

STATEMENT

European Label Associations call for parties to resolve dispute at UPM paper mills - Severe consequences for label value chain, economy and societies if strike continues

FINAT, the pan-European association for the self-adhesive and narrow-web industry, and the nine national label associations active in 15 countries across Europe, are jointly expressing our concern about the impact of the announced continuation of the dispute between the UPM paper mills and Paperiliitto, the Finnish paper workers union, by another three weeks till 12 March 2022.

If the shortage of paper grades for label release liners and papers for label facestocks continues as planned, through a 'chain reaction', there will be far reaching repercussions for:

- the continuity of manufacture of labels and narrow-web packaging;
- the supply of self-adhesive labels to FMCG customers, especially the food and pharmaceutical sectors;
- the distribution of labelled goods to stores and consumers, and, ultimately,
- the well-being of 500 million consumers at large in Europe.

In Europe, currently some 8 billion square meters of self-adhesive label materials are being used annually. This corresponds to around 240 billion labels used in a variety of sectors like food and beverage, health and personal care, medication, household and industrial chemicals, transport and logistics, retail, consumer electronics, automotive products etc.

Labels are all around us. Their unique combination as enabler of 'product decoration' (branding, consumer information), as identifiers of variable information (unique article numbers, barcodes, RFID codes, best before dates, price tagging, passenger tagging) and as performers of specific functions (closures, temperature indicators, anti-counterfeiting devices), have earned them the reputation as essential component of the critical infrastructure of the European economies, as we have seen during the Covid crisis in 2020 and 2021.

The strike that is now lasting over a month has already caused severe delays in the supply chain, with delivery times now exceeding three months. If continued even beyond 19 February as announced last Friday, it could lead to a pan-European standstill of supply chains within weeks, causing severe damage to the European economic recovery and adding to the present inflationary tendencies.

FINAT and the national label associations are of the opinion that this strike is not proportionate to the lasting damage that may be created if it is continued any further. We URGE all stakeholders (employer, unions and authorities alike), to take the European macro-economic implications of this dispute into consideration, and to assess their social responsibility to the wider European community in resolving this dispute.

The labels and narrow packaging industry encompasses a sophisticated network of some 3,000 specialised providers of labels and labelling solutions, with a total workforce of nearly 100 thousand employees in the wider Europe. FINAT and the 9 dedicated national label associations together represent over 1,000 label companies, and in volume terms their joint membership covers over 75% of the total market volume in Europe.

The Hague, The Netherlands – 8 February 2022

Associations co-signing this statement

	<p>FINAT The European association for the self-adhesive and narrow-web packaging industry www.finat.com</p>
	<p>AIFEC – Asociación Ibérica de Fabricantes de Etiquetas en Continuo The Spanish and Portuguese association for manufacturers of roll labels www.aifec.eu</p>
	<p>BPIF Labels Labels special interest group of the British Printing Industries Federation www.bpiflabels.org.uk</p>
	<p>DLA – Dansk brancheforening for producenter af etiketter og leverandører til industrien The Danish trade association for producers of labels and suppliers to the industry (www.danishlabelassociation.dk)</p>
	<p>ELSET – Ελληνικός Σύνδεσμος Ετικετοποιών Greek association of label producers www.elset.gr</p>
	<p>ESD – Etiket Sanayicileri Dernegi Turkish association of label producers www.esd.org.tr</p>
	<p>GIPEA – Gruppo Italiano Produttori Etichette Autoadesive The Italian association of Italian manufacturers of self-adhesive labels (a division of Assografici): www.gipea.net</p>
	<p>Grafiska Företagen The Swedish Graphic Industries Federation www.grafiska.se</p>
	<p>UNFEA - Union Nationale des Fabricants D'Etiquettes Adhésives The French national association of manufacturers of self-adhesive labels www.unfea.org</p>
	<p>VsKE – Verband der Hersteller selbstklebender Etiketten und Schmalbahnconverter e.V. The German association for manufacturers of self-adhesive labels and narrow-web converters (covering the DACH counties) www.vske.de</p>