bvse market report: plastics, May 2022

1 News from us

The **24th International Conference on Plastic Recycling 2022** will be held on **28/29 June 2022** in Neuss near Düsseldorf: in-person – informative – up-to-date!

The good news: The International Conference on Plastic Recycling will take place again this year with a full programme. The motto of the conference is **"Plastic Recycling Safeguards Raw Materials"**. In addition to the Central Forum, which will deal with the EU's plastics strategy, there will be a total of three interesting workshops and a public meeting of the Working Group on International Plastics Markets.

And naturally, we will talk about markets, quantities and prices - the current distortions here, caused by coronavirus and the war in Ukraine. Mr Martin Bäcker, editor KI Polymer Prices, Kunststoff Information Verlagsgesellschaft mbH, will speak on this.

The product exhibition and the exhibitors' forum should also be on interest to all participants. And to bring the first day of the event to a close, the

>Traditional plastic recyclers' grill evening - our BBQ<

will be held. The BBQ presents a great opportunity for networking in a friendly atmosphere.

The interesting contents of the programme and all other information, such as hotel booking and the opportunity to register online, can be seen on the event page, see https://altkunststofftag.bvse.de/

2 The general economy

Results from the ifo economic surveys in May 2022, the ifo business climate index Germany, are now available, see https://www.ifo.de/node/69688.

The mood in German board rooms has brightened. It rose to 93.0 points in May, following on from 91.9 points in April. Above all, companies were noticeably more satisfied with current business. By contrast, expectations hardly changed, companies remain sceptical. In spite of concerns about inflation, materials shortages and war in Ukraine, the German economy is proving to be robust. Signs of a recession cannot currently be seen.

The index increased clearly in the manufacturing sector. Companies evaluate the current situation as slightly better. And expectations are markedly rising. However, the companies are still noticeably sceptical with respect to the months ahead. Demand experienced a significant slowdown and incoming orders tailed off.

Own research: Naturally, the situation is difficult for the plastics industry - there is a shortage of input raw materials, energy prices are reaching unprecedented highs. What's more, there are great difficulties with transport and logistics, whereby neither supply with the processing input nor distribution of the output can be guaranteed.

For the plastics industry, it is extremely difficult to adapt to the new situation. The old certainties no longer apply - great flexibility is now in demand. In purchasing, in particular, new routes should be pursued, such as partial quantities from different sources or building up appropriate stocks instead of just-in-time deliveries.

The plastics processors will reduce their production if the cost explosion caused by the war in Ukraine cannot be passed on to the product prices. And no end to the price rises can yet be seen. The quoted prices for plastics just reflect a monthly trend. And the availability of plastics is also constantly changing. In practice, the prices are continuously adjusted to the constant changes.

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2 Primary markets - standard plastics

In April 2022 the EUWID average price of 2,255 €/t was 220 €/t higher than in the previous month (2,035 €/t), see Table 1. In a year-on-year comparison, it can be seen that the average quotes from April 2022 (2,255 €/t) were 319 €/t higher than those of the previous year (1,936 €/t), see EUWID, www.euwid-recycling.de. The quotes for PE and PP increased by an average 200 €/t, PS was quoted at 400 €/t and PVC 100 €/t higher.

PET: As far as PET is concerned, the struggle for quantities and securing them is diminishing somewhat. For example, although demand, in this case for bottle PET in particular, has picked up due to the season, overall the demand for packaging PET is falling. Consumer confidence in practically all sectors of the economy is weakening. As a result, the prices for packaging PET stabilised in April. Packaging PET was quoted at an average price of 1,850 €/t in April 2022, and thus 10 €/t higher than in the previous month, see https://www.kiweb.de/.

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

Prices in €/t	April 2022	March 2022	Feb. 2022	Jan. 2022	Dec. 2021
LDPE film grade	2150- 2300	1950- 2100	1850- 2000	1900- 2050	1900- 2050
LLDPE film grade	2100- 2250	1900- 2050	1800- 1950	1850- 2000	1850- 2000
HDPE injection moulding	1900- 2100	1700- 1900	1550- 1750	1600- 1800	1700- 1900
HDPE blow moulding	1850- 2050	1650- 1850	1500- 1700	1550- 1750	1650- 1850
PS crystal clear	2550- 2650	2150- 2250	2050- 2150	2150- 2250	2020- 2120
PS high impact	2600- 2700	2200- 2300	2100- 2200	2200- 2300	2100- 2200
PP homopolymer	2350- 2550	2150- 2350	2050- 2250	2100- 2300	2100- 2300
PP copolymer	2400- 2600	2200- 2400	2100- 2300	2150- 2350	2150- 2350
PVC tube grade	1900- 2000	1800- 1900	1700- 1800	1680- 1780	1680- 1780
PVC film/cables	2000- 2100	1900- 2000	1800- 1900	1780- 1880	1780- 1880
Average Price	**2255 ± 278**	**2035 ± 213**	**1925 ± 227**	**1971 ± 247**	**1968 ± 203**

