

Welcome to your newsletter from Ryuichi Takagi, President of ICOSPA,
International Council of Sheet Metal Presswork Associations

Dear ICOSPA members,

My name is Ryuichi Takagi, Chairman of Japan Metal Stamping
Association.

The products and parts manufactured by the Japanese metal presswork
industry are mainly used for the automobile industry in addition to various
fields such as construction, electronic and medical equipment.

Risks are increasing for the adjustments to spread to wider areas because
the overseas production ratio for Japanese manufacturers increases due
to decline in domestic demand. The battery electric vehicle market is
growing rapidly meanwhile the OEM supply is getting slow. It is necessary
to take the opportunity proactively while the parts supply is highly demanded.

Since the future business environment is uncertain, we need to strengthen
our foundational business and make a business grow to reach carbon neutrality, manage working
environment including securing and development of human resources, and transform for a digital future.

On the occasion of the next ICOSPA Presidents Council Meeting in Japan, I hope we can have a very
active discussion by sharing issues and success stories.

Ryuichi Takagi
ICOSPA President



Ryuichi Takagi
ICOSPA President

SAVE THE DATE

ICOSPA CONGRESS

21st - 25th October 2024 in Japan



Country Updates Japan

Japan Metal Stamping Association (JSA)



General Indicators

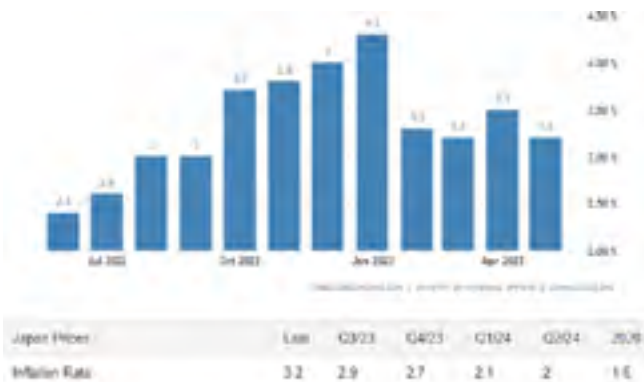
Japan's Historic Yen Depreciation

USD Exchange Rate: JPY 144

Japan Economic Outlook

Japan's economy is likely to recover moderately toward around the middle of fiscal 2023, supported by factors such as the materialization of pent-up demand, although it is expected to be under downward pressure stemming from past high commodity prices and a slowdown in the pace of recovery in overseas economies. Thereafter, as a virtuous cycle from income to spending gradually intensifies, Japan's economy is projected to continue growing at a pace above its potential growth rate. That said, the pace of growth is highly likely to decelerate gradually toward the end of the projection period.

Inflation



GDP



2023 Projected Real GDP (% Change) : 1.3
 2023 Projected Consumer Prices (% Change): 2.7
 Country Population: 124.621 million

Unemployment Rate

2022 Japan Unemployment Rate: 2.6%

Japan: Unemployment rate from 1999 to 2022



Employment Rate

Employment Rate in Japan increased to 61.20% in April from 60.80% in March of 2023

Employment Rate	61.2 %
Full Time Employment	22,528 Thousand Persons
Part Time Employment	7,038 Thousand Persons





Country Updates Japan

Energy

Japan fuel prices, electricity prices, natural gas prices

The table below shows the most recent prices per liter of octane 95 gasoline, regular diesel, and other fuels. These are retail (gross) level prices including all taxes and fees. The information is updated weekly.

Fuels, price per liter	Date	JPY	USD
Gasoline (95)	26.06.2023	178.1	1.355
Diesel (95)	26.06.2023	190	1.445
Gasoline (E85)	26.06.2023	191.9	1.50

The next table shows the electricity rates per kWh. In the calculations, we use the average annual household electricity consumption and, for business, we use 1,000,000 kWh annual consumption.

Electricity prices per kWh	Date	JPY	USD
Household	01.12.2022	34.900	0.263
Business	01.12.2022	53.58	0.254

We report the prices of natural gas. For households, we show the prices on consumption of 30,000 kWh consumption per year. For businesses, the consumption level used in the calculation is 1,000,000 kWh per year.

Natural gas prices per kWh	Date	JPY	USD
Household	01.12.2022	36.739	0.179 USD
Business	01.12.2022	14.89	0.102 USD

Japan's three challenges

1. Resource-poor Japan
2. Difficult "Energy Shift"
3. Response to the Russian invasion of Ukraine

>The global energy crisis is hitting Japan particularly hard because it relies on energy imports.

>The Japanese government is asking people to conserve energy during times of peak winter demand.

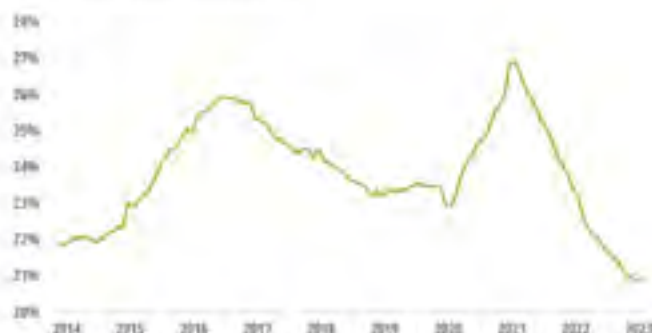
>Japan is now reviewing its energy strategy to lessen its reliance on imports.

Supply Chain

Government - led promotion of fundamental reform of the manufacturing industry and strengthening of international competitiveness

Japan's share of imports from China has fallen by 2.3 percentage points relative to 2019

Percentage share of goods imports from China



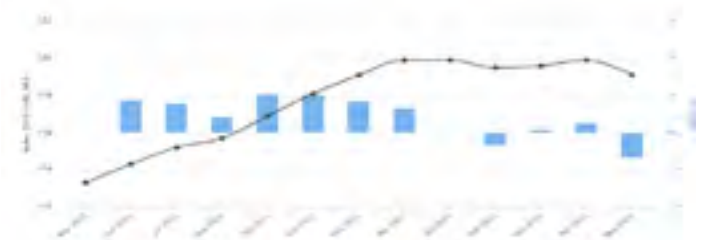
1) Support for diversification and the return of production bases to Japan

2) Promoting Next-Generation Automobile Business

Material Supply

Raw material costs peaked and material shortage is overcoming, but Japanese manufacturers face serious difficulties such as having pre-purchased high-valued materials inventory and receiving the cancellation of back orders.

Japan - Producer Price Index (PPI)



Trade Association Activities

The Largest Exhibition

>The number of membership hasn't changed much since last year. Currently, we have 364 companies.

>We hold a lot of seminars online as well as in-person. Most of the cases, the fees are the same for online and in-person.

