

One Trip. Triple the Opportunities!

TRADE MISSION TAKES IN PRINTPACK INDIA 2013 AND NPES BUSINESS OUTLOOK CONFERENCE

By Vinod Vittoba, Senior Executive, NPES India

The recent NPES Trade Mission to New Delhi, India, February 23-28, provided NPES members with three distinct reasons for adding India to their business travel schedules this year.

Trade Mission

The overall trade mission provided access to the robust Indian print market—the 3rd largest Asian market for printing equipment and consumables and one of the biggest and fastest-growing sectors within the Indian economy—with the goal of highlighting the new opportunities in India available to NPES members.

Over the course of the five days in New Delhi the delegation met with representatives from the U.S. Commercial Service office for a market briefing to better understand the opportunities in India. A plant visit to the *Hindustan Times* newspaper was also on the schedule as well as meetings with the All India Federation of Master Printers Association (AIFMP) and the Indian Printing, Packaging and



(l to r) Opening the program, NPES President Ralph Nappi; Govind Bhargava, President, AIFMP; K.S. Khurana, President, IPAMA; Pat Cassidy, Commercial Officer, U.S. Commercial Service; C.P. Paul, General Secretary, IPAMA; and Viren Chhabra, Senior Director, NPES India participate in the traditional candle lighting ceremony.

Allied Machinery Manufacturers Association (IPAMA) and concluding with a day trip to the Taj Mahal.

PRINTPACK INDIA 2013 Show

With the trade mission also held in conjunction with PRINTPACK INDIA 2013, NPES members gained multiple opportunities to visit booths to meet with manufacturers and service providers as well as to take advantage of the NPES Booth at the show.

NPES Print Business Outlook Conference 2013

Providing yet another exceptional opportunity was the NPES 2013 Print Business Outlook Conference, held February 24–25, 2013, jointly organized by NPES and IPAMA with support from Platinum sponsor EFI, Gold sponsor Konica Minolta, along with sponsors HP, X-rite/Pantone, Goss International, manroland, Prime UV, PrOvin Technos (Mitsubishi),

QuadTech and Toyo Ink.

The conference theme “*Mission Possible—How to Profit from New Technology*” allowed participants to learn first-hand about the opportunities and challenges in the global print market. Organized by NPES India, the two-day event drew over 230 delegates and brought together print leaders representing commercial printers, newspaper publishers and package printing professionals. ■

CHAIRMAN'S PERSPECTIVE



Chris Payne, NPES Chairman

Going Global: Are YOU Ready?

As we read about the successful Trade Mission to India in this issue of *NPES News*, I'm reminded that the importance of international trade to our business cannot and should not be underestimated.

According to the U.S. Commercial Service, "more than 70% of the world's purchasing power is located outside of the United States." And as rising incomes and urbanization continue at a

rapid pace around the world, so too does the consumption of printing and packaging products.

China, for instance, has already grown to more than 100,000 printing enterprises with nearly three million employees. India has over 200,000 printing presses providing direct employment to 700,000 people and another 450,000 indirect employment. The Indian printing and packaging industries alone are growing at a compound annual growth rate of more than 16%.

The rising number of trade events in developing countries around the world is another indicator of the changing landscape—Gulf Print and Pack in Dubai; CHINA PRINT in Beijing; Expográfica in Mexico; Poligrafica in Poland; PRINTPACK in India; and many more—point to new growth opportunities for U.S. suppliers and manufacturers of printing equipment and services.

Understanding the changing global landscape, investigating new potential markets for your solutions, and leveraging international dealers and distributors to market and sell your solutions in their countries are fundamental steps that U.S. companies can and must explore to remain viable and sustainable in the future. NPES is a valuable resource for help and information, and I have taken the liberty to highlight a few of the programs available to you.

NPES Global Trade Programs

In this fast-growing and ever-changing global marketplace we want to ensure that our members have as much information as possible from different regional markets. One of the ways that NPES members can choose is to explore international markets with the assistance of NPES international representatives either as a sole resource or in conjunction with the services offered by the U.S. Commercial Service. This service is a unit under the International Trade Administration (ITA) that promotes and supports export, particularly for small and medium-sized companies.

NPES Global Trade programs are there to help our members sell their products or enhance or establish their presence worldwide. Program goals are designed to maintain an NPES presence that can assist members in developed country markets, in the so-called "BRIC" countries—Brazil, Russia, India, China—and in the new developing "new

For more information about NPES International Programs contact NPES Assistant Director, International Trade Pernilla Jonsson at e-mail: pjonsson@npes.org or phone: 703/264-7200.

BRIC" country markets—Turkey, Indonesia, Mexico, and the Philippines.

