PSTC

TAPE WEEK 2025

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Global overview of tape markets: The adverse effects of tariffs on businesses and free trade

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Global overview of tape markets: The adverse effects of tariffs on businesses and free trade

Afera Member and global partner input:
JATMA, TAAT, CATIA, PSTC

fera
The European Adhesive Tape Association

Evert Smit
Afera President
Director Scouting for Sustainability, Technology & Innovation at Lohmann GmbH & Co. KG

PSTC Tape Week 2025
Rosemont, Illinois
5-8 May

Agenda

1. Afera's global partners
2. On the datasets
3. Afera, Europe
4. JATMA, Japan
5. TAAT, Taiwan
6. CATIA, China
7. The adverse effects of tariffs on businesses and free trade
8. The growing concern in the tape industry
9. The economic backlash and business challenges of tariffs
10. Japan's perspective
11. The flawed 'partial equilibrium' approach
12. Afera Member survey
13. Personal perspective

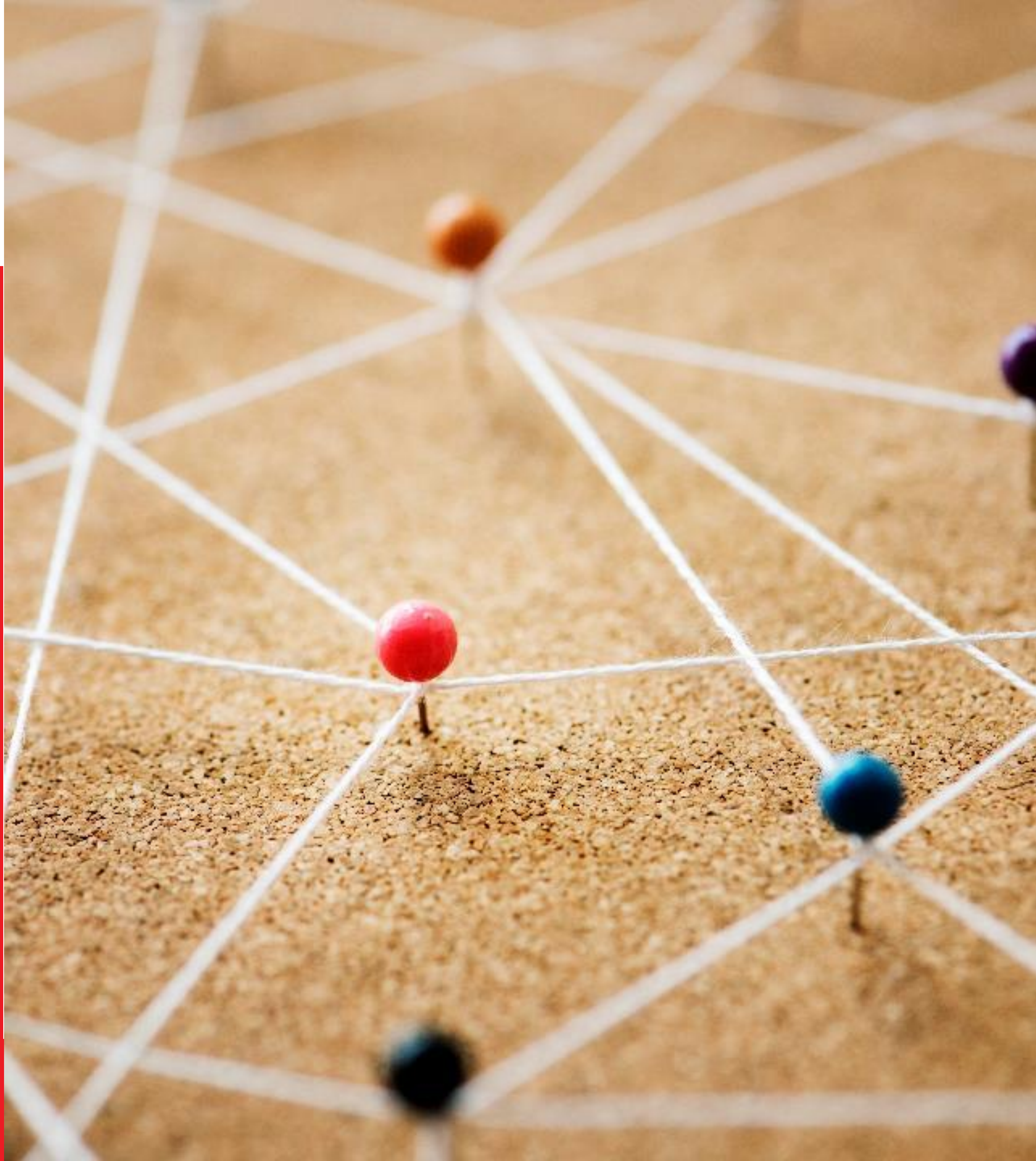
Our global and regional counterpart organisations in the GTF

