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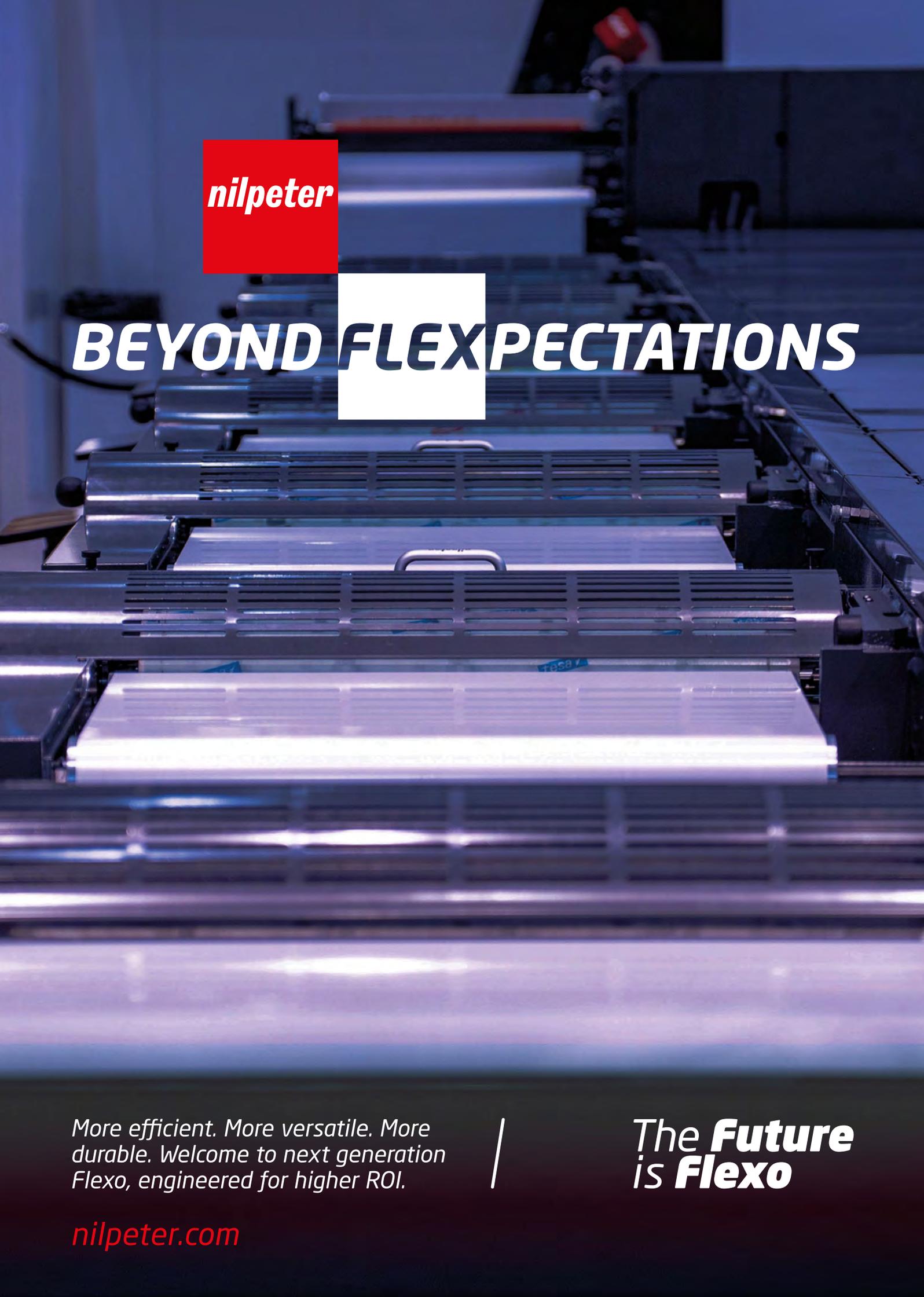
# LABELS & LABELING

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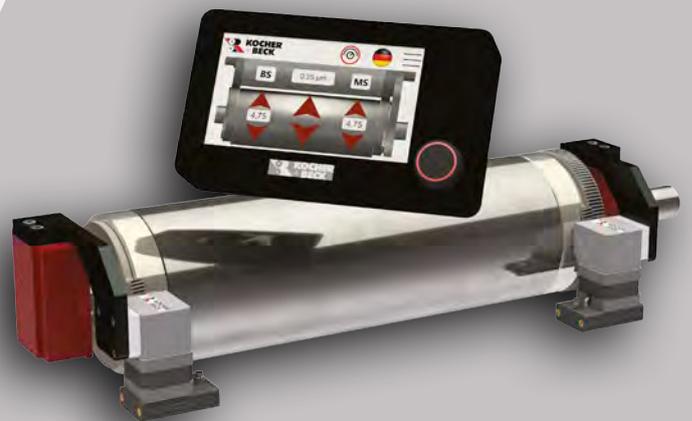


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# A world in transition

If there's one word to sum up the global sentiment captured in this special edition of Labels & Labeling, it's optimism. If it's two words, it's cautious optimism.

Each year, our team of editors offers a look at the drivers shaping the label and packaging industry across the globe. This year's picture is complex. There certainly are challenges that persist, like political and economic volatility, ongoing regulatory and margin pressure, increasingly compressed lead times, and persistent labor shortages in many parts of the world. Yet, despite these headwinds, what's consistent from every corner of the globe, is that industry remains upbeat, but realistic about what lies ahead.

Automation stands out as a clear defining factor as converters in many regions look to invest in technology. The advantages of doing so are significant and wide ranging. Automation can reduce a converters' dependence on scarce labor, improve efficiencies and manage increasingly complex workflows. With the steady rise in SKUs, shorter runs and faster turnaround expectations, companies are forced to rethink operations from order entry to shipping. In today's label converting space, automation becomes not just a competitive advantage, but a necessity.

We're a few years out from the buying boom of the Covid years and the overcapacity dip that followed, and global markets are starting to return to normal. The label world today appears to be in a period of gradual recovery. And yet, the broader macro-economic background is not making it easy on anyone.

Tariffs from the US are dominating conversations and leading to economic uncertainty across the globe. It's a zero-sum game, and the impact is immediate: investments are often being delayed, planning has become more difficult, and global supply chains are rattled as businesses are left to navigate the volatility of unpredictable trade policies.

**“In today's label converting space, automation becomes not just a competitive advantage, but a necessity”**

Sustainability regulations continue to reshape the label and packaging industry. In particular, the Packaging and Packaging Waste Regulation in the European Union is pushing for changes across material and reporting processes, and driving positive progress toward recyclability, reduced waste and a lower environmental footprint. But at the same time, the pace and complexity of this regulatory environment has created a lot of uncertainty, with evolving rules and tight timelines, all of which translate to additional costs on converters at a time when businesses are clawing at ways to remain competitive.

