

## EDITORIAL: Rising costs are squeezing recycling margins in Europe

## Costs pressure European recycling margins

The early part of this year has seen European recyclers margins squeezed by higher feedstock and processing costs, despite price increases for rPET, rPP and rLDPE/LLDPE pellets in Europe.

### Margin squeeze

In the rPET market the price of flakes has risen by €35/t since the start of the year, and food grade pellet prices have ticked up by €20/t. But PET bottle bale prices have risen by €35/t in northern Europe and €80/t on average in central and eastern Europe – partly because of the typical pattern of reduced collection in the winter months – meaning a margin squeeze for recyclers when the yield of PET from bales is taken into account.

A similar pattern has emerged for rPP and rLDPE, on a delivered northwest Europe basis. A sudden reduction in incremental PP bale stocks has pushed prices up by more than €100/t in PP bales since 1 January, far outweighing the €20-50/t increases in low end rPP pellets recyclers have been able to achieve in the past few weeks. And, in flexible PE, renewed export demand has contributed to a €62.50t rise in 98/2 bales so far this year, while the price of standard-MFI rLDPE/LLDPE pellets has only risen by €40/t. The rise in the price of low-MFI rLDPE pellets has been larger – at €70/t on average since 1 January – but this has been matched by the increase in the price of shrink hood bales that are needed to manufacture low MFI grades, and which are in very tight supply.

Adding to higher bale prices, recyclers are also facing a year-on-year increase in the price of electricity, their largest variable cost. The 10-day rolling average of the German OTC prompt electricity price was 71pc higher – or around €50/MWh – on 1 January-28 February this year, compared with the same period last year, even after falling back slightly in the past two weeks. Using rPP as the most extreme example, Argus' modelled northwest European rPP black margin, based on packaging waste, is around €80/t lower on average so far this quarter than in the fourth quarter 2024. This is despite markedly stronger demand, although most recyclers will have long-term agreements for power supply that will limit their spot exposure, and might moderate the increase in their utility costs.

### Challenging environment for margin recovery

Recyclers are naturally keen to raise prices where possible to recover the increases in their costs, but gaining acceptance from the market in the current economic environment is a challenging prospect.

In their favour, demand for recycled pellets has risen since the fourth quarter, and availability of certain grades – such as rPP and low-MFI rLDPE/LLDPE – has tightened. Stockbuilding ahead of the peak beverage consumption season in the summer has helped demand for rPET pellets into the preform industry and shrink grade rLDPE/LLDPE for grouped packaging. And the forthcoming peak season for gardening and agriculture has bolstered production of rPP plant pots and agricultural films in the past two months. Other sectors, particularly construction, typically see an increase of production in the spring.

Virgin polymer prices have also risen, which may lift the prices customers are willing to pay for recycled resins, particularly in the polyolefins markets. Virgin

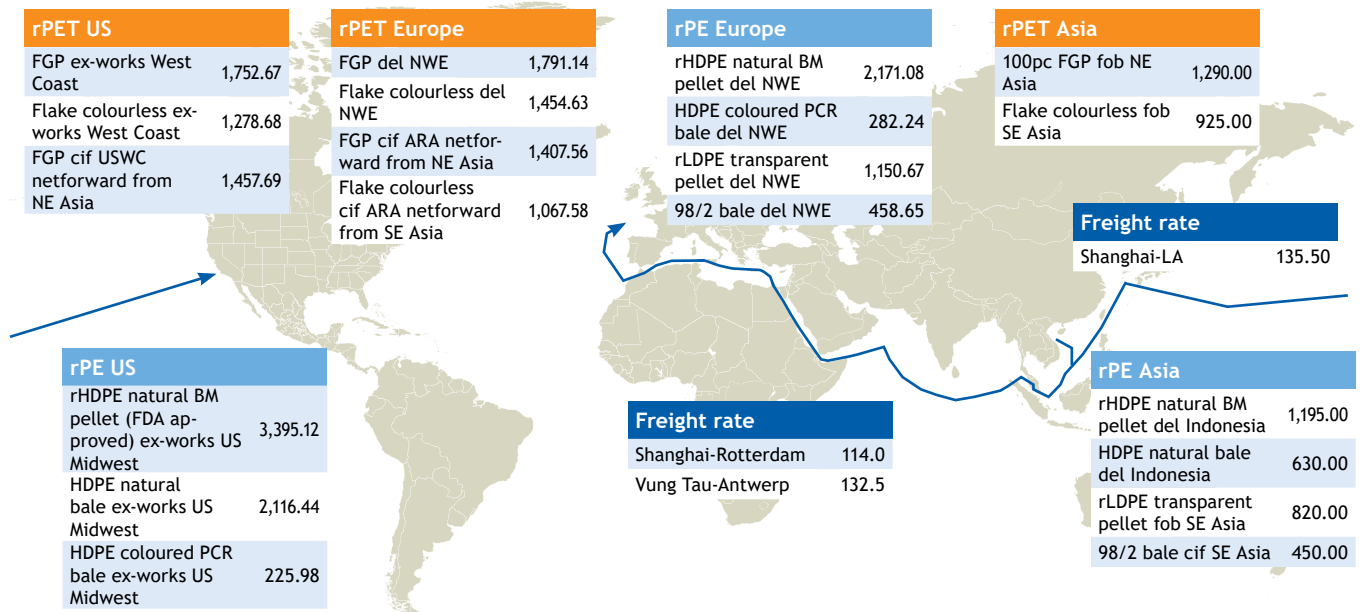
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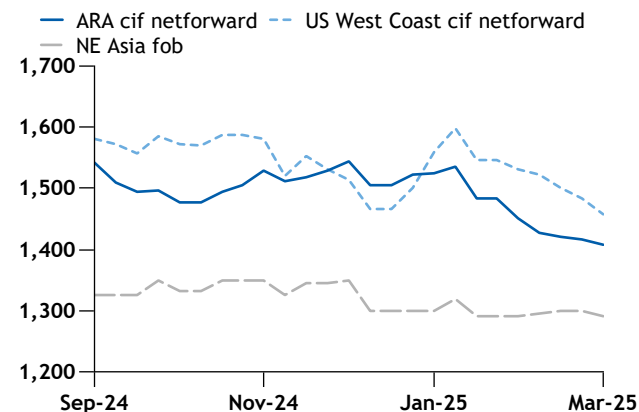
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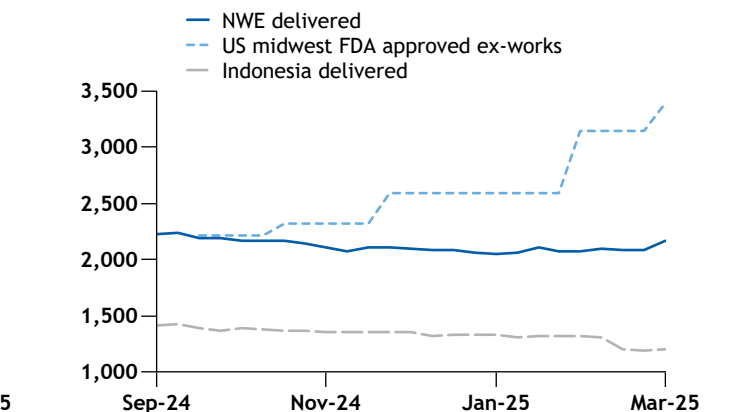
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## Global rPET FGP netforwards (basis NE Asia)



## Global rHDPE natural prices



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## MARKETS UPDATE — rPET — EUROPE

## European rPET demand gently improving

European rPET prices continued to tick up at the beginning of March, and expectations are for further slight increments leading up to the peak season of packaging consumption. Market activity was reported to be slightly better this week with more interest and enquiries, but overall the markets remain quite stable and participants report it is too soon in the year to have certainty on the outlook for demand levels.

Italian bale prices heard in March remain significantly higher than most of the rest of Europe, with the exception of the central and eastern bale markets. Italian clear bale prices were between €780-830/t, relatively stable with a slight narrowing of the range. Light blue bale prices were heard at a significant increase, up over €40/t on average from February. Demand for light blue material is reported to be good due to the quantity of food grade content and the potential to blend with lower quality bale material to improve colour and quality of end use material.

