

K 2025 looks to Southeast Asia: Innovation engine for global supply chains

A catalyst for global supply chain stability

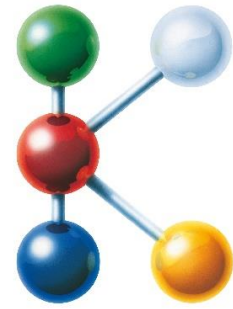
Southeast Asian countries, collectively known as the ASEAN, have shown the ability to adapt prosper amid economic uncertainty. The region's plastics manufacturing sector, in particular, has leveraged its strategic position within global supply chains and its diversified industrial base - including automotive, bio-plastics, medical devices, packaging, and chemicals.

While the plastics market in the region is already growing due to a booming manufacturing sector, rising consumer goods demand and increasing urbanisation, it may also benefit a windfall of sorts given the tariffs being imposed in the US by President Donald Trump on imports to the US. Since the tariffs threaten supply chains and will increase costs for US manufacturers, it is expected that US companies will seek out other sourcing locations, perhaps even to Asia.

Preliminary growth reports suggest that Southeast Asia's plastics sector will register a turnover of 32 million tonnes this year and grow by 4% to almost 39 million tonnes by 2030, according to Mordor Intelligence.

Regional EV growth accelerates

In recent years, Southeast Asia has intensified its efforts to ramp up policies for the adoption of electric vehicles (EVs), in response to the growing global take on carbon emissions reductions. According to the ASEAN Secretariat, the region's per capita CO₂ emissions remain among the lowest in the world at 3.9 tonnes—well below China (7.1) and the United States (14). With strong growth potential in production and natural resources, Southeast Asia's EV market is set to grow from US\$1.5 billion in 2025 to US\$6 billion by 2030, with a 32% CAGR, according to Mordor Intelligence.



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for Plastics and Rubber

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Öffentliche Verkehrsmittel:
U78, U79: Messe Ost/Stockumer Kirchstr.
Bus 722: Messe-Center/Verwaltung

Thailand, known as the "Detroit of Asia," is pushing ahead, aiming for 30% production by 2030 (725,000 cars, 675,000 motorcycles). The country has also significantly reduced excise tax for electric cars from 8% to 2% and offers import duty reductions of up to 40%, attracting manufacturers like China's BYD, which recently opened its first Southeast Asian EV plant there.

"Next door" neighbour Malaysia is "walking the talk" as it recently launched its first locally produced battery electric vehicle, called e-Mas, manufactured by national car brand Proton in collaboration with Chinese automaker Geely. Proton has also established a new R&D centre in China to accelerate EV development.

As the world's top nickel producer, Indonesia is focusing on battery production. In 2023, the country produced 55 million tonnes of nickel – 42% of the global supply. It is staying on track to produce 140 gigawatt hours (GWh) of batteries by 2030, and last year, launched its first US\$1 billion EV battery plant in Karawang, West Java, capable of powering 150,000 EVs annually.

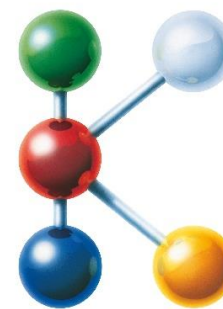
Meanwhile, the Philippines remains in the early planning stages. This is despite the transport sector contributing over 50% of outdoor air pollution in urban areas like Metro Manila. The shift to EVs is seen as a critical solution for improving urban air quality.

Despite strong growth potential, Southeast Asia's EV industry still faces key challenges - , including high costs of EV batteries, shortages of parts, lack of EV experts and skills programmes, electricity grid challenges and inconsistencies in EV charging standards and installation guidelines, says the Malaysian Investment Development Authority.

The US-ASEAN Business Council highlights foreign direct investment as crucial for overcoming these barriers and accelerating EV adoption in Southeast Asia.

Medical technology filling the prescription for growth

Southeast Asia's medical devices sector is expanding rapidly, driven by rising healthcare demand, an aging population, and technological



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advancements. The market is projected to reach US\$12 billion by 2025 and US\$16 billion by 2029 (+7.5% CAGR), according to Statista.