The wider Asia-Pacific market is continuing to emerge as a global powerhouse. The region, with roughly 5 billion people, accounts for 55 percent of the global GDP. Though its growth may have been too much and too fast. Chinese label manufacturers in particular are facing overcapacity and stagnating domestic consumption that present ongoing challenges.

But the label industry is nothing if not resilient. When you read through the pages of this special edition, you'll see that these regional perspectives point to an industry that is adapting rather than retreating. In many regions, growth is more measured than dramatic, but this is an industry that, nevertheless, persists. Converters and suppliers alike are investing and innovating, all while preparing for a greener future defined by efficiency and productivity.

Chelsea McDougall, Managing editor





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# Europe: Optimism amid recovery

The top five European markets are gradually recovering from over-ordering during the pandemic; however, some are recovering much faster than others. Will Drysdale reports

Europe's label industry enters 2026 with optimism as the sector continues to recover after 2023, when labelstock demand fell by more than a quarter across the continent. According to the latest analyses from Finat, the industry recovered minimally in 2024 and continued to do so in early 2025. Growth remains uneven across major markets.

The five largest European markets, the UK, Germany, France, Italy and Spain, account for approximately 60 percent of total European label consumption, up from roughly 50 percent in 2021; however, each region is recovering from 2023 at its own pace.

For converters, suppliers and major fast-moving consumer goods (FMCG) brands, the question isn't whether volumes will return, but which markets will come out on top in 2026.

Finat's latest overview describes the industry as still working through the impact of the correction after mass over-ordering during the pandemic.

In 2023, European labelstock volumes fell by approximately 25 to 26 percent year-on-year, marking one of the steepest drops on record.

The recovery in 2024 was primarily attributed to the unwinding of extreme destocking, particularly in Western Europe, rather than by organic demand growth, according to Finat.

Finat also notes that while overall demand strengthened in the first half of 2024, volumes in many markets remained below their 2021 peaks. Some countries are now stabilizing, others are still lagging, and Spain has exceeded expectations.

## Country-level outlook for 2026

The **UK** remains the fourth-largest label market in Europe, but it has been one of the slower regions to recover. According to Finat's regional analysis, UK label consumption remains below 2021 levels, reflecting weaker household spending and the long tail of e-commerce normalization.

For 2026, the UK is expected to see modest value growth. Much of the growth opportunity lies in higher-value work: digital print, premium decoration and logistics labels.

Converters will continue shifting toward recyclable and mono-material laminates and adhesives as UK brands adjust to tightening sustainability rules and evolving

## "The question isn't whether volumes will return, but which markets will come out on top in 2026"

European requirements, despite regulatory divergence. Lead times and input costs are expected to stabilize but remain sensitive to raw material volatility.

**Germany** is historically Europe's largest label consumer but faces a slower outlook heading into 2026. Finat highlights weak industrial production, energy price pressures and cost-conscious customer behavior as issues.

Volumes remain below their 2021 peak, and the recovery is slower than in southern Europe or France. For converters, margin pressure is likely to remain a theme, particularly for those that depend on industrial and technical applications rather than FMCG and beverage categories.

However, Germany remains a large market for high-performance filmic labels, liner and adhesive innovation and advanced converting technologies.

**France** is showing a more balanced recovery in Western Europe. Finat describes it as mixed but stable, supported by resilient food and retail segments. Growth in 2026 is expected to remain in the low single digits, with sustainability requirements acting as a catalyst for product mix evolution.

French retailers are tightening recyclability and labeling requirements ahead of European PPWR timelines.

Converters serving France prioritize compliance support, substrate substitution consulting and lifecycle documentation as brand owners adjust packaging portfolios ahead of stricter 2027–30 sustainability rules.

**Italy** is positioned for healthier growth in 2026. Finat notes that Italian demand patterns mirror France but benefit from strong, label-intensive premium categories, especially wine, olive oil and specialty foods.

Italy is also becoming a proving ground for recyclable premium label formats, as exporters face multi-market compliance requirements. Converters that can balance premium aesthetics with circularity will gain a competitive advantage.

Finat highlights **Spain** as having 'recovered

quite well,' reaching or surpassing 2021 levels ahead of its peers.

The growth is mostly from domestic consumption, fewer industrial constrictions compared with Germany, and more balanced inventory patterns.

Converters in the Spanish market are increasing capacity in filmic, PP and digital label formats, anticipating sustained expansion in personal care, household and food categories.

## PPWR

However, Finat states that continued regulatory pressure will be a 'defining force' across all markets through 2026.

Converters are being pushed to shift to mono-material or recyclable constructions and provide recyclability evidence for label-pack combinations while reducing the use of problematic components such as certain adhesives, laminates and inks, while compliance costs are also expected to rise.

Finat identifies digital and hybrid label printing as a growing value driver across all significant markets.

As SKU proliferation, shorter runs and variable-data requirements intensify, digital adoption should continue expanding through 2026. Inkjet is gaining traction as platforms improve in speed, opacity and substrate compatibility.

The 2023 shock exposed vulnerabilities in Europe's raw-material supply chains. While 2024–25 stabilized conditions, the medium-term trend is toward tighter supplier-converter partnerships and consolidation among mid-size converters as capital requirements rise.

Across the board, sustainability, digitalization and supply-chain resilience will shape profitability.

As Europe's label market heads into 2026, the industry should feel more optimistic than in the past two years; however, growth across the board is expected to be moderate, according to Finat.



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# North America: Tariff uncertainty and complexity

*Underlying market remains strong amid economic uncertainty, fluctuating tariffs and slowed capital investments. Selah Zighelboim reports*

**T**he North American label market closed 2025 on a relatively optimistic note, following a year of economic uncertainty. Much of that uncertainty has been driven by changing tariff policies, which deterred capital investments, complicated supply chains and contributed to a slowdown in hiring.

Despite these challenges, the underlying economy continues to be strong, with real GDP growth at 4.3 percent in the third quarter of 2025, strong consumer spending and a decrease in the US Federal Reserve interest rate.

This state of affairs could be summed up by an acronym that economist Alex Chausovsky highlighted during a talk at the TLMI Annual Meeting in October: VUCA, or volatility, uncertainty, complexity and ambiguity.

'We've shifted from uncertainty to complexity as a way of doing business,' Chausovsky said at the meeting.

Chausovsky explained that the beginning of 2025 was marked by economic uncertainty, with questions about what tariff policies would look like and what their impact would be, and whether there would be a new US tax law. Some of these factors are no longer unknown, while others, such as the future of certain tariffs, remain unclear.

'The economy has proven to be surprisingly resilient in the face of all of this uncertainty that we've had,' Chausovsky said at the TLMI meeting.

## Tariff landscape

Over the past year, businesses have been responding to fluctuating tariff policies that have changed multiple times, often without much notice.

