

Rubber & Plastics News[®]

April 3, 2017

The Rubber Industry's International Newspaper

\$99 per year. \$4.50 per copy

SR prices on roller coaster ride

By Miles Moore

Rubber & Plastics News Staff

Increasing raw materials prices have in turn led to price increases for various synthetic polymers, and the big question is how long the price spiral will last.

More than a dozen synthetic rubber suppliers in recent months have announced price increases—some of them for multiple product lines—and all blamed the hikes on higher raw material costs. Impacted lines have ranged from chloroprene rubber, EPDM, SBR, nitriles, latexes, fluoroelastomers and various TPEs, among others.

"There have been increases in several materials, but most significant for us has been the global and regional increases in methanol," a spokesperson for

Dupont Performance Materials said regarding its Delrin acetal homopolymer resin.

Higher raw materials costs are the sole reason for the current SR price hikes, according to Bill Hyde, senior director, olefins and elastomers, for IHS Markit.

Price increases have been primarily, though not exclusively, in butadiene, Hyde said.

"There are a number of factors in butadiene pricing, generally driven by events in Asia," he said. "It's a combination of planned or unplanned outages at butadiene plants, with strong demand at a time when inventories were low.

"I wouldn't say there was panic buying, but there was desperation through-

out the industry to get the material and do whatever they had to do to get it."

Yuka Kimoto, director of marketing for Lion Elastomers, agreed that butadiene is hard to get.

"Supply is definitely tight," Kimoto said. "I haven't checked the most recent numbers, but I haven't heard that anything has changed."

Lion Elastomers has increased prices on its standard SBR grades twice this year, along with price hikes for its specialty SBR and EPDM grades as well.

Frank Lueckgen, director, BU tires & specialty rubbers, global marketing tires at Arlanxeo, said that production and demand anomalies have skewed pricing for butadiene.

In an interview with *European Rubber*

Journal, a sister publication of *Rubber & Plastics News*, Lueckgen said that despite major butadiene price hikes in Europe, the region still currently has the lowest butadiene prices in the world.

In Asian markets, where outages at butadiene plants have combined with unexpectedly strong demand from China, butadiene prices have reached as high as \$3,000 per metric ton, according to Lueckgen, who told *ERJ* he was relating his own opinions rather than those of his company.

"That is a major problem, because the butadiene suppliers in the U.S. and in Europe are shipping the raw material to Asia," he said. "They can make much more money on butadiene as before, as the arbitrage window is significant."

See *SR*, page 22



A Polycorp extrusion line at the firm's site in Elora, Ontario. To see *Rubber & Plastics News'* annual report on the molded goods industry, turn to Page 11.

Polycorp grows in Canada

By Mike Scott

Rubber & Plastics News Correspondent

TORONTO—The ongoing growth and success of Polycorp Ltd. has made the 22-year-old supplier of specialty rubber components highly sought after by a number of U.S. metropolitan regions.

The Toronto-based company even had an unannounced visit from Virginia Gov. Terry McAuliffe in an effort to persuade the manufacturer to move its facilities to the Old Dominion State.

However, with the help of a roughly \$1.9 million grant from the province of Ontario, Polycorp will expand its presence at its factory in Elora, located about 75 miles

from its Toronto headquarters.

Polycorp has committed to investing \$14.5 million over five years in that location, and hiring a minimum of 26 employees during that time, said Peter Snucins, Polycorp president and CEO.

The project will add about 110,000 square feet of space, nearly doubling its current size. Polycorp employs about 150 people.

Polycorp increasingly is providing niche products, Snucins said. The firm is targeting highly trained and technical engineers, chemists, machinists and more for its newly created positions. These new

See *Polycorp*, page 21

Aptar Pharma adds two clean rooms to N.Y. site

By Chris Sweeney

Rubber & Plastics News Staff

CONGERS, N.Y.—Aptar Pharma inaugurated an expanded Congers site on March 20, a \$10 million project that will help facilitate the company's expected growth.

