



Recycled Polymers 2026

The new appeal shaped by shifting
global trade flows

2026

I Credits

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Foreword

The global recycled plastics market is now at a pivotal juncture. Regulatory measures, including the European Union's Packaging and Packaging Waste Regulation, India's mandates, and China's standards, are accelerating the adoption of recycled content and supporting market stability. Industry bodies advocate local supply chains as vital for mitigating risk, while the US-Iran war in the Middle East has caused severe supply chain strains which provided temporary uplift for recycled polymer consumption. Across Europe, the Americas, and Asia,

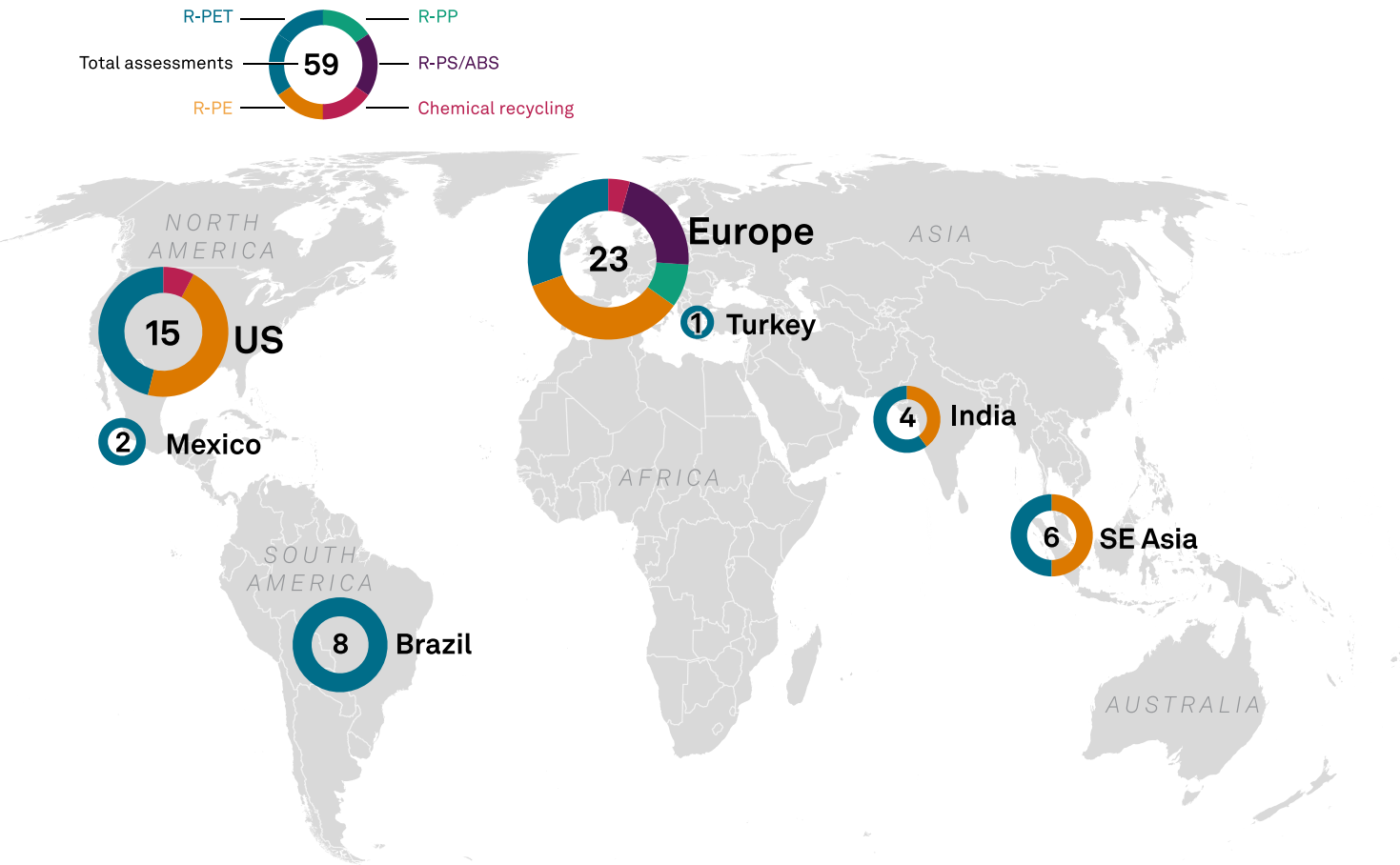
price dynamics had swung to favor recycled over virgin polymers unanimously for the first time shortly following the onset of war.

This S&P Global Energy report offers expert insights into global pricing trends, supply and demand shifts, and policy impacts. Through interviews and market analysis, it examines how industry leaders are navigating volatility and identifies emerging opportunities and risks in the transition toward greater circularity.



Platts global sustainable chemical price assessments

Platts sustainable chemical price assessments are trusted reference points that reflect current market value. Platts recycled polymer pricing by S&P Global Energy offers transparent, data-driven pricing backed by a rigorous, independent methodology giving you a clear, competitive view of the global market.



Source: S&P Global Energy

Regions try to move regulation through, recyclers expect more support

The recycled plastics and polymers markets have seen uneven trajectories globally over the last several years.

The European Union is facing criticism that while the bloc's policies are ambitious, they are short on incentives, and indicate an uphill battle ahead to continue growing the industry.

Governments in Asia have, for the most part, offered active support, and several countries are advancing firm initiatives and strict penalties to reinforce recycling trends, with China leading the charge through aggressive legislation to quickly strengthen circularity and sustainability efforts.