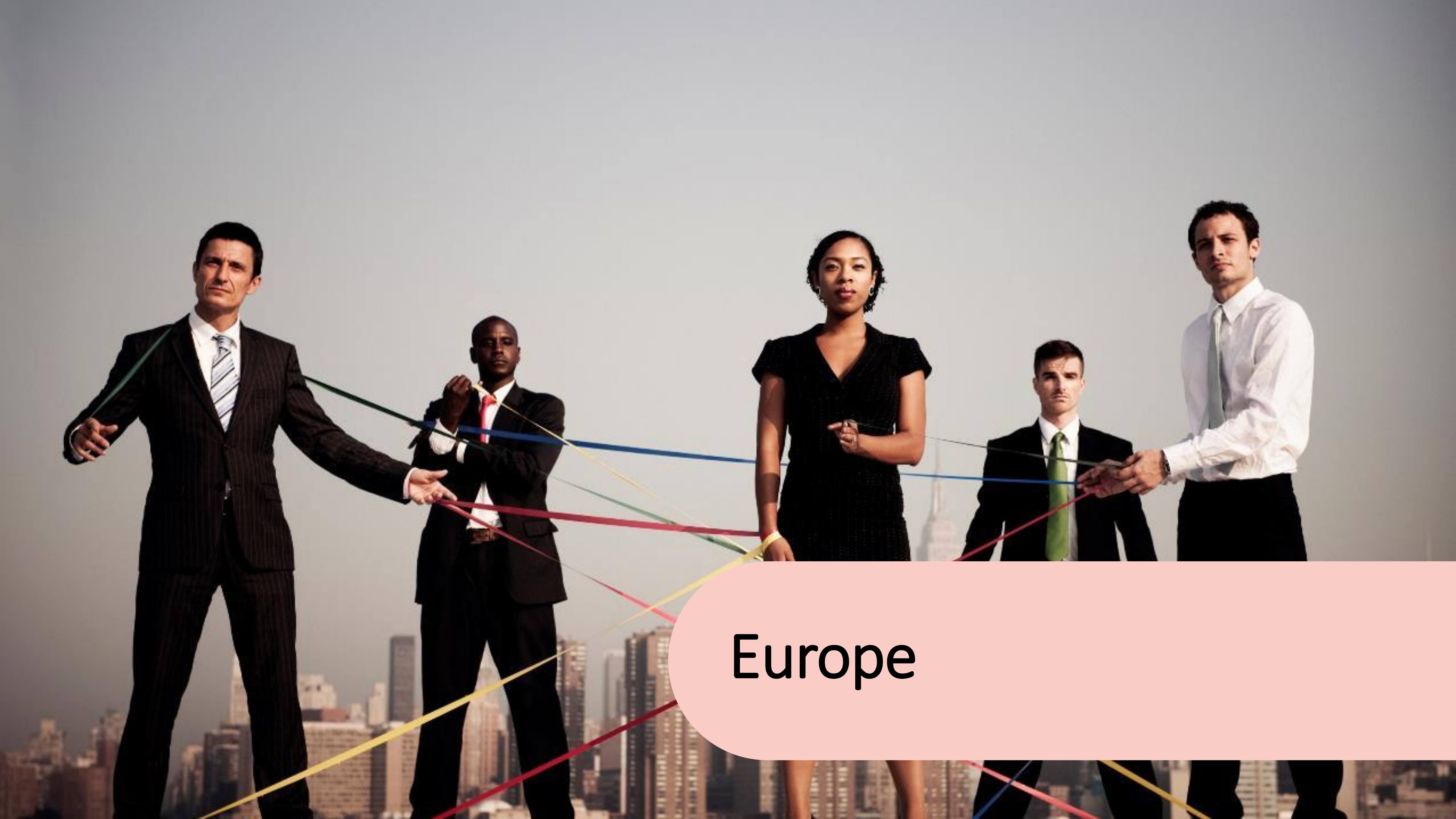
Fellow members of the Global Tape Forum

- North America (PSTC, The Pressure Sensitive Tape Council)
- Japan (JATMA, The Japanese Adhesive Tapes Manufacturers Association)
- China (CATIA, The China Adhesives and Tape Industry Association)
- Taiwan (TAAT, The Taiwan Regional Association of Adhesive Tape Manufacturers)

Notes on the data

- Every organisation has its own dataset, based on its own criteria
- The criteria differ significantly, making comparisons very complex
- No attempt was made to equalise the data; you must accept them “verbatim”.

