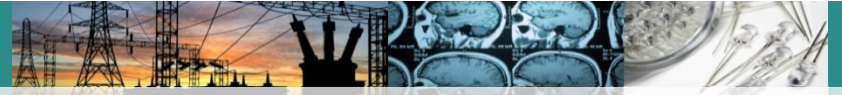




The Association of Electrical and
Medical Imaging Equipment Manufacturers



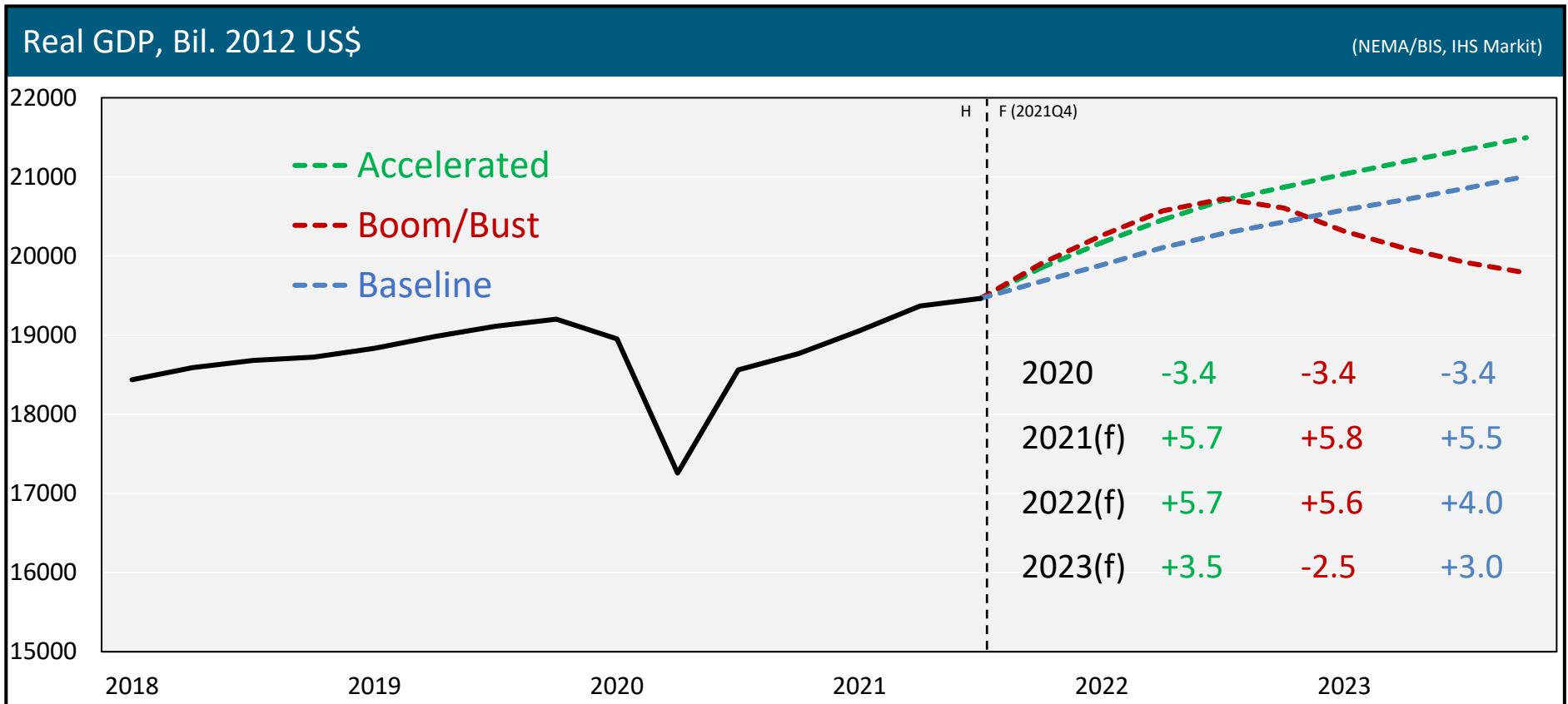
Industrial Products and Systems Division Economic Briefing

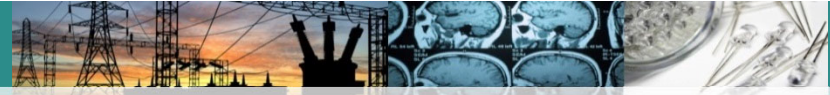
December 2, 2021

Donald R. Leavens
Vice President and Chief Economist
National Electrical Manufacturers Association



