



Brussels, 28 January 2022

## Polymer Supply Assessment 2021 – No Awards

### PRESS RELEASE

The [Polymers for Europe Alliance](#) was set up by [the European Plastics Converters Association](#) in 2015 at a time when there was an exceptional coincidence of Forces Majeures. This led to a severe shortage of a whole range of polymers for conversion and an extreme spike in prices despite plummeting oil costs. The situation of the plastics industry in Europe in 2021 has been more severe and exacerbated by other Global issues especially USA and the Polar vortex and more typical Hurricane season. With the Supply Chain subjected to unprecedented pressures, the very availability of material to meet consumer demand has regularly been called in to question. The viability of converters has been jeopardised by the suppliers approach to off index energy inflation and worsening of 2022 contract conditions which are effectively impossible for converters in turn to pass on to their clients. This is at the same time operating at all time high margins. At the same time, a record level of 91 Forces Majeures were declared in 2021, approximately twice the number declared even in 2015, the previous record year.

It is perhaps not surprising therefore that this year's Assessment by converters of their supply base in 2021 reveals a high level of dissatisfaction with the vast majority of the mainstream suppliers, and more appreciation for the few suppliers who until recently would probably not have even come in to the reckoning. It was decided to focus voting this year on the single critical issue of Delivery Reliability - the issue of overriding importance for the plastics industry as a whole. Ercros recorded the best performance with 93.3% followed by Sibur with 87.5% and Sinopec with 86.7% (*see Annex*). All the other results per polymer and producer can be found on the Alliance [dedicated page](#) (*reserved only for Alliance members*).

The issues highlighted by this exercise are, of course, not over. Forces Majeures are still at very high levels. Energy costs continue to escalate across Europe. A number of materials (EVOH to name but one) remain in unacceptably short supply with little visibility from the suppliers of resolution. These issues concern the industry as a whole, suppliers and converters alike. In the end both the suppliers must improve dramatically in order for the converters to have a chance to support the needs of the market. Ultimately the parties will either flourish in Europe or fail together.

The Alliance in conjunction with EuPC has therefore decided to host a webinar on Thursday 3 March for some prominent spokesmen from suppliers and converters to address the question of ***'Rebuilding Polymers for Europe'***. Hopefully, by listening to the plans and learnings from

**Media contact:**

Aude BOURGEOIS\_  
+32 (0)2 741 82 82

[aude.bourgeois@eupc.org](mailto:aude.bourgeois@eupc.org)

Avenue de Cortenbergh 71\_1000 Bruxelles, Belgium

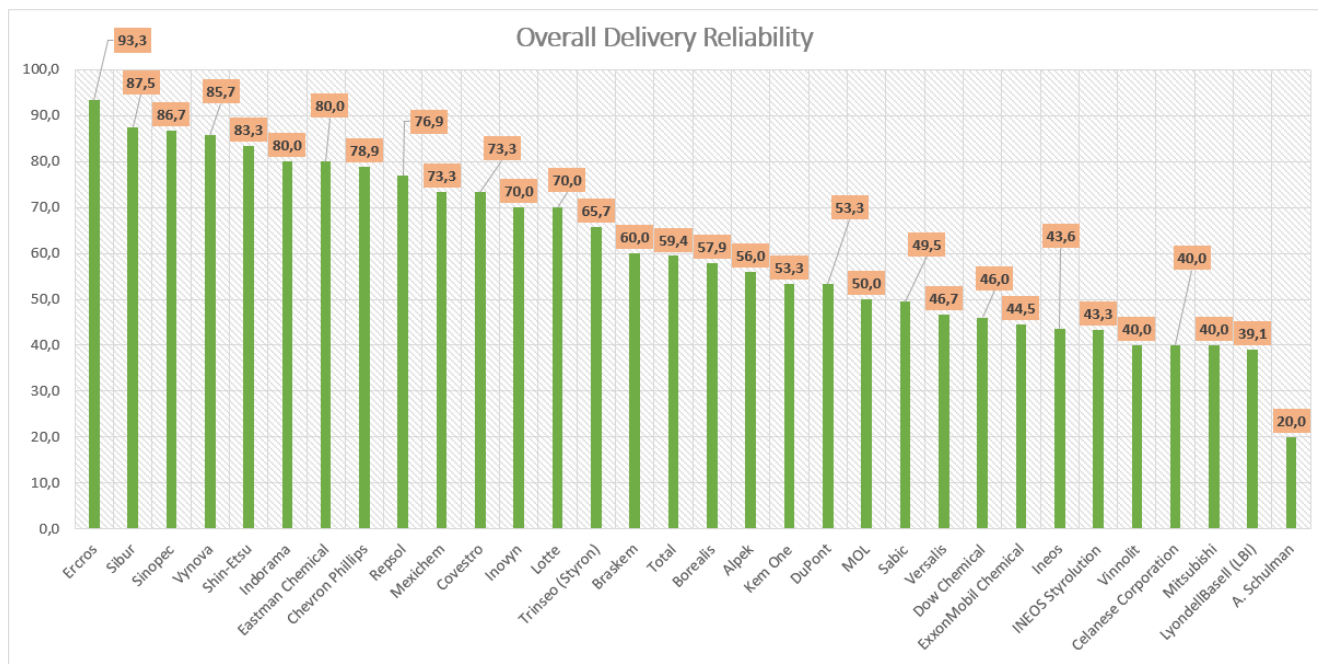
**Info Polymers for Europe Alliance:**

[info@polymersforeuropealliance.eu](mailto:info@polymersforeuropealliance.eu)



recent events of some players in the industry as a whole, we will be able to identify some positives which will enable us to learn from the unhappy events of recent years to improve our mutual prospects for the future. It seems self-evident that we need to find ways to improve the effectiveness and performance of the Supply Chain in Europe. The webinar will be available for all 600+ members of the Alliance and a summary will subsequently be made available to interested parties.

## ANNEX



### About Polymers for Europe Alliance

The Alliance was initiated by the European Plastics Converters association (EuPC) during its General Assembly in May 2015. It is an online, confidential information platform open to all parties who have an interest in the competitive conversion of polymers in Europe. Its objectives are to provide factual public information on the status of the polymer supply situation in Europe and to re-establish a constructive dialogue with the supply base. The initiatives of the Alliance also include the Best Polymer Producers Awards for Europe. <http://www.polymercomplyeurope.eu/pce-services/polymers-europe-alliance>

### Media contact:

Aude BOURGEOIS\_  
+32 (0)2 741 82 82  
[aude.bourgeois@eupc.org](mailto:aude.bourgeois@eupc.org)  
Avenue de Cortenberg 71\_1000 Bruxelles, Belgium

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[info@polymersforeuropealliance.eu](mailto:info@polymersforeuropealliance.eu)