The firm will add a Class 5 and a Class 7 clean room to its 130,000-sq.-ft. facility, both focused on producing injectable elastomeric component products for the pharmaceutical industry. It also will add new equipment to perform automatic inspection of all parts during the finishing process to ensure product quality.

Aptar said it anticipates being able to ship validation batches to customers in the second quarter. The Pharma Division employs about 200 people at Congers with 20 more at a testing facility in Baltimore. The Congers site already houses five clean rooms.

"The pharma market in the U.S. is

the most sought after," said Alex Theodorakis, Aptar Pharma North America president. "It's growing, sustainable in the long term, with a healthy and committed customer base. You want to be present in the U.S. for all those reasons. To take it to the next level and be a recognized player out here, we need to have a more established manufacturing presence in this country."

The site predominantly serves the U.S. market, but Theodorakis said it also serves the Canadian market with some exports going to Europe and India.

Aptar Pharma operates in three main product segments—prescription products, consumer health care products

See *Aptar*, page 21



August 8-9, 2017

SAVE THE DATE & CALL FOR PAPERS

See page 10 for more information.

CRAIN

Crain Communications Inc.

Entire contents © 2017 by Crain Communications Inc.

Polycorp

Continued from page 1

hires will help to expand Polycorp's product line.

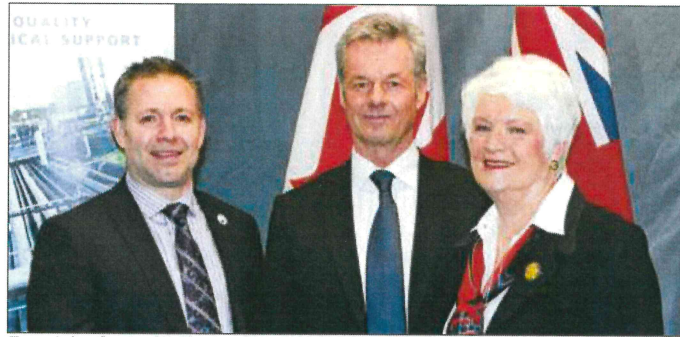
"We actually think that 26 new employees is a very conservative number given the growth we are experiencing, so it could easily be well above that," Snucins said. "But that is the number we committed to as part of the grant process with Ontario."

The firm makes engineered rubber products that reduce risk factors associated with corrosion, abrasion, impact, noise and vibration in the transportation, mining and protective linings industries. Within transportation, it concentrates efforts on track encapsulation systems.

Within each of these industries, Polycorp sells polymer-based materials—primarily rubber—for abrasion, impact, contamination and/or chemical protection. Each of the three divisions have different manufacturing processes, different formulations, suppliers, technical specifications, markets and competitors. It has long-term contracts with many large companies, Snucins said.

The grant money is courtesy of Ontario's Jobs and Prosperity Fund. Added to Polycorp's financial commitment, the money will be used to purchase nearly two acres of adjacent land, new equipment and a testing laboratory, along with funding needed to hire new employees, Snucins said.

The project is expected to be completed in 2022 and will help boost productivity and competitiveness, and increase exports and revenues. Polycorp will receive



From left, Centre Wellington Mayor Kelly Linton; Peter Snucins, Polycorp president & CEO; and Guelph MPP Liz Sandals, attend a March 13 news conference announcing Polycorp's expansion plans. Sandals said Ontario will be investing nearly \$2 million for the project at the firm's facility in Elora, Ontario.

the grant money in multiple distributions over the next five years.

A new press has been ordered and new molds have been designed for some manufactured products. Snucins said the extra acreage in part will be used to house finished products, which are often bulky, and as a transportation staging area.

"We're running 24/7 as it is now and our loading bays are jammed so this will all kick off around Nov. 1," Snucins said. "Most of our growth is coming internationally and a majority of our business is now global."

Polycorp also is investing heavily to protect its intellectual property with patents in the coming years, Snucins said. It has been recognized with the Ontario Export Award from 2014-16, and has received several other national awards, including the Grant Thornton Price Busi-



Polycorp's expansion in Elora, Ontario, will be operational in November.

ness Growth Award in 2014. The Ontario Export Awards is considered to be the province's most prestigious award for companies that export products.

