

ICOSPA

International Council of Sheet Metal Presswork Associations



NEWSLETTER

Dear ICOSPA Member,

Welcome to our first ICOSPA Newsletter

I'm writing to you as President of ICOSPA, International Council of Sheet Metal Presswork Associations, a global organisation representing 6 countries, whilst we would hope you would know of our work through your country associations we have agreed to be more proactive in communication so you understand our work and the global collaboration on not only Presswork issues but associated concerns in our industry.

In this newsletter we give a brief overview of our history and importance, thanks to Gerhard Brueninghaus from Germany who proudly represented IBU for many years, an association his son Stefan now supports.

We have also included country updates, which will be a regular feature, you will see there are many common issues across all the member countries, whilst we can't solve them for each other it gives some comfort that each country isn't alone with its issues, this was certainly the case during the covid pandemic.

We will include further updates and features from different countries but we also want to encourage members from each country to provide feedback and get more involved.

History by Gerhard Brueninghaus ICOSPA stands the test of time -

Regarding the beginnings of ICOSPA, I remember the report by Herbert Schmidt-Cotta, the Managing Director of the German PZS Association in Hagen. As an airman, he was a prisoner of war in England and met John Hooper from England and Waine Groenstein from the USA. These three people are said to have decided to found ICOSPA. Among the founding members, or at least very early members, were the Frenchmen Pinet and Dumeige, the Americans Clem Cadiz and John Jenson, the Japanese Akiyi Kamiya and Toshi Fukagawa and Guido Reul from Germany. In the nations represented, there were trade associations of forming companies. These member companies were mostly medium-sized, therefore the entrepreneurs had little information about worldwide developments. The good thought of our founding fathers was that the best basis for worldwide information is the creation of worldwide friendship - at least within the ICOSPA group.

Regular meetings in a nice and friendly setting should create the conditions for mutual trust and support. Over the many years, we have already experienced several attempts to define a work programme for the worldwide meetings. However, we did not get beyond the questionnaire with the facts about the economic situation in the member countries. That does not sound like a great success. However, in the 50 years we have always managed to organise mutual company visit programmes and the congresses. This is where the work and the services of ICOSPA are and this is unrivalled in the world.



Steve Morley
ICOSPA President



*Firmenbesuch bei Brueninghaus
und Dissauer*

Birmingham 1985



Yokohama 1991



Chicago 1993



ICOSPA

International Council of Sheet Metal Presswork Associations



Why is this so important?

Our American ICOSPA friend Jim Lozelle once put it in a nutshell: For the mouse, it is a very crucial question of positioning itself close to the elephant when the elephant sits down or takes a step to the side. In the globalized markets, this positioning is very important for our companies. Only by visiting as many competitor companies as possible can we assess the status of our own company. To do this, we do not have to steal product ideas. Important information today is order in the company, processes, labelling, employee information and quality assurance measures.

Recent times

The Presidency is currently rotated between the countries after a successful 3 years with China ,which ended in 2018 the Presidency sits with the United kingdom, after a successful meeting, 2019 events were disrupted by the pandemic last year. So we have moved to virtual meetings for this year, however a congress is being planned for here in the UK for October 2022 and it would be fantastic if Pressworkers from around the globe will be able to join us here in Birmingham.

Steve Morley
ICOSPA President

ICOSPA EVENTS

ICOSPA 56th Presidents Council Meeting

26th October 2021 at 12pm (UK time) to be held virtually

19 – 21 October 2022 – ICOSPA Congress

19th October – Presidents Council Meeting followed by evening cocktail reception

20th October – 1 day Metalforming Congress followed by a business dinner with industry speaker

21st October – Factory Visits

INTERNATIONAL EVENTS

Euroblech 25-28 October 2022 in Hanover



Country Updates

Japan

What is the Covid status on the following? Travel in and out the country and quarantine rules

Depending on the country, immigration restrictions and post-arrival restrictions are imposed on travellers from Japan. In order to enter Japan, regardless of nationality, you will need to do the following;

- Presentation of inspection certificate

You are required to present a certificate of inspection within 72 hours before leaving the country. After march 19, 2021, if you are unable to present the certificate, you will not be allowed to land in Japan based on Quarantine Law. Quarantined in the accommodation of the government, Submission of a written pledge depending on the countries and regions in which you stayed, you will be required to stay in the accommodate on of the government, and be tested.

