bvse market report: plastics, September 2024

1 General economy and reference to the plastics industry

In mid-September 2024 PlasticsEurope Deutschland published its second quarterly report, see https://plasticseurope.org/de/wp-content/uploads/sites/3/2024/09/Quartalsbericht-Q224-Plastics-Europe.pdf. The report is entitled "Recovery of Production at a Low Level".

After production of plastics in primary form rose by 5.3% in the first quarter of 2024 in comparison to the previous quarter, the positive trend continued in the second quarter, albeit at a more moderate level. Production rose by 2.2 %. And, for the first time since Q1/2022, the previous year's level was exceeded. The reasons for the increase were empty warehouses in customer industries and growth in production in the German automotive and food industries. By contrast, there was little impetus from foreign business because industrial prediction in the EU27, the most important market for German plastics production, stagnated.

In spite of the recent positive development in production, the situation for plastic manufacture in Germany remains tough. The current production level is still 21% below the level of 2021. The companies' order situation is also critical. Incoming orders for plastics in primary form fell slightly in the second quarter in comparison to the first quarter, both from Germany and from abroad. The level of the previous year was not achieved by a long way, just like production. A shortage of orders is therefore an increasing problem for more companies. The producer price for plastics in primary form rose again, following the fall in the first quarter of 2024. In comparison to the preceding three months, plastics were 1.2% more expensive. The reason was yet another rise in energy and raw materials costs. Gas prices and electricity prices remained well above the level of the years before the crisis. Cost burdens therefore remained high for the plastics-producing industry in Germany. The rise in production and higher producer prices had a positive impact on the sector's turnover. Turnover of plastics in primary form rose in the second quarter by 1.5 % in comparison to the previous quarter and amounted to around 6.8 billion Euro.

2 Primary markets - standard plastics

Prices rose in spite of falling demand for standard plastics in the holiday months. And this is surprising – also because there is still no market impetus. One of the reasons for the higher prices was increased prices for the precursor products. And the shortages in supply, in this case from imports, were still taking effect. Moreover, the plastics manufacturers were also carefully testing the extent to which moderate price rises could be implemented on the markets.

In August 2024, the EUWID average price of 1,453 €/t was therefore 30 €/t higher than in the previous month (1,423 €/t), see Tab. 2. In a year-on-year comparison, it can be seen that the average quotes from August 2024 (1,453 €/t) were 108 €/t higher than those of the previous year (1,345 €/t).

The plastic quotes changed on average as follows: LDPE by +40 €/t, LLDPE by +25 €/t, HDPE by +20 €/t, PP by +25 €/t, PS by +80 €/t and PVC by +10 €/t. The current market situation for virgin grade standard plastics is portrayed well in EUWID, see www.euwid-recycling.de, and PIE – Plastic Information Europe, see https://pieweb.plasteurope.com/.

Table 2: Standard plastics prices according to EUWID over the past five months, listed in €/t.

Prices in €/t	August 2024	July 2024	June 2024	May 2024	April 2024
LDPE film grade	1290- 1390	1250- 1350	1250- 1350	1320- 1390	1340- 1420
LLDPE film grade	1290- 1350	1260- 1330	1260- 1330	1310- 1370	1330- 1420
HDPE injection moulding	1310- 1340	1290- 1320	1290- 1320	1320- 1360	1340- 1400
HDPE blow moulding	1300- 1350	1280- 1330	1280- 1330	1310- 1370	1330- 1410
PS crystal clear	1830- 1880	1750- 1880	1850- 1910	1880- 1940	1990- 2050

bvse market report: plastics, September 2024

PS high impact	1960- 1980	1880- 1900	1980- 2010	2010- 2040	2120- 2150
PP homopolymer	1420- 1530	1390- 1510	1390- 1510	1430- 1550	1450- 1580
PP copolymer	1470- 1580	1440- 1560	1440- 1560	1480- 1600	1500- 1630
PVC tube grade	1080- 1180	1070- 1170	1060- 1160	1080- 1180	1090- 1190
PVC film/cables	1210- 1310	1200- 1300	1190- 1290	1210- 1310	1220- 1320
Average Price	**1453 ± 263**	**1423 ± 247**	**1444 ± 281**	**1473 ± 280**	**1514 ± 315**

PET: PET counters the quote trend of the standard plastics above: i.e., a small price fall can be seen here and the price of the precursor product paroxylol is also falling. In spite of the increased consumption of beverages in the summer, PET manufacturers are complaining about the sluggish sales of regranulates in Europe. The supply of PET is high and the processors' warehouses are replete with stocks.

