



Original Equipment Suppliers Association NEWS RELEASE

For Immediate Release

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Supplier Barometer Reflects Resilient and Dynamic Supply Chain

SOUTHFIELD, Mich. (June 12th, 2018) – According to the 2Q 2018 OESA Automotive Supplier Barometer, a quarterly survey of executives at North American automotive suppliers on their 12-month outlook, supplier optimism is holding strong across the automotive supply base, posting a positive reading of 53 for the period. This reflects considerable resilience, especially given the dynamic environment involving a list of unresolved policy matters, market factors and geopolitical events in 2Q 2018.

The latest OESA Supplier Barometer Index (SBI) reading dipped four points from the 1Q 2018 score, albeit from a three-year high, in the aftermath of passage of the Trump administration's tax reform plan. The 2Q 2018 index reading reflects sustained momentum and holds two points higher than 2Q 2017. Despite continued confidence, uncertainty remains. Sentiment is holding in positive territory due to strong economic fundamentals and healthy production volumes. Concerns remain over supply chain risks, commodity prices and the impact of government policy such as Section 232 and Section 301 tariffs as well as the fate of NAFTA negotiations, including material changes to rules of origin that would hurt competitiveness.

The topics of Capital Markets and Innovation served as the themes for the second quarter 2018 Supplier Barometer survey. Capital investments are slated to grow meaningfully in the next 12 months, with 53 percent of survey respondents affirming somewhat or significantly higher levels of investment over the next year. Moreover, supplier executives anticipate dramatically higher capital investments in product innovation, with 70 percent of respondents calling for somewhat or significantly higher levels of product innovation investment in the next year.

"Leading suppliers continue to demonstrate greater flexibility and are using varied capital approaches to successfully advance their innovation strategies," said Mike Jackson, executive director, strategy and research, OESA. Results highlight that more than 70 percent of respondents affirmed that their capital planning process helps them achieve innovation objectives by leveraging external partners to accelerate innovation and learning.

A full copy of the 2Q OESA Automotive Supplier Barometer survey results and the Sentiment Index chart are available on the OESA website at: <https://www.oesa.org/resource/oesa-automotive-barometer-studies>.

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 bi-monthly snapshot of their concerns on commercial issues, the business environment and strategies that influence the supplier industry. This Barometer is distributed to vehicle



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manufacturers, financial institutions, governmental officials and the media to provide an on-going profile of the trends in the supplier industry.

About OESA

The [Original Equipment Suppliers Association](#)'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>.

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