Transition from easy money has often led to recession

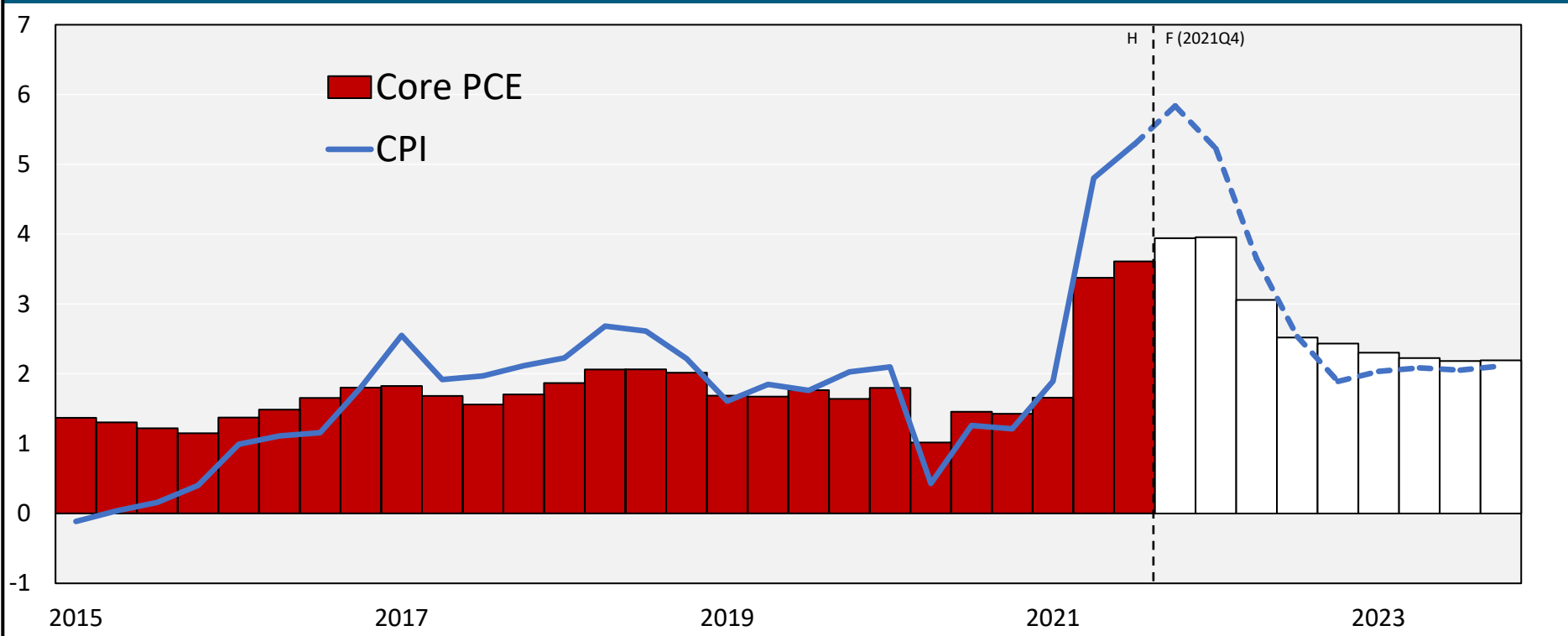




Inflation trends will shape monetary policy

Consumer Prices, Y/Y % Change

(BLS, NEMA/BIS, IHS Markit)

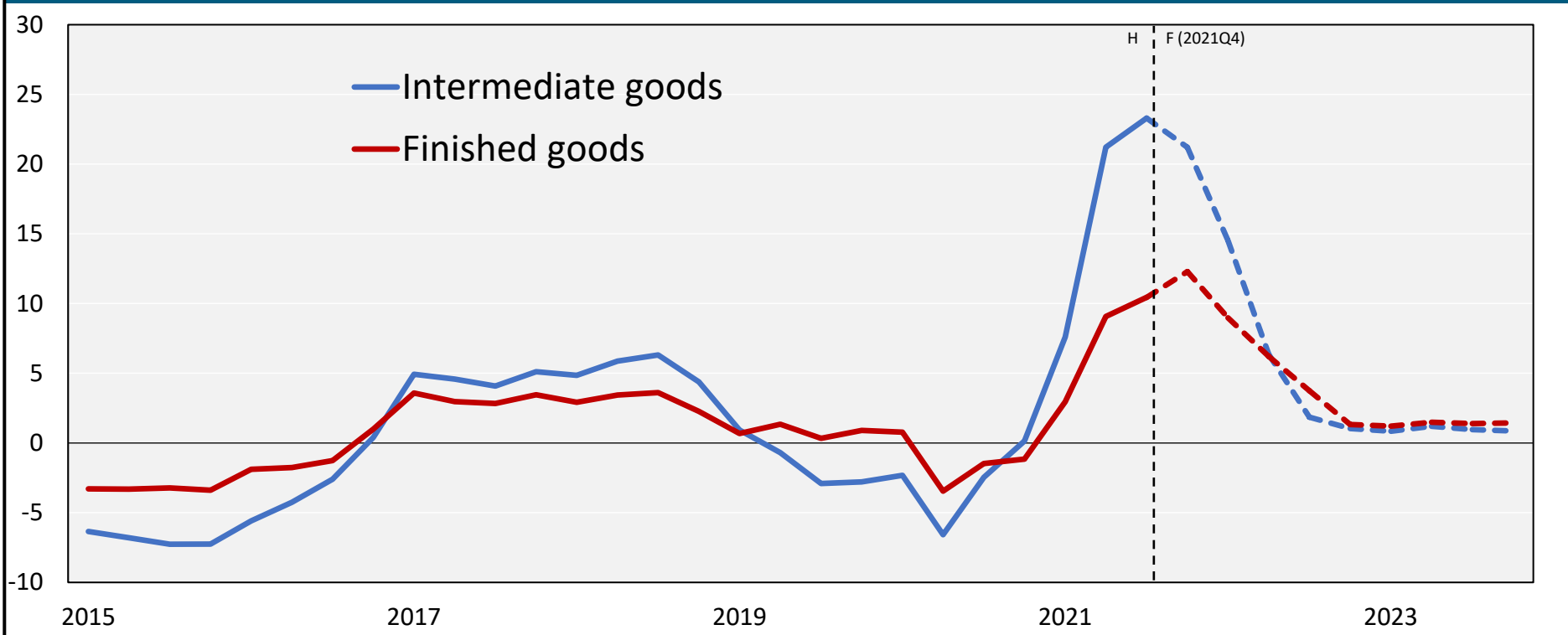




Producer price inflation to decline as supply chain snarls resolve

Producer Prices, Y/Y % Change

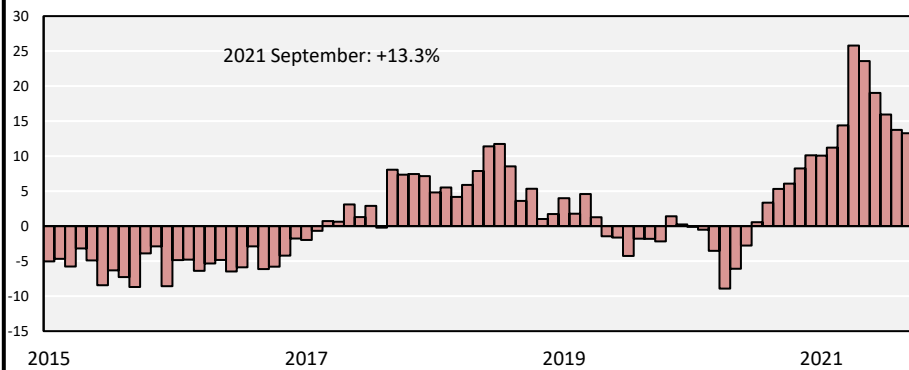
(BLS, NEMA/BIS, IHS Markit)



