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Plastics Information Europe

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SINGLE-USE PLASTICS

European Commission publishes regulations on disposable plastic products / Collection rate for bottles set / Sharp criticism from PlasticsEurope and EuPC / "Plastic product bans are not the solution"

The **European Commission** is putting rules in place for reducing single-use plastic items, and curbing marine litter. The proposal focuses on the top ten disposable plastic items found on European beaches and in seas, as well as abandoned or disposed fishing gear. Together, these products make up 70% of waste in Europe's marine environments. With a high proportion of ocean microplastics resulting from fragmentation of bigger pieces of plastic, the commission's proposal is also a step to reduce the presence of microplastics.

As rumoured, the new regulations include a ban on certain disposable plastic products. Where affordable alternatives are available, plastic cotton swabs, cutlery, plates, straws, drink stirrers and balloon sticks will be banned from the market, and instead be required to be made exclusively from "more sustainable materials."

The EU proposal also contains consumption reduction targets. Member states will have to set national targets to ensure that less plastic food packaging is used, as well as improve the availability of alternative products in stores and ensure that single-use plastic products are not provided free of charge.

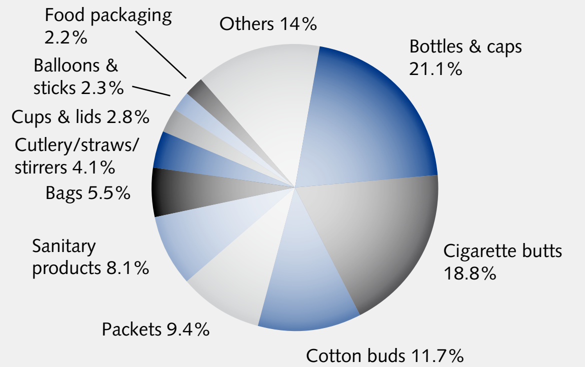
In addition, producers will be required to help cover the costs of waste management, clean-up and awareness-raising measures, applicable to food and drinks containers, tobacco products with filters, wet wipes, balloons and lightweight plastic carrier bags.

Member states will be obliged to reach a 90% collection rate for disposable plastic drink bottles by 2025. The EU commission states the example of deposit return systems.

Certain products will be required to have a clear, standardised label indicating how to dispose them, what the negative environmental impacts of the product are and that the product contains plastic. This will apply to sanitary towels, wet wipes and balloons. EU countries will also be obliged to raise consumer awareness about the negative impact of littering of single-use plastics and fishing gear, and about the available reuse and waste management options.

During "World Environment Day" on 5 June, the commission also launched an EU-wide awareness-raising campaign to highlight consumers choice and people's role in combatting plastic pollution and marine litter. The commission's pro-

Litter: Single-Use Plastic Items on European Beaches
2017, by item (%)



 Source: European Commission

posals for single-use plastics will be submitted to the **European Parliament** and the **European Council** for adoption. The commission invites institutions to give priority to this file and present results before the May 2019 European elections.

PlasticsEurope and EuPC critical of EU proposal

The European association of plastic producers **PlasticsEurope** (Brussels / Belgium; www.plasticseurope.org) has criticised the plastic product bans. The association has instead called for improvements for waste management infrastructure, which should be integrated with the issue of marine litter, as well as support for innovation, design and awareness-raising campaigns. It urges the European Commission to "avoid shortcuts – plastic product bans are not the solution." **PlasticsEurope Deutschland** managing director *Rüdiger Baunemann* emphasises that plastics can provide valuable solutions to urgent problems such as urbanisation and population growth.

European Plastics Converters (EuPC, Brussels; www.plasticsconverters.eu) has said the proposal contains a category of poorly defined products. EuPC managing director *Alexandre Dangis* says, "At a moment where the EU commission is asking the industry to pledge or commit to more use of recycled plastics materials, it is also asking to ban certain recyclable products." EuPC notes that the EU proposal is not yet final. There will be a public consultation, in which EuPC will participate, open to all stakeholders until 23 July 2018.

■ Full report available at www.pieweb.com/239845

CIRCULAR ECONOMY

EU council passes legislative package / Landfilling to be phased out by 2030 / BPF releases vision document

Following approval of the plans by the **European Parliament** in April, the **European Council** has now given its blessing to the legislative package that establishes rules for waste management and legally binding targets for recycling. With this, the new rules will take effect 20 days after its publication in the EU's Official Journal. Targets of the circular economy package include a commitment to reduce municipal solid waste by 55 % up to 2025, by 60 % up to 2030 and by 65 % up to 2035. After 2035, the share of municipal waste sent to landfill must not exceed 10 %. Additionally, by 2023 member states will have to collect biowaste separately if it is not composted on-site, and by 2025 separately collect textiles and hazardous waste from households. All of this is in addition to the existing separate collection of plastics as well as paper, cardboard, glass and metals. A new component is the landfill reduction target. This sets minimum requirements for extended producer responsibility schemes for products such as packaging, for which a recycling target of 65 % is foreseen by 2025 and of 70 % by 2030.