>The number of live events returned to pre-COVID times. The number of participants may change depending on the event.

	JAPAN METAL STAMPING TECHNOLOGY EXHIBITION 2023 from 12 th to 15 th April 2023	JAPAN METAL STAMPING TECHNOLOGY EXHIBITION NAGOYA from 21 st to 23 rd June 2023
Number of visitors	39,045	26,766

Confederation of British Metalforming (CBM)

The UK Economy, July 2023- Still firefighting



The UK Economy July 2023

General Indicators

Euro Exchange rate 1.16 Euros /£
Last Year 1.16Euros /£

Dollar Exchange rate 1.29 \$/£
Last Year 1.13 \$/£

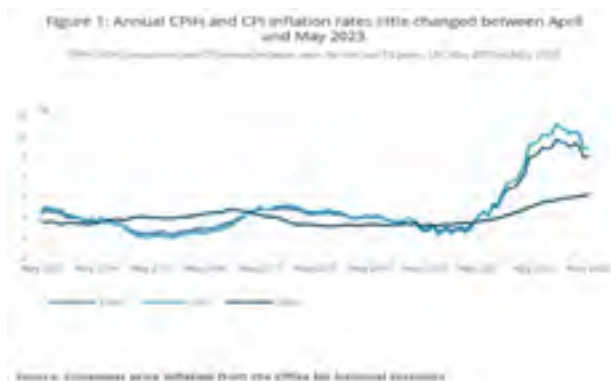
Basic interest rate 5% July 2023
Was 2.25 % at October 2022

The BoE have been criticised throughout the last 18 month for not raising the Interest rates early enough , many analysts believe today's high rates are a result of the BoE overcompensating for not acting quick enough.

Furthermore, banks are also being investigated for not passing on increased saving rates for people's savings.

Inflation

- CPIH 129.1 July 2023 October 22 was 124.3
- 7.9% June 2023
- Up0.1.pp on previous month
- Food inflation a big factor.
- 9.6% October 2022



The UK Economy, July 2023 GDP

- 3.1 Trillion 6th in the world - Service sector very strong
- GDP Growth 3.7% 85th in the world
- Latest Quarter released June 30th
- 3 Months to April 2023 up 0.1%
- **Manufacturing revised growth 0.6% was 0.5 %**
- **IMF predicated negative growth but now revised**

G7 GDP

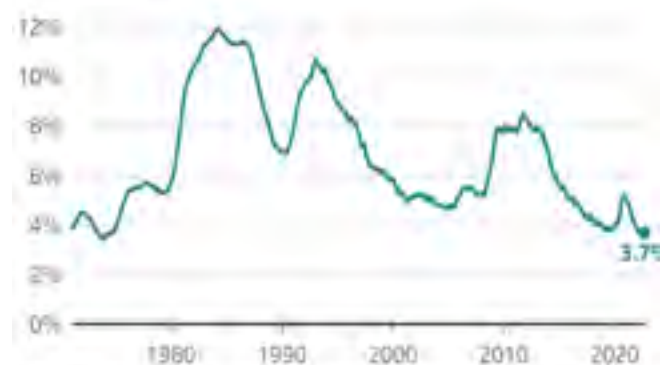


The UK Economy, July 2023

Unemployment rate

UK's low unemployment rate

Percentage of economically active people aged over 16 who are unemployed

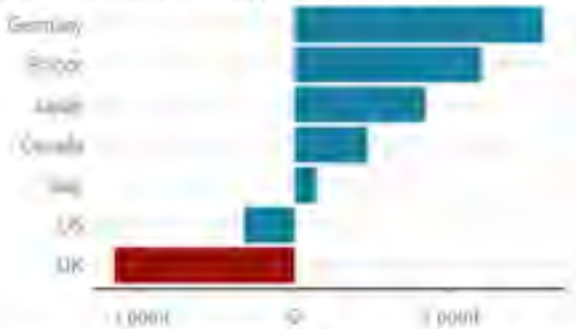


- Aged 16+ seasonally adjusted (Feb - April 2023)
- 3.8%
- ↓-0.1pp on previous quarter
- The employment rate increased on the quarter but unchanged on the year and is still below pre-pandemic rates.

Employment to pre-pandemic rate

UK's workforce not back to pre-pandemic size

Change in economic activity rate (percentage points)



Figures show the difference in economic activity rate between Q4 2019 and Q3 2022
Source: BEA, 2023, data on US Bureau of Economic Analysis

Employment rate

- Aged 16 to 64 seasonally adjusted (Feb - April 2023)
- 76.0% (was 75.5% October 22)
- ↑0.5% on previous year
- Economic Inactive decreased by .4% to 21%
- Long term sickness increased to a record high

The UK Economy, July 2023

In March to May 2023, the estimated number of vacancies fell by 79,000 on the quarter to 1,051,000, this reflects some uncertainty across industries due to economic pressures.

Despite three consecutive quarterly falls, the number of vacancies remain at historically high levels.

- 257,000 days lost to labour disputes in April 2023.
- In March 2023 jobs rose by 395,000 on the quarter to a new record high of 36.8 million

Energy still a major issue

Letters to the following;

Chancellor Jeremy Hunt

Secretary of State for Business and Trade Kemi Badenoch

Secretary of State for DESNZ Grant Shapps

Business and Trade Minister Nusrat Ghani

BEIS Energy Helpline

- Surveyed CBM members on current status and impact of EBRIS removal
- Formulate the response and taken meeting with Kemi Badenoch's Special Advisor and Trade department officials.
- Further investigate OFGEM which on our initial investigations they are not 'fit for purpose' to support business.
- Launched a follow up media campaign to highlight Government intransigence and lack of support from OFGEM.

Energy Crisis

CBM launched an extensive media campaign getting widespread coverage on Energy Issue This included the following:

- National TV coverage on BBC news and GB News.
- Local TV coverage on Midlands Today
- National Radio coverage live on BBC Today & Wake up to Money plus Heart FM
- Local radio stations
- National newspapers including major articles in the Times, Sunday Times, The Daily Express, the Guardian, Bloomberg and others.
- Over 30 other articles in National Trade Magazines and local Newspapers.
- It was our most extensive media campaign to date as they wanted to listen!

Energy Crisis Lobbying Actions

- Need redress for companies miss sold contracts
- Regulate all energy suppliers and brokers
- Government loans to be extended or used to support 'energy initiatives'
- New government scheme only supports 300 companies
- Support for improvements to the grid
- Support from Peer to Peer energy

Trade Association Activities- Lobbying

Main topics for lobbying have been :-

- Steel safeguarding - Submission gone into BSI ref copper content. BSI received a letter from Secretary of State for Business & Trade. We have gone back to BSI with a summary of the historic issues relating to this problem
- Company debt – Raised again with Department for Business & Trade
- Trade credit insurance – Need to follow up information from members with any concerns
- Skill and labour shortages- Raised with Department for Business & Trade and backed up by a statement issued by UK Metals Council. It is clear that the Apprenticeship Levy is not working for members.