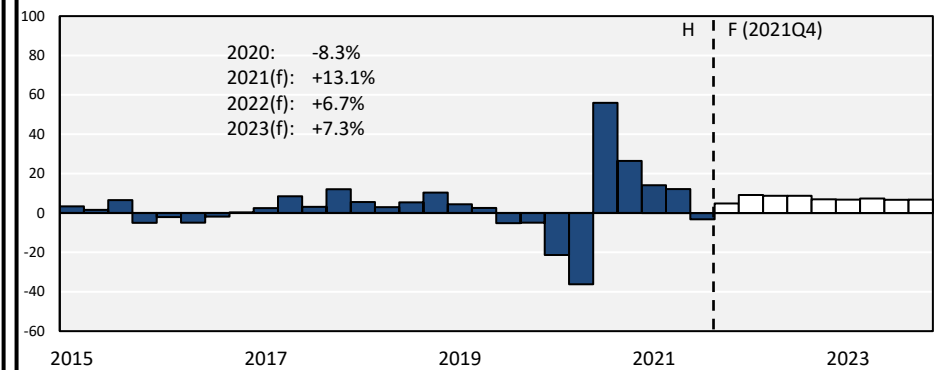


High savings and profits support solid demand-side growth

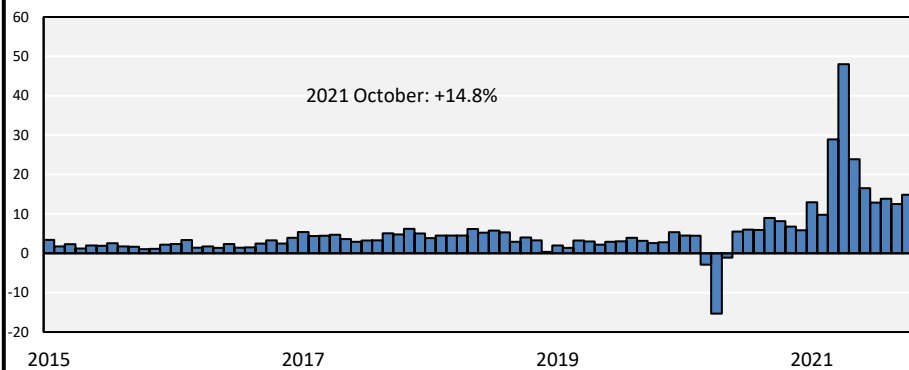
Non-defense, Non-aircraft Capital Goods Orders, Y/Y % Change (Census Bureau)



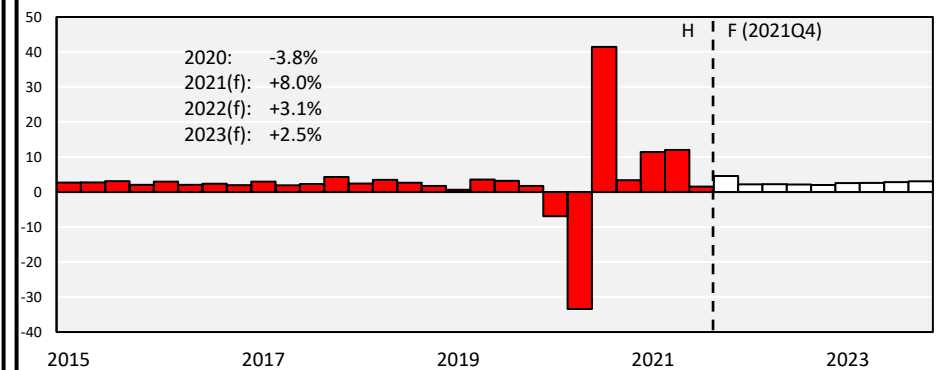
Real Equipment Invest, Q/Q % Change Annualized (BEA, NEMA/BIS Simulation of IHS Macro Model)



Retail Sales, Y/Y % Change (Census Bureau)