Observations show that increasing numbers of PET bottles are being replaced by glass bottles in the beverage markets. Moreover, soft drinks in kiosks, supermarkets, drinks markets, service stations, petrol stations, railway stations and airports are often on sale at such high prices that the consumer opts for cheaper alternatives, which is greatly reducing the sales of beverages in PET bottles.

In August 2024 packaging PET was quoted on average at 1,280 €/t. And thus 20 €/t lower than in the previous month, see PIE – Plastic Information Europe https://pieweb.plasteurope.com/.

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 the month of the report, in this case September 2024; they will not become definitive until early October 2024. The two quotes stated for September 2024 below indicate only an interim situation, see the left-hand column in Table 3 and Table 4.

3.1 plasticker: Standard plastics

We are still in the summer break. The August price index reveals a slightly lower demand for plastic over the previous month. There is still little movement in the plastic markets and this could be classed as price stability for secondary plastics; in actual fact what we see is frozen markets.

In August 2024, standard plastics were quoted at an average price of 594 €/t and thus 11 €/t lower than in the previous month (605 €/t), see Tab. 3. The average price for August 2024 (594 €/t) was 21 €/t below that of the previous year (615 €/t).

The probable average price in September 2024 (585 €/t) is therefore 9 €/t lower than the previous month (594 €/t), see Tab. 3. The price index of 12.09.2024 shows low demand in comparison to the previous month.

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

	Sept.[6] 24	**Aug. 24**	**July 24**	**June 24**	**May 24**	**Aug. 23**
HDPE regrind[1]	550	540	560	570	640	610
HDPE regranulates[5]	920	940	950	960	960	870
LDPE bale goods[2]	260*	460*	410*	480*	570*	300
LDPE regrind[1]	440*	440*	520*	500	430*	180
LDPE regranulates[5]	810	820	780	820	790	760
PP bale goods[3]	170*	190	190	210	180	290

PP regrind[1]	510	550	540	580	580	650
PP regranulates[5]	950	950	970	880	890	960
PS regrind[4]	720	630*	650	760	760	960
PS regranulates[5]	980	1000	970	890	850	1070
PVC_P regrind[1]	800*	690*	730*	740*	860*	530
PVC_U regrind[1]	480	530*	580	660	480*	670
PET bale goods	220*	170*	190*	240*	320*	300
PET regrind mixed colours	380*	400*	430*	500	390	460
Average Price	**(585)**	**594**	**605**	**628**	**621**	**615**

*: 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

It is still the summer break. The August price index showed a slight price change in comparison to the previous month. There is only little movement in the plastic markets and this could be classed as price stability for technical plastics; in actual fact what we see is frozen markets. For August there was an average price of 1,593 €/t, which was only 15 €/t higher than that of the previous month (1,578 €/t), see Table 4. The average price for August 2024 (1,593 €/t) was 323 €/t below that of the previous year (1,916 €/t).

There were significant price changes of greater than ±70 €/t for: PC regranulates -150 €/t, PBT regranulates +250 €/t, PA 6.6 regranulates +350 €/t and POM regranulates -200 €/t. This is the lowest price for POM regranulates since 12/2022. The price index for August 2024 is characterised by low demand for plastic.

The probable average price in September 2024 (1,595 €/t) is thus almost identical to that of the previous month (1,593 €/t). The price index of 12.09.2024 shows continuing subdued demand for plastic.

Table 4: Technical plastics price according to plasticker; listed in €/t.

