



Powder Coatings

Rising cost pressure due to raw material prices

Frankfurt, 14 July 2017 – Since summer 2016 the manufacturers of powder coatings need to cope with steadily rising raw material costs. During this period, purchasing prices for the white pigment titanium dioxide alone have climbed by 50-60%. No end is in sight to the cost increase for this important basic raw material, so the Expert Group Powder Coatings of the German Paint and Printing Ink Association (VdL). International production capacities are limited while the already high demand is further intensifying, making purchases of this white pigment ever more difficult generally. Titanium dioxide of constant quality is an essential input with up to 35% in powder coating formulations. Therefore, unexpected delivery delays of over two months cause much concern for the companies.

Since 2016 the prices of binders have gone up significantly too. With a rise of up to 20% against the previous year period, cost increases were particularly marked for epoxy resins.

The scarcity on international markets of essential basic raw materials for polyester resin production now causes considerable price increases also for these resins. They had not been anticipated to such a degree – e.g. meanwhile up to 30% for highly weather-resistant types. As matters stand at present, the price and supply situation is unlikely to relax in 2018, either.

Raw material costs make up a large share in the total costs of powder coatings: With 100% solids, the described price increases have particularly strong impacts on the purchasing costs of materials for these products.

No end to the cost spiral is in sight – no good news for this innovative sector of industry.

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