The World's No. 1 Trade Fair
for Plastics and Rubber
8-15 OCTOBER 2025
Düsseldorf, Germany
k-online.com

Statement by the Exhibitor Advisory Board of K 2025

Part 1: Market and Economy

8 to 15 October 2025 will see K 2025 being held in Düsseldorf. The 23rd edition of the world's No. 1 trade fair for plastics and rubber will present the self-confident answers of this global industry to very challenging times. This is reflected in the trade fair motto "The Power of Plastics: Green – Smart – Responsible". Its three guiding topics read "Shaping the Circular Economy", "Embracing Digitalisation" and "Caring about People".

The core messages of K 2025

The plastic sector has been undergoing fundamental change towards more sustainability for several years now. Polymer materials play a pivotal role in this as through their versatility and energy efficiency they have decisively contributed to supplying the world's growing population of now over 8 billion people. For the future it will be important to develop even more efficient applications for these materials and create corresponding circular structures to support sustainable development.

At the same time, answers are needed for the knock-on and side effects of mass usage resulting from the demand driven by population growth. The industry's transition to a sustainable circular economy therefore remains a key challenge. At K 2025 the enterprises of the various sectors of industry – material production, mechanical and plant engineering and processing – will showcase the advances already made and further solutions for the future under the guiding theme "Shaping the Circular Economy".

The use of ever more dynamically developing digital control and regulation options is the silver bullet to make all industrial processes – recycling included – even more effective. And the plastics world is signalling this with the second guiding topic "Embracing Digitalisation". Especially the use of Artificial Intelligence (AI) as one of the overarching technical topics of the time, meets with strong interest by both companies and research institutes. We can look forward to many exciting solutions and start-ups!

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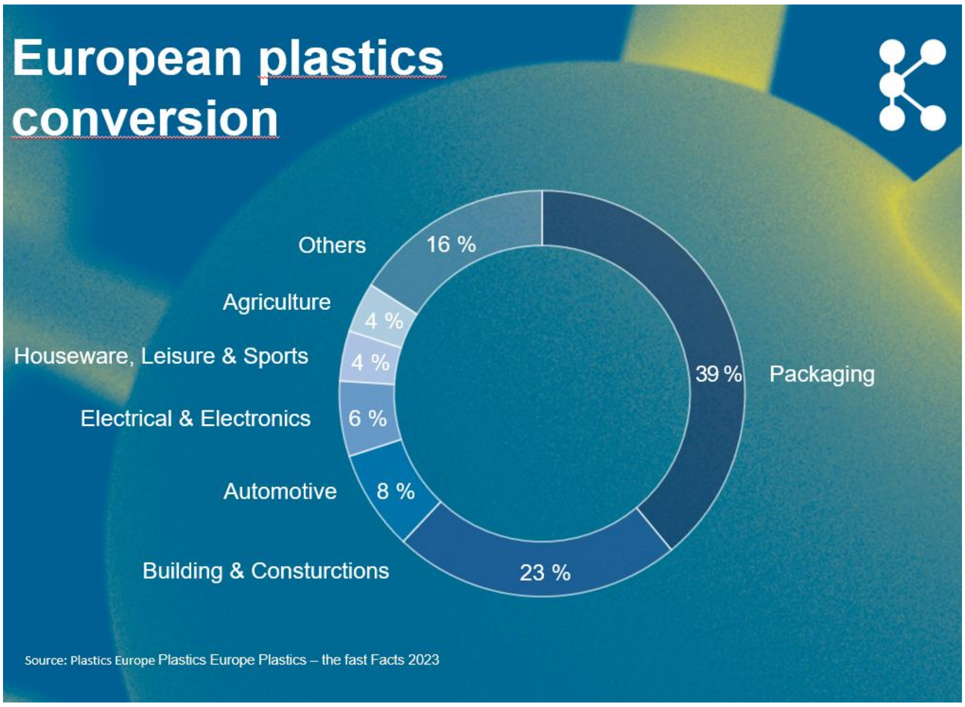
Industries form an integral part of human society. This applies to the plastics industry to a particular degree because polymers have been the most commonly used class of materials worldwide since the end of the last century. Plastics are omnipresent today – be it in packaging and solutions for construction & civil engineering, vehicles of all types, electronic and electrical appliances, or leisure and life-critical medical devices.



