British Plastics Federation

Raw Material Supply

A Survey of BPF Members

April 2021

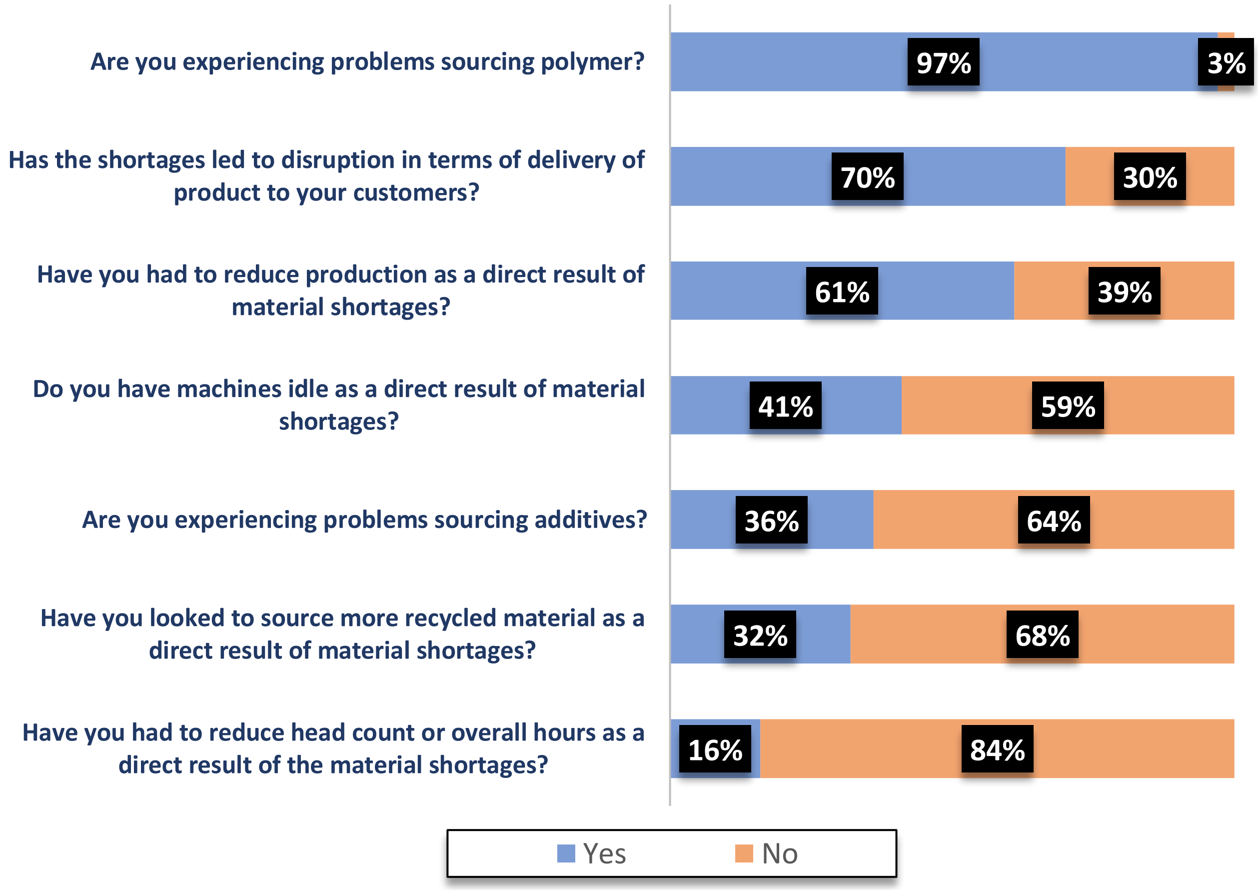
Introduction

This *'snap survey'* was conducted mid-April. The survey was open exclusively to relevant members of the British Plastics Federation and was completed by 69 firms.