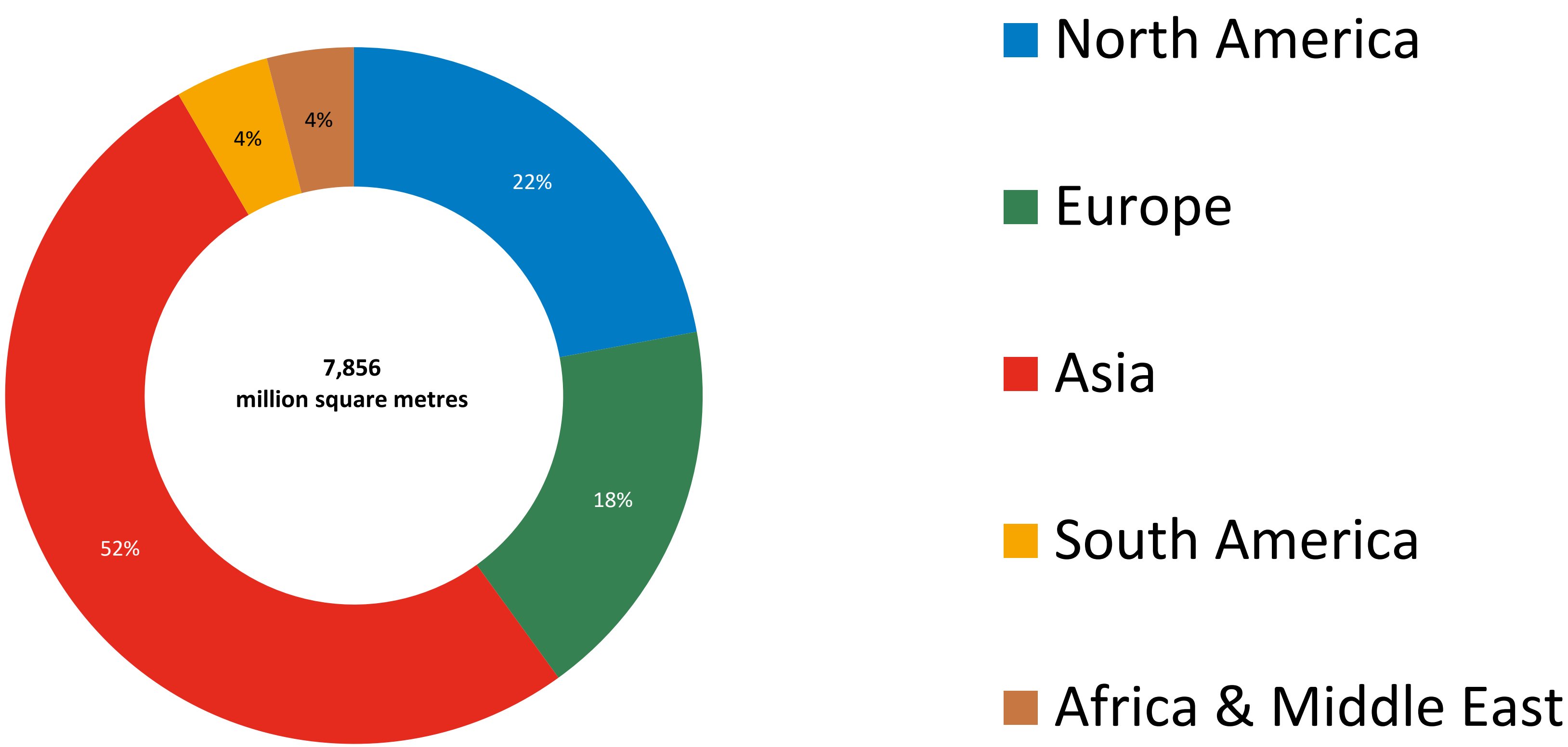




Europe

Afera - Europe

2024 global specialty tapes market by region



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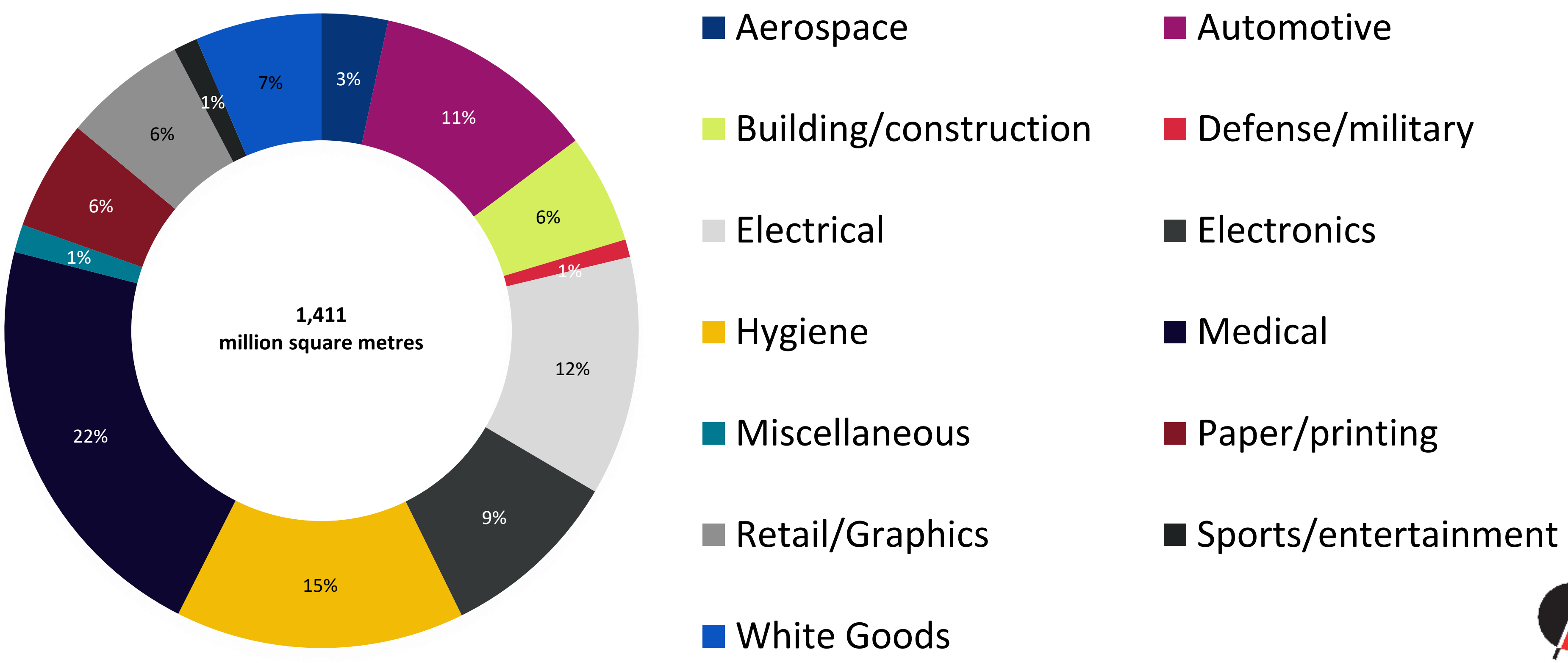
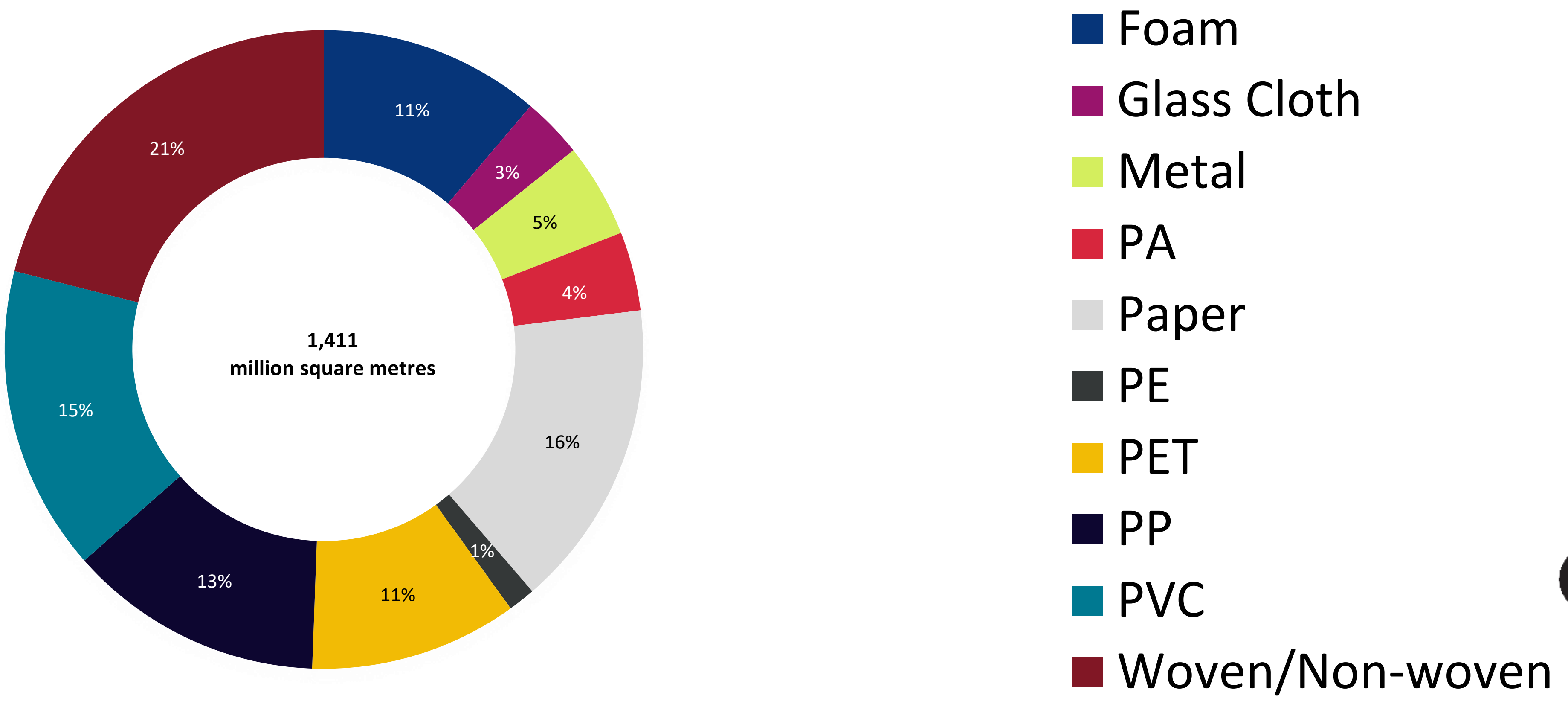
Afera - Europe