In the US, federal support has stalled, and margins have pushed brands back to virgin material, with Latin America emerging as the key driver of policy and regulation in the region.

European legislation supports demand

The EU has set in place legislation, but European recyclers are pushing policymakers to go further and provide the necessary economic incentives and financial support.

The bloc officially adopted the Packaging and Packaging Waste Regulation on Aug. 12. The law mandates that, by 2030, all packages must be recyclable or reusable, requires recycled content across packaging categories, introduces a mandatory Extended Producer Responsibility scheme, and establishes that 55% of plastic packaging waste be recycled.

Participants have noted that while the PPWR calls for increased recycled output, there are concerns that strict feedstock quality requirements could limit the types of materials that can be processed.

The PPWR would be supported by other legislation. The Waste Shipment Regulation -- which entered into force in May 2024 and will be implemented in a staggered manner through to 2027 -- introduces a ban on plastic waste exports to non-OECD countries, while the Circular Economy Act aims to double the EU's circularity rate by 2030.

Chemical recycling was also formally included under the Single-Use Plastics Directive, adopting a mass-balance "fuel-use excluded" methodology expected to be replicated under the PPWR.

These efforts have been met with mixed sentiment. Some see increased interest in recycled materials as the PPWR approaches. Others complain about a lack of support, as both mechanical and chemical recycling facilities have closed amid difficult operating conditions.

Asia sets out strict requirements

Perhaps the most aggressive legislative pushes towards plastic waste management and recycling in recent times happened in Asia.

China has banned, under threat of fines, non-biodegradable packaging across sectors like logistics and e-commerce. Nine national standards govern recycled plastics, focusing on design for recyclability, contaminant elimination, and chain-of-custody traceability to prevent greenwashing. All heavy industries are mandated to meet minimum recycled content quotas under the Recycled Materials Action Plan. The measures aim to reduce waste, eliminate illegal exports, and foster domestic demand for high-quality recycled plastics.

The Philippines mandates that large companies recover up to 80% of their plastic packaging. Vietnam enforces strict recycling quotas and has suspended plastic scrap imports for five years, aiming to boost domestic recycling. Indonesia requires a 30% drop in plastic waste by 2029, compared with 2019 levels, through redesign and recycling, with rigorous audits for the use of post-consumer resin plastics for food contact purposes.

Singapore has mandated large enterprises to report packaging data and operates a Beverage Container Return Scheme, supporting PET circularity. Malaysia targets 15% recycled content by 2030, while Thailand is developing legislation to promote eco-labeling and design for recycling.

Existing and upcoming recycled plastics policies



Source: S&P Global Energy

Brazil and Mexico see regulatory push, US lags behind

While the US has had some recycling initiatives over the past decade, the current administration has dialed back its focus on sustainability and circularity. It has not implemented any new federal legislation in 2025 and 2026 to promote recycled resins, leaving initiatives in the hands of state authorities.

Without federal incentives and pressured by thinning margins, brand owners have been favoring cheaper virgin-based packaging since the end of 2025, when the spread between recycled and resin prices widened amid weak demand in virgin plastics markets. The US recycling sector has also seen several closures and asset sales.

In the last few years, Latin America has led the policy push on the continent and has passed some initiatives that could be transformative for recycled markets. However, these initiatives and their implementation were criticized and perceived by many as too broad or not forceful enough to achieve decisive progress.

In Brazil, the administration prohibited imports of solid waste in February 2025 and signed a decree to establish a mandatory plastic packaging collection and recycling system in Q3 of the same year. However, participants said the latter did not clearly

distinguish between resin types and lacked specificity, driving the still unstructured polyethylene and polypropylene recycled markets but discouraging the existing R-PET market.

“A bottler was using 33% R-PET, but this law is only forcing 22%...,” said a flake seller source. “They were already slowing down their recycling initiatives; imagine now.”

The Mexican government is preparing secondary legislation on the use of recycled content. Its implementation, however, has faced some delays, and authorities have announced they will wait to hold further discussions with brand owners to create a plan of action, which will likely delay implementation at least until the end of 2026.

Furthermore, some converters fear the rules won’t penalize failure to meet minimum standards, which would limit brand owners’ motivation.

Mexico also doubled the tax on sugary beverages, hurting PET bottles sales. While converters hope new antidumping investigations against Asian imports will incentivize domestic R-PET, the prevailing sentiment is one of caution.

Middle East conflict temporarily revives recycled polymer demand

Across recycling markets in Asia, Europe, and the Americas, competitive virgin plastic prices prompted a reversal in buyers' sustainability commitments, resulting in weaker demand for much of 2025.

A broader slowdown in circular economy ambitions emerged in 2023, with many brand owners delaying or revising recycled-content targets by late 2024 because of cost pressures and limited availability of high-quality recycled material, a trend that accelerated in 2025.

After a slow first quarter of 2026, the outbreak of war in the Middle East rekindled demand as buyers sought local alternatives amid a tighter virgin plastic market.

Looking ahead, the durability of this recovery is likely to depend less on short-term pricing dynamics and more on the implementation of recycled-content mandates, corporate sustainability commitments, and investment across the recycling value chain. While demand for recycled polyolefins tends to strengthen during periods of virgin market tightness, stronger long-term growth would require regulatory support.



European recyclers face challenges

In 2025, recyclers faced challenging operating conditions as competitively priced virgin imports from Asia, the Middle East, and the US, coupled with weaker economic fundamentals, led buyers to prioritize margins over circularity commitments. Many consumer brands switched from recycled to virgin materials during the year, weighing on overall demand for recycled plastics.