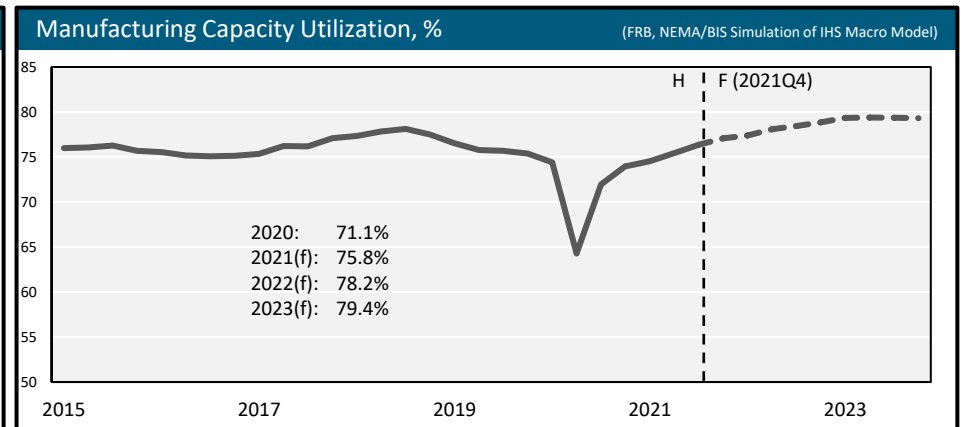
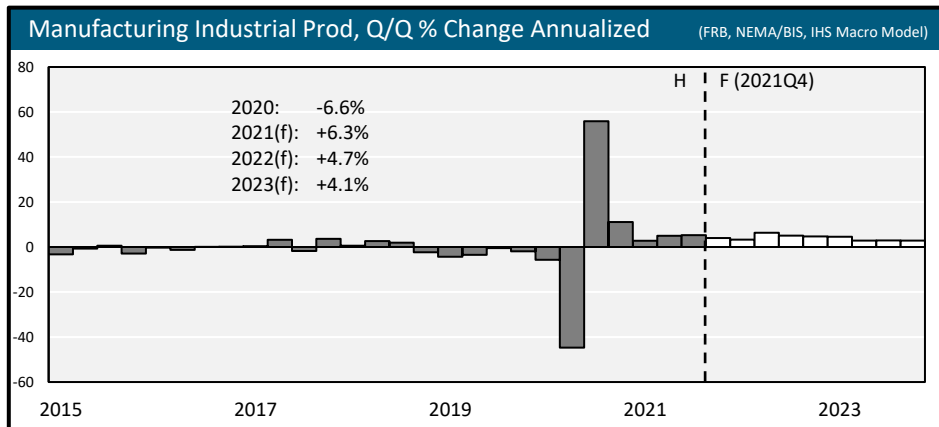
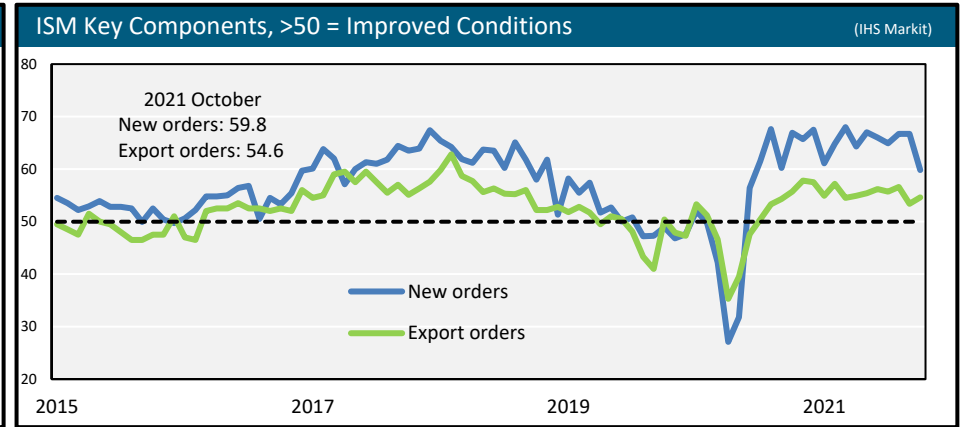
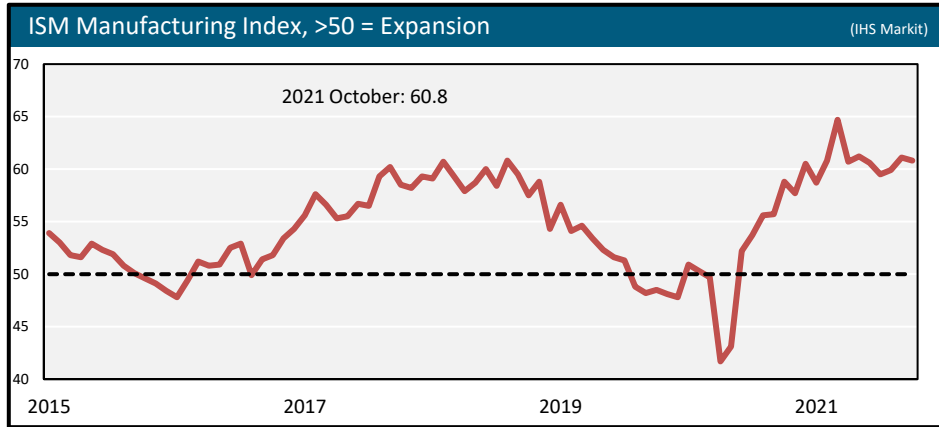


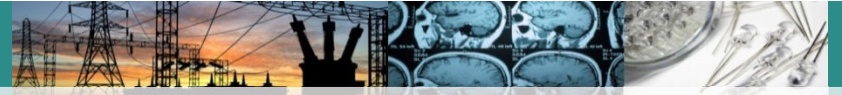
Real Consumer Spending, Q/Q % Change Annualized (BEA, NEMA/BIS Simulation of IHS Macro Model)





Robust orders herald sustained manufacturing recovery

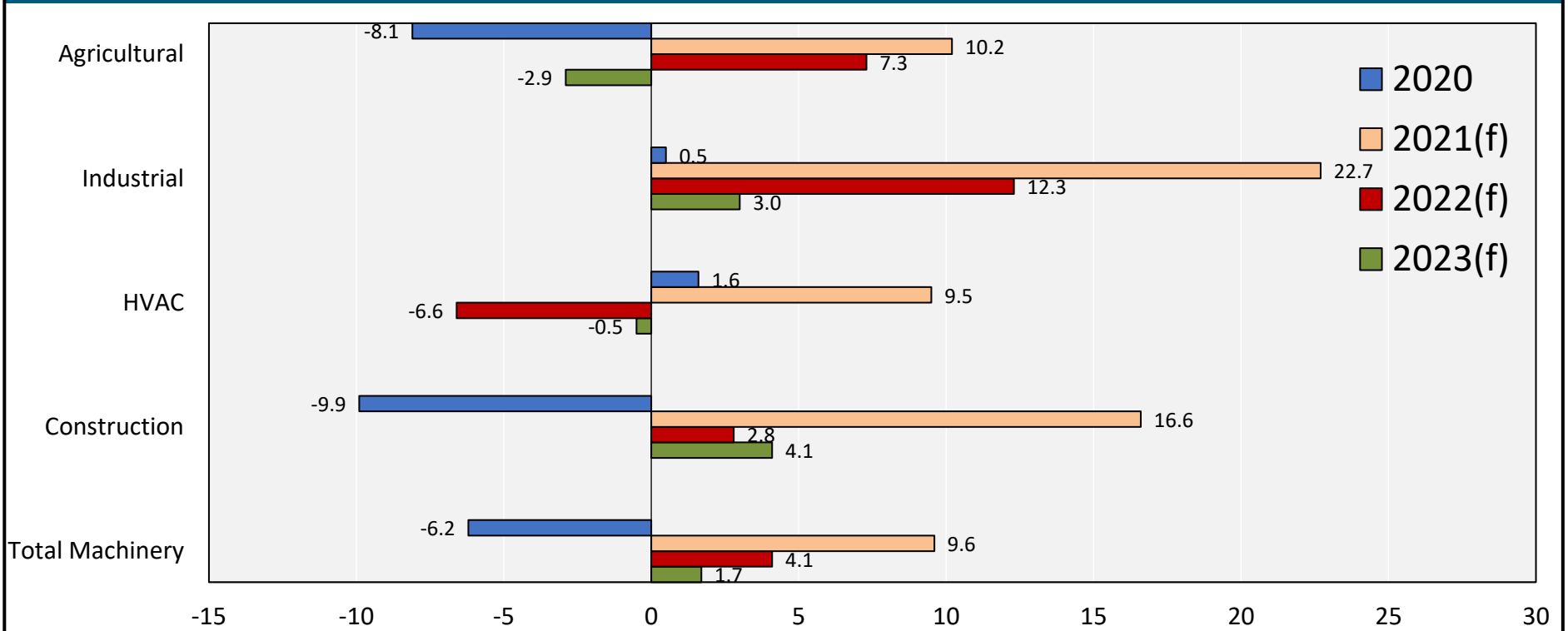




Manufacturing boom boosts industrial machinery output

Industrial Production: Machinery, Y/Y % Change

(FRB, NEMA/BIS Simulation of IHS Macro Model)

