4 Ways Manufacturers Can Cope With Rising Energy Prices

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Manufacturers require tremendous amounts of energy to power equipment and light and heat facilities, and move raw materials to their plants and finished goods to store shelves. Chemical, fertilizer and plastics manufacturers use carbon-based fuels as feedstock, so accurate projected costs and ready availability is essential to adequate pricing.

Manufacturers have benefited in recent years from stable or declining energy prices due to several factors:

- Slow recovery of economies around the globe
- Stable petroleum output from the Middle East and new production of tight shale oil in the United States and Canada
- Combination of better "scrubbers" and continued relaxed environmental standards that allow old power plants that burn coal to remain in operation
- Increased energy efficiency of equipment, particularly automobiles and trucks, reducing overall demand
- Increased alternative energy sources such as wind, solar and geothermal
- Adequate domestic transportation systems (pipeline, rail and power lines)

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