Across the EU, the plastics industry is already working on compliance. The **British Plastics Federation** (BPF, London; www.bpf.co.uk), for example, has launched "Plastics: A Vision for a Circular Economy", a document outlining key proposals for driving innovation and improving recycling rates. The federation said it will work to help the UK government implement its recently introduced industrial strategy, in particular to ensure that 100 % of plastic packaging and single-use items are reused, recycled or recovered by 2030.

■ Full report available at www.pieweb.com/239804

INTERVIEW

PIE talks to Alexandre Dangis, EuPC managing director

Alexandre Dangis (Photo: EuPC)

European Plastics Converters (EuPC, Brussels / Belgium; www.plasticsconverters.eu) managing director *Alexandre Dangis* met with **PIE** editor-in-chief *Ulrike Mau* at the EuPC annual meeting in Milan.

PIE: The EU plastic tax seems to be off the table, but there are plans by the **European Commission** and individual member states for a ban on single-use plastics. How much would a ban impact European converters?

Dangis: A tax on plastics is off the table for now thanks to some of our actions in Brussels. However, since 2 May 2018 the plastics industry is caught up in negotiations over the EU budget for 2021-2027. This will involve the **European Parliament** and members states. A tax on plastics is thus still looming and we have to be involved in these negotiations. The proposal is requesting a fiscal contribution from member states to the EU budget for the volumes of non-recycled plastic packaging. Is this not a hidden polyolefins tax?

A definition of single-use plastics is difficult to agree upon. Defined as all items found on beaches is not very scientific in my view and industry could most likely challenge this legally. Nevertheless, some of these "throwaway plastics" are being wrongly discarded and industry should ensure EPR schemes are taking care of these products, and not only the low hanging fruits such as PET bottles. Yes, we are extremely worried about the implications of the EU proposal from 28 May, which represents a symbolic attack on a list of poorly defined products. Many of these products are still being produced in Europe by SMEs.

PIE: Is such a ban heading a step in the right direction? Or are other measures better, such as the much-discussed EU tax on plastic packaging waste or Italy's tax incentives for firms to use recycled plastics?

Dangis: National initiatives to ensure more circularity of polymers will be beneficial. Voluntary commitments and regulatory measures are the only way forward. Pushing some countries to do more towards recycling by having them pay a contribution to the EU budget for the non-recycled plastics packaging might be a strong signal from the commission. Although energy recovery is often occurring in parallel with recycling when the appropriate collection infrastructures exist. We simply will not be able to recycle all plastics packaging in future but we have to end the landfilling of it.

PIE: What measures can improve the skills shortage?

Dangis: Many countries feel that recruiting skilled labour forces is a difficult issue due to the lack of qualified workers. EuPC is trying to develop EU-funded projects on education and training, and encouraging its national associations to set up e-learning platforms and exchange programmes on converting technologies.

PIE: Thank you very much.

■ Full interview available at www.pieweb.com/239137

Daily news updates at www.pieweb.com

POLYMER PRICES

Standard Thermoplastics May 2018: PE, PP and PVC stuck with cost hikes / Declines with PS and EPS / PET preparing for steep rise / Costs shoot up significantly / Clear increases inevitable

PE: With the C2 reference price for May rising by EUR 20/t, European PE producers felt the time had come to restore margins. However, it became clear that the announced hikes were too ambitious. The bank holidays in May gave buyers reason to hold back on purchasing. Overall, the PE market was weak, apart from the pipe sector. Prices for LDPE ended up below the increase in the reference price, and only the pipe grades managed to match it. The term “production cutbacks” began making the rounds during the month, partly initiated by maintenance work at feedstock plants. Prices in the oil and petrochemical chains also began rising, stimulating business in the second half of the month. The June C2 reference has risen by EUR 63/t. This will be the lower yardstick for producers, since the decline in the high margins achieved back in spring 2015 has again taken prices close to the limits for European production. Because June has no holidays, demand should be livelier. Prices are expected to move up and producers could well win increases above the reference rate.

