

Announcing ASC e-Catalyst

Welcome to the Adhesive and Sealant Council's **ASC e-Catalyst**, a new monthly e-newsletter which combines our former printed Catalyst newsletter with the ASC e-NewsFlash.

ASC e-Catalyst promises to deliver the latest industry information, end-user trends and ASC news - all in one convenient message. Look for it on or around the 1st Tuesday of each month.

ASC News

Spring '09 Convention (Austin, TX) Call for Speakers Deadline: 1/16/09

Mark your calendars to attend the [ASC's 2009 Spring Convention](#) April 5-7 in Austin, TX -- live music capital of the country! This event promises to build upon the momentum of this past fall's convention by featuring Toolbox Talks for Tough Times, peer-to-peer networking, and much more. Plus, we are pleased to announce networking activities (and special discounted pricing) for "Next Generation" professionals. [Click here](#) to learn more.

ATTENTION SPEAKERS: Abstracts are due January 16th! [Submit Your Abstract](#) today. Questions? Contact [Bob Willis](#) at (301) 986-9700 ext. 104.

NEW TO PSAs? ASC is pleased to present its updated Pressure Sensitive Adhesives Short Course to be held Sunday, April 5, and Monday, April 6 (co-located with the Convention). [Click here](#) to learn more.

CALLING ALL EXHIBITORS: Floor space is going fast. Click on the Web Link below to access information about the industry's largest Expo in the Western Hemisphere.

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Winter Leadership Conference Registration Open

Attention: Senior Executives & Their Spouses/Partners. ASC cordially invites you to attend the 2009 Leadership Conference February 9-10 in Scottsdale, AZ. This bi-annual event provides an excellent opportunity to network and participate in a world-class program. Our line-up features talks on: Alternative Energy (Ronald M. Sega, Professor, former U.S. Under Secretary of the Air Force, Retired USAF Major General and former NASA Astronaut); Forming Great Business Teams (Howard M. Guttman, Noted Author, Speaker and Expert on Business Strategy); Globalization: International Prosperity & Its Impact on America (Barry Asmus, Political, Business and Financial Expert); and Jumpstarting Organizational Change (Wendy Mack, Speaker, Consultant and Expert on Communication and Change, T3 Consulting, LLC).

[Click here](#) to access PDF Registration Form.

Room Reservations DEADLINE for ASC's Special Discounted Rate: January 8, 2009! [Book Your Room Online](#).

For more information, click on the Web Link below.

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The Adhesive and Sealant Council, Inc. (ASC) is a North American trade association dedicated to representing the adhesives and sealants industry. Incorporated in 1958, ASC is bound by the collective efforts of its members, and strives to improve the industry operating environment and strengthen its member companies. ASC members represent more than

* [ASC's 2007-10 North American Market Report with Global Overview](#): Available to Members only thru 12/31/08 at discounted rates. And *coming January 2009* -- **The Asia Supplement** (available to members only for a limited time).

* [FEICA's 2007-10 EU Market Report](#) -- ASC Members purchase at FEICA member rates.

* [Download the new free FEICA-ASC Industry Classification Manual](#). Use it to compare market information contained in the latest ASC and FEICA Market Reports on an "apples-to-apples" basis.

* [Clear Sea's Design Engineer Market Intelligence Report](#) -- Cutting edge primary research into how and where design engineers get their information about adhesives & sealants, and what their perceptions are about our industry's products. Members receive a 10% discount off list price.

* And JUST ANNOUNCED...New Manufacturing Sector Reports available exclusively to members only. Want to understand how your company stacks up against other manufacturers vis-a-vis Manufacturing Performance Institute's key metrics? How about avoiding future OSHA non-compliance penalties and fines? [Click here](#) to learn more and take advantage of these discounted services via ASC's affiliation with the National Association of Manufacturers.

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Are You "Linked In"?

ASC maintains a comprehensive library of online resources designed to help you and your company succeed. LINKS are categorized by subject matter and include: Technical, Business, HR, Small Business and much more.

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Reach Thousands through ASC Banner Advertising

New for 2009! ASC offers banner advertising through its monthly e-Catalyst newsletter. Increase your organization's visibility or promote an upcoming event to thousands of e-Catalyst subscribers. Premium placements are still available.

For more information and pricing, contact ASC's new marketing director, [Lori Crowe](#), at 301-986-9700 x 109.

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Industry News

Global Tissue Sealants Market Projected to Grow at 18.9% Compounded Annually from 2005 Through 2012

MarketWatch (11/17/08)

The global tissue sealants market will grow at a rate of 18.9 percent compounded annually from 2005 through 2012, estimates Research and Markets in a new report. The United States, the leading market for tissue sealants with a 35 percent global market share in 2006, is expected to hold its leading position, though its share will decrease to 33.25 percent by 2012. Experiencing the highest gain in market share will be the Asia-Pacific region due to cost advantages and rapid increases in population. The study covers homologous sealants, synthetic sealants and autologous sealants.

