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State of the global resins markets

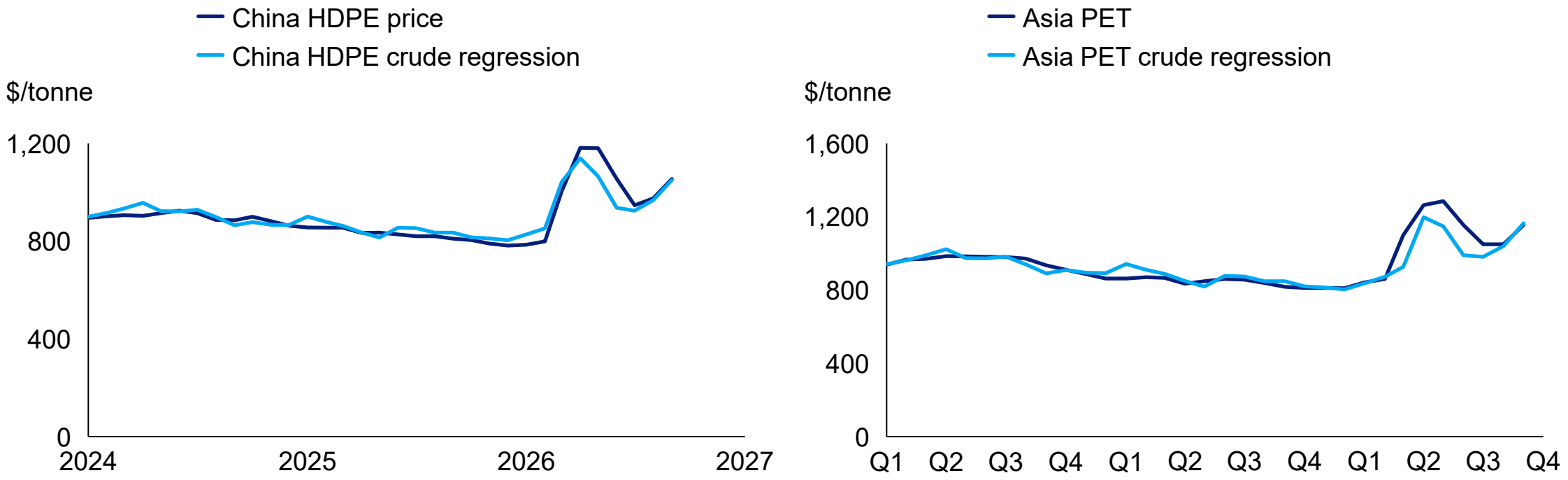
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RCC | Retail Sustainability Conference

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The impact from the Hormuz conflict is abating, resin pricing has largely returned to pre-conflict structures, but with higher crude

Asia polyethylene and PET prices are is now back to where one would expect from current crude price, suggesting shortage expectations are no longer baked into resin pricing