This is no cookie cutter approach. Our representatives work with the U.S. Commercial Service to ensure that everything is tailored to members' needs within the country they are visiting. NPES Trade Mission participants will benefit from **Business Matchmaking**: one-on-one business appointments, with pre-screened potential buyers, agents, distributors and joint-venture partners. Also, **Trade Counseling** where they will receive expert guidance on market-entry strategies, laws, regulations and other documentation requirements, visas, financing and trade barriers. We can provide **Market Intelligence** with an assessment of companies seeking help for their potential to compete in the global market place. They will participate in **Meetings with Government Officials** and high-level networking events. They will benefit from **Plant Visits** to local printing providers and suppliers. And they will gain from participation in **NPES Member Booths** in international trade shows.

In May NPES will conduct trade missions to China and Mexico and will have booths at two corresponding trade shows: CHINA PRINT 2013 and Expográfica 2013. The program and schedule for both of these events can be found at: www.npes.org. I hope you will take advantage of these opportunities to find out first-hand about these two fast-growing markets.

These are just some of the benefits that NPES can provide its members globally, and I urge you to look into and explore how they can help your company. Remember that in today's new economic environment, we cannot sit back and wait for the business to come to us...we must BE READY. Go to where it is now and change your strategy accordingly. ■

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The NPES 2013 Trade Mission to India allowed me to see the positive benefits for my company. We were able to meet with companies that were willing and immediately able to purchase our products. —Britt Cary, Director Sales & Marketing, The Challenge Machinery Company

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Smita Jha, Leader-Entertainment & Media Practice, PricewaterhouseCoopers India, delivered statistics that revealed the Indian print industry was currently valued at Rs 190.7 billion, and by 2016 is estimated to increase to Rs 296 billion.



Jim Hamilton, Group Director, InfoTrends, delivered a thorough review of the external drivers impacting the pressroom of the future for commercial printers.



During the two-day event more than 230 delegates gathered for the NPES Print Business Outlook Conference and listened with interest to print industry executives and experts from around the world discuss trends in all segments of the industry.



In New Delhi, India NPES President Ralph Nappi urged conference delegates from around the globe to take full advantage of this collaborative and interactive discussion of the threats and opportunities that technological development brings to the industry.



A. Appadurai, Country Business Manager, Hewlett-Packard, discussed the benefits of digital printing for short runs and variable printing.

Discover New Business Opportunities in China and Mexico with NPES

NPES Booth at CHINA PRINT 2013 /
NPES Trade Mission to China

May 11-18, 2013

CHINA PRINT 2013

May 14-18, 2013

NPES Trade Mission to Mexico

May 21-25, 2013

Expográfica 2013

May 22-25, 2013

For complete information, contact:

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This partnership will enable both organizations to reach out beyond our existing customers to help the industry grow and prosper.

At PRINT 13 Think BIG!

INTRODUCING THE *NEW* WIDE FORMAT PAVILION

When PRINT 13 opens its doors September 8-12 at McCormick Place in Chicago, the Graphic Arts Show Company (GASC) will demonstrate for attendees at this year's show that opportunities are BIG and growing in Wide Format.

equipment and supplies.

Among the attendee-drawing attractions slated to debut in BIG are the Wide Format Innovation & Application Feature produced by the International Sign Association (ISA),

and "Ask the Wide Format Expert" station. "ISA is excited to partner with GASC to provide relevant information on the growing sign industry," said Lori Anderson, ISA president and CEO. "This partnership will enable both organizations to reach out beyond our existing customers to help the industry grow and prosper."



BIG—The Wide Format Pavilion, "reimagined" for PRINT 13 with Pavilion Sponsor the International Sign Association (ISA), will feature trending Wide Format applications plus tips for show goers on how to sell, create and finish them.

BIG—the rebranded "reimagined" Wide Format Pavilion will showcase the newest offerings from top manufacturers and suppliers for decision makers who will come with purchasing power earmarked for new investments at this year's show.

In this dedicated show floor section PRINT 13 exhibitors will connect with key Wide Format print professionals from Display and Sign Shops, and Commercial Printers—even Package Printing professionals who see opportunity in short run wide labels—who are aggressively expanding their Wide Format offerings and are seeking the best output equipment, software, media/substrates, inks, finishing

Wide Format Innovation and Application

Display and sign professionals and those looking to expand into Wide Format want the next BIG thing. Here they'll discover the hottest trending Wide Format applications on different media/substrates—and learn the tricks on how to sell, create and finish them. In this interactive forum they will gain actionable "take-aways" to implement immediately. Commercial and Quick Printers as well will get first-hand advice on leaping the learning curve of entry and heading directly into profits.

A
BIG
BRILLIANT
STRATEGIC ALLIANCE

PRINT 13

Delivering the combined marketing content and buyer-attendee drawing power of:

Pavilion Sponsor



INTERNATIONAL SIGN ASSOCIATION

GASC Partners

NAPL, NPES and Printing Industries of America



To reserve Exhibit Space in **BIG—The Wide Format Pavilion** contact:

Bob Leidlein

O: 703/264-7200 ext. 286

C: 612/799-3141

E-mail: bleidlein@gasc.org

More Wide Format-Related Attractions and Resources

As a special bonus, because related to many wide format applications are photos, directly next to BIG is the new Photo Finish Pavilion making its debut at PRINT 13. Inside attendees will find two additional new business-building attractions:

- **The Photo Imaging Conference**, sponsored by *Photo Imaging News*, is where buyer-attendees will explore new opportunities for Photo and Display Imaging businesses and Print Service Providers in *both* the B2B and consumer markets.

