

## **THE RELEASE LINER'S INDUSTRY'S ANNUAL CONFERENCE:**

### **Notes from the 2016**

#### **AWA Global Release Liner Industry Conference & Exhibition**

This year's AWA Global Release Liner Industry Conference & Exhibition, held in Vienna, started with a half-day workshop and focus group in association with FINAT, centered on release liner recycling. Nothing could have been more appropriate, since, as FINAT Recycling Project Manager Mark Macaré told participants, a number of EU member states have already classified spent release liner as packaging waste as opposed to process waste – which requires them to be recycled/reused in line with specified EU legislation.

Over 60 participants, representing the world's release liner supply chain, came together for this workshop to discuss the opportunities and challenges for release liner recycling – with the ultimate aim of identifying and moving forward practical solutions. The workshop was chaired by Calvin Frost, Chairman of the FINAT Sustainability & Recycling Sub-committee,

#### **Leadership, innovation, technology**

The conference program was opened by AWA Alexander Watson Associates' President and CEO, Corey M Reardon, who, welcoming the delegates – 'the heart of the industry in this room' -- introduced the central themes of the conference: leadership, innovation and technology. He led a 'real-time' industry survey with the audience, who used electronic hand-held devices to answer questions on key industry topics. The 'real time' responses were instantly shared. They included estimates of business growth in 2016 over 2015, predicted by many to be 2-4%, with film liner usage said by most to be growing faster than paper.

#### **Dean Scarborough delivers the keynote**

Corey Reardon introduced and welcomed to the podium the conference keynote speaker: Dean A Scarborough, Chairman and CEO, Avery Dennison Corporation. With a long and distinguished career in the industry, and Avery Dennison's leading

position in the value chain, he was ideally positioned to address the delegates on the pressure-sensitive industry, its current status and future opportunities, and the sustainability agenda. 'The state of the industry is good', he observed, adding that the greatest growth opportunities are seen in higher-value applications such as RFID, although core label business growth can be expected to grow annually at 3-3.5%. He remarked on the continuing trend to lower basis weights in substrates which, he added, nevertheless 'deliver more functionality'. Asked to comment on competing product decoration technologies, he emphasized: 'we're still in a good position'.

### **'Time to disrupt the status quo'**

His speech was a genuine call to action. Across the supply chain, Mr Scarborough underlined, 'collaboration is today the key. This industry does not change very quickly!' Much of its materials and technology base is as it was 30-40 years ago, and, in terms of innovation, he said, 'there is a little bit of inertia... which is a bit disappointing.' There is indeed a genuine requirement here for cross-industry initiatives -- to create, for example, next-generation adhesives; improved film liner performance; more caliper reductions in release liner. In this technology arena, he judged, it is continuous improvement rather than game-changing activity that should be the focus. Additionally, the extended producer responsibility in Europe's packaging waste legislation impacts the labelstock laminator as much as downstream suppliers, but – once again – supply chain collaboration is the route to success. In fact, he underlined, 'it's time to disrupt the status quo'.

'What do you hope will be your legacy to the industry?' asked Corey Reardon. He responded: 'A focus on enhancing the sustainability of our industry, following the lead of our company's founder, R Stanton Avery.'

### **The first recipient of the Release Liner Industry Leadership Award**

Dean Scarborough's views on the industry yesterday, today, and tomorrow, were greatly welcomed by the delegates, who were delighted when Corey Reardon presented him with the 2016 Release Liner Industry Leadership Award – a presentation which AWA Alexander Watson Associates will now make annually at this conference.

## **Market update and ‘real-time’ industry survey**

Taking a key role in monitoring and analyzing the release liner industry, AWA maintains a unique up-to-the-minute database of release liner market data. Corey Reardon’s market update and his summary of AWA’s Annual Release Liner Industry Survey was a valuable complement to Dean Scarborough’s thoughts and observations. Approximately 46 billion SQM of release liners are produced annually worldwide – mostly in label market applications (xx%), and mostly employing glassine/SCK paper (xx%). However, the tape market, said Mr Reardon, ‘is one of the fastest-growing segments, particularly in the Asia Pacific region.’ The annual survey confirmed that ‘sustainability as an issue is now no.1 in the industry. This is a dramatic change in the survey results since we started it eight years ago’, he said.