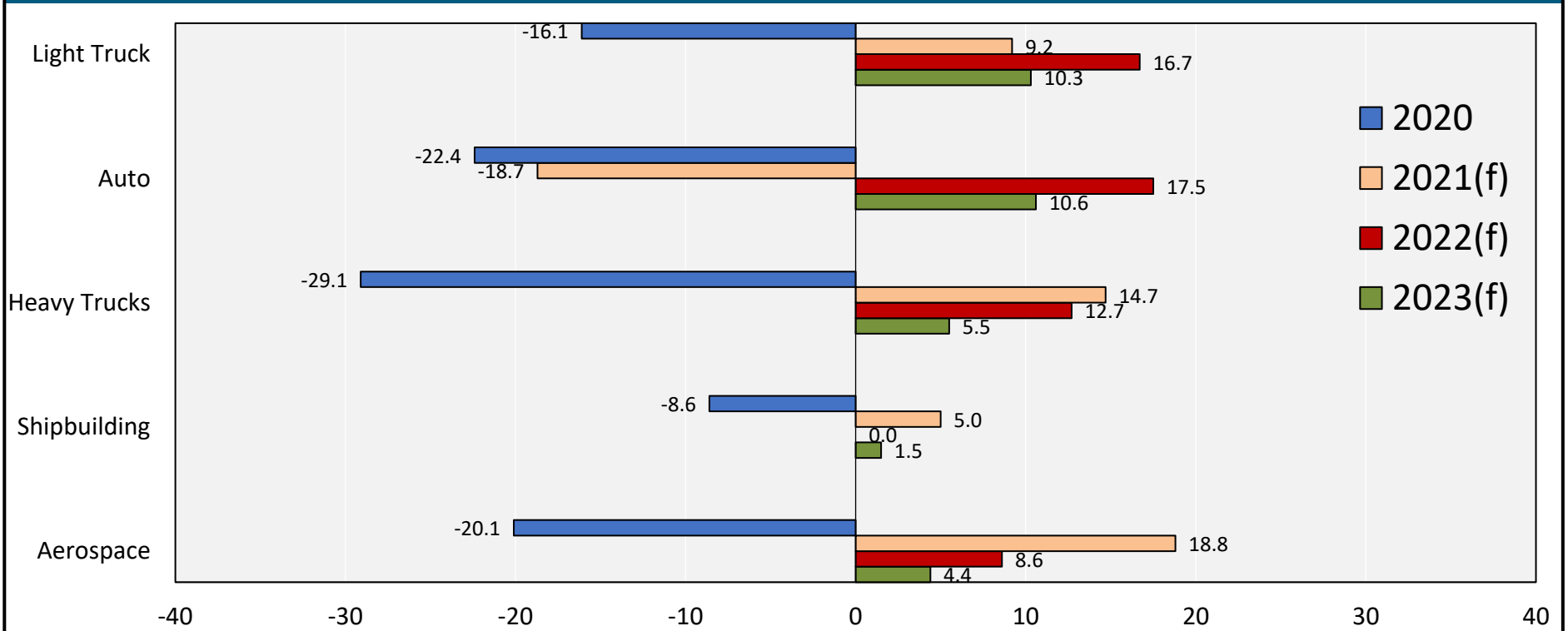


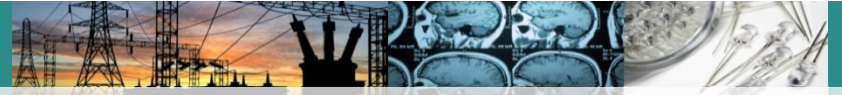


Supply chain improvement to foster vehicle production growth

Industrial Production, Y/Y % Change

(FRB, NEMA/BIS Simulation of IHS Macro Model)

