



ODLEWNICZA IZBA GOSPODARCZA

• Foundry Chamber of Commerce •

Członek Europejskiego Zrzeszenia Odlewni (CAEF)



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Kraków, 30th November 2021

Recommendation of Polish Foundry Chamber of Commerce in relation to a drastic increase in the prices of energy, services and materials used in foundry industry.

After the huge increases in the prices of raw materials that have been faced by Polish enterprises since the beginning of this year, recent months have brought another, drastic increases in the prices of all factors of production with unprecedented dynamics:

- energy (electricity, gas, fuels, coke),
- raw materials and production materials (scrap, pig iron, ferroalloys, resins, carburizers, silicon-containing materials, spheroidizers, grits),
- auxiliary materials (paints, refractory materials, films, packaging, boxes, pallets and others),
- transport;
- maintenance costs (spare parts, rubber bands, electrical equipment, maintenance services),
- employee and derivative costs,
- environmental fees (fees for waste and its disposal),
- processing tools,
- others.

Foundry suppliers are already reporting on further, very significant increases, two or even three digital ones, introduced from the beginning of 2022, and their volatility causing rapid price changes in short periods. They also report a shortage of supplies, which causes materials to be offered at the price of the day.

Therefore, Polish Foundry Chamber of Commerce recommends that companies individually calculate the additional costs resulting from the increase in the above-mentioned cost elements, not only in relation to the MTZ material index, in which the proportions of scrap and pig iron do not correspond to the actual composition and costs of various types of cast iron, and the energy ETZ, but also to raise the base price of castings to account for any increase in residual costs.

Taking into account the large scale and frequency of price changes of the above-mentioned cost-generating elements, Chamber recommends also not to bind to offers with prices with a long validity period.

To facilitate these activities, Polish Foundry Chamber of Commerce will soon start publishing the prices of materials other than standard scrap and pig iron used in foundry on its website www.oig.com.pl. These will be: coke, bentonite, resin, ferrosilicon, ferromanganese, magnesium, copper, aluminum.

We would like to remind you that on the website of Chamber you can consult the evolution of the MTZ material index (average prices of scrap and pig iron) and the energy index ETZ.

Chamber also recommends and appeals to customers of Polish foundries to renegotiate supply contracts concluded in the past, the conditions of which at that time do not correspond to the current economic reality.

On behalf of Council of Polish Foundry Chamber of Commerce,

President

Andrzej Ryba