



Original Equipment Suppliers Association

NEWS RELEASE

For Immediate Release

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OESA Automotive Supplier Barometer: Production Strength Supports Jump in Optimism Even as Pandemic Persists

According to the **Q4 2020 OESA Automotive Supplier Barometer Index™** (SBI) – a gauge to measure the sentiments of North American automotive supplier executives – continued strength in light vehicle production volumes bolstered suppliers' 12-month industry outlook vs. three months earlier. Results posted a strong positive reading of 67 for the period, 17 points above a neutral level of 50. The headline index increased 14 points from the third quarter and soared 52 points from the second quarter when the brunt of the pandemic was most acute.

The **Q4 2020 OESA Supplier Barometer™**, sponsored by **RSM US LLP**, focused on Capital Markets & Innovation. The results indicate:

- Continued issues related to the COVID-19 pandemic remain the greatest threat to the industry, however threat ratings continued to ease from the second quarter.
- Production volumes are expected to be slightly above the volumes needed to break-even this year.
- Suppliers, on net, will require more capital for product innovation for next year, as the industry continues to offer its customers the latest technologies that end users are demanding.
- A majority of suppliers are confident with their pace of innovation, as 73% of respondents indicate they are at least on pace with the industry, while 44% believe they are ahead of the industry.

"Even as suppliers align costs and capital expenditures to a new market reality, leading firms recognize the importance of innovation in offsetting the impact of lost production volume," said Mike Jackson, executive director, strategy and research, OESA. "Nearly 85% of supplier responses affirmed that their company's capital structure supports innovation objectives, which increasingly fosters collaboration with external partners including suppliers, material producers and customers. Given the dynamic nature of the global automotive industry, suppliers are shrewd to utilize a range of innovation strategies and adapt approaches to suit specific customers and technologies."

The Q4 SBI chart and a full copy of the Supplier Barometer results are available on the OESA website at: <https://www.oesa.org/automotive-supplier-barometer/oesa-automotive-supplier-barometer-studiestm>.

[CLICK HERE](#) to view the RSM US LLP commentary on the Q4 2020 OESA Supplier Barometer results.

About the OESA Automotive Supplier Barometer™:

The OESA Automotive Supplier Barometer™ captures the pulse and analyzes the twelve-month business sentiments of top executives in the supplier industry. It is a quarterly survey on commercial issues, the business environment and strategies that influence the supplier industry. This Barometer is distributed to vehicle manufacturers, financial institutions, governmental officials and the media to provide an on-going profile of supplier industry trends.



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About OESA

The [Original Equipment Suppliers Association](http://www.oesa.org)'s mission is to champion the business interests of automotive original equipment (OE) suppliers. Since 1998, the Association has been addressing issues of common concern and advocating on behalf of the supplier community throughout the supply chain and in Washington, D.C.

OESA is one of four divisions of the Motor & Equipment Manufacturers Association (MEMA). All divisions are represented by MEMA's advocacy and emerging technology expertise. For additional information, visit <http://www.oesa.org>.

About RSM US LLP

RSM US LLP is the leading provider of audit, tax and consulting services focused on the middle market, with nearly 10,000 professionals nationwide. It is a licensed CPA firm and the U.S. member of RSM International, a global network of independent audit, tax and consulting firms with more than 41,000 people in 116 countries. RSM uses its deep understanding of the needs and aspirations of clients to help them succeed.

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