- **Shoot-Out Americas**, sponsored by SPI Convention, will offer practical hands-on training for participants to gain key new skills from 12 industry leaders in Marketing, Sales, Product Design and Packaging—and will include photography at the year's imaging show, PRINT 2013!

Together, these two specialty show floor sections and their bonus attractions will work in tandem to leverage the value of exhibiting in, and attending PRINT 13. For news and updates about PRINT 13 visit: www.print2013.com; watch video previews of the show on The GASC Channel: www.gasc.org. ■



NPES Goes to Washington for 2013 Capitol Hill Fly-In

MAKE *PRINT'S VOICE* HEARD IN 2013!

HOTEL INFORMATION

Washington Marriott
at Metro Center
775 12th Street, N.W.
Washington, D.C. 20005

Phone: 202/737-2200

Phone Reservations:
Marriott reservations
at 1-877/212-5752
(before May 13 cut-off date).
Ask for "Print's Voice '13
Jun2013."

For more information contact
NPES Government Affairs
Director Mark J. Nuzzaco
at phone: 703/264-7235
or e-mail: mnuzzaco@npes.org



April, 2013

Dear Fellow NPES Members:

I write to invite you to one of the most interesting and valuable opportunities you will have this year to spend time with Association colleagues and industry customers—namely, *PRINT'S VOICE '13*, the Capitol Hill Fly-In jointly sponsored by NPES and Printing Industries of America, scheduled for June 4-5, 2013 in Washington, D.C.



Ron Rose

Let me just say, you won't regret making the investment of time and resources to participate in this great program. I decided to attend last year's Fly-In/*PRINT'S VOICE '12* and was not disappointed. In fact, I was so impressed I am excited to lead this year's Fly-In for NPES as NPES Government Affairs Chairman, following the strong leadership of my predecessor and colleague Xeikon America President Mike Ring.

Last year's Fly-In was a great education by policy experts on substantive issues of importance to my business, and a really interesting behind-the-scenes look at how Washington works, and yes, often doesn't work. Even more importantly, it was an opportunity for me and my printing industry colleagues to meet face-to-face with the U.S. Speaker of the House of Representatives, John Boehner, U.S. Senators and other U.S. Representatives, as well as the U.S. Postmaster General Pat Donahoe, and to share with them our views and concerns about matters that affect our businesses and the livelihoods of our employees, their constituents.

Building on last year's successful program, *PRINT'S VOICE '13* (for program and registration form visit: www.npes.org/programs/governmentaffairs/advocacy/2013capitolhillflyin.aspx) looks to be an even stronger event. I have set the goal of doubling our numbers on Capitol Hill this year. To reach this goal I'm urging you to join me and other NPES colleagues, along with our customers and partners in the printing industry, to make *PRINT'S VOICE* even louder and better understood in Washington in 2013. So, please join me on Capitol Hill in June!

With best regards,

Ron Rose, President,
NOVA Pressroom Products
NPES Government Affairs Chairman

"You won't regret making the investment of time and resources to participate in this great program."



I think print will be here with us for many generations still, but there is no doubt it will continue to evolve and more personalization, digital technology will continue.

Ulrik T. Nygaard, retired recently as President/CEO, Baumfolder Corporation, Sidney, Ohio following 11 years with the company. Mr. Nygaard's 40-year career in the graphic communications industry began in the Danish East Asiatic Company with posts in the U.S., Indonesia and Malaysia. His subsequent career responsibilities took him to several other countries including Germany, Britain and the U.S. working for organizations including Heidelberg, A.M. International, Inc., and Harris Graphics.

Mr. Nygaard served on the NPES Board of Directors and as NPES Government Affairs Chairman. He was also a member of the following NPES Committees: Market Data, Programs and Meetings, Strategic Planning, and Audit.

Since your entry into the industry, what has changed technology-wise and caused the biggest change or shift?

When I entered the industry 40 years ago although offset already existed at that time, I was also taught how to pack a letter press at technical school in Copenhagen, so much has changed since then.

Over the years the industry has gone through so many changes in technology along the way—from the old typesetting to phototypesetting to computer technology and direct to plate and digital—change has been ongoing.

On the finishing side, which has been part of my career for so many years, we went through a big retooling of the industry back in the 80s, at least for the publication industry, to do selective binding and inkjet. They would literally produce 12-15,000 versions of a magazine based on location. All of the editorial would be the same, but the advertising was targeted. The technology we developed at that time—I was with Harris Graphics—was for selective binding. We would have a gathering machine with 40-50 pockets and it would have many of the different versions on it.

One on One ULRIK NYGAARD

It was the first attempt at variable information, at least on the advertising side, very “mechanical” if you will; today this technology and process is being further enhanced using digital technology for additional personalization.

Generally speaking, how have the needs of customers changed over the years and how have—and must—suppliers continue to respond?

