Why Europe’s economic reality shows up first in adhesive tapes

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The European adhesive tape industry sits at a unique intersection of Europe’s industrial ecosystem. Pressure-sensitive tapes underpin assembly, bonding, protection, sealing and insulation processes across nearly every major value chain — automotive, construction, electronics, packaging, healthcare, renewable energy, aerospace, defence, logistics and general manufacturing. Few products are as ubiquitous, and few are as quietly indispensable. Yet that same breadth of application makes the tape industry acutely sensitive to changes in economic conditions, supply chains and regulatory frameworks.

When Europe stumbles, sectors wobble — and we, tapes, feel the tremor. The industry’s horizontal reach means it rarely experiences disruption in isolation. Instead, it absorbs and reflects stress across the industrial system, often earlier and more broadly than many other manufacturing segments.

During a recent interview in Brussels, economist Carsten Brzeski, global head of macro research and chief eurozone economist at ING, and chief economist of ING Germany, offered a wide-ranging assessment of Europe’s economic outlook in a conversation moderated by *De Tijd* journalist Serge Mampayey, who also hosts the business-focused *CEO Talks* podcast. The discussion addressed structural stagnation, demographic decline, China dependence, tariff dynamics, Germany’s industrial slowdown, labour shortages, climate policy, technological disruption and geopolitical uncertainty. For the adhesive tape industry, these are not abstract macroeconomic themes; they are forces that shape demand, costs, competitiveness and strategic positioning across the value chain.

What follows is an interpretation of that macroeconomic diagnosis through the lens of Europe’s adhesive tape industry — and a willingness to articulate a few conclusions that are widely understood but less often stated plainly.

Three pressures Europe can’t escape

Europe’s central challenge is not cyclical weakness but structural constraint. Years of underinvestment, unfavourable demographic trends and eroding competitiveness have left the continent growing more slowly than its global peers. Modest headline growth figures can soften the narrative, but they do not change the underlying mechanics. Europe’s industrial base is adjusting to a world in which energy is more expensive, labour is scarcer, capital is more cautious and global markets are more contested.

The first pressure is persistent underinvestment. When capital expenditure slows, industrial renewal slows with it. For the adhesive tape industry, this means fewer greenfield projects, delayed machinery upgrades and a weaker pull-through effect in sectors where tapes scale with new installations rather than maintenance alone. Demand becomes less predictable and more episodic.

The second pressure is external dependency — most notably on China. This is often described diplomatically, but the reality is more uncomfortable. Europe is more dependent on China than it dares to admit. The tape value chain makes this dependency visible: films, silicone intermediates, acrylic monomers, additives, release liners and even converting equipment are frequently sourced through Chinese-controlled or China-linked supply chains. This is not tactical exposure; it is structural.

The third pressure is competitiveness squeezed from both ends. Costs rise through currency effects, energy pricing and compliance burdens, while pricing power erodes under import pressure and redirected global trade flows. For commodity tape segments in particular, margins narrow steadily; for higher-performance products, qualification demands rise even as customers expect price stability and supply security.

Here, the refrain applies with force: Europe stumbles, sectors wobble, and we, tapes, feel the tremor — in order patterns, sourcing decisions and margin structures.

Germany is not in a dip — it is in a structural decline

It is tempting to describe Germany’s current position as cyclical. That framing is reassuring — and increasingly inaccurate. Germany is not in a dip; it is in a structural decline.

This is not collapse, and it is not irreversible. But it is a prolonged weakening driven by deep factors: delayed energy transition, loss of competitiveness in China, slow adaptation to electrification, and institutional inertia that has stalled investment deployment. Germany’s economy has effectively flatlined since before the pandemic.

For the adhesive tape industry, this matters disproportionately. Germany remains Europe's largest user of technical tapes, particularly in automotive, machinery and advanced manufacturing. When German industry slows, the impact ripples directly through battery assembly tapes, thermal-management solutions, wire harnessing materials, bonding systems, surface protection and noise-reduction applications.

The automotive sector is the clearest example. Export momentum has weakened, Chinese EV manufacturers dominate Asian markets, and platform transitions are slower and more cautious. For tape suppliers, this results not in abrupt cancellation but in delay — and delay, repeated often enough, becomes structural.

