

WELDBEND CORPORATION

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It has become apparent that the continual escalation in raw material costs and supply issues continue to affect the carbon steel fittings and flange industry. We have been advised by the looks of it that scrap steel could increase \$60 – \$100 a ton by the end of the year. Along with that, transportation availability and costs continue to be cause for concern.

Another one of the difficulties we are facing is securing dependable and qualified help to expand our production. In an effort to attract dependable help, we have offered our employees a \$1000 bonus for the referral of a candidate that remains employed for 90-days and an additional \$1500 if that referral remains employed here for one year. These bonuses are in addition to the hefty hourly rate increases our employees have already received.

One of the biggest uncertainties today in manufacturing, and the biggest mitigating factor, is the global supply chain. Raw material deliveries are often late, not by days or weeks but, in many cases by months and shipping costs are in some cases five-fold. It is difficult to plan production on late deliveries. We had steel pipe sitting on the ground in Cleveland and it took the steel company two weeks to secure trucks to deliver the pipe.

Along with this problem there is an increase in oil prices (gas) and natural gas here in the United States. In Europe, natural gas prices are predicted to be so high that some industries are considering reducing or completely shutting down this winter during peak natural gas season further affecting industry.

With all of these continued outside pressures, we can no longer absorb continuing price increases and are announcing a price increase effective today, November 1st. Price Sheet 1121 will show price increases on selected fittings and flanges. Contact your Weldbend sales representative for a copy of the latest information. The way I see the market, we have already been told there will be price increases in raw steel in early 2022 with some product delivery times continuing to be longer than usual. In our letter of May 1, 2021, we stated that supply chain problems could last into 2023. This looks now most likely to be the case.

James J. Coulas
President