Well I think the very clear trend with printers has been to supplement their revenue stream with fulfillment, mailing, marketing, and other nonprinting activities. A common denominator is that the successful printers still around today have been very progressive in that area; and the ones that have not made this transition have struggled to survive.

Particularly since the “great recession” as the domestic print market has consolidated and stalled, how important is it for suppliers today to expand into the global marketplace?

Well I think for suppliers it's a *must* because there's not a single market, geographically, that can support your business entirely. So you have to expand your reach into the global markets otherwise you don't get the volume to sustain your product development costs and overhead. Very few suppliers can survive just supporting a local domestic market.

Legislators that make decisions on issues impacting the future of print require constant monitoring, input and guidance. How can members of NPES make a difference?

Quite simply by reaching out to those politicians and making sure that they have all of the facts and details they need to make good decisions. The NPES Government Affairs program is an obvious example of how we do that and to that end I can only encourage NPES members to be very active in those committee meetings and in those events. That has been an important part of my connection to NPES, Government Affairs, and so I highly recommend participation because that's where we have the chance to connect with some of the politicians to make sure they understand our business.

In your experience, what has been your greatest achievement, of what are you most proud?

That's an easy one: raising a wonderful family with my wife, while living in several countries. I've had the privilege of working in many countries and during my 40 years in the business, moving with my family seven times. For me and us it has been a privilege working and living in different countries and in different markets, which



Ulrik Nygaard

expanded our horizon relative to the industry and different cultures as well as religions. My wife of 38 years, Jere, (and our two children) is the reason this was possible...she made a home for our family regardless of which country we lived in.

But, something that I would also consider one of my better professional achievements is surviving the financial crisis. Making it through. You know, it is a little bit like a boxing match. You get beat up pretty bad and you probably had some bruises and a black eye, but you walk out of the ring, they didn't carry you out of there!

Where do you see the industry going?

I think print will be here with us for many generations still, but there is no doubt it will continue to evolve and more personalization, digital technology will continue...its entry into and development within the industry holds much in store for sure.

What advice would you offer to someone entering our industry today?

I would say don't be afraid that you may be entering an industry that's not considered to be high tech because it really is *very* high tech... and it's changing so fast. If you like change and you like challenges, the printing industry is as exciting as any other industry. ■



NPES has been at the forefront of printing industry standards development for almost 30 years and currently provides leadership in developing national and international standards.

Latest Updates from the NPES Standards Workroom

NPES encourages members to keep up to date on applicable standards as they are developed, revised and reaffirmed. Below are listed the standards that have been recently updated or reaffirmed.

New Standards:

- ANSI-CGATS 21-1:2013 *Graphic technology — Printing from digital data across multiple technologies — Part 1: Principles*
- ANSI-CGATS 21-2:2013 *Graphic technology — Printing from digital data across multiple technologies — Part 2: Reference characterization data-2013*

Revised Standards:

- ISO 12647-6:2012 *Graphic technology — Process control for the production of halftone colour separations, proofs and production prints — Part 6: Flexographic printing*
- ANSI/CGATS/TR-015 *Graphic technology — Methodology for Establishing Printing Aims Based on a Shared Near-neutral Gray-scale*

Reaffirmed Standards:

- CGATS/ISO 15930-3:2004 *Graphic technology — Prepress digital data exchange — Use of PDF — Part 3: Complete exchange suitable for color-managed workflows (PDF/X-3)*
- CGATS/ISO 12639:2004 *Graphic technology — Prepress digital data exchange — Tag image file format for image technology (TIFF/IT)*
- CGATS/ISO 12640-2 *Graphic technology — Prepress digital data exchange — Part 2: XYZ/sRGB encoded standard colour image data (XYZ/SCID)*
- CGATS/ISO 15790 *Graphic technology and photography — Certified reference materials for reflection and transmission metrology — Documentation and procedures for use, including determination of combined standard uncertainty*

These standards are available for purchase from NPES; member companies receive a 10% discount.

More information on the standards activities administered by NPES is available from the NPES Standards Workroom at: www.npes.org/programs/standardsworkroom. ■

NEW STANDARDS MEETINGS

- **TC 130 Working Groups Meeting** will be held May 19-24, 2013 in Shenzhen, China
 - **A Joint Meeting of CGATS and the USTAG to ISO TC 130** will be held August 13-16, 2013 in Clemson, South Carolina.

These meetings are open to anyone having an interest. Users in the printing and publishing industry are especially encouraged to participate.

For more information contact:

Debbie Orf, NPES Assistant Director Standards Programs
 Phone: 703/264-7200 • E-mail: dorf@npes.org
www.npes.org/programs/standardsworkroom

NPES has been at the forefront of industry standards development for almost 30 years and currently provides leadership in developing national and international standards for the printing industry, including:

- Safety standards for printing, publishing and converting equipment
- Technical standards for data exchange, process control, metrology, packaging, etc.