You will be asked to pledge not to use public transportation for 14 days, to stay at home or in accommodation, to save and present your location information, and to install a contact confirmation etc...

Submission of questionnaire

Contact information such as email address and phone number will be confirmed at the time of quarantine for health follow-up during the first 14 days after entry.

Are you still facing lockdowns?

A state of emergency has been declared in Tokyo and Okinawa. (This regulation is not strict than lockdowns in other countries.)

Current infection rates (average per day)

Average 2000 people per day

What is the current Covid impact on members? Where are your members currently compared to pre-covid sales ? Where are your members currently with labour shortages?

Some companies are planning to increase production by 20% from the current in the second half of 2021. Some member already working to secure personnel, but there is a labour shortage in some the region. we think there are several reasons.

- Job seekers' choice of occupation
- Tend to be away from industries (metal stamping, welding, assembly)
- Inability to hire old people

Where are your members currently with following steel issues?

Supply shortages - some semi-conductors, non-ferrous materials

Tariffs - No problems
Impact of safeguarding

Apart from Steel what other supply chain issues are your members facing? ie . Supply costs , Semi-conductors etc....

Shortage of some semi-conductors, non-ferrous materials
Price increase of some general steel sheets (cold-rolled steel sheets)

What does your future order book look like?

Final quarter 2021 - % against 2019 → It is expected 20% plus.

Full year 2022 - % against 2019 → unknown

Germany

How is your country doing with its vaccine programme?

1st Jab - total in millions and % of population - 48.799.636 in total (58,7%)

2nd Jab - total in millions and % of population - 35.776.237 in total (43,0%)

(12th July 2021 – Bundesministerium für Gesundheit)
Vaccinations now offered in vaccination centres, doctors e.g. GPs, company physicians

What is the Covid status on the following? Travel in and out the country and quarantine rules

- Depending on country travelling to/from
- At the moment dynamic categorization by Foreign Office into areas with virus varieties; high infection rate areas, risk areas



Country Updates

Are you still facing lockdowns?

- Restrictions currently depending on county (Bundesland) and infection rates in regions
- E.g. categorization by infection rates in North Rhine Westfalia into levels 0-3
- Depending on current infection level in the area e.g. still restrictions on numbers of people allowed to meet for sporting events/cultural offers/fairs
- In different areas of public live the rule of 3G (Geimpft, Getestet oder Genesen = vaccinated, tested or recovered) is in place, restricting access e.g. to fairs to the above mentioned

Current infection rates (average per day)

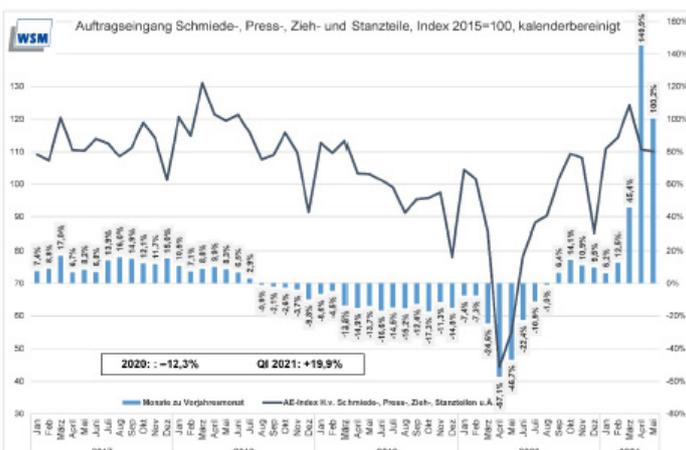
7 day incidence rate at 7.1 (14th July 2021- RKI)

What is the current Covid impact on members?

