



THE STATE OF THE SUPPLY CHAIN:

The Health of the Industrial Base Depends on Predictable and Stable Funding

Representing a supply-chain of nearly 3,000 companies across the U.S. that provide parts and services for amphibious warships (LPDs and LHAs) and nuclear-powered aircraft carriers, the Amphibious Warship Industrial Base Coalition (AWIBC) and the Aircraft Carrier Industrial Base Coalition (ACIBC) partnered to conduct analysis on the health, challenges, and future of its industrial base.* Here's the top findings of the report:

The highly skilled and essential workforce of the U.S. Navy's shipbuilding industrial base never stopped delivering over the past two years and helped keep the industry producing the parts and services used to build and maintain the U.S. Navy Fleet while also helping to power the nation's economy.

INDUSTRIAL BASE'S IMPACT

\$11.5B
WORTH OF WORK

45
STATES

143,000+
JOBS

*Administered a survey to 159 coalition suppliers from 38 states between February 9– February 23, 2022.

** Spending numbers for equipment and material purchases over the past five years (2017-2021)

WHAT SUPPLIERS NEED

TOP CONCERNS FACING SUPPLIERS



INFLATION

Increasing costs for materials



FLUCTUATIONS

In demand for new Navy ships



DIFFICULTY

Predicting when shipbuilding orders will come in



CHALLENGES

In hiring and retaining qualified workers

SURVEY RESULTS

8 OUT OF 10 SUPPLIERS SAY:

Navy shipbuilding contracts have helped **SAVE JOBS** at their company over the past two years.

9 OUT OF 10 SUPPLIERS SAY:

Multi-ship purchases—and the contracts that follow—are **IMPORTANT TO THE HEALTH AND FUTURE** of their company.

8 OUT OF 10 SUPPLIERS SAY:

Extended intervals between builds would significantly **INCREASE PRODUCT AND SERVICE PRICES**. Almost half say they would have to **REDUCE THEIR WORKFORCE** and 31% believe this would lead to a loss of sole-source suppliers.

KEY TAKEAWAY

While not fully recovered from the impacts of the pandemic and facing geopolitical pressures, Navy's procurement strategies and congressional funding has helped the industrial base weather and even survive the last two years. But decisions made now will determine the long-term future of the industry. **Multi-ship buys and optimized construction intervals are critical to help sustain a supply-chain industry**, which has invested in new equipment and trained new talent to design and build the warships our nation needs.

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