



Brake disk production plant in Poland. In the foundry in the west of the country many German foundry machines are in use (Photo: Brembo)

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## Germany – Poland's country of import number one

The Polish foundry market ranges steady on a high level. Even in the crisis-stricken year of 2009, the foundry industry coped much better than other segments of the economy. Nearly half of Polish imports come from German enterprises. The dynamics and stability of the Polish market appeals especially to German companies, producing foundry products for the automotive industry as well as construction products and machinery

### Optimistic market development

Poland takes the 15<sup>th</sup> position world-wide as a producer of foundry products and has according to the European Foundry Organization (CAEF) a 1% share in the global production of cast products. In Europe, Poland's share in the foundry market amounts to 5%,

making it the seventh. In the EU, the Polish foundry market actually places sixth.

The Polish foundry industry remained very stable over the past years and recorded each year – except for 2009 – a slight increase. Compared to other industries, the consequences of the crisis-stricken year of 2009 suffered

by foundries were rather insignificant. Even though the industry's production volume dropped in 2009 below the levels recorded in 2004, it already climbed to the to-date highest value in 2011.

Professor Jerzy J. Sobczak, director of the Foundry Research Institute in Cracow, notes a consistent development



of the industry. "The year 2011 saw an increase in production by 14 % compared with 2010, which is a very good result", he states looking retrospectively at the last years. While the year 2012 again brought about a certain slowdown, the estimates for the years leading up to 2015 forecast further growth.

Similarly to Germany, the Polish foundry industry is dominated by medium sized enterprises, profiting from an ongoing inclination of the in-house production depth at the end product manufacturers. Due to Poland's membership to the EU since 2004, the industry benefits from financial assistance allowing great modernizations and start-ups of numerous companies. "Today, Polish casting production is implemented at a level nearing that of the West, while Polish products are considered to be competitive on the European and world markets", concludes Professor Sobczak.

### Opportunities for German enterprises

According to the Foundry Research Institute, 60 % of the Polish industry

is focused on exportation of its products. Nonetheless, it is also dependent on importation of foundry products from abroad. According to analyses conducted by the Institute, Polish end purchasers of foundry products are situated mainly in the automotive industry (62 %), followed by the construction (10 %) and mechanical engineering (9 %) industries (**Figure 1**).

Undoubtedly, Germany plays the leading role as a country of import. According to the Polish Central Statistical Office in Warsaw, in 2011 Germany provided Poland with machinery for the foundry market with a total value of more than 47 million Euro. This amounts to a total share in Polish import of 43 % according to Eurostat/Foundry Research Institute. Italy and the Czech Republic, as the second and third import powers in Poland respectively, are far behind Germany.

High quality products from Germany meet with great interest of Polish customers. In the words of Sobczak: "In Poland, the label 'Made in Germany' is unmistakably associated with reliability, professionalism and high quality. We are happy to have Germany as a strong partner on our side." According to the expert, excellent sales prospects on the Polish market are displayed especially by aluminum products, e.g. wheel rims and other aluminum alloy products, but also by gray cast iron products used in construction of canals.

In the course of Metal, the leading foundry fair in Poland organized in the country's centrally located city of Kielce, Germany was by a wide margin

the best-represented foreign country. This also proves the dominant position held by German products on the Polish foundry market (**Figure 2**).

### Proof of positive experiences

German enterprises, which discovered the potential of the Polish market a long time ago, greatly appreciate the vast opportunities offered by the neighbor from the other side of the Oder River. Positive experiences in this field are confirmed by Stefan Sommer, CEO of ASK Chemicals. The company headquartered in Hilden, Germany, conducts operations around the world and produces foundry chemicals and auxiliaries such as filters and power supplies as well as metallurgical products. In addition, it offers various types of industry services. Since 2001, the company has been active on the Polish market. Projects implemented in the neighboring country have produced measurable effects: "Today, Poland is among the seven most important foundry markets in Europe which provides ASK Chemicals with an important scope for activity. We are happy that we could continue to develop our position on the market in the past years." ASK Chemicals shares the positive views regarding the future development of the industry. Sommer concludes: "Forecasts for the coming months are very good."

