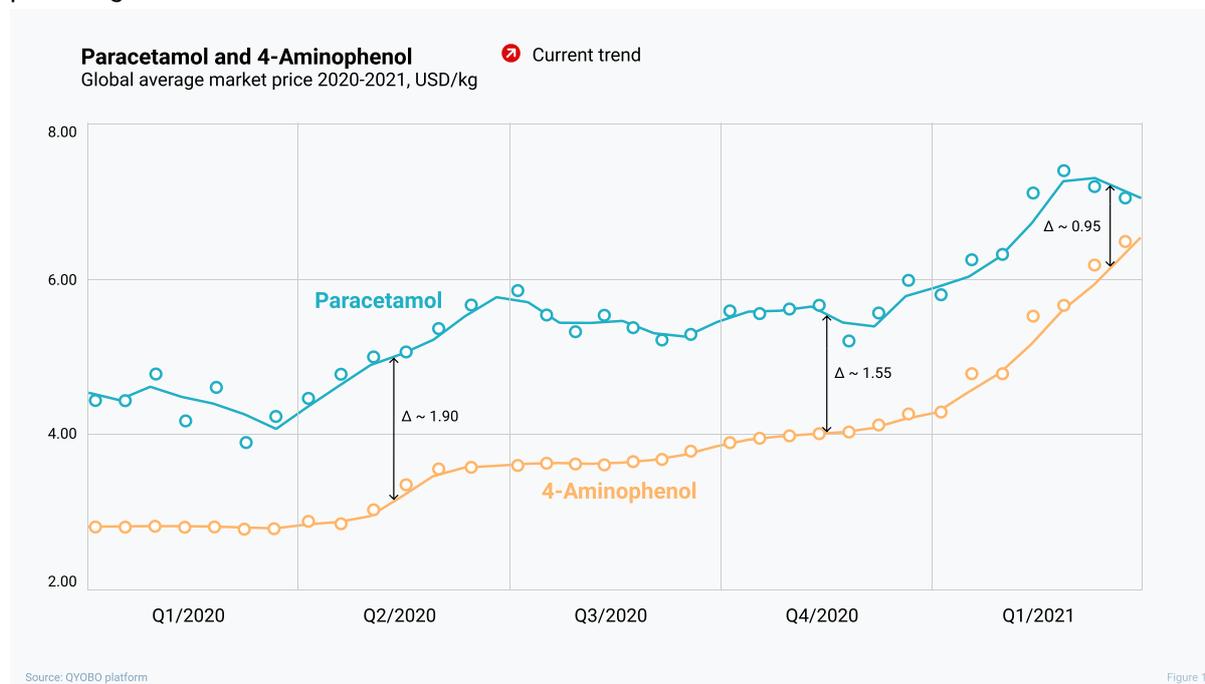
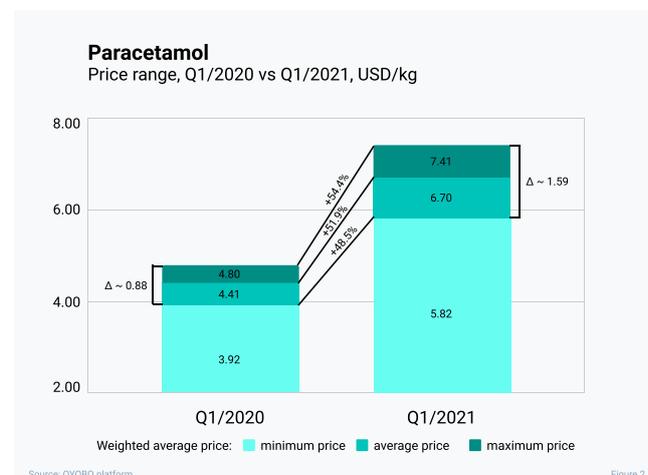


## Previously considered a low-priced “commodity”, Paracetamol goes on an unprecedented price rally

In 2020, prices for paracetamol increased for two main reasons - trade restrictions such as factory shutdowns and export restrictions (see [QYOBO article](#)) and a spike in demand as the drug was considered the most effective analgesics treatment for CoViD-19 infections. Towards the end of 2020, an incident at one of the few remaining manufacturing sites of 4-aminophenol, a paracetamol intermediate (also known as key starting material or KSM) occurred<sup>1</sup>, further adding to the already prevailing tensions in the market.



At the end of the first quarter of 2020, prices for paracetamol and 4-aminophenol started to rise considerably, as the first wave of the CoViD-19 pandemic started to gain momentum. This rapid



increase continued until the beginning of the second half of the year resulting in a 31.7% boost of paracetamol prices and a 27.9% boost of 4-aminophenol prices (vs. to January 2020). Prices stagnated throughout the remainder of 2020, until both substances experienced another rapid price increase in the first three months of 2021 with +21.3% (paracetamol) and +50.9% (4-aminophenol) respectively. This recent increase is all the more interesting as the price difference between paracetamol and 4-aminophenol (which directly relates to the margin of paracetamol API suppliers) remained fairly

constant during the entire period 2020-2021 - from 1.55 USD/kg to 1.90 USD/kg, (see figure 1). Analyzing the Paracetamol price curve in Q1/2021, one might assume that the slight recovery in March 2021 will continue - the price difference of 0.95 USD/kg however suggests otherwise as Paracetamol margins are getting squeezed and manufacturers will likely pass these on to their buyers in the weeks to come.

Taking a closer look at the price distribution for paracetamol, the spread between minimum and maximum prices also increased significantly in the first quarter of 2021 compared to the same period in 2020. Surging from 0.88 USD/kg at the beginning of 2020 to 1.59 USD/kg paracetamol price spread almost doubled in 2021 (see figure 2).

**Glossary:**

API Active Pharmaceutical Ingredients  
KSM Key Starting Material

**About QYOBO GmbH:**

QYOBO's mission is to improve access to essential medication for everyone by contributing to a more transparent, efficient and robust supply of pharmaceutical and chemical raw materials.

For this purpose, we've developed the QYOBO market analytics platform for APIs, intermediates and chemicals. From millions of trade, regulatory and financial datasets scattered around the world, our big data algorithms derive unique, actionable insights on market prices and trends, suggest suitable partners for your business and automate data-heavy workflows in procurement, supply chain and business development.

Founded in June 2019 and based in Munich, our company is pursuing its mission collaboratively with its international clients and has been recognized with numerous awards including the BASF market challenge and the Digital Innovation award 2020 by the German Federal Ministry for Economic Affairs & Energy (BMWi).

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**Disclaimer:**

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<sup>1</sup>Sina Finance, 28 December 2020.

[Investigation: Bayi Chemicals suspected having a flash explosion of "unlicensed production" hazardous chemicals last year.](#)