"There are no alternatives to recyclates"

Frankfurt, 23 July 2019 – Interview with Karl-Heinz Bußbach, Global Business Director AZO CHEM/POLY.

- Recycling increasingly relates to high-value final products
- Bio-based and compostable plastics are gaining ground
- Circular economy drives innovation

In the EU strategy for plastics, recycling plays an important role. Have you already noticed if this has an impact on your customers?

Karl-Heinz Bußbach: We have noticed a continuous increase in investments in the field of recycling for years. Compared to the past, in these projects more complex and sophisticated equipment is used to ensure best possible recycling processes for waste materials. If in the past rather low-quality, simple final products were manufactured from recycled materials, today the aim is to achieve almost the quality of virgin material from recyclates.

As a specialist for materials handling, your customers come from all parts of the value-added chain. Do you find the number of recycling customers has grown?

Bußbach: The recycling area used to be a niche sector in a low-price segment. Nowadays it is an independent field. To some extent, the systems required for recycling need higher-level technical equipment than those used for virgin materials. For AZO, this is a business field with good growth prospects.

Would you say that circular economy in general has economic benefits?

Bußbach: In the first place, the economic benefits depend on the price compared to that of virgin material. This depends on the oil price, at least
indirectly, and that fluctuates, as we all know well. It will therefore be difficult for recyclates to compete with virgin material, to some extent because manufacturing processes are becoming more complex. Moreover, you must have access to products in need of recycling, you need collection systems. And everyone involved in the process wants to make money from it.

The real point is a different one: Almost all global players active in this field have enshrined sustainability in their corporate strategy. This is even more the case with manufacturers of consumer goods whose products must be packaged. Every one of these concerns counts on sustainable solutions in the field of recycling. Something has been started which above all is driven by public awareness. This means: In future, it will be more and more important for most varied applications to be able to produce high-quality products from recyclates in order to meet consumer requirements.

There are lots of experiments with bio plastics. Can they be the resource of the future?

Bußbach: Today we are already capable of replacing many polymers with bio-based plastics. A lot of research is carried out in this field. A lot is already working. We already have large production plants for PLA, for example. As a rule, bio compounds are still more expensive than oil-based plastics. Nevertheless, they will play a role in future. Because of the trend towards sustainability and, ultimately, limited crude oil reserves which cause prices to rise, we cannot afford to forego them. In addition, there are already many products that are bio-based and compostable.

Does its bad image reduce the use of plastics?

Bußbach: The amount of plastics will rather increase, whether bio-based or not. The number of plastic bags, several other packaging solutions and certain applications that can be replaced will decline, but light-weight construction, for example, will become even more important in the future. Just think of e-mobility. It is impossible without plastics. In spite of the comparably small share of packaging waste produced in the EU, pictures of polluted oceans have caused an enormous image loss, in particular here in Europe. The public is no longer aware of the positive effects the use of plastics has in our daily lives. Today's medicine would not work without plastics. Just imagine a hospital and the hygiene situation there without plastics.

To what extent should politics regulate circular economy?

Bußbach: In Europe it already works well. In general, you should be cautious with political bans, additional taxes, subsidies and legal provisions. They can
cause effects that are hard to predict and control. From my point of view, consumer behaviour is the crucial factor, it alone can steer the trend in the right direction. Moreover, research funds provided by the EU, the Federal Government and the Lander are important factors. There are already many research projects dealing with manufacturing techniques, new materials, new recycling products. A large part is driven by global players. That's why I feel that bans are not necessary. PVC windows already have a closed circuit which works without regulations. For instance, manufacturers signed their commitments long ago, initiated by the bad image of PVC at that time.

What role does digitalisation play in circular economy?

Bußbach: It is vital. If you are working with bio-based or recycled virgin materials, for example, material quality varies. You must recognise the fluctuations at an early stage and take countermeasures. Networking of the system within the manufacturing process is important. What good does it do if material supply is smart but the extruder, processing the product, is not affected. For this reason, all plant elements involved in the process should be interconnected to ensure a consistently high quality of the final product.

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In our world, plastics are indispensable. The downside is the littering. Carelessly discarded plastics products condense to form thick carpets, not just on rivers and seas, but also on land. A complete circular economy could prevent this evil and put the focus back on the benefits of plastics. In order for this to be a success, we all need to work together: processors, raw material manufacturers, mechanical engineers and recyclers, but also brand owners, end consumers and politicians.

VDMA will shine the spotlight on circular economy at the leading K 2019 trade fair in Düsseldorf in October and show how closed loops can work effectively. Throughout the process, stakeholders will be having their say in a series of interviews in the run-up to this international industry event.

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About VDMA Plastics and Rubber Machinery

More than 230 companies are members of the association, covering more than 90 percent of the industry’s production activities in Germany. Ten percent of our member companies come from Austria, Switzerland and France. The German member companies represent sales of EUR 7 billion in core machinery and EUR 10 billion including peripheral technology. Every fourth plastics
machine produced in the world comes from Germany; the export rate is 70 percent. Ulrich Reifenhäuser, Member of the Management Board of the Reifenhäuser Group, is the chairman of the association.