- Currently no /very few impact on member – currently no/very few Covid-cases
- Only restrictions are masks and distancing rule
- In some companies the 2nd round of vaccinations has taken place i.e. by company physician
- Apart from challenges as mentioned later e.g. steel market no further impact noticeable
- Positive effects from Covid – higher efficiency as some challenges can now be discussed online which saves time for travel and business meetings in person
- From an international point of view the situation that travelling to China and the US on business is still impossible/only possible under very complex circumstances is becoming increasingly challenging.

Where are your members currently compared to pre-covid sales ?

Incoming orders within industry sector of IBU members – development within the last year Index 2015 =100



Where are your members currently with labour shortages?

As per estimations by the ifo-Institut based on its survey on the current economic situation in June 2021 there are about 256,683 employees working in short time in the manufacturing industry.

Where are your members currently with following steel issues?

- Ongoing shortage of material
- Continuous increases in prices
- Decision regarding safeguards despite submission with European Commission by IBU
- Future developments regarding carbon tax

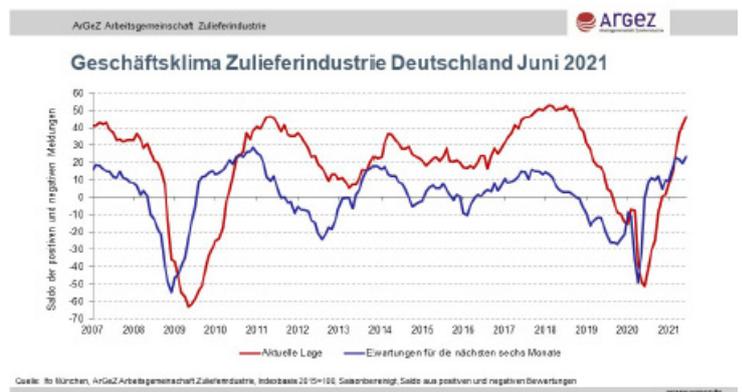
Apart from Steel what other supply chain issues are your members facing? ie . Supply costs , Semi-conductors etc....

- Negotiations with clients regarding forwarding increased material prices
- Shortage of materials such as chips, aluminium, wood, pallets etc.
- Shortage in almost all areas: all kinds of packaging (boxes, pallets, space in lorries), pallet cages, plastic boxes (mostly client packaging) as well as even duct tape
- Industrial/company areas non-metal related: supply situation even worse than for metal supplies e.g. raw material for plastics– prices not that bad but simply no supplies available
- Spare parts for machines have long delivery times, technicians are hard to come by

What does your future order book look like? Final quarter 2021- % against 2019

Full year 2022 - % against 2019

Business Climate Supplier Industry – June 2021 (ArgeZ – Arbeitsgemeinschaft Zulieferindustrie)



Red - current situation

Blue - expectations for the next 6 months



Country Updates

USA

How is your country doing with its vaccine programme?

1st Jab - total in millions and % of population – 184.5 million; 55.6% of the U.S. population
2nd Jab - total in millions and % of population – 157.9 million; 48.1% of the U.S. population

What is the Covid status on the following? Travel in and out the country and quarantine rules

All air passengers entering the United States (including U.S. citizens and legal permanent residents) are required to present a negative COVID-19 test, taken within three calendar days of departure or proof of recovery from the virus within the last 90 days. The Centers for Disease Control and Prevention recommends not traveling internationally unless fully vaccinated. It also provides risk assessment levels for international travel to each country.

Are you still facing lockdowns? No

Current infection rates (average per day)

As of July 9, the current 7-day moving average of daily new cases is 14,885.

What is the current Covid impact on members?

Members are fully operational in accordance with safety requirements put in place by the state and federal government.

Where are your members currently compared to pre-covid sales ?

It really depends on the industry. Auto industry in the third and fourth quarters last year was outstanding and then the chip shortage slowed this down starting in the first quarter. Many of our members stayed open during COVID and were considered essential so sales suffered but rebounded during the year. I have heard most members that supply to the auto industry were down around 20% compared to 2019. Now, some members that are non-auto were not affected as much and most members were around breakeven compared to 2019. Companies that supplied the appliance industry or construction industry had a record year last year and they continue to be busy.