In contrast to this trend, conflict in the Middle East in 2026 revitalized demand for recycled material. Maritime disruptions in the Strait of Hormuz tightened virgin

plastic markets, triggering a wave of substitution from virgin to recycled materials as buyers sought to secure volumes and manage supply risks.

In the recycled polyethylene terephthalate market, a number of thermoforming packaging producers -- many of whom had previously sourced only virgin PET -- entered the recycled market, tightening upstream supplies of PET bales. Similarly, demand for recycled polypropylene and recycled polyethylene strengthened as buyers rushed to secure alternative feedstock to maintain production.

Americas' recycled demand rebounds

In Mexico and the US, R-PET demand has been closely tied to brands' circularity commitments. Companies such as PepsiCo and Coca-Cola have adjusted their recycled-content goals, adopting a new approach aligned with the broader market's concerns about quality, supply and costs. Demand for R-PET declined in the second half of 2025, with a wide premium for recycled material over virgin PET further weighing on consumption.

However, the war in the Middle East in 2026 pushed feedstock costs higher, disrupting the flow of materials from Asia to other markets. As a result, certain companies in Mexico increasingly considered R-PET as an alternative amid higher virgin PET costs and reduced Asian PET availability. Bale PET prices rose about 50% between December 2025 and mid-May 2026 as converters sought additional material due to disruptions in the virgin PET market.

Bale PET prices rose about

50%

between December 2025 and

mid-May 2026

Some Mexican converters have turned to importing PET bales from the US after inflows earlier in 2026 fell due to slower demand. Mexican demand has remained steady for both US-origin and Mexican-origin PET waste bale. However, growing uncertainty among converters persists regarding the sustainability of this trend, given geopolitical tensions in the Middle East and the absence of clearer circularity legislation.

Asian recycled demand slows

From 2024 to May 2026, Asia's recycled PE market experienced a decline in demand, largely due to weaker commitments from brand owners and a shift away from recycled plastics, especially in the food and cosmetics sectors. Demand was primarily driven by smaller converters and local brands, while major brands reduced recycled content targets.

A notable development was the reversal of virgin and recycled pricing dynamics: virgin PE prices rose due to the Middle East conflict, making recycled PE the more cost-competitive option. Despite this shift, Asian buyers remained cautious due to quality issues and the lack of recycled-content mandates, with demand for natural/translucent grades remaining limited compared with dark/black pellets, which saw

stronger consumption from the construction and industrial sectors. An increase in R-PET demand led to a bale shortage and higher prices, particularly in Indonesia, Thailand, and Malaysia.

Export restrictions and evolving EU regulatory requirements added to feedstock constraints rather than being the sole driver of recent bale shortages and price gains. Delays to some advanced recycling projects further highlighted the sector's investment and scalability challenges. Overall, Asia's recycled polymer recovery remained uneven, with demand still pressured by quality concerns, limited mandates, and uncertainty over how long geopolitical support would last.

Capacity pressures, higher feedstock costs cloud global polymer outlook

Global recycled polymer markets have remained constrained by plant closures, high energy costs and volatile demand so far in 2026, with Europe facing capacity losses and import pressure, as new plant announcements have yet to offset recent shutdowns.

The US market is challenged by weak demand, inflation, and plant closures, though new capacity is emerging. In Latin America, imports and temporary shutdowns are shaping supply dynamics.

In Southeast Asia, tight supply and low profitability weigh on demand, while South Asia, i.e. India's R-PET prices were supported by limited bale availability and strong downstream demand.

Looking ahead, the market is closely watching feedstock availability and the spread between recycled and virgin material for pricing direction, while also tracking the longer-term impact of new capacity additions as projects gradually come online by 2030, according to recyclers, market traders and regional buyers.

New plant announcements, particularly in R-PET and polyolefins, point to continued interest in capacity expansion, but many of these projects are not yet operational. This comes as the sector is still absorbing the impact of a wave of closures over the past few years.

Across 2023-2024, around 45 recycling plants in Europe were shut down, according to data from Plastics Recyclers Europe, resulting in a loss of 435,000 mt/year of capacity in two years. Plastic Recyclers Europe expected that by the end of 2025, Europe may have lost recycling facilities, amounting to almost 1 million mt/year of recycling capacity since 2023.

The US recycled market has been most affected by unit closures, as recyclers faced liquidity pressure from weak end-consumer demand, high inflation, rising interest rates, low-cost imports, and competitively priced, oversupplied virgin plastic. A recent example of a shutdown was Evergreen's R-PET units in Ohio and New York, announced in February 2026, which are expected to fully close in the remaining months of 2026.

Evergreen's sort-and-wash department in California, which was set to shut down in February 2025, was recently acquired by Niagara, another recycling company. California-based R-PET recycler rPlanet Earth, which represented about 4% of US R-PET capacity, also announced its closure in September 2025. The US R-PET market relies on flake imports from Southeast Asia, and, despite tariffs, trade flows continue. The biggest challenge now is limited availability, as the Middle East war has disrupted shipping schedules.

In the US recycled polyethylene market, a major -- though temporary -- closure has been Natura PCR's recycled LDPE film operation in Waller, Texas, which has been shut since October 2025 due to weak market conditions for post-consumer resin.