Other CBM activities

- Euroforge and EIFI Meetings
- UK Metals Council Meeting
- CBI Strategy Meeting and AGM
- Make UK Affiliate Partner Meetings
- Make UK Board Meetings
- Sheffield Forging Forum
- SMMT Parliamentary Reception
- SMMT Automotive Summit
- Bank of England Panel Meeting
- ETG Meetings
- Make UK Net Zero Meetings
- CBM TTG Meeting
- CBM Forging and Fastener Meetings
- Met with CBM Accountants on new subscription model



Country Updates UK

- EY Automotive Rountable
- CBM H & S Meeting
- Various member visits
- Met with Sheffield College
- Exhibited at Subcon and Manufacturing Engineering Show
- Several Members attended DESNZ calls
- Continued development of Apprenticeship Standards
- ISTMA Engagement

ISTMA Engagement

International Special Tooling and Machining Association have approached CBM to be the UK representative association within this International body.

CBM have spoken to their Board members and some members and initial feedback was supportive.

ISC

ICOSPA Engagement

CBM undertook a visit to Bilbao to speak to the IAC about representing Spain in ICOSPA membership.

Whilst the IAC facilities are world class they alone do not have the resource alone to support ICOSPA but some of their partners may have , I will write to them to suggest this.

Country Updates Germany

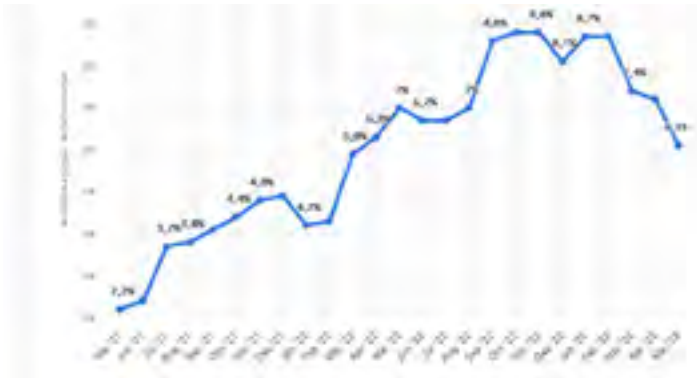
IBU - Industrieverband Blechumformung e.V.

Economic Situation



Business Climate Supplier Industry –May 2023(ArgeZ–ArbeitsgemeinschaftZulieferindustrie/Working group supplier industry)

Inflation



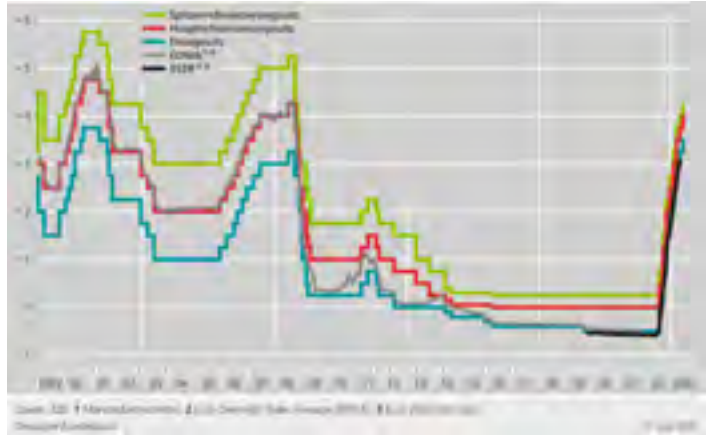
Inflation rate in Germany May 2021 – May 2023 (Increase of consumer price index compared to previous month) Source: Statista 2023

GDP

Economic development (GDP price-adjusted, change compared to previous year/previous quarter in %) Source: Statistisches Bundesamt 2023

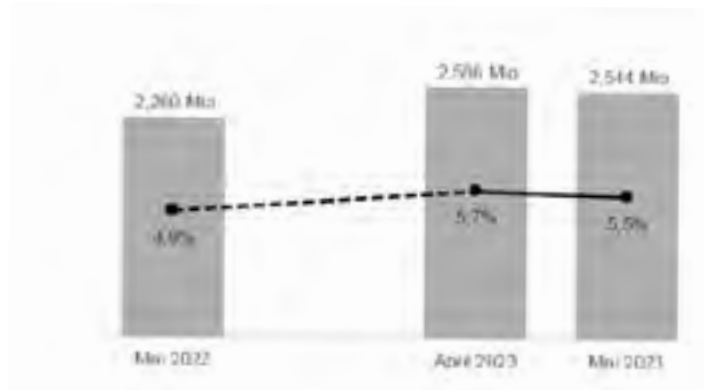


Interest Rates



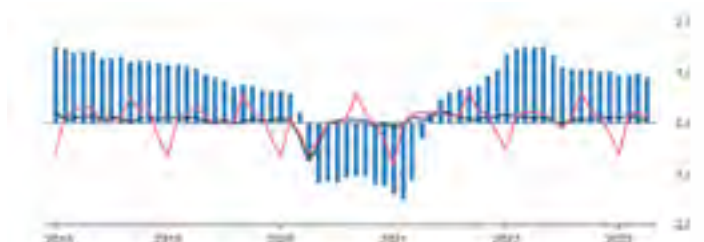
Central bank and variable overnight rates in % of daily value
 Marginal lending rate - Green
 Main refinancing rate - Red
 Deposit rate - Blue
 EONIA - Grey
 €STR - Black

Development of unemployment rate



Number of people unemployed and rate of unemployment in Germany Source: Bundesagentur für Arbeit

Development of employment rate



Country Updates Germany

Rate of employment in Germany
(development in %)

Compared to same month in previous year - Blue square
Compared to previous month (seasonally adjusted) - blue line

