

LABEL YOUR FUTURE:

Europe's self-adhesive label supply chain focuses on the future

The 2013 FINAT congress – jointly organised with the German self-adhesive label association Verband der Hersteller selbstklebender Etiketten und Schmalbahnconverter (VskE) – was an opportunity for members to get together,



both formally and informally, to assess tomorrow's challenges and opportunities for the industry. The congress theme, 'Label your future!', left delegates in no doubt about how their time would be spent as they

converged on the Westin Grand Hotel in Munich, Germany, in June 2013. Jules Lejeune, FINAT Managing Director, defined it precisely. 'After all', he said, 'labelling our future is a matter of actively controlling our own destiny by making the right choices, taking into account the relevant market forces and megatrends.'

Kurt Walker, FINAT President, welcomed the 420 delegates to the event -- one of the best-attended congresses in the association's 55-year history -- together with Robert Mägerlein,



President of VskE. He also introduced congress moderator Marc Büttgenbach – himself a VskE board member – who



proved to be a lively and informed contributor to the congress proceedings.

What if?

A 'what if?' scenario for tomorrow's world from one of Europe's leading futurologists was first on the formal agenda. Prof Dr Horst Opaschowki has a wide-ranging



background as a much-published author, academic, and consultant to the Federal German Government. How, in the coming decades, human beings may work, live, and consume tomorrow was the topic of his paper, which was both insightful and positive. He outlined the way in which our society will cope with the fundamental structural changes that are

already becoming evident in our lives today. He underlined the importance of the future role of the family, as its members experience and enjoy a longer lifespan, and predicted future directions for business, the economy, and politics.

FINAT General Assembly

Next on the programme was the FINAT General Assembly, opened by Kurt Walker, who, as FINAT President, delivered his annual report on the association's activities. He recognised all the FINAT volunteers – and their companies -- who, with the FINAT Secretariat, undertake most of the work on the association's programmes. He drew attention to the synergies – now greater than ever before -- between FINAT as an 'umbrella' pan-European association, and the affiliated 10 national label associations. He explained: 'Over the last 10 to 15 years, the label industry's associations network has become more and more professional. Leveraging that network, both inside Europe and globally, has become one of the cornerstones of FINAT's strategy.'

He went on to say: 'FINAT is there to make the best use of our industry's combined interests on the European scene and to connect the European label community with its counterparts outside Europe through the now-active L9 network. The national label associations make up the home base of the industry by meeting local market needs, business cultures, and languages.' The recently-established National Associations Board – characterised by an 'openness and willingness to share' is an example of the deepening relationship.

Mr Walker outlined the many areas where FINAT is always active – including the provision of up-to-date market data; monitoring technical trends across the supply chain and setting technical standards; education and promotion; promoting the sustainability agenda; and lobbying on the industry's behalf in the European

political arena. He drew attention to some recent achievements – for example, the publication of two new industry-standard test methods; the development of a presence in social media; and an active FINAT on-line community support for release liner recycling programmes. Ongoing FINAT programmes such as the international FINAT Label Competition; the dynamic Young Managers Club; and the strong, ongoing relationship between FINAT and Tarsus, organisers of the Labelexpo series of exhibitions, were also highlighted, as well as the work of the standing committees on marketing and communication, technical affairs, membership, and recycling.

Mr Walker thanked the companies from across the industry who had sponsored the congress, and recognised the sterling work of the FINAT Secretariat.

The continuing agenda of the General Assembly included new board elections, and saw Kurt Walker returned for a second term as President.

The German label market

The focus of the delegates returned to 'local' matters with an overview of the German label market from VskE President Robert Mägerlein. Founded in 1981, VskE today has 164 members, comprising both label converters and supplier companies. It is the regional association for an industry that is made up of some 450 companies (more than 50% of which have less than 10 employees), employing a total of 19000 people, and a joint turnover of €2.4 billion per



annum. Said Mr Mägerlein: 'The self-adhesive label market is growing positively with the German economy, and new technologies offer real opportunities.'

