



The focus on future energy

CBI Energy Conference - London
September 2010

By John Houseman



The Energy Minister Charles Hendry MP opened by spelling out the coalition government's commitment to the 'Green Agenda' and set out how the UK would achieve its emissions reductions target.

However some of the realities of their 'good intentions' were also outlined together with a firm commitment to the new nuclear build. Nevertheless the growing dependence on wind power will require equivalent generating capacity to provide back up when the wind does not blow; creating investment in this area will be the most difficult with uncertain returns; gas fired power stations will be used to provide this back up due to its versatility.

John Cridland, the CBI Deputy DG, explained to the Minister the anxiety amongst members concerning the uncertainty about future energy prices and security of supply. The previous Government's obsession with climate change at the expense of an overall energy policy, had resulted in the overlapping initiatives had become a 'dog's breakfast' and very confusing to companies caught up in several carbon reduction schemes. The latest Carbon Reduction Commitment (CRC) being one of those cited and recognised as over bureaucratic and requiring thousands of companies to provide information on their energy without considering the cumulative effect of all these individual initiatives. The UK's intention to achieve a voluntary and unilateral 30% reduction in emissions will achieve nothing for global warming if energy intensive manufacturing is exported to countries outside the EU. Moreover who will pay the £200bn bill for providing very expensive renewable energy? The UK however is ideally placed, both geographically and technically, to take advantage of tidal power, particularly with our North Sea oil experience and maintain our lead in this exciting development.

Other speakers confirmed that the previous government had unwittingly increased cost and damaged competitiveness of UK industry by unilaterally trying to 'save the planet', governments of other countries had been far more cautious not to damage their own economies. This policy was a deeply flawed example to set and then expect other governments to follow!!!!

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JAGUAR

revs up UK plants



The Midlands carmaker wants to nearly double production at its three British plants as it launches smaller luxury car models

Insiders say Jaguar expects to employ 2,000 more staff as it expands (David Jones) Jaguar Land Rover (JLR) has set an ambitious internal target of increasing production to 500,000 vehicles a year, nearly double the figure before the recession.

Last week, the Midlands carmaker, owned by India's Tata, said it would keep open all three of its UK plants - as The Sunday Times reported in April, only for it to be denied by the company. Insiders say it expects to employ about 2,000 more staff as it expands and produces new models.

The Evoque, a new small Range Rover, will shortly go into production at Halewood, JLR's Merseyside plant. Its other factories are at Solihull and Castle Bromwich.

Designers are putting the finishing touches to a new mid-sized Jaguar sports car to take on the Porsche Boxster. The company will also go ahead with a new "baby-Jag" to snatch sales from the BMW 3-series and the Mercedes C-class.

Jaguar has tried smaller cars before with limited success. Under the ownership of Ford, which sold the company to Tata in 2008, it launched the X-Type. Production finished last year.

An increase to 500,000 vehicles a year would be a big step for JLR, which has carved out a niche as a specialist maker of luxury saloons and four-wheel drives. Its biggest production year to date was 2007, when it made 287,000 cars.

Meanwhile, Volvo, the Swedish carmaker bought by China's Geely earlier this year, also plans to double production. Stefan Jacoby, the chief executive, said production would increase to about 850,000 a year, with plans for a new factory in China.

* Ford is said to be close to selling nearly all its stake in Japan's Mazda. Its 11% holding is worth about £320m.

Source: Sunday Times - 17 October 2010

INDUSTRY NEWS

Longer rebound for medium-duty

While medium-duty truck demand has been slowly growing for several months, a strong rebound in North American production of medium-duty trucks is being constrained by continuing weakness in the housing and construction sector, according to ACT Research, the Columbus, Ind.-based publisher of new and used commercial vehicle (CV) industry data, market analysis and forecasting services for the North American and Chinese commercial vehicle markets.

In the latest release of its North American Commercial Vehicle Outlook, ACT projects full-year production of medium-duty (Class 5-7) vehicles will be up 12% compared to 2009 and accelerate only to 18% year-over-year growth in 2011. The 2011 medium-duty forecast was reduced by approximately 10%.

The heavy-duty Class 8 forecast stayed virtually unchanged and calls for year-over-year production growth of 26% in 2010 and an additional 57% in 2011.

"In aggregate, the medium-duty sector has had four months of improving fundamentals," said Steve Tam, vice president-commercial vehicle sector with ACT Research. "However, when segregated, consistent but slow growth in the truck segment has been masked by short-term surges in either buses or recreational vehicles. With the housing recovery expected to be very protracted, the truck segment will be slow to reach pre-recession levels."