PP: After the May C3 reference contract was fixed EUR 25/t higher, European PP producers wasted no time in sending out price increase announcements. With the many holidays in May, converters still had sufficient inventories. Some increases did go through, but most landed far short of the monomer’s rise. For the indexed compounds, the C3 increase triggered an upward adjustment. Here demand was firmer than for the commodities. The June C3 contact was fixed EUR 80/t higher, reflecting higher crude and naphtha prices. As converters will have some catching up to do in June and the month has no holidays, demand should rise. For compounds, the indexed prices should rise in tandem, as usual.

Prices Standard Thermoplastics May 2018 (EUR/t)

Polymer	Range	Change	Supply	Demand	Outlook June 2018
LDPE					
Film	1,380 – 1,410	–5	good	normal	C2 +63, market turnaround, noticeable hikes likely
Injection moulding	1,380 – 1,420	0	normal	normal	
LLDPE					
Film (butene C4)	1,300 – 1,330	0	normal	normal	C2 +63, noticeable hikes likely
Film (hexene C6)	1,440 – 1,460	+5	normal	normal	
Film (octene C8)	1,570 – 1,610	+5	normal	normal	
Inj. mould. (butene C4)	1,320 – 1,390	–30	normal	low	
HDPE					
Blow moulding	1,415 – 1,455	+15	normal	normal	C2 +63, noticeable hikes likely
Blown film	1,340 – 1,370	+10	normal	normal	
Injection moulding	1,410 – 1,550	+10	normal	normal	
Pipe 80	1,430 – 1,450	+22.5	low	normal	
Pipe 100	1,440 – 1,475	+22.5	low	normal	
EVA					
Vinyl acetate <18%	1,770 – 1,810	+5	low	low	C2 +63, significant hikes likely
PP					
Homo injection	1,385 – 1,405	+15	normal	low	C3 +80, significant hikes likely
Homo film	1,410 – 1,430	+10	normal	low	
Copolymer injection	1,430 – 1,450	+10	normal	low	
Copolymer film	1,460 – 1,490	+12.5	normal	low	
PVC					
S-PVC base	1,102 – 1,202	0	good	normal	C2 +63, passing on of costs at minimum, margin component possible
S-PVC (U) dry blends/comp.	1,435 – 1,615	0	normal	normal	
S-PVC (P) compounds	1,355 – 1,550	0	normal	normal	
E-PVC paste	1,450 – 1,695	+10	normal	good	
PS					
General purpose	1,850 – 1,910	–40	normal	normal	SM +60, noticeable hikes likely
High impact injection	1,935 – 2,005	–35	normal	normal	
High impact film	1,950 – 2,010	–40	normal	low	
EPS					
Insulation (white)	1,670 – 1,720	–40	normal	normal	SM +60, noticeable hikes likely
Packaging	1,700 – 1,740	–35	normal	normal	
PET					
Packaging	1,200 – 1,400	0	low	good	Significant hikes expected, prices skyrocketing

Data are without guarantee. Compiled: 30 May 2018. Further details at www.pieweb.com/239779 (PE), /239781 (PP), /239777 (PVC), /239784 (styrenics) and /239778 (PET)

PVC: With the market tending to oversupply, producers lost a slice of their margins in May. Rollovers predominated for base product and compounds, with pro-rata cost hikes of EUR 5/t reported. The upward momentum in plasticisers and titanium dioxide had slowed in the prior month and prices remain stable at a high level. Compounds and the pipe segment were affected by the lull in demand due to the holidays. Sales volumes of E-PVC pastes remained robust, however, even in the previously weakening wallpaper segment. The EUR 63/t increase in the C2 reference contract went further than many had feared. Having accepted margin cuts in May, producers will want to avoid this in June, and could try to push through hikes of over EUR 30/t. With demand set to pick up and maintenance scheduled at a number of plants, this should curtail the oversupply. Negotiations could prove to be tough.

Styrenics: Further reductions were recorded here in May 2018. Polystyrene and EPS notations largely followed the decline of the styrene reference contract. Price reductions for ABS were smaller, as butadiene and ACN surcharges counterbalanced the downtrend. Holidays dampened demand. Additionally, many processors speculated on further price reductions in June at the start of the month, and only bought necessary volumes. In the second half of the month, these expectations failed in view of increasing SM spot prices. In the slipstream of the June SM reference contract (fixed at EUR 60/t higher), prices for styrenics will certainly also increase. ABS prices have additional upward potential because of the continuing uptrend of butadiene, which rose by EUR 140/t.

