System Control's product set is purchased from over 50 vendors worldwide. Key drivers effecting the cost, directly relate to the International exchange rates and this is now significantly affecting group landed costs.

System Control has absorbed this increase throughout 2019, however as the market is indicating no upward improvement, we have adjusted our prices which will be effective from 15th April 2020.

We are effectively holding international vendor cost pricing so the key factor effecting moving average pricing on stock is exchange rate.

The USD/AUD has dropped to below 0.62c and not forecasting any major improvement until 2021. Alarmingly the Australian dollar has devaluated over 20% in the last 12 months. So for the majority of our imported lines with even small supplier cost increases we are facing a 22% increase in landed costs on USD bought items.

USD is also a key factor in worldwide shipping rates.

**Key European Vendors**

These are purchased in Euro and it has moved over 14% in the last 12 months - Pietro Fiorentini, Kromschroder and Riello have all been affected. European vendors are charging base cost increase of 1.5% to 12% from Jan 2020.
In addition to this, increase in freight costs has also added to the burden involved in delivering our high-quality products.

SCE has done its best to absorb these costs but we can no longer sustain current pricing. Therefore from 15th April 2020, a price increase of 12% will come into effect. The increase covers most of our parts but an in-depth review of our costs has resulted in some price changes being above this percentage across some of our range.

The new price lists will apply to all orders placed for delivery from and including 15th April 2020. We are confident that you will understand given this current environment we are operating in. In many cases our cost pricing was far in excess of the percentage price increase. Our goal was to minimise the increase and impact as much as possible.

If you have any concerns with this price adjustment or would like to talk to us about it, please feel free to get in contact with your sales representative. We would like to take the opportunity to thank you for doing business with us and look forward to continuing to service your needs.

Yours Faithfully,

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