

TRENDS

IN THE COMMERCIAL TIRE INDUSTRY

How much of the new infrastructure bill will boost trucking and tire demand?

- With over \$75B of the infrastructure spend being allocated towards EV alone, this should create a serious long term demand for R&D in new commercial tire technology alone. Public transport will receive a \$39B boost from the infrastructure spend as well which should help to grow the public fleets and national account chain.

How quickly is Last Mile Delivery being adapted and how do I prepare for new business?

- Last mile delivery is projected to be \$90B by 2025, making it one of the fastest growing trends in the commercial business. With manufacturers sinking Research & Development dollars into solutions to accommodate the growth of last mile deliveries, it's safe to say that last mile delivery is HERE and NOW. Preparing for the new business means staying up to speed with the products being manufactured to help fleets with last mile service and bottom line profitability.

Will the BEV (Battery Electric Vehicle) surge increase or decrease complexity in tire management?

- Initially, the surge is just change... change can initially mean complexity. But much like bias ply tires turning into steel belted radial tires, the new technology will ultimately yield a better product and better solution for the commercial industry's needs. Complexity becomes a solution, and solutions equal simplicity.

Will tire shortages continue through 2022 and if so, how will it affect the price of tires?

- The general forecast as of right now looks like demand will be bullish in 2022. After a very strong 2021, consensus seems to be about 3% to 5% growth in the replacement markets and 8% to 10% in original equipment markets. These increases equate to over an additional one million truck tires needed to satisfy demand in 2022 versus 2021. Given challenging inventory positions amongst both manufacturers and dealers, increased demand in 2022 will present challenges. Be prepared for continued lean supply in 2022.