Where are your members currently with labour shortages?

Labor shortage is a huge issue in the U.S. across all industries and sectors. “Help wanted” signs are everywhere. Now, some members that supply auto have had to lay off due to certain products being affected by the chip shortage, while other members have elected not to layoff and cover the overhead because they don't want to lose the employee. If supplying non-auto, then many of the members are trying to hire. One member I talked to last week, based on the East Coast, has 50 job openings right now. Some members are turning down new work because they don't have the labor capacity to do the work.

Where are your members currently with following steel issues?

Many members, if not all, are placing metal orders way in advance. Some are placing orders that go into the second quarter of 2022. We continue to push the current administration to eliminate the steel tariffs and are hoping at least to end the tariffs for Europe, which would open up some capacity and lower pricing a bit. Many of the members that I have talked to or visited are passing the increases on to their customers and at the end will come to the consumer. Most have not received pushback from their customers since the customer knows they can't go anywhere else right now. The fear though is that when the customer launches a new product, will our PMA members be competitive with a stamper in Mexico or China. Current product is not an issue right now but future ones could be a major problem.

Apart from Steel what other supply chain issues are your members facing?

Supply cost for everything has increased—lumber for pallets, plastic resin, transportation costs, etc. Semiconductors continue to have an effect on the auto industry. Dealer lots have inventory of just 10 days, and on some vehicles, none at all. Normal is about 90 to 100 days of inventory.

What does your future order book look like?

We really don't look that far ahead since it changes so much. Attached is our May report of orders and shipments from our various technology divisions, which provides a look on how they are doing over the last 12 months. Also attached is PMA's June business conditions press release. PMA June report shows that only 36% of metalforming companies forecast an improvement in economic activity in the next three months compared to 41% in May.



CHINA

How is your country doing with its vaccine programme?

1st Jab - total in millions and % of population
2nd Jab - total in millions and % of population
There are 139,143.2 million Shots by 12/07/2021, total population in mainland of the mainland of China is 1,400,050,000.
There are not the figure of 1st Jab and 2nd Jab.

What is the Covid status on the following? Travel in and out the country and quarantine rules.

Travel in mainland of China

After arriving at the first entry point of China, the entry personnel will conduct nucleic acid detection at the airport and be isolated at the designated place for 14□28 days (14 days of centralized isolation medical observation + 7□14 days of home isolation medical observation) according to the requirements of the epidemic prevention department at the entry point. During and at the end of the isolation period, entry personnel are required to conduct several nucleic acid tests according to the requirements of the local epidemic prevention and control centre. If all the test results are negative, they can end the isolation.

Travel out the mainland of China

No more information for the travel out of China.

Are you still facing lockdowns? No

Current infection rates (average per day)

Almost zero and around 10 cases per day imported from abroad in mainland of China.

What is the current Covid impact on members?

- Material price increasing.
- International transport.

Where are your members currently compared to pre covid sales ?

The sales value in most of our members is increased.

Where are your members currently with labour shortages?

It is including the skilled operator and the persons who understand the automation technology and sheet metal forming process

Where are your members currently with following steel issues? i.e Supply shortages, Tariffs, Impact of safeguarding

- The demand of steel is increased quickly while the recovering of the manufacturing industry.
- The price of raw materials of steel making is increased.

Apart from Steel what other supply chain issues are your members facing? ie . Supply costs , Semi conductors etc....

- Transportation fee for export is increased.
- Environmental protection and carbon emission control.
- Sales price competition.

What does your future order book look like?

Final quarter 2021 - 15% against 2019
Full year 2022 - 10 % against 2019

ICOSPA

International Council of Sheet Metal Presswork Associations



UK

How is your country doing with its vaccine programme?