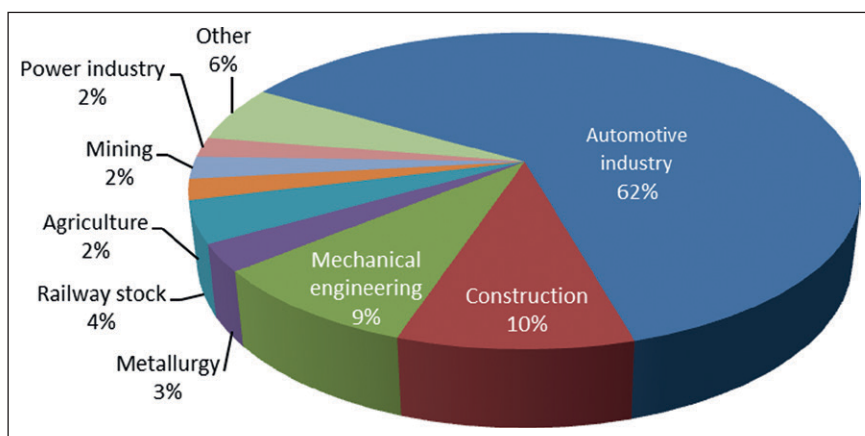
Prospects of the Polish market are positively assessed also by Thomas Junker of AMG Mining AG. Junker is the sales and marketing director of the company, which has been a wholly owned subsidiary of AMG Advanced

### Metal – Poland's leading foundry trade fair

The 20<sup>th</sup> edition of Metal – International Fair of Technologies for Foundries – will be held from September, 16-18, 2014 in Kielce, central Poland. The newest materials, machinery and installations for the foundry market constitute the most important themes of the fair. The latest achievements and trends of the industry will be presented. Metal is the leading foundry fair in Poland of great importance for the entire foundry sector of Central and Eastern Europe. The fair's agenda is complemented by numerous conferences and workshops. Represented are also academic institutions and publishers.

Metal in Kielce coincides with two other fair events: Aluminium & Nonfermet, the 12<sup>th</sup> International Fair of Aluminium & Technology, Materials and Non-Ferrous Metal Products as well as Control-Tech, the 18<sup>th</sup> Fair of Industrial Measuring Technology and Non-Destructive Testing.





**Figure 1:** Customer sectors of foundry products in Poland (Source: Foundry Research Institute Poland and Oskar Frech GmbH + Co. KG)

market in the segment of aluminum, magnesium and zinc pressure casting. The company's Polish representative office – Frech Polska Sp, z.o.o. – started its activity on the Polish market primarily within the scope of used pressure casting machinery, modernization of casting machinery and customer service, always in combination with customized and professional advisory. The ever growing demand of Polish end purchasers contributed to the rapid growth of the enterprise. Today, complete casting machines and workstations are manufactured in Poland. Plans include also a new building.



**Figure 2:** Germany is the most important partner of the Polish foundry market. Metal, International Fair of Technologies for Foundries in Kielce, Poland, therefore is a popular showground for its companies (Photo: Kielce Trade Fairs)

Metallurgical Group B.V. since 2012. The globally operating enterprise headquartered near Passau with a filial plant in Wedel near Hamburg (both Germany) has been represented in Poland for many years. Junker draws positive conclusions: “Graphit Kropfmühl has supplied its graphite products to the Polish market for years. In 2012, we achieved a 10% higher turnover in Poland, where demand concerned primarily higher quality grades. We assume that this is

directly related to the growing production requirements in terms of quality.”

Optimism dominates also at Oskar Frech GmbH + Co. KG and at the company's Polish representative office. The enterprise with its headquarters in Schorndorf, Germany, manufactures pressure casting machinery and has been active in Poland since the early 1990s. According to the information provided by the company, today it is the dominant player on the Polish

The quoted figures and the three mentioned examples show Germany's deep interest in the Polish market. These facts as well as current positive forecasts could be a good motivation for German enterprises to start or to deepen their engagement in the Polish foundry industry.