PET: The situation on the PET market became complicated in May 2018. The low influx of Asian material, where prices exploded by 20% over a few weeks, pushed spot prices up sharply in Europe too. This was accompanied by reductions in European production due to the outage at the PTA plants in Geel / Belgium, and the season got going with the good weather. Trading prices are now well above the contract prices – typical of tight market conditions, but not seen with PET for a long time, and causing concern. The long-term contracts of a number of big consumers scarcely increased, while the contracts for small to medium volumes were concluded at a higher level than for the month before. Since March, there have been three-digit notations here. The signs for June are pointing to a storm. While the market is remaining tight, oil and petrochemical prices are rising. If the good weather continues and PTA supplies are not restored, PET prices could become unaffordable. Three-digit increases are not unlikely.

■ Full reports at www.pieweb.com/239779 (PE), /239781 (PP), /239777 (PVC), /239784 (styrenics) and /239778 (PET)

POLYMERS FOR EUROPE ALLIANCE

"Best Polymer Producers Awards for Europe 2018" / Vynova gets special prize for polymer quality

Processors have chosen the best European plastics suppliers in 2018. At this year's **EuPC** conference on 24 May in Milan, the "Best Polymer Producers Awards for Europe 2018", the third year since the awards were launched by the **Polymers for Europe Alliance** were awarded. European plastics converters rated the performance of their suppliers in a confidential online vote based on polymer quality, regulatory compliance, delivery reliability, communication and innovation.

The special prize for the highest polymer quality was given to PVC manufacturer **Vynova** (Tessenderlo / Belgium; www.vynova-group.com) with a score of 93%. This year, no award was given to a European PS producer. According to the organiser, "no PS producer got the required number of votes and a score over 50%." **Borealis** took home the HDPE award with a ranking of 83%, and the LDPE award (93%). **Repsol** won in the PP segment (88%), and **ExxonMobil Chemical** won in the LLDPE category (84%). **Elix Polymers** received the ABS award (95%). **Lotte Chemical** was the leader for PET (80%) and Vynova for PVC (91%).

TURKEY

Government planning restrictions on US imports / 32% increase proposed for PVC / As early as this June

Turkey's **Ministry of Economy** has decided to take action to restrict US imports as part of measures against the US' planned tariffs on steel and aluminium imports, among other products. The Turkish ministry reported that Turkey is to retaliate with tariffs on US imports, with certain goods no longer being imported under the inward processing regime.

In response, the US said the actions are not safeguard measures. However, Turkey considers them as safeguard measures, with the proposal taking the form of an increase in tariffs on selected US products. The Turkish government says it reserves its right to implement the suspension from 21 June 2018, and adjust the products and tariff rates.

Listed in a circular note, the items include rubber and plastics raw materials, and PVC. PVC processors have opposed this duty increase that would raise PVC prices and production costs of PVC end products by 32%. The production cost increase for the PVC market is foreseen to be affected the most (about 150,000 t of PVC was imported from the US in 2017).

■ Full report available at www.pieweb.com/239828

Prices Base Petrochemicals and Aromatics May / June 2018 (EUR/t)

Products	Contract			Spot Week 18 - 21			Supply		Demand	Polymers
	Period	Ø	Change	Ø from	Ø to	Volatility	May	Trend	May	
Ethylene (C2)	June	1,150	+63	992	1,009	26	long	normal	normal	PE, PVC
Propylene (C3)	June	1,032	+80	1,008	1,028	16	low	low	normal	PP
Styrene (SM)	June	1,345	+60	1,125	1,142	34	normal	normal	normal	PS, EPS, ABS
Paraxylene (PX)	May	830	+20	786	805	14	low	low	normal	PET
Benzene	June	757	+46	723	740	7	normal	normal	normal	PS, ABS, PC, PA
Naphtha	–	–	–	560	577	5	normal	normal	normal	
Crude oil (Opec)	–	–	–	457	457	12	normal	normal	normal	

■ For exclusive data and charts, visit www.pieweb.com/petrochemicals

POLYMER PRICES

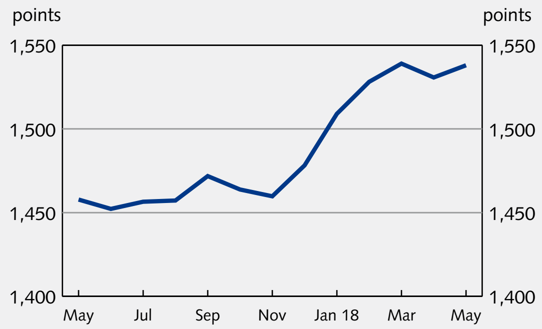
Engineering Thermoplastics May 2018: Only minor price swings as spring settles in / Purchasers' reticence limits notation increases / Cost rises in oil sector will step up pressure into June

On the European engineering thermoplastics market, there were few significant price movements in the merry month of May. Nevertheless, even though none of the hefty surges of the previous months were seen, things were still bubbling under the surface, with polycarbonate, polyamides and POM moving somewhat more markedly than the other products. Despite the fact that the situation remained generally calm, it seemed in most cases like a brief stop for a breather. The commodity-related ABS as a styrene derivative went down slightly. Conversely, the PP compounds increased moderately.

