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Plastics Information Europe

Market intelligence that pays off.

POLYMER PRICES

Standard thermoplastics December: Weak demand pushes quotations lower again / Automotive sector remains industry's problem child / Imports exert additional pressure on prices

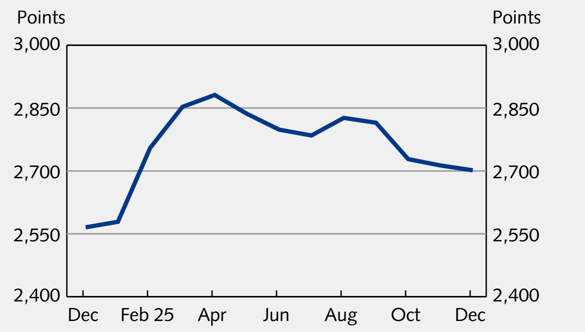
PE: The year was difficult all around, though the situation started to ease in later months. Regarding prices, many players view the gap between contract and spot quotations as the main problem – on the one hand, contract agreements ensure reliability of supply and production, while on the other, converters want to benefit from spot market movements. Sluggish demand from construction and agriculture is a problem for many processors, though a look at the new year offers minor signs of hope. Still, anyone who does not have crisis-resistant customers will have to fight for orders.

PP: The very weak demand showed no signs of improving. Prices consequently fell again, though several types have become more expensive compared with the start of the year. Automotive, a market that is of existential importance for PP in particular, remains the main cause for concern in terms of sales. The woes are likely to continue in the new year. Adding to the pressure are imports, often offered at astonishingly low rates. Many processors have little choice but to resort to imported goods, though this carries the risk of a supply shortage should such shipments fail to materialise – all in all not a healthy situation for European PP production.

PVC: The EUR 7.5/t decline for C2 was priced into PVC prices. Even though suppliers offered a rollover at the start of the month, negotiations resulted in discounts. As order activity fell slightly again, some companies extended their vacations or opted for plant maintenance. After the ethylene rollover in January, the market is likely to remain loose. Order activity is expected to remain subdued in January. Processors are therefore unlikely to be in a hurry to build up stocks. The stable quotations for C2 along with ongoing weak demand are set to push prices for compounds lower, too.

Styrenics: Prices developed in a rather unspectacular way at the end of the year. Following the marginal decline for styrene (down EUR 7/t), prices for PS, EPS, and ABS remained unchanged or went down only slightly in December – a weak rollover thus characterised the overall landscape. Hardly anything was ordered anyway. Many processors reduced their stocks before the turn of the year for accounting reasons. At the start of 2025 – the usual time for processors to stock up – styrenics prices are likely to increase again. For the rest of the

European Polymer Price Index Plastixx ST
Standard thermoplastics



Prices Standard Thermoplastics December 2024 (EUR/t)					
Polymer	**Range**	**Change**	**Supply**	**Demand**	**Outlook January 2025**
LDPE					
Film	1,780 – 1,980	0	low	low	C2 rollover: minor changes foreseeable
Injection moulding	1,660 – 1,780	0	low	low	
LLDPE					
Film (butene C4)	1,690 – 1,770	-15	normal	low	C2 rollover: slight downward price adjustments possible
Inj. mould. (butene C4)	1,790 – 1,920	-15	low	low	
Film (hexene C6)	2,020 – 2,140	-20	normal	low	
Film (octene C8)	2,090 – 2,200	-25	normal	low	
HDPE					
Blow moulding	1,550 – 1,670	-10	normal	low	C2 rollover: slight downward price adjustments possible
Blown film	1,700 – 1,760	-10	normal	low	
Injection moulding	1,625 – 1,755	-10	normal	low	
Pipe 80	1,910 – 2,000	-10	low	very low	
Pipe 100	1,960 – 2,110	-10	low	very low	
EVA					
Vinyl acetate <18%	2,250 – 2,400	-15	normal	low	C2 rollover: small price cuts possible
PP					
Homo injection	1,475 – 1,625	-15	normal	low	C3 rollover: slight changes expected
Homo film	1,585 – 1,685	-15	normal	low	
Copolymer injection	1,680 – 1,800	-15	normal	low	
Copolymer film	1,680 – 1,790	-15	normal	low	
PVC					
S-PVC base	1,590 – 1,670	-5	low	very low	C2 rollover: discounts already priced into starting prices
S-PVC (U) dry blends/comp.	2,035 – 2,145	0	very low	very low	
S-PVC (P) compounds	1,895 – 2,015	0	very low	very low	
E-PVC paste	1,970 – 2,200	-5	low	very low	
PS					
General purpose	2,015 – 2,055	-5	normal	very low	SM +36, BD rollover: price hikes likely
High impact injection	2,080 – 2,150	-5	normal	very low	
High impact film	2,105 – 2,165	-5	normal	very low	
EPS					
Insulation (white)	1,840 – 1,960	-10	normal	very low	SM +36: price hikes likely
Insulation (grey)	2,330 – 2,560	-5	normal	very low	
Packaging	1,915 – 1,985	-10	normal	very low	
PET					
Packaging	1,070 – 1,140	-5	low	low	PX +5: minor changes expected

