

Translation: Coating and Printing Ink Manufacturers held a Meeting at MHM in Kirchheim – Report in the German Magazine “Akzente“

Topic: **Increasing Raw Material Prices**

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Coating and Printing Ink Manufacturers held a Meeting at MHM in Kirchheim

On April 11, 2011, the annual general meeting of the “Bezirksgruppe Bayern des Verbandes der deutschen Lack- und Druckfarbenindustrie – VdL” (Bavarian section of the association of the German coating and printing ink industry – VdL) was held at the premises of the MHM company (hubergroup).

Besides the election of the new chairman, the rising raw material prices were the main topic.

Almost 20 Managing Directors of the Bavarian coating and printing ink industry held a meeting in order to discuss the current economic situation of their industrial sector. According to their evaluation, the current situation on the raw material markets is extremely stressing for this industry. The production of coating materials faces supply bottlenecks or quota limitations, which can lead to delays in delivery to customers. The production of coatings and printing inks is also suffering from the price policy of the raw material suppliers, some of whom are sending out price increase letters every 3 months. As in the coating and printing ink industry the purchase costs for raw materials cover on the average more than 50 percent of the manufacturing costs, a forecast is hardly possibly any more.

According to the association, the situation for the white pigment titan dioxide is very dramatic. This pigment has a very high hiding power which is especially important for the production of white coatings. Titan white is an allround component and important for the production of white or coloured coatings and printing inks, because it can be used with all commonly used binders and mixed with other pigments. Therefore, it cannot be replaced easily in most of the coating and printing ink formulations. Within the past nine months, the coating and printing ink manufacturers had to accept several price increases for this raw material. For other pigments, the price increases were partly comparable.

The average price changes in the past year 2010 resulted for binders from 10 percent for styrol to 13 percent for the acrylates important for the production of water-based coatings up to 32 percent for epoxide resins. In some cases, even cost increases of up to 85 percent for epoxides were observed. The main substance colophonium resin was subject to extreme price increases. Organic sovents were on an average up to 17 percent more expensive, with butyl acetate (25%) and xylol and other aromatic solvents (24%) on top of the list.

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