

International Foundry Forum 2010 in Barcelona, 10-11 September 2010
Gabriele Galante, President of CEMAFON
Welcome

Like Mr. Andrzej Ryba, President of CAEF I too welcome you to our IFF 2010. Despite the still difficult time for our sector the record presence of 237 participants from 28 countries underlines the obvious need for exchange and information.

During the last Forum in Vienna we talked about the threat of economical turbulence, but even the most pessimistic forecast could not foresee the seriousness of the crisis that reached the peak when the financial bubble burst.

Now some timid signs of an upturn are visible, an improvement that has different features in the different geographical areas. What we are facing now is a different economical world. We are living an epochal change, which touches everybody without distinction.

China is close to become the second largest manufacturing country worldwide after USA and according to some forecasts, it will outperform Japan by the end of the year and, unless nothing unforeseen happens, it is expected to outperform the USA around 2030.

A very large development area is created that includes China – India – Indonesia and - looking from here - Brazil is moving with great economic dynamism compared to the low speed of development of the rest of the world.

We are facing a global need for energy resources (traditional and renewable sources, nuclear energy) and for raw materials (due also to the increased demand from the fast developing countries).

We are seeing a fast change of industry structure (China has outperformed USA in the production of vehicles).

We are seeing a change in the financial world and we do not know when and how it will be brought back to normal. (We refer to the large interventions of governments to save banks and large institutions.)

All this requires to check the accustomed way of managing our activities now and in the future.

The immense efforts of Western economies to keep the level of welfare of their people meets big efforts of countries with great economical progress (like China) to distribute welfare to an increasing tier of their population.

Will a simultaneous development of the two macro-areas be possible?

What must companies do?

Which will be the influence of all this on our world, on the foundry world?

China is close to reshape the way the global economy functions by virtue of its growing dominance of trade, its huge hoard of foreign exchange and US government debt and its voracious appetite for oil, coal, iron ore and other natural resources.

China is about to become also the first exporting country overcoming Germany.

With these conditions

Will Chinese prices become the bench mark for castings and foundry product, like for many other commodities?

Will castings tend to become a commodity or rather a specialised product?

Will the difference of income per capita between China and highly industrialised countries increase the shifting of activities to areas with reduced production costs?

If so, will Corporate Social Responsibility, that is an important value for industrialised countries, become a cost or will it become a way to obtain affection, company loyalty and productivity from our employees?

I think that the Forum will provide answers to many of these question marks.

Changes in the manufacturing industries have already given life to interesting innovations, not only in terms of new machines and installations, but also in the way of conducting marketing, sale activities and production systems.

Highly innovative technologies are being studied especially in Europe and their development is foreseen to have important effect.

From Europe, in particular from Germany, comes the largest foundry productivity, because the most important innovations regarding production and management come from Europe.

Innovation of products, innovation of processes and also internationalisation of activities are the replies of the Western world to the competition from emerging countries.

We have recently witnessed important mergers of small and big companies, even across borders.

These aggregations and agreements along the production chain or among complementary companies have strongly increased their competitiveness as a whole and as individual company and their ability to operate even on far away markets in geographical and cultural terms.

Internationalisation, specialisation and productivity must be the target of foundries, foundry suppliers and casting end-users.

The specialisation, required to serve the global market, needs investments aimed to make use of the new technologies developed.

The use of these new technologies in many market sectors can make well-known and outdated technologies obsolete, with important effects on foundry competitiveness.

The knowledge about all these developments that are happening in the foundry chain, from the engineering company, the producer of consumables, to the foundries and finally to the end-user is more and more a must.

Our Forum actually has the task to provide the information being the basis for our reflections within our industry and for our individual management decisions.

This is the reason for all of us to be here!

The necessary information, the will and the usual engagement will enable us to look with confidence at the future in order to guarantee welfare to our employees, to our companies and to our families.

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I want to finish with a remark which I find important.

It was really a pleasure for me and for Dr. Habig to participate to the first Asia Foundry Forum in Beijing on 10th May, a meeting based on the same concept of the IFF, whose basic idea was elaborated by us together with Professor Miao Liang from CFA 12 years ago during GIFA 1999.

I personally hope that these two events - i.e. our International Foundry Forum and the Asia Foundry Forum can be successfully co-ordinated with respect to timing, location and concept in the future, thus becoming the real centre of information for the foundry industry and the foundry equipment suppliers from all over the world.

Let us listen now to the various presentations.

I am sure that you will receive interesting information from all speakers.

I thank you all for being here with us.