Source: Diesel Progress

Caterpillar

raising prices in 2011



Caterpillar Inc. said that beginning in January, it will raise the price of its construction machinery, mining machinery and other equipment by as much as 2% and that its products in some regions could cost as much as 6% more than 2010.

"This price change is a result of current industry factors as well as general economic conditions," Caterpillar said in a statement filed with the U.S. Securities and Exchange Commission. It also said much of the price increases were "emissions related" and the result of the Tier 4 interim/EU Stage 3b emissions standards that would go into effect on Jan. 1 of next year.

Source: Diesel Progress

Money saving opportunities?

Summary of
CBM Fastener Sector Meeting,
September 2010

The potential for saving money in business transactions was the theme of both speakers at the fastener sector meeting in September. Philip Vernon of Price Waterhouse talked about business rates relief for under-utilised properties, and showed photographs of some surprising situations, with buildings that were not empty, where they had been able to claim rebates for their clients. PWC have found some common misconceptions about what situations qualify for a claim, such as the unused area needs to be empty, or it should be partitioned off, or reductions are not available for office space. Several of the attendees at the meeting saw opportunities with their own factories or warehouses.

Carl Hasty of Smart Currency Exchange then told the attendees that his company could offer potential for cost savings with foreign currency exchange. Carl's presentation focussed on the benefits of removing risks from projects and transactions that require currency exchange. He also claimed that they operate with smaller margins than traditional providers, so their customers can expect to save money.

Copies of the slides from the sector meeting presentations are available to CBM members from john.newnham@britishmetalforming.com.

The meeting was preceded by a visit to the BMW engine manufacturing plant at Hams Hall, which manufactures 4-cylinder petrol engines for BMW assembly plants in Germany, Austria, South Africa, China and Oxford UK.

For further information please contact
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Two day course

Tuesday 11 & Tuesday 18 January 2011
National Metalforming Centre

HSE 75% funded IOSH qualification for involving workers in health & safety

The idea is to help organisations start or improve existing arrangements for involving workers in health and safety. The two day course will train employees on how to represent the views of their colleagues in a positive way. This will be done by placing emphasis on communication and people skills.

Health and Safety Executive research shows that organisations that encourage worker involvement have:

- Fewer accidents
- Reduced risk of financial loss
- More motivated staff
- Better communication

On successful completion of this two day event delegates will receive IOSH certification.

For further information or to book a place please contact Kirsi Lintula at the CBM offices on 0121 601 6350 or email: kirsi.lintula@britishmetalforming.com

Two day workshop

Tuesday 25 January & Tuesday 1 February 2011
National Metalforming Centre

HSE fully funded joint health and safety representatives and managers workshop

HSE are funding 100% of the cost for organisations to participate in two day workshop on workforce involvement attended by both health & safety representative and line managers.

The workshops are designed to help organisations:

- Develop greater awareness on the benefits of a collaborative approach on health and safety
- Improve 'dialogue culture' within organisations
- Increase awareness, understanding and knowledge of specific health and safety issues
- Identify organisational barriers and enablers to good consultation and involvement and identify best practice to aide improvements

For further information or to book a place please contact Kirsi Lintula at the CBM offices on 0121 601 6350 or email: kirsi.lintula@britishmetalforming.com

Euroforge meeting Brussels

September 2010



A report by the Euroforge delegate on the recent Asiaforge meeting highlighted the rapid growth of the forging sector in China, with 13m cars produced in 2009 and 7.7m tonnes of forgings consumed. China has become the world's biggest producer and market for forgings in the world. The sector employs 135,000 workers earning less than 300 euros a month in 10,000 companies mainly comprising of small medium sized businesses. Typical finished cost structure of 75-80% steel, 8-9% energy, 4% tooling and 7.5-8.5 % labour demonstrates the cost advantage of labour would be half that of the cost in Europe. India with 1.8m tonnes of forgings produced in 400 plants by 38,000 people, Taiwan produced 960 tonnes in 2009 but will be back to full production of 1.8m tonnes in 2010. Korea will produce nearly 1m tonnes, confirming the centre of gravity of forging production has moved, like several industries to the Far East. To put these figures in perspective the UK produced 248,000 tonnes in 2009!