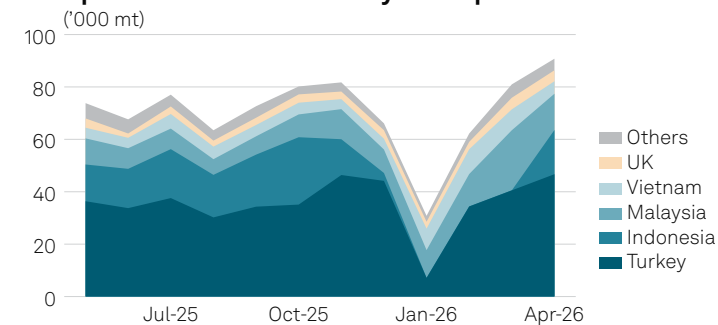
Capacity loss in Europe, US

The recycled polymer industry in Europe continues to show long-term growth potential, but structural constraints are limiting its ability to translate investment plans into higher output by 2030.

The closure increased recycled LDPE film bale supply in the US, lowered spot prices, reduced the number of film outlets, and further weakened demand, although trade participants said the market has now stabilized. On new US capacity, NOVA Chemicals' polyethylene film recycling facility in Connersville, Indiana, has been commissioned and is running, with commercial operations expected to begin this year.

In Mexico, imports of R-PET bales from the US have risen as converters take advantage of lower US bale pricing. At the same time, Mexican supply remains closely tied to pricing, so converters may keep domestic prices higher to avoid discouraging collectors and creating a tight supply, according to local bale buyers. The same dynamic has been seen in Brazil, where major recyclers such as Indorama and Valgroup are temporarily idling facilities. Indorama's R-PET unit in Southeast Brazil has been offline since July 2025, and Valgroup shut its unit for a month in February due to low market demand.

EU export of PE waste bales by trade partner



Source: S&P Global Energy

Southeast Asia faces persistent challenges as plants struggle to maintain high utilization amid feedstock shortages and subdued demand. In India, R-PET prices have been supported by limited bottle-bale supply and strong downstream demand, though the situation is expected to ease as collection activities resume.

Feedstock availability in Southeast Asia has eased since the peak of the Middle East war, although high bale costs continue to affect profitability in the near term.

In April, Malaysian recyclers were heard raising operating rates to meet the surge in demand since the start of the war. Even so, many recycling plants were operating at about 80% due to unfavorable economics. Similarly, in Thailand, operating rates were heard at about 65%-75% capacity as recyclers cited weak demand.

In Indonesia, feedstock constraints kept a ceiling on operating rates, which were at 65%-70% of capacity, despite elevated product prices.

By June, feedstock constraints began to ease across Southeast Asia, allowing recyclers to raise operating rates gradually. Even so, high bale prices and weak profitability remained persistent challenges, limiting the extent of any further production increases.

Bale availability has been one of the main factors supporting R-PET and HDPE prices in India over the past few months. Elections, high temperatures and a reduced labor force have disrupted waste collection and converter operations, tightening bottle-bale supply and raising flakes and pellets prices amid strong demand from downstream bottlers.

The R-PET flakes FOB India marker hit a record high of \$1,005/mt on May 29, having risen more than 24% since March 2, showed data from Platts, part of S&P Global Energy.

The bale supply situation is likely to have eased as workers gradually return to collection activities and converters resume pellet production, according to market participants. Most converters in the R-PET segment are currently running at full capacity to meet strong domestic downstream demand, supported by high virgin material prices.

Higher feedstock costs weigh on Asian recyclers

Recycled polymer supply across Asia remains constrained, with tight bale availability and weak profitability limiting recyclers' operating rates.

R-PET prices pivot from weak 2025 fundamentals to geopolitics-led volatility

The pricing trajectory of recycled polyethylene terephthalate has shifted from weak fundamentals in 2025 to volatility driven by geopolitics, regulation and virgin PET substitution in 2026.

Through much of 2025, global R-PET prices were subdued as demand softened, low-priced virgin PET and competitive imports limited recycled-content buying. This weighed on bale, flake and food-grade pellet values, narrowing recyclers' margins. In early 2026, the Middle East conflict disrupted virgin PET supply chains and sharply increased virgin prices, making R-PET more competitive and drawing buyers back to recycled alternatives.

In Europe, R-PET has remained the largest recycled plastics segment, accounting for 26.2% recycled polymer production in 2024, according to the latest Plastics Europe data.

The EU's Single-Use Plastics Directive supported underlying demand from 2025, but high food-grade R-PET pellet prices before implementation widened the premium over virgin PET. Buyers responded by reducing recycled content toward minimum compliance levels. The market then reversed in 2026 as virgin PET rose to multiyear highs while R-PET increased more moderately. By March, virgin PET traded at a premium to food-grade R-PET pellets for the first time, while sheet producers lifted clear flake demand by switching from virgin resin.

Asia was initially the weakest region in early 2026, with clear flake prices falling amid thin demand, US tariffs and weaker European buying after tighter EU-origin rules. However, the region then recorded the sharpest price rebound, as feedstock costs rose, virgin PET tightened, and export demand surged, before easing modestly as upstream constraints eased.

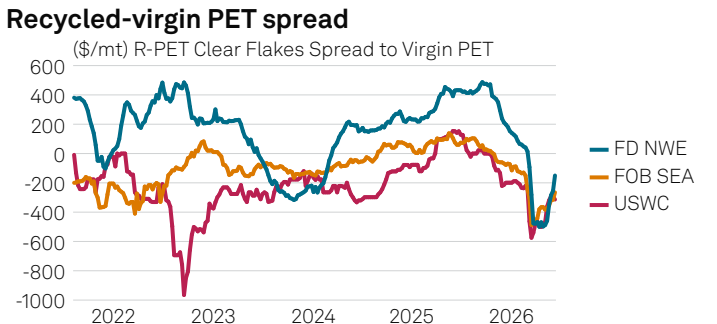
In the US, R-PET pricing in 2025 was weighed down by low virgin resin prices, imports and recycling plant closures, particularly in California. Further Midwest and Northeast closures in 2026 pushed some bale prices into negative territory, but a rise in virgin PET prices quickly revived buying interest. West Coast premium bale prices nearly doubled on export demand, while flake and pellet prices also strengthened.

