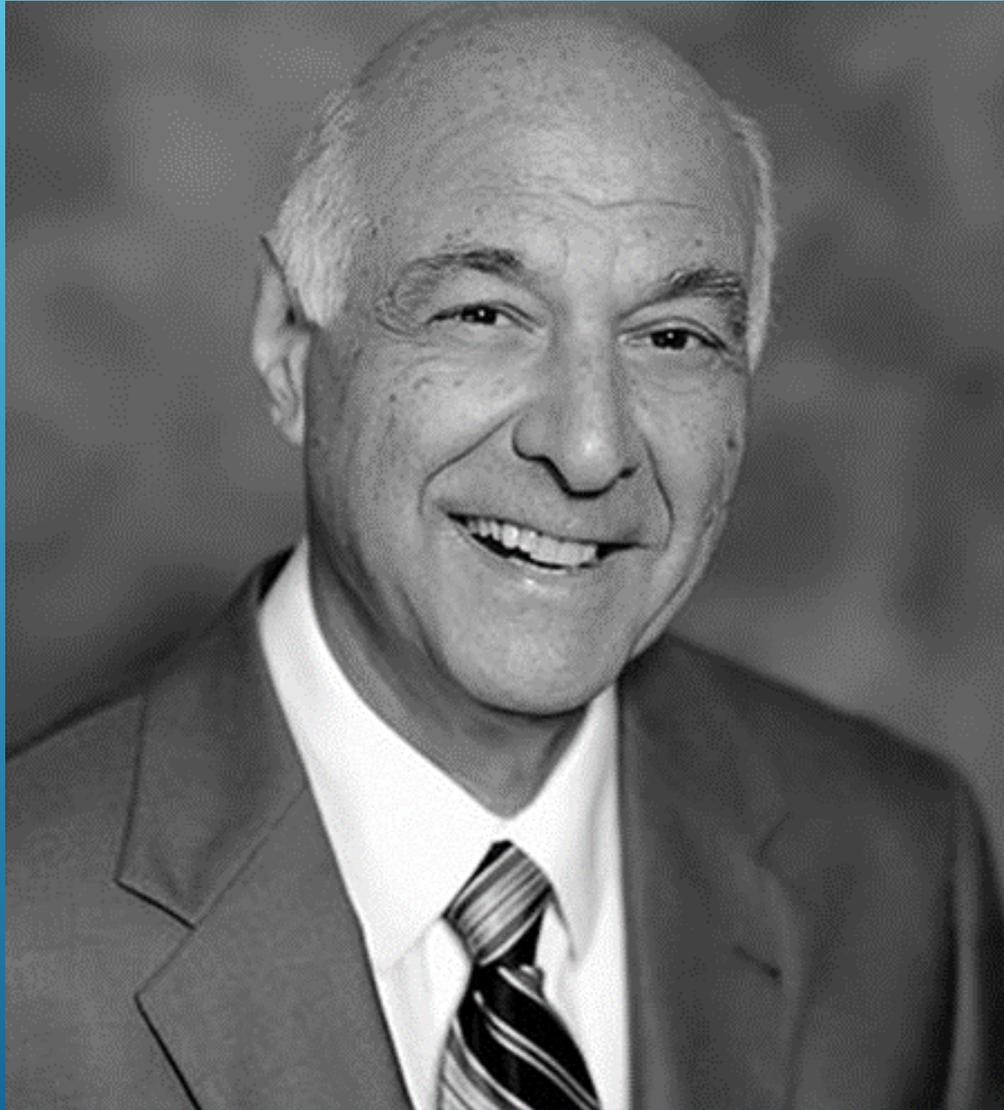




Economic Outlook for the Industry

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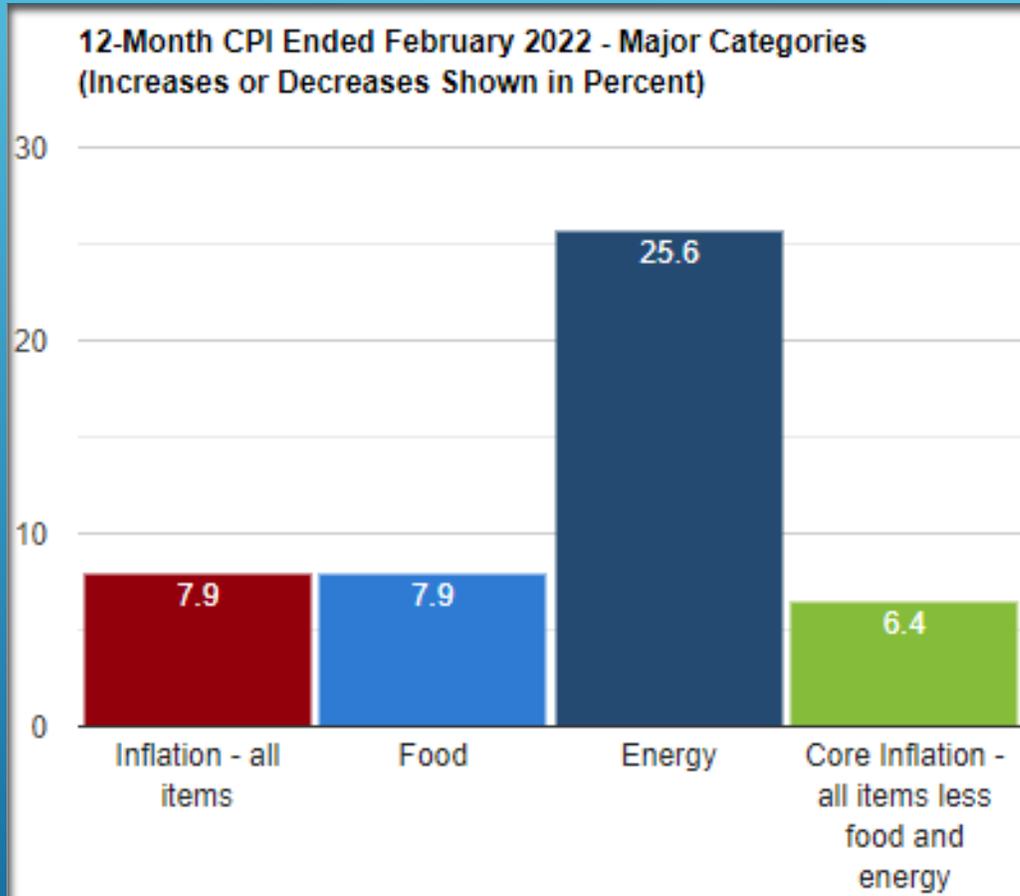
Topics That Impact Your Industry

- Federal Reserve Rate Hikes
- Gas Prices
- Supply Chain Issues
- Trucker Shortages
- The Automotive Industry
- State and Federal Legislation
- Insurance Rates
- Push for Public Transportation
- Electric Charging Stations
- Alternative Fuel Sources

Federal Reserve Interest Rate Hikes

- Federal Reserve approved the first increase since 2018
- Estimates that rates will rise 6 more times in 2022
- The Fed approved a 0.25 percentage point rate hike, the first increase since December 2018.
- Officials indicated an aggressive path ahead, with rate rises coming at each of the remaining six meetings in 2022.
- Members also pared expectations for economic growth this year and sharply raised their outlook for inflation.

Gas Prices



- The price of gasoline increased 38.0% in the 12 months ended February compared to the 40.0% annual increase in January, according to the most recent inflation data published March 10, 2022, by the U.S. Labor Department's Bureau of Labor Statistics ([BLS](#)).
- Gasoline is an important category reported within the BLS's monthly report on consumer inflation, the Consumer Price Index (CPI). "Gasoline (all types)" is listed as a subcategory under the overall "Energy" index for commodities.

Trucker Shortages

- Industry lost 6% of its overall workers since Covid-19 began
- Estimated 80,000 new truckers are needed
- American Trucking Association – shortage of 160,000 drivers by 2030, and the need to 1 million new drivers by 2032
- Next slide for new trucking laws

New Trucking Laws

- New Minimum Requirements to acquire CDL includes drug testing, safety rules, etc.
- Federal Motor Carrier Safety Administration proposal for people under 21 for interstate commerce
- Apprenticeship program could create up to 25,000 new drivers per year, New rules effective February 7, 2022

The Automotive Industry

- Build to Order: New rules for GM and Ford. Lets look at the next slide.
- Push towards Electric Vehicles. More later in this program.

Build to Order

- Pros
 - Order exactly what you want, every feature
- Cons
 - Variable lead times, 4-12 weeks, goes back to supply chain issue
 - Computer Processing Chip shortages
- Ford and GM
 - Ford
 - 1/3 of all sales are now order to delivery now
 - GM
 - Never get back to the inventory levels of pre-covid

State and Federal Legislations

- Emission levels on new vehicles
- Requirement of zero emission vehicles
- Phasing out gas vehicles
- But there are problems !