The Trump administration has implemented a wide array of tariffs, with different goals including addressing trade imbalances, protecting US industries, pursuing various political aims or drug enforcement. Some tariffs have affected specific products, while others have been more widespread, impacting almost all products from specific countries.

Tariffs have also been issued under various laws. For example, the Trump administration implemented a 50 percent tariff on steel and aluminum under Section 232 of the Trade Expansion Act. Mark Andy

**"We've seen our customers, especially in the latter half of the year, be far more conservative in their investments"**

received a Section 232 tariff exemption, protecting it from tariffs on steel and aluminum used in its equipment.

A baseline 10 percent tariff rate on imports from most countries was issued under the International Emergency Economic Powers Act (IEEPA).

The average tariff rate on imports into the US is currently 17 percent, according to the nonpartisan Tax Policy Center.

The impact of these fluctuating tariff policies has been nuanced, as importers employ various strategies to mitigate price increases.

These have included working with foreign suppliers to reduce prices or absorbing part of the tariff costs themselves. The result has been that the cost of many goods has increased in the US, though not as much as the full tariff rates.

During his talk at the TLMI Annual Meeting, Chausovsky highlighted that US industrial production – a relevant measure of the economy for label converters – has been flat for the past two years. The industrial economy gained momentum early in 2025, but it ended with the announcement of the Liberation Day tariffs in April.

For label converters, the uncertainty around changing tariff policies – an uncertainty that remains, with the US Supreme Court expected to soon weigh in on the constitutionality of the IEEPA tariffs – has caused them to delay making capital investments.

'We've seen our customers, especially in the latter half of the year, be far more conservative in their investments,' says Patrick Potter, president of Flexo Wash and co-chair of TLMI's regulatory affairs committee.

This past year has been a nuanced one

for Flexo Wash, which sells both machinery and consumable products.

'There are two sides to it for us, because there's the capex side of the business and there's the consumable side of our business,' Potter says. 'The consumables have remained pretty steady and have actually been pretty good. There are pockets of our customers who have had peaks and valleys throughout the year. What it shows me is that, overall, as a whole, they're producing, they're busy. They're just being cautious and conservative in their investments.'

One type of consumable heavily hit by tariffs has been inks, as pigments are generally imported, often from India, which is currently subject to a 50 percent tariff.

Andrew Wasserman, managing partner at Cyngient, says that there have been upsides to tariffs. One is that tariffs have pushed businesses to be more creative and nimble and to build stronger customer relationships.

'It's forcing everybody in the industry to really look at how they formulate and how to really come out with performance-based products,' Wasserman says.

## Other factors

Tariffs are not the only factor shaping the economic outlook for label companies.

During his talk at the TLMI Annual Meeting, Chausovsky said that the One Big Beautiful Bill Act, passed over the summer, contains business-friendly provisions, such as allowing companies to expense domestic R&D costs.

Additionally, Potter notes that interest rates have come down – a positive signal to business owners for the coming year.

'Whether it's getting used to tariffs being in place and building that into the cost of business if they're going to stay, or continuing a lower interest rate environment, and inflation coming down, I am optimistic about 2026,' Potter says. 'Less uncertainty would be nice.'



Scan the QR code to read more North American market news in Labels & Labeling

# Global packaging trends that moved the market in 2025

*In 2025, packaging and label design were heavily influenced by global regulations, sustainability and digital innovation. Akanksha Meena reports*

**P**ackaging is no longer judged based on shelf impact but on compliance, material responsibility, transparency and connectivity. From PPWR-driven label redesigns and the rise of compostable and paper-based alternatives, to traceability, digital product passports and interactive packaging, brands are being forced to rethink how packaging communicates, performs and engages.

## Global packaging regulations

Several countries updated their packaging regulations to meet the urgent requirement of sustainability. Notably, the PPWR came into force in 2025 in the European Union, marking a monumental shift in the European packaging landscape. Sustainable packaging is no longer optional. Regulations such as the PPWR and German Ink Ordinance are making it essential for brands and the packaging industry to adopt recyclable and reusable materials, while phasing out problematic materials such as PFAs.

This regulatory shift has a direct impact on packaging and label design, as more mandatory information must now be displayed on pack. Under the PPWR, brands are also required to include specific details related to packaging recyclability, further influencing how labels are designed and produced.

The How2Recycle program also transitioned from its Legacy recycling labels to the new How2Recycle Pro Labels, designed with updated symbology and clearer instructions to improve consumer understanding and support regulatory compliance.

## Compostable and mono-material packaging

Compostable and mono-material packaging also took center stage in 2025, as brands increasingly explored alternatives to plastic packaging, which continues to face growing pressure worldwide. With consumer awareness rising and regulations tightening, demand has increased for packaging that helps divert

**“This regulatory shift has a direct impact on packaging and label design, as a growing amount of mandatory information must now be displayed on-pack”**

waste from landfills while supporting broader sustainability goals. These materials are particularly well-suited to food packaging applications. Mono-material packaging simplified structures to improve recyclability. By using a single material instead of complex multi-layer combinations, packaging becomes easier to sort, recycle and process within existing waste streams.

In response, manufacturers are innovating across every aspect of the packaging value chain. For example, Bio4Life developed a home-compostable pressure-sensitive adhesive, which also won the L&L Sustainability Award during Labelexpo Europe 2025 for its efforts to make compostable packaging more accessible and easier to implement.

## Paperization

Paperization emerged as a key packaging trend in 2025, as brands accelerated the shift away from plastic toward paper-based alternatives. Paper with advanced barrier coatings is increasingly being developed to deliver more sustainable packaging while meeting functional performance requirements. Consumers also tend to perceive paper packaging as more environmentally friendly, further reinforcing its adoption.

Regulatory pressure is intensifying this transition. Under the EU's PPWR, packaging must be recyclable by 2030, with



*Several countries have updated their packaging regulations impacting label design*



*Brands are exploring alternatives to plastic packaging to reduce the amount that ends up in landfills*



Paper with advanced barrier coatings is increasingly being developed

## “Nearly all brands surveyed plan to increase investment in connected technologies like NFC and QR codes, especially to support sustainability and ESG initiatives”

strict limitations on multi-layer plastics. In China, e-commerce platforms are required to meet mandatory targets for recyclable or biodegradable paper packaging starting in 2025. In the US, states such as California and New York are phasing out single-use plastics, pushing food service and delivery brands toward paper bowls, cups and other alternatives.

### Traceability

As regulations increasingly mandate recyclability, transparency and accurate on-pack information, traceability has become non-negotiable for brands and converters alike. A key driver of this shift is the introduction of Digital Product Passports (DPPs), which require detailed, standardized data on packaging materials, composition, recyclability and environmental impact to be accessible across the value chain. The regulation is enabled through QR codes, data carriers and connected packaging technologies. DPPs support regulatory compliance, improve recyclability labeling accuracy and help brands ensure sustainability claims.