Latin America was comparatively stable through 2025. Mexico tracked seasonal demand, and Brazil was pressured by weak consumption and cheap virgin imports. Prices in both markets rose three to four weeks after the war in the Middle East began, as higher virgin costs and reduced Asian availability encouraged recycled substitution. Since then, pricing for bales and flakes has largely plateaued.

India's R-PET prices were influenced by regulatory drivers in 2025 and 2026. Its food safety authority's April 2025 approval of R-PET for food packaging supported a 30% post-consumer recycled-content mandate, although low virgin prices and limited enforcement curbed volumes.

From April 2026, tighter verification rules under the Plastic Waste Management framework, combined with Middle East war-related supply disruptions and polymer shortages, prompted increased R-PET use earlier in packaging chains.

Market participants said at the time that most of the packaging chain had already increased R-PET use, citing recent supply disruptions, including those linked to the US-Iran war and intermittent polymer shortages, which pushed companies to adapt procurement and formulations earlier than planned. However, low virgin prices and insufficient enforcement could limit volumes, market participants added.



Note: Data as of June 2026
Source: Source: S&P Global Energy

Recycled polyolefin pricing rebounds unevenly across regions

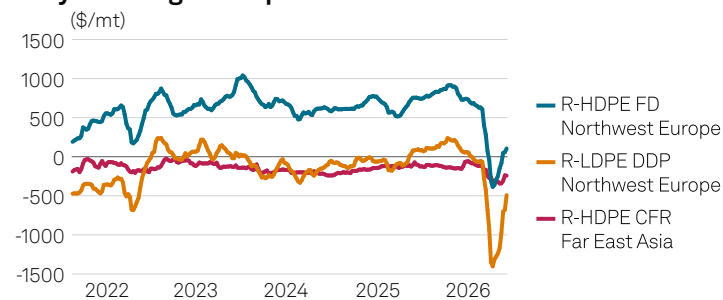
Recycled polyolefin prices rebounded from 2025 lows in early 2026 as the Middle East conflict tightened virgin polyethylene and polypropylene supply, briefly improving recycled resin competitiveness. The recovery, however, remained vulnerable to shifts in virgin resin prices.

In Europe, recycled PE and PP prices had fallen to multiyear lows in 2025 as low-priced virgin imports and weak downstream demand pressured margins. The market reversed in 2026 as higher virgin prices supported recycled substitution, with Platts assessing R-LDPE at a premium over virgin LDPE for the first time since 2023. The R-LDPE translucent pellet spread to virgin LDPE DDP NWE moved from minus €1,188/mt on April 15 to €8/mt on July 15, highlighting both the sharp pricing reversal and the fragility of the rebound as virgin PE oversupply and inventories re-emerged.

In the US, recycled polyethylene prices were also supported by higher virgin resin costs and reduced recycling capacity after weak 2025 demand contributed to plant closures and asset sales. Still, pricing momentum remains tied to whether state-level minimum post-consumer recycled content requirements and Extended Producer Responsibility laws can provide more durable demand support.

In Asia, recycled polyolefin prices gained some support as higher virgin PE prices improved the cost competitiveness of recycled grades. However, demand and pricing remained capped by quality concerns, limited recycled-content mandates, import restrictions, scrap shortages and the premium for GRS-certified material, with stronger consumption still concentrated in darker grades used in construction and industrial applications.

Recycled-virgin PE spread



Note: Data as of June 2026

Source: Source: S&P Global Energy

Recycled styrenics demand stays structurally subdued

European recycled styrenic prices increased briefly in the first half of the year, driven by rising demand for recycled materials.

This tentative increase in demand resulted from panic-buying after the start of the conflict in the Middle East. Recyclers and traders reported increased customer inquiries in the weeks that followed.

This demand increase was short-lived as panic-buying subsided and key downstream markets like automotive and construction remained weak. The automotive sector, in particular, is expected to see no improvement in the near term amid fierce Chinese EV competition, reducing demand for European vehicles, according to European market sources.

Market participants anticipate little change ahead, with demand forecast to remain stable at subdued levels.

“The continuous weakness in prime ABS has pushed recycled buyers completely to the sidelines. Transactions are sparse, restricted to small volumes through one-on-one negotiations for immediate operational needs,” said a trader.

Due to expectations of weak demand from the European automotive sector, regulations such as the end-of-life vehicle directive are expected to have little impact on recycled styrenics until 2028 at the earliest, according to market participants.



Chemical recycling markets face major setbacks amid subdued global demand

Global chemical recycling markets have faced significant challenges since mid-2026, with Europe at a crossroads amid new plant launches and closures among existing players. The US market remains bearish, weighed down by weak demand, rising costs and project cancellations. In Asia, chemical recycling growth is constrained by regulatory hurdles and limited policy mandates, with most activity driven by voluntary corporate commitments. Despite optimism around domestic and export demand, particularly to the EU, market development is uneven, hindered by political uncertainty and supply concerns.

The European chemical recycling industry is navigating a period of transition, with new plant launches and ramp-ups underway, while existing players face significant headwinds. Pyrolysis, one of the more widely explored technologies for chemically recycling mixed polyolefin waste, is considered a potential pathway to producing virgin-like-quality materials for non-polyethylene terephthalate applications in food and skin-contact packaging. This demand is specifically supported by the Packaging and Packaging Waste Regulation, which mandates a 10% recycled content target by 2030.

