

China Bristle market 2020

Reinhold Hoerz, DKSH Switzerland
Wang Yong, DKSH China

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Agenda

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- Covid
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Demand

Market report Bristles

As you all know from my previous reports demand in the paintbrush industry is continuously moving to synthetics.

Consequently the main demand for pure natural bristles comes more and more from niche markets and niche business.

Still a high demand we can see in the industrial brush production for polishing.

And especially for high quality personal care brushes like hair brushes.

Covid

Allow me a short sum up of the year.

Covid has nearly not influenced the availability of bristles nor britles mixture.

The peak in China was at the same time of the new year when they had in China their new year festival. From the past years we always know this production interruption and had prepared ourselves by stocking up before the new year holiday.

Assume you are all following the news. You have seen, China has overcome the challenging virus situation very fast and so far, quite effective.

I cannot report of any considerable delay of supply during 2020.

What affected us more was the reduced worldwide demand due to the virus challenges in all countries which occurred later.

Covid

Luckily the home-office-period during the lockdown had a positive effect on our business field. Lots of people were renovating their homes. Demand of paint accessories picked up fast and nearly made up for the missing net sales during the lockdown period.

Just to give you an example. DKSH is supplying Titanium dioxide to the paint production industry in Europe. Our net sales in this field were booming.

Renminbi Yuan - Currency

Nevertheless the overall worldwide demand for bristle and mixtures has shrunk, our suppliers are keen for orders, prices in Yuan were consequently falling.

On the other hand, US demand for all kind of Chinese products has sharply increased. US buyers in all business fields, are afraid of a further increase of Import tariffs after the election in November.

US companies were ordering any product in China for stocking up. Demand in China picked up sharply, and consequently the Yuan appreciated against the US-Dollar by around 4%. This currency increase has balanced out the falling bristle and mixture prices. Which means our prices today are in most cases the same as at the beginning of the year. Partly in difficult sizes we even see higher prices.

Outlook

Outlook.

In our field quite several producers have left the field and are now doing other business. Which means today the demand and availability are balanced. We can get enough goods at decent prices. Contrary to 2019 where I always had to find solutions for delays, this year the average production time is much faster. Exception are some very difficult long sizes where we have to search goods on a long-term basis in the deepest mountain areas in order to cover the demand.

Thanks for your attention.

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