

RECYCLED POLYETHYLENE TEREPHTHALATE

Recycled polyethylene terephthalate (RPET) can be used to make many products including fibre for polyester carpet; fabrics for T-shirts, long underwear, athletic shoes, luggage, upholstery and sweaters; fibre fill for sleeping bags and winter coats; industrial strapping, sheet and film; automotive parts, such as luggage racks, headliners, fuse boxes, bumpers, grilles and door panels; as well as new PET containers for both food and non-food products (e.g. approx. 9% of RPET is converted into food performance containers e.g. fruit boxes).

Europe - RPET in Europe is a strongly developing market. Demand increases are driven by high PET prices and pressure imposed by EU Legislation (The European Packaging Directive 2004/12/EC) stating that a minimum of 23% of plastic items should be recycled.

The level of recycling and availability of RPET differs greatly by country. Germany leads the pack and recycles around 50% of its PET. Other countries such as France, UK, Belgium, Netherlands and Italy have also been active in recycling.

RPET has been largely consumed by the fibre industry as it is sensitive to thermal degradation as well as degradation from contaminants such as polyvinyl chloride (PVC). Degraded RPET is not suitable for bottle to bottle, strapping and sheet extrusion applications which demand high quality RPET in order to retain the PET properties of stability and pressure-resistance.

RPET is defined in this methodology as material derived from products originally made from virgin PET polymer. This source is principally bottles that have been used by the consumer and then diverted from residual post-consumer waste for the purpose of converting them into new finished or semi-finished products. The latter may typically be pre-forms for more bottles for the soft drinks or beer market, the former would include textiles, sheet and strapping.

Frequency:

RPET Europe is published weekly on Mondays

Weekly Price Assessments:

PET Bottles – Colourless

- FD NWE (EUR/MT & conversion to USD/MT)

PET Bottles – Mixed Coloured

- FD NWE (EUR/MT & conversion to USD/MT)

RPET Flake (Hot Washed) – Colourless

- FD NWE (EUR/MT & conversion to USD/MT)

RPET Flake (Hot Washed) – Mixed Coloured



- FD NWE (EUR/MT & conversion to USD/MT)

RPET Pellets – Food Grade

- FD NWE (EUR/MT & conversion to USD/MT)

RPET Asia Pacific is published weekly on Tuesdays

Weekly Price Assessments:

Hot washed flakes – Clear/White

- CFR China (US CTS/LB & conversion to USD/MT)
- CFR India (US CTS/LB & conversion to USD/MT)

Hot washed flakes – Blue/Green

- CFR China (US CTS/LB & conversion to USD/MT)

General Information:

Assessment window:

Price assessments are based on information supplied by market participants for the week up to 1600 hours on Monday in London and 1730 hours on Tuesday in Singapore.

Specification:

Unless otherwise stated, ICIS pricing quotes prices for:

- Post-consumer **PET bottles** (bottles that have contained consumed beverages and have been subsequently collected and compacted into bales). Bottles will be assessed separately as colourless (containing up to a maximum of 15% light blue material) or of mixed colours.
- **Flakes** produced from the shredding of bottles and then submitted to a hot-washing process. Flakes will be assessed separately as colourless (containing up to a maximum of 15% light blue material) or of mixed colour.
- **Pellets** suitable for immediate conversion by processors into a range of finished or semi-finished products such as textile fibre, strapping, bottle pre-forms or other packaging. The assessment stated will be for material suitable for food contact applications. Prices for pellets used in other applications may be quoted in the commentary.

Timing:

ICIS price assessments are based on cargoes typically delivered between one-to-two weeks forward from date of publication for Europe. Some contractual counter-parties operate a call-off system in Europe, permitting delivery from pre-determined volume requirements within approximately three days, depending on source.

In Asia, delivery periods for assessed cargoes are up to four weeks from the date of publication.

Terms:

10-30 days after date of invoice. In parts of southern Europe, this may extend to 90-120 days from date of invoice. In Asia, credit terms cover to L/C 30-90 days.

Standard cargo size:

For pellets: One truck-load, 24-25 tonnes. For flakes: One truck-load, 21-25 tonnes. For bottles: One truck-load (dependent on density of material – one-way bottles 15-19 tonnes, multiple use bottles 20-25 tonnes).

In Asia, assessed cargoes are on a container basis between 20-22 tonnes.

Assessment basis:

Europe - The published ranges represent a combination of the following price indications: deals concluded, bids and offers, buy and sell indications and notional discussions heard by 1600 (London) hours on Monday.

The report may include commentary on any sector of the RPET market, encompassing those material grades for which price assessments are made and other stages of the processing chain, such as unwashed and cold-washed flakes. Where applicable, therefore, there is text on matters that may directly affect or indirectly influence price levels and movements in the market. This may cover product information, comments on market developments, both up and downstream, regulatory changes and general market intelligence.

Asia - The published ranges represent a combination of the following price indications: deals concluded, bids and offers, buy and sell indications and notional discussions heard by 1730 (Singapore) hours on Tuesday.

The report includes commentary on bale sectors in northeast Asian market and downstream recycled polyester fibre and yarns sectors in the key China market. Related market situations for virgin grade PET bottle chips and fibre chips, as well as prices in the virgin grade yarn and staple fibre market in China will also be included.

Without the presence of firm discussions and buy/sell ideas, correlations between 1) products with different grades and specifications and 2) prices of virgin PET chip and that of the recycled PET material will be considered.

10 October 2012