Data are without guarantee. Compiled on 31 December 2024. Further details at www.pieweb.com/255364 (PE), /255370 (PP), /255358 (PVC), /255452 (styrenics) and /255315 (PET)

year, an additional price factor is expected to play a role, at least for ABS – the EU is considering imposing anti-dumping duties on imports from South Korea and Taiwan.

PET: The dust that had been stirred up by recessionary trends over the past few months finally settled. The stronger USD exchange rate raised import prices. At the same time, European production and warehousing seem to have adjusted to the persistently low market demand. Costs remained largely stable; the consequent stalemate mostly resulted in a rollover. Negotiations on annual purchases are dragging on, as customers are playing it safe. The term “planning security” now only seems like a faint echo of days gone by. Suppliers are expected to start the year with demands for price hikes.

■ Read the full reports at www.pieweb.com/polymerprices

Prices Feedstocks December 2024/January 2025 (EUR/t)							
Products	**Contract**			**Supply**		**Demand**	**Polymers**
	Period	Average	Change	January	Trend	January	
Ethylene (C2)	January	1,205	0	normal	normal	low	PE, PVC
Propylene (C3)	January	1,075	0	normal	normal	low	PP
Styrene (SM)	January	1,444	+36	low	low	low	PS, EPS, ABS
Paraxylene (PX)	December*	830	+5	normal	normal	low	PET
Benzene	January	857	+45	normal	normal	low	PS, ABS, PC, PA
Butadiene	January	985	0	low	low	low	PS, ABS, PA

■ For exclusive data and charts, visit www.pieweb.com/petrochemicals *Contract is fixed retroactively at the end of the month

POLYMER PRICES

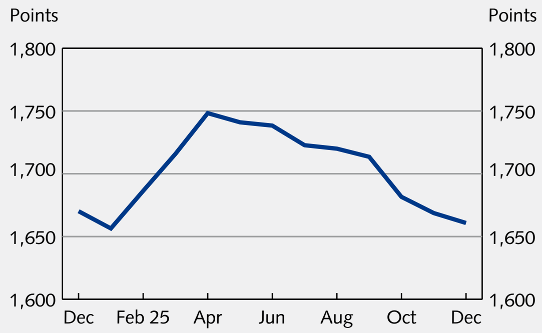
Engineering thermoplastics December: Several quotations drop to rock bottom at year-end / Fewer imports than expected reach European shores / Weak demand nevertheless met at all times

The month ended fairly uneventfully, with reductions in most cases being agreed very quickly. Only a few compounders were able to keep prices at the November level. The vast majority of production plants in Europe were running with significant cutbacks or not running at all, so as to prevent any further increases in stock levels. Because of the increased logistics costs, far fewer imports arrived in Europe, and because many converters began their Christmas holidays early, demand continued very weak.

In January 2025, inventories are still relatively full, which is expected to exert further pressure on quotations. A rapid revival of the automotive industry cannot be expected, either. The compounding facilities are set to gradually resume normal operations in the new year, but this is anticipated to take place far more slowly than in previous years. Prices are unlikely to remain as low as they are at the moment, and **PIE**'s advisory panel reported that converters were frequently stocking up to a greater extent with some speciality products. In the opinion of the panellists, however, these topping-up effects are not expected to become noticeable on the market until the second half of the month.