### Connected packaging

Technologies such as QR codes, NFC and augmented reality are also bridging physical products with digital experiences, enabling brand storytelling, personalized content and enhanced transparency.

Connected packaging addresses regulatory compliance and consumer trust. The GS1 Sunrise 2027 initiative drives the transition to QR codes by 2027, and the importance of meeting regulations such as the DPP and EPR will further propel this trend.

Supported by IoT, AI and blockchain, connected packaging enables real-time tracking, authenticity verification and richer consumer engagement, while also delivering valuable data and supply chain insights for brands.

Interactive labels and packaging help brands build customer loyalty through immersive unboxing experiences and provide product and recycling information.

Collaborative research by SharpEnd and Fedrigoni highlighted that connected packaging is now seen as critical to brand strategy among UK and US companies, with the vast majority viewing it as essential for marketing and data collection.

Nearly all brands surveyed plan to increase investment in connected technologies like NFC and QR codes, especially to support sustainability and ESG initiatives. Alcoholic beverages, CPG and healthcare sectors are leading adoption, with strong uptake of NFC for engagement and QR codes for consumer information. While QR codes remain the most widely recognized technology, brands are increasingly willing to invest in NFC and other connected solutions to enhance customer experience and share sustainability credentials.

Many anticipate that digital triggers on packaging will become mandatory for things like sustainability information, authenticity and provenance.



QR codes, data carriers and connected packaging technologies offer transparency



Connected packaging addresses regulatory compliance and consumer trust



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# Latin America: Modest growth and optimism

*Steady growth and supplier optimism sum up the current mood in the Latin American label sector. James Quirk reports*

**G**rowth forecasts for the region might be modest, if steady, but machinery suppliers serving the Latin American label market are optimistic about its long-term potential, as pressure-sensitive labels, in-mold and shrink sleeves continue to gain market share, and digitalization and automation increase production efficiency.

The IMF projects the Latin American and Caribbean region's economy to grow by around 2.3 percent in 2026, a slight moderation from 2025. Growth forecasts for individual countries vary, with Mexico at 1.5 percent and Argentina – shaking off previous financial restraints – at a more bullish 4.5 percent. Brazil, Chile, Colombia and Peru are at 2 to 3 percent. Central America is predicted to perform better than the wider region at 3.8 percent. 'Global trade headwinds and domestic fiscal constraints' are cited as reasons for the modest growth figures.

## “Latin America is such a dynamic region right now. There is so much political change”

Politically, the shift towards right-wing governments continues, with Bolivia and Chile recently joining Argentina, Ecuador and several Central American nations in electing conservative leaders. This rightward trend tends to result in an uptick in sales, says John Vigna, Latin America sales manager for Mark Andy, though election years can cause uncertainty. Brazil and Colombia both hold elections in 2026.

'For Mark Andy, 2025 was better than 2024, but I think both years were limited by elections and geopolitical issues,' Vigna says. '2025 was our best-ever retrofit year, so converters are still investing to enhance their productivity. Machine sales are improving. Mexico is our fastest-growing market, and we attribute this to our new service organization, along with the introduction of Mark Andy Print Products in Mexico. Central America continues to show good growth, with a lot of opportunities and projects.'

'Colombia has been growing strongly in flexo. Chile has been good, as converters there always want to keep up with the latest technology. Argentina is opening up; we had lots of retrofits there last year. There could also be potential in Venezuela, where we have a strong installation base. It's such a dynamic region right now. There is so much political change. I'm optimistic that there are good opportunities coming to us this year.'

'There has been a wave of change in Latin America recently,' says Francisco Soto, sales director for the Americas at Rotocon. 'Once an economy of uncertainty, it is positioning itself as an open market. I see Latin America as a strategically important region with solid long-term growth prospects. There is strong potential in markets such as Argentina, Chile, El Salvador and Mexico.'

Nick Vindel, international sales manager for plate mounting equipment specialist Heaford, reports 2025 as a 'difficult but positive' year, with a 50 percent increase in narrow web machine sales. 'We put this down to Labelexpo Mexico and Labelexpo

Europe. We sold machines on the show floor in Guadalajara and made some sales off the back of it. It was a similar result in Barcelona, which was very good for visitors overall and particularly for Latin Americans. We closed orders at the show to Bolivia and Brazil.'

'Argentina is starting to open up,' continues Vindel. 'Payment terms are better. A lot of companies are looking at it again. Chile has slowed because the market is oversaturated. Brazil has been growing both in sales and quotations. There is still lots of growth in that market. In Bolivia, the new right-wing government has helped, and converters are suddenly interested in investing again.'

### Market trends

Regarding industry trends in the region, Rotocon's Francisco Soto says automation is key. 'There is a clear trend toward automation, flexibility and efficiency. Customers are increasingly seeking equipment that minimizes waste and cuts set-up times, while supporting shorter run lengths. There is also growing interest in modular and hybrid systems.'

Vindel says converters increasingly want automated machines. 'Companies are finding it hard to get good people.' But the market 'is still price-sensitive. They want the advanced machinery, but sometimes they don't want to pay the money.'

Heaford is setting up a demo center in São Paulo, Brazil, at the facility of its agent Maquinarium, which will have an FTS 700 plate moulder on display. 'It's a sign of confidence in the market. When people see the FTS in action, the price issue disappears.'

Vindel also notes that converters are buying wider machinery. 'The traditional widths for the FTS are 500mm or 700mm. Now we are getting orders for 900mm. Narrow-web converters are moving into the mid-web market. Meanwhile, CI press manufacturers are going narrower. We saw Comexi at Labelexpo Europe and Uteco at Labelexpo Mexico; the crossover is happening. It's very interesting for the future.'

Industry analyst AWA sees the South American label market (it separates Mexico as part of North America) as one with 'significant long-term potential', according to senior consultant Catalina Steenbakkens, who notes increasing adoption of not only pressure-sensitive labels, but also sleeve, in-mold and flexible packaging formats.

The ongoing shift from glue-applied to pressure-sensitive labels continues across the region, particularly in the beer sector. Shrink sleeves continue to grow at a solid rate, while AWA identifies in-mold as the fastest-growing label format in the region, with a CAGR of 5.5 percent for 2024-2027.

'While the region continues to face political and economic volatility, the label market has remained resilient and is expected to continue growing,' she says.



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# Middle East and Africa: Embracing automation

*The MEA labels industry in 2025 was shaped by complex brand demands, operational challenges and a shift toward high-speed flexible production. Akanksha Meena reports*

In 2025, the labels industry across the Middle East and Africa saw converters responding to rising cost pressures, supply chain volatility and increasingly complex brand demands. Over the past year, converters have been rethinking both their technology investments and operational models.

