



## **Market Snapshot – April 2019**

The key story in recovered plastic markets is the strong increase in recovered HDPE prices over the past year. Natural HDPE bottle prices have increased by almost 30% to £470 per tonne while mixed HDPE bottle prices are up almost 50% to £345 per tonne. Virgin HDPE prices in contrast have declined by around 7% over the past twelve months.

The amount of recovered plastic exported by the UK during Jan-Feb 2019 was down 35% compared with year earlier levels. Three countries account for 45% the export market: Turkey, Hong Kong and Malaysia. Plastic PRN prices have increased by 45% on concerns that packaging recycling targets may not be met.

Mixed paper and board prices fell by around a third during the first quarter of the year. Other main recovered paper and board grades remained broadly stable.

Unlike the UK's plastic, the UK's recovered paper exports remain well within levels observed over the past five years. China accounted for 44% of the UK's exports of recovered paper during Jan-Feb 2019. India is the second largest end market accounting for 14%, while Indonesia is the third biggest market with 11%.

Recovered aluminium can prices dropped by sharply during Q1 2019 to £830 per tonne. The decline a delayed response to the decline in virgin aluminium prices since mid-2018. Steel can prices are broadly stable.

Recovered glass prices are unchanged. Recovered textile prices sourced from charity shops increased by 14% during Q1 2019 while textile bank prices remain stable.

**Table 1: Key recovered material prices**

£ per tonne	Mar-18	Dec-18	Mar-19	% change	
				Dec-18 to Mar-19	One year
<b>Recovered paper</b>					
OCC (domestic)	53	70	65	-7%	23%
News & PAMs	81	98	103	5%	27%
Mixed (domestic)	10	43	29	-33%	190%
<b>Recovered plastic</b>					
Clear PET	176	185	171	-8%	-3%
Coloured PET	21	28	28	0%	33%
Mixed HDPE	235	353	345	-2%	47%
Mixed polymer	81	56	68	21%	-16%
Natural HDPE	365	475	470	-1%	29%
LDPE 98:2	200	146	144	-1%	-28%
<b>Recovered cans</b>					
Aluminium	1025	1020	829	-19%	-19%
Steel	133	143	140	-2%	5%
Mixed	100	95	95	0%	-5%
<b>Glass</b>					
Clear	18	18	20	11%	11%
Amber	13	16	15	-6%	15%
Green	13	14	15	7%	15%
Mixed	13	11	10	-9%	-23%
<b>Textiles</b>					
Banks	275	235	235	0%	-15%
Charity Shops	455	258	294	14%	-35%

Source: WRAP Materials Pricing Report

Note: Percentage changes are based on the mid-points of the ranges where applicable.

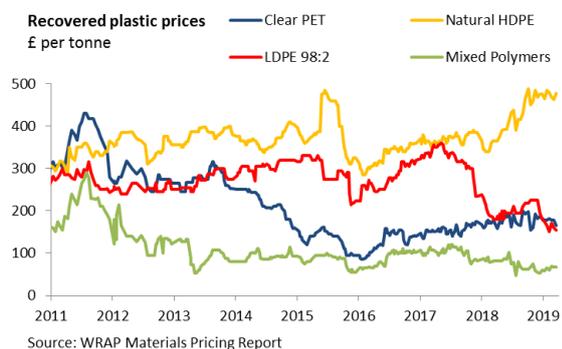
## RECOVERED MATERIAL MARKETS

### Plastics

Recovered plastic prices have been broadly stable over during Q1 2019. The exception is mixed polymer bottle prices which increased by 21% to almost £70 per tonne.

Over the past twelve months recovered HDPE prices have risen by around one-quarter. This trend continued during the fourth quarter of 2018 with both natural HDPE and mixed HDPE bottle prices up strongly. Prices have been stable in Q1 2019 at £475 per tonne and £345 per tonne respectively. In contrast to the strong performance of recovered HDPE prices, virgin HDPE prices have declined by 7% over the past twelve months to £1,160 per tonne.

