived in five years ago and beyond, there are still several similarities, including ongoing inflation, elevated interest rates, questionable trade policies, and high consumer debt. This is in addition to a slew of geopolitical uncertainties. And, because of this it is important to look at past headwinds and how they affected the connector industry, in hope that we can reduce the possible pain inflicted on the industry. In the table below, past headwinds are listed and their effect on the connector industry.

### Economic Downturns in the Connector Industry Year - % Change - Reason

Time Period	% Change in Sales	Reason (s)
2001	-18.8%	Burst of the Dot-com Bubble
2002	-6.8%	Burst of the Dot-com Bubble
2009	-21.8%	Collapse of the US Housing Bubble/Financial
2012	-2.7%	European Sovereign Debt Crisis
2015	-6.1%	Crash of Chinese Stock Market/Global Oil/Strong Dollar
2019	-3.8%	Repo Market Disruption - Sharp Spike in Short-Term Interest Rates
2020	-2.2%	COVID-19 Shutdowns

Preceding all these downturns was generally a burst in economic activity, like what is occurring right now within the AI world. In fact, this has prompted some to compare the connector industry's growth of today with the dot-com craze that occurred in early 2000. But rather than seeing vast amounts of money being pumped into the stock market as in 2001 and 2002, vast amounts of money are being pumped into physical things like data centers and semiconductor manufacturing facilities all in an effort to support AI. Unfortunately, the revenues anticipated by AI have yet to come to fruition causing many to voice concerns that we are possibly overbuilding and opening financial institutions and investors to significant losses. This also implies that those involved in the manufacturing of data centers, and the individual equipment to support these centers, such as servers and storage devices maybe over ordering components such as connectors, to ensure delivery of products. For this reason, Bishop & Associates is watching connector demand closely and will continue to report on this topic.

As you prepare to enjoy the upcoming summer months, remember that for the most up-to-date and valuable information on the global connector industry, subscribe to the Bishop Report. The connector industry's most comprehensive source of information and analysis on connector companies, market sectors, products, and trends. For information on how to order the Bishop Report click [here](#).