



**Media Contact:**  
Shelly Otenbaker  
WayPoint Marketing Communications  
248-506-6696  
shelly@waypointmc.com

## **OESA/HRI Automotive Tooling Barometer: Key Indicators Point to Busy Second Half of 2018**

**SOUTHFIELD, Mich.**, (July 23, 2018) – The Original Equipment Suppliers Association (OESA) and Harbour Results, Inc., (HRI) recently released the results of their Q2 2018 Automotive Tooling Barometer. The study shows that the tooling industry experienced a slower than predicted first half of 2018 with a significant amount of business being pushed to the second half of the year.

“Our original forecast called for 2018 North American vendor tooling spend to be \$11 billion, however, due to a number of factors including shifted or cancelled product launches, we are now expecting it to be closer to \$8.5 or 9 billion with the remaining \$2 billion shifting to 2019,” said Laurie Harbour, president and CEO of HRI. “We saw a record year in 2017 with tooling spend just over \$10 billion and now automakers are focused on launching the vehicles they built tools for in 2016 and 2017.”

From Q1 to Q2 2018, both die and mold shops experienced a decrease in utilization (88 percent and 77 percent respectively). Additionally, work on hold continued to climb with an average of 13.5 percent (compared to 11 percent in Q1 2018), which is a result of several automotive program delays. Sentiment also dropped 4 points (76 percent) from Q1 2018 results.

The study also looked at shops’ investment strategies. On average, mold builders are planning to contribute 4.8 percent of revenue toward new capital expenditures, compared to 7.7 percent in 2017; and the average die builder is expecting to invest 4.6 percent of revenue, compared to 5.9 percent in 2017. Additionally, the percentage of a shop’s total investment that’s earmarked for machine expenditures is expected to decrease this year: 84 percent to 75 percent for mold builders; 85 percent to 72 percent for die builders.

“Tool shops are shifting capital spend from big ticket equipment, to productivity improvements, particularly in the areas of automation and high-speed cutting equipment,” commented Harbour. “Additionally, we are seeing shops looking to invest in software with 68 percent of mold builders and 42 percent of die shops indicating they have plans to invest in machine monitoring solutions.”

Finally, as shops continue to bridge the skilled trades gap, the Tooling Barometer looked at recruiting methods and apprentice programs. Organizations are leveraging many options including school partnerships (68 percent), apprenticeships (58 percent) and job placement websites (57.5 percent). For molders, 14 percent of their total hourly employees are apprentices while die shops average 10 percent. This number has remained consistent over the past several years.



“Results of the Tooling Barometer reflect what we hear directly from toolmakers on our Tooling Council,” said Julie A. Fream, president and CEO, OESA. “Toolmakers expect a busy second half of the year as programs catch up with earlier forecasts.”

The survey population was comprised of mold shops (74 percent) and die shops (26 percent) in the U.S. (57 percent), Canada (28 percent), Europe (9 percent) and Asia (5 percent). Shops with revenue ranges less than \$5M up to greater than \$40M were represented, with the largest percentage of shops coming from the \$5-\$10M (32 percent) range.

**About the OESA/HRI Tooling Barometer:**

The OESA Automotive Tooling Barometer survey series was created by the OESA Tooling Council with the partnership of Harbour Results, Inc., to provide an indicator of the current state of the automotive tooling industry, and the perception of the near-term prospects for the industry. The OESA Automotive Tooling Barometer captures the sentiment of the major companies in this market.

**About Harbour Results, Inc.:**

Harbour Results, Inc. a leading business and operational consulting firm for the manufacturing industry offers operational and strategic advisory expertise, and proprietary assessment programs to help optimize a business’s performance. Focused on small- to medium-sized manufacturers, many of which are family owned or privately held, HRI utilizes its knowledge, experience and relationships to build upon the established foundation with sound strategies and operational improvement. Headquartered in Southfield, Michigan, Harbour Results was founded in 2005 by industry analyst Laurie Harbour. Today, the Harbour Results team is comprised of manufacturing experts, and clients also have exclusive access to Harbour Results’ network of partner companies and worldwide resources. For more information, visit, [harbourresults.com](http://harbourresults.com), Twitter or LinkedIn.

**About OESA:**

OESA’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>.

###