

Plastics Value Chain Demands Immediate Action to Save EU Industry

Sector makes six strategic recommendations to fight market recession

The European¹ plastics value chain is at a breaking point. A deep competitiveness crisis is suffocating the industry, with serious consequences already materialising across the sector. By the end of 2025, the region is expected to have lost recycling plants, amounting to almost one million tonnes of recycling capacity². But the impact goes beyond recycling. In 2023, European plastics production dropped by 8.3%, while the global market share has shrunk from 22% in 2006 to 12% today. This is not only a threat to the competitiveness of Europe's industry, but also its ability to meet circular economy and climate goals.

In response, 28 leading actors across the European plastics value chain have sounded the alarm in a joint letter addressed to EU policymakers³. They put forward six strategic recommendations to combat the pressing issues suffocating the industry, including low-priced imports, soaring energy costs, legal uncertainty, administrative burdens and regulatory fragmentation.

Signatories are calling for urgent measures to level the playing field. Imports must be countered by driving demand for high-quality EU-produced plastics and preventing the influx of non-compliant materials. This requires robust mirror measures on imported virgin and recycled plastics, as well as articles. In addition, it will require strengthened customs controls and targeted incentives – such as ramping up investments in infrastructure for collection, sorting, and recycling, paired with fiscal stimuli.

The demand of the value chain for circular plastics should be based on eco-modulated EPR fees that reward recyclability and the use of recycled content. EPR schemes must address market failures and follow consistent rules. The sector urges solutions to economic pressures that hamper its competitiveness, including access to affordable energy, as well as the effective implementation and enforcement of EU legislation across Member States.

If urgent strategic action is not taken, the ongoing recession will further slash the production of plastics in the territory and the demand for these plastics and products, triggering an even higher number of bankruptcies and closures. Decades of investments in innovation and plastics circularity risk being lost, along with thousands of green jobs, threatening the European Union's environmental goals.

These strategic recommendations are crucial for the survival of Europe's entire plastics value chain, but the window of action is closing rapidly. We urge policymakers to act without delay to protect this vital sector and support a strong, innovative and sustainable plastics recycling value chain in Europe. Without decisive action, Europe will face irreversible damage to its industrial fabric, its leadership in driving the transition to a circular plastics economy, and its long-term global competitiveness.

¹ Referring to EFTA + UK

² Since January 2023, according to latest data and estimates on announced closures.

³ To add link to publication.

Co-signatories

European organisations



National associations