NPES serves as secretariat to the following American National Standards Institute (ANSI) accredited standards committees:

• B65 Committee

Develops U.S. safety standards for printing press, bindery and other printing equipment and systems used in the printing, publishing and converting technology industry.

• Committee for Graphic Arts Technologies Standards (CGATS)

Develops U.S. technical standards with the goal of having the entire scope of printing, publishing and converting technologies represented in one national standardization and coordination effort.

• U.S. Technical Advisory Group (USTAG)

Advisory Group to the International Organization for Standardization's Technical Committee 130, Graphic Technology. The USTAG consists of experts from the industry who provide guidance to ANSI on the development of the U.S. position on international standards relating to the graphic arts.

• International Color Consortium

NPES also serves as secretariat to the International Color



Consortium, an organization devoted to the promotion of the use and adoption of open, vendor-neutral, cross-platform color management systems.

This work is open to anyone having an interest.

We especially invite the involvement of the user community. For the meetings schedule of these committees, please see the Calendar of Events at:

www.npes.org or **Calendar** on the back cover of this issue of *NPES News*. ■

Demand for “Instant” Content Eroding Old Business Models

greater role in fulfilling the still very large remaining demand for print.

There are several ways to generate more capacity—the least costly is to increase utilization of existing digital presses. This means adding more shifts or obtaining better up-time from existing equipment. Both of these approaches are not free and do come with costs. The biggest cost is the need for more labor; the other is derived from defending the cost of digital consumables against



Dr. David A. Clark is a smiling man with glasses, wearing a dark suit, white shirt, and a patterned tie. He is positioned in the top right corner of the page.

Marco Boer

companies for continued success in today's "new world" of print. Responding to this need, *NPES News* features this series of special reports based on the 2011 PRIMIR *Impact of Electronic Technologies on Print* study by I.T. Strategies, Inc. Each monthly report by I.T. Strategies' President and lead researcher on this study, Marco Boer, will examine the variety and timeline for these impacts by key industry segment.

printers purchased may effectively sit idle during non-peak demand periods. While they are sitting idle the monthly maintenance and services costs continue.

These factors are leading to demand for production digital printers that can handle more capacity on a single machine with lower costs.

The diagram illustrates the progression of business models over time. It begins with 'Content and Advertising', which leads to 'Electronic Technologies'. This transition is associated with 'Time Compression'. 'Electronic Technologies' then leads to 'Old Business Models'. 'Old Business Models' leads to 'Digital Print', which finally leads to 'Low-Value Analog Print'. The final transition is highlighted with a red glow.

Source: PRIMIR "Impact of Electronic Technologies on Print" Study 2011 by I.T. Strategies, Inc.

for “instant” content is eroding the old business models, especially those that were dependent upon storing large inventories of print, digital printing is becoming more and more attractive to those who see the total cost of communication. This is further opening up the door for digital printing, which in turn is accelerating the decline of what some call “low-value” offset pages—those pages sitting in inventory—whose content frequently becomes obsolete before usage. (see Figure 1)

Historically digital color press output runs mostly in parallel to offset print as a specialty, generating additional value through instant turn-around of extremely short runs, and in 20-25% of the cases, providing unique value through the ability to print variable data. As the pressures continue to increase on reducing inventories of print, and society becomes ever more conditioned to expect things instantly, digital printing will play an ever-

that of offset consumption
overlapping—with
each other.

Another option to increase capacity, once maximum utilization is reached on the existing presses, is to acquire additional digital presses. Bear in mind that maximum utilization is often tied to seasonal demand, meaning that any additional digital color production

The chart illustrates the shift from analog to digital pages over a six-year period. The y-axis represents the number of pages in millions, ranging from 0.00 to 12.00. The x-axis shows the years from 2009 to 2014. The 'Analog Pages' series, represented by a yellow line with diamond markers, shows a steady decline from 10.06 million in 2009 to 8.08 million in 2014, with a compound annual growth rate (CAGR) of -4.3%. The 'Digital Pages' series, represented by a purple line with square markers, shows a steady increase from 0.22 million in 2009 to 0.33 million in 2014, with a CAGR of 9.0%.

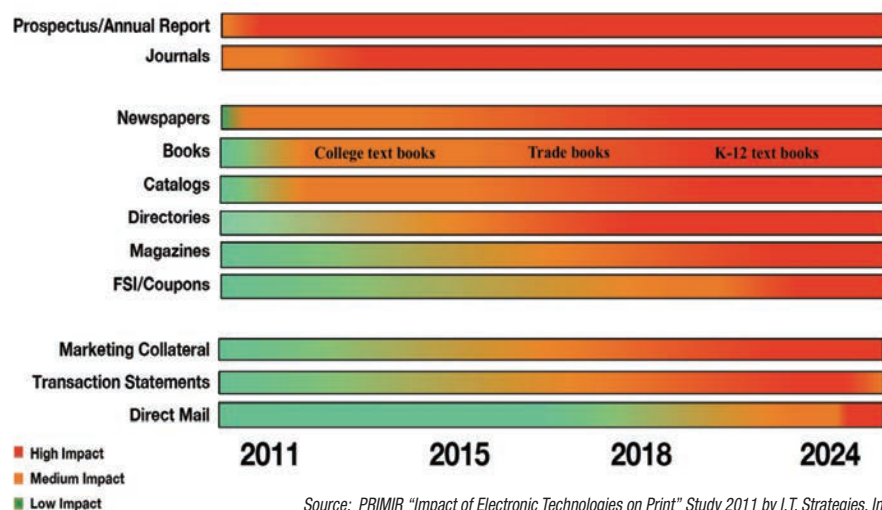
	2009	2010	2011	2012	2013	2014
Analog Pages	10.06	9.56	9.11	8.71	8.24	8.08
Digital Pages	0.22	0.24	0.26	0.28	0.30	0.33