Central and eastern bale prices remained stable. Romania and Bulgaria prices were heard between €580-650/t delivered. Polish and Czech material higher was reported at €680-850/t delivered, with some offers heard up to and above €900/t delivered. Although these higher levels have not yet been realised in the market, they show the bullish sentiment of seller to continue to drive prices higher where possible.

Many market participants suggest bale price increases above €750/t have been driven predominantly by speculation. In the central and eastern region there are also reports that cold and bad weather conditions have disrupted normal collection practise over recent weeks, and limited supply tightened the market. The variance in prices across the continent has led to an increase in intra-trade within Europe. This has in turn reduced the availability for good quality material in the northwest and driven prices slightly higher.

UK bale prices have also pushed up slightly in recent weeks, with reduced supply from less single stream bale sorting capacity and reports of increased export opportunity to Europe. The market awaits the announcement of the Spanish tender for the second quarter.

Recyclers are concerned with the high bale prices, suggesting that flake prices are not able to support further large price increases in bales, and it is very challenging to make the economics of flake and food grade pellet prices work with the current high ranges of central and eastern and Italian feedstock prices.

Ample availability of flake and food grade pellet is still reported in the market, although demand is gradually picking up with better weather and some pre-buying activity in

Recycled PET Europe market prices					€/t
	Timing	Low	High	Midpoint	Δ
<b>Bale prices</b>					
PET bottle colourless, del W Europe	7-Mar	520.00	630.00	575.00	+10.00
PET bottle colourless, del N Europe	7-Mar	520.00	630.00	575.00	+10.00
PET bottle colourless, del UK £/t	7-Mar	230.00	300.00	265.00	nc
PET bottle colourless, del CEE	7-Mar	570.00	850.00	710.00	nc
PET bottle colourless, yellow container, del Spain	1Q25	187.00	370.00	278.50	nc
<b>Flake prices</b>					
Bottle flake colourless, del NWE	7-Mar	1,300.00	1,380.00	1,340.00	+5.00
Bottle flake colourless, del S Europe	7-Mar	1,300.00	1,380.00	1,340.00	+5.00
Bottle flake colourless, del CEE	7-Mar	1,300.00	1,380.00	1,340.00	+5.00
Bottle flake colourless, del UK £/t	7-Mar	950.00	980.00	965.00	nc
<b>Food grade pellet</b>					
del NWE	7-Mar	1,600.00	1,700.00	1,650.00	nc
del S Europe	7-Mar	1,600.00	1,700.00	1,650.00	nc
del CEE	7-Mar	1,600.00	1,700.00	1,650.00	nc

preparation for the peak season. Overall demand is still at relatively subdued levels and the value chain is well stocked at the moment.

Recyclers are unable to pass on full feedstock cost increases into the flake and food grade prices. Some say that demand for cheaper lower quality flake material is being eroded by lower vPET prices, which is pressuring prices further down. Sellers say that prices for this lower quality material which typically would be used in non-food grade applications are being quoted in negotiations, and weighing on price increases. The current supply/demand balance is also not supporting significant price increases, and recycler margins are being squeezed. Through March the expectation is that sellers will continue to try to push prices higher and the upward trend could continue into the peak season.

The significant delta between virgin PET and recycled flake and food grade prices sustained from the end of the third quarter last year remains a barrier for the increased usage of recycled material. Some converters and downstream buyers noted that even with a pickup in demand for packaging over the summer, the percentage of recycled penetration in the market is anticipated to be at best stable, but possibly reduced this year. So the rise in demand for recycled over the peak season may be tempered by increased virgin volumes where possible.

## MARKETS UPDATE – rPET – AMERICAS

### Market flat amid poor demand

The market has remained mostly flat in February and March, with reproprocessors and flake producers seeing little change in demand or pricing on both US coasts.

Market participants expect demand and sales to pick up somewhat in spring, as warmer weather means more consumers buy bottles. But recyclers' expectations for rPET this year are relatively muted, feeling that ready availability of low-cost virgin PET will discourage fast-moving consumer goods (FMCG) brands from increasing their use of recycled content in packaging.

Mexico and Canada, two of the US' largest trading partners in terms of volume, were originally scheduled to have a 25 percent tariff placed on them on 4 March after they were delayed by a month in February. An additional 10 percent universal tariff was also placed on China.

However, President Donald Trump backed off on Mexico and Canada's tariffs on 6 March, and announced they would be delayed a month to 2 April.

The Mexico counter-tariffs had been set to disrupt the west coast PET bale market, where Mexican reclaimers have been buying large volumes since summer.

Market participants largely view the tariffs as a hindrance to recyclers, as they would be likely to reduce consumer spending and make international sales far more difficult.

Recycled PET US weekly market prices						ex-works
	Timing	Currency	Low	High	Midpoint	Δ
Weekly						
PET bottle bale						
A grade US	7-Mar	€/lb	25.00	27.00	26.00	nc
west coast		\$/t	551.16	595.25	573.21	nc
PET bottle bale						
B grade US	7-Mar	€/lb	14.00	17.00	15.50	nc
west coast		\$/t	308.65	374.79	341.72	nc
PET bottle bale						
US east coast	7-Mar	€/lb	18.00	22.00	20.00	nc
		\$/t	396.83	485.02	440.93	nc

Recycled PET US monthly market prices						ex-works
	Timing	Currency	Low	High	Midpoint	Δ
Monthly						
rPET flake						
colourless US	Mar 25	€/lb	56.00	60.00	58.00	nc
west coast		\$/t	1,234.59	1,322.77	1,278.68	nc
rPET pellet US						
west coast	Mar 25	€/lb	78.00	81.00	79.50	nc
		\$/t	1,719.60	1,785.74	1,752.67	nc

## MARKETS UPDATE – rPET – ASIA-PACIFIC

### Cautious sentiment weighs on prices

Asia-Pacific rPET buyers remained cautious this week, with lower virgin PET and concern about trade tariffs weighing on sentiment in the north east of the region.

Mainland Chinese producers offered 100pc rPET pellet exports at \$1,200-1,300/t fob, but failed to conclude deals as most buyers adopted a wait-and-see approach, purchasing material only for immediate requirements. Buyers were concerned about a rise in protectionist trade policies, and at least one postponed purchases in order to avoid unexpected tariff issues. Notional discussion levels were at \$1,180-1,250/t fob.

Discussion levels in the Chinese domestic market softened marginally to 9,950-10,300 yuan/t following lower

virgin PET resin prices. Following softer virgin PET resin prices, 25pc rPET pellet prices inched down to \$860-900/t fob China basis.

And Chinese domestic rPET flake prices inched down slightly to Yn6,300-6,350/t, or Yn6,350-6,450/t for premium-grade material. This decline was sufficient to encourage buyers to return to the market, and demand increased slightly on the week.

Taiwanese producers maintained offers for 100pc rPET pellet at \$1,350-1,450/t fob. However, softer crude oil and PET resin prices weakened sentiment and curtailed negotiations. A handful of small deals were done at \$1,320-1,400/t fob during the week.

In southeast Asia, rPET flake and resin prices were stable

## MARKETS UPDATE – rPET – ASIA-PACIFIC

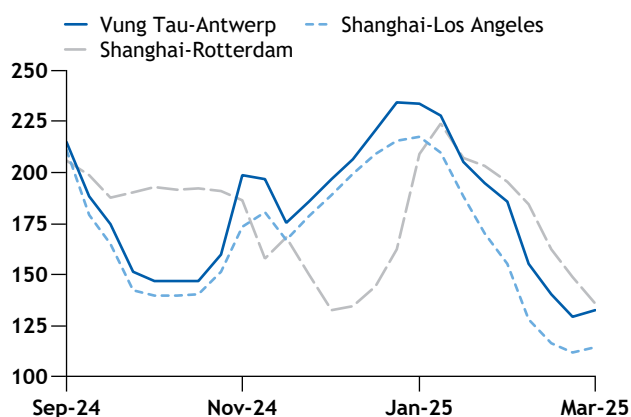
or slightly softer week-on-week, while the outlook for feedstock availability remains concerning for recyclers.

