



Finnish Plastics Industries Federation

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Middle East Crisis Threatens Security of Supply for Plastic Products: Impacts Are Spreading Across Finnish Society

The Middle East crisis has led to an exceptionally strong and sudden increase in the prices of plastic materials, which is already directly affecting Finnish plastic converters. Rapid cost increases and deteriorating raw material availability are putting pressure on the entire supply chain. **The Finnish Plastics Industries Federation FIPIF** emphasizes that passing these price increases along the value chains is inevitable to safeguard business continuity.

At the same time, transport and insurance costs are rising, and delivery reliability has weakened due to unilateral cancellations and *force majeure* notifications from raw material suppliers. The situation is rapidly turning into a sector wide cost and availability crisis.

Plastics Are a Critical Part of All Value Chains – Disruptions Increase Risks Across Society

If prolonged, the Middle East crisis threatens to cause widespread delivery disruptions, delays, and cost spikes that could be reflected in consumer prices, project schedules, and the availability of materials. Demand pressures, inventory replenishment, and the costs of maritime transport are further accelerating the situation.

Plastic Raw Material Price Shock Is Growing – The Crisis Is Already Visible in Company Profitability and Supply Chain

A pulse survey conducted by **FIPIF** on **18–20 March 2026** illustrates the depth of the impacts:

- **83%** of companies report increases in material prices, most of whom consider the increases significant.
- **80%** report that availability has deteriorated.
- Only **27%** are able to pass increased costs fully into sales prices.
- Profitability in the sector—which employs **more than 10,000 people**—is clearly declining.

Impacts on Finland's Economy – Far Beyond the Plastics Sector

For many plastic product manufacturers, raw materials are the single largest cost item. When cost increases cannot be passed on, margins erode rapidly, weakening profitability and, in turn, companies' capacity to employ. Availability problems, for their part, slow production and threaten the ability to supply plastic products across all industrial and retail sectors.

Plastic products cut across the entire economy—therefore they transmit the effects of global crises quickly to other industries. If the Middle East crisis is prolonged and corrective measures are not found, disruptions and costs will spread rapidly.

Longterm solutions are also being decided now. Securing Europe's own production of plastic raw materials is vital for security of supply, self-sufficiency, and resilience. Investments in domestic and European production capacity and in a high-quality circular economy value chain are the only way forward.

Availability, contractual flexibility across the entire value chain, and the functioning of logistics must be ensured **now**—before bottlenecks become visible on store shelves and on production lines. We encourage all parties in the value chain to act responsibly and to work together in closer collaboration.

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The Finnish Plastics Industries Federation represents plastic product manufacturers and plastics sector companies operating in Finland. Its member companies employ tens of thousands of people and are a key part of Finland's exports, security of supply, and circular economy.