



*“A World of Plastics Information”*

**Part news. Part views.**

OCTOBER 2013  
IAPD ISSUE  
15th Year

Dear Colleague:

Inflation inevitable? Inducing interest rate increases...injecting economic surge. Expect inflation to climb about 1% (wholesale prices up 2%) in 2013-2014 Oil prices should average about \$80 per barrel compared to \$85 this year (U.S. now surpassing Russia in oil production)...with natural gas prices also rising slightly. Transportation and communications costs will also be increasing from those of the current year, although tech and telecom products and services will continue to offer bargains...down 10%. Plan on long term interest rates of 3% through mid-2016...GDP gaining 3.5% versus 2.5% for next year.

Some economists are postulating that we need global inflation to approach double digits in the early part of the upcoming decade in order to stimulate economies and job growth. If people believe prices are going to rise in the future they may be less cautious about spending in the present, since money not put to work will lose value. Also, because inflation erodes the real value of debt, global debt burdens would shrink.

The manufacturing sector of global economies continues to improve with automotive, electrical equipment and IT markets leading the way. Our interviews with manufacturers in our industry at IAPD in Miami confirm that low inventories coupled with renewed demand and some new products are causing this segment of plastics shapes to be trending up.

**TRENDS:** Google Shopping for Suppliers, (GSFS), the newest website and entrant into our plastics semi-finished shapes distribution industry is being closely watched. It has lots of potential, however amazingly incomplete. Only a very limited number of NAICS codes are included , and even within those only a limited number of companies. For example, when searching for “PVC Plastic” suppliers, GSFS only lists seven companies, while ThomasNet lists 359 and SoluSource lists 1105 under “semi-finished plastics”.

## **NEWS FROM IAPD ANNUAL CONVENTION & EXPO IN FLORIDA**

Approximately 165 Distributors and 259 Manufacturers were in attendance among the total of 557 visitors. Also 100 exhibitors including distributors, fabricators and overseas manufacturers...an aggressive and optimistic turnout! Talented, experienced and pragmatic speakers offered insight into many pertinent industry problems needing help and advice. One highlight was a presentation from Sam Richter, author of *Take the Cold out of Cold Calling – Web Search Secrets*. He showed the rapt crowd how to use Google Search to find most anything about potential customers...free!

Among the first time exhibitors and visitors was EnXI, Shenzhen, China, producer of mechanical shapes as well as Nudec, sheet producer from Spain.

## **OUTLOOK ASIA: by Mal Binnie, our Pacific Rim correspondent stationed in Australia**

The \$Aus has strengthened to 0.93\$US and interest rates continue at all time lows of 2.5%. Reports from the plastics manufacturing and distribution operations clearly indicate a high level of confidence in the newly elected Australian Liberal Coalition government. Australia is still a high cost manufacturing country but the new Government has committed to reducing overheads and costs of doing business through red tape reduction. The mining industry as it recovers will provide new opportunities for engineering plastics. Confidence overall is expressed by the numbers of Australians heading to Germany for the K Show...from Cut to Size Plastics, Plastral, Dotmar and UNASCO. Changes reported in the plastics distribution markets include Frank Hunter with Cut to Size Victoria, Scott Foster State Manager Victoria Mulford Plastics. Cut to Size Plastics report Pat Flood as State Manager NSW/VIC and Eplas Sydney is now managed by Sean Kelly. Adelaide University reports a process for turning waste plastic bags into high-tech nanomaterial. FNQ Plastics Cairns has produced a high impact Ute Tray using Simona's PE100 Twin wall sheet supplied by Plastral. Former Stream Solutions boss Andrew Price is the new MD & CEO at Paperlinx. Plastix ANZ Achievement Award Finalists include Profile Solutions, D&K Home Security, ATR Plastics - made in Australia and made in NZ, A-Ward Achievements and EPI Plastics.

Vale Pete Dixon who passed away 5 September will be sadly missed. Pete was respected by all of the Cadillac Plastics Pacific team and all those who worked with him. Pete was my friend.

## **OUTLOOK EUROPE ...by Ralph Amman, our EuroZone correspondent in Germany**

German-based Ensinger will show some new products like Tecamid 6 ID blue which expands the range of special materials for food technology at K 2013. According to the company this polyamide product is equipped with detectable a filler. Also shown are Tecatron CMP and Tecapeek CMP. Both were specially developed for the manufacture of wafers. Additionally, Tecamid 6 FRT is a modification which enlarges Ensinger's portfolio for the transportation industry. From now on, they will also be offering Tecapeek plates in the thicknesses 120 and 150 mm. Plates in widths of 1,000 mm will be supplied in thicknesses 20 to 60 mm. The stock shapes supply range in this high-temperature material will be rounded up with rods of 210 mm in diameter. The company also has commissioned a new stock shapes production plant and a high-bay warehouse in its parent factory in Nufringen. According to the company, the new facilities are designed to optimize in-house logistical operations and speed up work processes. In total, the firm has invested approximately 20 million EUR. Swiss-based EMS-Grivory has introduced the new high viscosity bio-based extrusion grades Grilamid 1S XE 4281 and Grilamid 2S

XE 4282 for flexible, transparent and impact resistant pneumatic tubes. Due to a proprietary technology the new products show an unrivaled balance of properties including flexibility, impact strength as well as transparency. In addition to extruding transparent tubes the products can be used for coloured tubes too, where the transparency of the base polymer enables intense colours and good gloss finish frequently sought in the pneumatic tube sector.