When Europe's industrial anchor weakens this way, Europe stumbles, sectors wobble, and we, tapes, feel the tremor first.

Four inevitabilities no industrial player can swim against

In a structurally slower Europe, it is easy to frame opportunity as "emerging trends". That language understates the reality. Renewables, defence, electrification and renovation are not trends. They are inevitabilities — currents so strong that no industrial player can realistically swim against them.

The first inevitability is renovation and building performance. Europe's existing building stock will not be replaced at scale; it will be retrofitted. Energy efficiency targets, electrification of heating, airtightness requirements and climate resilience measures guarantee decades of work in sealing, insulation systems, vapour control, installation and surface protection. This demand is regulatory, physical and unavoidable. It does not depend on sentiment or consumer confidence.

The second inevitability is electrification. Whether in transport, heating, industry or infrastructure, electrification is not optional — it is the only viable pathway Europe has committed to. Batteries, power electronics, grid reinforcement and charging infrastructure all rely on high-performance adhesive solutions for safety, durability and thermal control. Even if Europe loses manufacturing scale in some segments, system integration and high-specification components ensure sustained tape demand.

The third inevitability is defence and security-linked production. This is uncomfortable territory for many industries, but industrial reality does not wait for consensus. Defence spending is rising, procurement pipelines are lengthening and supply chains are being reconstituted inside Europe. Where that happens, demand follows for specialised materials — including tapes used in aerospace, electronics protection, thermal shielding and lightweight bonding.

The fourth inevitability is renewable energy and infrastructure hardening. Wind, solar and grid modernisation are not discretionary investments; they are required to keep the system functioning. These are long-cycle, qualification-heavy markets where reliability and compliance matter as much as price — conditions under which technically differentiated European tape suppliers can still compete.

These are not pockets of growth. They are structural channels through which industrial activity will continue to flow, even as the wider economy slows.

China dependency: Risk and competition, at once

Europe's dependence on China is not only a supply risk; it is also a competitive reality. Chinese manufacturers are moving rapidly up the value chain, improving quality, scaling capacity and entering applications once considered defensible. As trade tensions redirect Chinese exports toward Europe, price pressure intensifies across commodity and mid-tier tape segments.

Recent disruptions have shown how quickly European manufacturing can be destabilised when Chinese supply chains tighten. For tape producers operating with lean inventories, even short interruptions cascade into production delays and customer disruption. Once again: Europe stumbles, sectors wobble, and we, tapes, feel the tremor — in lead times, pricing volatility and sourcing strategies.

The uncomfortable truth is that diversification away from China will be slow, partial and costly. Acknowledging the depth of dependency is not defeatism; it is the starting point for resilience.

Costs, compliance and the squeeze inside the factory gate

Overlaying these pressures is a shifting cost environment. A weaker euro raises the price of dollar-denominated raw materials. Trade fragmentation distorts flows. Compliance requirements around chemicals, recyclability, emissions and transparency accelerate changes in formulations and product design.

Climate policy, while often framed as a future issue, is already reshaping demand. Renewable energy, electrification and energy-efficient construction create opportunity even as traditional industrial segments struggle.

Labour shortages add another constraint. Automation and digitalisation are no longer optional efficiency projects but strategic necessities. Yet downstream demand remains anchored in skilled trades — electricians, installers and construction workers — whose work cannot be automated and whose activities rely heavily on adhesive solutions.

What this means for tape companies now

Taken together, these dynamics describe an industry operating in a more fragile, more fragmented and more demanding environment than in the past. Europe's macroeconomic challenges do not strike tapes directly; they ripple through the sectors tapes serve. Europe stumbles, sectors wobble, and we, tapes, feel the tremor — repeatedly, and from multiple directions.

Yet that same sensitivity also offers orientation. Adhesive tapes sit at the crossroads of value chains that cannot simply be paused or abandoned. Companies that accept the uncomfortable truths early — Germany's structural weakening, Europe's China dependency, the inevitability of certain demand channels — gain clarity rather than paralysis.

The path forward is not retreat, but alignment. Technical differentiation, automation, resilient supply chains and sustainability-aligned product development will define competitiveness. Growth will be uneven, but it will exist — anchored in inevitabilities rather than optimism.

Europe may be entering a slower phase. But within that slowdown, the direction of travel is clear.

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