Packaging and cartons represent nearly 60% of Germany's paper converting industry today, so he challenged delegates to action to secure the future of labels against competitive product identification technologies, saying: 'If we are really going to "Label our future", we must rethink, redesign, re-label all products, services, and behaviour!'

FINAT 2012 labelstock statistics and industry trends

It was then the turn of FINAT MD Jules Lejeune to present FINAT's labelstock statistics for 2012, and to review current trends and the outlook for 2013. Consisting of data from 30 countries and covering nine paper and film label product grades, the



statistics document not less than 90% of the total European market. Mr Lejeune reviewed labelstock demand in the context of the preceding decade, and showed that 2012 had experienced a modest growth of 1.7% over 2011. 'With a market share of around 45%,' he observed, 'self-adhesive labels consolidated their lead as the dominant labelling technology in Europe, ahead of wet-glue (40%), sleeving (7%), in-mould (3%), and other technologies (5%).' He said that the majority of growth in 2012 derived from film labelstocks, at 3.5%. Film labelstocks, he indicated, now command over 25% of total roll labelstock demand. Paper labelstocks, which still represent the majority of usage for labels around the world, also grew at a modest 1%, recovering from 2008/2009 declines.

Looking at the different regions of Europe, Mr Lejeune recorded 2012 growth in the markets to the east of Europe, including Russia, of 11.4%. In the mature markets, Germany and the UK consolidated their leading positions; and these two regions, with France, Italy and Spain, together made up around 60% of total labelstock demand in Europe.

'2013 started with 0.4% growth overall in the first quarter – but, viewed in a historical context, and in the context of continuing recession in several European countries, this figure continues the downward trend in annualised quarterly growth rates that we have seen since the third quarter of 2012,' Mr Lejeune said, adding 'evidently, our industry did not escape the impact of the global financial and economic crises.' To instigate new impetus in the label industry, he adjured, 'we must think of ourselves as solutions providers and not just as label printers.'

SAVE FOOD campaign

The SAVE FOOD initiative is a joint global campaign, instituted by the Food and Agriculture Organisation of the United Nations and Messe Düsseldorf GmbH, to fight food loss. It aims to initiate networking among stakeholders in industry, politics and research, encouraging dialogue and helping to develop solutions along the food value chain. Werner M Dornscheidt, President and CEO of Messe Düsseldorf, was in Munich to tell FINAT members about it, and to enlist their help as key players in the packaging supply chain. Now in its third year, and gaining considerable momentum, SAVE FOOD was launched in May 2011 with an international congress alongside the Interpack show at Messe Düsseldorf. A second conference will take place at Messe Düsseldorf, 7-8 May 2014, just prior to the next Interpack – aimed at ‘attracting new partners’, said Mr Dornscheidt.



Sponsored by an ever-growing raft of leading companies such as Schenker, DuPont, Dow, Bosch, Amcor, and the Ardagh Group, this is an initiative that, Mr Dornscheidt showed, can contribute much to the sustainability debate. As Moderator Marc Büttgenbach commented: ‘There may be innovative solutions for SAVE FOOD in our industry – maybe FINAT and VskE will also become partners in the initiative?’

Biodiversity: the sixth extinction on earth?

Saving food is one direction in which humanity can secure its future – but should we not also be considering a broader context for our concerns? --Prof Dr Richard Pott, Professor of Phytogeography and Managing Director of the Institute of Geobotany at Leibniz Universität, Hannover, believes so. We are, after all,



experiencing a biodiversity crisis – the sixth in the planet’s history, and the first one that is largely ‘man made’. As he told delegates: ‘Biodiversity does not only encompass the diversity of ecosystems and habitats, it covers the water and solid land of the whole planet, and we are a part of that infinite diversity, sharing Earth

with countless other creatures. Today, about 1.75 million species of animals, plants and micro-organisms are registered and we know that a lot more species – perhaps between 10 and 100 million – exist. Could we be facing another mass extinction of the features that create the uniqueness of our planet, and form the base for the entirety of life, including humankind? It is a matter of fact that our unprecedented over-exploitation of nature endangers our own base of existence in the middle- to long-term.’ Prof Potts’ thought-provoking presentation certainly provided a much more radical focus for delegates’ environmental concerns.