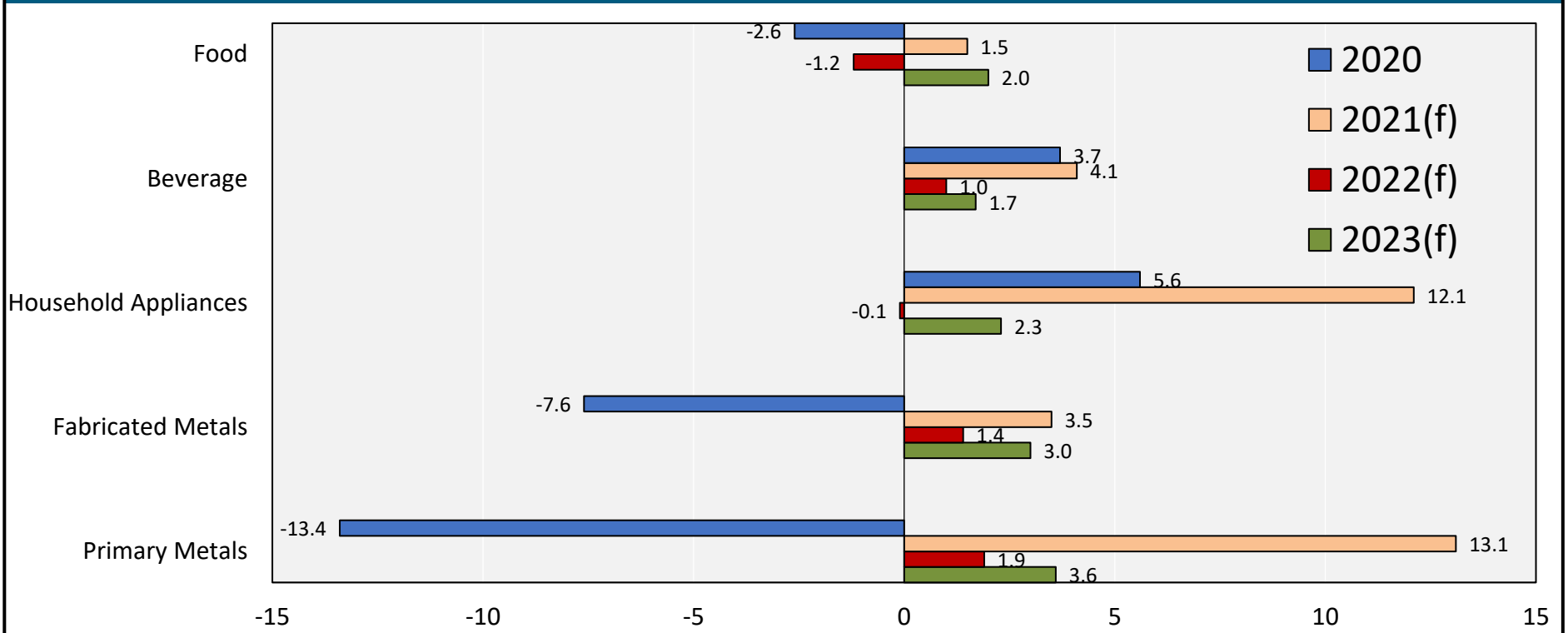




Food & beverage output tied to hospitality rebound

Industrial Production, Y/Y % Change

(FRB, NEMA/BIS Simulation of IHS Macro Model)