Indonesian and Malaysian recyclers noted stable week-on-week resin demand for food contact applications, while competitively-priced resin used for packaging application is beginning to see some uptick in buying appetite. rPET pellets were assessed stable on the week at between \$1,180-1,340/t. Meanwhile, rPET colorless and mixed colored flakes prices were also unchanged week-on-week at \$860-\$990/t and \$850-900/t respectively this week.

Recyclers' feedstock concerns continued to persist as both feedstock and labor availability in the region is at a low ebb amid the Islamic fasting period of Ramadan. Feedstock prices have been trending higher since the turn of the year, as a combination of rainy weather, firm demand and legislative developments have constrained supplies. In Malaysia, some pellets producers are feeling the effects of heightened flake import costs brought about by provisional anti-dumping duties (ADD) on Chinese or Indonesia-origin Polyethylene Terephthalate (PET) enacted earlier this year. All Indonesian imports are subjected to a 37.44pc ADD, while Chinese imports are taxed between 6.33-11.74pc.

PET bale prices in Indonesia were assessed unchanged this week at rupiah 8,700-9,400/kg. Prices for colorless bales were also stable at Rp9,700-10,000/kg this week.

## Container freight rates



## Recycled PET Asia-Pacific market prices

	Timing	Currency	Low	High	Midpoint	Δ
North East Asia rPET						
rPET food grade pellets 25pc fob NE Asia	7-Mar	\$/t	860.00	900.00	880.00	-20.00
rPET food grade pellets 100pc fob NE Asia	7-Mar	\$/t	1,180.00	1,400.00	1,290.00	-10.00
rPET flakes domestic China	7-Mar	Yuan/t	6,300.00	6,450.00	6,375.00	+25.00
South East Asia rPET						
PET bottle bale colourless domestic Indonesia	7-Mar	IDR/kg	9,700.00	10,500.00	10,100.00	nc
		\$/t	590.00	640.00	615.00	nc
PET bottle bale mixed colour domestic Indonesia	7-Mar	IDR/kg	8,700.00	9,400.00	9,050.00	nc
		\$/t	530.00	580.00	555.00	+5.00
rPET food grade flakes colourless fob southeast Asia	7-Mar	\$/t	860.00	990.00	925.00	nc
rPET food grade flakes mixed colour fob southeast Asia	7-Mar	\$/t	850.00	900.00	875.00	nc
rPET pellets fob southeast Asia	7-Mar	\$/t	1,180.00	1,340.00	1,260.00	nc

## Calculated rPET netforwards

	Timing	Low	High	Midpoint	Δ
rPET food grade pellet cif USWC - netforward from NE Asia \$/t (20t/FEU)	7-Mar	1,324.79	1,590.58	1,457.69	-26.70
rPET food grade pellet cif ARA - netforward from NE Asia \$/t (24t/FEU)	7-Mar	1,290.34	1,524.78	1,407.56	-7.94
€/t	7-Mar	1,191.50	1,407.98	1,299.74	-60.56
rPET flake cif ARA - netforward from SE Asia \$/t (23t/FEU)	7-Mar	988.05	1,147.11	1,067.58	+3.76
€/t	7-Mar	912.37	1,059.24	985.81	-36.52

Container freight rates \$/t				
Route	Low	High	Midpoint	Source
Shanghai-Los Angeles	117.00	154.00	135.50	Freightos
Shanghai-Rotterdam	107	121	114.0	Freightos
Vung Tau-Antwerp	119	146	132.5	Freightos

\*Freight rates used in net forward calculations are adjusted for the specified shipment size per FEU



Argus freight rates are as of the day of publication. Rates derived from Freightos data are of the previous day. Selected polymer spot freight rates are calculated by Argus methodology, based on underlying data from the online freight marketplace, Freightos. Visit [www.freightos.com](http://www.freightos.com) for complete lists of \$/FEU rates in the wider spot container market.



## MARKETS UPDATE — RPE/RPP — EUROPE

## rPP value chain tightens

The European rPP value chain has tightened in recent weeks on solid demand, although recycling margins have come under some pressure as cost increases have outstripped the rise in sales prices.

Flower pot producers continued to operate at high rates in February and into early March, in line with seasonal expectations as they prepare for their peak sales period in the spring and summer. This has combined with some restocking activity in other downstream segments, and an apparent reduction in throughput of rigid PP from municipal waste, to tighten availability of PP bales and regrind in recent weeks. PP bale prices rose by more than €100/t on the year up to 21 February and have maintained their higher level in the past two weeks, while rPP regrind prices have risen by €50/t since early February. This was only partially offset by €20-50/t increases in rPP black pellet over the same period, resulting in pressure on recycling margins.

Higher electricity costs have also squeezed recycling margins in 2025. The 10-day rolling average of the German OTC prompt electricity price was 71pc — or around €50/MWh — higher between 1 January and 28 February this year, compared with the same period last year. Argus' modelled rPP black margins, which are around €80/t lower on average so far this quarter than in the fourth quarter of 2024, despite markedly stronger demand, owing to higher power and feedstock costs. It should be noted that most recyclers will have long-term agreements in place for part of their electricity supply that reduce their exposure to prompt prices.

Availability of transparent flexible PE bales has also tightened incrementally so far in 2025, with 98/2 and shrink hood bale prices both rising by €10/t in the past two week on top of increases earlier in the year. Market participants attributed reduced availability partly to strong demand from domestic recyclers, combined with lower collection rates from commercial premises in the current economic environment. Demand for 98/2 from southeast Asian buyers is another factor, although the recent increases in European prices and stagnant southeast Asian pellet demand have caused this arbitrage window to narrow.

Recyclers were able to offset higher feedstock costs to some extent with rLDPE/LLDPE pellet price increases between February and March, and they may look to apply further upward pressure heading into the second quarter. Prices for shrink film-based transparent recyclates have risen the most so far this year because of tight availability, although seasonally-strong agricultural film production may offer more opportunities in other grades in the spring. The rHDPE market remains very stable, with solid demand for

Europe recycled polyolefins					
	Timing	Low	High	Midpoint	Δ
<b>Bales del NWE (€/t)</b>					
HDPE rigid bale (D329 or equivalent)	7-Mar	220.00	300.00	260.00	nc
PP rigid bale PCR (D324 or equivalent)	7-Mar	150.00	220.00	185.00	nc
Mixed polyolefin bale, PCR	7-Mar	60.00	80.00	70.00	nc
Shrink hood flexible PE bale	7-Mar	800.00	850.00	825.00	+10.00
98/2 flexible PE bale post-commercial	7-Mar	400.00	445.00	422.50	+5.00
80/20 flexible PE bale post-commercial	7-Mar	180.00	220.00	200.00	nc
Mixed colour flexible PE bale post-commercial	7-Mar	140.00	150.00	145.00	nc
Mixed plastic waste (D350 fraction) del German incinerator*	7-Mar	-180.00	-150.00	-165.00	nc
<b>Bales del UK (£/t)</b>					
HDPE natural PCR bale	7-Mar	460.00	530.00	495.00	nc
HDPE coloured PCR bale	7-Mar	240.00	280.00	260.00	nc
PP PCR bale	7-Mar	260.00	300.00	280.00	nc
98/2 flexible PE bale post-commercial	7-Mar	340.00	390.00	365.00	nc
<b>Regrind del NWE (€/t)</b>					
HDPE regrind mixed colour household packaging	7-Mar	570.00	620.00	595.00	nc
PP regrind mixed colour household packaging	7-Mar	520.00	600.00	560.00	+20.00
<b>Regranulate prices del NWE (€/t)</b>					
rHDPE BM white, from PCR, deodorised	7-Mar	1,650.00	1,950.00	1,800.00	nc
rHDPE BM natural from PCR deodorised del NWE	7-Mar	1,850.00	2,150.00	2,000.00	nc
rHDPE pipe dark/black	7-Mar	720.00	850.00	785.00	nc
rPP light, packaging, deodorised	7-Mar	1,570.00	1,820.00	1,695.00	nc
rPP grey, high MFI, plant pot and bucket	7-Mar	750.00	870.00	810.00	nc
rPP IM dark/black	7-Mar	700.00	820.00	760.00	nc
rLDPE/LLDPE shrink film transparent	7-Mar	1,290.00	1,390.00	1,340.00	nc
rLDPE/LLDPE stretch film transparent	7-Mar	1,120.00	1,240.00	1,180.00	nc
rLDPE/LLDPE standard film transparent	7-Mar	1,015.00	1,105.00	1,060.00	nc
rLDPE/LLDPE standard film dark/black	7-Mar	630.00	725.00	677.50	nc

\*Prices are negative when payment is made to the incinerator to take the material

blow-moulding grades — particularly white and natural — offset by a stagnant pipe market.

