

Fueled by the expansion of higher quality packaged consumer goods markets the label industry in China will experience an explosive growth. According to a report of the Freedonia Group, published in American Packaging Digest in April this year, the demand will increase 15,2% from 1989 to 1998 and will annually continue to rise by 12,6%. He, China will probably surpass Japan as the world's second biggest label producing nation after the U.S.

General growth in this sector in the Asia Pacific region is 8,2% compared to 5,3% in North America.

The value of the world label market is forecast to reach US\$ 51 billion by 2003, increasing at a 6,4% per year pace. The demand for shrink-sleeve and in-mold labels which benefit from aesthetics and the penetration of plastic packaging into consumer markets will mainly increase. The advances in resin technologies will force the production of appealing "no-label-look" designs.

The significance of China as a future label market can be monitored by the interests of foreign enterprises engaging themselves in China. The Avery Dennison Group recently announced the investment US\$ 40 million to extend its operations in China over the next two years. They even plan to open the first-ever training facility for label printers and converters at its pressure-sensitive materials manufacturing plant in Kunshan. Philip M. Neal, president and CEO of Avery Dennison, self-adhesive labels for personal care, food, pharmaceutical and beverages are the key areas of the company's interests.

Still, right now, China is a market, where quantity is significantly more important than quality. But within the years labels in China will slowly turn into technologically more sophisticated, value-added qualities which serve functions in addition to product identification. First successful attempts can already be seen in top quality labels for the Chinese beer industry, like the famous Tsingtao brand.

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