

# Australian HDPE Pipe Producers Scramble to Lock in New HDPE Resin Supply Agreements

By PPN Editor (6 May, 2024)



The collapse of Qenos, Australia's sole plastics resin maker, has sent shockwaves through the country's HDPE pipe industry, prompting all six major HDPE pipe producers to scramble for new supply agreements. With Qenos out of the picture, Australian domestic HDPE pipe extruders are facing significant cost pressures and uncertainties regarding future resin supply.

The situation has spurred HDPE pipe producers into action, as they recognize the urgent need to secure alternative sources of HDPE resin to sustain their operations and meet market demand. Negotiating new supply agreements has become a top priority for these companies as they seek to mitigate the impact of Qenos' collapse on their production processes and bottom lines.

The collapse of Qenos has underscored the vulnerability of Australia's HDPE pipe industry to disruptions in the resin supply chain. As the only plastics resin maker in the country, Qenos played a pivotal role in supplying HDPE resin to domestic pipe producers. Its closure has left a void that must now be filled by sourcing resin from alternative suppliers, potentially leading to increased costs and logistical challenges for HDPE pipe manufacturers.

The repercussions of Qenos' collapse extend beyond the immediate concerns of resin supply. Australian HDPE pipe producers are also grappling with the

broader implications for the sustainability and competitiveness of the industry. The need to secure reliable and cost-effective resin supply arrangements has become paramount for the long-term viability of HDPE pipe manufacturing in Australia.

The Plastics Industry Pipe Association of Australia (PIPA) which is the peak industry body representing plastic pipe manufacturers in Australia moved swiftly this week to erase the Qenos grades from their recommended list of PE pipe resins.

[https://pipa.com.au/wp-content/uploads/2024/05/PIPA\\_POP004\\_Polyethylene\\_Pipe\\_and\\_Fittings\\_Compound\\_Issue\\_39\\_May\\_2024.pdf](https://pipa.com.au/wp-content/uploads/2024/05/PIPA_POP004_Polyethylene_Pipe_and_Fittings_Compound_Issue_39_May_2024.pdf)

The following grades of Qenos resin have been deleted:

<b>Qenos</b>	Altona, Australia	GM 5049B
	Altona, Australia	HDF 193B
	Altona, Australia	HDF 145B
<b>Manufacturer</b>	<b>Manufacturing site</b>	<b>Material</b>
<b>Qenos</b>	Altona, Australia	HCR193B

### Key Take Away Messages

- The collapse of Qenos serves as a stark reminder of the importance of a resilient and diversified supply chain in mitigating risks and ensuring the stability of critical industries such as HDPE pipe manufacturing. As Australian HDPE pipe producers navigate the challenges posed by the loss of a key resin supplier, they will need to adapt swiftly and strategically to secure their future in an increasingly uncertain landscape.
- In light of recent developments, HDPE pipe producers in Australia are now exploring various options for securing new resin supply agreements. This may involve diversifying their supplier base, both domestically and internationally, to reduce reliance on a single source. Additionally, companies may need to reassess their supply chain strategies and invest in contingency plans to mitigate future disruptions.