

Press Release

15 August 2022

European Foundry Industry Sentiment, July 2022: Gap between sentiment of situation assessment and expectations has never been greater

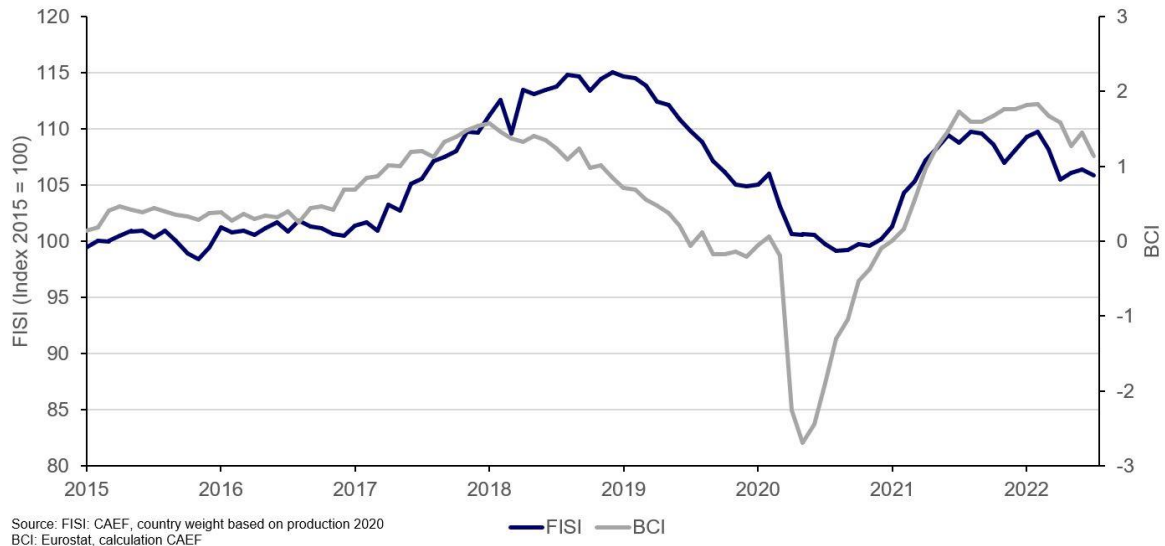
The European Foundry Industry Sentiment Indicator (FISI) decreased by 0.6 points in July and reaches a value of 105.8 points. It continues to be the case that two different trends are apparent in the composition of the FISI. While the current situation is still considered positive by many foundries due to the very good order situation in the mechanical engineering sector, the expectations for the next six months are on the downturn. There has never been a greater difference between the assessment of the situation and the expectations since the beginning of the data collection. Tensions are rising, especially as signs of a slowdown in demand are intensifying.

It should be noted that the non-ferrous metal foundries have even supported the FISI recently, as improvements in the supply of semiconductors in the weighty automotive industry are gradually becoming noticeable. However, these are statistical base effects, as the base level is exceptionally low after the past two years of crisis.

The very high level of inflation has forced central banks in North America and Europe to act. In addition, China's economy is weakening due to problems in the construction sector. Rising interest rates and fears of recession are cooling the business outlook significantly.

Meanwhile the Business Climate Indicator (BCI) decreased in July. The increase of 0.31 points brings the index to 1.14 points. The considerable price increases of the past months affect demand more and more. New orders, recently, have been markedly declining. Although price expectations are still high, the peak in April has been seen off due to decreasing demand.

European Foundry Industry Sentiment Indicator (FISI) and Business Climate Indicator Euro Area (BCI) July 2022



The FISI – European Foundry Industry Sentiment Indicator – is the earliest available composite indicator providing information on the European foundry industry performance. It is published by CAEF the European Foundry Association every month and is based on survey responses of the European foundry industry. The CAEF members are asked to give their assessment of the current business situation in the foundry sector and their expectations for the next six months.

The BCI – Business Climate Indicator – is an indicator published by the European Commission. The BCI evaluates development conditions of the manufacturing sector in the euro area every month and uses five balances of opinion from industry survey: production trends, order books, export order books, stocks and production expectations.

Please find the chart enclosed or combined with additional information at www.caef.eu.

Background information on CAEF:

CAEF is the umbrella organisation of the national European foundry associations. The organisation, founded in 1953, has 22 European member states and works to promote the economical, technical, legal and social interests of the European foundry industry. At the same time, CAEF implements activities which aim at developing national foundry industries and co-ordinating their shared international interests. The General Secretariat is situated in Düsseldorf since 1997.

CAEF represents 4 700 European foundries. Nearly 300 000 employees are generating a turnover of 43 billion Euro. European foundries are recruiting 20 000 workers and engineers per year. The main customer industries are e.g. the automotive, the general engineering and the building industries as well as the electrical engineering industry. No industrial sector exists without using casted components.

Further information at www.caef.eu and [CAEF LinkedIn](#).

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