

Press release

Federal Association of Playground Equipment
and Leisure Facilities Manufacturers e.V.

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Hilden, 19.05.2021

Raw material prices for wood, steel and plastics continue to rise!

The prices for wood are skyrocketing. The reason for the wood shortage and the price increase: the construction boom in Corona/Covid times. The demand at home and abroad is increasing. Many large sawmills are currently exporting massively. According to the Federal Association of the German Sawmill and Timber Industry, 20 million solid cubic metres of round and sawn timber were exported last year. That is more than 80 percent more than in 2019, with softwood logs accounting for the largest share. The main customers are China and the USA. More is paid there than in Germany - even for low-quality spruce that was felled in Germany due to drought, storm damage or bark beetle infestation and thus accumulated en masse. Even this wood is almost being used up here. To make matters worse, the market sets the price. Not long ago, a solid cubic metre of spruce cost about 30 euros. According to press reports, we have now reached almost 90 euros.

Prices on the steel market are also almost doubling, according to research by Stahlmarkt Consult. After a short breather, the price increase on the spot market for flat products accelerated sharply in March 2021. While the supply situation is steadily worsening, prices for sheet and hot-rolled strip have reached historic highs. For construction-related long products, the excessively high price level reached at the beginning of the year was maintained. In the stainless market, effective prices have risen sharply and procurement has become more difficult. The raw material costs of steel production remain high, and the raw material cost spread for flat steel has reached an all-time high. Especially in the flat steel market, several influencing factors have developed negatively. Supply will remain critical for the time being and even higher prices are to be expected in the short term.

Certain plastics are scarcer in Europe than they have been for a long time. The plastics producers' association PlasticsEurope Germany speaks of "unprecedented turbulence on the global plastics markets". And Mara Hancker of the Industry Association for plastic packaging says: "Prices for some raw materials have exploded in recent months. Our companies are experiencing bottlenecks, some of them massive." The Corona/Covid crisis is partly responsible for this: firstly, manufacturers of these materials initially curbed their production last year at the onset of the pandemic - and then, like other sectors, were surprised by the unexpectedly rapid recovery of the global economy in the second half.

The consequences for the industry are foreseeable. On the one hand, the shortage of goods means that there is a risk that orders can no longer be processed in the usual time. On the other hand, this shortage, combined with the exploding prices of raw materials, means that customers will be confronted with adjusted price levels.

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