## **Recycling and sustainability**

Then it was time for Mikko Rissanen, Director of Business Development for UPM Label, Pack, and Release, to give an update on ‘keeping self-adhesive label technology viable in the long run’ in the context of his company’s extensive activities in the sustainability arena, which, he showed, involve ‘developing the company through stakeholder dialogue at all levels.’

## **Industry leadership discussion panel**

Next, Corey Reardon led an Executive Leadership Panel Discussion featuring, as well as Dean Scarborough, Michael Apperson, CEO, Loparex; Marita Paasch, COO, Mondi Advanced Materials, and Robert Hansen, CEO, Dow Corning. The views expressed were both interesting and relevant. On the subject of globalization, the panel agreed that, as Robert Hansen summarized, ‘Even playing on a global stage, the agenda is really “localization”... We need to come across to customers as their local supplier.’ Products have to be fit for use in a particular region, added Dean Scarborough; and Michael Apperson remarked that, long term, ‘Asia is going to be a big market – and one of its benefits is that it teaches you to do things differently: FAST is better, whatever you’re doing!’

Corey Reardon invited panelists’ concepts of leadership, and of developing future generations of leaders; on the challenges and opportunities that face the industry today; on the importance of sustainability; and, finally, on ‘what keeps you up at

night?’ Responses to this last question ranged from ‘continuous innovation’ from Robert Hansen, to ‘because this industry is so slow-moving!’ from Marita Paasch.

### **Talking technology**

Then it was the turn of the technology experts to form a discussion panel on the status quo in silicone and coating technology, led by moderator Pablo Steenwinkel, Director, Core Innovation, Avery Dennison. Participants were: Sean Duffy, Bluestar Silicones; Hans Lautenschlager, Wacker Chemie; Alex Knott, Dow Corning Silicones; Stefan Stadtmueller, Evonik, and Jos Delis, Momentive Performance Materials. Jos Delis highlighted the improvements in base papers over the years, and the fact that the silicone on release liner contributes significantly by saving a lot of energy. He underlined once again the supply chain’s need to work together to make its downstream production more efficient.

Hans Lautenschlager agreed that co-operation with downstream customers to define and meet needs is becoming more and more important, and Stefan Stadtmueller underlined legislation as another driver. Sean Duffy noted that the chemical industry ‘is continuously making small changes’, making it hard to gauge possible innovations, particularly in the context of the extant cost reduction agenda. He also reminded delegates that non-label markets – eg food, electronics, composites – make very different demands on release liner. The ‘cost out’ focus also concerned Alex Knott, especially since changes in liner substrates also involve changing use of silicones; and he observed that platinum-free siliconization is ‘still not there yet’.

### **Release coatings**

The day’s program continued with a supplier update from Kris Verschueren, Global Market Segment Manager, Dow Corning, on drivers, and the company’s solutions in silicone release liners in emulsion-based and low-platinum coatings for a label market that is evidencing ever more demanding converting conditions.

### **Concurrent interactive sessions**

Delegates were then able to attend concurrent sessions: an interactive workshop on growth through innovation, led by Michael Ohler, Chief Innovation Officer for strategic business consultants BMGI, and a thought-provoking discussion – ‘Tales of

Talent & Leadership’ – that explored leadership, the ‘talent pool’, globalization challenges, and innovation in recruitment, led by Wilco van Zwieten, CEO of Papyrus Converting Services.

After a full day’s work, delegates enjoyed networking and cocktails, followed by an Austrian barbecue dinner on the banks of the Danube with live music, hosted by Mondi.

### **Market segments in detail**

The next day, following reports from the leaders of the previous day’s concurrent sessions, summarizing the discussions and insights, the program drilled down into the individual market segments for release liner. Corey Reardon led with an overview of the label market, which in 2015 grew by 4.5% -- a healthy figure, but not comparable to the growth in the medical market, at 7.4%, or the tapes market, at 7.2%. He discussed trends and developments, identifying digital direct-to-container print as ‘a potential disruptive technology in some applications’. Linerless labels, though continuing to gain interest, are, he said, still a niche. Pressure-sensitive labels, however, continue to offer the best-suited technology base for intelligent label technologies – including RFID.

### **Medical market developments**

Mr Reardon went on to outline developments in the fast-growing medical market, which now represents 3% of the total release liner market at 45.9 billion M2. Driven by an aging population and the growing use of disposable medical devices, this is a market where there is no single dominant release liner substrate – the choice is always application-specific – and it is the cleanliness and purity of the construction that is of paramount importance.

