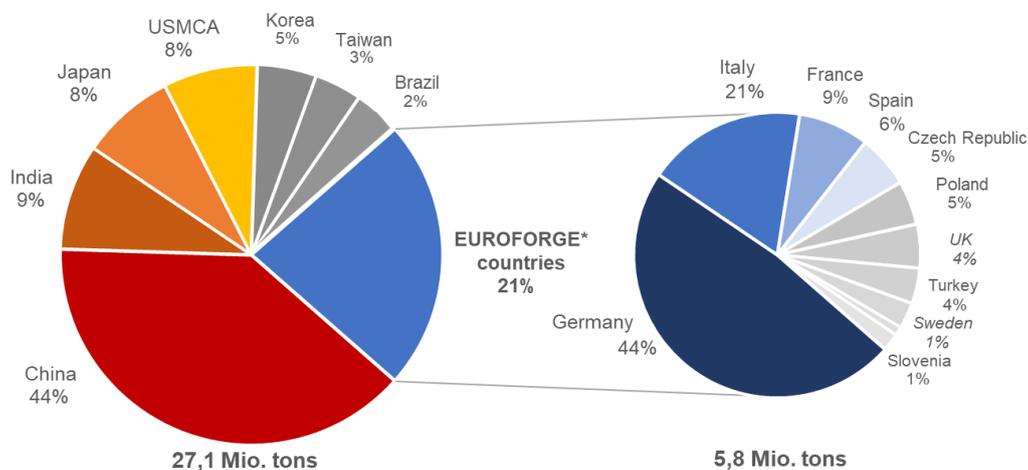


EUROFORGE statistics – from volume drop in 2019 to rising hope in 2021

The forging industry – just as the global economy has experienced challenging times in the past year. But already before the exceptional effects of the COVID-19 crisis there were signs of market decline and transformation. Now the big question is: where is the forging sector heading to? Answers were given in the latest statistics report at the EUROFORGE spring forum 2021.

With a decrease of minus 1.8% the global forging industry was not able to completely maintain the high level of the record year 2018. World-wide volumes dropped from 28.1 to 27.6 million tons. At the same time market shares shifted to Asia with China only losing 0.8% and India even increasing volumes by 12.6% while Europe lost 4.7%. By this China extended their dominant piece of the cake from 43 to 44% and India from 8 to 9% - at the same time Europe fell from 22 to 21% of global volume share.

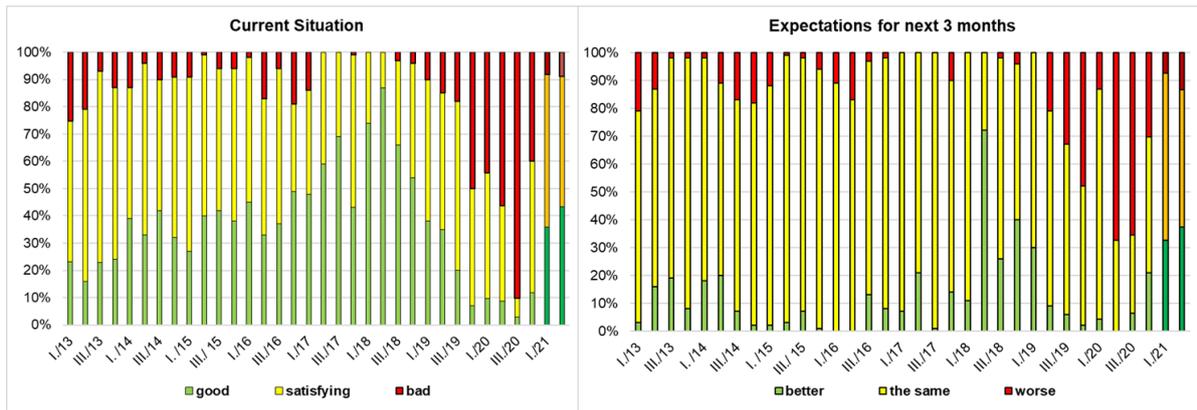


World forging volumes 2019 (source: EUROFORGE statistics 2020)

Among the European countries the biggest negative effects were seen in Spain (minus 11%) and Germany (minus 7%) while France, Czech Republic and Poland remained stable and Slovenia even raised their production by 15%. The overall reduction originates mainly from the transformation of the Automotive sector as biggest driver for global forging volumes.

In 2020 the effects of the COVID-19 pandemic hit the whole industry heavily with volume losses in Europe between 0 and 33%. Workforce was on average reduced by 19% to compensate the lower workload.

The latest EUROFORGE business climate survey shows that the situation has significantly improved from Q2.2020 to now with 43% of companies saying “good” and another 48% saying “satisfying”. Expectations for the next 3 months are also “better” or “the same” for 87% of European companies. Growth forecasts for the whole of 2021 range from plus 10 to 50% vs. 2020.



Business Climate Q2.2021 (source: EUROFORGE statistics 2021)

This positive outlook is troubled though as still global supply chains are disrupted and the current steel market situation and other material bottlenecks are troubling the forging industry when they look into the nearer future. 62% of European forgers report of delivery problems with excess quantities, 38% even with agreed deliveries. 45% also experience price increases for additional volumes, 28% are even confronted with renegotiation demands for agreed prices. Also aluminium, packaging materials and lubricants are short.

All in all a recovery global forging volumes is expected in 2021 but 2019 figures are likely not to be reached again. Future reports will show if the shift of market shares from Europe to Asia is going to continue. Ongoing technological innovation, productivity improvements through automation and digitalisation and the flexibility to adapt to new product demands arising from alternative engine concepts will be the key to stay competitive and provide sustainable growth.

Challenging times behind – challenging times ahead for the European forging industry!