

## **Industry Profile**

### **Employment and Turnover**

- The sector employs around 62,000 employees in 500 companies with sales of £2.9 bn.
- Foundries tend to be small-scale; 80% are sme's and almost half employ fewer than 50 people. The main regions for foundry employees are the West Midlands, followed by Yorkshire and Humberside and the East Midlands.
- Companies are increasingly expected to design and produce sub-assemblies aimed at particular markets thus often blurring sectoral boundaries e.g. between metal-forming and automotive components.
- The cast metal sector's market is hugely concentrated in the automotive industry, and about 50% of total production goes to the car industry.

### **Membership**

- Amicus represents approximately 15,000 employees in the foundry sector.

### **Employers**

- Main employers for Amicus include Hydro Aluminium Motorcast, Chamberlin & Hill, Precision Disc Castings and Edgar Allen, in addition to those employed within the automotive industry.

## **Current Issues and Activities**

- Traditional markets in UK manufacturing have globalised and the sector has become exposed to fierce competition from around the world.
- There has been a long-term downward trend in the number of foundries and in employment.
- Industry faces serious problems caused mainly by shortage of scrap metal and the consequential soaring prices are putting additional pressure on the industry.
- Other raw materials are increasing in price to compound the problem; raw materials constitute about 22% of the total costs of cast metal manufacturers and scrap metal accounts for 60% of that figure.
- With steelworks using a similar mix of materials, the escalation in international scrap prices is a direct result of the increase in world demand for steel.
- Price increases are caused almost entirely by China's economic expansion, which has led to a phenomenal increase in demand for steel and the raw materials used in production.
- Certain sectors of the US steel industry are experiencing difficulties similar to those in the UK. Current rumours are that the US Administration is contemplating some form of initiative to restrict or limit scrap exports.
- The needs and issues affecting the foundry, forging and steel industry are largely interdependent.