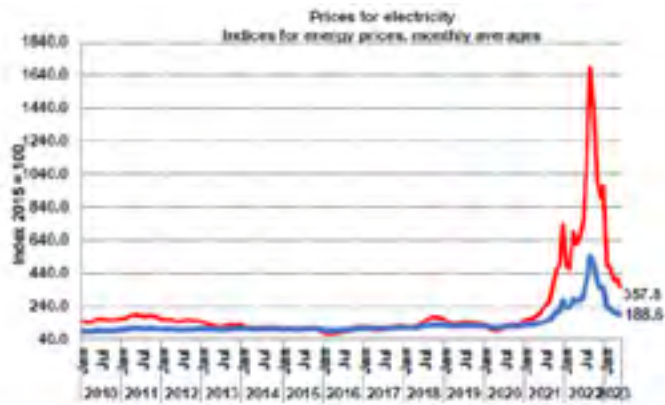
Compared to previous month - red line

Source: Statistisches Bundesamt

Current topics regarding staff

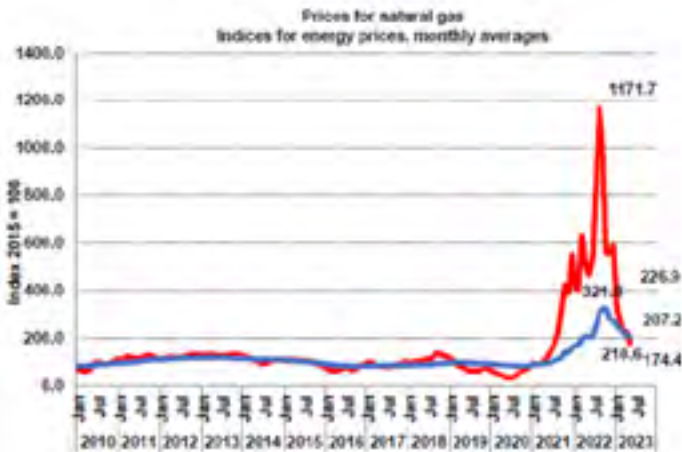
- Shortage of qualified staff on all levels e.g. potenti apprentices, unskilled workers, highly qualified and experienced employees
- Currently increased sick rate in companies (5 – 15 %)

Electricity



In red: Energy Exchange prices
In blue: Prices paid by industry
Monthly averages as index

Gas



In red: Energy Exchange prices
In blue: Prices paid by industry
Monthly averages as index

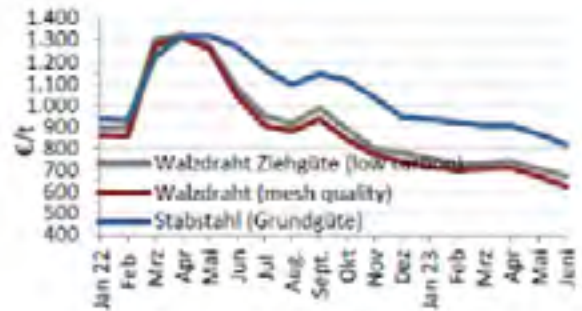
Limits for gas and electricity prices

- The German government has reacted to increased energy prices with a number of measures including a mechanism to limit prices for industrial companies

1st Jan 2023 – 31st Dec 2023	Limit for gas price		Limit for electricity price	
Grouping	consumption ≤ 1,000,000 kWh/year → 3LF (standard load profile)	consumption > 1,000,000 kWh/year → RLM (regulated power measurement)	consumption ≤ 100,000 kWh/year	consumption > 100,000 kWh/year
Allocation of relief	50% of forecasted annual consumption in September 2022	70% of measured annual consumption 2021	50% of forecasted annual consumption	70% of measured annual consumption 2021 or forecasted annual consumption
Price limit reference price	12 ct/kWh (gross)	7 ct/kWh (net)	40 ct/kWh (gross)	13 ct/kWh (net)

Steel

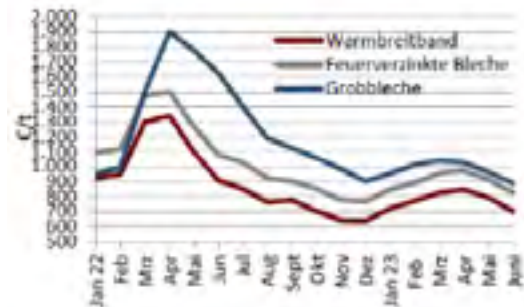
Spot market prices for long products



Transactional prices (inkl. average additions for typical measurements and basic grades) on the German market.

Source: StahlmarktConsult Stahlpreis-Trend
No responsibility is taken for the correctness of this information. This is a general market overview without claim for validity for individual companies.

Spot market prices for flat products



Prices for basic grades on the German market

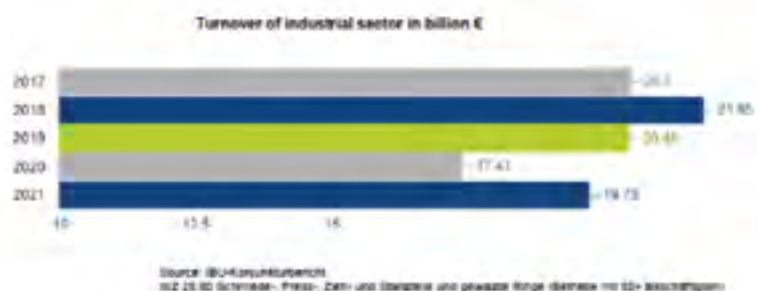
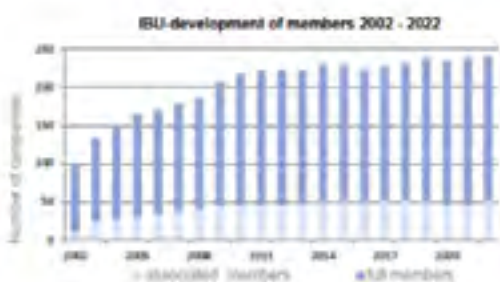
Source: StahlmarktConsult Stahlpreis-Trend
No responsibility is taken for the correctness of this information. This is a general market overview without claim for validity for individual companies.

Further topics/Activities

- Germany as business location: high level of bureaucracy and administration as well as shortage of potential employees and high energy prices lead to decreased attractiveness as location for industrial business
- Procurement strategy of OEMs –local content vs. global requests for offers
- Necessity of a European alliance of associations e.g. for unanimous statements towards European Commission e.g. regarding topics such as taxonomy
- Pricing of CO2 as part of becoming climate-neutral
- Carbon Border Adjustment Mechanism (CBAM) –group of associations have managed to get CN 7326 included in scope and have representative in EU commission working group in order to try to influence further development
- EU steel safeguard measures have been extended despite combined efforts of a greater industrial alliance
- IBU PROjektZukunft about to be finalised –project to support member companies (46 companies with 125 employees participated) with future challenges such as
 - Sustainability
 - Digitisation
 - IT-/CyberSecurity
 - Flexible Production

Information about the association

- Number of employees: 5 fulltime and 1 parttime employees + additional external experts
- Currently 239 member companies –mainly small- and medium-sized



Precision Metalforming Association U.S. Economy July 2023

General Indicators

◆ **Basic interest rate:** The Federal Reserve held interest rates steady from May to June 2023, between 5% and 5.25%. This followed 10 consecutive interest hikes in 15 months to hold down historically high inflation. The Fed forecasted it may raise interest rates as high as 5.6% before the end of 2023.