The highly-specific release liner requirements for the different transdermal delivery systems were then discussed in detail by Dr Thomas Hille, Director, LTS Lohmann Therapie-Systeme. Here, release liners are defined as ‘a part of a pharmaceutical drug product’, not as part of a container closure system, and they are, in fact, in contact with a drug-loaded pressure-sensitive polymer. Choice of substrate, and siliconization, are both critical, and must be documented in a drug master file. In

this market, said Dr Hille, 'any changes in raw materials in manufacturing require the approval of clients'.

### **Self-adhesive graphic films: markets and materials**

Moving on to the field of self-adhesive graphic films, AWA's Manager, Market Research & Consulting, Sami Mulari, identified this sector as a 'key growth area for release liner applications'. While advertising and branding applications continue to hold the majority of the market, decorative applications – on interior walls, furniture, etc -- are expected to lead future growth. Clay-coated paper release liner and PE coated release liner are the dominant constructions used in graphic film applications.

Making the right release liner choice in the diverse graphic and decoration market was then addressed by Martine Bouvet and Jean-Cristophe Minor, respectively Market and Development Manager and R&D Manager for MACtac Europe. As well as CAD/CAM films and digital and screen printed media, release liner must aid the application of protective overlaminating films to a printed or computer-cut graphic. In this particular area, the team showed, the choice of liner could be a PET film – because, they said, 'film is usually much smoother than paper'.

A supplier update followed, from Jurgen Van der Donck, Mondi's Sales and Business Development Director, Release Liner, on Mondi's extensive global portfolio of silicone-coated and specialty release liners for graphic arts, medical, hygiene, fiber composites, tapes, labels and other segments.

### **Tape market overview**

AWA Consultant Aila Vapaaoksa then provided an overview of the specialty tape market. Here, she showed, it is Asia that will dominate growth through 2020. End-use markets are continuing to use tapes instead of mechanical fasteners – particularly in automotive, aerospace and aviation applications -- with consumer electronics and building and construction applications showing particularly attractive growth in the developing economies.

### **Automotive update from Renault**

The automotive industry is, indeed, a major user of specialty industrial tapes, and conference delegates enjoyed the rare opportunity to hear from Nathalie Barrois, Tape Project Manager, Groupe Renault, about the state of the art in pressure-sensitive adhesive usage at Renault; the opportunities for the future; and the company's expectations of its suppliers. For 'joining' applications, Ms Barrois showed, the basic requirements for tapes are worldwide availability; high performance and reliability across a range of different materials; time and weight savings; customization; and cost savings. She emphatically stated that collaboration and knowledge sharing with release liner suppliers are key enablers.

### **Industrial market overview**

The industrial release liner market as a whole was reviewed by AWA Consultant Jos de Vries. Involving a broad range of applications, from pre-preg carbon fiber to aerospace, automotive, wind energy, electronics, and new-build and repairs in the construction market, release liner's role in partnership with adhesives is, he said, often critical and, as earlier observed in relation to tapes, a key growth area.

### **Building and construction: specialty adhesives**

Specialty pressure-sensitive adhesives for building and construction were the main topic discussed in the conference's final presentation from Gerald Hacker, Application Manager, Henkel Adhesive Technologies. His presentation reminded delegates of the exceptional demands in terms of strength, weather resistance, high- and low-temperature resistance, and simple reliability that are requirements in this sector; and he introduced trends and new developments in specialist solutions.

The 2016 AWA Global Release Liner Industry Conference and Exhibition as usual attracted a strong attendance across the supply chain -- not just to listen, but also to network and visit the complementary tabletop exhibition. Undoubtedly the industry event of the year, it was sponsored by a number of leading companies in the sector, including Platinum Sponsors Avery Dennison, Dow Corning, Mondi, and UPM and Gold Sponsors Billerudkorsnäs, Bluestar Silicones, Felix Schoeller, Infiana, Loparex, Sappi, Starkraft, and Wacker, as well as leading media from around the world.

### **Upcoming label release liner industry seminar**

The Global Release Liner Industry Conference and Exhibition is complemented annually by the focused AWA Label Release Liner Industry Seminar, held just prior to Labelexpo in Chicago and Brussels. This year's event will be held in Chicago on September 12<sup>th</sup>, and delegate registration is open now, and can be arranged online at [www.awa-bv.com](http://www.awa-bv.com).

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