



## PRESS RELEASE

### **Energy crisis and geopolitical tensions: A strong pressure on the European plastics supply chain**

**Brussels, March 23, 2026** – The current escalation of geopolitical tensions in the Middle East, combined with the critical issues affecting one of the key strategic hubs of global energy trade, is having severe repercussions on global energy and industrial raw materials markets. The resulting increase in oil and gas prices, combined with **growing volatility in commodity markets**, is having immediate repercussions on the entire European polymer and plastics supply chain.

The plastics converting & processing companies, just with over 50.000 in Europe employing more than 1.600.000 people with a turnover of more than 300 billion € are reporting an emergency situation for converters characterized by:

- **Sudden increases** in the prices of plastic raw materials;
- **Instability** in supply availability and increasing energy and logistics costs;
- **Reduced predictability** and extreme difficulties in continuous production planning.

In this extraordinary scenario, the supply chain is faced with unprecedented pressure that threatens to undermine the viability of the plastics value chain in Europe, particularly small and medium-sized enterprises. Making the situation even more critical is the already challenging phase for the sector, all stakeholders are already deeply committed to the transition to a circular economy—a demanding process which will require significant industrial investments and technological upgrades across the entire supply chain in the coming years.

*"Given such extreme volatility in raw materials and energy prices, price increases will have to be passed on along the entire plastic value chain,"* said EuPC President Benoit Hennaut.

Companies in the supply chain are already operating with severely compressed margins and are seeing a decrease in their profitability, taking significant financial risks to secure essential materials for strategic sectors.. If polymer and energy costs keep rising, European plastic converters may be forced to stop or reduce some productions, many of which may prove to be essential to critical sectors such as healthcare, packaging, automotive, building and construction and energy production. Moreover, if the situation continues to deteriorate and plastics converters are left to absorb rising raw material costs on their own, there is a serious risk that some companies will be forced out of business. We call today upon all European politicians and States to ensure putting a cap on energy prices in Europe as discussed in the EU Council meeting on 19th March 2026 and use all diplomatic efforts to stop the Energy war in the Middle East.

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