Some recycle sellers felt the upward trend in virgin polyolefin prices in February encouraged more converters to consider using more recycled content in their products in recent weeks. Average contract prices for virgin HDPE, LDPE, LLDPE-butene and PP rose by €60/t, €100/t, €80/t and €55/t, respectively, last month, underpinned by €52.50/t increases in ethylene and propylene and varying degrees of supply tightness. Prices look likely to be much more stable in March, after ethylene and propylene only rose slightly.

## MARKETS UPDATE — RPE/RPP — AMERICAS

## No sign of HDPE tightness easing

In March, rHDPE natural and rPP prices rose due to tightening feedstock availability, with FDA-approved rHDPE BM natural prices climbing further above the apex of the last peak in the market in spring 2023, to 154¢/lb.

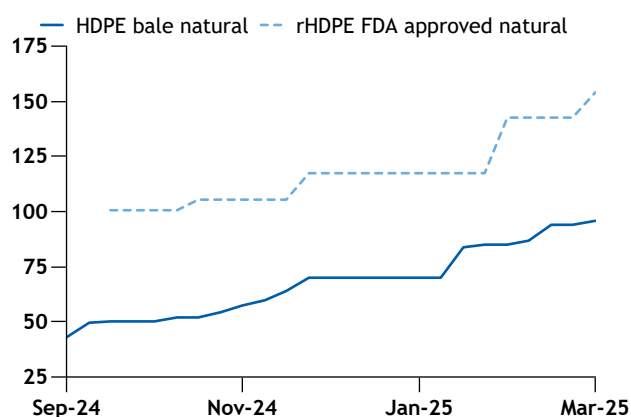
The volume of natural HDPE bales produced is declining year-on-year as a result of dropping milk consumption and a lack of growth in collection and sorting, participants said, while there are a growing number of recyclers and brands looking to secure the material. The result is a tight and volatile market. Reprocessors generally agreed that the current price level is nearing a point at which buyers would begin to drop their usage of rHDPE natural pellet and switch to virgin or imported material.

The gap between coloured and natural rHDPE continued to widen, as many of the construction applications for mixed color rHDPE have lowered demand, including piping and drainage systems.

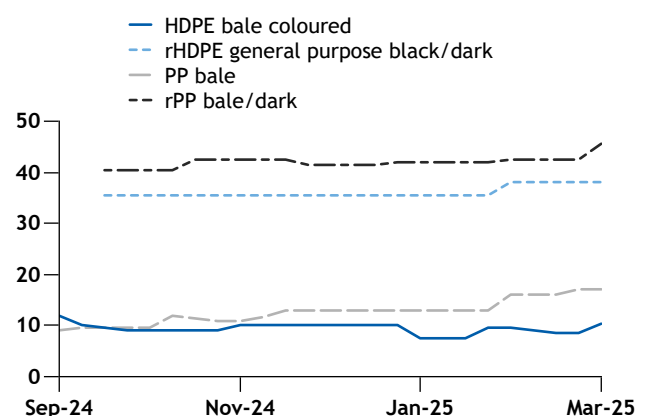
rPP grades also rose this month based on PP bale tightness, and as market activity picked up. rPP FDA rose 6¢ to 82¢/lb and rPP PCR rose 8¢ to 62.5¢/lb. The price of lower-end rPP black IM pellets rose due to increased bale costs and higher off-spec virgin PP pricing, which competes closely with post-industrial recycled material.

Recycled polyolefins US Midwest weekly market prices						
	Timing	Currency	Low	High	Midpoint	Δ
Weekly						
HDPE natural PCR bottle bale	7-Mar	¢/lb	94.00	98.00	96.00	+2.00
		\$/t	2,072.34	2,160.53	2,116.44	+44.09
HDPE coloured PCR bottle bale	7-Mar	¢/lb	9.50	11.00	10.25	+1.75
		\$/t	209.44	242.51	225.98	+38.58
PP PCR bale	7-Mar	¢/lb	16.00	18.00	17.00	nc
		\$/t	352.74	396.83	374.79	nc
Recycled polyolefins US Midwest monthly market prices						
	Timing	Currency	Low	High	Midpoint	Δ
Monthly						
rHDPE BM natural, FDA approved	Mar 25	¢/lb	152.00	156.00	154.00	+11.50
		\$/t	3,351.02	3,439.21	3,395.12	+253.53
rHDPE BM light grey, non-FDA approved	Mar 25	¢/lb	45.00	50.00	47.50	nc
		\$/t	992.08	1,102.31	1,047.20	nc
rHDPE dark/black general purpose	Mar 25	¢/lb	36.00	40.00	38.00	nc
		\$/t	793.66	881.85	837.76	nc
rPP light grey, FDA approved	Mar 25	¢/lb	80.00	84.00	82.00	+6.00
		\$/t	1,763.70	1,851.88	1,807.79	+132.28
rPP light grey, non-FDA approved	Mar 25	¢/lb	60.00	65.00	62.50	+8.00
		\$/t	1,322.77	1,433.00	1,377.89	+176.37
rPP dark/black, general purpose IM	Mar 25	¢/lb	43.00	48.00	45.50	+3.00
		\$/t	947.99	1,058.22	1,003.11	+66.14

HDPE bale, rHDPE regranulate US Midwest



HDPE, PP bale, regranulate US Midwest



## MARKETS UPDATE — RPE/RPP — ASIA-PACIFIC

### Indonesian bale uncertainty persists

Southeast Asian rPE prices remained stable this week, and feedstock issues persisted in the Indonesian market with local recyclers noting continued uncertainties surrounding the plastic scrap import ban.

A ban on plastic scrap imports in Indonesia, which was mooted at the start of the year but not officially announced, meant that existing import licenses for plastic scrap could not be renewed and new licenses were not issued. The current situation is not clear, with several Indonesian recyclers telling *Argus* the import ban remains while discussions between Indonesia's Ministry of Environment and Ministry of Industry for a compromise are ongoing, but European plastic waste exporters noting that a limited number of licenses have been re-approved. rPE producers told *Argus* the ban is currently having an impact on rLDPE production, as waste collectors are having difficulties collecting sufficient volumes of LDPE scrap, which affects both producer output and resin quality. Lower labour availability during the Muslim holy month of Ramadan is also compounding cost pressures.

Domestic Indonesia rHDPE natural color pellets prices were unchanged at 17,000-22,000 IDR/kg, cif southeast Asia 98/2 bale prices were assessed at a wider range compared with last week's \$430-470/t. Domestic Indonesia HDPE bale prices were also assessed stable at Rp10,000-10,600/kg.

Chinese domestic rHDPE buyers increased their purchasing activity in the second half of the week, a recycler said, and deals were done at around Yn11,500/t with limited HDPE

Recycled polyolefins Asia Pacific market prices						
	Timing	Currency	Low	High	Midpoint	Δ
South East Asia rPE						
HDPE rigid bale PCR domestic Indonesia	7-Mar	IDR/kg	10,000.00	10,600.00	10,300.00	nc
		\$/t	610.00	650.00	630.00	+5.00
98/2 flexible PE bale, post commercial cif SE Asia	7-Mar	\$/t	430.00	470.00	450.00	-10.00
rHDPE natural, from PCR, domestic Indonesia	7-Mar	IDR/kg	17,000.00	22,000.00	19,500.00	nc
		\$/t	1,040.00	1,350.00	1,195.00	+10.00
rLDPE/LLDPE standard film, transparent. fob southeast Asia	7-Mar	\$/t	790.00	850.00	820.00	nc
North East Asia rPE						
rHDPE BM natural colour from PCR, food contact, fob China	7-Mar	\$/t	1,350	1,400	1,375.0	nc

bale supply curbing rHDPE production and supporting prices.