Southeast Asia's rapid integration of advanced technologies, such as automation, telemedicine, AI-driven healthcare solutions and robotics, plus healthcare infrastructure expansion – new hospitals, care facilities, and strengthening of medical workforce support -- will amplify the need for increased capital flow and business opportunities.

Malaysia is emerging as the fastest-growing market, focusing on ultrasound machines, MRI machines, in-vitro diagnostics, as well as orthopaedic and dental implants, according to Fitch Solutions.

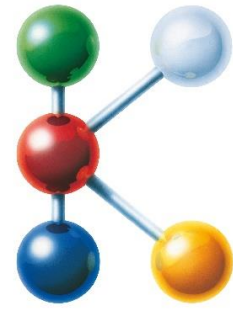
Vietnam is strengthening its position by investing in facilities that manufacture plastic-based medical consumables, while the Philippines and Indonesia are focusing on domestic demand for PPEs and medical supplies.

In Singapore, the market for medical devices is experiencing rapid growth due to the government's focus on enhancing healthcare infrastructure and promoting innovation in the medical technology sector. However, the market faces regulatory hurdles, such as the recently introduced Cybersecurity Labelling Scheme for Medical Devices, which may increase compliance costs for manufacturers and limit market access to unlabelled products.

Hotspots for sustainable plastics solutions

In terms of sustainable plastics, Malaysia and Thailand are leading the Southeast Asian market.

Malaysia utilises empty fruit bunches (EFBs) and palm oil waste to produce bio-plastics such as polylactic acid (PLA), polysaccharides, lignin, and polyhydroxyalkanoates (PHA) through microbial fermentation. The country positions itself as a strong competitor to Thailand in sustainable plastics, according to the Malaysian Palm Oil Council. On the other hand, Thailand, exports 90% of its bio-plastics to markets including Italy, the Netherlands, China, South Korea, and the US.



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Major investors in Thailand include French energy major Total and Dutch biochemical giant Corbion's joint venture, Total Corbion PLA, which manufactures sugarcane-based PLA, and has scaled up production from 75,000 to 100,000 tonnes/year, running at nameplate capacity.

Similarly, NatureWorks, a joint venture between Thailand's PTT Global Chemical and Cargill, is building a 75,000 tonne/year-PLA facility in Nakhon Sawan Province, to be in full production this year. It will be an integrated plant with production sites for lactic acid, lactide, and polymer, to support the Asia Pacific region in sectors such as 3D printing, nonwovens for hygiene, compostable coffee capsules/food serveware, tea bags and flexible packaging.

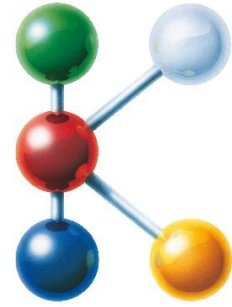
Furthermore, Brazilian biopolymer producer Braskem and Thailand's SCG Chemicals have set up a joint venture, Braskem Siam Company, and are touting the production of the "first of its kind in Southeast Asia" bio-ethylene and bio-based polyethylene to support regional and global demand.

Meanwhile, PTT MCC, a joint venture between PTT Global Chemical and Japan's Mitsubishi Chemical Corporation, has since 2017 produced bio-polybutylene succinate (bio-PBS), which consists of a succinic acid derived from sugar/cassava and 1,4-butanediol.

Challenges to the growth of bio-plastics in Asia

Though the market for bio-plastics in Asia is driven by growing environmental concerns and changing consumer preferences, especially in the packaging sector, its growth could be hindered by a variety of factors.

A key barrier is the lack of coherent government policies related to bioplastics production, usage, and waste management. This regulatory uncertainty makes it difficult for stakeholders to plan strategically or invest in value chain improvements. Another major deterrent is the high costs involved, especially in the processing of sugarcane and cassava bio-plastic resins. In addition, the region has only a limited number of bioplastics manufacturers, most of which



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operate on a small scale. Unlike conventional plastics, which benefit from mature infrastructure and economies of scale, bioplastics remain structurally disadvantaged.

The price volatility of agricultural feedstocks such as sugarcane and corn also adds to economic uncertainty, as prices are strongly influenced by weather conditions and harvest yields. Meanwhile, not all bio-plastics are biodegradable, and even those that are may require specific conditions to decompose effectively. For instance, some biodegradable plastics require industrial composting facilities to break down, and these are not widely available in most Asian countries.

