

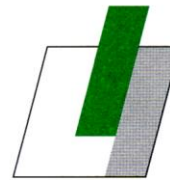
Global shortfall of millions of tons of vinyl acetate monomer

Rising raw material prices putting pressure on adhesives manufacturers

March 2014 – A global shortfall in the supply of a key raw material for the manufacture of waterbased adhesives is putting pressure on Germany's adhesives manufacturers, according to an announcement made by the IVK – the Düsseldorf-based national adhesives association. According to expert estimates, demand for the raw material vinyl acetate monomer (VAM) currently exceeds supply by around one million metric tons, with international chemical companies significantly increasing their prices as a result.

The reason for the scarcity of VAM lies in the closure of several production facilities in Europe, the USA and Asia, due to failures and accidents or just the need for maintenance work. In Europe alone there is a shortfall of around 500,000 metric tons of VAM, which is used not only in the adhesives industry but also in the paints and coatings, construction and textile manufacturing sectors. VAM is the most important ingredient in dispersion adhesives, as used, for example, in the automobile industry, the building sector, the woodworking and furniture industry, in the manufacture of paper and packaging materials, and also by the manual trades, do-it-yourselfers and hobby craft enthusiasts.

PRESS RELEASE



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In recent weeks, several VAM producers have reported plant malfunctions or announced sales controls because demand for VAM is so much higher than the product's availability. Because of the critical supply situation, the price for VAM has jumped several times since the end of 2013, substantially increasing the input costs for Germany's adhesives industry.

The IVK membership currently comprises 129 adhesives, sealants, raw material and adhesive tape manufacturers, together with system partners and scientific institutions. In all, the German adhesives industry employs a total workforce of 13,253 people.

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