But negotiations in the export market were limited. Recyclers offered BM grade natural rHDPE at \$1,400-1,450/t on a fob China basis. Notional buying ideas were at \$1,300-1,350/t fob. A few small deals were done at \$1,350-1,400/t fob.

## MARKETS UPDATE — RPVC — EUROPE

### rPVC prices stable in Europe

The rPVC market is steady heading from February into March. Prices were unchanged over the end of the month, with slow underlying demand from the construction sector but recyclers facing seasonally-lower feedstock availability and higher year-on-year electricity prices.

Restocking activity at the start of the year did not have a major effect on rPVC demand, and seems now to have largely passed. Underlying this, contraction in the construction sector, a key end user of rPVC, accelerated in February – the Hamburg Central Bank purchasing managers index (PMI) for the sector fell to 42.7 in February, from 45.4 in January, well below the “no-change” mark of 50. In the UK the PMI index was at 44.6 in February down from 48.1 in January.

The European Central Bank (ECB) cut its leading interest rate by 0.25pc this week, to 2.5pc. Easing interest rates could lead to further investment in construction projects

in Europe, boosting rPVC and PVC demand, but market participants noted there is yet to be any translation into demand for vinyls. The ECB cut its economic growth forecasts for 2025 and 2026, citing “continued challenges” for the economy.

In addition to subdued demand, some market participants in the UK rPVC noted a seasonal downturn in PVC

### Argus Chemicals coverage

Please see Argus' global olefins, polymers and aromatics reports for more prices, commentary, news and analysis from the petrochemicals markets. Visit [www.argusmedia.com/chemicals](http://www.argusmedia.com/chemicals) to find out more



## MARKETS UPDATE — RPVC — EUROPE

waste after the Christmas period. A slower pace of construction and renovation work typically results in less PVC waste being collected during the winter months, which is likely exacerbated this year by the general slowdown in the industry. Despite this, they could not accept higher feedstock prices in the current market environment, they said. And the price of electricity - one of recyclers' main variable costs - has risen this year. The 28-day rolling average of the German OTC prompt electricity price was €127.56/MWh up to 6 March this year, compared to \$67.98/MWh in the same time frame last year.

European virgin suspension PVC (s-PVC) contract prices rose by €25-35/t in February, from March. The February increase was not heard to have had any significant positive impact on demand for rPVC. Producer appear to be keen to regain margins in March against the rise in the monthly ethylene contract price increase of €2.50/t. Opening offers for March contracts have been heard between increases of €30-60/t, with buyers largely resistant to this.

## SUSTAINABLE FEEDSTOCKS

### PPO prices stable

European plastic-derived pyrolysis oil (PPO) prices were assessed stable in the past two weeks, at €1,100-1,350/t fca Europe for refinery grade PPO and €1,325-1,600/t fca for cracker grade or light fraction PPO. No new deals were heard during the fortnight. The premium for mass balanced circular naphtha continued to be discussed at \$1,500/t over fossil naphtha on a cif ARA basis.

The market remains quiet, with polymer producers maintaining their more cautious attitude to buying circular feedstocks, and supply of PPO heard to be increasing gradually but overall still very limited.

Used cooking oil (UCO)-based fob ARA range bionaphtha and fca ARA range biopropane prices trended lower in past fortnight, tracking losses in the fossil complex as bio-premiums held at around \$950/t over the respective conventional counterparts in quiet markets.

By contrast, prices for feedstock UCO fob ARA range firmed during the week, supported by a stronger euro against the US dollar and scarce selling interest.

The Argus-assessed cfr northeast Asian bionaphtha market softened from a fortnight ago to a \$1,495/t midpoint, even as premium ideas over its fossil counterpart remained steady between \$850-900/t this week.

The northeast Asian fossil-based naphtha price saw a relatively steep decline from the last Argus-assessed price of

Recycled PVC Europe market prices					
	Timing	Low	High	Midpoint	Δ
ex-works NWE (€/t)					
rPVC regrind white ex-works NWE	7-Mar	600.00	700.00	650.00	nc
rPVC regrind mixed colour ex-works NWE	7-Mar	425.00	550.00	487.50	nc
rPVC pellet white ex-works NWE	7-Mar	950.00	1,100.00	1,025.00	nc
rPVC micronised powder mixed colour ex-works NWE	7-Mar	650.00	730.00	690.00	nc
ex-works UK (£/t)					
rPVC regrind white ex-works UK	7-Mar	530.00	600.00	565.00	nc
rPVC regrind mixed colour ex-works UK	7-Mar	450.00	580.00	515.00	nc
rPVC pellet white ex-works UK	7-Mar	900.00	1,000.00	950.00	nc
rPVC micronised powder mixed colour ex-works UK	7-Mar	650.00	780.00	715.00	nc
Virgin PVC (€/t)					
S-PVC pipe del NWE final month 1	Feb 25	-	-	1,148.5	+27.5

Advanced Recycling/Bio-feedstocks						
	Timing	Currency	Low	High	Midpoint	Δ
Europe						
Pyrolysis oil plastic-derived refinery grade fca Europe	7-Mar	€/t	1,100.00	1,350.00	1,225.00	nc
Pyrolysis oil plastic-derived cracker grade fca Europe	7-Mar	€/t	1,325.00	1,600.00	1,462.50	nc
Bionaphtha fob ARA	Mar 25	\$/t	1,585.00	1,595.00	1,590.00	-20.00
Asia-Pacific						
Bionaphtha cfr Northeast Asia	Mar 25	\$/t	1,525.00	1,545.00	1,535.00	-5.00

\$669.75/t on 21 February to \$619.25/t on 7 March – recording an 8pc drop tracking the bearish crude market.

Participants also said the bionaphtha market continues to be relatively illiquid on weak demand amid a cautious outlook from the chemicals sector and ample supply in the spot market.

### Argus Biofuels coverage

Please see Argus Biofuels for daily bionaphtha prices, and prices, commentary and analysis from the global biofuels market.

See <https://www.argusmedia.com/en/bioenergy/argus-biofuels> to find out more.

## PETROCHEMICAL MARKETS

### Europe

Further increases in European LDPE prices in March may be on the cards, but market participants report a rollover on prices for HDPE and a possible notional increase on LLDPE. Buyers are hesitant to commit to volumes without further clarity on the direction of the market.

In the PP market there is some discussion around price declines, but it is still early days and remains to be seen. Some participants expect a rollover into March. Import arbitrages are widening which may pressure the European market in the coming weeks.

European PET resin contract prices for February jumped up following the rise in raw material costs, whilst spot prices stabilised. Demand from the packaging sector is reported to be gradually ticking up ahead of the peak season of consumption over the summer.

### Americas

Uncertainty regarding tariffs has caused widespread hesitation in multiple markets, including polymer markets. Buying activity was limited during the week, with buyers and distributors unwilling to take positions, not knowing whether or not tariffs would impact whatever they were purchasing.

February contracts in the US and Canada PE market began to settle at a rollover this week. Producers have argued that their margins need to increase after aggressive price resets that took place at the end of 2024. But buyers argued that demand did not support further increases. Demand in March is expected to improve as seasonal demand begins to pick up for a variety of PE applications.

After February US/Canada PP contracts settled at an increase, tracking the movement in polymer grade propylene contracts, market participants say their early expectation is for a price decline in March, based on declines in spot PGP prices.

US PET resin prices are stable. Demand remained steady this week across virgin PET. The PET resin market continued to mull announced aluminium tariffs and comments from at least one major consumer to switch more packaging to plastic bottle as a cost saving measure.

### Asia-Pacific

US' declaration of 10pc tariffs against Chinese goods such as consumer electronics, household appliances, and plastic end products raised concerns on downstream demand among Chinese traders and converters.

