

POSITIVE OUTLOOK FOR EU LABEL INDUSTRY

FORECAST SAYS GROWTH WILL DEPEND ON WILLINGNESS TO CHANGE

FINAT is predicting a sales increase of at least 5% for the European label industry within the next two years. However, due to changes in customer demands, this will only happen if manufacturers rethink, as the demand for conventional analogue products will apparently decline by around one quarter, and by around 12% in the digital range. Instead, customised designs are now in demand, as well as multilingual products, counterfeit protection and traceability.

Companies in the industry are accepting the challenge: Nearly a third of all association members who were asked are planning to buy innovative label printers before the end of this year. For the first time conventional machinery would thus be overtaken by technologies that can be used for the design of shrink and stretch sleeves as well as for in-mould labelling.

Although 75% of the label market is still dominated by

only ten Western countries, this proportion, too, is facing a major shift, as the Eastern European countries are currently experiencing steady growth in the demand for packaging labels on medical, cosmetic and food products. According to experts, conductive inks will prove indispensable for smart packaging solutions with printed electronics.

ENERGY LABELS

Another change in the market is caused by compliance with a considerable range of EU regulations on packaging labels. For instance, whenever an electrical appliance is sold within the EU, its energy consumption must be clearly displayed on a suitably attached label, specifying the relevant energy efficiency class.

EUROPEAN FOOD INFORMATION TO CONSUMERS REGULATION

The industry is also facing new rules in the food sector. Not much time is left until 13 December 2016, when companies will need to comply with the European Food Information to Consumers Regulation, specifying precise nutritional details on food packaging.

The purchase price of a digital label printer is currently extremely low, at only US\$ 45,000 for a high-quality 4-colour printer.

LABELLING OF SAFE MEDICATION

It is vital to prevent any counterfeiting of medicines and to ensure that packaging is childproof. This, too, will need to be achieved through labelling on medication, alongside the provision of usage information printed on the package. Moreover, safety features will need to be provided, preventing plagiarism.

HAZARDOUS CHEMICALS

The EU Chemicals Regulation, which has been in place for just over 18 months now, requires packaging labels to carry CLP pictograms as well as standard details as a way to protect workers and consumers in hazardous workplaces.

Paper-based products are



dominating the segment of peel-off labels at around 85%, while plastic film, the only other option, now reaches only just under 15%. Photo: CCL

SMITHERS PIRA: GLOBALER ANSTIEG GLEICHT EUROPÄISCHEM NIVEAU

The latest report from the international market research agency Smithers Pira concludes that growth in the label manufacturers' industry will be just over 5%. What makes all the difference is that these figures are applicable worldwide – and that they will reach as far as 2021.

“The Future of Labels and Release Liners to 2021” predicts that – given an annual 5.4% growth rate, not including inflation and currency fluctuations – the global market will increase in value by an average of 4.9%. According to these calculations, the current market of around US\$ 34.5 million will rise to nearly US\$ 45 million within the next five years. The demand for label materials will apparently reach the same level of protective film.

According to the forecast, the use of this packaging material alone is set to rise by 4.6% per year from over US\$ 6 million in 2016 to nearly US\$ 8 million.

The demand for low-cost labels is growing just as much as the demand for secure barcodes and other secondary packaging add-ons. Smithers Pira, too, sees the introduction of new legal provisions as a further cause for this rise in demand. Seen on a global scale, the biggest label market is Asia with a 40% share, followed by North America with 22.4% and Western Europe in third place at just under 20%

WHICH LABELS ARE DOMINATING THE MARKET?

The most prevalent item on the list of specific label types is pressure-sensitive labels. In this segment consumption is expected to reach 4% of all labels produced worldwide and as much as 63.3% of labels produced this year alone.

They are followed closely by labels which require dampening (35.6% worldwide and 22.8% year). Shrink labels still achieve as much as 15.1%

in this segment. To increase sustainability in this area, the currently prevailing PVC is gradually being replaced by polyester-based materials.

From July 2018 the United States will have even more stringent requirements concerning the information displayed on food labels. This is because one third of all buyers are currently saying that they do not understand today's nutritional information.



PRINTING INKS

Owing to rising environmental awareness, we will apparently see more than a 13% annual rise in radiation-curing printing inks, accompanied by a future increase in water-based printing inks. According to calculations by Ceresana, the worldwide sale of printing inks will reach nearly US\$ 26 billion by 2013 – US\$ 6 billion more than in 2011. The United States and Canada alone are expecting around 1.7% annual growth.