CPMA Value Chain Town Hall: COVID-19 Impact on Cleaning Products, Adhesives & Sealants

May 27, 2020
Presented in Partnership with:

Value Chain Town Hall Series

ChemSectors Program
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Formed in 1925, the Color Pigments Manufacturers Association is the only U.S.-based trade association dedicated to serving the color pigments industry in North America.

Leverage our network & industry intelligence to accelerate your business growth

Impact the legislative & regulatory arena

Access compliance support & technical expertise
Today’s Presenters:

Melissa Hockstad  
President & CEO  
The American Cleaning Institute

Bill Allmond  
President  
The Adhesive & Sealant Council
The Cleaning Products Industry in a Post-COVID World

Melissa Hockstad
President and CEO, American Cleaning Institute

www.cleaninginstitute.org
Quick Intro to ACI

• Founded in 1926, based in DC
• 140+ member companies
• Members include:
  • Manufacturers of household, I&I, healthcare cleaning products
  • Chemical producers (surfactants, fragrance, enzymes, etc.)
  • Finished packaging suppliers
  • Chemical distributors
A Snapshot of ACI Members
Economic Analysis of the U.S. Cleaning Products Industry

Direct Impacts

- 64,800 jobs
- $59.1 billion in output

B2B

- ~$31.4B of total sales purchased by other industries
And Then This Happened
Where to Focus First?

- Confirmation as critical infrastructure
- Product specific matters (e.g., disinfectants, hand sanitizers)
- Compliance requirements
- Price gouging
- Media
- And more.....
Which Products Are Americans Using More Of?

- Hand Soap: 69%
- Hand Sanitizer: 59%
- Disinfectant Wipes: 44%
- Disinfectant Spray: 36%
- Paper Towels: 35%
- Bathroom Cleaner: 23%
- Bleach: 9%
- None of These: 12%

Since learning about the novel coronavirus. Source: http://cleaninginstitute.org/COVID19Survey
ACI Members Have Been Busy

Healthcare/Hospitals  |  Food Service/Handler

Members

Consumer  |  Other I&I

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Compared to Same Time Last Year

- Multi-Purpose Cleaner Sales
- Hand Sanitizer Sales
- Aerosol Disinfectant Sales
- Wipes Sales
Company Examples

HEALTH • HYGIENE • HOME
What Does The Future Hold.....
Thank You
Impacts of Covid-19 in the Adhesive & Sealant Industry

Bill Allmond
President
The Adhesive & Sealant Council, Inc.
Who We Are

• National non-profit association representing 107 manufacturers, raw material suppliers, and distributors within the North American adhesive and sealant industry

• Membership represents more than 75% of U.S. adhesive and sealant industry

• Seven full-time staff

• Based in Alexandria, VA

• $3.0m annual budget (FY20)
Who We Are

Paperboard & Packaging

Building & Construction

Transportation

Consumer & DIY

Healthcare

Electronics
COVID-19

Economic Impact

• Markets under pressure the most are automobiles and light trucks, woodworking, healthcare, and construction.

• Packaging, hygiene, and consumer/DIY are performing better.

• Whereas manufacturer members felt economic pain first, beginning in late April and especially in May, raw material suppliers are expected to realize the negative economic downturn in the coming months as demand from manufacturers falls.
COVID-19

Supply Chain

• Very little supply chain disruptions have been experienced.

• Inventories were well-stocked prior to the pandemic.

• Those with operations in Asia saw the pandemic coming and made necessary inventory adjustments in anticipation of its impact once it reached the U.S.

• Where there were disruptions, they were isolated and quickly resolved.

• Some Supplier members are reporting continuing delays in raw material sourcing via ocean freight from India and other parts of Asia.
COVID-19

Production

• Manufacturing plants have remained in production with little disruption; some have repurposed to support healthcare workers.
• Worker availability has not been an issue.
• Some facilities reduced and combined the number of shifts working.
• Others said they provided incentives to production employees, such as extra compensation for a limited period.
• There has been a very limited number of Covid-19 cases within production. In cases where a worker has been infected, the worker was quickly isolated and quarantined. Temperature checks are being conducted, but it is unknown yet how widespread this is taking place.
• For the most part, laboratories and R&D have also remained open with social distancing practices being put in place.
COVID-19

Engagement & Interaction

• **Customers.** No issues engaging customers virtually. However, a downside of virtual contact is the inability to solve all of a customer’s needs, especially if they require services best handled in person. Few say they have had in-person sales meetings since late March.

• **Employees.** Communication with employees has been essential to help manage the crisis and provide direction. It has helped build confidence among employees about the company’s priority on safety and health.
COVID-19

Outlook

• Mid-2021 is how soon many feel that business will return to pre-pandemic levels, though some markets to which adhesives are sold are expected to improve in the 3rd or 4th quarter of 2020. Others will take longer.

• Positive signs are automakers are returning to work, with residential and non-residential construction beginning to restart as well.

• Recovery has been state-by-state; some states are “re-opening” sooner than others, allowing more non-essential industries to return to work sooner.
Thank you!

Next Value Chain Town Hall: COVID-19 Impact on Plastics, Household & Commercial Product Sectors

Wednesday, June 24
2:00pm – 2:30pm EST

Register

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