

PRESS RELEASE

RAW MATERIAL SHORTAGES NEGATIVELY IMPACT RECOVERY OF EUROPE AFTER COVID19.

At present the thermoplastic roofing and waterproofing producers are experiencing a shortage of raw materials as a direct consequence of a large number of simultaneous force majeure claims by polymer and additives producers.

Building and construction projects throughout Europe are already facing delays in supply and will increasingly have to deal with substantial price increases following this situation. Some of our members have experienced raw material price increases of 40-50% of essential raw materials within the last few months.

“Small and medium size companies are the backbone of the European industry and all have gone and are still going through pretty challenging times. Several companies have had to partly or fully stop production for some weeks in 2020 which have had significant impact on their reserves.

Now we see these same companies and their dedicated staff working hard on their recovery as well as on the recovery of their customers and the European economy.

The lack of sufficient raw materials may or will force them now again to stop production with all consequences evolving. We hear first signals that member companies stop taking in new orders by lack of security of supply, as producers do not honour already existing supply agreements. Whereas the substantial price increases our members are facing will have to be passed on to the end customers, we are most concerned about the lack of transparency in our supply chains” states Bernard Merckx, managing director of ESWA.

Oil prices are for example still below December 2019 levels, so at this stage there is not such evidence of similar increases nor shortages for the various input materials of the chemical and polymer industry.

“We are of course increasingly looking for alternative raw materials sources, like certain high quality recyclates, but also in that supply chain there is a shortage. Next to a number of projects in which we have been involved for some years already, we have recently joined the Circular Plastics Alliance and other platforms to discuss strategic and policy changes needed working towards a more circular European economy. We are convinced that we will be able to secure and uptake more high quality recyclates in the future in a larger number of our long lifetime applications, yet that is not solving these short-term supply issues” Bernard Merckx concluded.

For additional information please contact ESWA at info@eswa.be
Brussels, 24 March 2021