bvse market report: plastics, April 2021

1 General economy with reference to the plastics industry

The ifo business climate index is on a rollercoaster ride: after the collapse in the previous month, the mood in the German economy has improved markedly, see www.ifo.de/ifo-geschaeftsklimaindex. The ifo business climate index rose to 96.6 points in March, following on from 92.7 points (seasonally adjusted) in February. This is the highest value since June 2019. Companies were noticeably more satisfied with their current business situation than in the previous month. Moreover, the optimism with respect to the months ahead has returned. In spite of rising infection figures, the German economy is entering spring with confidence.

In its annual press conference on Ash Wedensday, 17 February 2021, the plastics processing industry association (GKV - Gesamtverband Kunststoffverarbeitende Industrie e. V.) took stock of plastics processing in Germany in 2020, see www.gkv.de/de/service/presse/weniger-umsatz-mehr-wertschaetzung-und-kreislaufwirtschaft-als-chance-kunststoffverarbeiter-ziehen-gemischte-bilanz-2020.html. The sector's turnover fell by 5.6 % to 61.5 billion euros last year. In total, approx. 14.2 (- 2.8 %) million tonnes of plastic were processed in Germany last year. The number of employees fell by 4.1 % to 322,000; the number of plastics processers is 3,037 (- 0.7 %).

The internet platform 320°, see https://320grad.de/, puts it in a nutshell: the manufacturers of plastic products are in a serious crisis with severe raw materials shortages and extreme, unprecedented price rises, according to the association of European plastics processes EuPC. It is increasingly difficult for European plastics processors to obtain materials. Accordingly, the prices for polymers are rising to ever new record highs.

2 Primary markets - Standard plastics

Force majeure across Europe and all over the world! Short supply is contrasted with very strong demand. There is a shortage in the supply of plastics because of plant failures and delays in import and export. Moreover, the accident with the container ship "Ever Given" in the Suez Canal has caused further supply shortages. Demand is also high because of the spring recovery. And, finally, the difficult supply situation with plastics means that processors are buying more to ensure their production. Even the stocks painstakingly built up in the crisis are depleting, with the result that the plastics processors have hardly any buffer. No change to the shortages is anticipated in the months ahead - the situation remains tense.

Standard plastics are going through the roof! In March 2021 the average price of 1,706 €/t was an average 333 €/t higher than in the previous month (1,373 €/t), see Table 1. In a year-on-year comparison, it can be seen that the average quotes from March 2021 (1,706 €/t) were 679 €/t higher than those of the previous year (1,027 €/t). see EUWID, www.euwid-recycling.de. Specifically, the price rises are as follows: LDPE at 525 €/t, LLDPE at 360 €/t, HDPE at 335 €/t, PS at 490 €/t, PP at 300 €/t and PVC at 148 €/t.

PET is also following the trend of standard plastics. Packaging PET was quoted at an average price of 1,295 €/t in March 2021, thus 175 €/t higher than in the previous month. On the spot markets, up to 400 €/t more was paid. There is a clear spring recovery on the PET markets.

Table 1: Standard plastics prices according to EUWID over the past five months, listed in €/t.

Prices in €/t	March 2021	Feb. 2021	Jan. 2021	Dec. 2020	Nov. 2020
LDPE film grade	1850- 2000	1450- 1550	1200- 1290	1020- 1120	930- 1040
LLDPE film grade	1800- 1900	1440- 1540	1190- 1280	990- 1090	940- 1040
HDPE injection moulding	1650- 1800	1350- 1430	1150- 1200	960- 1030	930- 1000
HDPE blow	1630- 1780	1330- 1410	1150- 1220	960- 1050	930- 1030

moulding					
PS crystal clear	1850- 1950	1370- 1470	1320- 1430	1190- 1300	1050- 1110
PS high impact	1950- 2050	1450- 1550	1390- 1500	1240- 1350	1130- 1190
PP homopolymer	1700- 1800	1400- 1500	1180- 1280	1040- 1110	1000- 1070
PP copolymer	1750- 1850	1450- 1550	1230- 1330	1090- 1170	1050- 1120
PVC tube grade	1100- 1200	1000- 1090	940- 1000	890- 960	860- 930
PVC film/cables	1200- 1300	1020- 1100	970- 1030	940- 1000	910- 960
Average Price	**1706 ± 282**	**1373 ± 177**	**1214 ± 156**	**1075 ± 124**	**1011 ± 87**

3 Secondary plastics markets in the plasticker price index

The plasticker internet platform, see http://plasticker.de, publishes quotes on an hourly basis. The present market report indicates the final monthly prices. It is only possible to represent the preliminary prices for April 2021; they will not become definitive until early May. The two quotes stated for April 2021 below only an interim situation, see the left-hand column in Table 2 and Table 3.