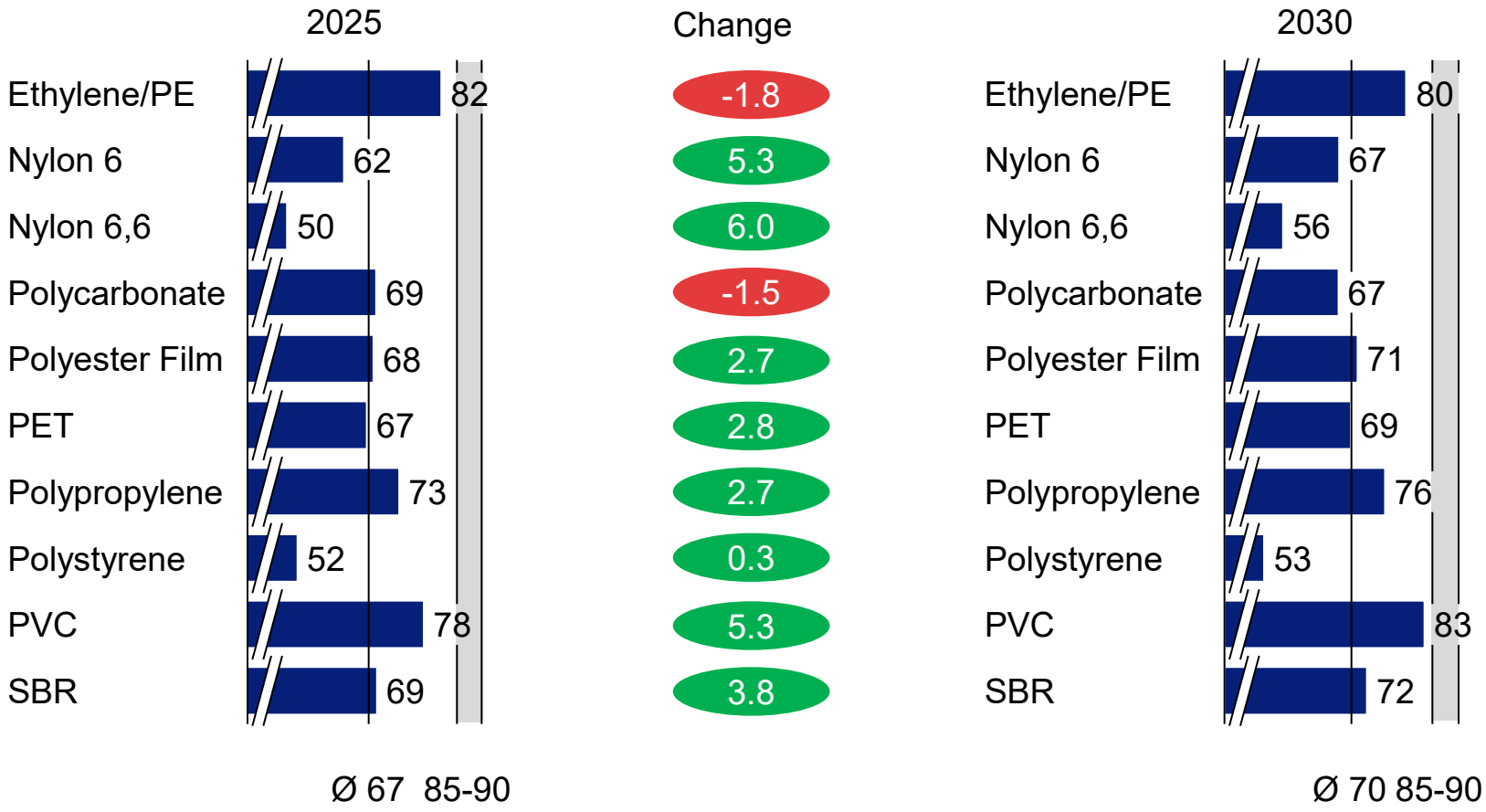


Absolute prices remain higher than pre-crisis, however, due to higher crude

Source: McKinsey Chemical Insights, OPIS CMA, ITC trademap

Global utilizations expected to improve over next five years, but resin markets remain weak

Global utilization 2025, 2030 (%)



Source: Chemical Market Analytics by OPIS, McKinsey Chemical Insights

Utilization across most major petrochemical value chains has dropped significantly over last five years:

- **80% in the previous decade** (2010-2020)
- **67% in 2025**

Most value chains have **passed the bottom of the commodity cycle**, e.g., Nylon, PET, PVC, as capacity builds are no longer outpacing demand growth

- **Utilization improving to average 70% in 2030**

Improving doesn't mean healthy, however – **no resin chain expected to be balanced (85-90% utilization) before 2030**

Regulatory momentum is building across major markets, with PCR mandates driving the strongest demand pull

As of September 2026

↗ Tailwind ↘ Headwind → Neutral

	Regulation Description	Implications for recyclers: Demand	Supply	Economics
	**Plastic Packaging and Waste Regulation (PPWR)** became effective in Aug 26, setting **new requirements for PCR, recyclability, reuse, separate collection and bio-based packaging**. **PCR targets** start from **2030 at 10–35%,** depending on packaging type, and increase to 25-65% by 2040. France and the Netherlands already **financially incentivize PCR** use **through EPR fee modulation**. EU-wide recyclability criteria and EPR fee-modulation framework are due by Jan 28. In Jun 26, **the EU approved a fuel-use-excluded mass-balance approach for chemical recycling of SUPs**	↗	↗	↗
	**7 states have enacted packaging EPR**, but only Oregon and Colorado currently charge producer fees, **funding collection, processing and recycling-system expansion**. California fees start Jan-27. **5 states have enacted PCR mandates,** largely focused on **beverage containers**. Requirements reach 25% PCR in CA, WA and ME in 2026, with CA/WA increasing to 50% by 2030/31. No nation-wide regulation	↗	↗	→
	**Dec 25 Recycled Materials Action Plan targets >19.5 Mtpa recycled-plastics output by 2030** (up from ~16.4 Mt in 2024) and **promotes greater recycled-material use** in packaging and other applications. **2026–30 Circular Economy Plan reinforces the direction**, calling for expanded recycled-material use, recycling networks and recycling capacity.	→	↗	→
	**PCR mandates ramp up sharply**. Rigid packaging **rises from 30% in FY25/26 to 40% in FY26/27 and 60%** in FY28/29. Flexible packaging reaches 20% in FY27/28. **EPR certificates** continue to **support collection and recycling capacity**	↗	↗	→
	**10% PCR requirement** started in Jan 26 for **clear PET bottles**. The requirement is planned to expand to smaller producers and **reach 30% by 2030**. Recyclability grading under EPR continues to favour easier-to-recycle packaging formats	↗	→	→
	National **plastic-packaging reverse logistics decree** entered into force Oct 25**. PCR target starts at 22% in 2026** and **rises to 40% by 2040**. **Recovery target** starts at **32% in 2026** and reaches **50% by 2040**	↗	↗	→

Source: McKinsey Chemical Insights