◆ **The Consumer Price Index (CPI)** rose by 0.1% in May 2023 on a seasonally adjusted basis, after rising 0.4% in April. The CPI increased 4.0% from May 2022 to May 2023.

◆ **Institute for Supply Management's U.S. manufacturing purchasing managers' index (PMI)** was 46.9% in May 2023, decreasing from 47.1% in April 2023, indicating contraction for the seventh straight month. Any figure above 50 signals an expansion in manufacturing.

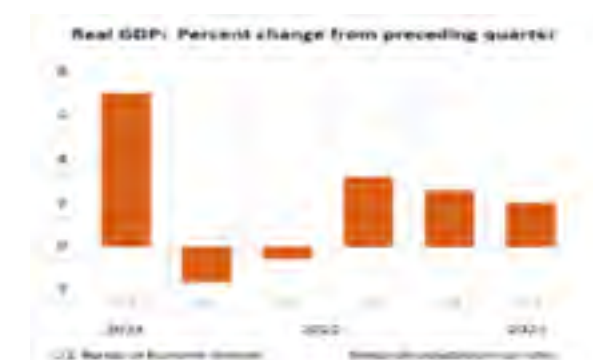
Inflation

The annual inflation rate for the United States was 4.0% for the 12 months ended May 2023. This follows a rise of 4.9% in the previous period.



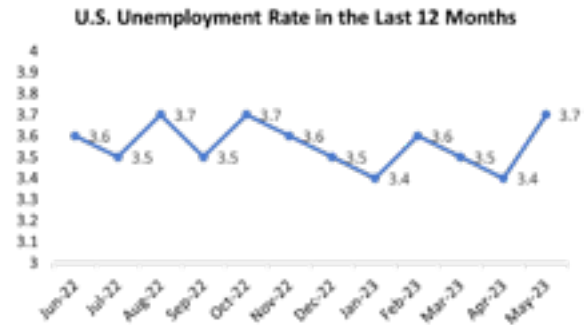
GDP

GDP grew by an annualized 2.0% in Q1 2023, down from a 2.6% expansion in Q4 2022.



Unemployment Rate

Overall, the U.S. unemployment rate has not fluctuated much in the last 12 months. However, it rose to 3.7% in May 2023, the highest since October 2022 and above market expectations of 3.5%.



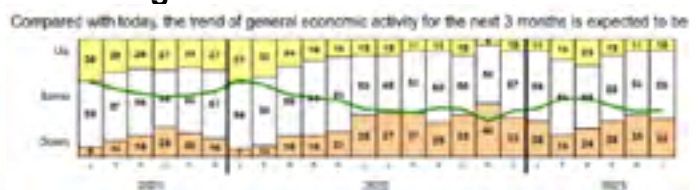
Employment Rate

In May 2023, there were 156.1 million people employed on nonfarm payrolls in the United States—an increase of 339,000 from April 2023. The manufacturing sector currently employs nearly 13 million people.

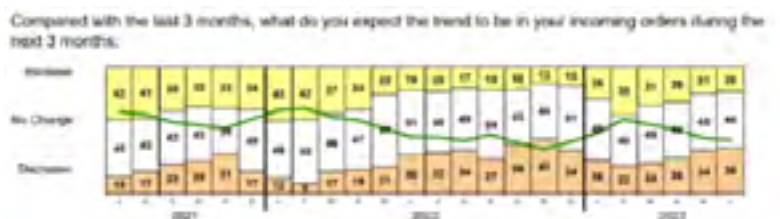
In May 2023, the sector employed 12,984,000 workers—a decline of 2,000 workers compared to April 2023, when there were 12,986,000 manufacturing employees.

Data from PMA's June 2023 Business Conditions Survey

Members forecast little change in expectations for economic activity in the coming months:

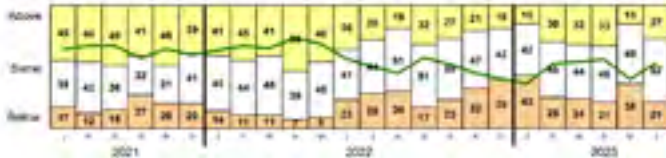


Expectations for increased incoming orders has declined for the last four months:



Data from PMA's June 2023 Business Conditions Survey

Compared to 3 months ago, current average daily shipping levels are:



Average daily shipping levels spiked in June compared to May:

Other key findings in June:

- ◆ Lead times in 2023 have been shorter than 2022.
- ◆ 46% of companies are currently expanding their workforce.
- ◆ 10% of companies had a portion of their workforce on short time or layoff in June, compared to 7% in May.

Energy

- ◆ Near-term natural gas pricing has fallen significantly as compared to last year. Gas storage inventories have increased as producers responded to 2022's high prices with increased drilling and production.
- ◆ Energy costs for this summer are significantly lower than last year. While extended, above-average heat could quickly impact pricing and further raise concerns over grid reliability due to fewer power generation sources, the energy markets look to be in decent shape heading into the summer months.

Domestic EV Update

- ◆ Biden administration target set for 50% of all new vehicles sold in 2030 to be EVs.
- ◆ All new cars in CA, NY, and Massachusetts to be EV by 2035.
- ◆ IRA aims to speed up EV adoption to achieve climate rules extending tax credit through 2032.
- ◆ Record 42 EV models for sale in U.S. with about 10 qualifying for the maximum tax credit.
- ◆ Cost found to be the #1 barrier followed by charger availability and battery tech.
- ◆ Issue—can nickel, cobalt, and other battery metals be sourced sustainably? WSJ May

Companies dropping investments in deep sea bed mining for metals used in batteries. 50% of nickel comes from Indonesia but deforestation laws about rainforests could limit its availability. Countries calling for global ban on deep sea mining of nickel as backup. 70% of the cobalt mined from the Congo where human rights violations limit availability.

- ◆ GM overtook Ford as second largest EV maker in U.S. Farley of Ford says that China is the major competitor for EVs. Ford to build battery plant in Michigan with Chinese partner, CATL.
- ◆ Ford announces lithium deals to support EV output including locking up lithium and cobalt supplies it requires for 100,000T of lithium to manufacture 3M EV batteries from 2026 to 2030. 80% of processing is currently done in China and we need to localize that.

Supply Chain

- ◆ The trend of onshoring and nearshoring manufacturing facilities to strengthen supply chains is likely to persist, providing new opportunities for domestic suppliers. Mexico is probably gaining more than the U.S. due to lack of workforce in manufacturing.
- ◆ Many manufacturers built up robust backlogs during the period of supply chain disruption that characterized the pandemic. Provided that we do not see large-scale cancellations, these backlogs will act to smooth out activity, contributing to a milder declining trend.
- ◆ Build activity for trucks and trailers is peaking as ongoing labor and supply chain issues are keeping output levels in check.
- ◆ West Coast dockworkers reached a tentative agreement with port employers June 14 to eliminate concerns over wider labor disruptions that would rattle the American economy.