2024 European specialty tapes market by end-use segment



Afera - Europe

2024 global European specialty tapes markets by material



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Afera - Europe

E.U. Clean Industrial Deal: accelerating green competitiveness

Overview

- Strategic initiative to align decarbonization with economic growth.
- Targets climate neutrality by 2050 with strong industry support.

Key objectives

- 90% GHG reduction by 2040; net-zero by 2050.
- Lower energy costs; enhance renewable deployment.
- Promote circular economy and resource efficiency.
- Strengthen global competitiveness.

Main pillars

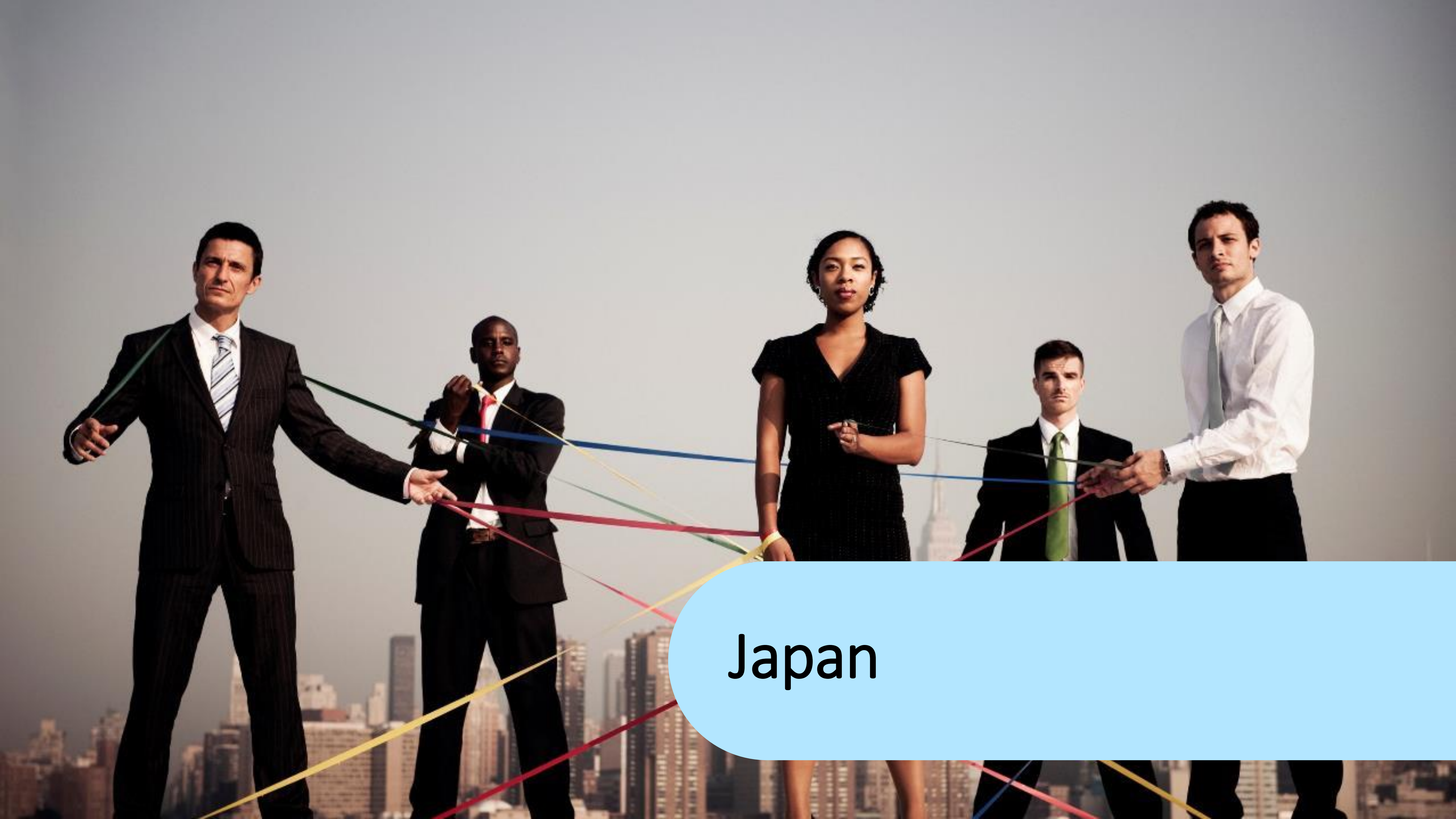
- Affordable Energy – 100 GW new capacity/year until 2030.
- Clean-Tech Innovation – €100B Industrial Decarbonisation Bank.
- Circular Economy – Circular Economy Act for recycled materials.
- Skills & Jobs – Green jobs and reskilling initiatives.