## Short digital runs

Across MEA, new brands and increasing SKUs are pushing converters to rethink traditional setups. The region saw growing adoption of hybrid production where digital enhances conventional processes.

An accelerating shift toward short-run, high-quality production was driven by increasing SKUs and the rise of regional and private-label brands. As Ranesh Bajaj, director of Vinsak, notes: 'This has changed converter requirements, with machinery that combines flexibility, faster changeovers and lower waste are now in high demand. This trend pushed hybrid and offset-based solutions such as Rotatek's Universal series to the forefront.'

Jagannath Wagle, managing director at Sigma Middle East, an Ajman-based label converter, agrees: 'The industry is moving towards digital due to high demands in short runs as new private labels emerge in the market.'

Brand owners across East Africa are also demanding shorter lead times and greater SKU flexibility.

'At Skanem Africa, this has translated into customers prioritizing quick turnarounds, smaller batch sizes and consistent quality, which is driving a clear rise in workflows where digital has to complement flexo or conventional flexo,' says Sachin Gudka, managing director at Skanem Africa.

'Sustainability is also becoming increasingly central, with more requests for recyclable, down-gauging as well as low-waste solutions,' he adds.

## Automation

Automation and advanced press technologies are critical to helping MEA converters remain competitive amid rising operational costs.

Vinsak's Bajaj highlights that offset-based film printing for IML and

**“Converters now prefer presses and finishing systems that simplify operations, shorten setup times and maintain consistent output with minimal operator effort”**

shrink sleeves, servo-driven finishing and converting systems with precision engineering and waste-reduction modules, in-line inspection, automatic register controls helped converters remain competitive despite rising operational costs.

'MEA converters have begun embracing automation. There has been a clear move toward automated presetting and color management, digital workflow integration for job planning and repeatability, AI-based inspection and predictive maintenance systems,' he says. 'Converters now prefer presses and finishing systems that simplify operations, shorten setup times and maintain consistent output with minimal operator effort.'

Digital and flexo automation together enable greater agility in operations.

'High-speed digital inkjet technology will impact the labels and packaging industry going ahead, as it enables economically viable short runs, personalization and versioning,' says Gudka. Alongside this, increasing automation in flexo, such as auto registration, auto impression and faster changeovers, are reducing waste and downtime.

Greater automation in label finishing and die-cutting is now delivering measurable efficiency gains.

'Collectively, these advancements have directly improved our responsiveness to customer demands, allowing the business to operate with greater speed, flexibility and consistency,' Gudka notes.

Many converters in Africa are also embracing AI-enabled planning tools for maintenance and predictive maintenance

for reliability and reducing unplanned downtime.

## Challenges

MEA converters faced extended lead times, fluctuations in raw material availability and increasing freight costs in 2025.

'These pressures were compounded by skilled labor shortages making reliability, automation and ease of operation more critical than ever, pushing converters to invest in equipment with higher automation,' Bajaj highlights.

These challenges have been particularly pronounced in East Africa, where logistics disruptions remain unresolved. According to Gudka, lead times are getting longer in terms of supply chain, largely because the Red Sea disruptions have not been resolved. Ongoing congestion has further strained port operations, resulting in longer lead times.

Financial instability was another concern in Africa. Currency volatility, depreciation or appreciation of certain currencies within the region, has made substrate planning complex and forced converters to diversify sourcing.

'In response, operational discipline has become essential. For us, this has meant proactive procurement, tighter inventory discipline and strong supplier partnerships to ensure continuity, despite unpredictable availability,' Gudka explains.

Converters that can offer fast, local and technically capable supply are best positioned to benefit. However, economic uncertainty remains a challenge in some markets.

'In Kenya, for example, higher taxation has reduced consumers' disposable income, creating pressure and concern for brands,' Gudka adds.

Converters in the Middle East are facing competition from China and many printers rely on China for imports. Operational and living costs in the Middle East, especially in the UAE, are rising. Productivity is the only key to success.



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# India: Convergence and agility redefine label market

*The year 2025 has been a watershed moment for India's label and flexible packaging printing industry, characterized by what many leaders describe as a period of profound 'transformation' and 'aspiration'. Adyasha Sinha reports.*

**T**he year 2025 has cemented India's position as a global powerhouse in the label and packaging sector. Driven by a surge in consumption and a maturation of domestic manufacturing, the industry is navigating a high-growth phase. According to Mordor Intelligence, the Indian print label market reached a valuation of 2.46 billion USD in 2025, maintaining a robust compound annual growth rate (CAGR) of 13.29 percent. Grand View Research estimates the broader packaging labels segment at 2.87 billion USD, while the flexible packaging market is expanding at 12.7 percent annually.

## Blurring boundaries

The most significant trend in 2025 is the convergence of narrow-web and mid-web technologies, blurring the traditional boundaries between label converting and flexible packaging. Amit Ahuja, managing director of Multitec, notes: '2025 was the year of "transition", as the industry moved from long-run dominance to a clear short-run, multi-SKU mindset.' This shift has seen label converters stepping confidently into mid-web formats to produce short-run pouches and shrink sleeves.

Patrick Graber, marketing director, PL Label, Bobst, echoes the same sentiment, noting: 'In-line flexographic solutions will complement digital capabilities as small-quantity brands scale up.' This convergence is driven by brand owners who increasingly require shorter lead times and the flexibility to manage a growing number of SKUs.

## Growth drivers

The explosion of the start-up ecosystem has been a major catalyst for technological adoption. Pawan Chauhan, country business manager, industrial and inkjet business solutions, HP India, highlights: 'Digital printing has become the most practical option for start-ups due to its low upfront investment and cash-and-carry business model. We have observed a significant increase in digitally-printed pages, particularly as millennial-led consumption drives demand for customization and faster turnaround times.'

The desire for instant gratification among

## "2025 was the year of 'transition', as the industry moved from long-run dominance to a clear short-run, multi-SKU mindset"

consumers has pushed established brands to innovate continuously to stand out on crowded retail shelves. Prabakaran S, senior general manager, Epson India, observes: 'Brand owners are looking for shorter runs, quicker product refresh cycles and the flexibility to manage a growing number of SKUs, leading converters to re-evaluate traditional production setups in favor of agile workflows.'

## 'India Rising'

In 2025, the Indian label printing industry expanded beyond major metropolitan hubs. There was a marked increase in hardware investment in tier-two and tier-three cities. Harveer Sahni, chairman of Weldon Celloplast, describes 2025 as the year of 'India Rising,' noting that the middle-level converters have seen the most activity, moving from the smaller used machines, flatbed converting machines, to the modular flexo presses. 'This progress is largely attributed to the increased availability and improved quality of Indian-made flexo presses, which are both affordable and offer opportunities to advance to a higher league. We have witnessed continued high and robust double-digit growth. This is attributed to the initiation of a young workforce opting to start their maiden start-ups; many of these are now growing and providing the much-needed boost to demand for labels and packaging.'