Labelstock suppliers look to the future



Closer to home, two speakers from leading labelstock manufacturers outlined their perspectives of the global label industry’s future. Jussi Vanhanen, President, UPM Raflatac, pinpointed the drivers of change – many of which are already evident. ‘Decreasing run lengths, and margins too; digital printing; thinner substrates, sustainability, and recycling; and product safety concerns and regulations’ were the ‘headlines’ he highlighted. But could we expect any growth in self-adhesive labels in mature markets? Would there be consolidation in the

label printer base? And how would the industry react to the changing retail landscape?

--Major opportunities for self-adhesive labels still remain in the food and beverage segments, said Mr Vanhanen; and, while consolidation is a fact today in the label converting industry, the larger companies have not experienced growth in market share. Meanwhile, the European retail industry also continues to consolidate, resultantly making the ‘A’ brands and private label brands the winners – so Mr Vanhanen adjured label converters to evaluate their business carefully. ‘Don’t get stuck with just B and C brands!’ he said. He reminded delegates that ageing demographics are changing the retailers’ target groups – and products for elderly consumers now and tomorrow represent a major growth market for retailers and packagers alike.



Angelo Depietri, Vice President and General Manager, Avery Dennison Materials Group Europe, chose to focus on the challenges and possibilities of the label industry's sustainability credentials. In his 34 years in the industry, Mr Depietri has seen much change and growth in the label industry -- but today, he said, 'the environment and sustainability are still two of our biggest issues. There are currently various initiatives regarding liner waste – recycling, thinner, re-pulping, burning, converting into other products, linerless labels – but there is still no global solution.' He explained that,

while many of today's label product innovations are in themselves delivering better sustainability, 'collaborative sustainability across our value chain also comes into play in the area of recycling – and it is another opportunity for all of us to be a resource for our customers. It is not enough for a product or package to be theoretically recyclable; it must be effectively recycled through programmes available to a substantial percentage of communities.'

Mr Depietri concluded: 'I am quite optimistic that young people can forge a successful career in the self adhesive-industry -- as long as we as an industry focus on the keys to success in the future:

sustainable innovations; international/global collaboration; being open-minded in relation to new technologies; embracing new ways of co-operating, new business models, and continuously finding new ways to support and delight our customers; maintaining an entrepreneurial spirit, and keeping the passion that has led our industry for so many years.'

In a follow-up Q&A session led by the congress moderator, Jussi Vanhanen agreed that 'customers and end users will simply not accept "greenwashing".

Environmental initiatives have to be genuine!'

FINAT's role as a central enabler for industry-wide initiatives was applauded by the two speakers, particularly in view of the inclusiveness of its membership, spanning the entire value chain.

FINAT Label Competition presentations



Concluding the formal agenda on the first day of the Congress was the 2013 FINAT Label Competition Awards ceremony, together with the presentation of the Awards for the winners of the student competition to design the



Congress logo.



Delegates and their partners – some dressed appropriately in Lederhosen and Dirndl skirts – repaired to the famous Löwenbräukeller for music, dinner, and dancing.

Successful succession planning: Schreiner Group



Next day's programme opened with a presentation that epitomises a central aspect of the self-adhesive label converting industry: the need for succession planning, and generation change, in small and medium-sized family companies. A true success story here is that of Helmut Schreiner, now Senior Shareholder and Advisory Board Member of the Schreiner Group and Honorary Chairman of VskE since 2010. Mr Schreiner talked about how – as successor to his parents in their small seal stamp and label company – he now has, with his son Roland, been able to secure his company's future through goal-oriented generation change.

