

British Coatings Federation Information Note 5 September 2022

Raw material prices reach new high

New statistics from the British Coatings Federation published today show a further round of huge cost increases for paint and coatings manufacturers. At the end of July this year, raw material prices for the industry were up 23% on this time last year on top of an 11% hike a year ago.

Higher purchase prices were seen across the board with some resins up 76% on a year ago and with many solvents more than double their 2021 levels. Sharp increases were also seen in pigments, extenders and packaging with some containers 50% more expensive than this time last year.

In addition to this, companies are having to face huge increases in energy costs with gas prices reaching over 600 pence per therm in the last few days compared with 108p per therm just a year ago while electricity prices are also increasing by a similar magnitude.

Oil prices are up 49% in the last 12 months to July and even at today's slightly lower figure of \$96 barrel Brent spot prices are easily more than double the level of two years ago.

In terms of BCF's more detailed purchase price statistics, some of the biggest increases in recent months have been in solvent prices with Xylene prices, for example, up 120% in the last year. Similar increases were also seen for White Spirit and Toluene while others surged by between 50% to 70%, for example Petroleum Naphtha, IPA 99%+ and MEK.

Elsewhere, pigment prices were between 10% and 50% higher than a year ago with the critical material of Titanium Dioxide up 23% on a year ago. Some extender prices, such as Snowcal 60 and Talc AT1 type were more than a third higher than this time last year.

For packaging, BCF's latest statistics for July show an average increase of 52% for 5 litre round tins and 26% for 2.5 litre tins with some drum prices up by nearly 40%.

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