He also points to an inspiring social trend: 'more and more young women are emerging as leaders in the label and packaging sector.'

## Strategic challenges

Despite the optimism, 2025 has not been without its hurdles. Manish Kapoor, sales manager, Nilpeter India, characterizes the year as one of 'uncertainty,' citing mid-year tariff issues and the ongoing narrow-margin challenge that continues to plague the pressure-sensitive label segment.

Kapoor observes a movement toward

consolidation: 'This trend has continued in 2025. It is a healthy sign for the industry where the established and financially-disciplined converters are clearly getting ahead of the crowd.' He warns against 'short-term disrupters' and emphasizes the importance of stable, long-term partnerships in a market that remains highly price-sensitive.

## The Loupe transition

The Indian industry views the transition as positive and a necessary evolution as it prepares to welcome Loupe India (formerly Labelexpo India) in October 2026. Multitec's Ahuja comments that the market has outgrown the traditional 'label-only' identity. Today's converters handle labels, flexible packaging, cartons, shrink and hybrid workflows. Chauhan of HP India shares that the new identity reflects a fresh and modern direction aligned with the evolving trends in the industry.

However, there is a lingering caution. Sahni expresses a desire for the show to maintain its focus: 'As label industry constituents, it will be a wish that we would not like to get lost in a crowd.' Bobst's Graber adds that the true measure of success for Loupe India will be its ability to 'encourage participation and foster growth' through sustainable pricing models in the Indian market.

## Future outlook

As we move into 2026, the Indian label and flexible packaging market is no longer just following global trends; it is setting them. The combination of high-tech automation, a move toward mid-web flexibility and a more diverse leadership base suggests an industry that is both resilient and forward-thinking.



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# LABEL ACADEMY



## ILLUSTRATED FLEXIBLE PACKAGING

Flexible packaging continues to experience one of the highest growth rates across all printing sectors. Narrow- and mid-web printing using conventional and digital technology has opened up the market for both label converters and new customers entering this industry, who have never previously had a solution for short-run flexible packaging orders.

**Flexible Packaging – a technical guide for narrow- and mid-web converters**, is an essential read for those who are either setting out on their flexible packaging journey or looking to expand production.

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# Asia Pacific: Global powerhouse

*The region leads in innovation in sustainable materials and in the adoption of digital printing. Piotr Wnuk reports*

**T**he Asia-Pacific region has cemented its position as the undisputed leader in global packaging markets, accounting for over 40 percent of worldwide flexible packaging demand and commanding 38.7 percent of the folding carton market. This dominance reflects not just scale, but a fundamental transformation driven by e-commerce expansion, sustainability imperatives and rapid technological advancement.

**“The Asia-Pacific region accounts for over 40 percent of worldwide flexible packaging demand and commands 38.7 percent of the folding carton market”**

## Market momentum accelerates

The numbers tell a compelling story of sustained growth. According to market research firms including Mordor Intelligence and Precedence Research, the Asia-Pacific flexible packaging market reached 84.82 billion USD in 2025 and is projected to hit 110 billion USD by 2030, representing a compound annual growth rate of 6.5 percent. Folding cartons show even stronger momentum, with the market expanding from 168.38 billion USD in 2023 toward 272.16 billion USD by 2032.

This growth trajectory is fueled by structural forces reshaping consumer behavior across the region. According to industry research, e-commerce sales in the Asia Pacific accounted for nearly 60 percent of global online revenues in 2023, creating unprecedented demand for lightweight, durable packaging. Malaysia's e-commerce market alone grew by 20 percent in 2022, exemplifying the rapid adoption of digital commerce and the resulting packaging innovation.

Urbanization continues accelerating throughout Southeast Asia, with expanding middle-class populations in Indonesia, India, Vietnam and Thailand demanding convenience-packaged goods. Rising disposable incomes translate directly into increased consumption of packaged products across food and beverage,

personal care and pharmaceutical categories.

## Sustainability transforms materials

The industry's most profound transformation centers on sustainable material innovation. Converters and suppliers are developing alternatives to plastic-based packaging, driven by regulatory mandates and consumer preferences.

Biodegradable materials are moving from niche to mainstream. Plant-based plastics, mushroom-derived mycelium packaging and seaweed-based alternatives are gaining commercial traction. Malaysian film supplier Scientex Berhad achieved a global first with PP flexible food packaging incorporating 30 percent ocean-bound plastic, demonstrating how sustainability innovation creates competitive differentiation.

Water-based barrier coatings enable the replacement of plastic-laminated cartons with recyclable alternatives. These formulations provide moisture and oxygen protection without compromising recyclability, addressing a critical challenge in food packaging.

The shift toward mono-material products reflects recognition that recycling infrastructure requires simplified material streams. Multi-layer composites create recycling complications. Single-material approaches enable recycling at scale.

Government mandates are accelerating this transition. China introduced requirements for PFAS-free coatings, while South Korea implemented recyclability grading schemes. Extended Producer Responsibility (EPR) regulations are expanding across Vietnam, the Philippines, Malaysia, Indonesia and India, creating compliance requirements favoring sustainable adoption.

## Digital printing reshapes production

Digital printing technology is changing how converters approach production and market responsiveness. The technology enables on-demand manufacturing, eliminating high setup costs and minimum order quantities.

For converters, digital printing delivers multiple advantages. Short-run capabilities allow rapid market responses to changing preferences and seasonal demand. Customization becomes viable for limited runs, enabling brand owners to test products or create regional variations

without prohibitive tooling costs.

Quality improvements enhance product visibility and brand appeal while high-definition graphics and color accuracy create shelf impact, driving purchasing decisions. Variable data printing enables promotional campaigns, serialization and personalization. Flexographic printing advances in parallel, with high-speed systems delivering rapid customization at volume. Hybrid strategies optimize cost, speed and quality across order profiles.

## Smart packaging

Intelligent features are transforming packaging from passive containers into active communication channels. QR codes and NFC tags allow consumers to access product information, authentication and promotional content via smartphones.

Augmented reality applications create immersive brand experiences, enabling virtual product demonstrations. These technologies are valuable in cosmetics, personal care and premium electronics.

Track and trace capabilities address supply chain transparency and counterfeiting prevention. RFID integration enables real-time monitoring throughout distribution, providing data for inventory management and theft prevention. For pharmaceutical applications, serialization requirements drive smart packaging adoption.

## Technology investment remains imperative

Success in this dynamic market requires ongoing investment in production technology, sustainable materials and digital capabilities. Converters must balance capital deployment across automation for cost competitiveness, digital printing for market responsiveness and sustainability compliance for regulatory requirements and brand demands. The convergence of e-commerce growth, sustainability mandates and technological advancement creates both challenges and opportunities, but gives market participants the opportunity to capture disproportionate value as the Asia Pacific region solidifies its position as the global packaging industry's growth engine.



