

The COVID-19 outbreak is a major shock for the European and global economies. It represents an unprecedented situation for Europe's citizens, society and economy. Representing the European foundry industry CAEF supports the measures necessary to contain further spreading of the virus. We collectively see the protection of the health and safety of our employees, suppliers and our customers as our utmost priority. Therefore, companies that maintain their production and related operations will ensure the application of the required distancing within their sites and adhere to the relevant health and hygiene measures, in close consultation with their workforce.

This crisis is not only a major challenge for public health but will also have dramatic negative impact on EU growth in 2020. The effect of the coronavirus on society and the global economy is unprecedented, with grave consequences for the foundry industry, directly or indirectly. The CAEF member states produce 16,8 million tons of castings per year. CAEF represents 4.700 foundries with 290.000 employees and a turnover of 43 billion Euro. Main customers are the automotive and the mechanical engineering sector. Moreover, the foundry industry is a cross-sectoral industry providing intermediate goods for almost every economic sector. Therefore, it is vital to prevent shutdowns where foundries and its suppliers can provide continuity in their operations while respecting the crisis management measures.

We appreciate the policy measures that have already been announced by national member states and the EU. We welcome the Commission's extension of the State aid Temporary Framework, its application of fully flexible EU fiscal rules and its set up of a 37 billion Euro Coronavirus Response Investment Initiative to provide liquidity to small and medium businesses. On short notice the Commission launched the temporary initiative SURE - Support mitigating Unemployment Risks in Emergency, helping to cover the costs of national short-time work schemes and to preserve jobs. This enables national governments to better support the national economies.

We call on the European Council to ensure a coordinated and coherent approach across EU Member States to mitigate the wider socio-economic impact of COVID-19 in the EU:

- To avoid supply shortages in Europe, we must maintain the cross-European supply chains and we must be assured that transportation of goods across the single market are not blocked. This means reducing waiting times at intra-EU borders and maintaining the mobility of cross-border workers.
- Moreover, it is very much needed to postpone non-essential EU public consultations and proposals, like the BREF and NACE Revision, given the need to concentrate all efforts on fighting the pandemic.
- Article 107(2)(b) TFEU enables Member States to compensate companies for the damage directly caused by exceptional occurrences. In its decision of 12 March 2020, the Commission concluded that the COVID-19 outbreak should be characterised as such an 'exceptional occurrence'. In addition to aviation, airports, trade fairs and the tourism sector, these support measures are also necessary for the industry. Moreover, applications of these state aid schemes must be evaluated very quickly to remedy a serious disturbance to the economies of the European Member States.

Many of the members of the European Foundry Association CAEF have already announced or implemented temporary closures of plants due to collapsing demand, supply shortages, and government measures, and are facing cases of corona infections and quarantines among their employees. As our industry is highly capital-intensive, many companies will face significant liquidity problems in the short-to medium-term. This might lead to insolvencies of many foundries.

After the crisis, a strong industry will be essential to ensure Europe stands ready to tackle the socio-economic consequences of the crisis, rekindle Europe's economies and safeguard the prosperity and wellbeing of its citizens. Therefore, CAEF and its national member associations aim to preserve as many foundries and jobs as possible through this significant crisis and to rebuild our economy.

We stand ready to work with the European Commission, national governments and other stakeholders to navigate through this crisis.