



Raw material prices

Paints and Coatings: Rapid Rise in Raw Material Prices

Frankfurt, 2017-02-22 – Rapidly rising raw material costs adversely affect the German paint and printing ink industry. For the some 250 companies of the industry, world market prices already went up in previously months but the situation has intensified massively since the turn of the year. This is the outcome of a membership survey of the German Paint and Printing Ink Association (VdL). The survey shows that raw material costs have gone up widely, partly in the two-digit range.

Prices of some raw material groups are nearing their historic high. For example, the current price of binders based on acrylic, epoxy or alkyd resins exceeds by roughly 6% the price level of summer 2016. Solvent prices even climbed by 12% during the same period. One major cost driver is the white pigment titanium dioxide for which price increases of about 16% have been recorded over the past months. Another drastic example is zinc dust where manufacturers of paints need to pay over 20% more than back in mid-2016. As over 50% of turnover is spent on raw materials, the raw material costs are decisive for the coatings and ink printing industry.

VdL director-general Dr Martin Engelmann comments the market developments: “Such price dynamics over such a short period have rarely been seen.” Engelmann estimates that this will result in an extra burden of around 200 million euros for the industry – with no end of the price rally in sight. Raw material manufacturers have announced further price increases.

There is a special situation for the white pigment titanium dioxide – because of its good opacity this substance cannot be substituted, inter alia, in the production of white coatings. The price of titanium dioxide will probably rise once more in the coming months. Moreover, cost increases and supply problems are forthcoming after a fire in a chemical plant in Finland.

German Paint and Printing Ink Association (VdL) represents over 180 mostly mid-sized manufacturers of paints, coatings and printing inks in Germany. For this purpose, the VdL is in contact with politicians, public authorities, other industries, science and media. The VdL stands for around 90 percent of the industry.

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