Implementation

- Simplified state aid rules for clean tech.
- Green procurement policies.
- Sectoral action plans (steel, chemicals, automotive).

Expected outcomes

- Industrial resilience and global tech leadership.
- Deep emission reductions across sectors.



Japan

JATMA - Japan

Market overview and key trends

- Adhesive tape market categories
  - Paper (Kraft, Washi), Cloth (Rayon, Plastic, Cotton), Film (OPP, PET, PVC)
  - Special (Double-sided, Metal, Filament), Sheet (Labels, Decoration)

- Sales trends (2010–2023)
  - Gradual decline in market volume
  - Price per sqm steadily increasing, especially post-COVID

- Impact of COVID-19
  - Sharp drop in sales during 2020 state of emergency
  - Recovery began mid-2020 with easing restrictions

- 2023 highlights
  - Continued volume decline
  - Increased prices due to material and production cost pressure.

JATMA - Japan

Sustainability and strategic direction

- Environmental reporting and VOC reduction
  - JATMA tracks VOC use and emissions across members
  - Shift from solvent-based to eco-friendly adhesives (e.g., hot melt, water-based, UV acrylic)
- Sustainability mission
  - Lower emissions while maintaining performance
  - Collaboration with government on reporting and regulations
- Strategic outlook
  - Shrinking domestic market prompts focus on high-value-added tapes
  - Emphasis on sustainable innovation and global standards alignment.

Taiwan

TAAT - Taiwan

Taiwan’s sustainable strategy and industry role

- TAAT & net-zero vision
  - Supports Taiwan’s 2050 Net-Zero Transition plan
  - Aligns with national 4 strategies: tech R&D, carbon pricing, green finance, and governance
  - Builds on 2 foundations: climate legislation and policy frameworks

- 12 strategic pillars toward 2050
  - Renewable energy (wind, solar), carbon sinks, CCS/CCU
  - Zero waste, energy efficiency, lifestyle innovation
  - Green finance, circular economy, resource recycling.

TAAT - Taiwan

Industrial transformation and circular economy

- Manufacturing sector reform

  11 key measures include:

  - Equipment and raw material replacement
  - Use of natural gas, biomass, hydrogen, green electricity
  - Digitisation, energy integration, fluorine gas reduction
  - Carbon capture and utilisation (CCU)

- Circular economy vision
  - Emphasises reuse, repair, upgradation over linear consumption
  - True cost/value accounting, biodiversity, renewable energy
  - Integration of digital tech, biotech, new business models
  - Goal: a regenerative, resilient economic system supporting well-being.

China

CATIA - China

Market overview and performance (2019–2023)

- Industry growth vs GDP
  - Steady production growth: 271M sqm (2019) → 398M sqm (2023)
  - Sales increase: ¥465B (2019) → ¥686B (2023)
  - Growth rates exceeded national GDP during peak years (2020–2021)
- Segment shifts
  - Strong growth in BOPP packaging, PVC electrical, and double-sided tapes
  - Notable increases in masking tape, foil tape, and protective film
- Export strength
  - China leads globally in adhesive tape production and consumption
  - Significant growth in export volume and value since 2019.

CATIA - China

Development characteristics and industry transformation

- Key 2023 developments
  - Increased product concentration and quality improvements
  - Breakthroughs in mid-to-high-end applications
  - Booming e-commerce and express delivery driving BOPP tape demand
  - Dual-growth in electrical and double-sided tapes
- Green transition underway
  - Emphasis on low-carbon processes
  - Industrial supply chain advantages fuelling sustainable export potential.

CATIA - China

Future trends and strategic outlook

- Innovation and applications
  - Rapid growth in transport, medical, electronics, and industrial uses
  - Environmentally friendly tapes (e.g., UV hot-melt adhesives) gaining momentum
  - Bio-based and biodegradable tapes nearing commercial viability
- Regional and strategic focus
  - Industry shift toward “low-speed, high-quality” growth
  - Asia-Pacific, especially China, positioned as future growth engine
  - Green packaging is emerging as the central development theme.