The market faced significant setbacks in the second quarter, with three leading players reporting negative developments. UK-based chemical recycler Plastic Energy entered administration due to cash flow issues. Quantafuel, a long-standing chemical recycler, was closed by its parent company, Viridor, at the end of June. Another Nordic chemical recycler also confirmed that it is facing permanent shutdown following serious technical failures.

Industry participants have identified weak demand as a key obstacle, as chemical producers struggle to secure offtake agreements with brands willing to pay the substantial price

premiums required. These premiums are partly driven by the higher cost of pyrolysis oil feedstock needed to meet on-specification standards for use as a steam cracker feedstock. Several major players have criticized the EU's proposed mass-balance rules, arguing that the regulations could hinder industry development. Market sentiment has since turned highly cautious, with stakeholders closely monitoring regulatory and market developments to assess the future trajectory of chemical recycling. Meanwhile, LyondellBasell is expected to open a new chemical recycling plant in Wesseling, Germany, in 2027.

In the US, advanced recyclers continue to face compressed margins, with 2025 and 2026 characterized by project cancellations, plant closures and persistently weak demand for pyrolysis oil and circular resin.

Market sentiment remains bearish, as demand for pyrolysis oil is largely limited to minimal contractual offtake obligations. While some participants initially expected the ongoing Middle East conflict to boost demand for pyrolysis oil amid rising crude prices, that anticipated support failed to materialize, with offtakers instead focused on broader market challenges.

Margins have come under further pressure from rising feedstock and logistics costs. Recycled polymer prices have increased alongside the war-driven rally in virgin resin prices, while transportation costs have continued to rise, further eroding profitability for advanced recyclers. US advanced recyclers continue to look to legislation that would mandate demand for mechanically recycled and circular resin.

Chemical recycling activity in Asia also remains constrained as sustainability discussions have taken a back seat to more

immediate supply concerns, with political uncertainty further dampening momentum. Regulatory hurdles continue to impede the cross-border movement of recovered plastic feedstock, which is still largely classified as “waste” under Basel Convention rules. Market participants said the lack of “end-of-waste” recognition, coupled with the requirement for prior informed consent from both exporting and importing countries, continues to hinder feedstock flows and project scalability across Asia. Some industry groups are conducting studies to advocate for the easier movement of chemically recyclable feedstock, similar to the EU framework, signaling longer-term efforts to support demand growth and investment in chemical recycling.

In the absence of clear regulatory mandates, most initiatives remain voluntary rather than compulsory, limiting demand growth. As a result, market development is uneven and largely dependent on individual corporate commitments rather than policy-driven adoption.

Many Asian chemical recyclers remain optimistic about relying on domestic demand to sell their material. However, recyclers are increasingly turning their attention to international markets, especially the EU, which offers attractive premiums due to stricter regulatory requirements.



Interview: Narrowing of recycled-virgin price spread 'not a lasting shift'



Ton Emans

President, Plastics Recyclers Europe

The current narrowing of the price spread between recycled and virgin plastics is a short-term trend rather than a lasting shift in market fundamentals, Ton Emans, President of Plastics Recyclers Europe said in an interview with Platts, part of S&P Global Energy.

Europe's recyclers need stronger demand certainty through effective implementation of the Packaging and Packaging Waste Regulation and related recycled content measures, Emans said. He also warned that low-priced imports and weak verification of recycled-content claims risk undermining European recycling capacity unless the EU strengthens enforcement and creates a level playing field for domestic producers.

Platts: Has the war in the Middle East created a lasting shift in the pricing dynamic between recycled and virgin materials, with the spread now narrowing and virgin materials beginning to regain cost competitiveness?

Ton Emans: The current narrowing of the price spread should not be interpreted as a structural improvement in the competitiveness of European recycled plastics, but rather as yet another reminder of the need to ensure resource independence and to build secure, reliable supply chains in Europe. Previous crises, including the COVID-19 pandemic, have shown that temporary disruptions may alter the price gap for a limited period. However, they do not resolve the underlying structural imbalance in the market.

If Europe is to improve the long-term competitiveness of its plastics recycling industry, the market must be stabilized through lasting measures. This requires, first, recognizing virgin and recycled plastics as distinct products with different cost structures, rather than allowing the price of recycled material to follow that of virgin polymer. Virgin polymer prices are shaped by global dynamics, including petrochemical overcapacity, low fossil feedstock costs, and international competition, all of which continue to exert downward pressure on prices. On the other hand, recyclers operate in a more localized market, and therefore their cost is dictated by different parameters, including fixed costs of feedstock not linked to virgin prices and fixed collection and sorting costs.

What is needed now is continued progress in the legislative and policy framework, combined with effective enforcement and market conditions that allow recycled plastics to compete fairly. It is encouraging to see greater attention from EU institutions and tangible advances in legislation to address the current crisis, but sustained effort will be essential if the sector is to regain stability and competitiveness in the long term.

Platts: How much investment does Europe's recycling industry need to restore growth in both output and demand? Do you have any estimates for the level of investment required?

Ton Emans: Restoring growth in output and demand is not simply a question of mobilizing a specific volume of investment. Investment will follow once demand is stabilized. However, in recent years, the market has not grown because demand for European recycled plastics has remained too weak. What is needed first is a level playing field for European plastics recyclers vis-à-vis low-priced imported plastics which do not meet the same EU environmental, labor and safety requirements. Imported materials and finished products placed in the EU market should be assessed using the same calculation methods and verification standards applied to European products, ensuring all parties are subject to the same level of requirements regardless of the origin of the material. This is important because recycled-content targets only create a genuine circular market when the claims are credible and all market participants operate on a level playing field.