Meanwhile, PET bottle prices have been broadly stable over the past year; clear PET bottle prices are around £170-£180 per tonne. Although coloured PET bottle prices have been significantly more volatile they are relatively low value at around £25 per tonne.



According to the latest HMRC trade data, the UK exported 75kt of recovered plastic (both packaging and non-packaging) during Jan-Feb 2019, down 35% compared with year earlier levels. Although monthly trade data can be volatile, January export tonnage (33kt) represents the lowest level since November 2008. Based on Jan-Feb 2019 trade data, three countries account for 45% of the UK's recovered plastic export market: Turkey, Hong Kong and Malaysia.

#### Box 1: Import bans / restrictions announced in Q1 2019

China: Officials have reiterated that they plan to ban virtually all "solid waste" imports by the end of 2019, "except for those containing resources that are not substitutable."

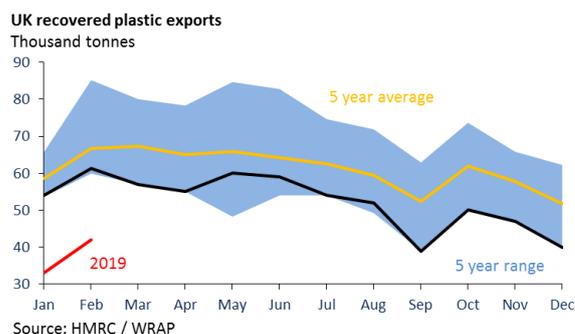
State media report that the import ban language "included an exception for waste containing certain resources if no domestic alternative is available."

According to officials "materials generated from harmless processing of solid waste will not be classified as solid waste if they meet China's national quality standard and don't pose risks to public health or ecological safety."

India: In early March the Indian government announced that it will prohibit all scrap plastic imports. The ban will come into force at the end of August.

Vietnam: The Vietnamese government has reiterated its plan to phase out all scrap plastic imports from 2025.

Indonesia: Previously announced restrictions on imports of recovered paper have been delayed indefinitely.



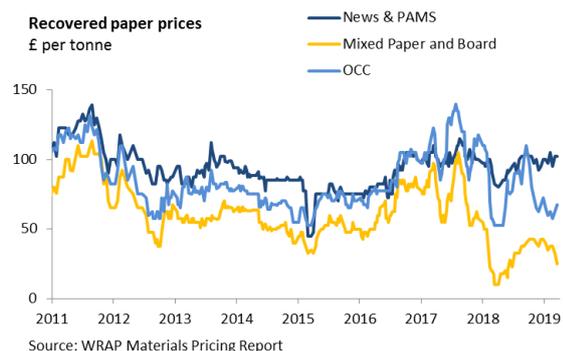
Feedback from UK plastics exporters suggests that much of the recovered plastics exported to alternative export destinations are then (after processing) being transhipped to China. Exporters confirm that plastics must either be processed into a pellet or a flake and must be a consistent size and shade in order to be granted entry into China.

UK plastic packaging recycling compliance data shows that 254kt was recycled during Q4 2018, broadly stable compared with year earlier levels. UK plastic recycling rose above 100kt in Q4 2018 – a record level. Plastic PRN prices rose by £50 per tonne in the first three months of 2019, ending the quarter at close to £160 per tonne.

### Paper

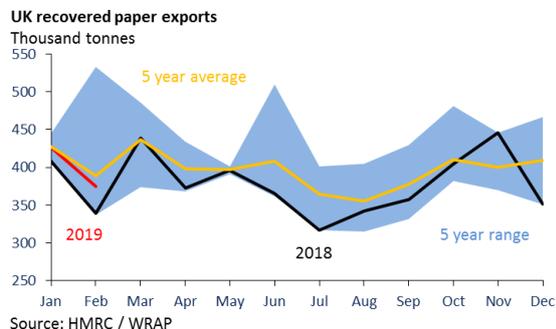
Mixed paper and board prices fell by one-third during Q1 2019 to around £30 per tonne. Despite the decline prices remain well above the levels seen twelve months ago shortly after the introduction of the Chinese import ban.