Finally, Royal DSM has expanded its partnership with the Ravago Group. The two companies have combined DSM's expertise in polyamide 6 with Ravago's recycling know-how to develop a portfolio of glass reinforced recycled PA6 compounds. The materials will be offered by DSM directly and distributed by their partners Group member Resinex, which has a leading position in the plastics and rubbers distribution market across Europe and Turkey, and which is already a well-established distributor of DSM engineering plastics. The new recycled PA6 grades, which DSM is marketing under its Akulon brand and which are available now, contain more than 50% post-consumer resin from well-identified and dependable sources. The company is supplying grades with 30% and 35% glass fiber reinforcement.

#### **OUTLOOK INDIA: by S. Radhakrishnan, Group Editor, Popular Plastics & Packaging**

UPA announced Hindustan Petroleum's 9-million-tonne refinery-cum-petrochemical plant at Pachpadra in Barmer Rajasthan, recently. The project is being set up jointly by HPCL and the Rajasthan Government. The refinery with an investment of Rs 37,000 crore will also produce among other products, 2.3 mt of petrochemical products such as polypropylene, polyethylene and aromatics. The refinery is likely to be commissioned by 2018..The Indian Government's department of chemicals and petrochemicals proposes to set up a technical upgradation fund (TUF) for the plastic industry. The fund will be set up for plastic processing sector in line with the proposed technology upgradation fund for the chemical industry. According to the recommendation of the inter-ministerial committee, there is an urgent need to increase the export of value added plastic items and increase its share in the total plastic exports. A major constraint as the committee observes in achieving this goal, is the low production volume of plastic processing industry.

A 300-acre industrial park for high-end plastic components manufacturing units is to come up to the North of Chennai, Tamil Nadu. The industrial park will have common infrastructure facilities for investors planning to set up medium and small-scale units for manufacturing high-end engineering plastics, auto components and machines for making such plastic products. Two Japanese companies, Mitsui Chemicals, Inc. and Itoh Oil Chemical Co., Ltd., are to form a joint venture with India's Jayant Agro-Organics Ltd. for the establishment of a company in India to produce bio-based polyols, from castor oil. The partnership of the three companies brings their own unique strengths to India, where 80% of the world's castor oil is produced.

#### **PRICING:**

Ticona (formerly Celanese and purportedly soon to resume original name) takes UHMW-PE up in Europe. Evonik increases MMA monomer prices in Europe...PMMA sheet sure to follow. Quadrant EPP announces price increases for HPM semi finished products effective 28 October.

PP and PE resin prices jump in September/October, while other polyolefins and commodities stay flat. Benzene, staying stable, helps damper ETP price pressure, but not for long. Nylon, PE, PS, PP and PVC remained steady with some indication that except for PP there may be some upward movement in 4Q 2013 and beyond.

#### **MANUFACTURER/DISTRIBUTOR BRIEFS:**

Kydex LLC appoints new N.A. Sales Manager...Patrick Hickey. Evonik Cyro donates 2000 pounds of acrylic sheet for wind tunnel research at Embry-Riddle University. HD Supply, newly a public company experiences 2Q revenue and profit growth, albeit some slowing in 3Q...similar reports coming in from other major industrial distribution companies, some of which include plastics shapes in their mix. Bayer MaterialScience now offering PC sheet targeted at railroad passenger applications and rail car manufacturer requirements...fabrication friendly and cost effective. Putnam Plastics develops specialized medical tubing for catheter applications. Victrex Polymer Solutions provides new PEEK product for food contact applications in EU – said to exceed PPS and PEI in performance. DuPont appoints Dolder AG, Switzerland, as its authorized distributor for Teflon® products in most of Europe (18 countries) and all of Turkey. DuPont Performance Polymers also plans for large scale conversion to bio-based polymers in a major shift which includes PA, PTT, and TPE. Saint-Gobain Seals Group, unit of Saint-Gobain Performance Plastics, introduces Rulon® J seals at K 2013. Ideal Polymer, Canada, starts up a HDPE sheet plant, to complement its HDPE pipe facility...four extrusion lines producing up to 5 ft wide sheet in a 90,000 square foot plant. Westlake Plastics, unit of Actimed, France, retires 1 debt and launches turnaround with its 36 extrusion lines and 4 compression molding presses...currently reporting approximately \$17 million in sales. Fraenkische, Germany, tubing and pipe producer expands its operation in South Carolina (U.S.). Kydex, LLC expands its R&D team by adding two polymer chemist researchers to its staff to foster development of new products.

#### **MERGERS, ACQUISITIONS, ALLIANCES, DIVESTITURES AND EXPANSIONS:**

Rowmark, sheet extruder of engraving stock, with 10 foot width capability, bought by PE firm Bertram Capital – 2 plants and 150 employees affected. Laird Plastics acquires EM Plastics, Canada...9 locations marketing to the Canadian sign and graphics industry, with estimated revenue of \$Cd50 million. Japan's Teijin (Tokyo) and its Korean partner SK Chemicals (Seoul) have set up a joint venture to develop and market polyphenylene sulfide (PPS) resins and compounds in Ulsan, South Korea. Construction of a 12,000-tonnes/year PPS resin plant began on October 1.

**INDUSTRY INTERVIEWS: ... Iuliana Nita, Global Marketing Manager, Food and Beverage, Saint-Gobain Fluid Systems, Saint-Gobain Performance Plastics.**

**Editors Note: This interview was scheduled for this issue but missed our deadline...it will run in the November 2013 issue.**

*Information contained in this newsletter has been taken from trade and statistical sources that we consider reliable but we cannot assure its accuracy or completeness. Any opinions expressed reflect our judgement as of this date and are subject to change.*