This should be paired with market conditions that create certainty for investors and long-term competitiveness. Measures such as "made in Europe" requirements, alongside the effective implementation of the Packaging and Packaging Waste Regulation, the End-of-Life Vehicles Regulation and other relevant legislation will be essential to stabilize the market and ensure that recycled content targets translate to secured growth of European recycling capacity, rather than further distorting supply chains.

Platts: Is Europe's recycling capacity enough to meet the PPWR's recycled content targets by 2030? And more immediately, is the industry prepared for the PPWR's implementation, in your opinion?

Ton Emans: The European plastics recycling industry has the technology, experience and industrial know-how required to support the PPWR recycled-content objectives. The question is not whether recyclers can deliver, but whether upcoming legislation, verification, and enforcement mechanisms are put in place early enough to allow the industry to expand progressively. The PPWR targets are important not only because they can help provide greater market certainty and sustain demand over time, but also because they offer a clearer framework for long-term investment and implementation. The absence of a structural market improvement should not be confused with a lack of technical or industrial capability.

This is precisely the point raised in a joint letter we addressed to the European Commission together with more than 150 co-signatories, in which we called for the timely and effective implementation of the PPWR as a necessary condition for supporting recycling and advancing Europe's circular economy objectives. Enforcement should be an indispensable part in implementation, and ensuring that the same rules apply to Europe's trading partners.

Furthermore, national Extended Producer Responsibility (EPR) systems will accelerate the transition by rewarding recycled content through eco-modulated fees. These incentives should operate within a harmonized European framework, so that member states can stimulate demand without creating conflicting compliance requirements. Incentives should reward verified, European recycled content and should recognize both quantity and quality objectives.

Platts: Do you anticipate greater volumes of recycled and virgin plastic being imported into Europe in the near future? Are there particular materials that are more exposed than others?

Ton Emans: Without effective enforcement of EU legislation and measures to stabilize current market conditions vis-à-vis third countries, low-priced imports will continue to flow into the European market uncontrolled. There are cases of products with recycled content that enter the single market without any verification.

Regarding the future import volumes of virgin and recycled plastics into Europe, current customs codes do not allow to distinguish virgin from recycled plastic imports, making it impossible to anticipate future trends with precision, track flows accurately and assess exposure of some materials over others.

Platts: With so many ADD cases still waiting to progress, what are your thoughts on the current situation? What measures could help speed up policy implementation and bring more immediate relief to the industry?

Ton Emans: A growing number of countries are making use of trade defense instruments, including antidumping measures, in response to mounting pressure on their domestic industries. This trend is closely linked to the global oversupply of polymer production and persistent overcapacity, which has led to a growing number of cases worldwide. A representative example is the widely known PET Safeguards duty implemented by Turkey in response to the high volume of imports affecting its market.

However, the EU cannot rely on antidumping cases alone to address the pressures facing plastics recyclers. While these measures may play a role, they are often slow and limited in scope, and therefore unlikely to provide the relief the industry needs. Their effectiveness can also be weakened when trade flows are redirected through third countries.

What is required are proper verification systems that ensure any material entering the EU market is subject to the same quality and safety requirements that European producers must adhere to, both for virgin and recycled materials. This should be paired with a broader and more robust EU trade policy approach that can respond more quickly and more effectively to market pressures.

Platts: On chemical recycling, following recent setbacks involving Plastic Energy UK, Quantafuel and Pryme's Rotterdam plant, what is your view of where the sector is heading?

Ton Emans: These recent setbacks highlight the difficult market environment in which all recycling technologies currently operate. The situations involving Plastic Energy, Quantafuel and Pryme reflect not only

company-specific circumstances, but also broader structural pressures affecting the sector. Chemical recycling remains at an early stage of development, and the investment costs associated with scaling these technologies to a commercially viable level make progress particularly challenging under current conditions.

The development of chemical recycling will therefore depend on the same fundamental conditions as for the recycling industry as a whole, such as fair competition, credible demand, and legal certainty on how output is recognized in the market – all of which are elements that would ensure a suitable environment for continued investments. In that context, chemical recycling should be assessed according to where it can add value within a circular economy and where it can complement mechanical recycling.



Interview: Carbon, energy pricing reforms key as circular plastics transitions stalls



Lauren Kjeldsen

Vice President, Plastics Europe
COO, Custom Solutions at Evonik

Europe's transition to a circular plastics economy is losing momentum, with industry leaders warning that high energy and carbon costs are undermining both climate goals and the region's strategic autonomy.

Plastics Europe, the industry association representing major producers, is calling for urgent policy action to address the competitiveness crisis and unlock investment in circularity.

Lauren Kjeldsen, vice president of Plastics Europe and COO, Custom Solutions at Evonik, told Platts in an interview May 21 that the most important policy levers for the chemicals industry are carbon and energy pricing.

"Competitive carbon costs, like energy costs, are important. Ensuring that carbon costs are reinvested into transformation would be ideal. The legal framework should facilitate this without additional conditions to support industry transformation," Kjeldsen said.

The call for action comes as Plastics Europe's biennial report, *The Circular Economy for Plastics: A European Analysis*, reveals a sharp slowdown in the region's circular plastics transition. In 2024, just 15.8% (8.7 million metric tons) of Europe's total plastics production was circular, and annual growth in circular production plummeted from 13.6% in 2022 to just 1.2% in 2024. By contrast, global circular plastics production growth accelerated from 5% to 7.7% over the same period.

