

Growing threats for the plastics converting industry: Companies at risk due to multiple crisis

Never-ending price increases, a still persistent difficult supply situation and rising 'Force Majeure' statements in the third quarter of 2022: The PVC industry is continuously confronted with several crisis - partly beginning to endanger existences in the plastics converting industry in Europe.



The plastics converting industry is hard hit by the multiples crisis in Europe: Compared to the beginning of the year, converters must pay up to 750 % higher prices for electricity.¹ The never-ending price increases go hand in hand with the still difficult supply situation for raw materials. Consequences are temporary shutdowns of production plants which affects the entire PVC value chain of the plastics industry badly. Urgently planned and needed investments for example in innovative products as well as recycling technologies cannot be made due to the extreme financial burdens of companies.

In addition to these difficult circumstances, we see a major increase of 'Force Majeure' statements in the third quarter of 2022: Current data show a total of 58 active Force Majeures at the beginning of October 2022 - 25 of them only reported between July and September. Of all polymers, PVC (polyvinylchloride) is worst affected. Overall, the data report that FM statements have continuously increased monthly since March 2022.² The forecasts for our industry and for the member companies of IVK Europe e.V. look similarly alarming. A last sign for the German and European policy, who must act urgently to prevent even worse developments.

¹ EuPC: Press Release from 20 September 2022

² PCE/Polymers for Europe Alliance: FM Analysis of European Polymer Producers - 2022 Q3

IVK Europe e.V.

IVK Europe represents the common interests of companies producing sheets made of plastic and caoutchouc for a multitude of applications. IVK Europe is the voice of its members on political and social level, in Europe as well as in the member states. The focus of the organization's work is on pursuing the interests for the material PVC and its substitutes.

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¹ EuPC: Press Release from 20 September 2022

² PCE/Polymers for Europe Alliance: FM Analysis of European Polymer Producers - 2022 Q3