Source: PRIMIR "Impact of Electronic Technologies on Print" Study 2011 by I.T. Strategies, Inc.

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As the pressures continue to increase on reducing inventories of print, and society becomes ever more conditioned to expect things instantly, digital printing will play an ever-greater role in fulfilling the still very large remaining demand for print.

Figure 3: Impact of Electronic Technologies on Print Volumes: A Comparative Look North America, 2011-2024



Opportunity for Press Manufacturers

There are some physical limitations when creating additional throughput capacity on production digital color presses. For example, the linear throughput on electrophotographic production printers is about 250 ft./minute, and that is for continuous-feed paper handling devices. With dry toner systems the fusing temperature limits the threshold, and with the existing commercially available liquid toner systems the circumference of the drum/transfer belt becomes a limitation. Therefore to increase productivity one has to have a wider print width. Liquid toner systems have demonstrated the ability to print at wider print widths, most recently with the 29" Indigo 10000 series launch. The economics for creating a competing 29"-wide dry toner system do not appear favorable.

The other alternative to generate greater production digital printer productivity is to deploy inkjet technology. With nearly five-years history of production inkjet printers that can print up to 30" at up to 500 ft./minute—productivity is up to 10 times faster than electrophotographic systems. These first-generation production inkjet systems have focused mainly on applications where substrate usage is highly consistent from job to job and print quality is

important, but not the dominant requirement for output. These applications include book printing, transaction/financial statement printing, and a segment of direct mail printing applications.

The acceptance of production inkjet technology for these three applications is well proven. Digital book printing in particular is benefiting from publishers migration to shorter run lengths; this is one of the rare instances where digital printing is directly substituting offset print. The usage of inkjet production printing technology is also well proven in transaction printing. It is primarily replacing monochrome continuous-feed electrophotographic printers and offset pre-printed shells. The same holds true for production inkjet printed direct mail applications.

To broaden the application range beyond those three applications, especially towards applications that are likely to be less impacted by electronic technologies such as marketing collateral, inserts, and higher-quality direct mail (see Figure 3), the range of substrates that inkjet ink chemistry can print on must be dramatically expanded.

In order for digital color inkjet production printer manufacturers to grow faster than the existing business momentum, more advanced ink chemistry is needed; chemistry that can print on coated and uncoated offset stocks common to most general commercial print shops. Combining inkjet's linear speed and print width

advantages with the ability to print on a broader range of substrates will open up many opportunities for production digital printing.

The opportunity to grow *addressable* applications with production digital color presses exists for both the larger sheet size (commonly referred to as B-2 size printers) liquid toner and sheet-fed inkjet production printers. Any breakthroughs in ink chemistry technology will also benefit continuous-feed inkjet printers, expanding opportunity to meet the needs of catalog, magazine, and other coated offset stock applications.

Threats to Press Manufacturers

The impact of electronic technologies for the applications mentioned is real but unlikely to impact digital press manufacturers for the foreseeable future. A more imminent threat is something that has been unforeseen by most: a disruption in other segments of the digital printer business, specifically consumer and general office printing. The consumer and general office digital printer business account for over \$90 billion of the \$120 billion generated worldwide by digital printing equipment and supplies manufacturers. Those digital printing segments are now poised on a path of revenue decline, as consumer printing habits have been greatly impacted by electronic technologies. The economic sluggishness has caused larger general offices to shift towards managed print services, often dramatically lowering the overall amount of spending on internal digital print. The \$90 billion in consumer and office digital print revenues subsidized the development of production digital printers for many years, and in fact, without those revenues, billion-dollar investments in production digital printing technology could have never happened.

This means that production digital printer manufacturers also have to work smarter, with fewer resources, in a more efficient manner. As a result, we are likely to see more partnerships and sharing of resources, not only in the technology development for production digital printers, but also in distribution.

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The board would direct activities to raise awareness of renewability, recyclability and reusability of paper and paper-based packaging.

NPES Urges USDA Approval of Paper Check-Off Order

PROGRAM WOULD HELP MAINTAIN 870,000 FOREST INDUSTRY JOBS

NPES weighed in as a supporter of 870,000 jobs in the U.S. forest product industry when it filed comments that urged the U.S. Department of Agriculture to approve a proposal for a national promotion effort for paper and paper-based packaging, known as a “check-off program.” Authorized by the 1996 Commodity Promotion, Research and Information Act, U.S. paper manufacturers and importers would pay assessments of 35 cents per short ton that would be used for promoting paper and paper-based packaging. Companies that domestically manufacture or import less than 100 thousand short tons annually would be exempt from the assessments, as would converters who are not covered under the program.