Even though prices tended fairly stable, the market situation in many areas is still causing considerable concern. Delivery times continue to be long and supply is still tending tight. Furthermore, on the cost side, the increase in the cost of oil in June is fuelling the rise in prices in the petrochemical segment, also and above all in the aromatics sector. As a result, the pressure on the engineering thermoplastics will increase, and some products could well see some significant hikes again soon. Looking at the market as a whole, prices are expected to go up. Styrene and propylene will also provide for increases with commodity-related ABS and PP.

■ Full report available at www.pieweb.com/239786

European Polymer Price Index Plastixx TT
Engineering Thermoplastics



© 2018 Plastics Information Europe January 2002 = 1,000 points

Prices Engineering Thermoplastics May 2018 (EUR/t)

Polymer	Range	Change	Supply	Demand	Outlook June 2018
ABS					
Natural	2,430 – 2,540	–15	normal	normal	SM +60, butadiene +140, hikes certain
White/black	2,700 – 3,020	–10	normal	normal	
Coloured	3,270 – 3,430	–10	normal	normal	
PC					
Transparent	3,710 – 3,940	+25	low	normal	Boost from petrochemicals, long delivery times, hikes likely
GF	4,550 – 4,820	0	low	normal	
PC/ABS					
NEW Blends	3,440 – 3,610	+20	low	normal	PC and ABS in upswing, hikes likely
PA 6					
Natural	3,110 – 3,560	+42.5	low	normal	Boost from petrochemicals, long delivery times, hikes likely
Black	2,880 – 3,325	0	normal	normal	
GF	3,260 – 3,570	0	normal	normal	
PA 6.6					
Natural	4,080 – 4,300	0	low	normal	Boost from petrochemicals, long delivery times, hikes likely
GF	4,290 – 4,470	0	low	normal	
Auto GF 30	3,200 – 3,420	+40	low	normal	
PBT					
Natural/black	4,020 – 4,190	0	low	normal	Boost from the polyester chain, tending tight, hikes likely
GF	4,060 – 4,380	0	low	normal	
POM					
Natural	2,820 – 3,160	+40	low	normal	Imports remain scarce, hikes likely
GF	3,610 – 3,910	0	low	normal	
PMMA					
Transparent	3,790 – 4,080	0	low	normal	Stability likely until Q3
PP Compounds					
TF 20 light colours	1,835 – 2,005	+20	normal	normal	C3 +80, hikes certain
TF 20 dark/black	1,635 – 1,875	+20	normal	normal	
GF$_2$ 30	1,885 – 2,115	+15	normal	normal	

Data are without guarantee. Compiled: 30 May 2018. Further details at www.pieweb.com/239786, /239781 (PP compounds) and /239784 (ABS)

POLYONE

US supplier takes over LFT compounder PlastiComp

Compounder and distributor **PolyOne**'s (Cleveland, Ohio / USA; www.polyone.com) shopping spree is continuing. The company has acquired **PlastiComp** (Winona, Minnesota / USA; www.plasticomp.com), a specialist in long-fibre thermoplastic (LFT) materials.

On six pultrusion and extrusion lines, PlastiComp processes a range of matrix materials, from PP to PEEK reinforced with long glass fibre (LGF) and long carbon fibre (LCF) grades. It also produces hybrid LCF and LGF compounds. Its capacity is not known, but could be estimated with two LCF lines and four LGF lines at about 10,000-12,000 t/y.

Whether its partnership in the PA sector with **DSM** (Sittard / The Netherlands; www.dsm.com) and speciality compounder **Xenia** (Mussolente / Italy; www.xeniamaterials.com) will continue after the acquisition is not known – the company did not respond to **PIE**'s enquiry. However, PolyOne works with Xenia on carbon fibre-reinforced polymers.

