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PRESS RELEASE

Fortunes of metallocene resins brightest in the polyethylene family

AMI, Bristol, 24/10/2018 – The latest edition of AMI Consulting's review of polyethylene markets in Europe builds on the knowledge acquired from previous editions that date back to 1989. Providing the usual high level of in-depth analysis, the study assesses 8 processing technologies and over 50 end use applications on a country by country basis.

Polyethylene consumption has surpassed pre-recession levels with industrial packaging applications reaping the rewards from improved manufacturing productivity and applications that serve the construction industry also growing well.

However, the industry faces a new challenge! The circular economy has already started to reshape the polymer supply industry with resin suppliers engaging in downstream integration with recycling technologies. EU policy has recently promoted the use of increased volumes of recycled material in products where possible and has targeted packaging applications as a focal point for enhanced recyclability. This has driven a rapid rise in consumption of reclaimed/reprocessed polyethylene, innovations in product design and end of life treatment options.

Film extrusion has long seen the largest consumption of polyethylene in Europe accounting for over 50% of demand in 2017. There are big differences even amongst the LLDPE varieties which, on the whole, have been and will continue to advance rapidly. The fortunes of metallocene resins will be especially bright while more well-established varieties such as C8 will experience more limited growth. Coextrusion technology will continue to drive the use of sophisticated resins while locality and commercial relations are also key in resin selection and can result in processors engineering surprisingly different formulations to meet product specifications.

Further developments in material selection are occurring in blow moulding applications, where bimodal HDPE resins that offer enhanced properties are seeing increased use in containers in the small to mid-size bracket. However, recycled polyethylene is the standout material within blow moulding with this market expected to champion the uptake of reprocessed polyethylene in the midterm to 2022.

Packaging markets are anticipated to become increasingly scrutinised which, combined with ongoing downgauging, is projected to constrain the overall volume growth of polyethylene. The most optimistic segment of the polyethylene industry is that which serves the construction sector. Pipe, cable and wire extrusion will prosper in the wake of improved construction output (both residential and infrastructure orientated), with HDPE and EVA to enjoy the most notable advances in these segments thanks to the replacement of PVC, copper and iron pipes and the increasing requirement for fire retardant compounds.

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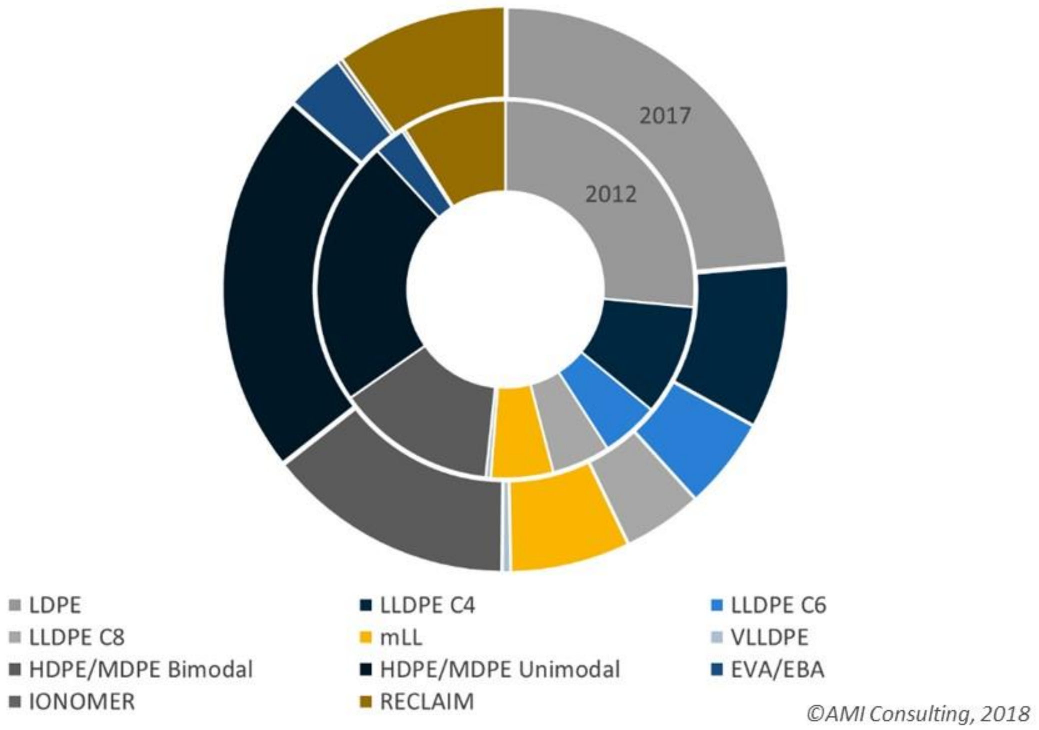
FIGURE 1:
POLYETHYLENE CONSUMPTION IN EUROPE 2012-2017



An AMI Consulting report – Polyethylene Markets in Europe 2018

The lack of capacity expansion in Europe is not likely to have an impact on resin availability due to the tsunami of additional supply on the horizon in North America. Metallocene resins from Japan and Korea are expanding their share of the market and polyethylene derived from renewable feedstocks are being pioneered from Brazil.

For more information on "Polyethylene Markets in Europe 2018" published by AMI Consulting please contact Fergus Mooney AMI Consulting on Tel +44 (0) 117 314 8197 or Email fergus.mooney@ami.international.