■ Read the full report at www.pieweb.com/polymerprices

European Polymer Price Index Plastixx TT
Engineering thermoplastics



 January 2002 = 1,000 points

Prices Engineering Thermoplastics December 2024 (EUR/t)

Polymer	Range	Change	Supply	Demand	Outlook January 2025
ABS					
Inj. moulding	2,760 – 2,860	-10	normal	very low	ACN not available at press time, SM +36, BD rollover: slight price increases expected
Extrusion	2,990 – 3,160	-10	normal	very low	
Coloured	3,200 – 3,520	0	normal	very low	
PC					
Transparent	3,670 – 3,780	-30	normal	low	benzene +45: minor changes foreseeable
GF	4,660 – 4,870	-25	normal	low	
PC/ABS					
Blends	3,540 – 3,800	-20	normal	low	benzene +45: minor changes expected
PA 6					
Natural	3,580 – 3,620	-20	normal	low	benzene +45: minor changes foreseeable
Black	2,930 – 3,010	-20	normal	low	
GF	3,500 – 3,800	-20	normal	low	
PA 6.6					
Natural	5,260 – 5,410	-15	normal	low	benzene +45: minor changes foreseeable
GF	5,500 – 5,650	-15	normal	low	
Auto GF 30	2,650 – 3,150	-20	normal	low	
PBT					
Natural/black	4,480 – 4,600	-10	normal	low	PX +5: minor changes
GF	4,800 – 5,050	-5	normal	low	
POM					
Natural	3,100 – 3,500	-10	normal	low	stable prices expected
GF	3,940 – 4,120	-10	normal	low	
PMMA					
Transparent	4,430 – 4,970	0	normal	low	stable prices expected
PP Compounds					
TF 20 light colours	2,060 – 2,100	-10	low	very low	C3 rollover: minor changes
TF 20 dark/black	1,770 – 1,890	-10	low	very low	
GF_2 30	2,060 – 2,170	-5	low	low	

Data are without guarantee. Compiled on 31 December 2024. Further details at www.pieweb.com/255464, /255370 (PP compounds), /255452 (ABS)

EUROPEAN ECONOMY

Growth set to improve in 2025 / Economists predict Eurozone GDP to expand 1.2% / US policy remains wild card

The good news is that the Eurozone economy is expected to perform better in 2025 than it did last year. The bad news is that growth in 2024 was weak, and analysts have been lowering their expectations for the coming 12 months. With the annual increase in euro area GDP widely forecast to remain below 1% for 2024, 2025 has a low bar to improve upon, and the projected economic expansion is unlikely to raise any eyebrows. Economists have predicted Eurozone GDP to expand some 0.8% to 0.9% in 2024, with 1.2% generally considered the consensus for 2025. Both the **European Central Bank** (ECB) and the **International Monetary Fund** (IMF) recently cut their June growth forecasts for the euro area, with the Frankfurt-based public lender lowering its outlook to 1.3% in September from 1.4%, and the US-based organisation slashing its estimate to 1.2% in October from 1.5%. However, with analysts already reducing forecasts for 2025 even before incoming US President *Donald Trump* began trumpeting his willingness to slap tariffs on literally every nation, who knows what's really in store for Europe?

> **"We expect 2025 to be another challenging year for the euro area economy."**
> Goldman Sachs

Disruptions ahead

The recent updates from the ECB and IMF more or less matched those from a range of other sources and seemed to represent the local and global situation at the time. Since then, the Middle East conflict appears to have settled a bit with a cease-fire between Israel and Hezbollah in Lebanon and a de-escalation between the former and Iran. This eases some concerns about threats to trade routes and higher oil prices. At the same time, the next US administration could cause multiple disruptions to the expected path of growth. This first obstacle would be a new round of US tariffs.

Dutch bank **ABN Amro** has predicted a bit of a rollercoaster ride over the next two years: "Our tariff scenario has significant repercussions for the Eurozone outlook. Initially in the first half of 2025, frontloading effects actually boost quarterly growth. Afterwards, we see growth and inflation negatively impacted by the gradual implementation of US import tariffs from Q3 '25 onwards. Growth is expected to average 0.8% in 2024, rise to 1.2% in 2025, and to slow down to 0.8% in 2026." US investment bank **Goldman Sachs** pulled few punches: "We expect 2025 to be another challenging year for the euro area economy." Along with Trump's tariffs, the resulting negative trade effects "are likely to be reinforced by continued structural headwinds in the manufacturing sector, including high energy prices and competitive pressures."

"We therefore forecast Euro area growth of 0.2% in Q1 and Q2, 0.1% in Q3, and 0.2% in Q4," said Goldman Sachs. "This results in area-wide growth of 0.8% for 2025. We look for the weakest growth in Germany (0.3%), followed by Italy (0.6%), and France (0.7%), with Spain again outperforming (2%)."