LLDPE futures generally held stable this week against downward oil futures, supported by decreasing inventory of

#### Olefin monthly contracts & Polymer spot

	Timing	Midpoint	Δ
<b>Ethylene contract</b>			
del NWE €/t	Mar 25	1,260.00	+2.50
cfr Taiwan \$/t	Dec 24	928.00	-1.00
Pipeline USGC ¢/lb	Feb 25	36.75	-1.25
<b>Polymer grade propylene (PGP) contract</b>			
del Europe €/t	Mar 25	1,135.00	+7.50
del Taiwan \$/t	Dec 24	856.00	-13.00
fob US ¢/lb	Feb 25	48.00	+4.00
<b>HDPE IM spot</b>			
del NWE \$/t	7-Mar	1,248.50	+51.50
cfr China \$/t*	7-Mar	865.00	nc
fas Houston bagged \$/t	7-Mar	937.00	+11.00
<b>Polypropylene spot</b>			
homopolymer del NWE \$/t	7-Mar	1,289.0	+53.0
raffia cfr China \$/t	7-Mar	900.00	+7.50
<b>LLDPE butene-1 spot</b>			
del NWE \$/t	7-Mar	1,275.5	+52.5
fas Houston \$/t	7-Mar	1,025.0	+11.0
cfr China \$/t	7-Mar	942.5	nc

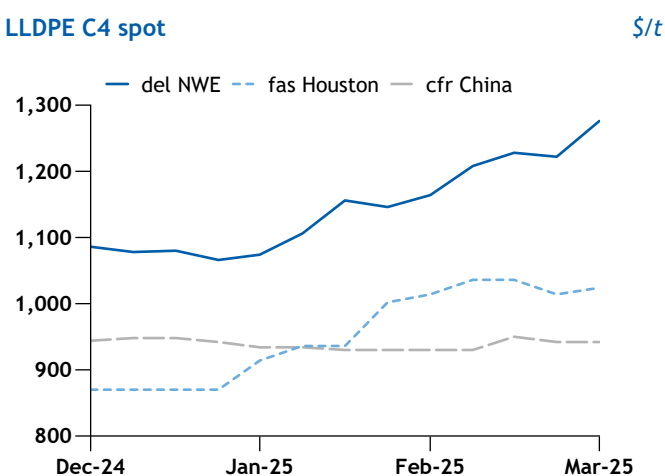
\*Main origin

traders. China's downstream demand was seasonally rising, but this might be offset by the upcoming new PE capacities.

Domestic PP prices edged lower with losses in PP futures this week, driven by lower feedstock futures.

PET resin prices edged down as the sustained accumulation of inventory put pressure on PET resin prices. The bottle market experienced insufficient liquidity, affected by the slow resumption of downstream operations after the Spring festival

#### LLDPE C4 spot



## NEWS AND ANALYSIS

*Continued from p1*

...LDPE and LLDPE-butene have risen by €90-120/t on contract and €125-145/t on spot since the start of January, while PP is €60/t higher on contract and €110/t higher on spot. As of 28 February, the price of rPP and rLDPE/LLDPE is at its lowest level relative to the virgin equivalent for 5-6 months, which should give some space for further increases. Virgin PET prices have also risen slightly by €30/t since the start of the year, although retain a significant discount to flake and food grade pellet so the impact of this increase on demand is likely to be limited.

Outside of seasonal factors however, doubts remain over how much the underlying economic environment has improved. The latest eurozone manufacturing Purchasing Managers Index (PMI) data hit a two-year high in February, but remains in contraction territory at 47.6, and the construction PMI is at an even lower level. Geopolitical developments in the past month will add to economic uncertainty, including the prospect of tariffs on trade with the US to which the automotive industry seems particularly vulnerable. In this environment, converters remain very resistant to large price increases. And there is no guarantee higher virgin polymer prices will be sustained, with similar factors impacting demand outlook, and global oversupply and receding container freight rates lowering import costs.

In the rPET market recyclers have also questioned how significantly the EU's new 25pc minimum requirement for beverage bottles will lift demand this year. On average, the bloc was already close to meeting this threshold as a whole, and the country-by-country system of measuring and penalising non-compliance is likely to reduce the impetus on individual companies.

Some cost-relief could be on the horizon, electricity prices typically fall as temperatures increase in spring, as does PET bale availability as warmer weather leads to more drinks being consumed outside. But for now the situation for many recyclers remains challenging, even after a pickup in demand and prices in the market at the start of the year.

## Argus Global Polyethylene and Polypropylene

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## NEWS AND ANALYSIS

*Several factors are combining to create tightness in PET bale supply in southeast Asia, writes Joonlei Lee*

## Southeast Asia PET recyclers face margin squeeze

Southeast Asian PET recyclers are braced for reduced plastic waste collection during the holy month of Ramadan, having already had margins squeezed this quarter by slower-than-expected export sales.

### Bale supply stymied

Ramadan – the Muslim month of fasting – is expected to reduce collection of post-consumer plastic waste, which depends on a network of informal workers who gather and sort the material in parts of the region. A slowdown would compound a confluence of longer-running feedstock pressures that have lifted bale prices in southeast Asia since the turn of the year.

Legislation is responsible for some of these issues, such as significant complications to import plastic waste to Indonesia. A ban on plastic scrap imports, which was mooted at the start of the year but not officially announced, meant existing import licenses for plastic scrap could not be renewed and new licenses were not issued. The current situation is not fully clear, with several Indonesian recyclers telling *Argus* the import ban remains while discussions between Indonesia's Ministry of Environment and Ministry of Industry on a compromise are ongoing, but European plastic waste exporters noting that a limited number of licenses have now been re-approved.

Polyethylene (PE) waste – mainly flexible films – have made up the majority of Indonesian scrap imports in recent years. But data from Global Trade Tracker show the country also imported nearly 38,000t of waste classified as not PE, polystyrene (PS) or polyvinyl chloride (PVC), which could include PET bottles in 2024. PET bale demand has also been solid, with a major recycler reported to have bought large volumes in the first quarter, and prices have risen since the start of the year. *Argus'* Indonesian assessment for colourless bottles rose to 10,100/kg as of 28 February, up from 9,400 IDR/kg in early January, and mixed-colour bale prices climbed to 9,050 IDR/kg, from 8,600 IDR/kg over the same period.

Malaysian recyclers have also seen feedstock costs increase this year, as the country introduced provisional anti-dumping duties on Chinese or Indonesia-origin Polyethylene Terephthalate (PET) as part of its anti-dumping duty investigation which began on 9 August 2024. The provisional duties, which range between 6.33pc and 37.44pc, came into effect on 7 January this year and is currently expected to run until at least 6 May. In addition to virgin PET, these duties will affect rPET flakes, which travel under the same HS code, and which are sometimes sought by Malaysian reproducers owing to better economics, or to supplement local production on specific flake grades.

Elsewhere in southeast Asia, Thai bale prices have risen owing to reduced collection during the rainy season. The country had also issued a ban on plastic waste imports at the start of the year, although its effect on feedstock availability is minimal, as scrap imports had been limited to 14 industrial factories in the country's tax-free zone since 2023. And, in Myanmar (Burma), inconsistent power electricity availability and uncertainties regarding manpower availability stymied production efficiencies.

### Margin squeeze

Recyclers have generally struggled to pass on these additional costs to customers, because of poorer-than-expected demand at the start of this year.

Many had expected the new 25pc minimum recycled content requirement

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for PET beverage bottles in the EU to boost demand for exports to Europe this year. But many have faced difficulties obtaining the Recyclclass certification requirements that many major European buyers require, citing a lack of regional accreditors and long-running audit processes. Some are also finding it difficult to meet traceability standards set out by Recyclclass, market participants said. The delays have impeded sales to one of southeast Asia's key export markets, while also strengthening the hand of buyers in other regions.

The *Argus* fob southeast Asia rPET food grade colorless price marker closed at \$925/t on 28 February, compared with \$975/t at the start of the year, while mixed colored flakes also fell to \$875/t from \$890/t over the same period. Meanwhile, the *Argus* fob southeast Asia rPET pellet prices slid to \$1,260/t on 28 February, compared with \$1,325/t at the start of the year.

