



## OPEN LETTER

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### Increasing prices of key raw materials – BIBM presses for moderation in 2009

The Board of BIBM, the European federation for the precast concrete industry, has expressed serious concern about the future evolution of raw materials prices.

During the year, increases of up to 15 %, and even higher, have been announced for 2009 around Europe for cement as well as for aggregates. The estimates were based on the situation in the first half of the year, with very high oil, energy and primary raw materials prices.

Across Europe construction markets are falling and our members will find it increasingly difficult to transfer these increases down the supply chain without losing competitiveness against other products.

The Board points out that oil, energy and primary raw materials prices are again at a normal (even low) level and that therefore the cost pressures on our upstream suppliers should be decreasing. BIBM is therefore asking all the concerned stakeholders – cement, crushed rock, sand and gravel suppliers – to show as much understanding as possible in reducing the very high price increases announced earlier in the year.

The Board also states that 75% of the energy demand for cement manufacturing is not linked to oil. Wastes and other recovered fuels are currently used, for which the community already pays a substantial contribution. Most recently in the light of the results of the 11-12 December European Council, the expected increasing cost burden associated with the forthcoming ETS scheme is no longer a threat for industries which are vulnerable to carbon leakage such as cement.

The Board therefore asks their supply side to assist in securing the position of precast concrete products as a long-term competitive and sustainable solution for the European contractors and their clients.

Alessio Rimoldi  
*Secretary General*  
*BIBM*

Bernd Wolschner  
*Past President*  
*SW Umwelttechnik*

Pierre Brousse  
*President*  
*Consolis Group*

*BIBM is the European organisation representing the Precast Concrete industry, involved in the supply of sustainable solutions for the built environment. The sector employs more than 210.000 people in 8.000 production plants around Europe, generating more than 35 billion Euros of turnover.*