AUTOMOTIVE MARKET

Economic woes stalled sales growth in 2024 / Donald Trump's trade-war threats stoke fears for 2025

The previous year proved to be a mixed bag for the world's automotive markets. While countries encouraged their citizens to drive more electric vehicles (EVs), questions arose around where these were made and at what cost, prompting tariffs to rise to the top of lawmakers' agendas. In Europe, mounting concerns about cheap EV imports from China saw Brussels introduce a controversial tariff regime in November of up to 35% on such vehicles, for a period of five years.

Carmakers' association **ACEA** (Brussels) reported January-October volumes of battery-powered cars across Europe falling by 4.9% year-on-year, while EV market share dipped to 13.2% from 14% in 2023. EVs fared better in China, where **S&P Global** reported the **China Association of Automobile Manufacturers** predicting that total EV sales may reach 12 mn units in 2024, exceeding the forecast figure of 11.5 mn. The ACEA said growth of total new car registrations across Europe struggled to get to 1% between January and October, while US consultancy **Kroll** (New York, New York) expected global sales volumes in 2024 to reach 91.4 mn units, up 1.8% on 2023.

Poorly performing parts

In August, the **European Association of Automotive Suppliers** (Clepa, Brussels) warned the region's status as the world's leading supplier of automotive components was under threat from foreign firms, especially for batteries and semiconductors. *Nils Poel*, Clepa's head of market affairs, said that while suppliers continue to dominate R&D and global investment, new technology manufacturing risked moving outside the EU. Former CEO of auto giant **Stellantis**, *Carlos Tavares*, had described the situation as a "Darwinian time for the automotive industry". In November 2024, the carmaker, which makes brands including **Vauxhall**, **Peugeot**, and **Citroen**, announced it was planning to close its plants in Ellesmere Port and Luton, UK, risking more than 1,000 jobs. Beyond the UK, further closures by other manufacturers – **VW** has said it may have to close plants in Germany for the first time – cannot be ruled out.

Charging challenges

In most parts of the world, policy will drive take-up of EVs and address the slide in sales of petrol- and diesel-powered vehicles. Notwithstanding efforts by incoming – and climate change sceptical – administrations, the trend towards EV take-up will continue, egged on by plans in many countries to ban fossil-fuel vehicles over the next 10 to 20 years. Perhaps the biggest immediate hurdle to EV expansion is a practical one: charging infrastructure. According to ACEA, lack of a robust charging network discourages buyers from opting for electric models, leading to what is known in the industry as "range anxiety".

What kind of a future looms ahead for carmakers? (Photo: Pexels/Vraj Shah)

EUROPEAN ENERGY MARKET

First, second quarter of 2024 dotted with price fluctuations for electricity / Gas market relatively calmer than in previous year / Renewable energy experiences boost

Once again, the year saw a dynamic European electricity and gas market. Price volatility, the transformation of energy generation, and geopolitical influences were at the centre of developments. In the first and especially in the second quarter of 2024, electricity prices on the spot market continued to be subject to strong fluctuations, albeit with a downward trend for the most part. Prices on the futures markets remained more stable compared with 2023, but were still at a higher level than before the energy crisis and noticeably more expensive than spot prices. As a rule, quotations on the futures markets reach spot prices with a delay of around two years – an "expensive" price for the "security" of stability.

Gas prices fell unexpectedly

The gas market largely developed as expected in 2024. It appeared noticeably calmer than in 2023 and confirmed the predicted price reductions. Driven by a brilliant start in the first quarter due to well-filled gas storage facilities at the beginning of the year, prices fell unexpectedly quickly and sharply. It is therefore all the more logical that in the second quarter – the actual start of the reductions – these were barely noticeable and in some cases even increased exceptionally. This reflected the volatility and uncertainty in the market, which is ultimately factored into prices as a risk premium.

There were reports of supply interruptions from Norway caused by planned or, in some cases, unplanned maintenance. Disruptions in the supply chain (Suez Canal), price increases due to higher freight rates from the Middle East, shutdowns of terminals in the US during the third quarter due to hurricanes, and many other things kept market participants on their toes and prices high. The price shock in May, triggered by the explosion of the Balkan Stream Pipeline in south-eastern Europe, was a particularly dramatic event; the pipeline was repaired and put back into operation within four weeks. Prices, however, shot up by 25% within a few days before stabilising again very slowly. This makes it all the more remarkable that spot prices in 2024 fell by around EUR 0.008/KWh or just under 20% compared with prices in 2023.