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# China: Growth amid challenges

China's label converting industry continues to grow, but faces significant challenges, including overcapacity and a volatile global market. Yolanda Wang reports

In 2025, China's label printing industry faced a dynamic environment shaped by increasing geo-economic volatility, global supply chain restructuring, stagnating domestic consumption and challenging industrial policy directives.

According to the Printing and Distribution Bureau of China's publicity department, the country's printing industry maintained its global leadership in scale in 2024, with a total output value of 1.5 trillion RMB (214 billion USD), up 3.9 percent year-on-year. The label printing segment has entered a mature and stable phase. Data from the Printing and Printing Equipment Industries Association of China (PEIAC) indicates that the number of label converters in China reached 6,888, driven by the reduced cost of printing equipment and increased automation, which have lowered entry barriers and encouraged new players to enter the market.

Gony.com reports that the output value of China's label printing market reached approximately 60 billion RMB (8 billion USD) in 2024, making it one of the fastest-growing label markets globally. Industry media data reveals that the total label market volume in China reached 20.8 billion sqm in 2024, with a projected compound annual growth rate (CAGR) of 4 to 5 percent from 2025 to 2030.

Self-adhesive labels, the largest category, had a per capita consumption of only 5 sqm in China in 2024, significantly lower than the 17.5 sqm in the US and other Asian countries, highlighting substantial growth potential.

## Structural growth

Donald Liao, deputy general manager of the Consumer Packaged Goods Business Unit at Cymmetrik Group, notes that stable volumes, price pressures and accelerated differentiation characterize the label printing industry in 2025. Overcapacity and intense competition continue to drive structural adjustments within the industry.

In response, industry consolidation is accelerating, with high-performing enterprises leveraging their core competencies to grow. A notable milestone was achieved when Jantan became the first publicly listed company in China's label printing industry on the Beijing Stock Exchange on December 26, 2025.

To adapt to market changes, converters are optimizing their business structures to enhance competitiveness. Strategies include cutting low-margin, commoditized businesses, focusing on niche markets, and redirecting resources toward high-value-added products and services. For example:

- **Shenzhen Shunxinchang** integrated conventional and digital printing to offer diversified labels to clients.
- **Guangcai** reduced its workforce by 30 percent through automation while maintaining stable revenue.
- **Boyue** expanded into folding cartons and flexible packaging, creating a diversified product portfolio to mitigate market risks.
- **Dongguan Sunway** targets niches such as printed electronics, batteries and medical devices, and has established a department for fireproof materials, all integrated with its core label business.

## Technological advancements

Technological improvements are pivotal to these transformations. Modern flexographic presses enable multi-substrate production of labels, shrink sleeves, flex pack and folding cartons, incorporating integrated in-line processes such as hot stamping and die-cutting. At Labelexpo Asia 2025, advancements in digital printing were

## “Overcapacity in China's label market, coupled with improved equipment efficiency, has prompted the industry to expand into overseas markets”

prominently showcased. Xeikon introduced the Ecolyne digital press to the Asian market, offering a leasing model to lower the cost of digital investment for clients. Brotech unveiled the FFX530 flexographic press, featuring AI-driven closed-loop control to minimize manual adjustments during setup and operation.

Digitalization of production processes is also gaining traction. Skyline Printing completed the full digital transformation across its factory, increasing production efficiency by at least 30 percent. Another company, designed as a smart factory from its inception, has leveraged digital systems to address core pain points for brand customers, enhancing production transparency. Currently, nearly 3,000 smart printing factories are under construction in China's printing industry.

### Overseas expansion

Overcapacity in China's label market, coupled with improved equipment efficiency, has prompted the industry to expand into overseas markets. Over 200 Chinese exhibitors participated in Labelexpo Europe 2025, setting a new record. Cymmetrik Group's Liao highlighted that international brands are deepening their presence in emerging markets such as Southeast Asia, the Middle East and Latin America, supporting Chinese enterprises in accelerating their global expansion. Zhou Xiang, general manager of Weigang, emphasized that regional trade agreements like RCEP are providing broader opportunities for Chinese companies to internationalize.

### Growth of smart labels

The adoption of smart labels is another significant trend. Data from AIoT Star Map Research shows that the application volume of UHF RFID tags in China reached 3.8 billion in 2024 and is expected to grow to 4.6 billion in 2025. Macy Huang Meishi of Maxim Group states that RFID tags are critical for achieving item-level visibility, which is driving the digital transformation of China's retail industry. The growing popularity of NFC-enabled mobile phones in China has cultivated end-user interaction, further expanding the market for smart labels.

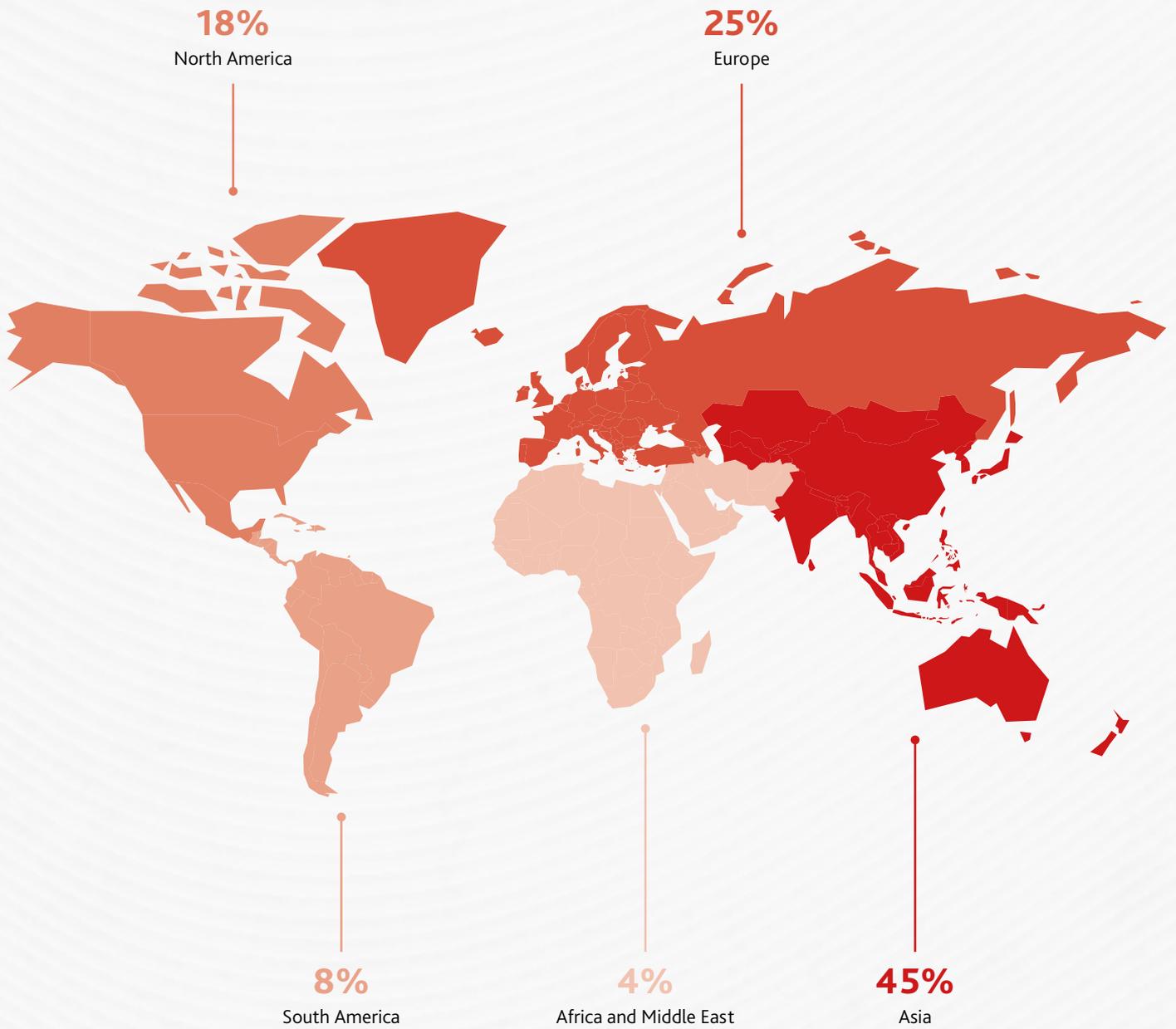
In logistics, RFID labels have delivered notable results. For example, Cainiao Hong Kong eHub integrated RFID technology in June 2025, increasing package processing efficiency by approximately 30 percent. In December 2025, Cainiao launched smart RFID express delivery cartons, offering innovative technology for the logistics industry.