BAYPORT POLYMERS

New jv of Total, Borealis and Nova complete

After receiving all required regulatory approvals, the three-way US Gulf jv of **Total Petrochemicals and Refining USA** (Houston, Texas; www.totalpetrochemicalsrefiningusa.com), subsidiary of the French oil and petrochemicals giant **Total**, **Borealis** (Vienna / Austria; www.borealisgroup.com) and **Nova Chemicals** (Calgary, Alberta / Canada; www.novachemicals.com) has been officially completed. The new company, called **Bayport Polymers** (Bay-Pol), is owned to 50% by Total and 50% by **Novealis Holdings**. *Diane Chamberlain* has been appointed president.

Bay-Pol's assets will include the 1m t/y light feed cracker being built by Total at Port Arthur, Texas, for USD 1.7 bn, as well as the French group's 400,000 t/y PE plant at Bayport, Texas. The jv also has plans for a new 625,000 t/y PE unit at the Bayport site, using the "Borstar" process. Start-up of the last unit has been pencilled in for 2020.

FIBRANT

DSM divests caprolactam business to China's Highsun

DSM (Sittard / The Netherlands; www.dsm.com) is ending its long engagement in the caprolactam market following its spin-off of the business in 2015 to **ChemicaInvest**. The 35:65 jv between the chemical group and private equity investor **CVC** (London / UK; www.cvc.com) plans to sell caprolactam producer **Fibrant** (Sittard; www.fibrant52.com) to China's **Highsun Holdings Group** (Hong Kong; http://en.highsunchina.com). The transfer is due to complete in Q3 2018. DSM said it hopes to receive cash proceeds of around EUR 200m.

The transaction will include **Fibrant BV**, which operates the plant in Geleen / The Netherlands and 60% of **Fibrant Co Ltd**, operator of the site in Nanjing, Jiangsu / China. The remaining 40% of the Chinese arm will stay with the current owner, a **Sinopec** jv. According to **PIE**'s Polyglobe database (www.polyglobe.net), the Dutch plant can produce 250,000 t/y of caprolactam, and the Chinese site 400,000 t/y. Highsun's portfolio includes PA 6 polymerisation chips and spandex yarn.

GRAMMER

Shareholder Hastor unhappy with Jifeng's offer

The bid by **Ningbo Jifeng Auto Parts** (Ningbo, Zhejiang / China; www.nb-jf.com) to acquire the majority interest in auto parts maker **Grammer** (Amberg / Germany; www.grammer.com) has been met with criticism from the other major shareholder, Bosnian family *Hastor*. The family said via its holding **Cascade International Investment** that it saw the offer as "inadequate" and will look at increasing its stake. The Chinese firm is the largest shareholder (25% stake), and had announced it would offer Grammer shareholders EUR 61.25 per share, including the 2017 dividend of EUR 1.25. When this became known, the price rose to EUR 67 and above.

Cascade holds a 10.001% stake in Grammer, and nearly 20% including Hastor holding **Halog**'s 9.18%, and wants to know how Jifeng, with a 2017 turnover of EUR 251m, can finance a EUR 1 bn takeover. The sum is actually about EUR 570m, less than that quoted by Cascade. The financing of this sum had been examined by Grammer, a company spokesman told **PIE**, who also stated that Jifeng is virtually debt-free.

SPOTLIGHT ON COMPOUNDING

Epsan: Expanded PA, PBT, PPA compounding in Turkey

Compounder **Epsan Plastic** (Bursa / Turkey; www.epsan-ep.com) is planning to raise PA, PBT and PPA compounding capacity in Bursa by 13,000 t/y. The company will install a new **Coperion** (Stuttgart / Germany; www.coperion.com) "ZSK 70 Mc18" twin-screw extruder that will raise Epsan's capacity to 48,000 t/y. The Turkish company distributes PA 6.6, PA 6, PBT and PPA compounds to Europe, Asia and North America under the "Eplamid", "Eplon" and "Epimix" brands.

Radici: Polyamide compounding extended in the US

As one of the major players in the global market for PA 6- and PA 6.6-based compounds, **Radici** (Bergamo / Italy; www.radicigroup.com) is gaining ground. After expanding production in China, investments in North America now feature on Radici's agenda. In 2017, the Italian firm added another extruder to its **Radici Plastics USA** plant in Wadsworth, Ohio, which has now begun production. Capacity at the site has been increased to 27,000 t/y. The company says further investments in Wadsworth are planned in 2018.

Ravago: Polyolefin compounding with Adnoc in UAE

Compounder **Ravago** (Arendonk / Belgium; www.ravago.com) has signed an MoU to be part of the petrochemicals and plastics complex to be built by **Adnoc** (Abu Dhabi / UAE; www.adnoc.com) at Ruwais, Abu Dhabi. Along with Adnoc's announcement of its plans for the EUR 45 bn investment, Ravago said it has agreed to build a polyolefins compounding plant at the site. Compounding activity will be located at **Borouge**, the jv between Adnoc and **Borealis** (Vienna / Austria; www.borealisgroup.com), with 4.5m t/y of output capability and already the largest polyolefins complex.

