

ICOSPA

International Council of Sheet Metal Presswork Associations



ICOSPA October 2021 Country Presentation

FRANCE : 3rd Quarter 2021

Economy

→ French economy is no more impacted by the Covid-19 pandemic and recovering very fast. **The forecast of 2021 economic growth stands for the moment at +6.5%**. By the end of year 2021, French economy should reach its pre-Covid GDP level.

→ **The main problem is inflation** which is now spreading through all economic sectors creating tensions between clients and suppliers.

Shortage of raw material or electronic components, huge increase in energy bill, freight costs dramatical surge, massive increase in delivery times, are threatening and hampering now industry in general and some sectors particularly automotive industry, which presents a potential slowdown in 2022 more likely.

Automotive plants operate just in time, with minimal inventory, and they do repercute the “stop and go” on to their subcontractors. In September, cancellations reached for 25% of order books. This situation is likely to last for part of 2022 and this situation is worrisome

Situation of raw material

The **huge increase of raw material prices** seems now to be stabilized as metal prices haven't reached any new highs since May 2021. All these prices have stabilized at very high levels but are no more increasing. However, since May 2021, metalforming industries have experienced several price hikes from steel suppliers, which implies that 2nd round inflation effects are ongoing or even that some raw material suppliers are trying to take advantage of the situation by increasing unfairly their margin level.

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Trade Association Activities

French government has done a very good job at backing economy during this pandemic period. It has spent hundreds of billions of euros as to prevent French economy collapse. It also contributed to help several industrial companies facilitating investments and consequently providing grants or subsidies.

This policy aim was to promote French re-industrialization and encourage investments of industrial multinational companies throughout our country, by securing the financing of development projects, innovations or productive investments in all sectors.

- Participation at BLECHEXPO with 6 French companies on October 2021
- Participation at “Global Industrie” trade fair, will take place in May 2022 at the Parc des Expositions de Paris Nord Villepinte (very close to Roissy CDG airport) from May 17 to 20th.