1st Jab- total in millions and % of population – 46.5 million; 88.2% of the U.K. population
2nd Jab- total in millions and % of population – 36.8 million; 69.5 % of the U.K. population

What is the Covid status on the following?

Travel in and out the country and quarantine rules – We have a traffic light system, Britons who are double vaccinated are able take quarantine free travel to great and amber list countries. Fully vaccinated people returning to England from Amber list countries do not have to self isolate.

Are you still facing lockdowns

No - as you may have seen in your media, as from July 19th 'freedom day' we are fully open for business. The only restrictions are if you have covid or the symptoms or if you have been close contact to someone who has covid and then you need to isolate. Stay home if you're not well , even if they are not Covid symptoms.

Current infection rates (average per day)

36,389 new cases with 64 deaths

What is the current Covid impact on members?

The biggest problem we currently face is the NHS Test and Trace system , which you must use when checking into venues ,not everyone does.

We are seeing over 500,000 a week being 'pinged ' which means they have to isolate for 10 days. This is causing chaos across the economy , so much so that the government have amended for certain essential industries , which manufacturing isn't one of them. Most of our members have kept some controls in place in the workplace ,such as checking temperatures, wearing of masks and some social distancing.

Where are your members currently compared to pre-covid sales ?

The majority of members are close to pre-covid sales but other factors are now coming into play. Specifically Semi-conductors for the automotive industry.

Where are your members currently with labour shortages?

The immediate shortage is due to people being told to go into isolation. Long term there are shortages at all levels but we wont know the full impact until we get some stability into orders and the supply chain.

Where are your members currently with following steel issues?

Our biggest concern presently is on Steel Safeguarding , we have a number of members facing tariffs, which we have been lobbying the government hard to remove some of the safeguarding.UK steel have bullied our government to block some changes that we lobbied for , which was frustrating. We continue to battle on this front . Aside from this we are seeing big problems on price and availability, I believe from your reports this is a global issue

Apart from Steel what other supply chain issues are your members facing?

There are many, the biggest one being semi-conductors, which is crippling car volumes , especially as we have pent up sales. Aside from that freight costs are a major issue, plus shortages on related production supplies such as lubricants, wood and plastics for packaging.

What does your future order book look like?

I think overall our members are optimistic for the long term although there is a a lot of uncertainty around semi-conductors and when the return of aviation travel to pre-covid levels. There is also the unknown of what the winter will bring relating covid and influenza and what disruption it may have.

ICOSPA

International Council of Sheet Metal Presswork Associations



FRANCE

How is your country doing with its vaccine programme?

1st Jab- total in millions and % of population – 73,5%
2nd Jab- total in millions and % of population – 68,8%

Still 26.5% should receive vaccine

What is the Covid status on the following?

Travel in and out the country and quarantine rules – As of June 9, 2021, travel restrictions adopted as part of the coronavirus health crisis are relaxed for fully vaccinated or immunized individuals. Countries are classified in green, yellow or red zones according to the severity of the health situation, and measures to control the epidemic are adapted to this classification. Specific rules apply for the United Kingdom.

Are you still facing lockdowns – yes we do regularly face lockdowns

Current infection rates (average per day)

About 10,000 people are hospitalized in France due to Covid-19. The number of new admissions every day continues to decline: 554 in the last 24 hours

What is the current Covid impact on members

It is difficult to measureactivity is good with a few cases of Covid. No obligation to receive vaccine in companies

Where are your members currently compared to pre-covid sales ?

The level of sales seems to be better (for 80% of companies).

Where are your members currently with labour shortages?

For a few companies among our members, and mainly big companies in automotive or aeronautics, we do face labour shortages.

Where are your members currently with following steel issues?

It is still very complicated and we do not see any amelioration for the next months. Strong increase of prices, lack of some steel nuances or important delays.

Apart from Steel what other supply chain issues are your members facing?

Wood, electricity, transportation, energy....oil for production

What does your future order book look like?

It looks like good for 80% of our members, even if automotive industry has not still recovered its precedent level of activity yet.

ICOSPA

International Council of Sheet Metal Presswork Associations

