SIEGWERK

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Titanium Dioxide shortage leads to higher prices of printing inks

One of the world's largest titanium dioxide (TiO2) suppliers had to stop production at its Finnish manufacturing site due to a fire at the end of January. Since then, the resulting TiO2 shortage has led to further increased raw material prices which also severely affect the printing inks industry.

Siegwerk Druckfarben AG & Co. KGaA, one of the leading international suppliers of printing inks for packaging applications and labels, will increase the prices for all of its inks containing titanium dioxide (TiO2) effective April 1st. This price increase is caused by steadily rising raw material costs due to a serious supply shortage of TiO2.

The industry has been observing a substantial increase of TiO2 prices for the last 18 months, mainly driven by reduced production capacities in Asia as well as recent mergers substantially reshaping the TiO2 market. On top of this, a fire

incident – declared as force majeure – occurred in January 2017 and forced one of the largest TiO2 manufacturers to stop its production. The affected site in Pori, Finland, normally accounts for a considerable amount of the global TiO2 ink grade capacity which now is shut down creating an immense supply shortage. The supplier is committed to repairing the site as quickly as possible but the duration of the production stoppage is still unpredictable. Going forward, serious supply shortages throughout 2017 can be expected.

“We at Siegwerk have been working intensively to maintain a continuous supply of titanium dioxide through our own global supply network. Thus, we have secured the supply for our current customers. We will work closely with them to determine the individual best solutions by evaluating the use of alternative titanium dioxide grades or products of different qualities,” says Hugo Noordhoek Hegt, President EMEA at Siegwerk. “However, the persisting supply shortage has led to substantial cost increases and therefore also forces us to adjust the prices of all of our inks containing titanium dioxide.”

Siegwerk is taking all necessary steps to limit any impact on its customers’ ongoing operations. Details about the new pricing will be communicated individually to each customer.

About titanium dioxide

Titanium dioxide (TiO2) is a white pigment that is irreplaceable for the formulation of white inks and coatings due to its high opacity. Especially in flexible packaging, the performance of a white ink is key for a high-quality print result. That’s why the current TiO2 supply shortage has substantial impact on the printing ink industry.

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