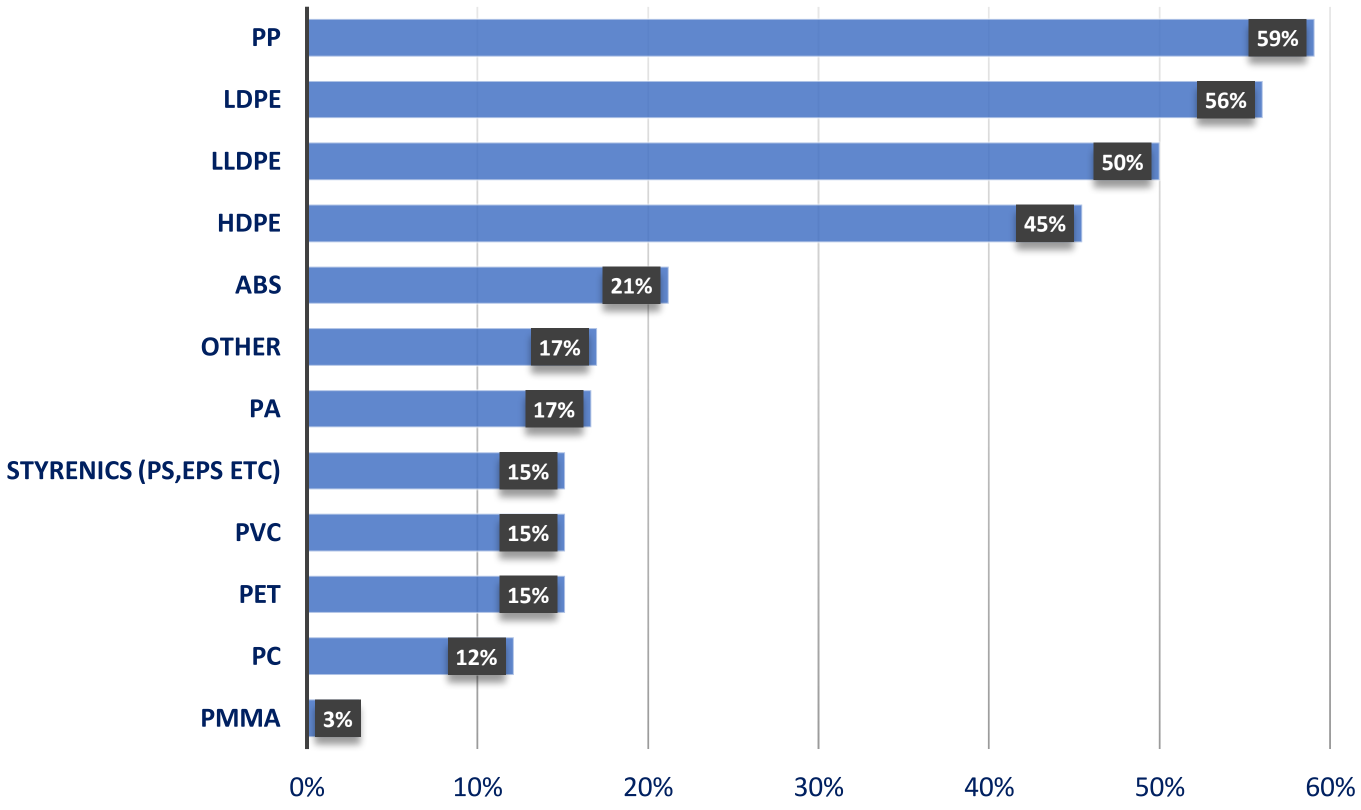
The respondents were drawn from the following plastics industry sectors/groups represented within the BPF:

Moulders and Specialist Processors	**20%**
Packaging	**38%**
Pipes	**13%**
Raw Materials	**10%**
Windows	**3%**

Material Shortages Overview



If you are experiencing shortages in polymers, which polymers?



When providing details under *'other'*, the most common response was PB (polybutylene). Other responses included thermoplastic polyurethane (TPU), polyoxymethylene (POM), ethylene vinyl acetate EVA (EVA), polybutylene adipate terephthalate (PBAT), medium-density polyethylene (MDPE), polybutylene carbonate (PBC), metallocene, materials for rotational moulding, recycled PET and polymers for pressure pipes.

If you are experiencing shortages in additives, which additives?