Daily news updates at www.pieweb.com

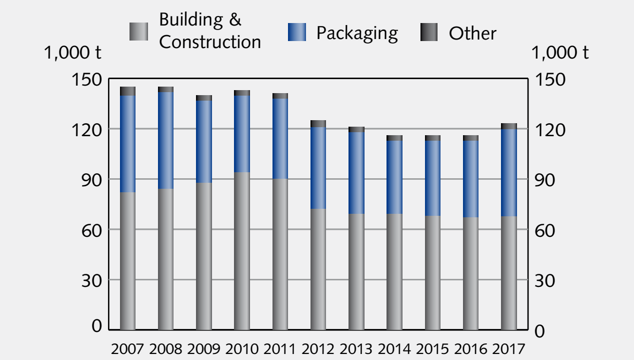
ITALY

EPS consumption increasing slightly / Greater demand from packaging sector

Demand for EPS in Italy rose in 2017, but failed to match the level of earlier years. Members of the **Associazione Italiana Polistirene Espanso** (AIPE, Milan / Italy; www.aipe.biz), who account for some 80% of the country's requirements, consumed 123,000 t, the AIPE reported. Based on a survey conducted by **Plastic Consult** (Milan / Italy; www.plasticconsult.it) for AIPE, demand is 6% above that in 2016 but 15% lower than in 2008. At 67,500 t, construction was the biggest customer sector but growth was only slightly up on the year before. In construction, block products accounted for 74%.

The packaging sector recorded a greater increase, with demand at 52,500 t in 2017 compared with 46,000 t in 2016. Mouldings were especially in demand, accounting for some 75% of EPS consumed. About half the volumes were used in packaging for long-life consumer goods. This was followed by materials for seedling containers, food trays and fish boxes. Demand with other applications was unchanged at 3,000 t.

Italy: EPS Consumption
2007 - 2017, by application (in 1,000 t)



 Source: AIPE

ZOTEFOAMS

UK foam producer to open new plant in Poland

Polyolefin foam producer **Zotefoams** (Croydon / UK; www.zotefoams.com) is opening a new plant in southwestern Poland to beef up capacity. Once operational in 2020 the GBP 23m (EUR 26m) facility, Zotefoams' third globally, will boost group capacity by 20% to more than 300,000 m^3 per annum.

The new site will incorporate significant inventory and fabrication capacity, as well as a production hub for Zotefoams' "T-FIT" range of technical insulation products. The initial investment includes infrastructure to double capacity when needed, along with land for further investment.

The Polish plant will be Zotefoams' third major investment in capacity in recent years. The group's site in Kentucky in the US is benefiting from a USD 42m (EUR 36m) investment programme in infrastructure, extrusion and two high-pressure autoclaves. And the firm's Croydon operation is progressing on a new GBP 12m (EUR 14m) building to house two low-pressure autoclaves and associated infrastructure.

Zotefoams employs around 360 staff worldwide, and generated turnover for 2017 of GBP 70.2m (EUR 80m) and a pre-tax profit of GBP 7.6m (EUR 9m).

SPOTLIGHT ON FOAMS

Armacell: Acquisition of Chinese foams manufacturer

Insulation specialist **Armacell** (Luxembourg; www.armacell.com) has announced its acquisition of **De Xu Insulation Materials** (Yingde, Guangdong / China). De Xu makes flexible elastomeric insulation products ("Sinoflex") and supplies the construction industry mainly in southern China. This includes elastomeric insulation for heating, ventilation and air-conditioning systems. The firm has two lines and about 40 employees in Yingde. Armacell has a Chinese facility 150 km from Yingde in Panyu, Guangdong.

Kramo: Belgian converter merges with Masterfoam

Foams specialist **Kramo** (Buggenhout / Belgium; www.kramo.be) has acquired **Masterfoam** (Ootmarsum / The Netherlands; www.masterfoam.nl) from equity provider **Wadinko** and managing director *Udo Storck*. Storck will be CEO of the joint company that is expected to generate turnover of over EUR 12m. The group will have two other factories, at Kramo's site in Buggenhout and Masterfoam's in Bistrita / Romania. Both companies convert PU and PE foams, films and mats into insulating solutions.