Material Supply

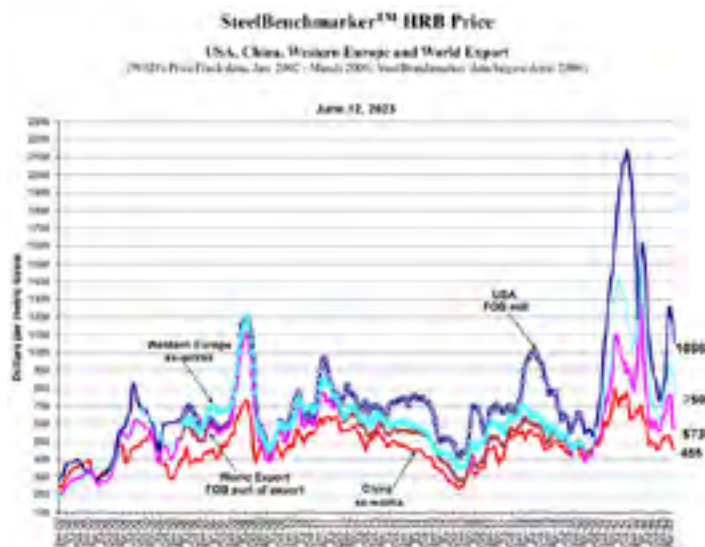
Steel Pricing and Production Trends

U.S. Hot-Rolled Band prices have dropped the last few months.

However, U.S. HRB is \$601 per metric ton more expensive than in China and \$306 per metric ton higher than in Western Europe. Through June 10, year-to-date domestic raw steel production was at a 77.3% capability utilization rate, a 2.3% decrease from the same period last year.

Pricing information: SteelBenchmarker, 6/12/23

Production information: AISI, 6/10/23



Steel, Aluminum Tariffs Remain; Some Replaced with Tariff Rate Quotas

- ◆ - TRQ announced on October 31, 2021. Effective date 1/1/22 (expires October 2023)
 - Quarterly TRQs for steel
 - Semiannual TRQs for aluminum

- ◆ - TRQ announced February 7, 2022. Effective date: April 1, 2022.
 - Quarterly TRQs for steel
 - No deal for Japanese aluminum

- ◆ TRQ announced March 22, 2022. Effective date: June 1, 2022.

- June 1: Quarterly steel TRQs for UK
- 0.5 million metric tons under 54 categories

Trade Association Activities

✓ Membership continues to be strong. We are currently at 906 members. We lost some members due to the economy but we are also gaining new members due to training. Retention rate for mfg members was at 90% and overall was at 87% as of March 31 (end of fiscal year). Current retention rate is 96% overall.

✓ Forming Our Future was in California in March and had a good turnout but looking to have an even stronger turnout in Orlando in March 2024.

✓ FABTECH Atlanta went really well, strong attendance. FABTECH Mexico in May had record attendance for Mexico City. FABTECH Chicago is coming up in September.

✓ Workforce Development and EDU are still a major priority, high demand for technical training.

✓ We bought a competitor magazine, "Stamping Journal," and now own the market. This led to increased revenue for us and brought in opportunities for PMA –nearly 900 stampers and 4,300 fabricators not in our database.

✓ The U.S. economy is very interesting. Some members are slowing down but others in the same industry are very busy. With the higher interest rates, new capital equipment orders have slowed down.



Country Updates CHINA

Confederation of Chinese Metalforming Industry (CCMI)

The China Economy July 2023

The update of China's economic and manufacturing by the end of May 2023

Items	Year-on-year growth by May 2023 (%)	Year-on-year growth in 2022 (%)
GDP	-	3.0
PPI	-2.6	4.1
CPI	0.8	2.0
Import and export value of goods	4.7	7.7
Export value of goods	8.1	10.5
Import value of goods	0.5	4.3
Value added of manufacturing enterprises above designated size	4.0	3.0
Value Added of automobile manufacturing industry	14.2	6.3
Value added of general equipment manufacturing industry	4.5	-1.2
Value added of electrical machinery and equipment manufacturing industry	15.7	11.9
Value added of computer, communication and other electronic equipment manufacturing industry added value	-0.3	7.6
Value added of railway, ship, aerospace and other transportation equipment manufacturing industry	8.9	2.4
Steel output	3.2	-0.8

The annual output of major enduser's industries of China metal formed parts by May 2023