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 May 2022 here; they will not become definitive until early June 2022. The two quotes stated for May 2022 below indicate only an interim situation, see the left-hand column in Table 2 and Table 3.

3.1 plasticker: Standard plastics

In April, the price rally took a short breather. The average price for April 2022 (665 €/t) was thus 52 €/t lower than that of the previous month (717 €/t), see Table 2. This average price (665 €/t) was 106 €/t above that of the previous year (559 €/t). There were significant price changes of greater than ±40 €/t for: LDPE bale goods -140 €/t, LDPE regranulates -160 €/t, PP regranulates -120 €/t, PS regrind -100 €/t and PET bale goods -60 €/t. The price index is characterised by subdued demand for plastic.

The probable average price in May 2022 (771 €/t) is once again quoted much higher than in the previous month (665 €/t. Table 2. The price index of 23.05.2022, shows satisfactory demand for plastic to date.

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

	May[6] 22	April 22	March 22	Feb. 22	Jan. 22	Apr. 21
HDPE regrind[1]	720	630	710	590	750	620
HDPE regranulates[5]	1190	1090	1100	950	1050	960
LDPE bale goods[2]	350*	260*	400*	120*	470*	260*
LDPE regrind[1]	550*	640*	650*	430*	480*	530
LDPE regranulates[5]	990	910	1070	820	1020	680
PP bale goods[3]	270*	340*	380*	250*	-	270*
PP regrind[1]	680	780	790	530	650*	550
PP regranulates[5]	1470	1370	1490	970	1590	960
PS regrind[4]	740*	780*	880*	610	720*	600
PS regranulates[5]	1580	1350	1330	1040	1270	1160
PVC_P regrind[1]	800*	660*	650*	660*	690*	240*
PVC_U regrind[1]	730*	0*	0*	500*	630*	480*
PET bale goods	250*	140*	200*	360*	0*	140*
PET regrind mixed colours	480	360	390	350	720	380
Average Price	**(771)**	**665**	**717**	**584**	**717**	**559**

*: 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)

3.2 plasticker: Technical plastics

Almost all types of plastic experienced marked price changes, but whose mean value changed only slightly. For April 2022, there was an average price of 1,973 €/t, which was 56 €/t lower than that of the previous month (2,029 €/t), see Table 3. The average price for April 2022 (1,973 €/t) was 534 €/t above that of the previous year (1,439 €/t).

These plastics show significant price changes of more than ± 70 €/t: PBT regrind -290 €/t, PBT regranulates -210 €/t, PA 6 regrind +120 €/t, PA 6.6 regrind -290 €/t, PA 6.6 regranulates +110 €/t, POM regrind -350 €/t and POM regranulates +400 €/t. Highs were recorded for ABS regranulates at 2,500 €/t, PA 6.6 regranulates at 3,980 €/t and POM regrind 3,440 €/t. The price index shows a subdued demand for plastic.

The probable average price in May 2022 (2,034 €/t) is thus 61 €/t higher than in the previous month (1,973 €/t). The price index of 23.05.2022 shows satisfactory demand for plastic.

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

	May[6] 22	April 22	March 22	Feb. 22	Jan. 22	Apr. 22
ABS regrind	1330*	1020*	970	810	1060	640
ABS regranulates[5]	2710	2500	2500	1980	2330	2300
PC regrind	900*	1120*	1240*	1080	1240	850
PC regranulates[5]	2950	3010	3010	2640	3180	2000
PBT regrind	620*	520*	810*	590	760*	530
PBT regranulates	2510	2730	2940	2330	2690	1930
PA 6 regrind	900	960*	860*	930	960*	870
PA 6 regranulates[5]	2560	2650	2720	2450	2600	2130
PA 6.6 regrind	870*	960	1250*	960	1110*	970
PA 6.6 regranu-	4020	3980	3870	2810	3320	2560

lates[5]						
POM regrind	1220*	790*	1140*	760	1060*	690
POM regranulates[5]	3820	3440	3040	3340	3430	1800
Average Price	**(2034)**	**1973**	**2029**	**1723**	**1978**	**1439**