The adverse effects of tariffs on businesses and free trade

The growing concern in the tape industry

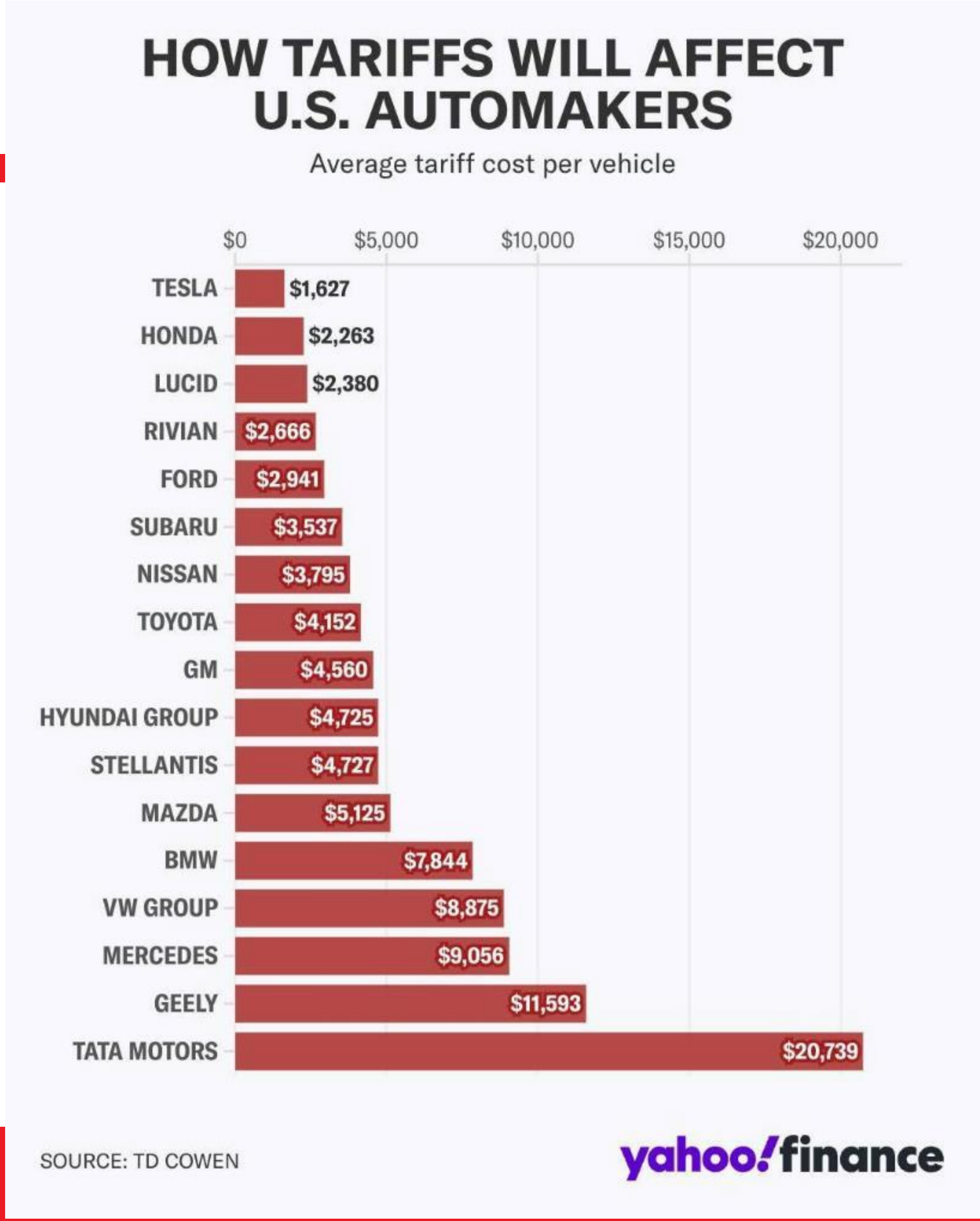
- Tariffs proposed by the Trump administration could impact the global tape industry
- Potential effects on supply chains and competitiveness
- How will these tariffs influence both U.S. and non-U.S. tape businesses?
- Possible shifts as companies seek cost-effective alternatives
- Competitor-producers may explore new markets, particularly in Asia

The economic backlash of tariffs

- Intended to protect domestic industries but often lead to unintended consequences
- Fundamental principles of free trade are disrupted
- Economic efficiency and market access are compromised
- Retaliatory tariffs from trade partners exacerbate the problem

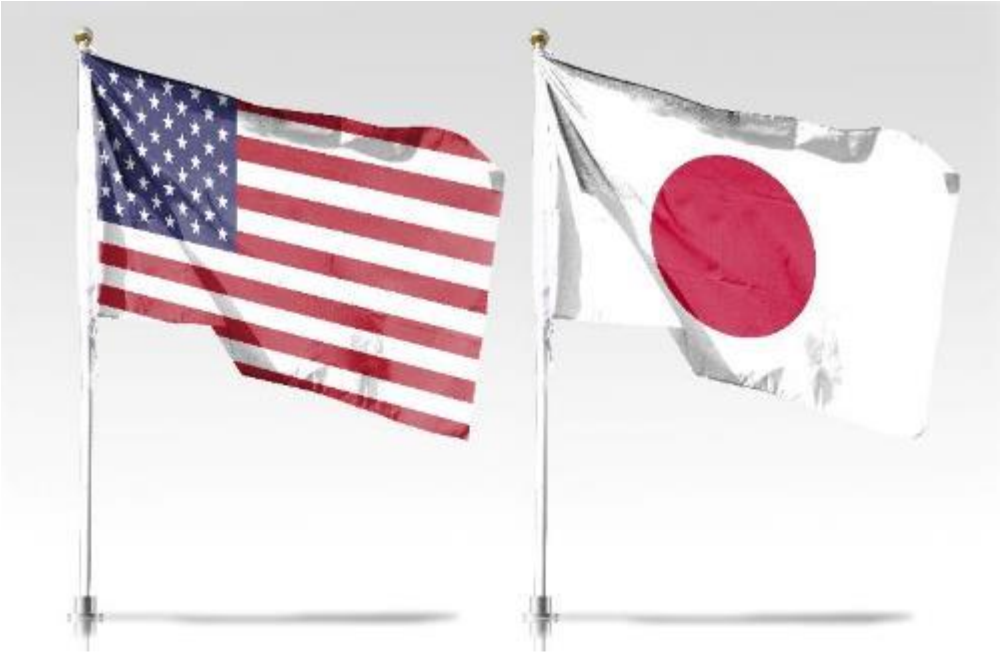
Business challenges due to tariffs

- For exporters:
  - Retaliatory tariffs reduce access to international markets
  - Increased costs lead to lower competitiveness and shrinking sales
  - Companies may face pressure to reduce margins or exit foreign markets.
- For businesses relying on imports:
  - Higher costs throughout supply chains reduce profitability
  - Difficult choices: absorb costs, pass them to consumers, or compromise quality
  - In some cases, no viable local alternatives exist.
- For domestic-focused businesses:
  - Tariffs may reduce foreign competition but contribute to inflation
  - Supply constraints affect pricing and availability.


