



**BLACKWOOD
ENGINEERING**

Securing Supply For Your Machine Build

PRODUCED BY BLACKWOOD ENGINEERING

Introduction

The Blackwood Way is all about providing **quality castings to customers worldwide** and despite the challenges 2021 has brought we will continue to do this through our diverse range of locations, facilities and **value-adding** activities we provide our customers.

In our free e-book we look at factors which are impacting supply and need considering to secure your machine build.

2021 was a strong year for heavy machinery OEMs with an increase in demand for machinery due to global stimulus packages and increased spending on infrastructure.

Our review will the impact items such as shipping, logistics, rising commodity costs, and other factors which been affected 2021 demand and will affect 2022 demand as OEMs aim to keep up with the growing demand for machinery.

Securing Supply For Your Machine Build

The main factors we will discuss that have affected machinery OEMs are:

- Raw material pricing
- Shipping
- Chinese production issues

RAW MATERIAL PRICING

Raw Material prices in 2021 rose significantly from 2020, and stabilised at a high rate.

This is having a knock on effect on all machine builds. Lead times have increased on most if not all materials due to a global supply shortage which is indicative in the increased prices.

These prices are expected to remain high until at least mid-2022.

SHIPPING

Shipping wise there has been logistical challenges for OEMs with costs rising nearly ten-fold.

The global shortage of shipping containers caused by COVID-19 has left lasting effects with demand being considerably higher than supply.

The industry has experienced '**The Perfect Storm**' with this demand coinciding with Chinese New Year later followed by the March 2021 Suez Canal disaster.

Shipping goods has required more planning than previously with these increased costs, longer lead times and more time on sea.

Due to the continued decrease in containers, rising backlog issues the she escalated price is expected to continue well into 2022 and for the short-mid term future.

CHINESE PRODUCTION ISSUES

China produces over 1bn tonnes of iron and steel per year to feed into its prolonged construction boom.

The high output levels come even with after China's new pollution rules.

Throughout 2021 production remained high and its expected capacity from customers was even higher causing a price squeeze.

However, production in China for 2022 is expected to slow for a number of reasons:

- Rising costs of raw materials
- Shortages of raw materials
- Power outages disruption

There is also the Winter Olympics to be considered in 2022 with factories across Northern China being shut down for longer periods while open foundries deal with stricter environmental policies.

Introducing Blackwood India

As a business we have been dealing with the issues mentioned in the whitepaper first hand.

We have been working closely to navigate the **complex supply chain** and deliver precision engineered castings and counterweights.

At Blackwood we always put our **customer first** and ensure that we **meet their demand**.

Ensuring **continued supply** is always our priority. We have close relationships with our partner foundries and communicate with them regularly to ensure any barriers to supply that were caused by any of the issued reviewed can be minimised.



BLACKWOOD INDIA
Castings • Counterweights

We have incorporated **Blackwood India** and developed a **strategic network of partner foundries** across India to help customers overcome the issues mentioned further on in the whitepaper.

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How Blackwood Helps



The Blackwood Way is all about providing **quality castings** and **counterweights** to our **customers worldwide**

- UK and European sites
- Partner foundries in India and China
- 75 years of trading
- ISO accredited
- Total solutions management
- Customised finishing
- Supply chain support
- Warehouse and inventory management
- Financial support through stockholding
- Expert engineers who help onboard NPIs



DISCUSS YOUR REQUIREMENTS

For more information on Blackwood India or any of the other products and services we provide do not hesitate to get in touch with our team.



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