Vita Group: Takeover of PU foam producer by US firm

In future, foam manufacturer **Vita Group** (Luxembourg; www.thevitagroup.com) will be part of the portfolio of investment firm **Strategic Value Partners** (SVP, Greenwich, Connecticut / USA; www.svpglobal.com). SVP has acquired the group from US owner **TPG Opportunities Partners** (www.tpg.com). The Vita Group produces flexible PU foam for mattress applications and technical foams for medical devices, automotive engineering and the construction industry. The group employs 2,700 people in 37 plants, mainly in Europe.

Austrotherm: EPS insulation board factory in Turkey

Insulation board producer **Austrotherm** (Waldegg / Austria; www.austrotherm.at) has commissioned a new plant for EPS insulation board in the Turkish capital, Ankara. The 6,200 m^2 production shop has an annual capacity of 400,000 m^3. EUR 2m has been invested in the site, with a workforce of 14. Austrotherm operates additional sites in Istanbul and in the vicinity of Izmir. In total, the Austrian company runs 22 production sites in 11 countries.

BASF: New product grade for EPS packaging

German group **BASF** (Ludwigshafen; www.basf.com) has expanded its EPS portfolio for the packaging industry with its "Styropor P 24 Speed" grade. The firm says products of the Styropor P 24 Speed series are characterised by a lower pentane content (4.8%), reducing moulding cycle and intermediate storage times. The new Styropor grade is approved for food packaging. It does not require flame retardant and is suitable for producing thin-walled technical mouldings.

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SPANISH PACKAGING INDUSTRY

Economic recovery helps boost sector's business / Rising number of plastic containers companies

The "Hispack" (www.hispack.com) trade fair was held in May in Barcelona / Spain, and organiser **Fira de Barcelona** (www.firabarcelona.com) said the event was marked by digitalisation and sustainability. According to a Hispack report, the Spanish packaging industry billed over EUR 20 bn in 2016 – which is the sector's highest business volume in the past 10 years – reaching a pre-economic crisis level. This volume is 12.44% higher than in 2013, representing an annual growth rate of 4.15% for the 2013-2016 period.

The packaging industry in Spain comprises more than 2,100 companies that employ 73,535 people. The sectors that have seen the number of companies increase the most from 2013-2016 are machinery, metal containers and plastic containers. The plastic packaging sector employs the most people, with a total of around 19,000 workers.

Regarding turnover, the leading sectors are corrugated cardboard (EUR 4.9m) and plastics (EUR 4.7m), which make up more than 47% of the packaging industry's total business volume, and both grew by 22% and 17%, respectively, between 2013 and 2016. Following the corrugated cardboard and plastics sectors in order are paper, metal containers, packaging machinery, wood, glass and cardboard.

A report by **GlobalData** (London / UK; www.globaldata.com) forecasts that the Spanish packaging industry will expand at a compound annual growth rate (CAGR) of 1.4% to 2021, largely due to the country's recovering economy. The number of packaging units in Spain is expected to rise from 62.6 bn in 2016 to nearly 67.0 bn in 2021.

▪ Full report available at www.pieweb.com/239710

SINGLE-USE PLASTICS

Ban on disposable plastic tableware in Spain? / PS packaging targeted / Hotels eliminate single-use items

From 1 January 2020, the sale and trade of disposable plastic items such as tableware and straws could be banned in Spain. Draft legislation was presented to the government in April by the environment committee of the Spanish congress of deputies. Instead, plastic utensils made from at least 50% biodegradable materials would be allowed. From 2025, the bio-based plastics share is expected to go up to 60%.

The environment committee is calling on the Spanish government to work on "environmental education programmes" that highlight the "sensitive consequences of using non-degradable lightweight plastic bags." In order to improve recycling, the aims are to drive better eco-design and minimise the types of plastic used in packaging. The government is expected to take measures to reduce the consumption of PS food trays. As early as 2019, the use of PS as protective and cushioning material is to be limited to transport containers.

Local media reports say some Spanish plastics firms see the proposed ban as unfair. Both raw materials producers, who consider the legislation environmentally harmful, and plastics processors are warning that the industry could be heavily impacted. The plastics sector believes Spain is better off waiting for European plastics regulations to be implemented.

Sustainability is a trend across the country. Last year in Spain, the **Avani Hotels & Resorts** chain stopped using plastic straws. Recently, Spanish hotel chain **Iberostar** announced as of June 2018, rooms in all its hotels in Spain will be free from single-use plastics. Iberostar claims that eliminating the 1.5m plastic bottles used in its hotel rooms each year will prevent 43 t/y of plastic waste in Spain.

▪ Full report available at www.pieweb.com/239730

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