Looking ahead, market participants generally expect feedstock tightness to continue in the short-term as overall demand outstrips supplies. Recent geopolitical events are also contributing to pessimistic sentiment. In addition to certification issues in Europe, market participants are concerned about the potential impact of fast-developing trade tariffs, particularly on imports to the US. And the Trump administration's recent moves to withdraw from the Paris Agreement, pause permits for the development of offshore wind farms and halt the use and procurement of paper straws in federal buildings have been interpreted by some market participants as signs that environmental sustainability initiatives are being de-emphasized in Western markets.

Longer-term prospects for recycled resin sales will depend on the willingness for governing bodies in import markets to enforce sustainability mandates, participants said.



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### Economic news

#### Eurozone manufacturing contraction eases

The eurozone's manufacturing sector contracted again in February, but hit its highest in two years on easing contractions in output and new orders.

The Hamburg Commercial Bank (HCOB) eurozone manufacturing purchasing managers' index (PMI) reading, compiled by S&P Global, was 47.6 in February, compared with 46.6 in January. The reading has been below 50, which indicates a deterioration, each month since July 2022.

"Factory production came close to stabilising, with reductions in new orders — both total and from abroad — at their softest in nearly three years," HCOB said.

In the UK, the S&P Global manufacturing PMI reading was 46.9 in February, down sharply from 48.3 in January and hitting a 14-month low.

"The UK manufacturing sector continued to face tough operating conditions in February, as ongoing concerns about weak demand and rising cost pressures led to deeper downturns in output, new orders and employment," S&P Global said.

*By Caroline Varin*

### Legislation/associations

#### UN sets date for plastic pollution treaty meeting

The UN said a new round of discussions aimed at reaching a global plastic pollution treaty will be held in Geneva on 5-14 August after countries failed to reach a deal last year.

At the first part of the fifth session of the Intergovernmental Negotiating Committee (INC) in Busan, South Korea in November, countries **failed to reach** a consensus partly because of disagreements about whether the scope of the final agreement should include aims to reduce plastic production. The Busan meeting saw resistance on that issue from a group including some oil-producing nations.

A proposal put forward by Panama and backed by over 100 countries suggested adopting a global target to "reduce the production of primary plastic polymers to sustainable levels" under article 6 of the draft text. It also suggested that countries must report their production, imports and exports of primary plastic polymers, and measures they have taken to achieve the global target.

Among the countries opposing the proposal was Opec oil producer Kuwait, which said "the objective of this treaty is to end plastic pollution — not plastic itself".

Kuwait said it hopes that the treaty will address the "core issue" of plastic pollution through "improved waste management systems, recycling infrastructure, and innovations in

material design", as opposed to plastic production cuts.

"Attempting to phase out plastic as a material, rather than addressing the issue of plastic pollution, risks undermining global progress and exacerbating economic inequalities," Kuwait added, noting that there has been no solution offered on what can replace plastic across its applications.

*By George Barsted*

#### UK sets out packaging responsibility policy

The UK has outlined the intended method and impact of its upcoming Extended Producer Responsibility (EPR) for packaging in a policy statement.

The UK department of environment, food and rural affairs (Defra) published the statement on the introduction of EPR for packaging today. It was agreed by the devolved governments of Scotland, Wales and Northern Ireland, three UK nations which have some decision powers over their environmental policy.

The EPR scheme for packaging policy introduces an obligation for producers to pay for the collection and disposal costs of their household packaging when it becomes waste. The introduction of the EPR scheme is required by the Packaging Regulations 2024. PackUK is the appointed EPR scheme administrator.

The policy details the outcomes and deliverables that PackUK must achieve in the first year of the scheme, the core governance documents they must publish each year, and the deadlines for these publications. PackUK should publish final base fees for the 2025/26 year no later than June 2025. The introduction of base fees is anticipated to incentivise producers to improve design and place less material on the market, resulting in the prevention of packaging becoming waste. The scheme administrator must use fee modulation from 2026/27 onwards to incentivise the move to recyclable and reusable packaging.

*By Chloe Kinner*

### Chemical Recycling

#### Axens and Sorema agree plastic recycling partnership

French technology provider Axens and Italian mechanical recycling plant provider Sorema have agreed to co-operate on the preparation of feedstock for chemical recycling.

"Sorema's expertise in all the mechanical treatment operations of plastic waste allows to optimise feedstock preparation for advanced recycling units designed by Axens," the companies said.

The companies plan to offer integrated solutions to their customers in conjunction with Axens' existing technologies for pyrolysis- and depolymerisation-based chemical recy-

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cling.

Scaling capabilities to convert incineration and landfill-bound mixed plastic waste – on which chemical recyclers focus – into streams of the correct quality and consistency for plants to work with has long been regarded as one of the biggest challenges facing the chemical recycling industry.

Axens provides technology for the production of pyrolysis oil through its TAC Process, yielding a feedstock to produce recycled polyolefins, such as polyethylene and polypropylene, which can be used for food contact applications. Axens also markets its Rewind PET process for depolymerisation of difficult-to-recycle PET waste.

Axens [previously announced](#) plans to commercialise its Rewind PET technology following a successful trial in October last year.

The firm started testing a semi-industrial 1,000 t/yr depolymerisation plant in Kitakyushu, Japan in 2023. It developed the project with partners IFPEN and JEPLAN with the intention of recycling PET waste that could be difficult to process mechanically.

Axens also plans to build a 30,000 t/yr Rewind PET depolymerisation plant in Saint-Maurice-de-Baynost, France in partnership with Toray Films. Construction is scheduled to begin this year.

*By George Barsted*

### Enviro, Pryme keep 2025 pyrolysis oil goals

Swedish tyre pyrolysis oil firm Enviro, reaffirmed that it intends to start up production at its new Uddevalla site in 2025, although chief executive Fredrik Emilson noted that challenges may arise.

“It is still a complex project, and we must be prepared for additional questions and challenges to arise”, Emilson said, saying that the process of installing and connecting production equipment at the site is now beginning.

The Uddevalla site will have an initial capacity of [34,500 t/yr](#), with a plan to double it, although Emilson said that the “main focus” is on building the plant and validating the technology “in a full-scale execution”. A joint-venture company called Infiniteria, in which Enviro is a partner along with Antin Infrastructure Partners and tyre manufacturer Michelin, will operate the first plant and be tasked with finding locations for other plants in Europe. Enviro’s ownership stake in the joint venture currently stands at 7.1pc, with Enviro’s goal of achieving roughly 30pc ownership still standing.

Enviro also operates a smaller site at Asenbruk which has previously delivered [500t of tyre-derived pyrolysis oil](#) to a leading European oil player in 2024. The site is limited by REACH regulations into only being able to sell 1,000t/yr of TPO, with the company looking into methods to expand this. The company made a profit of 53.6mn SEK (\$5mn) in 2024, up from a loss of 92.3mn SEK the previous year. Investment

from the joint venture and hitting production goals at the sites boosted profits.

Dutch plastic pyrolysis company Pryme also released its 2024 results on 26 February, and repeated its [aforementioned production goals] of a little below 7,000t of plastic-derived pyrolysis oil (PPO) for 2025. It expects production at its Pryme One site to ramp up particularly in the second half of 2025, after it produced 341 tonnes of PPO in 2024. Pryme One has a nameplate capacity of 16,700 t/yr.

Pryme also announced that it had secured an additional €4mn (\$4.2mn) after a private placement of shares, with call and put options for total maximum proceeds of €6mn, subject to certain operational conditions. It [said in November](#) that it was seeking a capital increase of €8mn-10mn “as soon as practicable” in order to support operations.

Pryme also noted it was renting additional storage tank capacity to bolster the 120t currently available currently at the Pryme One site. And it said that it intends to start further work on a Pryme Two site and identify a new location after ramping up production in the second half of 2025 at Pryme One.

It recorded a loss in 2024 of €41mn with increased operating costs seeing further losses from the €13mn recorded in 2023.

