

SCARCITY OF RAW MATERIALS PUTTING SUPPLY OF OUR PRODUCTS ON EDGE

The strong economic growth in China and the shortage of transport options are putting the supply of raw materials on edge. The paint, printing ink, adhesives and sealant industry in Europe is currently facing great scarcity of raw materials, sharply rising raw material prices and insufficient means of transport for transport from Asia.

Shortage of means of transport

The trend had already started at the end of last year: worldwide there is a high demand for raw materials while there is insufficient supply, partly due to Covid. On the one hand this has an effect on raw material prices, on the other it has consequences for the availability of our own adhesives. If it is possible to obtain the necessary raw materials, transport is the next obstacle. There is a shortage of sea containers and sea freight ships, which has caused transport costs worldwide to rise sharply. And that is not the last hurdle: the scarcity of raw materials can also be felt in the availability of specific packaging materials. For example, packaging such as tins and tubes are supplied with delay and mostly in smaller quantities.

High demand in Asia

The scarcity of raw materials is widely felt for epoxy and polyester resins, needed to produce TWEHA PreFix X-tra. Epoxy resins have shown a cost increase of up to 60% in recent months. The tightness is mainly caused by the improving market in China, which means there is more demand for raw materials. Transport scarcity is driving up costs further.

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