

# Raw materials essay



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Definition Raw Materials are inventory items that are used in the manufacturer's conversion process to produce components, subassembly, or finished products. (Stalemate, 2009) Summary My selected article, Raw Material Changes in the Chemical Industry is about the shift in energy generation and material use within the last century. The world used to use much more renewable energy sources, but have then since transitioned to using crude gas and natural oil which at one time was more cost effective. Now, because of the rise of oil and gas prices, and limited availability, the question of a future raw material base develops.

The authors make clear the dominance of crude oil in the market, but also explore new raw materials for an energy base such as gas and coal options. " alternative raw material sources discussed in this review can be used in establishing new capacities if oil prices remain 2008) They conclude that oil will be our main source of energy for the near future, but natural gas and coal have a lot of potential in the long term, especially if oil prices continue to stay high. Discussion So why are energy raw materials and shifts in their use relevant to studies in international business and raw materials?

Energy, whether oil, gas, natural gas, coal, or anything else is the foundation that industry stands on. Factories and vehicles run and move on fuel. It is a businessman's advantage to be knowledgeable and prepared for eventual energy shifts in fuel. Because the value chain starts with the acquisition of raw materials, (Stalemate, 2009, p. 241) and because prices and availability of fuel drives prices and availability of everything else, it is important that there be a reliable source of raw material which would enable a stable supply of fuel to other industries.