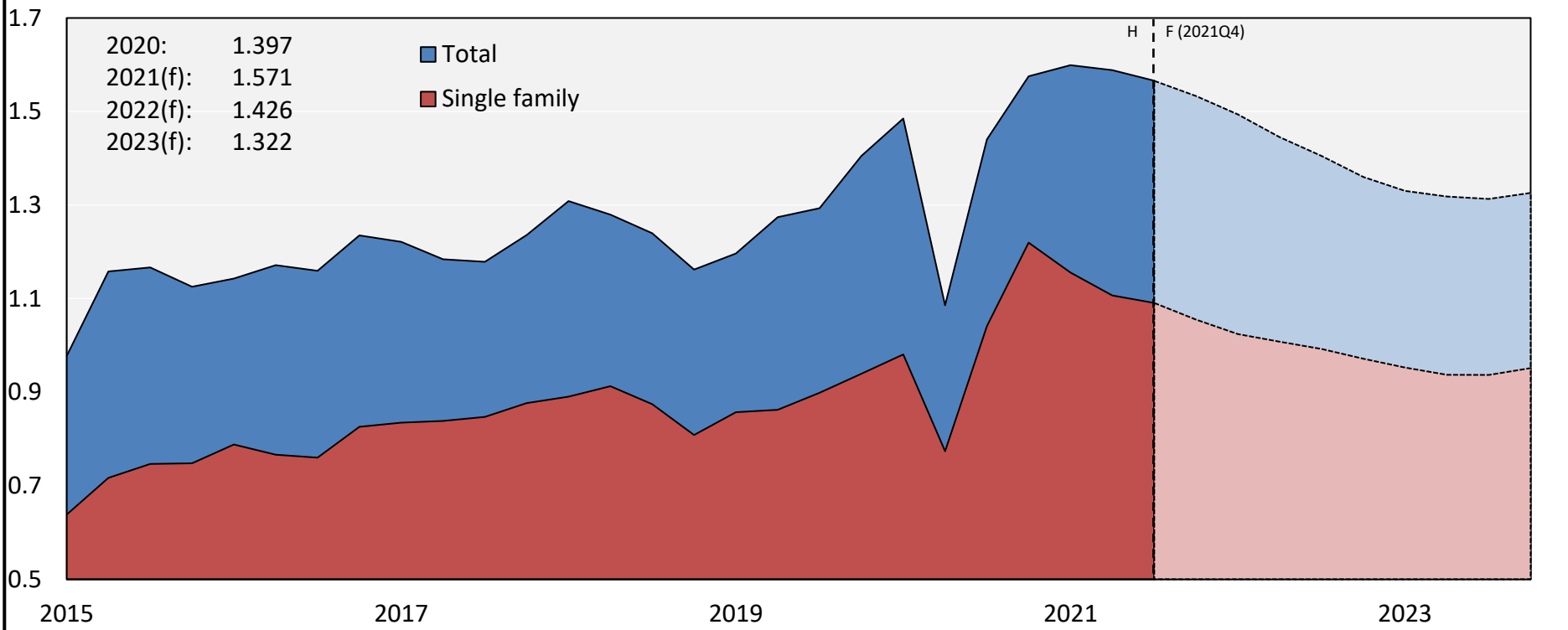


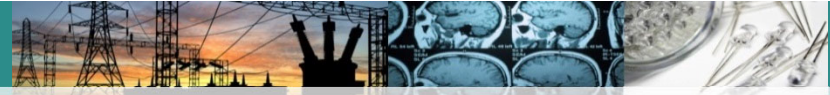


Household formation, supply kinks limit starts trajectories

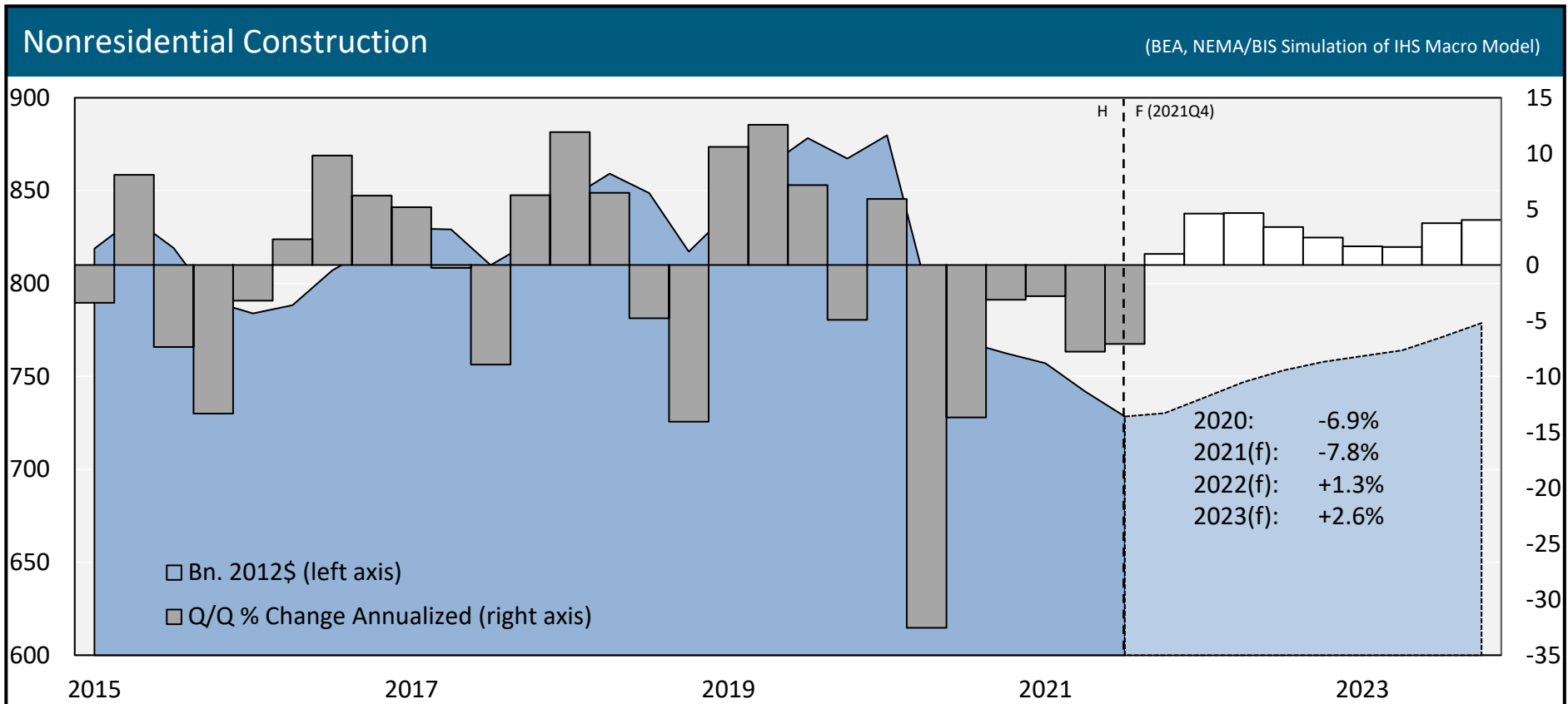
Housing Starts, Mil. Units, SAAR

(Census Bureau, NEMA/BIS Simulation of IHS Macro Model)