When asked to provide information on the type of additives that companies were having difficulty sourcing, the most common response was masterbatch and/or pigments (this response was given by nearly half of the companies that provided details). Companies also noted both the increasing cost and lead times when sourcing masterbatch. The next most common response was anti-oxidants.

Other responses included stabilisers, desiccants, carbon black, epoxy and hardener additives, silanes, defoamers, rheology modifiers, oxygen scavengers, EVOH compatibilizer and UV additives.

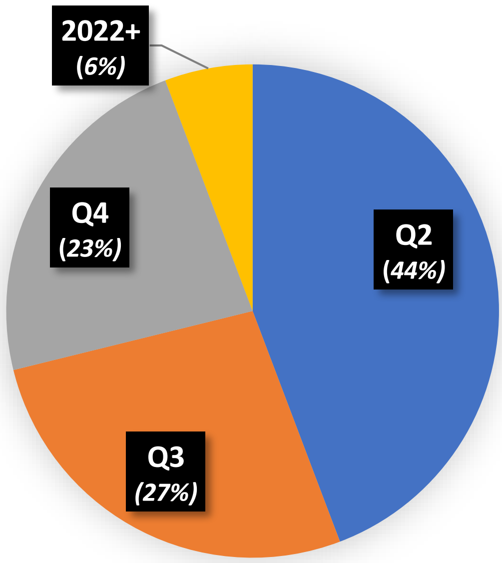
Which product lines are being affected?

As the plastic industry supplies a huge number of sectors, it is unsurprising that the shortages of polymers affect a broad array of end markets and a number of companies simply responded *"all"* to this question.

To focus responses and to understand key areas affected, we specifically asked for examples of products *'such as healthcare, food/drink, critical infrastructure or products to help fight the pandemic'*. The most common three response were therefore unsurprisingly…

- **Food/drink** *(mentioned by 40% of respondents)*
- **Critical infrastructure** *(mentioned by 23% of respondents)*
    - This included a large number of companies that mentioned pipes (for drinking water, rainwater and waste). Others having issues included those supplying drainage systems and attenuation crates, with one company specifically mentioning drainage systems for HS2. One company that reported having product lines affected was supplying wall and floor insulation products and specified "*essential construction projects, including hospital constructions"*.
- **Healthcare/medical devices** *(mentioned by 23% of respondents)*
    - Responses here worryingly included *"syringe packaging for Covid vaccination needles and vials".*

For planning purposes, how long are you predicting the current shortage(s) will last?



This question was an open question but for ease of analysis we have grouped responses into quarters. It is worth noting that out of those predicting the shortages will last during Q2, only 5% thought it would be 1-2 months, with 45% predicting May and 50% June.

Any additional comments…

Companies were asked to provide additional comments. Many used this as an opportunity to raise the fact that material shortages have come at a time when companies were still dealing with the various issues caused by Brexit. A typical response was: *"Material shortage is happening on top of Brexit complications (EU imports) and Asia logistics issues. Very complicated for the entire UK plastics industry."*

In line with responses we have received in other surveys, one company stated: *"Delays in bringing materials into the UK from the EU is adversely affecting our production and our efficiency. We have moved work for EU customers out of the UK to our plant in Poland due to problems with importing and exporting to the EU."*

On a brighter note, a number of companies stated that due to stockpiling pre-Brexit, they had been 'cushioned' from rising prices/increased demand for polymer. However, many noted that these stockpiles had either already been consumed or were soon to be.

Companies also talked about the issue of increased prices. One simply stated: "*Price movements up. Non-stop.*" Two stated that "*prices have increased by 70%"*, and another that *"base resins have doubled in price"*. Another company noted that whilst material was available, it was at *"eye-watering prices."*

Companies used this opportunity to vent serious frustrations, with one saying: *"Some suppliers are quoting earliest availability in July/August, so 4 to 5 months with no material is a crazy situation.*" One company stated that it was simply a *"terrible situation"* and another company said that *"the situation has not been so serious since the mid-1990s."*

For balance, it is worth noting that one company stated promisingly: *"So far so good. Lots of noise about shortages, but mainly coming from suppliers in our industry. No direct effect has been seen to date."*

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