



Krakow, 21 January 2021

Recommendation of Foundry Chamber of Commerce

The new year, apart from the coronavirus pandemic, has brought some additional difficulties in running business for the foundry industry:

- From 1 January 2021, a new item appeared on the electricity bills for all consumers - the capacity fee - amounting to PLN 0.0762 for each kWh in two-shift operation, which is an increase of over 13% yoy;
- There was a drastic increase in the prices of materials used in foundry process. The prices of steel and cast iron scrap and pig iron increased by over 30% in relation to the prices from December 2020, reaching an average level of PLN 1,500 / ton, and the price of pig iron exceeded PLN 2,000 / ton. The price of cast aluminum alloys increased by 24% in relation to the price from December 2020 and 46% compared to the average price for the previous year.
- The increase in prices also affected foundry coke and all indications show that in the upcoming weeks there will also be an increase in gas prices.
- Auxiliary materials for foundry industry went up by more than 10% at the beginning of this year.
- Another increase that surprised entrepreneurs was the one for the collection and storage of post-production waste. In some cases, it was even several times higher than the average price level in 2020.

Foundries, like all other Polish enterprises, must also face implementing the new official lowest wages and property taxes that have been increasing since the beginning of the year.

In the face of these widespread cost increases, on 15 January 2021, Foundry Chamber of Commerce organized a videoconference attended by representatives of leading Polish foundries. After sharing all opinions and after a fruitful discussion, the authorities of Foundry Chamber of Commerce decided - taking into account the drastic increases in prices of energy, materials, wages and other services - to recommend all Polish foundries to raise prices for their products by 8-12% of the current value (depending on the results of financial analyzes carried out for this purpose in individual enterprises).

Such an increase is necessary to maintain financial liquidity and continuity of production in Polish foundries, which is undoubtedly also in the interest of customers of these plants. We hope that this appeal will be understood by all recipients of the products produced by Polish foundries.

On behalf of the Council of Foundry Chamber of Commerce,

President

Andrzej Ryba