Meanwhile, both OCC and news & PAM prices are broadly stable at around £65-£70 per tonne and £100 per tonne respectively.



According to the latest HMRC trade data, the UK exported 802kt of recovered paper in the period Jan-Feb 2019, up 7% compared with the same period in 2018. Unlike the UK's plastic, the UK's recovered paper exports remain well within levels observed over the past five years.

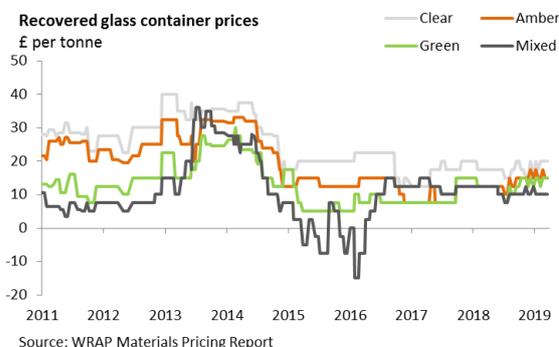
China accounted for 44% of the UK's exports of recovered paper during Jan-Feb 2019 (approx. 180kt per month); India is the second largest end market accounting for 14%, while Indonesia is the third biggest market with 11%.



UK paper packaging recycling compliance data shows that 984t was recycled during Q4 2018, broadly stable compared with year earlier levels. Paper PRN prices have doubled since the start of 2019 to around £20 per tonne.

### Glass

No clear trend in cullet prices appeared during Q1 2019. The most significant change over the past year however has been the 23% decline in mixed cullet prices to £10 per tonne.



Glass packaging recycling compliance data shows that 472kt was recycled during Q4 2018, up 19% compared with year earlier levels. Although exports for recycling fell 30% over this period, UK reprocessing more than made up for the loss (rising 37% to around 400kt). Glass PRN prices have remained broadly stable around £25 per tonne during Q1 2019.

### Aluminium & steel

Recovered aluminium can prices dropped by 19% in Q1 2019 to £830 per tonne. The decline a delayed response to the decline in virgin aluminium prices since mid-2018. Steel can prices are broadly stable at around £140 per tonne.



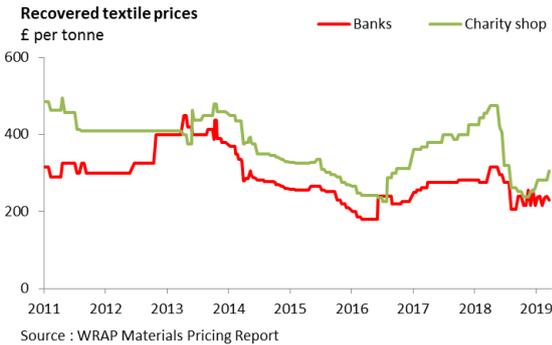
Aluminium packaging recycling compliance data shows that 23kt was recycled during Q4 2018, unchanged versus Q4 2017. Aluminium PRN prices are understood to have remained around £55-£85 per tonne since the start of 2019.

Steel packaging recycling compliance data shows that 95kt was recycled during Q4 2018, down 12% on year earlier levels. Steel PRN prices have traded around £15-£20 per tonne during the first quarter of 2019.

### Textiles

Recovered textile prices sourced from charity shops increased by 14% during Q1 2019 to almost £300 per tonne; textile bank prices

remain stable at around £235 per tonne. Note that the quality of the textiles collected and transport costs may have a significant impact on the overall price achieved.



**WRAP Economics Team**  
**April 2019**

## Glossary

CPI	Confederation of Paper Industries
EA	Environment Agency
HDPE	High density polyethylene
HMRC	Her Majesty's Revenue & Customs
kt	Thousand tonnes
LDPE	Low density polyethylene
Mt	Million tonnes
News & PAMs	Newspapers & magazines
NPWD	National Packaging Waste Database
OCC	Old corrugated cardboard
PET	Polyethylene terephthalate
PRN	Packaging Recovery Note

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