Converter demand for circular plastics in Europe also slowed, with annual growth falling from 16.2% in 2022 to just 4% in 2024. The report highlights that 19% of converter demand for circular plastics was met through imports, and 12.4% of Europe's collected waste was recycled outside the region.

“Competitive carbon costs, like energy costs, are important. Ensuring that carbon costs are reinvested into transformation would be ideal. The legal framework should facilitate this without additional conditions to support industry transformation.”

Market conditions and the Middle East war

Kjeldsen noted that recent geopolitical disruptions, including the Middle East war, have further increased volatility in the plastics market. While recycled polymers are now trading at a discount to virgin materials, according to Platts data, demand has not significantly increased, Kjeldsen said.

She explained that turbulent times typically create opportunities for alternative feedstocks, but higher costs and uncertainty have limited investment and slowed demand recovery.

Ecosystem approach needed for advanced recycling

According to the statistics from Plastics Europe, the recycling rate for collected plastic waste in Europe increased to 29.6% in 2024. However, more than 70% of collected plastic waste -- 16.0 million mt for incineration and 7.0 million mt to landfill -- was still not recycled, representing a significant loss of circular feedstock.

"It is an ecosystem that requires partnership. Chemical recycling involves materials that traditional waste collectors may not have handled before. Combining the expertise of chemical companies and waste collectors is necessary. Establishing efficient systems and leveraging the latest technology will improve recycling rates, though some losses are inevitable," Kjeldsen said.

Competitiveness crisis threatens climate goals

The report's findings underscore the scale of the challenge. Europe still has the largest share of circular plastics in its production mix, but this is largely due to a sharp decline in fossil-based plastics production, which fell by 8.3% to 43.3 million mt between 2022 and 2024.

Kjeldsen said that legislation alone will not solve the issue. "Industry players must also take risks and innovate. Competitive carbon and energy pricing are essential.

The entire value chain, including producers, consumers, and OEMs, must participate," she said.

Plastics Europe has urged EU and national policymakers to restore the industry's competitiveness by addressing the energy and emissions cost crisis, ensuring fair trade, and fostering strong market demand for circular plastics. Without urgent action, the group warns, Europe risks losing the benefits of its circular transition.

Outlook: The new appeal shaped by shifting global development

In 2026, the global recycled plastics market is seeing a more complex value proposition than in previous cycles.

For much of the industry, recycled polymer demand has historically been governed by its spread to virgin resin: when virgin prices fall, buyers retreat from recycled content; when virgin supply tightens, recycled grades regain attention.

The Middle East conflict has reinforced this pattern, with disruptions to virgin polymer flows temporarily improving the competitiveness of recycled alternatives across polyethylene, polypropylene, and PET markets.

Yet the recovery remains uneven, and the key question for 2026 and beyond is whether recycled plastics can move from reactive substitution to structurally supported demand.

Europe's R-PET market is beginning to show the clearest signs of decoupling from virgin PET. Unlike recycled polyolefins, European R-PET is increasingly priced independently of virgin, and against regulatory compliance, supply security, and circularity value. Regulatory compliance is creating a distinct demand base for high-quality recycled content, pushing R-PET toward a market model where collection, sorting, washing, food-grade certification, and traceability define value. In this segment, recycled material is gradually becoming a product with its own fundamentals.

That decoupling, however, is not yet visible across most other recycled plastics markets. Recycled PE, PP, and styrenics remain highly exposed to virgin polymer price movements, particularly in regions where recycled-content mandates are weak or enforcement is limited. In the US, the absence of stronger federal policy has left recycled resin demand vulnerable to brand-owner cost-cutting. In Asia, recycled polyolefins remain constrained by quality concerns, limited food-contact applications, and

inconsistent mandates. In Latin America, promising policy moves in Brazil and Mexico have not yet created the level of clarity needed to anchor long-term investment.

This creates a two-tiered market. High-quality, mandate-driven streams such as European R-PET are moving toward structural demand, while lower-specification or less-regulated recycled grades remain cyclical. The Middle East conflict has tentatively narrowed spreads and revived buying interest, but industry participants remain cautious.

Without clear recycled-content requirements, robust verification systems, and penalties for non-compliance, buyers may again return to virgin resin when prices normalize.

At the same time, the sustainable chemicals landscape is expanding beyond mechanical recycling. Polymers produced via the mechanical or chemical recycling routes are not just directly competing with those produced from bionaphtha or plant-based routes. Drawing parallels to how CORSIA (Carbon Offsetting and Reduction Scheme for International Aviation) allows airlines to use offsets alongside sustainable aviation fuel, plastic credits may offer companies an alternative route to claim environmental benefits without physically incorporating recycled or sustainable content into products.

For now, mechanically recycled polymers have remained the backbone of the commoditized sustainable chemicals market -- they are traded at scale, supported by established collection systems and increasingly embedded in regulation.

As the market is branching into new directions: advanced recycling, bio-based intermediates, plastic credits, the next phase of circularity will be shaped by how these pathways interact, and whether policy can turn today's volatility-driven demand into a durable market structure.

Learn More

[APIC 2026 special report emerging stronger](#)

[Sustainable Polymerscan: Platts' Sustainable Polymerscan publication, covering pricing, assessment rationale and commentary for global sustainable chemical markets](#)

[Platts Chemicals Specifications Guides: S&P Global Energy global chemical assessment specifications](#)

[Recycled Polymers – S&P Global Energy Core: Platts real time news coverage and pricing on sustainable polymer markets.](#)

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