



Original Equipment Suppliers Association

NEWS RELEASE

For Immediate Release

Contact: Jeff Laskowski, 248.430.5951, jlaskowski@oesa.org
April Buford, 248.430.5964, abuford@oesa.org

OESA Automotive Supplier Barometer: Sentiment Falls as Supply Chain Disruptions to Extend Well into 2022

SOUTHFIELD, Mich. (Nov. 10, 2021) - According to the Q4 2021 OESA Automotive Supplier Barometer Index (SBI) – a gauge to measure the sentiments of North American automotive supplier executives – continued disruption to the automotive supply chain from input shortages, and the subsequent shutdowns of numerous OEM production facilities, weighs heavily on the sentiment of supplier executives despite strong U.S. demand for light vehicles. Net results indicate a sharply lower reading of 34, an 18-point decline from the third quarter reading of 52, and 16 points below a neutral reading of 50.

The **Q4 2021 OESA Automotive Supplier Barometer™**, sponsored by **RSM US LLP**, focused on Capital Markets and Innovation. The results indicate:

- Production shutdowns stemming from supply chain shortages and issues, labor availability and the inability to fulfill customer volumes, continue to be top threats to the industry over the next 12-months and have worsened over the past quarter. Supplier confidence in the strength of the U.S. economy has also wavered as issues related to the pandemic have continued longer than expected.
- Production breakeven estimates exceed actual production levels for a second consecutive year, suggesting two sequential years of net losses for the supply base.
- Terms of commercial loans and credit lines are expected to tighten over the coming year. While confidence in capital acquisition remains at strong levels, suppliers are less confident they will be able to access their needed capital in comparison to 2020.
- Thirty-eight percent of suppliers believe they are ahead of the industry's pace of innovation while twenty-eight percent feel they are behind. Focusing on partnerships, technological R&D, diversification and developing products and solutions that support the EV market are common practices by firms that consider themselves the most innovative.

“Leading firms continue to navigate pervasive supply chain constraints with a focus on teams and technology to improve visibility and manage through the current crises to lift competitiveness and build a stronger position in the market recovery,” said Mike Jackson, executive director, strategy and research, OESA. “Despite year over year profit pressures, suppliers continue to display remarkable tenacity by disrupting past practices to uncover new solutions and address opportunities across the mobility landscape - through a renewed focus on software competency and a vital commitment to harnessing innovation,” Jackson said.

The Q4 SBI chart and a full copy of the Automotive 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 2021 OESA Supplier Barometer results.



Original Equipment Suppliers Association

NEWS RELEASE

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.

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.

###