These versatile applications always serve humans. The plastics industry would like to raise even greater awareness about this service aspect, as expressed in the third guiding topic of K 2025, "Caring about People". However, in the final analysis, technology is not only made for, but – despite all digitalisation – also by humans. It is technologically attractive to work in this industry and, in addition, very valuable for the future. This message to young talent is reflected in this motto because like many other sectors the plastics industry is suffering from skilled labour shortages.

Developments after the Covid pandemic

The previous K in autumn 2022 was marked by cautious optimism. While the shadow of the conflict in Ukraine cast an unsettling cloud over future international developments, there were still many encouraging signs of a fresh departure at the industry's first get-together after the global Covid pandemic subsided. Supply chains started stabilising. The European plastics industry confirmed its clear commitment to transition towards the circular economy. Key markets like the USA and China showed marked signs of recovery and approaches for sustainable governance. This was joined by India's growth as one of tomorrow's markets.

However, expectations were unfortunately not met. While it is true that supply chains recovered after the Covid standstills, they still continue to appear fragile and as a result highly volatile in view of the many trouble spots worldwide. Coupled with the overhang of exorbitantly high spending to overcome the Covid crisis in the previous years, all key economic areas of the world saw high inflation. Consumer confidence eroded, leading to falling consumer sentiment.

This uncertainty has taken hold of the economy, and signs of standstill and recession are visible in many places. In some cases, a lack of political decision-making to restore planning security is also stifling investment. This is also impacting the plastics industry. The transformation impulses – both regulatory and market-driven – are thus coming under pressure.

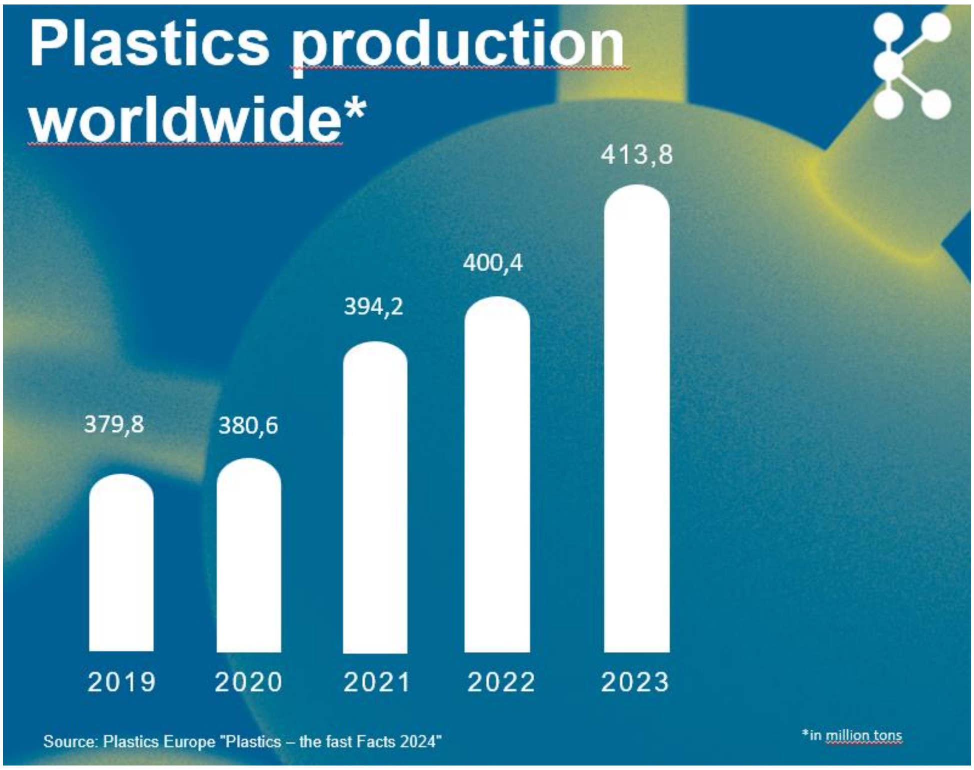
Global plastics production continues to rise