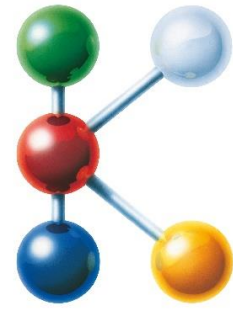
Boom in recycling investments in Southeast Asia

As plastic waste increasingly pollutes Southeast Asia's environment, there is a growing emphasis on plastic waste recycling.

Indonesia, where only 10% of plastic waste is currently recycled, is targeting a 70% reduction in marine plastic through a government-backed US\$18 billion strategy (2017–2040) to expand collection, boost recycling capacity, and improve disposal systems.

Key initiatives include a 36,000-tonne/year rPET facility by PT Alba Tridi Plastics Recycling (a joint venture with Alba Group Asia) and a large-scale PET recycling plant in East Java by Danone-Aqua and Veolia. Indorama Ventures is also building a site in Karawang to recycle 2 billion PET bottles/year and has secured a US\$200 million IFC loan to expand facilities in Nakhon Pathom and Rayong (Thailand).

Thailand has strong demand for recycled plastics and a national recycling infrastructure, especially in Bangkok, Chon Buri, and Rayong—though it still relies on the informal sector for collection. In Rayong, Indorama and Austria's Alpla jointly produce 30,000 tonnes of food-grade rPET and 15,000 tonnes of rHDPE annually. SCG and Dow target 200,000 tonnes of plastic recycling per year by 2030 through advanced sorting technologies. In Malaysia, the country's national petrochemical firm, Petronas Chemicals Group Berhad, in



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partnership with UK-based Plastic Energy Limited, is building an advanced chemical recycling plant in Pengerang, Johor. Expected to be operational by 2026, the facility will process 33 kilotonnes/year of end-of-life plastics.

Vietnam generates around 3.7 million tonnes of plastic waste annually, yet only 11% is recycled. However, this is changing. Duytan Recycling, in cooperation with Ajinomoto Vietnam under the EPR scheme, collected and recycled 94 tonnes of plastic in 2023 and aims to increase its PET recycling capacity from 60,000 to 100,000 tonnes by 2026.

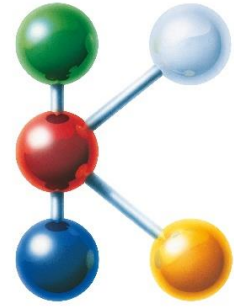
With Vietnam's strategic location, low labour costs, and tax incentives, it is an attractive hub for recycling operations and fresh investments. Chinese recycler Intco Recycling Resources is investing US\$60 million to expand its facility in the country to produce recycled plastics for decorative building materials, primarily for export to Europe and the US. Intco has six plastics recycling bases, including a facility for food-grade recycled plastics in Malaysia.

In 2024, UK-based Cedo acquired Vietnamese recycler Vinatic, boosting its global recycling capacity to 100 kilotonnes. The move strengthens Cedo's footprint in Asia and complements its operations in the Netherlands.

Elsewhere, countries like Cambodia, Laos, and Myanmar face surging plastic consumption but lack sufficient recycling systems. In Phnom Penh alone, 10 million plastic bags are used daily, underscoring the urgent need for action.

Fifty exhibitors from Southeast Asia will be participating in K 2025. Malaysia is the most strongly represented country with 15 exhibitors, followed by Thailand and Singapore with 11 exhibitors each.

K 2025 will be open daily from 10.00 am to 6.30 pm from Wednesday, 8 October, to Wednesday 15 October. 1-day admission tickets cost EUR 60, 3-day tickets are EUR 125. School pupils and students pay EUR 20 for a 1-day ticket.



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About K in Düsseldorf: K was held by Messe Düsseldorf for the first time in 1952 and is now held every 3 years. The latest edition of K in 2022 registered 3,020 exhibitors from 59 countries on 177,516 m² net exhibition space and 177,486 trade visitors, 71% of whom came from abroad. For more information go to www.k-online.com.

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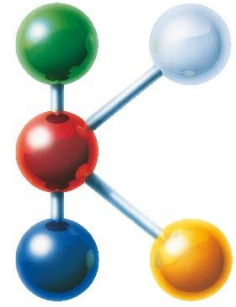
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