*By Will Collins and George Barsted*

## Virgin petchems news

### Borealis and Borouge to merge and acquire Nova Chemicals

OMV and Adnoc have agreed to merge their downstream polyolefin interests, Borealis and Borouge, into a combined organisation. The new entity will be called Borouge Group International and, together with a proposed \$13.4bn acquisition of Nova Chemicals, will create the world’s fourth-largest producer of polyolefins with pro-forma 2024 revenues of \$17.2bn, the companies said.

The company will have combined polyolefins capacity of 13.6mn t/yr, including current capacity and planned additions to 2026, the firms said.

The agreement follows nearly two years of negotiations between OMV and Adnoc, which have been strategic partners in chemicals and polyolefins for 25 years. Each will have an equal 46.94pc shareholdings in Borouge Group International, following a cash injection of €1.6bn (\$1.69bn) by OMV into the new company. It will be headquartered in Vienna, Austria. The combination of Borouge and Borealis and the acquisition of Nova Chemicals are expected to close simultaneously in the first quarter of 2026.

The companies said that the move creates a “major organic growth platform with strong pipeline and access to the largest, most attractive markets” and will unlock synergies

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of \$500mn per year in time”.

The move brings together Borealis' Europe-centric polymers production and sales with Borouge's Middle East-based facilities and eastern-focused sales and marketing structure. The addition of Nova Chemicals will expand the group's presence across the Americas and increase its exposure to advantaged feedstock.

OMV chairman and chief executive Alfred Stern said “we are creating a global polyolefins leader, exceptionally positioned for value creation by accessing the largest and most cost advantaged markets. We aim to significantly increase the sales volumes of innovative polyolefin premium products and be at the forefront of renewable and circular economy solutions.”

Adnoc's managing director and group chief executive Sultan al-Jaber said the deal “solidifies Abu Dhabi's status as a leader in the chemicals sector, as we seek to meet the growing global demand for chemicals and associated products”. Today's agreement is Adnoc's latest in a push to become a global chemicals heavyweight. Late last year, the firm became the new majority shareholder in [German chemicals firm Covestro](#) for €62/share, valuing the German company at around €12bn (\$13.3bn). Covestro produces polymer products and associated base chemicals, and a range of specialty chemicals.

Adnoc has a five-year \$150bn investment programme focused on expanding internationally in chemicals, gas, LNG and new energies. Adnoc sees demand for chemical products such as plastics continuing to grow.

### Project updates

Updates were provided on the group's new projects. Operational ramp up of Borealis' Baystar 625,000t/yr polyethylene plant in the US is continuing, as is Nova Chemical's 425,000t/yr AST2 polyethylene plant in Ontario, Canada. The start up of Borealis' new PDH plant in Kallo, Belgium is now expected in the first half of 2026, slightly behind previous estimate of late 2025. In the Middle East, Borouge's plan for a 230,000t/yr expansion of ethylene capacity at its Borouge 2 cracker by 2028 is at pre-FID. The ethylene would be consumed by a 200,000t/yr expansion of polyethylene capacity at its PE4 and PE5 units. The Borouge 4 project, with 1.5mn t/yr ethylene and 1.4mn t/yr polyethylene capacity and currently a 70/30 Adnoc/OMV joint venture is expected to be added after its startup, planned for 2026.

*By Alex Sands*

### Italian union calls strike to protest Versalis closures

Italian trade union Filctem-Cgil has called a national strike for Monday 10 March for members working at chemicals firm Versalis to protest plans by parent company Eni to stop base chemicals production and some polymers production.

“It is unacceptable to sacrifice the interests of the country to the financial interests of a company [Eni] that is

part owned by the state and it's serious that the government is endorsing the operation,” said Cgil confederate secretary Pino Gesmundo.

The strike is set to last just one day and so any initial impact on production and logistics is likely to be minimal.

Eni last week confirmed that it had [stopped polyethylene production](#) at Ragusa in Sicily and that it will [shut its cracker units](#) in Brindisi and Priolo at the end of March and in the fourth quarter, respectively, as part of a broader Versalis restructuring plan.

The strike has been timed to coincide with a meeting between all sides that was called by the government to discuss the situation following an agreement between Versalis and some trade unions on “industrial reconversion aimed at guaranteeing jobs and production downstream of cracking”.

A Cgil spokesman said the agreement had been signed by the Femca and Uiltech unions but not by Filctem-Cgil “which represents almost 48pct of workers in the sector”.

*By Stephen Jewkes*

### Saudi Arabia advances new petrochemical projects

Saudi Arabia's Ministry of Energy has approved the allocation of feedstock for two new petrochemical complexes in Jubail.

One of the allocations granted was for a joint feasibility study to set up Saudi producer Sipchem's and major petrochemicals firm LyondellBasell's (LYB) new complex in Jubail, according to the firms last week. The JV is expected to have a mixed feed cracker and a production capacity of 1.5mn t/yr of ethylene and 1.8mn t/yr of polymer derivatives.

The project is expected to utilise LYB technology for production and will be majority owned by Sipchem, with the firm having a 60pc share of ownership. A target date for the project launch was not provided, with the project still in early stages of development.

Sipchem and LyondellBasell also jointly own the Al-Waha Petrochemical Company, with a 75pc and 25pc stake respectively. Al-Waha has a production capacity of 465,000 t/yr of propylene and 450,000 t/yr of polypropylene. Sipchem also announced plans to increase propylene and polypropylene production capacities by 72,000 t/yr and 150,000 t/yr respectively at the Al-Waha complex, with the expansion planned to be completed by the fourth quarter of 2026.

Separately, Saudi producer Tasnee also received the Ministry of Energy's approval for feedstock allocation to establish a petrochemical complex in Jubail, according to a notice on Saudi Exchange on 26 February. The project has a target start date in the fourth quarter of 2030 and is expected to have a production capacity of 3.3mn t/yr of high-density polyethylene (PE), linear low-density PE and MTBE, as well as a thermal cracker for ethylene production. It is also expected to produce specialised products such as block copolymer, polyether polyols and phthalate-free plasticisers.

*By Kabir Dweir*

## NEWS IN BRIEF

Danish toymaker Lego is set to introduce tyres made with at least 30pc recycled material in their products, with the new tyres expected to be in roughly 120 toy sets by the end of 2025. The material is being referred as rSEBS (recycled blends of styrene-ethylene-butylene-styrene) and comes from recycled fishing nets, ropes and engine oil. Lego stated 30pc of all resin purchased by the company was certified by mass balance principles.

Coca-Cola, PepsiCo and Starbucks have taken part in a “close-loop” recycling initiative for reusable cups that saw a 51pc return rate over 12 weeks. The trial took place in the US City of Petaluma in California. Over 220,000 cups were returned during the trial after being purchased from the beverage companies.

Canadian recycler Nova is commissioning its first US plant in Indiana with the site set to have an annual processing capacity of 140mn lbs/yr of LLDPE film, correlating to roughly generating 110mn lbs/yr of resin.

German chemicals firm Evonik has launched a range of absorbents and catalysts with the aim of purifying pyrolysis oil. The products will help remove chlorides, silicon and other contaminants found in pyrolysis oil. Pyrolysis oil undergoes pre-treatment, upgrading and refining before being used as a feedstock for new plastics.

Mars and Berry have introduced large-size candy containers made of 100pc recycled PET, except the jar lid. In 2022, the containers were shifted to 15pc recycled material. Mars said the packaging update would eliminate more than 1,300 metric tons (t) of virgin plastic annually.

Modular advanced recycling technology company Resyn-ergi received \$18mn in series B funding. Resynergi said the funding would allow the company to commission its first commercial-scale site.

PureCycle improved feed rates at its Ironton, Ohio plant, reaching a new record of 70pc on-stream time while inputting 12,500 lb/hr in February.

Shareholders have approved a Berry Global and Amcor merger which is expected to close in mid-2025. If closing conditions are met, the deal would put together two of the US's major PCR packaging producers.

Resynergi and Lummus launched a commercial module pyrolysis recycling plant, which can reprocess 5 t/d of waste plastic into pyrolysis oil.



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