Major enduser industries	By May 2023	Ytd Growth	2022	Ytd Growth	2021	Ytd Growth	2020	Ytd Growth	2019	Ytd Growth
China's total metal forming parts output	23.1	-0.2%	87.4	-0.2%	80.1	14.2%	80.1	5.0%	81.1	-0.2%
China's total metal forming parts output	17.1	2.0%	41.6	-0.7%	40.1	-18.0%	33.6	-14.2%	38.3	3.7%
Metal forming parts for machinery (metal forming parts)	8.2	-1.2%	37.4	-0.1%	38.1	10.2%	43.8	-1.2%	38.4	-6.2%
Metal forming parts for machinery (metal forming parts)	27.0	-1.0%	94.0	-1.7%	79.4	37.3%	26.1	4.8%	21.1	-4.2%
Metal forming parts for machinery (metal forming parts)	18.4	50.1%	43.4	4.3%	48.1	15.4%	33.7	-21.1%	33.4	-13.2%
Metal forming parts for machinery (metal forming parts)	1.3	-48.1%	4.1	-18.1%	1.1	1.8%	2.1	-18.1%	2.1	1.0%
Metal forming parts for machinery (metal forming parts)	1.3	3.0%	4.1	-8.0%	3.0	-44.0%	4.1	10.1%	4.1	-4.1%
Metal forming parts for machinery (metal forming parts)	24.2	-2.0%	17.1	-13.1%	19.1	26.2%	44.1	5.0%	41.1	-18.0%
Metal forming parts for machinery (metal forming parts)	1.1	-8.0%	1.1	-15.1%	1.1	3.0%	1.1	-8.0%	1.1	-2.0%
Metal forming parts for machinery (metal forming parts)	1.1	4.0%	1.1	-15.1%	1.1	-4.1%	1.1	10.1%	1.1	-4.0%
Metal forming parts for machinery (metal forming parts)	1.1	-17.0%	1.1	-21.1%	1.1	7.0%	1.1	26.1%	1.1	-13.0%
Metal forming parts for machinery (metal forming parts)	1.1	4.0%	1.1	-18.0%	1.1	7.0%	1.1	26.1%	1.1	-11.0%
Metal forming parts for machinery (metal forming parts)	1.1	3.0%	1.1	-20.0%	1.1	-50.0%	1.1	-2.0%	1.1	-16.0%
Metal forming parts for machinery (metal forming parts)	1.1	3.0%	1.1	-2.0%	1.1	4.0%	1.1	-2.0%	1.1	3.0%
Metal forming parts for machinery (metal forming parts)	1.1	-58.0%	1.1	-36.0%	1.1	111.0%	1.1	12.0%	1.1	38.0%
Metal forming parts for machinery (metal forming parts)	1.1	-17.0%	1.1	-17.0%	1.1	17.0%	1.1	7.0%	1.1	17.0%
Metal forming parts for machinery (metal forming parts)	1.1	-18.0%	1.1	-20.0%	1.1	20.0%	1.1	7.0%	1.1	-6.0%
Metal forming parts for machinery (metal forming parts)	1.1	-4.0%	1.1	-5.0%	1.1	10.0%	1.1	4.0%	1.1	3.0%
Metal forming parts for machinery (metal forming parts)	1.1	-13.0%	1.1	-21.0%	1.1	10.0%	1.1	10.0%	1.1	-4.0%
Metal forming parts for machinery (metal forming parts)	1.1	1.0%	1.1	-13.0%	1.1	25.1%	1.1	-11.0%	1.1	-12.0%
Metal forming parts for machinery (metal forming parts)	1.1	0.1%	1.1	0.1%	1.1	-7.0%	1.1	-7.0%	1.1	-15.0%
Metal forming parts for machinery (metal forming parts)	1.1	7.0%	1.1	4.0%	1.1	4.0%	1.1	-4.0%	1.1	-4.0%
Metal forming parts for machinery (metal forming parts)	1.1	7.0%	1.1	5.0%	1.1	4.0%	1.1	-4.0%	1.1	-17.0%
Metal forming parts for machinery (metal forming parts)	1.1	3.0%	1.1	3.0%	1.1	4.0%	1.1	1.0%	1.1	-1.0%
Metal forming parts for machinery (metal forming parts)	1.1	3.0%	1.1	-30.1%	1.1	-11.0%	1.1	20.1%	1.1	1.0%
Metal forming parts for machinery (metal forming parts)	1.1	25.0%	1.1	17.0%	1.1	9.0%	1.1	30.0%	1.1	-11.0%
Metal forming parts for machinery (metal forming parts)	1.1	11.0%	1.1	-1.0%	1.1	-2.0%	1.1	4.0%	1.1	4.0%
Metal forming parts for machinery (metal forming parts)	1.1	14.0%	1.1	1.0%	1.1	9.0%	1.1	-4.0%	1.1	8.0%
Metal forming parts for machinery (metal forming parts)	1.1	18.0%	1.1	4.0%	1.1	9.0%	1.1	-1.0%	1.1	9.0%
Metal forming parts for machinery (metal forming parts)	1.1	54.0%	1.1	49.0%	1.1	-2.0%	1.1	-11.0%	1.1	-20.0%
Metal forming parts for machinery (metal forming parts)	1.1	-2.0%	1.1	-4.0%	1.1	7.0%	1.1	-4.0%	1.1	-4.0%
Metal forming parts for machinery (metal forming parts)	1.1	-5.0%	1.1	-8.0%	1.1	30.0%	1.1	15.0%	1.1	7.0%
Metal forming parts for machinery (metal forming parts)	1.1	3.0%	1.1	4.0%	1.1	-2.0%	1.1	2.0%	1.1	-2.0%
Metal forming parts for machinery (metal forming parts)	1.1	7.0%	1.1	-1.0%	1.1	14.0%	1.1	-13.0%	1.1	-13.0%



List of the Current Energy Pricing in Beijing in June 2023

Items	City residents	City general industry and commerce	Remarks
Electricity price (RMB/kWh)	0.49 ≤ 240 kWh/household * month	2.00	Top peak period/day
	0.53 241-400 kWh/household * month	1.80	Peak period/day
	0.78 >400 kWh/household * month	1.00	Flat period/day
		0.30	Low point period/day
Natural gas price (RMB/m ³)	2.61 ≤350 m ³ / household * year	2.87	-
	2.83 351-500 m ³ / household * year	-	-
	4.23 ≥500 m ³ / household * year	-	-
Fuel price (RMB/liter)	7.48 92 # gasoline from June 19, 2023	7.48	92 # gasoline from June 19, 2023
	7.97 95 # gasoline from June 19, 2023	7.97	95 # gasoline from June 19, 2023
	7.18 0 # diesel oil from June 19, 2023	7.18	0 # diesel oil from June 19, 2023

The major activity in 2023

The SepDay2023 will be held in Shanghai during from July 18 to July 22, 2023.

Events	Date & Venue
MetalForm China 2023 -ChinaForge Fair 2023 -MetalFab China 2023 -JointWeld China 2023 -SheetMetal China 2023 -MetalComp China 2023 -Die & Tool China 2023	Date: July 19-22, 2023 Venue: Hall 5, National Exhibition and Convention Center (Shanghai)-NECC
Stamping- Fabricating and Forging Tech China 2023 -Theory & Practical Tech Meeting 2023 -R&D/Education/Production Cooperation -Policy Published Concerning Industries (BlueBook 2023) -To Award Prizes of Excellent Engineer and Excellent Team Leader (2023) - Survey Data Publicity of Industries (WhiteBook2022)	Date: July 18-20, 2023 Venue: The different hotels near NECC.
ECO-MetalForm Summit 2023 -ChinaForge Fair Conference 2023 -MetalForm China Conference 2023	Date: July 19, 2023 Venue: Hall 5, NECC
Buyers Forum Int'l 2023 -Forging, Stamping and Fabricating Parts Buyers Meeting 2023	Date: July 19, 2023 Venue: Hall 5, NECC
TPP- MetalForm Conference China 2023 -Latest Technology & Products Promotion Press 2023	Date: July 20-21, 2023 Venue: Hall 5, NECC
Shen Gong (Masterpiece) Prize2023 -Shen Gong (Masterpiece)-Metal Formed Parts Awards 2023	Date: July 19-21, 2023 Venue: Hall 5, NECC
Promotion Forum 2023	Date: July 19-22, 2023 Venue: Hall 5, NECC
Qualified Suppliers Recommended 2023	Date: July 21, 2023 Venue: Hall 5, NECC

FIM Métaux en Feuilles

Economy, July 2023 General Indicators

The macroeconomic context is anchored in instability. Inflation, which is expected to be around 5% over the year, is no longer directly driven by energy prices but by rising prices for services and the costs of daily expenses such as food: commodity prices have risen due to energy costs.

