October Q3 2025 UK PRN Market Update

Positive Progress, but Plastic Keeps the Market on Edge

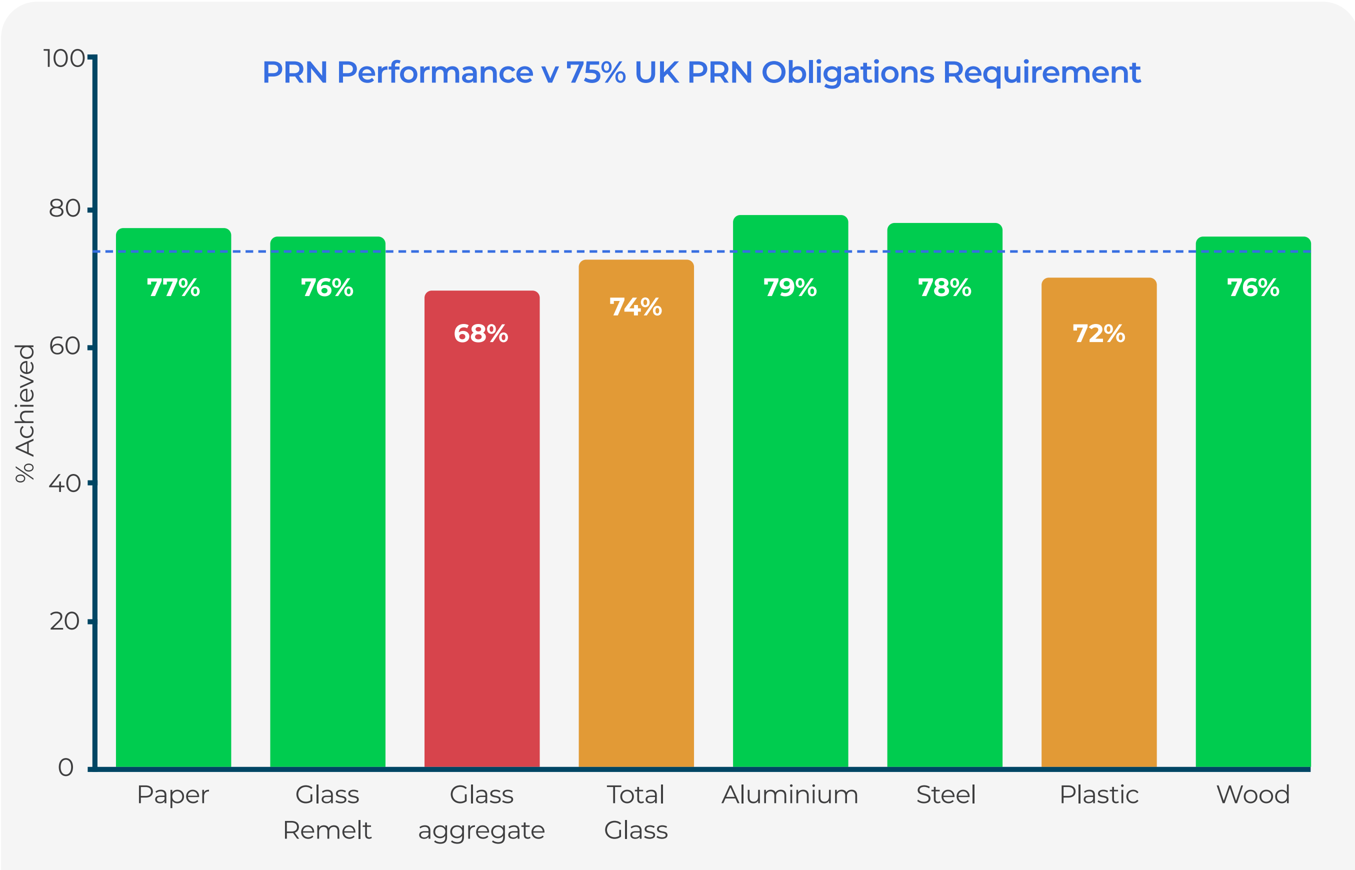
The unverified Q3 2025 packaging recycling data provides a clearer picture of how the UK is tracking towards its annual recycling obligations. Overall, the market has shown steady improvement, with most materials now positioned to meet their targets through in-year recycling alone.

However, plastic remains the key area of focus. Despite stronger performance in Q3, the sector will need to deliver close to 295,000 tonnes in Q4, even after using all available carry-in from 2024. This reliance highlights the continued fragility of the plastic PRN market and suggests that volatility may persist into the final quarter.

Glass, aluminium, paper, steel, and wood have all shown solid progress. Glass in particular saw an encouraging uplift in Q3, though year-to-date volumes remain around 10% below 2024 levels. With glass demand down by approximately 5%, the shortfall remains manageable, but sustained Q4 strength will be key to avoiding over-reliance on carry-in for compliance.

Overall, the market outlook remains positive, but tighter margins between supply and demand, particularly for plastic, will keep procurement teams attentive through the end of the year.

Q1–Q3 Performance Snapshot (Without Carry-In)



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Key Market Risks

Plastic PRNs – Tight Supply and Limited Buffer: Plastic continues to represent the highest compliance risk. The Q3 recovery was welcome, but with carry-in already absorbed, the sector has little flexibility if Q4 output slows. Any dip in monthly recycling data could quickly translate into price volatility.

Glass – Improved But Not Secure: Glass remelt and aggregate both performed well in Q3, but year-to-date totals remain below 2024 levels. If Q4 follows historic patterns, we could see a small compliance gap that would need to be filled by carry-in, reducing the availability of evidence for early 2026.

Demand Uncertainty: While glass demand is currently around 5% lower than last year, and overall market growth has been limited across the past two demand updates, any upward revision to obligations in the final quarter could tighten balances across several materials.

Carry-Out Pressure into 2026: Stronger reliance on carry-in this year, particularly in plastics, may leave lower carry-out levels heading into 2026. This could create early-year pressure on prices if obligations rise or if recycling output slows seasonally.

Key Actions for Market Stability

Monitor monthly data closely: With limited reporting left this year, short-term fluctuations in plastic recovery could move prices quickly.

Secure positions strategically: Buyers should consider balancing compliance needs against potential Q4 volatility, particularly in plastics.

Stay alert to obligation updates: Even modest increases could shift material balances; awareness will be key for year-end decision-making.

Final Thoughts

The Q3 data confirms that 2025 remains on track for overall compliance, but it's a delicate balance. Most materials are performing well, confidence has improved, and the market has regained a degree of stability after a slow start to the year.

Yet the message for procurement professionals is clear: plastic remains the defining factor for Q4 pricing and sentiment. With limited carry-in left to buffer shortfalls, the final quarter's monthly figures will determine whether the year closes smoothly or with renewed price pressure.

As we head toward 2026, attention will shift to how much carry-out remains available to support next year's targets, making the last few data releases of 2025 some of the most important of the year.

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