Future prices for gas remained volatile, albeit significantly lower than in previous years and with a clear trend. The further into the future you look, the lower the prices. At the same time, the price situation on the spot market – despite the volatility – is significantly better than on the futures market. Uncertainties regarding LNG imports, logistics (new carbon taxes), and the future of transit routes through Ukraine as well as the competitiveness of European ports in relation to Asian customers are some of the factors influencing pricing in the futures market.

Renewable energies on the rise

The expansion of renewable energies continued to characterise the supply side. In Germany, wind and solar power accounted for 57% of gross electricity generation in the first half of the year, which corresponds to 307 TWh. In the previous year, the share was 50% with a generation of 270 TWh. Wind energy production recorded an increase of 8% compared against 2023 thanks to new offshore turbines in the North Sea. Photovoltaic output benefitted from a sunny spring with a 12% increase in generation. This increase in supply/production led to the reductions described above due to the merit order principle.

Grid bottlenecks remained a major issue, leading to redispatch measures and further increases in grid costs. At the same time, demand for electricity stagnated slightly in Germany, which was mainly due to the weak economic situation of the industrial sector as well as efficiency measures. The trend towards electrification in areas such as electromobility, however, led to selective increases in demand.

> **The further into the future you look, the lower the gas prices.**

On the gas market, the decline in industrial consumption was clearly noticeable, while household consumption fell by 4% due to mild winter temperatures. Imports of LNG increased by 15% in 2024 compared with 2023. This corresponds to a total volume of 115 bn m³, which compared against 100 bn m³ in the previous year.

■ Read the full report at www.pieweb.com/256695

HIGHLIGHTS FROM A FEW EUROPEAN COUNTRIES

France: nuclear energy stabilises prices

France's nuclear power plants once again played a central role. Despite some unplanned outages, nuclear power production rose by 5% overall. The price trend benefitted from stable generation, which meant that France exported electricity to Germany during periods of high demand.

Switzerland: hydropower and storage

Switzerland made efficient use of its hydropower storage facilities to cover peak loads and stabilise prices. February was particularly noteworthy, when surplus electricity from Germany flowed into Swiss pumped-storage power plants.

Austria: expansion of renewables

Austria accelerated the expansion of wind and hydropower. The share of renewable energies rose to 82%. At the same time, the country benefitted from stable imports from neighbouring countries.

Belgium: challenges in the security of supply

Belgium was confronted with temporary bottlenecks caused by maintenance work on important gas-fired power plants. The high dependence on imports became a strategic challenge.

Scandinavia: hydropower, wind power as price factor

The Nordic countries benefitted from an above-average hydropower season. In Norway and Sweden, full reservoirs and a winter of strong winds ensured low prices, which favoured exports to other European markets.

SPOTLIGHT ON DISTRIBUTION

Axia: Distributor expands collab with ExxonMobil

Starting 1 January, **Axia Plastics** (Kerpen-Sindorf, Germany) has begun supplying **ExxonMobil**'s (Irving, Texas, USA) with polypropylene, Vistamaxx performance polymers, and Exact polyolefin elastomers to new markets in Ireland, Lithuania, Latvia, and Estonia. The company already serves as an authorised distributor for these products in the UK, Germany, Austria, Switzerland, and Poland. Axia, a subsidiary of US chemical and plastics supplier **Vinmar International** (Houston, Texas), was founded in 2019 to sell polymers produced by ExxonMobil Chemical.

Ems: VTS takes over large parts of sales organisation

German distributor **VTS Kunststoffe** (Zimmern ob Rottweil) has announced plans to take over more of the German sales organisation of Swiss PA specialist **Ems-Chemie** (Domat). The existing sales territories of southern Germany and Austria will be joined by northern and eastern Germany, from 2025 onwards. To date, **DK Kunststoff-Service** (Bielefeld, Germany) has been distributing Ems products in these regions; from 1 January, the territory was transferred to VTS.

Weihai Jinhong: Distribution deal with PolyNeo

PolyNeo (Frankfurt, Germany) has announced an exclusive agreement with **Weihai Jinhong Polymer** (Weihai, Shandong, China) to distribute the latter's chlorinated polyethylene (CPE) products on the European market. The distribution is to be handled through a distribution centre based in Europe. Weihai Jinhong Polymer is a leading CPE producer with a current capacity of 30,000 t/y at its HQ site, and a subsidiary of **Weihai Jinhong Group**, an industrial conglomerate based in China's Shandong province.

