

How are the cost structure and competitiveness of bioplastics ?

The situation for bioplastics is typical for innovations:

1. High research and development costs
2. High production costs caused by small scale production
3. Optimisation potential of production facilities not exploited to the full
4. Considerable price differential to conventional commodity products

The increased use of bioplastics and biopackaging by consumers in Europe shows that the price differentials can be accepted in specific application fields, e.g. packaging for organic food. Users are also considering other factors for their buying decision, such as technical performance (e.g. longer product life), image-creation and, if feasible, reduced disposal costs in the composting of used products.

The selection of the “right” application is the key to successful marketing. The customer’s choice has shaped today’s commercialised product portfolio. Governmental programmes have been established, for example in the Netherlands and in Germany, providing political support (subsidies) to promote the market introduction of compostable or bio-based packaging products respectively.

Given bioplastics’ high content of renewable resources, they have the advantage that they are less dependent on price movements in fossil resources (crude oil).

The price of bioplastics has continued to fall over the past ten years. Their competitiveness over conventional plastics should also continue to improve into the future through more effective

processes, possible economies of scale and simultaneous increasing competition from new market players.