His own early experiences were key to the process. He explained that he learned 'how hard it is to wait but also how hard it is to let go!'

The Schreiner Group has been one of the major label industry success stories-- particularly in pharmaceuticals -- in terms of both vision and value. Between 1970 and 2012, sales grew from €300,000 to €130 million; 300 sqm of operating space grew to 60,000 sqm; and the workforces grew from 16 to 800 employees. 'This development', said Mr Schreiner, 'was only possible with the full backing of my wife, and also, for the past 12 years, of my son. Through our company's values of innovation, quality, performance and enthusiasm we developed a successful organism.'

Mr Schreiner's paper went on to detail how father and son worked together and individually to develop the skills and knowledge necessary to achieve successful generation change at the right time for both parties – one letting go, one taking hold. 'I wanted my biggest gift to the company to be one successor, one entrepreneur – to lead and be liable', said Mr Schreiner.

Good-natured, open, and honest, and at the same time a hugely-successful businessman, Helmut Schreiner deservedly holds the title of 'Grand Old Man of specialty labelling'; and Congress delegates applauded his story with warmth and appreciation.

Press manufacturers' panel discussion – the future?



The self-adhesive label industry's guru, Mike Fairley, founder of *Labels & Labeling* magazine, the Labelexpo shows, and Labels & Labeling Consultancy, took to the stage to interview a panel of speakers from leading press manufacturer companies. His starting point was to question the meaning of all the recent, and promised, change in the label industry, for the hardware manufacturers. Panelists from major conventional printing press manufacturers (Jakob Landberg, Nilpeter; Ferdi Ruesch, Gallus; Mike Russell, Mark Andy; Eric Hoendervangers, MPS; and Marco Calcagni, Omet), joined digital label press manufacturers Hans Gerinckx of Xeikon, Christian Menegon of HP Indigo and Jennifer Renner of EFI.

Topics discussed ranged from the increasing use of many colours/finishes on a label – often nine or more – coupled with the just-in-time/last minute delivery of labels required by leading brand manufacturers, and the effects of shorter runs coupled with multi-versioning of a central standard label.



Faster ink curing is a requirement today, and UV curing is today a popular choice – although with issues in food packaging and sustainability arenas. LED UV curing looks to be the answer, according to the panellists – but it is still almost double the price of conventional UV curing systems. Laser diecutting was also said to be making a niche for itself, where fancy label shapes on a variety of substrates are a requirement. Again, it is expensive – but many conventional presses today are already sold with the capability.

The fact that label converters are today expanding their portfolio to include, as well as self-adhesive labels, sleeves, in-mould labels, sachets/pouches, and even cartons also expands the capability requirements for label presses. For example, web temperature and tension need to be monitored carefully when printing unsupported films or thin – 20-23 micron – self-adhesive films.

Mike Fairley asked too for comments on the cheaper Asian converting machinery now available on the market: how big a challenge do they really represent? The general opinion was that the lower price brings with it many questionable solutions

and components and other quality issues, resulting in extended downtime – and it is questionable whether these machines fully meet European safety requirements.

An area where real disruptive potential is developing is direct inkjet print on to packaging. It will, the panel said, require a degree of standardisation of substrate shape and size (in itself a limitation), and perhaps offers the best opportunity in the labelling environment in the medium term as an element in combination print.

All in all, the panel discussion evidenced a real sense that the world of label printing is moving forward amicably on two, parallel, fronts – ever-more capable conventional roll-to-roll presses, and the ‘new kid on the block’, digital label presses.

A different way of viewing the future!

