



U.S. TIRE MANUFACTURING ECONOMIC IMPACT & TRENDS OUTLOOK

USTMA is working with our members, policy makers and other key stakeholders to help solve the challenges facing our country as we recover from the coronavirus pandemic and advancing a vision to harness the potential of the accelerating, transformative forces propelling the manufacturing industry into the future. Tire manufacturing in the United States is resilient and vital and an essential industry supporting mobility and commerce. We are committed to our industry's leadership role in supporting our nation's economic recovery and driving advanced mobility solutions for Americans.

In late 2020, USTMA commissioned a team of top economists to conduct an [economic outlook and impact trends analysis](#) to help define short-term economic challenges from the pandemic as well as key strategic opportunities for the U.S. tire industry over the next five years. Several trends unveiled through the research are outlined below.



ECONOMIC IMPACT

In 2020, COVID-19 brought a deep global recession that cut consumer spending, hurt industrial production, and up-ended normal business planning. The collapse in travel for work, pleasure, and shopping in 2020 drove demand for virtually all goods and services associated with travel down sharply. As a result, spending on both new and used light vehicles fell by nearly a third, while spending on tires fared comparatively better, only falling 15 percent from February to April, while total consumer spending slumped nearly 19 percent.



As our industry recovers from a challenging year, our members advocate and innovate to adapt to a “new normal” protecting our nearly **100,000 workers** employed across **17 states**. Our industry is seeing positive momentum as we enter 2021.



From securing our position as an essential industry at the onset of the pandemic to sustaining and **creating new jobs**, and supporting **vaccination efforts**, we remain committed to restoring and reinvigorating our workforce and the tire manufacturing industry.

DIGITAL TRANSFORMATION

The accelerating pace of digital transformation continues with the rollout of 5G technology and the shift to electric vehicles and automated vehicles gathering significant traction.

Our members continue to partner and invest in research and development to support digital transformation, improve efficiencies, and bring innovative and safe products to market, including:



Collaborating on new solutions like the first-of-its-kind tire monitoring application, intelligent brake system, a supercomputer for vehicle AI system training, partnering on pilots to advance connected mobility and showcasing future mobility solutions.



Leveraging data and digital technologies, including launching a new digital supply chain tool for dealers.



Supporting the deployment of self-driving trucks and electric cars.

CHANGING SOCIETAL VIEWS ON MOBILITY

COVID-19 has disrupted social mobility preferences and accelerated existing societal shifts in mobility.

A few evolving trends USTMA's members are following:



Early on during the pandemic, millennials were adopting more classic Gen-X behavior, including a growing affinity for suburban living where driving rates are higher, after facing restricted mobility due to lockdowns.



At the same time, the dramatic drop seen in commuting patterns, greater reliance on e-commerce and demand for last-mile delivery services, will remain significant factors in shaping mobility.



USTMA companies like Michelin are engaging younger demographics to better understand future mobility habits.

ENVIRONMENTAL STEWARDSHIP

Action on climate is a growing focus for consumers, investors, and policy makers. There is a growing expectation for federal action to address climate change.

USTMA members have demonstrated a commitment to environmental stewardship throughout a tire's life cycle and seek opportunities for continuous improvement, including:



Manufacturing low rolling resistance tires that contribute to improved fuel efficiency by reducing tire weight and lower fuel consumption and CO2 emissions. The use of low rolling resistance tires would save about 1 billion to 2 billion gallons of fuel per year, the equivalent amount of energy needed to power over 1.5M homes or 1.9M passenger vehicles for an entire year.



Developing tire materials with lower carbon footprints, like silica derived from rice husks to improve rolling efficiency, while maximizing safety, performance, handling, and durability.



Powering facilities primarily with natural gas, offering lower greenhouse gas emissions than other manufacturing sectors.