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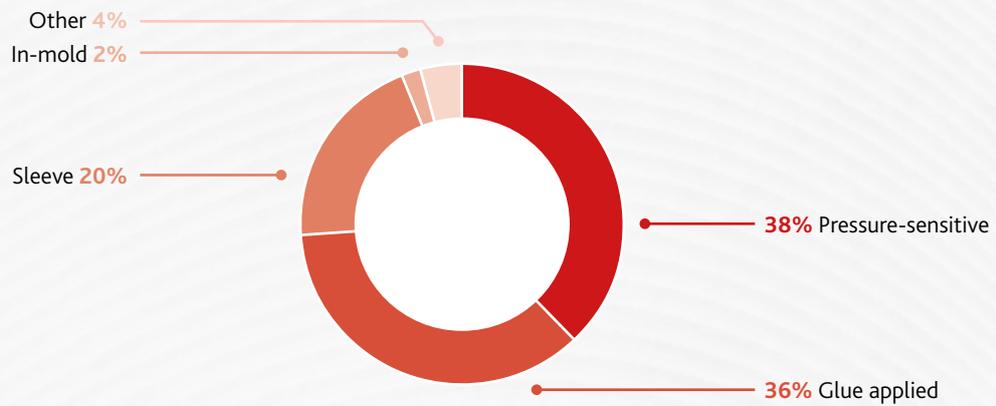
# *Label trends*

## Global label market by region

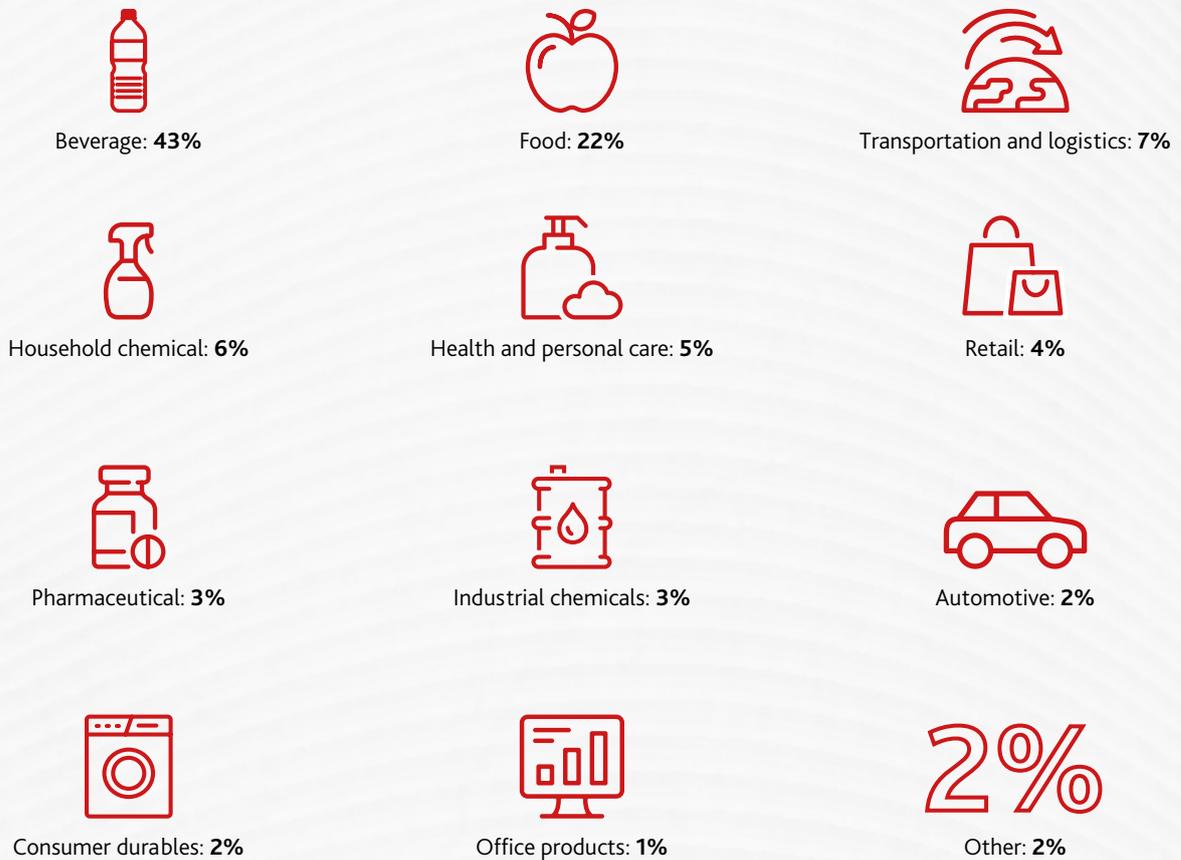




## Global label market by technology (volume)



## Global label market by end use





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