A paper with a less friendly, more challenging title closed the formal conference agenda. Dr Marc de Vos, director of the think tank Itinera Institute, Belgium, with a doctorate in law (Ghent) and a Harvard master’s degree in law, took as his theme ‘Why the Crisis is Deeper than You Think, but the Future is Brighter than You Fear’. In the face of what most people consider to be, perhaps, ‘the worst financial crisis of all time’, he urged delegates to take a different viewpoint. His wide-ranging paper included a number of highlights. ‘Debt’, he said, ‘is not a crisis – it’s a condition, and our economy is addicted to debt!’ In fact, he showed, our history, and ongoing issues, are proof of this premise. He discussed in a refreshingly-different manner Europe’s current problems, emphasising that ‘it’s the whole of Europe that’s at stake, not just the currency!’ He looked at globalisation – and pointed out the failings of the current status – ‘nobody’s the pilot, and there’s no cockpit either’ – despite the G20 and other talk-shops.



Dr de Vos challenged delegates to look, too, at the effects of technology transfer to other developing regions of the world. ‘We are’, he said, ‘selling out to the devil’, and in the process preventing the European economy from growing as it could. Geopolitical factors like this, he commented, have major implications.

There is real light on the horizon, however, Dr de Vos showed. Thanks to the lucky 'baby boomer' generation, who are now enjoying 15-18 years' active life after retirement (much longer than previous generations), a huge new, wealthy consumer market is opening up. But at the same time, 'the bill for baby boomer welfare is increasing by one third – more than 30% of the population will be over 60'. Their needs will have to be paid for – but, as there will be less younger people around to do so, we will once again be creating national debt.

The green economy (which, he said, 'has to happen, or mankind's finished'); the new and growing high-technology healthcare equipment market; 3D printing; and the enormous potential in the remaining emerging nations – representing some 55 million people – were also highlighted as real future opportunities.

Having explored the past and present, Dr de Vos advocated optimism for the future. 'Yes,' he said, 'It's terrible the state we're in – but we've seen worse and got over it. It's not a matter of ability. It's a matter of WILL.'

Closing addresses

It was time for the FINAT President to close the conference; and Kurt Walker, while acknowledging the synergies between FINAT and VskE, at the same time recognised the significance of the wider FINAT family, represented by the strong delegate turnout at what was one of the largest FINAT congresses ever held. He thanked all involved in the organisation and running of the congress: the sponsoring companies; the FINAT Congress Planning Committee, Secretariat and the VskE team; the translators; and, not least, moderator Marc Büttgenbach – Director, Labels and Consumables, at Bizerba, and the first congress moderator to be drawn from the label industry.

President Walker invited delegates to attend the 'open' FINAT committee meetings taking place in the early afternoon. He also looked forward to meeting the delegates again at Labelexo Europe in Brussels in September; at the Young Managers Club Summit in Warsaw in November; at the next FINAT Technical Seminar in Barcelona in March 2014; and at the next FINAT Congress in Monte Carlo in June 2014.



Representing the French label association UNFEA, Isidore Leiser of Stratus Packaging said how much UNFEA is looking forward to hosting the FINAT family, adding ‘...and don’t forget: label your future!’

Key sporting events

FINAT Congress always features sporting opportunities – and, in Munich, the annual football match between the local host association members and the FINAT team had



FINAT/Nilpeter golf tournament provided additional opportunities for delegates to demonstrate their sporting skills. Dinner at the MVG Museum provided opportunity for both celebration and commiserations!



special relevance not long after the European Cup final. The winners were the German label printers. The annual



Partner programme



FINAT Congress was supported, as usual, with a full and interesting partner programme during the times of the meetings, and an optional Munich city tour, with a visit to the BMW Museum, for delegates and their partners on Saturday.

Final comment from FINAT's MD

Jules Lejeune said that he took away a strong message from this year's congress. 'Our speakers here in Munich have emphasised that, as an industry, we are widening our horizons, embracing new technologies, and opening up new end-use markets for labels. That's a positive message – and I can assure all FINAT members that both the national associations and FINAT will be working to ensure a successful future outcome for our vibrant industry.'

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