Safic-Alcan: Sale of PU additives in Europe

French speciality chemicals distributor **Safic-Alcan** (Paris) said it has expanded its cooperation with two US producers, **Momentive Performance Materials** (Niskayuna, New York) and the **SI Group** (The Woodlands, Texas), in Europe. Since July 2024, the French company has been distributing Momentive's Niax brand PU additives in 17 European countries. The previous distribution agreement applied to Central Europe.

Lignin: Partnership with compounder Hellyar

Swedish bioplastics start-up **Lignin Industries** (Knivista) is set to scale up and commercialise its patented technology through a partnership agreement it announced with UK-based compounder and polymer distributor **Hellyar Plastics** (Whitstable). Lignin developed a patented technology that transforms lignin into a renewable, high-performance bio-based thermoplastic. Called Renol, it can generate carbon-neutral end products when mixed with recyclate or biomaterials, the company said.

Daily news at www.pieweb.com

COVESTRO

Adnoc receives 91.3% of all shares tendered

The takeover of **Covestro** (Leverkusen, Germany) by the **Abu Dhabi National Oil Company** (Adnoc, Abu Dhabi, UAE) has taken a big step forward. Following the end of the acceptance period on 16 December 2024, 91.3% of all outstanding shares in the German speciality chemicals company are now owned by Adnoc investment company **XRG**, or have been tendered to it for purchase, the company announced. By the end of the regular acceptance period on 27 November 2024, the takeover offer, together with the previously acquired shares, had already reached around 70% – significantly exceeding the minimum acceptance rate of 50% plus one share required under stock corporation law.

Covestro CEO *Markus Steilemann* described the achieved quorum as "very good news for Covestro, our employees, and all other stakeholders". The transaction is still subject to approval by antitrust and regulatory authorities. According to Covestro, the deal is not expected to be completed before the second half of 2025.

> **"... very good news for Covestro, our employees, and all other stakeholders."** CEO Steilemann

With a value of almost EUR 15 bn, the purchase of Covestro is the largest foreign acquisition of a petrochemical company from the Gulf region, according to media reports. XRG has stated that it intends to join the ranks of the world's five largest chemical companies through further acquisitions in the coming years.

UBE

European subsidiary acquires Spanish recycler

Japanese polyamide specialist **Ube** (Tokyo) announced that its subsidiary, **Ube Corporation Europe** (UCE, Valencia, Spain), has finalised a share-transfer agreement to acquire a majority stake in **Manufacturas Paulowsky**, a Valencia-based recycled plastics manufacturer. Under the agreement, Ube assumed majority ownership of Paulowsky as of 17 December 2024. The Japanese group did not disclose the purchase price.

Paulowsky, a producer of recycled plastics like polypropylene and polyethylene, delivers certified post-consumer recycled (PCR) products that comply with third-party standards such as RecyClass. These materials are widely used in industries such as packaging, mobility, fishing, and agriculture due to their quality and processability. In addition to recycled plastic raw materials, the company offers manufacturing services and thermoplastic additives. Founded in 2002, the company employs nine and reported net sales of EUR 5.7 mn in 2023.

Established in 1994, UCE is engaged in the production and sale of PA 6, caprolactam, fine chemicals, and other products. With a workforce of 491, the company reported EUR 362.6 mn net sales as of 31 March 2024.

The demand for recycled plastics is surging across Europe, driven by new regulations such as the European Directive 2019/904 on single-use plastics, the PPWR, and directives for end-of-life vehicles. In response, UCE is leveraging Paulowsky's expertise to meet market needs. UCE's acquisition of Spanish compound manufacturer **Repol** in 2019 further bolstered its capabilities in recycled-plastics technologies.

EXXONMOBIL

Large-scale expansion of chemical recycling capacity

Despite the ongoing lawsuit by the state of California for the alleged deception of plastics recycling, US petrochemicals giant **ExxonMobil** (Irving, Texas) has announced major plans to expand US capacities for chemical reclaim. The efforts include independent projects as well as initiatives under the **Cyclyx International** (Portsmouth, New Hampshire, USA) joint venture, in which the company holds 25%. For its newest standalone project, the petrochemical giant has budgeted USD 200 mn (EUR 190 mn) up to 2026 to beef up output capability by almost 160,000 t/y at its Beaumont and Baytown sites in the state of Texas.