"This investment will allow Polycorp to strengthen its innovative product offerings and increase its global competitiveness. Ontario is committed to strategic partnerships like this, which help create jobs and build a competitive business environment," Brad Duguid, minister of economic development for Ontario, said in a statement.

When Polycorp was first established more than two decades ago, the company's goal was to be the largest in its sector in North America, Snucins said. He sees specific opportunities for growth in the \$1 billion mining sector, and general growth in Europe.

"We focus on solutions, not being everything to everyone," Snucins said. "Our role is to fix problems. We also do everything we can to maintain a high level of quality of the products we sell, because that quality is one of our big differentiators."



Molding secondary curing and finishing operations at Polycorp's facility.

Aptar

Continued from page 1

and injectables—which includes products such as elastomeric closures, stoppers for vials, prefilled syringes, and cartridge components such as plungers, needle shields and tip caps.

Theodorakis said its injectables business is growing the fastest, prompting the firm to make investments to increase its market share.

"The injectable business is growing in terms of both value and volume," Theodorakis said. "You have some of the newer drugs out there that are considered very low volume, but at an extremely high price. But there is also the more generic, what we call small molecule, products that are growing as well. We see opportunity on both sides of the business."

The Pharma Division accounts for about \$712 million in sales with sites in Argentina, China, France, Germany, India, Switzerland and the U.S. The group's remaining divisions include Beauty & Home (\$1.3 billion in sales) and Food & Beverage (\$332 million).

"It's the fastest growing segment of Aptar," Theodorakis said. "It continues to be a market in which we believe we can grow, both organically and through potential acquisitions and partnerships, while we continue to also invest in our other businesses to maintain the market diversity that has been Aptar's strength all along."


Aptar Pharma is one of three divisions of AptarGroup Inc., a \$2.3 billion global supplier of a range of dispensing solutions for the beauty, personal care, home care, prescription drug, consumer health, car, injectables, food and beverage markets. The firm is headquartered in Crystal Lake, Ill., with facilities in North America, Europe, Asia and South America.

"Aptar has always had the strategic goal of being as diversified as possible in terms of the markets that we sell to," Theodorakis said. "In Pharma, pretty much all of our revenue is derived from dispensing systems or closures made from plastic and rubber parts, just as they are in our other segments. However, what distinguishes Pharma is the (Good Manufacturing Practices) systems and procedures that are expected from the industry, as well as the technical and regulatory expertise that we bring to the table."

MoldMART

The Rubber Industry's SOURCE for
Molding Equipment & Supplies
Visit our web site at:
www.rubbernews.com

TRANSFER PRESSES



www.wabashmpi.com

HYDRAULIC PRESSES

FRENCH
Custom Molding Solutions
937-773-3420
www.frenchoil.com
hydraulicsales@frenchoil.com

MOLD RELEASES

McLube
Toll Free:
800 2MCLUBE
Fax: 610-459-9538
www.mclube.com
info@mclube.com

MOLD RELEASES

LORD
LokRelease™
Mold Release

- Increase Number of Molding Cycles on a Single Application
- Less Downtime
- Aqueous, Solvent & Silicone-Free Solutions

877 ASK LORD • LORD.com/LokRelease
Customer.Support@LORD.com

PRESSES

THE ANSWER TO ALL YOUR
RUBBER MOLDING PRESS NEEDS...

rep

www.rep Injection.com 847.697.7210
lgraham@repcorp.com

MOLD RELEASES

MOLD MART
The most cost effective way to
run your company's message in
EVERY issue of
Rubber & Plastics News!

Mold Mart **MAXIMIZES**
your exposure with print ads and
online posting on RubberNews.com
Call or email for
introductory special rates:
330-865-6117
bstender@crain.com

LMG
Compression & Transfer Presses
Standard Designs • Custom Solutions
www.lmgpresses.com

Visit us at: rubbernews.com

Rubber & Plastics News