

Surge in price of styrene – enormous pressure on costs

Paris and Bad Homburg, 6 March 2017 – Manufacturers of plastic packaging have been faced with a price surge in styrene across the board since the fourth quarter of 2016. There has been a particularly dramatic increase in the price of polystyrene, which achieved an all-time high in February. Prices of EPS have also increased dramatically. At the same time, it has become very apparent that the currently moderate price levels of crude oil are hardly having an effect on the current situation.

Instead, the source of the problem lies with the greatly reduced capacities in the refinery sector due to maintenance work being carried out at plants in North America and Asia. These uncertainties are taking effect all over the world and it is currently impossible to predict a turnaround. ELIPSO (French Plastic and Flexible Packaging Association) and IK (German industrial association for plastic packaging) are therefore forecasting high raw material prices for the first half of 2017.

Both associations, IK and ELIPSO, describe the situation as dramatic for processing companies. The integrated primary producers in particular urgently need to bring about an improvement in this unfortunate situation. Sound economic judgement is vital when considering the way forward.

After all, the companies processing polystyrene and EPS plastics are coming under increasing financial pressure. In view of the already tight margins, the aim should be to safeguard the existence of the companies and their innovative strength. Fortunately, increasing numbers of customers understand that the situation is beyond the control of their suppliers.



About ELIPSO

ELIPSO is the trade organisation that represents plastic and flexible packaging manufacturers in France. The plastic and flexible packaging industries employ 38,000 employees in 320 companies for annual turnover of €7.9 billion. These industries are active in every sector of industry and distribution (food & agriculture, beauty & health, personal care, cleaning, chemicals, industrial products, construction transport and logistics).

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About IK

As an industry association, the IK (German industrial association for plastic packaging) represents the interests of manufacturers of plastic packaging and films in Germany and Europe. The industry which is characterised by many small and medium-sized businesses has over 90,000 employees and generates an annual turnover of 14 billion euros. Plastic packaging currently has a 44-percent share of the German packaging market.

The IK is a supporting member of the German Association of Plastics Converters (GKV) and therefore also involved in matters concerning the entire plastics processing industry.

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