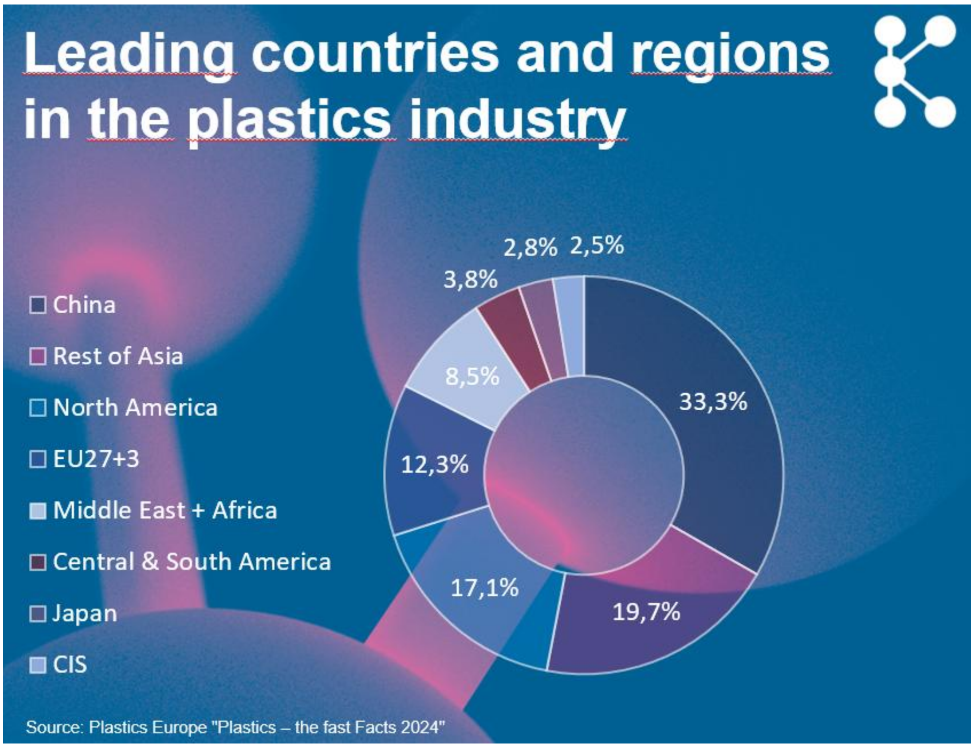
Irrespective of this, after the Covid crisis global plastics production has returned to the growth trajectory in terms of volume. According to current figures of the producers' association PlasticsEurope, around 374 m tons of plastics were produced on the basis of the fossil resources oil and gas in 2023. In 2021 this figure still stood at 360 m tons.

This increase is consistent with the medium- to long-term planning scales for the respective plants. It usually takes five to ten years for polymer production plants, which are often integrated into very large refinery complexes, to start operations.

Alongside the operator's business considerations, the planning of state economies plays an important role here. Those with access to sufficient and low-cost fossil resources will use them. This is the reason for the rise of the Arab region as a hub for plastics production since the mid-90s and the massive revival of activities in the USA in the wake of the so-called

“Shale Revolution” over the past ten years. The other reason is the sheer size of the national market that has led to China’s unprecedented rise over the past 20 years. Even though the economy is currently also stalling there, one third of all plastics are produced in China today. This example is also the driving force behind plans and expansions in India, which will increasingly be felt over the coming years. Due to countries’ differing interests, negotiations on the global transition to a circular economy often prove difficult, as recently seen in the UN negotiations on a legally binding instrument on plastics pollution (INC-5) in the South Korean city of Busan in late 2024.





European plastics production is changing

Traditional plastics production in Europe has been feeling rising global competitive pressure for more than 20 years now. Add to this the fossil raw material shortages and substantial hikes in energy costs with the war in Ukraine since early 2022. The resulting loss of international competitiveness, combined with the weak economy, has led to cuts in production. Compared to 51 m tons in 2021, EU plastics production based on fossil resources melted away to 43 m tons in 2023 – a decline of more than 16%.