Geopolitical tensions are still very strong. The dependence of the world economy on Russian –and to a lesser extent Ukrainian – exports is also very strong in refined petroleum products, natural gas, metallurgy, iron and steel, iron ores, basic mineral chemistry

Very limited visibility despite current figures which in another macroeconomic and geopolitical context would leave rather satisfied. The real questions arise for the second half of the year even if the forecasts, in value, of all the professions remain positive for the year to date.

Activity in Mechanical sector continues to grow. After a 14.7% increase in 2022, total sales continue to grow in the first quarter of 2023 (up 12.2% in value in the first quarter of 2023).

Growth remains significant for metalworking industry (+14.1%). The decline in foreign demand and the level of intermediate consumption costs are slowing down the growth of activity in this sector. Activity is expected to slow down in the coming months.

Inflation

- 2021 : 1,6%
- 2022 : 5,3%
- 2023 : 5%

(reasons : price increase in energy, raw materials and intermediary goods + Ukrainian war.....)

GDP

- 2023 : 0,3%
- (0,7% first quarter of 2023 / And 0%, second quarter

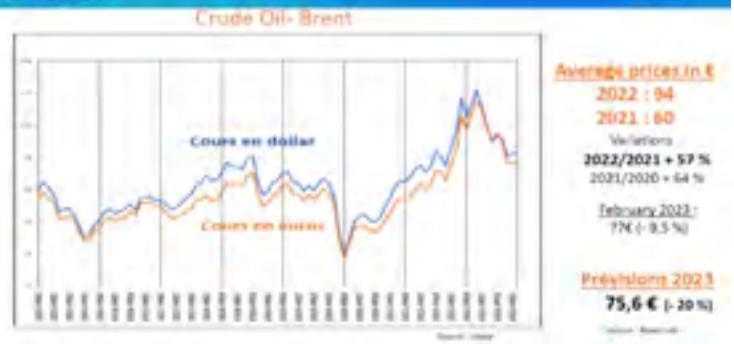
Unemployment rate

- 2022 : 7,1%
- 2023 : 7,1%

Employment rate

- 2022 : +0,4%
- 2023 : + 3,4%

Energy



Crisis in Electricity

- Electricity prices have soared since September 2021 due to the price of gas, CO2, the market, and penalize many mechanical companies...
- La position de la FIM
 - Companies have been heavily impacted by the explosion in electricity costs and the forced recourse to contracts based on electricity market prices, much higher than those based on ARENH.
 - «better consume electricity»:
 - Better consume: knowing your consumption profile to choose the right tools for reducing prices
 - Invest in energy efficiency to better control risks, reduce electricity bills and reduce the carbon footprint of industrial sites.
- FIM Suggests Investment in Self-Production Renewable Power Generation Facilities at Industrial Sites

Supply Chain

insolvencies increase from month to month without being even higher than the pre-pandemic average level. The financial health of many companies will have expected consequences for the entire customer-supplier chain.

Strong deterioration of cash flow in industry : As prices soar on the gas and electricity markets, cost increases are even more important for French companies.

Shortage of raw materials, Significant increase of prices, Problems of price repercussion, production shutdowns, particularly in the automotive sector

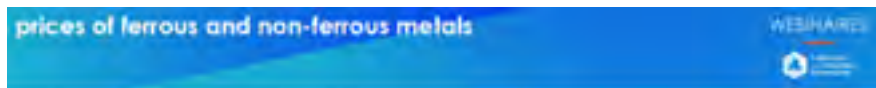
Safeguard measures on steels

• Situation :

- A very high metal shortage (steels in particular) is currently occurring for several reasons (it is impossible to import steel, etc., from Russia, Belarus and Ukraine, the steel industry itself has difficulties in supplying its basic components, energy costs lead to the closure of steel plants, surtaxes on imports of metals into the USA have been lifted),
- Prices soar when deliveries are still possible... deadlines are no longer guaranteed...
- Safeguard measures on steels (import quotas outside the EU), established in 2018 to protect the European steel industry from imports of metals outside the EU, are no longer necessary.

FIM and FIMMEF position :

- The FIM has asked for the suspension of safeguard measures on steels to unblock the situation and allow imports of steels (outside the EU... Turkey, India, others...) without taking the risk of a 25% surtax, when prices are already at the top...
- The FIM has also called for the abolition of authorisations to export metal waste from Europe to feed the European secondary steel sector.



Trade Association Activities

Carbon Border Adjustment Mechanism (MACF)

Adverse consequences caused by the establishment of the Carbon Border Adjustment Mechanism (MACF) which imposes a carbon tax on imports of the products mentioned, manufactured outside Europe.

The consequences of implementing the MACF:

- A significant increase in the sales prices of steel and aluminium in Europe which will penalize the industrial mechanics who consume a lot and produce in Europe. Finished mechanical products will be less competitive.
- Customers who turn to suppliers located outside Europe, knowing that these finished mechanical products will not be affected by a carbon tax on entry into Europe.
- In the end, an environmental assessment of this negative mechanism, due to the massive import of finished products with a higher carbon content than European products...

FIMMEF position :

- Request to add mechanical products to the scope of the Carbon Border Adjustment Mechanism, in order to recover the competitiveness differential in the internal market of the European Union. The decarbonization of the amontsectors must not destroy the downstream sectors, especially the mechanical ones, not protected by the carbon adjustment mechanism at the borders.

Green Industry Bill

> Continue to lower production taxes (5.6% of value added in France, 2.9% on average in the EU, 1.9% in Spain, 1.1% in Germany –).

> Administrative simplification; end of further reglementary surtranspositions.

> Relocate: buy in France (sustainable purchases based on full costs).



Référent FIMMEF : Nicolas RIGOLLET (CAILLAU)

BLECHEXPO
STUTT GART
7-10 Novembre 2023



Collective space FIMMEF

FIMMEF travelto Vietnam May 2023

The Socialist Republic of Vietnam, a strategic hub at the heart of ASEAN, is a country undergoing economic, industrial and social change that benefits from strong growth in a changing geopolitical environment. Its geostrategic position, the development of domestic consumption and a skilled workforce at low cost, make it an essential market and a land of opportunities for French companies.





Country Updates FRANCE

Missions à l'étranger (à l'étude) en 2024

First semester 2024 :

◆ Mission to Morocco (visit of automotive companies around Tanger, Casa, Kénitra)

- Toyota Motor Corporation, Volkswagen AG, Groupe Renault, Hyundai Motor Company, Ford Motor Company: main actors in Morocco
- Perspective in automotive industries are evaluated 6 billion USD in 2028.

◆ Visite of BIHLER in Germany

◆ Second semester 2024 :

- International ICOSPA congress in Japan (21-25 October)