



Press Release

High raw material prices adversely affect the paint industry – Supply shortages for titanium dioxide

Frankfurt (30 May 2017). The German paint, coating and printing ink industry is struggling with heavily rising raw material costs. World market prices have further gone up in recent months for the ca. 250 companies of the industry, putting a strain on business results. This is the outcome of a membership survey of the German Paint and Printing Ink Association (VdL). Purchasing prices of pigments and solvents have risen broadly. Supply shortages for the important white pigment titanium dioxide further aggravate the situation.

The price of titanium dioxide has increased by over 30 percent since summer 2016. The picture is particularly dramatic for printing inks: Due to the reduced availability of the pigment qualities in demand, meanwhile manufacturers are quoting extreme prices for these inputs.

Moreover, drastic supply shortages contribute to the rising price level. After a fire in a production plant in Finland and because of tighter environmental requirements in China, pigment producers are planning further price increases for titanium dioxide. Its good opacity makes this substance indispensable in paint production.

The situation is comparable for the pigment zinc dust where manufacturers need to pay 26 percent more than in summer 2016. Price increases are also recorded for further important raw materials. Overall, the prices for solvents have gone up by around 15 percent in the comparison period.

Experts: “The next price round is already forthcoming”

The paint industry is concerned. VdL director Dr Martin Engelmann states: “At the moment, the titanium dioxide market is less about pricing. The issue at stake is whether enough titanium dioxide can be purchased to fully keep up production.” According to Engelmann, the price rally and the supply shortages for major inputs could weaken the growth of the industry.

Raw material costs are decisive for the paint and coating industry, as they account for over 50 percent of production costs. The extra burden on the industry is estimated to amount to far over 200 million euros, and an end to the price rally is not in sight. Experts believe that the tense situation is unlikely to improve over the next months; the next price round is already forthcoming for the 3rd quarter 2017.

Press contact:

Alexander Schneider
Head of Communications
Verband der deutschen
Lack- und Druckfarbenindustrie e. V.
Phone: +49 69 2556-1707
E-Mail: schneider@vci.de