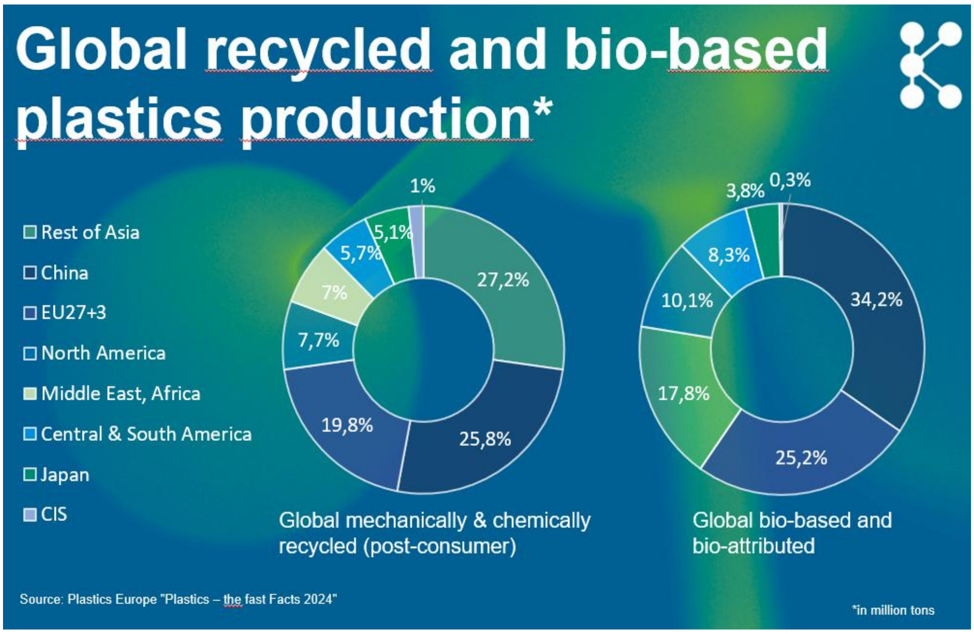
Europe still has a positive trade balance exporting more plastics than it imports in terms of value. But in terms of volume the EU has imported more plastic granulate since 2022 and since 2021 also more plastic products than it exports. Between 2020 and 2023, its exports of plastic granulates were down by 25.4%.

At the same time, the restructuring initiated in the industry towards the circular economy is making itself felt. Some 36.5 m tons of secondary plastics were used in 2023 worldwide, accounting for around 9% of the total consumption of 414 m tons (fossil and sustainable). In this field Europe is still a leading region today. Over ten million tons of secondary raw materials were returned into the cycle. This corresponds to some 19% of the total European market of 54 m tons and is therefore more than double the global rate.

GRAFIK Detailed development of plastics production (bar incl. recycling & Bio-plastics (PE) / evtl. ergänzt um Zahlen wdk (complement with wdK figures if need be)

Basic materials industry: support for the circular economy

However, the production of secondary plastics in the EU also fell in 2023 for the first time in a long while. Around seven million tons, i.e. almost 8% less post-consumer plastics were converted into new products. This means Europe's dwindling competitiveness also seems to be jeopardising the transition to plastics circularity. Industrial activities and investment in circular plastics production might leave Europe due to the difficult investment climate.



European plastics producers nevertheless remain decided to drive the transition to a climate-neutral circular economy with plastics. But they expect the EU and its members state to urgently send out clear signals that they will support plastic production in Europe and its transformation. The targets of the "Plastic Transition Roadmap" in the EU can only be achieved subject to rising growth rates. The Green Deal should be assisted with an Industrial Deal.

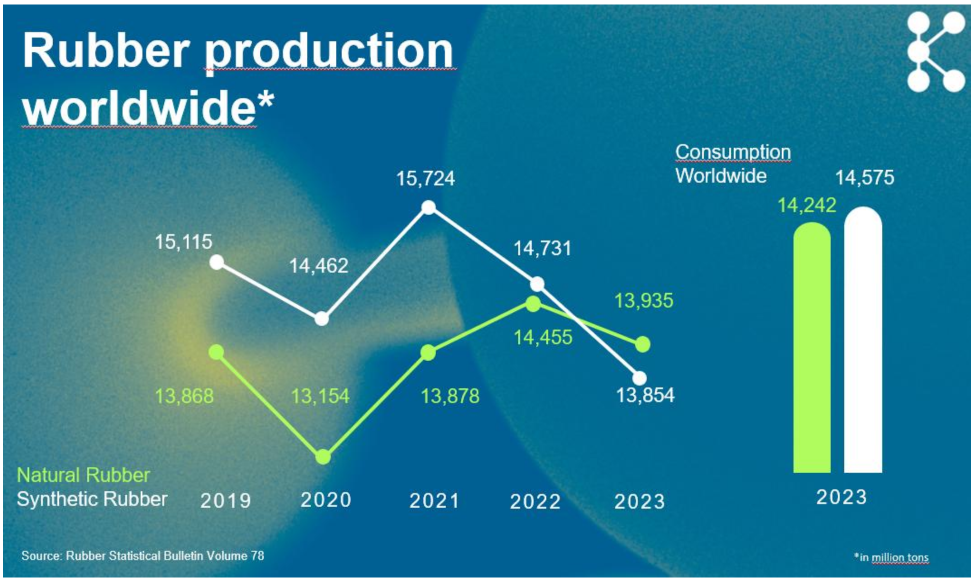
The rubber industry is also under pressure