Chemical recycling 'works at scale'

President of ExxonMobil Product Solutions *Karen McKee* said, "At our Baytown site we have proven that chemical recycling works at scale," which she said gives the company the confidence to be able to process an annual throughput of more than 450,000 t/y of plastics globally. To meet what is expected to be increasing demand, future plans include building up capacity at manufacturing sites in North America, Europe, and Asia. By its own account, the multinational has chemical recycling customers in more than 15 countries across multiple sectors, including food-safe packaging and pet food. The Baytown complex is home to North America's largest chemical reclaim facilities. As of October 2024, the site is said to have processed more than 31,000 t of plastics waste, using Exxon's proprietary Extend technology.

Cyclyx to invest USD 135 mn in new capacity

In a another large-scale chemical recycling project with ExxonMobil's participation, the three Cyclyx JV partners, including polyolefins producer **LyondellBasell** (Houston, Texas) and Norwegian technology company **Agilyx** (Oslo), have agreed to invest USD 135 mn (EUR 128 mn) in a second plastics waste sorting and processing facility in the Fort Worth, Texas, area. Under the name Cyclyx Circularity Centre 2 (CCC2), this project is expected to start up in the second half of 2026. Its predecessor, CCC1, based in Houston, is currently "progressing towards start-up in 2025".

SUEZ

Expansion of agricultural film recycling in France

In Landemont near Nantes, France, waste management company **Suez** (Paris) has undertaken a major expansion of its film recycling plant. Two additional plants have been installed, complementing the plant's existing three lines dedicated to processing LDPE films from agricultural and industrial sources. The EUR 30 mn investment will increase the output of recyclate to 34,000 t/y. The potential input quantity is estimated at around 60,000 t/y – around two thirds of which is film from the agricultural sector. The investment will increase the number of employees by 25 to 75. Suez says that the site recycles a good half of the 55,000 t of agricultural film that is put into circulation in France each year. According to industry organisation **European Bioplastics** (Berlin), more than 720,000 t of agricultural plastics are used in Europe annually, only 24% of which gets recycled.

COCA-COLA

Page pledging 25% reusable packaging target deleted

US beverage giant **Coca-Cola** is being accused by campaigners of abandoning its pledge to achieve a 25% reusable packaging target by 2030. In 2022, Coca-Cola pledged to ensure 25% of its beverage sales come from packaging that can be reused or refilled and reusable containers for drinks fountains. According to The Guardian, the beverage giant deleted the page outlining this promise from its website near the end of last year, and thus no longer has a target for reusable packaging.

> **Coca-Cola's previous goal was to "use 50% recycled material in our packaging by 2030".**

Coca-Cola now says it will "aim to use 35% to 40% recycled material in primary packaging (plastic, glass, and aluminium), including increasing recycled plastics use to 30% to 35% globally". Its previous goal was to "use 50% recycled material in our packaging by 2030". The company also adds that it will "help ensure the collection of 70% to 75% of the equivalent number of bottles and cans introduced into the market annually". The company's move to delete the webpage came shortly before the commencement of plastics treaty talks as part of the INC-5 convened in Busan, South Korea. Time and time again, the US beverage giant has been listed as one of the top polluters of plastic packaging in the world.

LOTTE

Management job cuts at Korean plastics group likely

It is not only European plastics producers that are experiencing difficult times. Things are not running smoothly for South Korean producer **Lotte Chemical** (Seoul) either, which operates in Europe as an importer of inexpensive ABS and polycarbonate. Although, as the company reports, group sales in Q3 2024 rose compared with the same period of the previous year by 6% to KRW 5.2 tn (EUR 3.5 bn), the operating loss increased nearly tenfold within a year to KRW 414 bn. In the meantime, the net result was also clearly in the red at minus KRW 514 bn – after plus KRW 31 bn in the year prior.

Due to sustained financial losses in previous quarters, including operational deficits, and liquidity challenges, the company has decided to take action by streamlining its organisational structure. According to reports, 21 top managers will be forced to give up their jobs, which is around one fifth of the entire management board level. Now, *Shin Yoo-Yeol*, son of group CEO *Shin Dong-Bin*, is to assume more responsibility as vice-president and search for new growth drivers. Possibilities would be the sale of shares to foreign subsidiary companies and the restructuring of activities that generate a low margin or do not form part of the core business.