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Henkel Managing Director Kim Walker Has Stepped Down After 22 Years

DiyWeek (11/13/08)

Henkel Adhesive Technologies' long-standing managing director, Kim Walker, has stepped down just days after the company announced a 58 percent drop in net profits during the third quarter, despite a 3.5 percent increase in average organic sales across all of the company's businesses. Walker had been at Henkel for 22 years. The decline in profits is attributed to restructuring costs and "weaker development in mature markets." Nevertheless, Henkel's adhesive

75% of the U.S. industry. The Council is comprised of 130 adhesive and sealant manufacturers, raw material and equipment suppliers, and industry consultants.

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business experienced organic sales growth of 3.6 percent. Though expecting further slowdown, Henkel was quoted in an earlier article as saying, "we see opportunities arising from the still generally favourable conditions prevailing in the growth regions." Henkel recently announced the establishment of a production base in Mumbai for footwear adhesives, seeing huge growth potential for the footwear industry in India and the Asia-Pacific region in general.

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Pennsylvania Governor Rendell Says Global Chemical Company to Locate Operations in Lehigh Valley

MSN Money (11/12/08)

Pennsylvania Governor Ed Rendell has announced that Wacker Chemical of Germany will base its research and development, marketing and business support operations for its Wacker Polymers division in Lehigh Valley. Wacker in late November broke ground for the new 67,000-square-foot facility in Upper Macungie Township. "Wacker is extremely pleased to locate its facility in the Allentown area and is anticipating a long-standing and valued business relationship," says Ingomar Kovar, president and CEO of Wacker Chemical Corp. "We greatly appreciate the support provided us by the Commonwealth of Pennsylvania and express our deep thanks to all those who were involved in the developmental process." Gov. Rendell says, "This was a competitive project and Wacker's decision to base its entire North American polymers division in Lehigh County proves that Pennsylvania is a desirable location for manufacturers." The facility is expected to be completed by next fall.

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Hexion Gets Trial Date on Funding of Huntsman Merger

Bloomberg (11/03/08) Hurtado, Patricia

Granting the requests of both sides for a fast trial, a judge has set Jan. 8 as the trial date for a case involving funding of Hexion Specialty Chemicals' takeover of Huntsman Corp., the world's leading maker of epoxy adhesives. The case involves whether Credit Suisse Group and Deutsche Bank will have to provide \$6.5 billion in financing under a now-expired commitment letter regarding the takeover deal, announced before the credit freeze began. The judge rejected Hexion's claim that it would experience "irreparable harm" if the funding agreement were not extended indefinitely beyond its deadline of November 1. Lawyers informed the judge that they agreed to focus the trial specifically on whether the banks were required to fulfill the funding obligation, while a trial for damages could come later. "Everything would need to be done on an expedited basis due to the nature of the transaction," says Hexion lawyer Mark Kasowitz, who added that his client welcomed a quick trial. Indiana University law professor Antony Page, who has been following the numerous legal disputes regarding the proposed merger, said it appears to be going similarly to a Clear Channel Communications lawsuit in which six banks were sued by the company's purchasers for refusing to finance the buyout; that case was settled after a single day of trial. "I think the banks are behaving in a very logical way. We saw in Clear Channel when they had a pretty weak case, they saved themselves about \$1 billion from the original deal," says Page. "The worst-case scenario is they will have to fund on the original terms. By contrast, if they reach a settlement, they too could save a significant amount of money."

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Rohm and Haas Help Kids 'Have a Ball With Chemistry'

RedOrbit (10/23/08)

Mario Mirabelli, an expert on molecules at Rohm and Haas, demonstrated the impact of science on sports safety and performance to hundreds of Philadelphia students during this year's National Chemistry Week, which was held October 19-25. The theme for the event was "Have a Ball With Chemistry." In addition to demonstrating the science behind sports, Mirabelli previewed a set of educational videos produced by Rohm and Haas and The Franklin Institute explaining how science affects a host of sports, including snowboarding. Though many kids have seen snowboarding on television or even been snowboarding themselves, few understand the science behind the sport. To reduce weight and stiffness, snowboard manufacturers layer sophisticated materials around a wooden core to make a "science sandwich" held together with acrylic epoxy adhesives. "Understanding what goes on behind the scenes will enrich children's concept of chemistry so that they will now look at a ball or bat in a different

way," says Eileen Flannery, school age coordinator at Children's Village in Philadelphia, where Mirabelli performed his demonstration in front of a group of pre-K students.