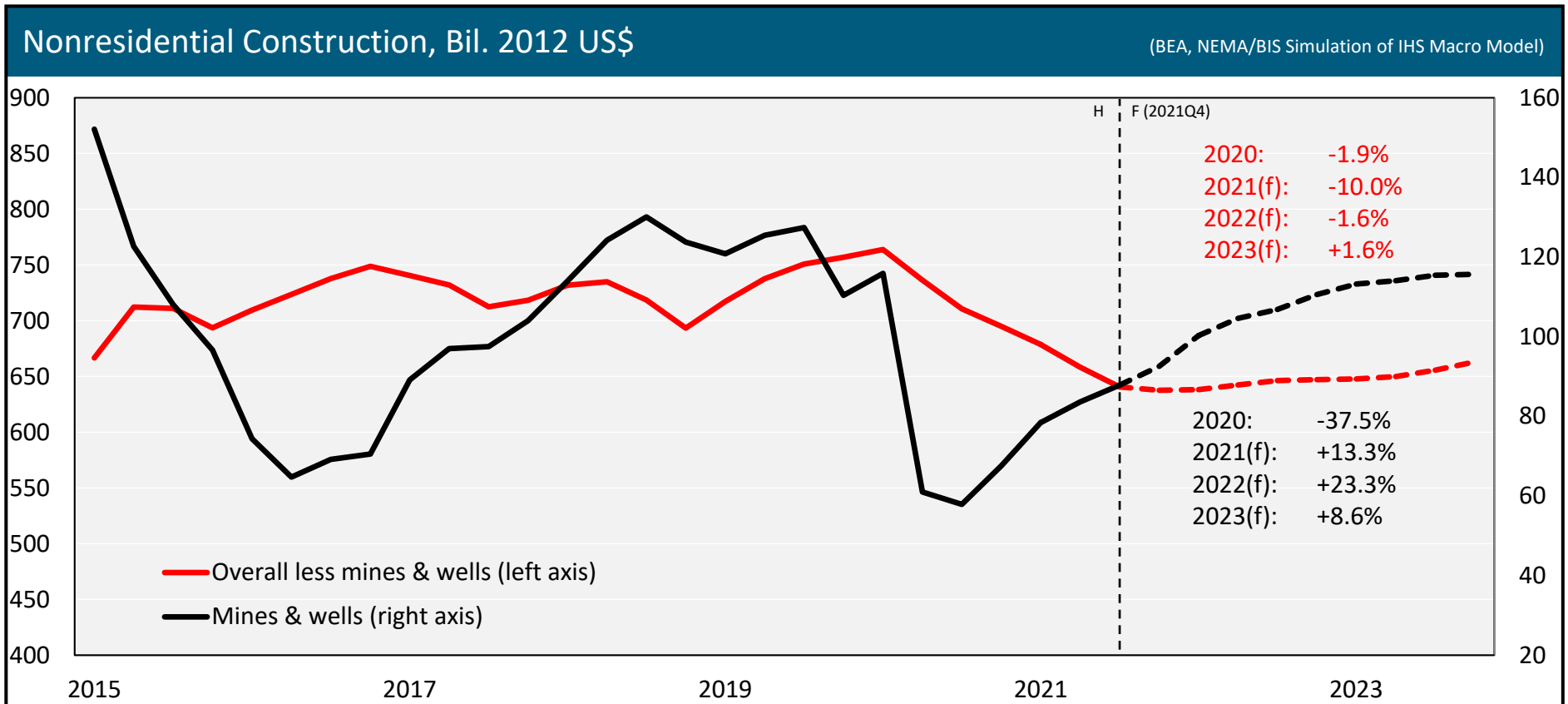


Slow non-res climb amid uncertain economic restructuring





Excluding oil sector, non-res recovery possible in 2023

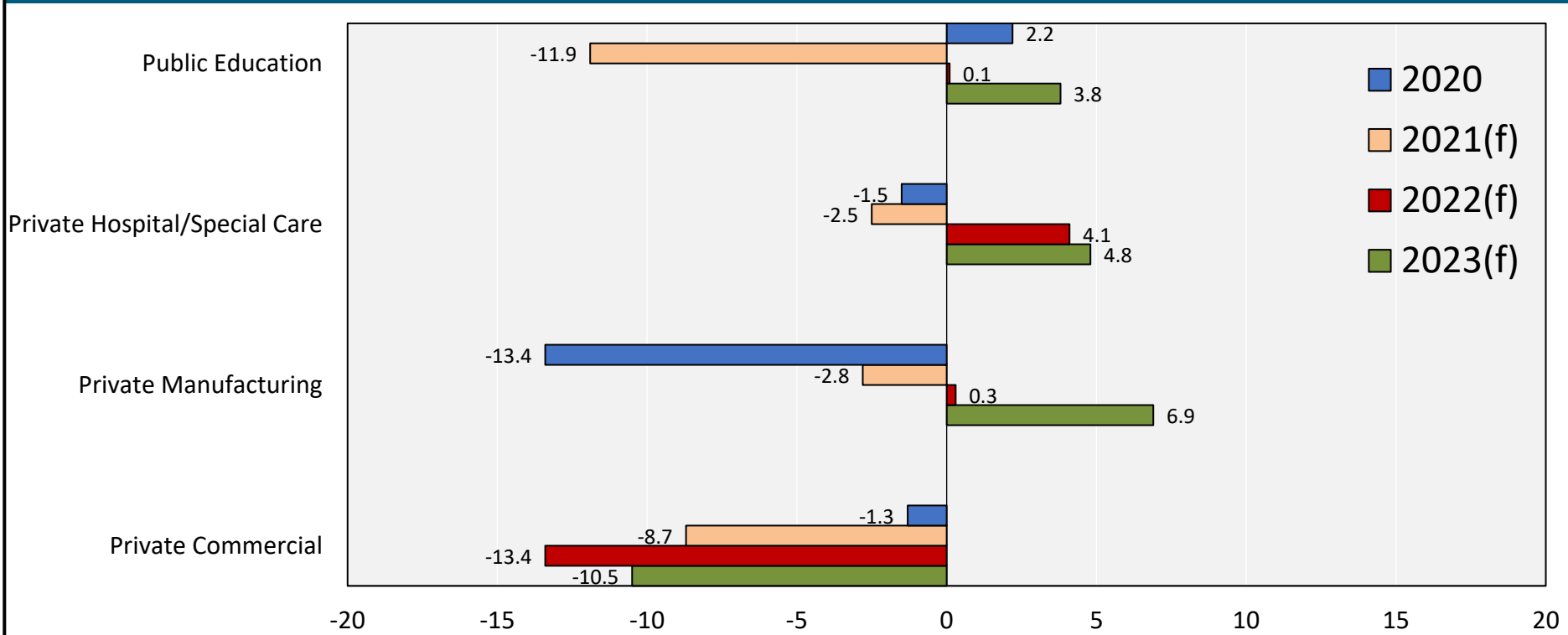




Private commercial construction decline intensifies

Real Investment in Structures, Y/Y % Change

(BEA, NEMA/BIS Simulation of IHS Macro Model)

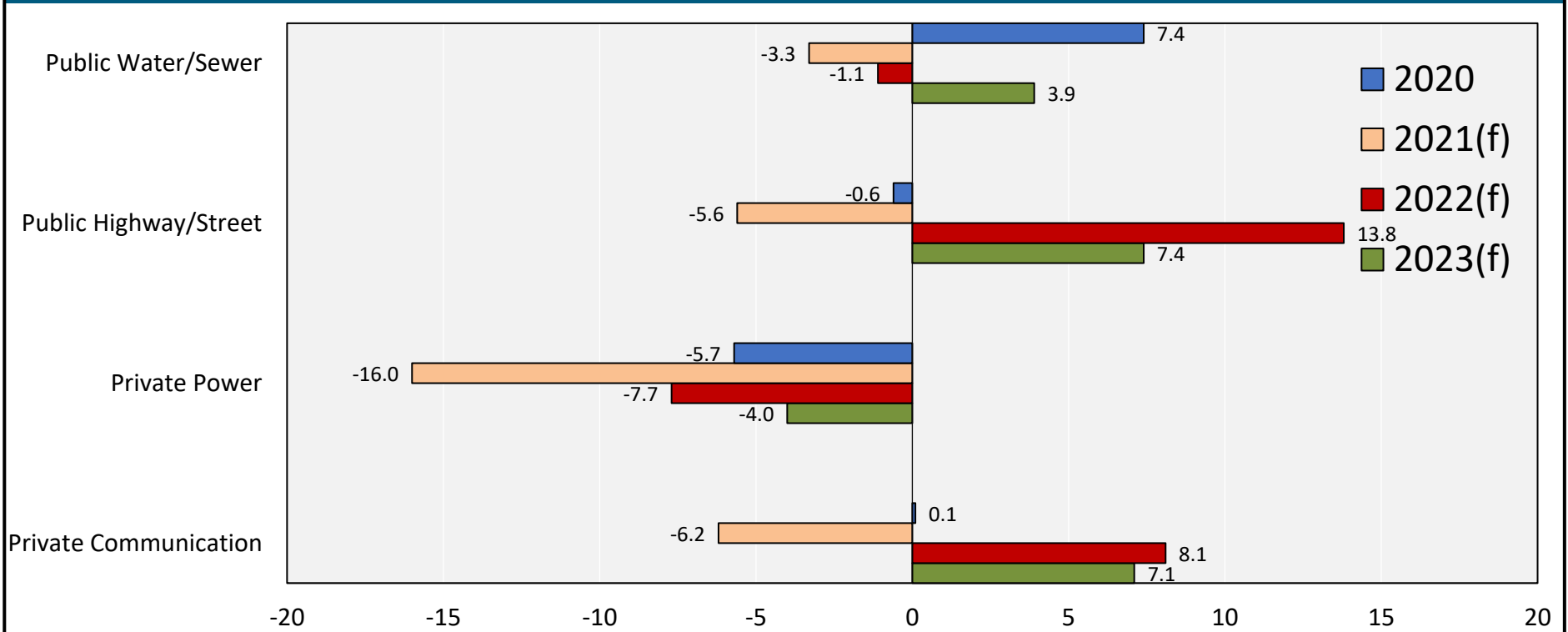




Highway and communication construction to expand

Real Investment in Structures, Y/Y % Change

(BEA, NEMA/BIS Simulation of IHS Macro Model)





Electroindustry rebound likely extends through 2023