In Q3, Lotte – including the subsidiary companies – generated 20% of its revenue from ABS and polycarbonate, and 24% from polyolefins. Other products accounted for the rest. In the regional breakdown, business in Asia accounted for three quarters of sales (South Korea 39%, China 14%, Asia-Pacific 22%), while the group generated 13% of its revenue in Europe and Africa and 12% in America and the Middle East. The lion's share of the operating loss – totalling KRW 365 bn – came from Lotte's business with basic chemicals.

PACKAGING EUROPE

Council of the EU formally adopts PPWR / Regulation to be applied 18 months after date of entry into force

As of 16 December, the **Council of the European Union** (the Council) has formally adopted the much-anticipated regulation on packaging and packaging waste (PPWR). The new rules set binding reuse targets, restrict certain types of single-use packaging, and require economic operators to minimise the packaging used. The corrigendum to the PPWR was officially approved by the **European Parliament** on 27 November. The formal adoption by the Council in December marks the final step in the legislative procedure. The regulation will now be published in the official journal of the EU and enter into force, 18 months after which it will be applied.

The new European regulations comprise the following requirements for packaging: 2030 and 2040 targets for a minimum percentage of recycled content (up to 65% for single-use plastic bottles by 2040); minimising the weight and volume of packaging and avoiding unnecessary packaging; and minimising substances of concern, including restricting the placement onto the market of food-contact packaging containing per- and polyfluorinated alkyl substances (PFAS) if they exceed certain thresholds.

The new rules also introduce restrictions on single-use plastic packaging for: pre-packed fruit and vegetables less than 1.5 kg; food and beverages filled and consumed within hotels, bars, and restaurants; individual portions of condiments, sauces, milk creamer, and sugar in hotels, bars, and restaurants; small, single-use cosmetic and toiletry products used in the accommodation sector; and very lightweight plastic bags (e.g. those offered at markets for bulk groceries).

The EU packaging and packaging waste regulation sets new binding reuse targets for 2030 and indicative targets for 2040. The targets vary depending on the type of packaging used by operators, for instance, binding targets of 40% for transport and sales packaging and 10% for grouped packaging. According to the new regulations, take-away businesses will have to offer customers the possibility of bringing their own containers to be filled with cold or hot beverages or prepared food, at no additional charge.

The current EU packaging and packaging waste directive was first adopted in 1994 and has been revised several times. In November 2022, the **European Commission** put forward a proposal for a regulation on packaging and packaging waste that would replace the existing directive and update the current framework for packaging and packaging waste. The European Parliament and the Council of the European Union adopted their positions on the proposed regulation in November and December 2023, respectively. The two co-legislators reached a provisional agreement on 4 March 2024 after two rounds of informal negotiations.

AGRICULTURAL FILMS

Biodegradable mulch films added to EU fertiliser regulation / Major headway for farming sustainability

Industry organisation **European Bioplastics** (EUBP, Berlin) has welcomed the inclusion of soil-biodegradable mulch films in the EU Fertilising Products Regulation (FPR). The **European Commission** announced on 31 October 2024 that it had amended the FPR to include the films as soil improvers. The change means that certain certified soil-biodegradable applications may be traded as fertilisers if they carry the CE mark. This includes soil-degradable mulch films from 20 November 2024, and coating agents and water retention polymers from 17 October 2028.

"Soil-biodegradable mulch films are designed to biodegrade in situ, eliminating the need for post-harvest retrieval, recycling, or disposal. Their inclusion in the FPR marks a significant step towards promoting a sustainable bioeconomy within the agricultural sector, while addressing the issue of persistent microplastics in soils," said EUBP's managing director *Hasso von Pogrell*. He added that the inclusion has "paved the way for further investments, innovation, and research in this field, which strongly relates to a circular bioeconomy". EUBP said the biomaterials mostly used in agricultural and horticultural applications are polyhydroxyalkanoates (PHAs), polybutylene adipate terephthalate (PBAT), polybutylene succinate (PBS), polycaprolactone (PCL), and polylactic acid (PLA). According to the trade body, mulch films represent the second-largest share of plastic films used in European crop production (83,000 t/y). More than 720,000 t/y of agricultural plastics are used in Europe, with only 24% recycled and about 34,000 t/y burned in the fields, while landfilling remains the main end-of-life option, EUBP added.

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