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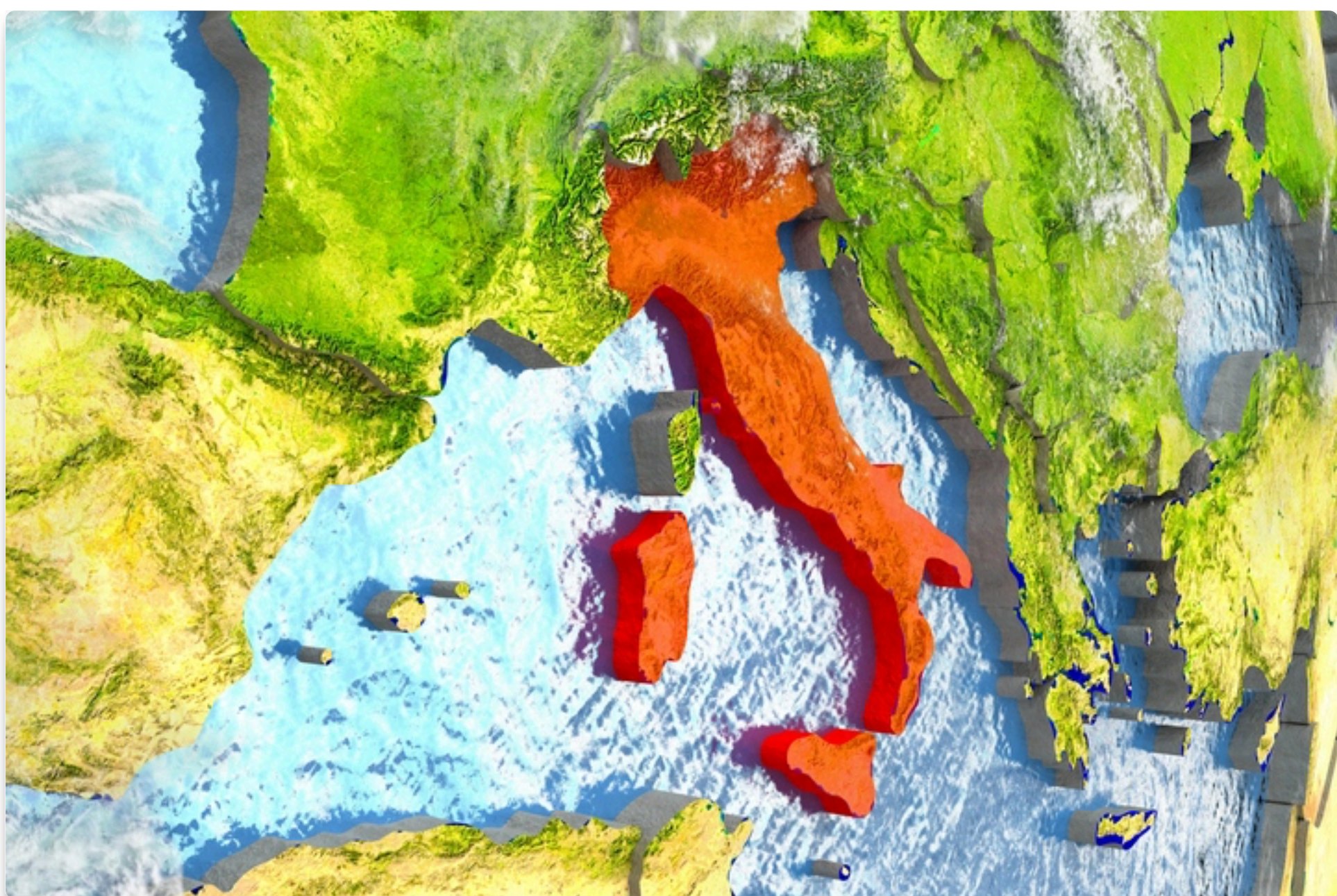
Plastics recycling sector faces structural crisis despite higher volumes, Assorimap warns at Plast 2026

22 June 2026

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— By *Brie Casazza* —

Italy's plastics recycling industry is producing more material than ever, yet generating less value, according to new data presented by **Assorimap** (Rome; www.assorimap.it) and **Plastic Consult** (Milan, Italy; www.plasticconsult.it) at Plast 2026, the international plastics and rubber exhibition held recently near Milan.



Rising recycling volumes failed to offset falling prices and soaring costs, leaving Italy's plastics recycling sector facing a deepening crisis in 2025 (Photo: Smarterpix/tom.griger)

The findings paint a picture of a sector caught in a widening gap between rising recycling volumes and deteriorating profitability. Industry representatives warned that without stronger regulatory support and market intervention, Europe's recycling ambitions could be undermined by a growing structural crisis.