	Sept.[6] 24	Aug. 24	July 24	June 24	May 24	Aug. 23
ABS regrind	680	640	650	700	680	850
ABS regranulates[5]	1420	1380	1360	1390	1420	1360
PC regrind	1000	1010	1010	1010	1110	1290
PC regranulates[5]	2470	2420	2570	2480	2110	2520
PBT regrind	680*	710	730	740	770	740
PBT regranulates	2300	2360	2110	2160	2000	3260
PA 6 regrind	800*	900	920	820	780	1190
PA 6 regranulates[5]	2270	2380	2410	2480	2290	2570
PA 6.6 regrind	1060	980	970	940	960*	1280
PA 6.6 regranulates[5]	2890	2940	2690	2770	3020	4070
POM regrind	810*	800*	730*	740*	850	760
POM regranulates[5]	2760	2590	2790	3320	3160	3100
Average Price	**(1595)**	**1593**	**1578**	**1629**	**1595**	**1916**

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

bvse market report: plastics, September 2024

4 Secondary plastics markets

The summer break is intensifying the structural weaknesses of the secondary markets – the secondary markets are very weak! Experts report that German plastics processors have large stocks. Larger stores can also be found all over Europe. Or, to put it another way, an upsurge in demand could be readily satisfied at any time. But we mustn't forget that there are still niches in the use of recyclates that are being consistently supplied by plastics recyclers.

4.1 Recycling standard plastics

The price index and price quotes in EUWID, plasticker and PIE – Plastic Information Europe agree very much in their assessment of the secondary markets - unfortunately. Although the main points differ greatly in the individual publications, their conclusions concur.

The EUWID price index is stagnating – summer break. EUWID identifies slight price falls in its price index, which are often only one-sided in the price margins. In PE production waste there are average price falls of 5 €/t to 10 €/t. Some PE post user wastes have recorded average price falls of 3 €/t to 10 €/t. PP, PVC and PS were quoted at unchanged prices.

plasticker: Here, too, the quotes for standard plastics fell again in August. The summer break is having a strong dampening effect on plastic recycling. The average price of standard plastics fell again. In August 2024, standard plastics were quoted 11 €/t on average lower than in the previous month.

PIE – Plastic Information Europe, regranulates: In PIE – Plastic Information Europe, regranulates of standard plastics were quoted almost unchanged in August 2024 in comparison to the previous month. The summer break is being felt here, too. The demand for standards plastics is low, see https://pieweb.plasteurope.com/.

4.2 Recycling technical plastics

plasticker: Summer break - recyclates, in this case regrinds and regranulates, were quoted 15 € higher in August. But the August price index is characterised by very low demand.

PIE – Plastic Information Europe, regranulates: In August 2024, regranulates were quoted lower in PIE – Plastic Information Europe. The premium grades of regranulates quoted here recorded average price falls of 10 €/t to 30 €/t, see https://pieweb.plasteurope.com/. Only the price of PA 6 is unchanged. Across the sector, the order situations is described as quiet.

4.3 PET recycling

The PET markets in August: stability in PET recycling. The volume of used PET bottles has improved for seasonal reasons. The statutory requirement for PET recycling of the use of 25 % recyclates in beverage bottles by January 2025 is taking effect. Bottle manufacturers are therefore securing consignments of recyclates in order to be able to satisfy the statutory requirements. The increased use of recyclates in beverage bottles is having a delayed effect on other PET materials, such as stripping, fibres, films.

For virgin grade, in this case granulates, the average value in PIE – Plastic Information Europe is 1,280 €/t. Regranulates are valued at 1,555 €/ in PIE – Plastic Information Europe. Clear flakes are priced at 1,280 €/t in PIE – Plastic Information Europe and up to 1,300 €/t in EUWID.

The prices for used beverage bottles are falling because of the greater supply in the summer. For PET recyclers, there is sufficient input of beverage bottles. In August 2024, the relevant price changes for used PET single-use deposit bottles were: PET transparent -20 €/t, PET mixed -30 €/t and PET coloured -10 €/t, see EUWID.

Detailed monthly reports on the PET prices for virgin grade and used beverage bottles can be found in EUWID and PIE - 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. EUWID: No guarantee for any of the prices here; 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

A detailed discussion with information of price indices for virgin grades and waste plastics as well as precursor products can be found in PIE – Plastics Information Europe, see www.kiweb.de. For virgin grades, the indices for standard plastics (Plastixx ST) and technical plastics (Plastixx TT) provide a good overview of the price trends. Pieweb quotes the monthly regranulates prices for standard plastics and technical plastics in the secondary markets. For secondary plastics, there are also details on PET, in this case flakes (flakes transparent, flakes mixed colours) as well as transparent regranulates.

Bonn, Wednesday, 18. September 2024 Dr. Thomas Probst, bvse