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Tough Economy Unglues Some Players

Chemical Week (10/06/08) P. 19; Phillips, Kate; D'Amico, Esther

Many companies in the \$48 billion global adhesives and sealants industry are being impacted by weak economies in the United States and Europe; slumps in the housing, construction, and automotive markets in the United States; and high costs of raw materials. Formulators have been boosting prices as raw material costs rise, particularly for resins, and this has been cutting into volumes. "Whenever there is a significant downward economic spiral, mature industries accelerate consolidation," says Phil Phillips, managing partner and president of Chemark Consulting Group. "This is, and will continue to be, the 'story' for the paints, coatings, adhesives, sealants, and ink industries through 2010." In addition, formulators have not increased margins or completely covered the raw material price increases, so "profits at the gross profit levels for the most part had slipped over the past 24 months." Limited supply due to Gulf Coast hurricanes and higher raw materials costs are spurring the latest price increases from formulators and suppliers, according to analysts such as Phillips, who does not expect raw material prices to come down. Suppliers have done better than formulators at passing along increases, but even they are having trouble because of their reliance on crude oil, says CEO Dan Murad of The ChemQuest Group. The world's leading formulator, Henkel, said it has seen adhesives and sealants raw-material costs rise 9 percent to 10 percent this year, leading to price increases of as much as 15 percent in June and as much as 20 percent in August. Rohm and Haas has increased its prices by 10 percent to 20 percent, while Bayer MaterialScience increased adhesives and coatings raw material prices as much as 13 percent in Africa, Europe, and the Middle East. Large formulators and suppliers have been taking advantage of market conditions to acquire adversaries. The biggest adhesives and sealants deal to date is Henkel's \$5.5 billion acquisition of National Starch and Chemical's adhesives and electronics materials businesses last April. Also on the books is Dow Chemical's \$18.8 billion bid for Rohm and Haas; the deal is due to close early next year.

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End-User Perspectives

Fastener Woes to Delay Flight of First Boeing 787 Jets

Wall Street Journal (11/05/08) Lunsford, J. Lynn

Delivery of Boeing's much-anticipated 787 Dreamliner will be pushed back once again due to problems with fasteners. Problems discovered during a routine quality-control inspection will force the company to replace thousands of fasteners that were improperly installed. This is the second time Boeing has run into problems with fasteners. Since the Dreamliner is made largely from carbon-fiber composites and machined titanium castings, instead of conventional steel and aluminum, Boeing had to come up with new types of fasteners to keep the plane together. Problems first erupted two years ago when suppliers had trouble getting enough of the specialized fasteners to assemble the first planes. The first Dreamliner delivered to Boeing was thus held together by thousands of temporary fasteners. The Dreamliner is the best-selling new model in Boeing's history, with more than 900 already having been ordered. The plane is supposed to offer significant operational and maintenance cost savings when compared to planes of similar size. Delivery had already been pushed back by two years due to manufacturing problems, and the latest issue with the fasteners, combined with the recent strike of Boeing machinists, will make it impossible to meet a goal of flying the first Dreamliner this year and unlikely that deliveries of the first Dreamliners will take place at the end of 2009 as planned. "Every day the first planes sit on the ground is a day that you can't conduct flight tests, which means everything gets pushed back," says a senior aerospace executive connected with the program.

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Shellfish Inspire New Adhesives

ScienceDaily (11/17/08)

Researchers at the Max Planck Institute of Polymer Research and Johannes Gutenberg University in Mainz, Germany, have discovered that the adhesion of some shellfish to a foundation at the bottom of the sea is equally strong whether the protein used to form the bond contains a high or low proportion of the amino acid dihydroxyphenylalanine, also called dopa, which is responsible for the bonding. The shellfish rely on the adhesion to keep them anchored to their foundation near a coast during the constant pulling of the surf, an ability that engineers have had difficulty in tackling: adhesion under water. The chemical structure of dopa allows the shellfish to form strong bonds with metals and minerals, but researchers have found that the number of links in the chain carrying the dopa adjuncts has no impact on the chain's adhesiveness if it comprises at least 10 percent of the total. They were able to verify this by reproducing the adhesive proteins with artificial polymers that consisted of long chains of molecules carrying the same chemical adjuncts that make the shellfish proteins adhesive. "The fact that the adhesive effect is, to a certain extent, independent on the number of binding sites could be used to give the other links in the polymer other functions," says Hans-Jurgen Butt, director of the Max Planck Institute for Polymer Research. Thus, 90 percent of the polymers not necessary for a good bond could be infused with chemical adjuncts that allow adhesion to different materials, such as wood, glass, or bone. The researcher explains the phenomenon: "Normally, we imagine that an adhesive polymer is like a strip of scotch tape that adheres over the whole of its length," but with the shellfish, "We see our polymers as chains of single binding sites linked with very loose springs."

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