According to the 2025 Mechanical Recycling of Plastics Report, prepared by Plastic Consult for Assorimap, turnover among Italy's mechanical plastics recyclers fell for the third consecutive year to approximately EUR 685 mn, down 1.1% from 2024. At the same time, production volumes increased by around 2%, reaching 850,000 t.

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The contrasting trends reflect what the report describes as a severe erosion of value creation rather than a decline in demand. During the second half of 2025, prices for recycled polymers fell to their lowest levels in a decade, while operating costs remained exceptionally high. Electricity prices reached approximately EUR 135/MWh in December, more than 40% above 2021 levels, placing further pressure on already thin margins.

"Profits have effectively disappeared across the sector," said *Walter Regis*, president of Assorimap.

"The companies that remain resilient are generally those that combine recycling with collection, sorting, or other activities. But this goes beyond company balance sheets. Mechanical recycling is the final link in separate waste collection and a key tool for reducing Italy's contribution to the European Plastic Tax. Weakening it means weakening the entire system."



Assorimap president Walter Regis (Photo: Assorimap)

PET becomes industry's largest revenue generator

The standout performer in 2025 was rPET, which continued to benefit from regulatory support under the European Union's [Single-Use Plastics Directive](#).

For the first time, rPET overtook polyethylene as the largest recycling segment by revenue. Turnover rose 8.8% year-on-year to approximately EUR 272 mn, accounting for almost 40% of total sector revenue. Production exceeded 228,000 t.

Bottle-to-bottle recycling remained the dominant outlet for rPET, reflecting regulatory support for recycled content in beverage packaging.

Paolo Arcelli, senior partner and director at Plastic Consult, said PET's performance reflected a unique regulatory environment not yet available to most other polymers.



Paolo Arcelli from Plastic Consult (Photo: Plastic Consult)

"PET is a special case because demand is driven by mandatory recycled-content requirements for beverage bottles," Arcelli said. "For other polymers, particularly flexible and rigid polyethylene, similar obligations will not take effect until 2030."

Related: [Paolo Arcelli on how the Middle East crisis could lift Italian producers](#)

However, he cautioned that forthcoming European rules could reshape the market.

The **European Commission** has indicated

that only recyclate derived from European post-consumer waste may count towards compliance targets, potentially altering market dynamics during 2026 and 2027.

Most other polymers remain under pressure

While PET strengthened, most other recycled polymers faced declining revenues despite growing output.

Combined turnover from recycled polyethylene fell to approximately EUR 255 mn despite higher output volumes. The report attributes the decline largely to weak selling prices rather than falling demand. Without mandatory recycled-content requirements in most end-use markets, recycled polyethylene remains highly exposed to competition from virgin resin and imported materials.

Recycled polypropylene showed a similar pattern, with volumes increasing but turnover falling by almost 10% as prices returned close to those seen during the pandemic.

Related: [Energy costs, cheap imports strain Italy's plastics reclaim sector](#)

Mixed polyolefins also remained under pressure, with revenues declining despite higher output volumes, while construction continued to be the sector's main end market.

Smaller recycling streams, including PVC, polystyrene, EPS, polyamides, and ABS, recovered from a weak 2024, although they remain a minor part of the overall market.

Growing concerns over imports

A recurring theme throughout the report is mounting concern over imported materials marketed as recycled plastics.

Industry representatives argue that some imported products are sold at prices comparable to virgin resin, despite not necessarily facing the same environmental, regulatory, or cost burdens as European recyclers.

The absence of dedicated customs codes for recycled plastics remains a major concern, according to Assorimap, making it difficult for authorities to monitor import volumes and assess the true scale of competitive pressure entering European markets.

Calls for regulatory action

The Italian post-consumer plastics recycling sector currently includes approximately 350 active companies, more than 240 producers of secondary raw materials, and 88 facilities specialising in post-consumer plastics recycling.

Despite the sector's scale, Assorimap argues that Italy has yet to introduce support measures comparable to those adopted in France and several other European countries.

Related: [PRE, Assorimap call for protectionist measures against imports](#)

The association is calling for carbon-credit mechanisms that recognise the environmental benefits of recycled materials, mandatory recycled-content requirements for products and packaging, binding purchasing commitments across supply chains, and stronger action from the government's recycling-crisis task force.

"To restore competitiveness, two concrete measures are needed," Regis said. "First, recognising the environmental value of recycled materials through mechanisms such as carbon credits. Second, introducing mandatory requirements for the use of recycled plastics in products and packaging."

The report concludes that recycling targets alone will not secure the sector's future. While production volumes continue to rise, profitability has largely disappeared outside PET. Without stronger market support, faster regulatory implementation, and measures to address imported competition, the industry risks losing capacity precisely when Europe needs more recycled material to meet its circular economy objectives.

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