HOW TARIFFS WILL AFFECT U.S. AUTOMAKERS
Average tariff cost per vehicle
$0
$5,000
$10,000
$15,000
$20,000
TESLA $1,627
HONDA $2,263
LUCID $2,380
RIVIAN $2,666
FORD $2,941
SUBARU $3,537
NISSAN $3,795
TOYOTA $4,152
GM $4,560
HYUNDAI GROUP $4,725
STELLANTIS $4,727
MAZDA $5,125
BMW $7,844
VW GROUP $8,875
MERCEDES $9,056
GEELY $11,593
TATA MOTORS $20,739
SOURCE: TD COWEN
yahoo!finance

Business challenges due to tariffs

- JATMA agrees tariffs have negative effects.
- Japanese industries will suffer significant losses, affecting exports and supply chains.
- Teikoku Databank survey (2023):
  - Japan's key production locations are China and Mexico due to low labor costs.
  - Tariffs will disrupt businesses relying on China as a production base for U.S. exports.
  - Automotive and other industries built around USMCA will face supply chain shifts.
  - 13,000 Japanese companies exporting to North America will be affected.



The flawed ‘partial equilibrium’ approach

- Trump administration’s focus on bilateral trade imbalances is incorrect.
- Assumes trade deficits are simply the sum of individual country deficits.
- Ignores interconnected nature of global trade.
- Raising tariffs disrupts both inflation and economic growth:
  - Domestic producers take advantage and increase prices.
  - Inflation reduces consumer spending power.
  - Uncertainty causes businesses to delay hiring and investment.
  - Weakens the overall U.S. economy.

Afera Member outlook on trade tariffs – survey

Afera Member outlook on trade tariffs – survey

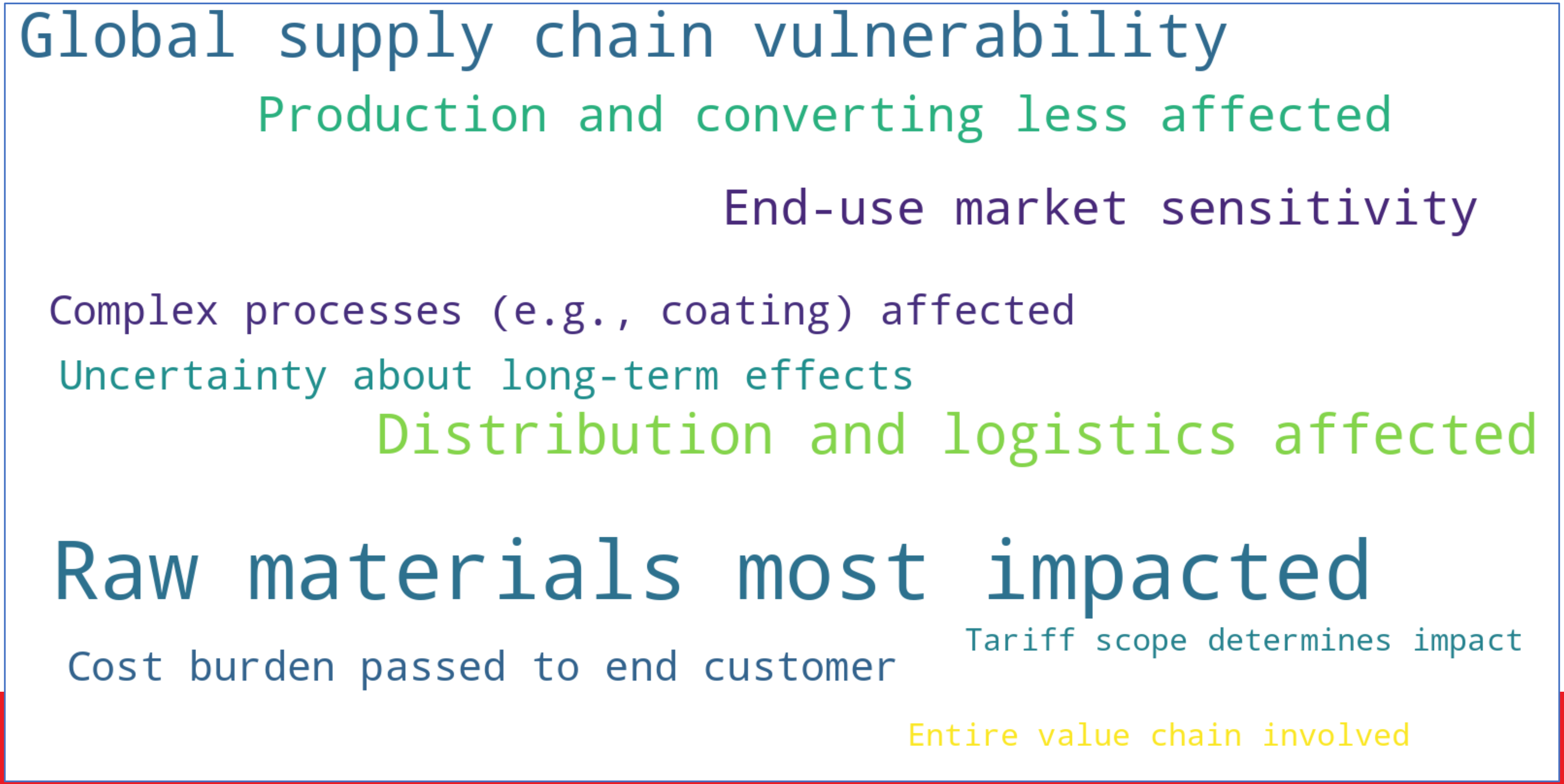
- Q1: How do you think upcoming or potential tariffs—on raw materials or finished goods—might impact your business or position in the self-adhesive tape value chain?

