

Geomembrane Execs See 'light at end of tunnel' for Geosynthetics Markets

22 August 2022 by Editor GNA

Strong project order book, signs of recovery 'give confidence' amid current uncertainties

Major geomembrane manufacturers predict a continued strengthening in demand for their geomembrane liners as markets recover from the Covid downturn and the geosynthetics industry slowly returns to normal.

The short-term outlook for the global market is expected to strengthen as *"customers continue to demand quality liner"* according to an industry expert.

Despite the recession and high oil & gas prices, large landfilling and mining tailings dam projects continue to be developed.

"Inventories were down during Covid and we see our customers now rebuilding inventories," says a major industry player.

"So, the geosynthetics market looks strong, although there is a lot of uncertainty with regards to a possible recession and inflation"

"However, when we speak to our customers whose speciality is to supply to the geosynthetics market, they say they can see the light at the end of the tunnel, meaning that the orders are increasing" an industry expert explained.

The high resin prices and disrupted supply chains which have crippled the geosynthetics industry for the most of 2021 are finally easing.

At last polyethylene resin prices are on a downward trend in August, due to pipeline filling and higher supplier inventories.

PP resin prices are also moving lower to somewhat stable for the remainder of the year, barring unplanned shutdowns due to weather events.

But sharply rising feedstock costs for PET resin are resulting in unprecedented price increases which in turn will lead to price increases for geotextiles.

"If you talk to most geosynthetic manufacturers and distributors, they will tell you that their order books are full, and these are orders taken a year ago".

"So, a combination of strong project-driven demand and if you can call it a 'rebound' in geosynthetics markets gives us confidence about 2023".

Europe/Africa and USA markets are both going well, but there are nevertheless serious concerns about a global recession due to inflation, interest rate rises, cost of living increases, Ukraine food supplies/energy being cut off and Europe heading into winter.

The APAC market is way down and depressed as government spending is down, China lockdowns continued into 2022 (rolling lockdowns looming), SE Asia govt spend declined due to too much spent on Covid subsidy, elections in some countries (Philippines done, Malaysia unstable). Asia been in decline since mid-2021 and there is no end in sight. There are pockets of optimism such as energy and mining-related projects but plenty of headwinds remain.