*: Supply figure too low to attain statistical significance; [5.] equivalent to the grade “regranulates, black”; [6.] preview (may be amended by additional quotes)

4 Secondary Plastics Markets

We are seeing a lot of movement in the secondary raw material markets in particular to mitigate for the shortages in the primary markets. We are also seeing an increased allocation conflict in the use of plastic wastes - whether they will be used for energy or as raw materials. For example, SMEs are increasingly using EBS/SBS to make themselves more independent from external supplies of electricity and gas, because plastics in particular have a high calorific value. Where plastics are being used as fuels it must not be forgotten that they have to be treated first so that they meet the stringent demands of the combustion plants.

Or, put another way: plastic wastes are becoming scarce because demand for them is rising. Moreover, the wastes are also becoming scarce because the amounts of plastics in processing are falling. This means that far fewer goods are being produced than before the coronavirus crisis. The demand for packaging materials is slowing down, including in the foods sector. In addition, we have unfavourable substitutions of packagings made of plastics with PPK and compounds. And where plastic packagings are used after all, there is the unfortunate trend towards ‘flexibles’, as a result of which the ‘rigids’, which can be readily recycled, are in great demand.

Secondary plastics cannot compensate for the excessive shortages in the supply of virgin grade. Supply shortages can only be alleviated in some areas. As with virgin grade, secondary plastics are suffering from inflation in transport and energy.

In April, all of the quotes for standard plastics in EUWID recorded clear price rises. According to EUWID, the demand for plastic wastes and recyclates was assessed as very high. And, as a result, the manufacturing grades, plastic wastes and recyclates are becoming ever more expensive. In plasticker we see a pause in the April quotes for plastic wastes. This interim stage affects standard plastics as well as technical plastics. Consequently, plasticker reports subdued demand.

4.1 Plastic wastes

In EUWID we see marked price rises for all plastic wastes, including highly dedicated pricing, which can be seen from the different quotes for the lower and upper margin, see www.euwid-recycling.de. Bale goods of PE post user plastic wastes are quoted at an average 35 /t higher, averaged across all plastic types. The two quotes in the PE film grade production wastes were quoted at 60 €/t higher and the two PP film grade production wastes a 40 €/t higher.

The changed quotes for PE post-user wastes as bale goods in EUWID were: LDPE shrink hoods natural 640-710 €/t, LDPE shrink hoods mixed colours 240-340 €/t, film transparent natural <70 µm 480-530 €/t, film transparent coloured <70 µm 190-220 €/t, LDPE agricultural film b/w 20 to 50 €/t, commercial mixed film (90/10) 300-350 €/t, commercial mixed film (80/20) 240-280 €/t, HDPE blow-moulded bodies_coloured 320-470 €/t.

4.2 Recyclates

In EUWID we see clear price rises for all plastic regrinds. The boom in the demand for recyclates continues unabated. Prices for regranulates are still reaching those for virgin grade or are even exceeding them. Prices for plastics are extremely volatile. Plastics recyclers are complaining about a shortage of processing input and excessively high prices for them. In addition, they have to pay high energy costs. There is a staff shortage. Furthermore, transport and logistics are causing high costs.

The regrinds from PE production wastes are quoted at an average 60 €/t higher and those from PP production wastes at 81 €/t higher, see EUWID price index for waste plastics Germany. The PS regrinds are quoted at an average 48 €/t higher and the PVC regrinds 53 €/t higher.

The changed quotes for PP production wastes as regrinds in EUWID were: homopolymers mixed colours 550-750 €/t, homopolymers natural 700-920 €/t, copolymers mixed colours 580-750 €/t and copolymers natural 750-920 €/t.

4.3 PET Recycling

The shortage of PET is continuing to drive the prices both for virgin grade and for recyclates much higher. The virgin grade prices are being greatly surpassed by the prices for regrinds (flakes) and regranulates. The large difference between the recyclate prices and those for virgin grades means that recyclates are preferred for use in beverage bottles.

But the prices for used PET single-use bottles are also rising; these prices changed in April as follows: PET transparent +35 €/t, PET mixed +30 €/t, and PET coloured +20 €/t. Detailed monthly reports on the PET prices for virgin grade and used bottles can be found in EUWID and KI Plastics Information Europe.

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-recycling.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

Bonn, Friday, 3. June 2022 Dr Thomas Probst, bvse