The rubber industry also reports declining output figures, shrinking sales volumes, lower headcounts, lower investment and an underutilisation of capacity for 2023 and 2024. The revenue situation of many companies in the industry is "tense to the point of rupture" say the German Rubber Industry Association wdk. In view of the comparatively high costs facing the industry, they say the ability to compete with North America and Asia is coming under severe pressure.

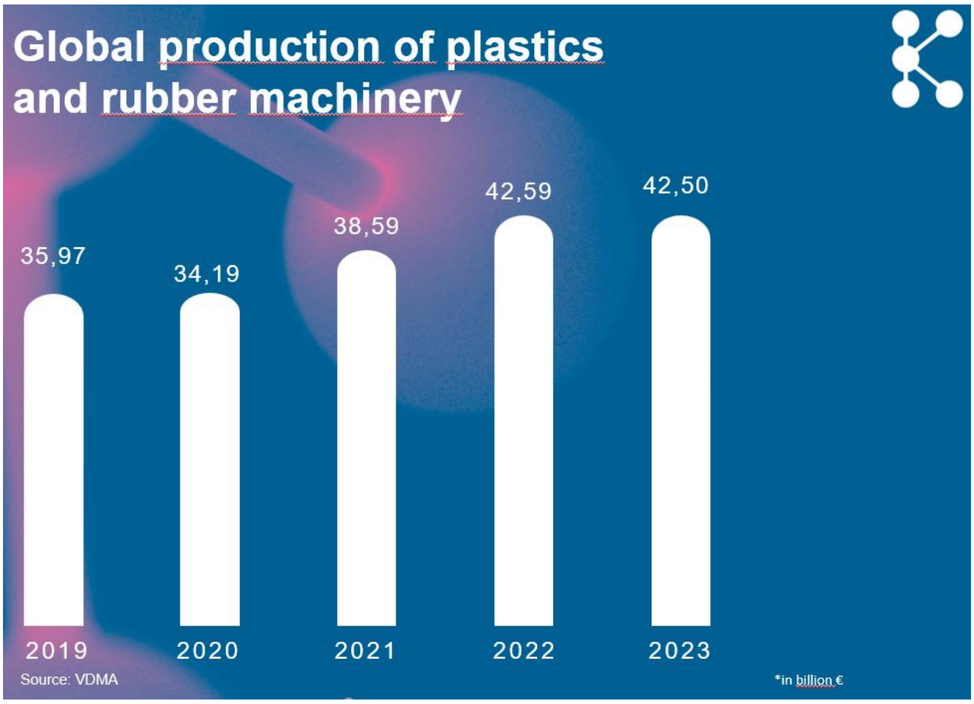
Worldwide market downturns especially in the automotive sector are putting particular pressure on tyre production. The production of General Rubber Goods (GRG), the majority of which are based on synthetic rubber and featured at "Rubberstreet" in Hall 6 of K 2025, has also suffered, to a lesser extent, however. After all, another major sales market, construction, is currently also on the decline. The rubber industry is calling on EU policymakers to recognise this situation and to take appropriate measures to prevent companies from relocating.

Machine builders focus on customer-driven innovation

The technologically leading German and European plastics and rubber machinery producers are extremely export-oriented and are therefore currently hit by globally declining market demand. Worth noting here are the disruptions in the automotive sector and slack investment in construction, in particular.