Declining demand for paper products covered by the proposed order is undeniable, well-documented and can be seen throughout the printing, publishing and converting manufacturing chain that includes NPES members’ technologies. This decline is in part the result of a fundamental paradigm shift from paper-based to electronic communication, as new technologies, consumer preferences, and patterns of commerce and communication evolve in our society. Regrettably, this decline is exacerbated in the marketplace by detrimental false and misleading myths and inaccuracies about the sustainability of paper and paper-based packaging. NPES President Ralph Nappi refutes these myths and inaccuracies in NPES’s letter of support for the paper check-off program, in which he states that “the forest products industry has a strong record of sustainable forest

management practices, and is a leader in the environmentally responsible manufacture, use and reuse of its products.”

There are four major types of paper and paper-based packaging included in the proposed program: 1) printing, writing and related paper; 2) kraft packaging paper; 3) containerboard; and 4) paperboard. A board of paper industry members selected by the Secretary of Agriculture would administer the program with USDA oversight. The board would direct activities to raise awareness of renewability, recyclability and reusability of paper and paper-based packaging. These activities would be funded from check-off program assessments, not taxpayer dollars.

Input submitted during the comment period that ended March 4, along with other information on the industry, is now being assessed. If USDA deems the proposed program worthy, a referendum will be held on the proposal or an amended version of it. To go into effect the program must be approved by a majority of U.S. manufacturers and importers included in the program and voting in the referendum who also represent a majority of the volume of paper and paper-based packaging represented in the referendum. The program will remain in effect for seven years after it is initiated, at which time another referendum will be conducted to reaffirm or end the program, unless a referendum is requested sooner by the industry board, 10% of the participants in the program or the Secretary of Agriculture.

For more information contact NPES Government Affairs Director Mark J. Nuzzaco at phone: 703/264-7235 or e-mail: mnuzzaco@npes.org. ■

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How Do NPES Press Manufacturers Respond?

Production digital color printer/press manufacturers face a bright future in context of most other members. The challenge will be to increase digital color printing’s productivity while commensurately using the benefit of economies of scale to lower the total cost of print at higher print volumes.

To work smarter using fewer resources, collaboration between what may be seen in some instances as competitors will become the norm in production printing just as it has become in wide format graphics inkjet printing during the past two decades.

Production digital color press manufacturers with fewer cash resources but strong balance sheets will likely be accelerating investigations into strategic mergers and acquisitions. Just as with the commercial print shops, the ability to scale quickly and stay ahead of the competition matters. This is especially true in a market still dependent upon 4-5 year platform development cycles.

Conclusion

Printed page volumes are in irrevocable decline due to the direct and indirect effect of electronic technologies, but production digital printing is an unintended beneficiary. While digitally printed pages will never replace all offset pages, production digital printing’s growth rates are the envy of all those focused on other digital printing applications. The opportunities for further development in both inkjet and liquid toner technology will keep production digital printer manufacturers busy for years to come. ■

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Five of those original 26 industry leaders are still members of NPES, continuing along the paths established by their forebears.

Charter Members 80 Years Later

- Russell E. Baum (Baumfolder)
- Brandtjen & Kluge
- The Challenge Machinery Company
- PMC/Printing Machinery Company
- F.P. Rosback Company

Celebrating 80 Years of Service

OUR CHARTER MEMBERS—WHERE ARE THEY NOW?

In the early months of the Franklin D. Roosevelt administration, the “New Deal” was being put into place to help the country recover from the overwhelming financial crisis. The failed banks and the lost savings accounts of their millions of customers. The nation’s manufacturing plants operating at their lowest capacity. More than 13 million people unemployed. There were, no doubt, many companies wondering how to keep afloat until the recovery—if indeed there would be one.

Such was the economic climate when in the summer of 1933 the National Printing Equipment Association (NPEA)—now NPES—was founded. The depression was affecting everyone and taking action in the form of a trade association, a relatively new concept at the time, gave companies a forum to convene to collectively discuss issues they all were facing. Twenty six companies joined as charter members. They included manufacturers of printing presses, bindery equipment, typesetting machinery and specialty equipment.

Today, 80 years later, five of those original 26 industry leaders are still members of NPES, continuing along the paths



Early Days at the Baumfolder Plant

established by their forebears:

Russell E. Baum was founded in 1917 as the Liberty Folder Company. The product and company became known as Baum-

folder in recognition of the sales and marketing success of Russell E. Baum who owned the company until its sale to Bell and Howell in 1961. The company then passed through ownership by EAC-Heidelberg USA and Stahl before its acquisition by

Heidelberger Druckmaschinen AG, where Baumfolder is now a part of the Heidelberg Finishing Business Unit, producing folders, drills, cutters and other bindery products.