3.1 plasticker: Standard plastics

An average price of 535 €/t is calculated for March 2021. And this average price is 45 €/t higher than that of the previous month (490 €/t), see Table 2. The average price for March 2021 (535 €/t) was 62 €/t higher than that of the previous year (473 €/t). Significant price changes (±40 €/t) are: HDPE regrind +60 €/t, HDPE regranulates +80 €/t, PP regranulates +110 €/t and PS regrind +60€/t. The other price changes, such as PVC_P and PVC_U, are not of sufficient statistical significance for their contribution to be listed here. The price index shows satisfactory demand for plastic.

The preview of the April quotes indicates an average price of 560 €/t, see Table 2. The price index of 15.04.2021, shows satisfactory demand for plastic to date.

Table 2: Standard plastics price according to plasticker; listed in €/t.

	April[6] 21	**March 21**	**Feb. 21**	**January 21**	**Dec. 20**	**March 20**
HDPE regrind[1]	620	580	520	500	490	520
HDPE regranulates[5]	990	880	800	690	710	720
LDPE bale goods[2]	260*	160*	140	150*	160*	230*
LDPE regrind[1]	510*	490	470	510	450	530
LDPE regranulates[5]	660	640	600	570	590	590
PP bale goods[3]	270*	360*	350*	270*	200*	190*
PP regrind[1]	520	530	520	510	510	520
PP regranulates[5]	960	850	740	720	720	860
PS regrind[4]	580	570	510	510	490	610
PS regranulates[5]	1130	920	880	750	690	750
PVC_P regrind[1]	350*	530*	450*	510*	440*	210*
PVC_U regrind[1]	530*	520*	400	390	300*	360*
PET bale goods	100*	80*	100*	160*	300*	230*
PET regrind mixed colours	360	380	380	380	340	310
Average Price	**(560)**	**535**	**490**	**473**	**456**	**473**

*: Supply figure too low to attain statistical significance; [1]: equivalent to the grade "post-industrial mixed colours"; [2]: equivalent to K49; [3]: equivalent to K59; [4]: equivalent to “standard, mixed colours”; [5]: equivalent to the grade “regranulates, black"; [6]: preview (may be amended by additional quotes)

bvse market report: plastics, April 2021

3.2 plasticker: Technical plastics

An average price of 1,365 €/t is calculated for March 2021. And this average price is 95 €/t higher than that of the previous month (1,270 €/t), see Table 3. The average price for March 2021 (1,365 €/t) was 157 €/t higher than that of the previous year (1,208 €/t).

These plastics show price changes of more than ± 70 €/t: ABS regranulates +330 €/t, PC regranulates +120 €/t, PBT regranulates +110 €/t and PA 6.6 regranulates +430 €/t. Regranulates are quoted much higher, whereas regrinds recorded only small price changes. The price index reveals a slightly improved demand for plastic over the previous month.

The average price in April 2021 (1,396 €/t) was quoted at 31 €/t higher than in the previous month (1,365 €/t). The April price index of 15.04.2021 shows satisfactory demand for plastic.

Table 3: Technical plastics price according to plasticker; listed in €/t.

	April[6] 21	**March 21**	**Feb. 21**	**Jan. 21**	**Dec. 20**	**March 20**
ABS regrind	640	580	550	530	550	620
ABS regranulates[5]	2250	1810	1480	1500	1240	1240
PC regrind	840	840	830	650	760	880
PC regranulates[5]	1940	1970	1850	1870	1480	1610
PBT regrind	500*	470	450	470	420	460
PBT regranulates	1860	1920	1810	1710	1750	1640
PA 6 regrind	870	870	890	890	870	850
PA 6 regranulates[5]	2000	2070	2000	1970	1860	1830
PA 6.6 regrind	940	940	930	910	860	890
PA 6.6 regranulates[5]	2580	2560	2130	2090	2080	2070
POM regrind	630	580	610	510	550	580
POM regranulates[5]	1700	1770	1710	1650	1450	1820
Average Price	**(1396)**	**1365**	**1270**	**1229**	**1156**	**1208**

[5]: equivalent to the grade “regranulates, black”; [6]:preview (may be amended by additional quotes).

4 Secondary Plastics Markets

4.1 Evaluation of the secondary plastic markets

Reviled when there is a surplus and esteemed in a crisis - these are the conflicting priorities that plastics recycling has to deal with in Germany. Instead of getting together to develop the recycling markets into a continuous factor in plastics manufacture and processing, interested parties are always looking for exit strategies to remove plastic waste from the market. And these parties endeavour to structure feedstock recycling in such a way that the unloved recycling of plastics is largely eclipsed.