As a result, incoming order levels, declining now since 2021, slumped even further in 2024. For 2023, the German Machinery and Equipment Manufacturers Association VDMA was still able to report a price-adjusted 13% increase in sales due to high order backlogs. Accounting for a 22% share in world exports in 2023, Germany was able to maintain its technology-led market position, ranking second just after China and far ahead of Japan.



For 2024 machine producers expect an approx. 15% decline in sales due to a lack of new orders. They hope for an improvement from mid-2025 as key interest rates are going down. However, chairman of the VDMA's Plastics and Rubber Machinery Association and advisory board chair of K 2025, Ulrich Reifenhäuser, views this situation as more than just a cyclical dip. "We can capitalise on our strengths, leverage our innovative power and address current market issues with new solutions – surprisingly and with pinpoint accuracy," he says looking to K 2025 with optimism. This means producers continue to bank on the technology factor to successfully stand their ground in global competition in future.

Plastics conversion in the economic crisis

Conversion remains at the centre of the plastics and rubber markets. Here sales to end users are generated that feed the entire value chain. When consumers spend less in real terms due to globally high inflation rates, this also impacts the sales of plastics converters correspondingly. With a few exceptions, weak consumer spending has been affecting the major economic regions in North America, Asia and Europe since the end of 2022 if not before. Accordingly, nearly all segments of plastics conversion are affected by this weak consumer spending worldwide.

Traditionally faring relatively well by comparison, consumer packaging has also contributed to further growth in plastic consumption in recent years as the largest area of application worldwide. In Europe plastic packaging is currently under slightly more pressure. There are misguided developments here with the use of paper packaging that is often wrongly billed as an environmentally friendly alternative. This should, however, be a temporary phenomenon. On account of the worldwide reticence to invest, manufacturers of all types of industrial packaging are hit especially hard. However, things will probably pick up again quickly here with a general economic recovery.

Construction financing has suffered from high inflation rates and the resulting interest rate increases, which has in some cases massively slowed down construction activity, particularly in the building sector, despite widespread demand. Plastics converters, who supply this market and account for 25% to 30% of plastics applications, are currently experiencing a corresponding decline. In this situation, the high costs and many and varied regulations are causing additional problems for many European companies whose strongest market is Germany. The industry expects reasonable political measures to change the framework conditions here.

The automotive industry is currently being hit particularly hard. In terms of volume, it is the third largest consumer of plastic applications, accounting for 8% to 10% of the market. This technologically demanding and relatively high-priced sector was already in troubled waters before the Covid pandemic, due to the incipient restructuring from combustion engine propulsion to e-mobility from 2018 onwards. With the purchasing power of consumers and companies declining post-pandemic, sales are now far below budget for the most part. The already burdensome safeguards for production conversions (e-mobility, use of recycled materials) are threatening to fail, with the resulting liquidity squeeze.

By contrast, the other user industries such electric/electronics, consumer goods of all types and medical device technology are expected to pick up again after overcoming the cyclical slump.

Major challenges mastered

The plastics industry rises to the major challenges of our times. In the rigours of day-to-day business, we should sometimes remember: the reorganisation of grown structures is rarely easy. Tough obstacles caused especially by red tape have to be overcome, traditional beliefs revised, goals constantly reassessed and, if need be, re-adjusted. And this needs to happen in a global dialogue between regions, whose points of departure and next steps often vary, and which – despite many commonalities – also always compete with each other.

Europe decided to take a new path several years ago because its previous position vis-à-vis other plastics-producing regions was proving increasingly unsustainable.
However, there are strong industry traditions based on extensive experience, which have produced inspiring innovations time and again be it in material production, mechanical engineering or in converting, application and recycling. It is important to remember this strength. What is encouraging is that this is often already visible in the ongoing transition.

To achieve this goal, the necessary course corrections should be identified, named and implemented at all levels and in all regions. The basis for this is comprehensive information about technical and organisational possibilities, as well as the inclusion of all legitimate interests.

We are therefore particularly looking forward to the world's No. 1 trade fair in Düsseldorf during these challenging times. K 2025 will showcase progress, offer advice and solutions, and thus provide market impetus. Because one thing remains clear: without plastics, a future for humanity, in its present numbers and form, is simply inconceivable.