Brandtjen & Kluge was founded in 1919 and pioneered the use of vacuum in press feeding and delivery; later developing an automatic platen

press, foil stamping, embossing and die-cut presses, and folding and gluing systems. Current president H.A. “Hank” Brandtjen III is the great grandson of company

founder John Brandtjen and a former NPES chairman.

The Challenge Machinery Company was founded in 1870 as an electrotype foundry to produce cuts for letterpress printing under the name of Schniedewend & Lee. The company was

reorganized as The Challenge Machinery Company in 1893 with James L. Lee at its head and a new name reflecting the challenges of the company’s early days. Challenge produced its first paper cutter in 1893, adding a paper drilling machine in 1930 and additional bindery equipment and refinements throughout its history.

PMC/Printing Machinery Company was founded in the 1920s as a manufacturer of printing

presses, which then moved into the manufacture of label die-cutting machinery, and is now a part of Stewart Industries.

Former company president Lee Augustine, who had joined PMC at age 15, served as NPEA President for 14 years.

F.P. Rosback Company was founded in 1881 as a manufacturer of bookbinding and print finishing equipment, which it continues to do today. Founder F.P. Rosback began the company with a foot-powered perforator with fixed punches. His descendants are still actively involved in the business today. They include President and CEO Larry R. Bowman, Vice President Sales Ronald F. Bowman, and Vice President Engineering W. Randall Fish. ■



Henry A. Brandtjen, Sr.



Three Generations of the Lee Family:
(l to r) J. Edgar, J. Wesley and
James L. Lee (circa 1911)



Lee A. Augustine



F.P. Rosback, Jr.

CALENDAR

May 2013

ICC/FDA Medical Imaging Color Conference

May 8-9 • White Oak, Maryland

NPES Trade Mission to China/

Booth at CHINA PRINT 2013

May 11-18 • Beijing, China

TC 130 Working Groups Meetings

May 19-24 • Shenzhen, China

NPES Trade Mission to Mexico/

Booth at Expográfica 2013

May 21-25 • Guadalajara, Mexico

June 2013

NPES/Printing Industries of America

Capitol Hill Fly-In/PRINT'S VOICE '13

June 4-5 • Washington, D.C.

ICC Meetings

June 10-12 • Seligenstadt, Germany

August 2013

PRIMIR 2013 Summer Meeting

August 5-7 • Milwaukee, Wisconsin

CGATS/USTAG/PPC Meetings

August 13-16 • Clemson, South Carolina

September 2013

EXECUTIVE OUTLOOK Conference

September 7 • Chicago, Illinois

PRINT 13 and CPP EXPO

September 8-12 • Chicago, Illinois

October-November 2013

TC 130 Working Groups and Plenary Meetings

October 28-November 2 • Berlin, Germany

December 2013

PRIMIR 2013 Winter Meeting

December 9-11 • Location TBA

DID YOU KNOW?

Fifty-eight percent of kids age 9-17 say they will always want to read books printed on paper even though there are e-books available.

—Scholastic
January 2012

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After a steady pattern of growing new equipment filings through the majority of 2012, the first two months of 2013 have reversed that pattern and declined by some 42% to 282 units.

Market Intelligence News: UCC Filing Update

Printing Equipment UCC Filings: 2006–2013



A Uniform Commercial Code Form 1 (UCC-1) filing is a financing statement required by law to be filed with the state to show that one party (usually a lender) has a security interest in another party's (usually a borrower's) personal property, and most frequently relates to the commercial financing of capital equipment through a lending institution. UCC data is filed every day throughout the U.S. Each UCC data filing statement has three components: the borrower, the lender, and what the borrower purchased, including make, model and serial number. Once the data is filed, EDA's more than 50 employees manually review each filing to identify and correctly classify the transactions of printing equipment. What results is a robust database that offers subscribers continually updated information on exactly who is buying or leasing what pieces of equipment.

The chart compiled from UCC data provided herein by Equipment Data Associates (EDA) shows up-to-date UCC (see definition below chart) activity for all printing equipment. Although UCC filings are a combination of new equipment sales, used equipment sales and re-financings of existing placements, they are still a strong indicator of market activity.

After a steady pattern of growing new equipment filings through the majority of 2012, the first two months of 2013 have reversed that pattern and declined by some 42% to 282 units. We seem to be mired in a directionless pattern over the past four years where we have short periods of growth followed by decline resulting in a basically flat market for new equipment. Used equipment filings have followed a similar pattern as well and those filings turned down in February 2013 to 138 units.

This information is extracted directly from EDA's comprehensive database of nearly 30,000 records for purchasers of printing equipment.

For more information, or to join the free NPES Market Data program, contact NPES Assistant Director, Rekha Ratnam, at phone: 703/264-7200 or e-mail: rratnam@npes.org. For specific information about the market intelligence services offered by EDA, contact Mauricio Jurin at phone: 704/845-1099 or e-mail: mjurin@edadata.com. ■

NPES News is published monthly by NPES.

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