



Press Release

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Raw material shortages and their rising costs continue to impact the lead-times and the manufacturing costs of paints and printing inks in the EU.

The supply of raw materials and intermediates to the paint and printing ink industry continues to be subject to price increases and shortages. Reductions in capacity and stocks at the manufacturers combined with an increase in demand for these materials have led to unusual long lead-times. The increase in demand is in most cases caused by other industries than paints and printing inks and coming from emerging markets outside of Europe.

As a consequence major worldwide chemical corporations and producers of raw materials and intermediates have repeatedly announced new price increases. A number of primary materials used in paints and inks (such as resins, titanium dioxide and solvents) are affected, often with double digit percentage of increases.

'In 2010 the situation has been already bad as our industry has experienced shortage of key raw materials and sharp price increases in many cases with double digit percentages.

But the start of 2011 does not show any sign of improvement ,on the contrary especially on the front of raw materials and packaging new price increases have been announced', says Mr. van der Meulen, the Managing Director of CEPE, the European Council of Paints and Printing Inks.

Paints and inks have their applications in the manufacture of articles in many supply chains in the EU.

With the cost of primary materials making up at least 50% of the ultimate costs, one must realise that when costs escalate with such a magnitude and with no short-term relief in sight, that it is clear that the producers are unable to absorb such massive increases.

CEPE calls upon the suppliers to the paint and ink industry to seriously address the supply situation.

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