Lars Holmqvist, the CEO of CLEPA, the automotive suppliers association provided a fascinating presentation on the work his organisation carried out in Brussels on behalf of the European Automotive suppliers. CLEPA represents 80 corporate members and 3000 suppliers through the various trade associations. Nearly 75% of the modern car is made by the suppliers as the car makers themselves move more and more to design and assembly only. Suppliers have shown they can develop products that are innovative, environmentally sound and safe. Although there are 12m jobs in the entire auto industry in the EU 5 million are involved in the supply chain. However there are still cases of 'bullying' by the major OEMs towards they smaller suppliers and typically these are 'the meat in sandwich' between the large steel producers on side and the intransigent OEM buyer on the other.

CLEPA have been involved in protecting EU industry by highlighting areas where China has been accused of 'dumping' products in the EU. One such case was of alloy car wheels which resulted in a duty of 22.3% being imposed on Chinese imports into the EU. (There have been 50 antidumping cases held against China).

One major challenge for the forging industry worldwide will be the development of the electric car; these will require lighter, smaller components probably not made of steel. Although it is predicted that over 20m cars will be produced in the world annually and only 10% of these may be classed as electric vehicles, this still amounts to 2m electric cars a year!!

For further information please contact John Houseman at the CBM on 0121 601 6350 or email: john.houseman@britishmetalforming.com

• **CBM H, S & E Group Meeting**
27 October 2010

The CBM H,S,&E Group meet quarterly to discuss relevant H&S issues. The recent Accident Reduction in Metalforming Sector (ARMS) initiative has embarked on a strategy to reduce the accidents in the sector and subsequently reduce insurance premia.

• **Free CBM event: Manufacturing making profit out of social media**
28 October 2010

This workshop is the first of the new CBM marketing club's event - designed for all who want to make money from the social networking. It will be an opportunity to explore how a social media can maximise your business opportunities and generate sales.

• **MIDEST - 2 - 5 November 2010**

MIDEST is the key platform for international suppliers of industrial subcontracting. It is a show where partnerships are forged and technology surveyed, offering manufacturers, component suppliers and assemblers the chance of face to face meetings with suppliers of solutions in the fields of metals, plastics, electronics or industry services.

• **BLECH Russia 2011 - 15 - 17 March 2011**

Exhibition for sheet metal working, Russia.

• **BLECH India 2011 - 14 - 17 April 2011**

Exhibition for sheet metal working, India.

• **12th International Cold Forging Congress (12 ICFC) - 19 May 2011**

The 12th ICFC will be held in Fellbach, Germany. On behalf of the ICFC the ICFC 2011 will be organised by the Institute for Metal Forming Technology of Stuttgart University.

• **BLECH Nordic 2011 - 4 - 7 October 2011**

Exhibition for sheet metal working, Sweden.

All events are held at the CBM Headquarters, National Metalforming Centre, West Bromwich B70 6PY unless otherwise stated.

For further information or to book a place please visit www.britishmetalforming.com

CBM
events diary



Identify, Develop & Achieve

Technical Training Solutions

We deliver a wide range of technical training courses, including bespoke services, for the UK metals and manufacturing industry.

The following courses will be held at the National Metal Forming Centre in West Bromwich

16th & 17 th November

Metallurgy for Non Metallurgists

8th & 9th December

Heat Treatment for Professionals

For further information please visit

www.namtec.co.uk

or email : skills@namtec.co.uk



Summary:

Getting tooled-up

Report on tooling event held at National Metalforming Centre on **11th October 2010**.

The CBM member tooling workshop was held at the NMC on 11th October, with presentations from **Fuchs Lubricants** and **Zapp Group**.



Lubricant contamination detection and control were identified as essential in maintaining process stability and extending tool life. It was also stated that over 70% of their current lubricant formulations have been developed in the last 5 years. This reflects technological change and a desire to move to more environmentally acceptable solutions. From mineral oils through synthetic compounds to biofluids manufacturers can achieve significant energy saving and environmental benefits.

The presentation by Zapp highlighted the importance of the source of the tooling block and orientation of grain structure on efficient tooling. As a minimum toolmakers should insist on tool blocks being marked with grain orientation. Quality and orientation of tool blocks are believed to be the root cause of 30% of all premature tool failures. Through extensive analysis of tool performance and failure Zapp have also concluded that poor heat treatment is a factor in one third of all premature tool failures. Toolmakers should routinely check characteristics of the returned tool units. A detailed analysis of the influence of EDM parametric control on tool behaviour and associated witness marks on failed tools was presented. Good tool design is critical but frequently undermined by poor material properties.

For further information contact:

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