Afera Member outlook on trade tariffs – survey

- Q2: What concerns, uncertainties, or expectations do you have about how tariffs could affect our industry as a whole?

Afera Member outlook on trade tariffs – survey

- Q3: In your view, which parts of the value chain (e.g. raw materials, production, converting, distribution, end-use) are most vulnerable to tariff-related disruption—and why?

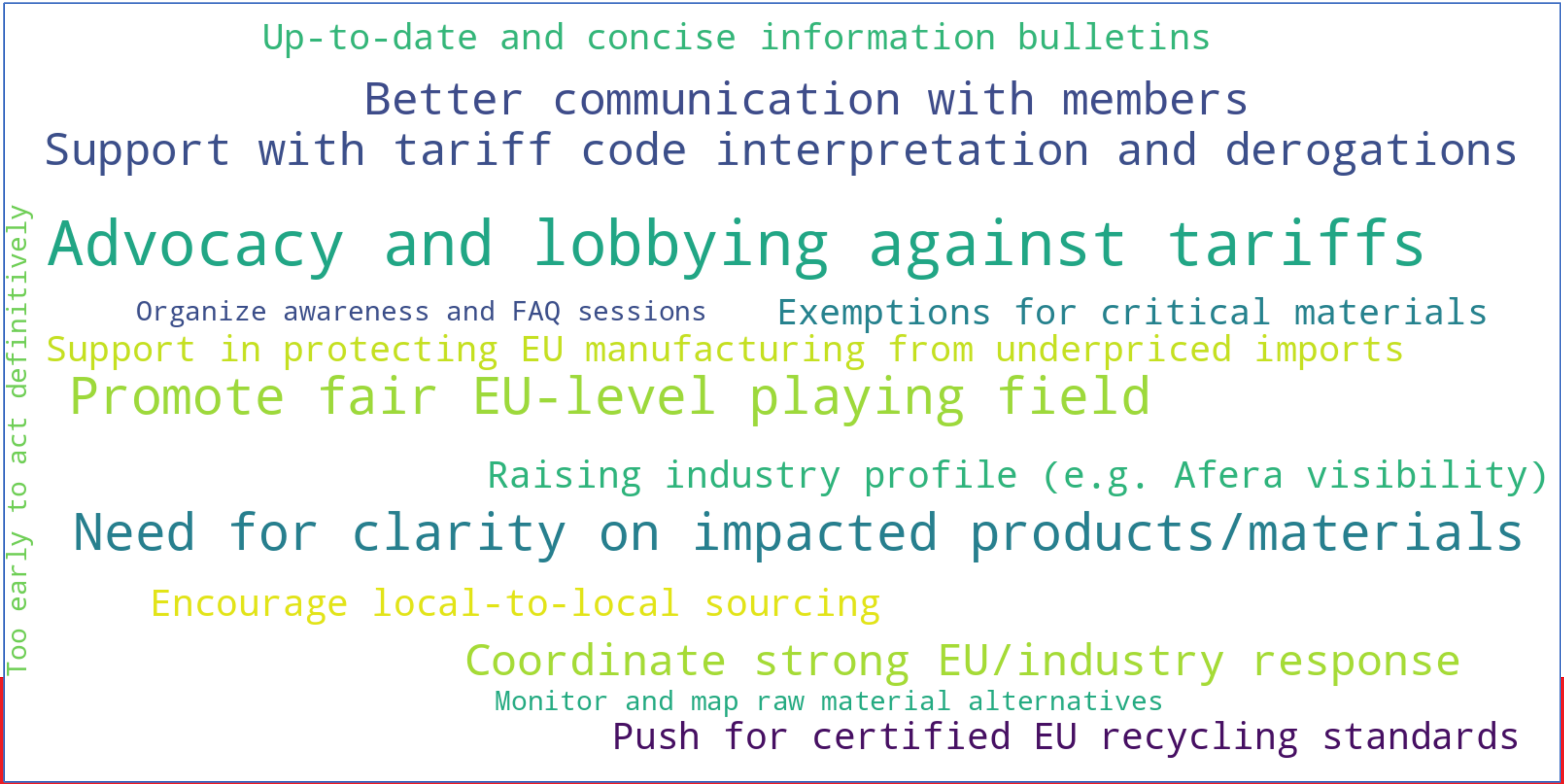


Afera Member outlook on trade tariffs – survey

- Q4: How are you preparing—or how do you think businesses should prepare—for a more protectionist trade environment?

Afera Member outlook on trade tariffs – survey

- Q5: What kind of support, co-ordination, or advocacy would you expect from Afera or from European institutions in navigating possible tariff scenarios?



Personal perspective: The broader economic impact

- Tariffs often cause more harm than benefit for businesses and the economy
- Exporters: Face higher costs, reduced competitiveness, and market losses
- Import-Dependent Companies: Suffer from supply chain disruptions and increased costs
- Domestic Businesses: Experience inflation and constrained supply, harming both businesses and consumers
- Tariffs introduce uncertainty, discouraging investment and innovation
- Companies may relocate operations abroad to avoid trade barriers
- Government subsidies offer temporary relief but do not solve long-term economic distortions
- Key takeaway: Free trade, adaptability, and supply chain flexibility remain crucial for sustained business growth.

Thank you. Questions?

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