Plastics recyclers now have difficulties to meet the strong demand for recyclates. Maybe the plastics industry finally understands that plastics recycling is an indispensable and fixed component of production and processing. Or, put another way, plastics recyclers are a safe harbour for cushioning the faults in primary production. It is high time that the plastics industry stands up for plastics recycling without reservation and actively promotes it. Only plastics recycling is sustainable; and has much better LCAs than the feedstock recycling or thermal use.

4.2 Plastic wastes

The force majeure in primary goods is pulling the secondary market up. However, price rises on secondary markets are comparatively moderate when we compare them with those on the primary markets. Nevertheless, we see that bale goods - for production waste and PE post-user waster - increased by 34 €/t on average.

For PE production waste, in March 2021 LDPE film coloured was quoted at an average 20 €/t higher and LDPE film natural at 30 €/t higher. For PP production waste, PP film coloured are quoted 20 €/t and PP film natural 30 €/t higher on average.

In March 2021, the EUWID price index for waste plastics identified mean price rises of 20 €/t to 85 €/t for PE post user films. The relevant EUWID quotes are: LDPE shrink hoods natural 365 €/t, LDPE shrink hoods mixed colours 105 €/t, thin film transparent natural 285 €/t, thin film transparent coloured 58 €/t, LDPE agricultural film -38 €/t, commercial mixed film (90/10) 140 €/t and commercial mixed film (80/20) 110 €/t.

4.3 Recyclates

The demand for good plastic recyclates, i.e. regrinds and regranulates, is extremely high because European and worldwide shortfalls from primary production have to be compensated for. The plastic recyclers cannot adequately satisfy the strong demand, they therefore prefer those processors who have ordered recyclates during the coronavirus crisis.

The sharp price rises for virgin grades have not yet been detected to the same degree among recyclates. The great shortage of PP regranulates is, as yet, not adequately reflected in the price indices. Further price rises for recyclates are probably until the end of May.

Regrinds from production waste cost an average 20 €/t more for PE, an average 33 €/t for PP, 28 €/t for PS, 33 €/t for PVC and 25 €/t for PVC windows. The two regrinds made of PE post-user, i.e. crates sorted according to colours at 475 €/t and crates mixed colours 415 €/t, are quoted at 48 €/t higher on average.

All regrinds are quoted higher, see EUWID price index for waste plastics. The regranulates are included in the price upswing of the virgin grades. Average price rises of 10 €/t to 75 €/t have been cited for regranulates.

4.4 PET Recycling

The shortage of virgin grades is clearly making itself felt on the PET secondary markets: both in terms of the prices for used beverage bottles and the recyclate prices. Because of the existing and entirely disadvantageous import restrictions, recyclers can hardly import any quantities of PET from OECD or non-OECD countries. Moreover, as a result of Brexit, European PET recyclers can hardly import any beverage bottles from the UK. The PET recyclers are expecting the situation to remain tense until the end of May.

In March and April, the volume of bottles is low due to the season. However, the brief period of good weather resulted in much stronger demand for PET beverage bottles. The PET recyclers are suffering from a shortage of processing input. The prices for used PET single-use bottles changed in March as follows: PET transparent +30 €/t, PET mixed +40 €/t, and PET coloured +5 €/t.

The high prices for virgin grades (+175 €/t) are pulling the recyclate prices up. On average, PET flakes have risen by 55 €/t and PET regranulates by 70 €/t. Demand for PET regrinds and PET regranulates continues to be strong.

5 Explanation on the price quotes

A detailed discussion with information of price indices for virgin grades and waste plastics as well as precursor products can be found in EUWID Recycling and Disposal see www.euwid.de, or in EUWID Plastics www.euwid-kunststoff.de. EUWID: No guarantee for any of the prices.; prices ex station. As a rule, the prices quoted refer to quantities in excess of 20 tons.

The quotes for secondary prices, which are updated on an hourly basis, can be calculated using the price lists that are derived from the quotations published in the raw material exchange plasticker, see www.plasticker.de. The prices listed in this index are quoted without reservation - as the majority of the quotes submitted are not necessarily equivalent to the sales prices. Plasticker offers the quality grades regrind and regranulates both as virgin materials and as secondary goods. The term 'bale goods' refers to waste plastics only. Furthermore, plasticker does not distinguish between the following grades: transparent, mixed colours or colour-separated. Therefore, the information provided by plasticker may indicate different market behaviour than the prices quoted by EUWID

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Dr. Thomas Probst, bvse