Insurance Rates

In 2022, the average cost of car insurance will probably rise for many drivers. Several major auto insurers, including Allstate, Progressive, Geico and State Farm, increased rates in late 2021 or early 2022 in many states. Allstate and its subsidiaries, for example, have had 20 rate increases approved in 13 states since November 2021. Rate increases from a handful of companies studied vary from around 3% to just under 12%, according to S&P Global Market Intelligence.

Push for Public Transportation

The U.S. Department of Transportation's Federal Transit Administration (FTA) announced that more than \$4.7 billion in Fiscal Year 2022 transit formula funding is now available to transit agencies, states, and Tribal governments to support public transportation – and public transportation jobs – throughout the country.

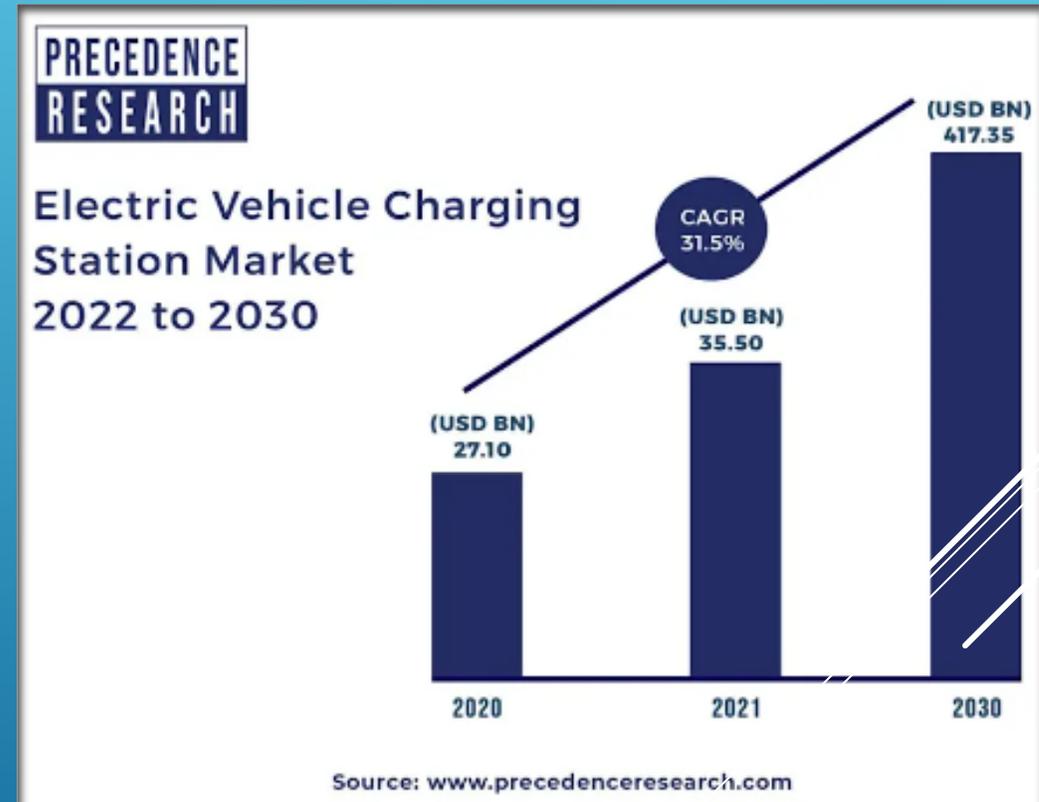
Electric Charging Vehicles

- The global Electric Vehicle Charging Station Market size is projected to grow from 2,354 thousand units in 2022 to 14,623 thousand units by 2027, at a CAGR of 44.1%. Automotive companies and component manufacturers are investing significant amounts in research and testing of EV charging technology.
- Factors such as rising sales of EVs around the world, along with the growing demand for zero emission transport will boost the demand for the Electric Vehicle Charging Station Market.
- More on the next slide.

Electric Charging Stations

According to Precedence Research, the global electric vehicle charging station market size was estimated at USD 35.50 billion in 2021.

Rise in the usage and adoption of electric vehicles has emphasized the requirement to develop charging infrastructure. Significant investments by the manufacturers are likely to cater to the growing demand for EVs and play a main role in the market evolution.



Alternative Fuel Sources

- Hydrogen
- Ethanol
- Compressed Natural Gas
- Remember “Back to the Future” with garbage as fuel. Now is the future.

QUESTIONS OR INQUIRIES

For any additional questions, inquiries or services, please contact Dr. Bart A. Basi, Senior Advisor to The Center for Financial, Legal & Tax Planning, Inc., at (618)-997-3436 or rbasi@taxplanning.com