Printers warn on growing paper shortages

Excerpts from the article that appeared in the Financial Times on 13 February 2022, featuring FINAT members. The full article is only available to FT subscribers and can be found <u>here</u>.



European printers have warned that industries such as food and consumer goods could suffer significant disruption to their supply chains because of a growing shortage of paper.

Strikes by thousands of workers at mills owned by forestry group UPM Kymmene in Finland have exacerbated paper shortages that started with an unexpectedly strong rebound in demand after lockdowns eased.

Finat, which represents more than 1,000 European label producers, has warned of supply disruptions because of shortages in specialised paper types.

Jules Lejeune, **managing director of Finat**, said: "I'm receiving daily calls and emails from members expressing extreme concern as they have to put people on hold as they cannot produce. Labels are used in all sectors — food, beverage, pharmaceutical, health, personal care, automotive, electronics. What is of most concern is the [consumer goods] side."

UPM supplies Europe with about 40 per cent of the backing sheets for labels, according to **Cees Schouten, chief operating officer of Geostick**. The Dutch group's monthly production of labels is likely to fall from 2.5mn to 1.5mn square metres in March. "We must decide where to prioritise delivery of labels. It could cause disruption for the food, logistics and fast-moving consumer goods industries," he said.

Francesc Egea, director-general of Spain's IPE Industria Gráfica, said that fresh food was particularly at risk of not making it to the shelves without labels.