

Customer information

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Significant, continuing increase in raw material costs leading to rising prices at Industrielack AG – world wide

The raw material prices for fluoropolymers, solvents and packing materials have globally increased to some extent during the last few weeks and according to the raw material manufacturers there will be no easing of the situation. Especially strongly fluctuating demand and extreme increases in transport costs including shortages of containers have led to this situation.

The current raw material costs increases significant already. For examples most of the raw materials for Fluoropolymer coatings increased between 10-19%; important solvents increased by 20-80% and packaging materials by 15-30%.

In addition, we do not see at the moment that this dramatic price increases will stop soon. Next increase rounds already announced by our raw material suppliers.

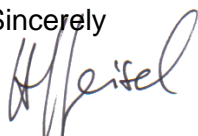
This is the reason why the ILAG-Group is forced to increase the prices for its products as of April 1st, 2021. The new price will be subject of further increases on short notice, as the market changing extremely fast at the moment.

As on top of the price increases the world market facing also reduced availability of raw materials. As of today, ILAG will only supply “standard” quantities to customers. “Standard” meaning average order sizes of 2020. Quantities exceeding “standard” order quantities will be checked on feasibility and in an extreme case imposed with an up-charge reflecting the new raw material cost situation to improve availability for all customers.

Hans Georg Geisel the CEO of the ILAG-Group is elaborating on the price increase: “ILAG has very carefully followed the price increases and availabilities at raw material markets during the last couple of weeks and initially absorbed increases to make sure that it is not related to short-term effects. Unfortunately this is not the case and we are now forced to review the sustainability of our pricing structure. Our sales representatives will therefore stay in close contact with our customers to implement the price increases for each product range.”

At the same time, the ILAG-Group has worked closely with their main suppliers to ensure a cost-efficient and effective value chain to support the demand of their customers.

Sincerely



HG Geisel

CEO of the ILAG – Group