GRAPH EXPO 14: the Wide Format Inkjet Trifecta
TANDEM DEMO HUBS SET TO ENTICE, INTRIGUE AND EDUCATE BUYER ATTENDEES

Based on a post-show survey of verified attendees at last year’s show, they have their sights set on GRAPH EXPO 14 for three key reasons: “to see equipment” (53%), to “see new products and developments” (47%) and, to “see specific companies/products” (45%). Answering their call, GRAPH EXPO has created an exciting and highly interactive “trifecta” of wide format inkjet hubs to demonstrate the latest equipment and unique new applications, share current best practices, and help attendees leap the learning curve about how to produce and sell the newest profit-making solutions.

1. Inkjet Candy Store

While wide format inkjet has expanded across every aisle of this year’s industry event, inside this back-by-attendee-demand show floor “hot spot” (booth #4067A), show goers will discover the “cream of the crop” hottest equipment introductions from top manufacturers such as Roland DGA (booth #4253), Mutoh (booth #4241), HP (booth #1913), Mimaki (booth #2644) and many more, all running side by side, to see and compare.

2. NEW for 2014! Wide Format Application Zone

See and learn, then stay to buy. That’s the goal of this hands-on live demo feature (booth #4067C). Here, progressive print pros will discover an exciting universe of unique wide format inkjet print applications on diverse substrates that offer high profit margins. Beyond the “talk,” here attendees will “walk” as they learn exactly how to convert inkjet applications into new revenue generators to sell now. “Best of” applications will be examined to convey the simple steps to expanding both service offerings—and revenues.

3. BIG—The Wide Format Pavilion

Although wide format inkjet overflows into every corner of GRAPH EXPO 14, this is the “big top” for innovative companies seeking to expand their services with wide format inkjet offerings. Here they will meet with many of the hottest manufacturers and suppliers to see, compare and learn all about the latest printers, equipment, substrates and software.

Responding to the question, “Yes, but how do I DO that?” inside the ISA Wide Format Inkjet Innovation Theater, sponsored by the International Sign Association, will be a full daily schedule of quick take 20-minute sessions where attendees will gain essential direction on how to adapt their wide format inkjet business, or expand into this thriving market, for greatest success. Together with highlights of the hottest technologies, show goers will learn from presenters, including Canon (booth #615) and Digital Graphic Systems (DGS) (booth #4061), both how to build profits with them and also which wide format inkjet segments are delivering the greatest profit margins.

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How I Keep Productive On the Road

A road warrior who once logged more than 350,000 air miles in one year, I can definitely agree with James Russell Lowell when he wrote, “A wise man travels to discover himself.”

In the past few years, I’ve discovered that I can be as productive — or more — on the road compared to when I’m in the office.

Sure, there are plenty of inconveniences and stresses with international business travel: Bad airport WiFi, language barriers, flying into or out of O’Hare in the dead of winter (especially this past winter!) to name a few.

But on my frequent trips between Chicago and our company headquarters in Belgium — or traveling to customer sites or shows around North America — I’ve found that I’ve been able to get ahead of the curve and increase my overall efficiency.

Here are some tips I’d offer for members who want to maximize their productivity on the road:

• **Take advantage of time zone differences:** This one’s possibly the most obvious, but worth emphasizing. If I’m on Belgium time, I’ll use the time difference to my advantage by answering customer e-mails or calls early in the day so that customers know they have my attention. Similarly, I’ll try to fit in some downtime if it’s off-hours for my U.S. team and they’re less likely to respond to my e-mails or calls.

• **Think about your business:** If I’m on a flight, I will try to make some time to close my laptop or power down my iPad and think about the business more holistically. I’ll consider our strategic goals for growth, how we’re executing them, and what we can do better to achieve them. Or, I’ll contemplate an upcoming NPES event, such as the PRINT’S VOICE Capitol Hill Fly-In, and reflect on how to get the most out of our time on the Hill. An entire flight spent attacking your to-do list is a wasted opportunity. Try to fit in some time to think about the big picture.

• **Review customer meetings:** Customers can be the greatest sources of innovation for your company. Their feedback is incredibly valuable and seeing them in person offers an unparalleled opportunity to connect. After I’ve met with a customer and I’m on a return trip, I try to spend as much time as possible playing back in my mind what we discussed in the meeting, and the challenges and opportunities they shared. I’ll make a note of a comment here or a piece of information there and be sure to follow up on them later. Customers will appreciate it if I ask about that same issue or opportunity on a later visit.

• **Do industry intel:** Similarly, I try to spend time during travel to read up on industry news, competitor announcements, tweets, thought leadership and other content. Or I might spend some time planning my schedule for an upcoming trade show such as GRAPH EXPO or PRINT and what I hope to accomplish there. It can be difficult while in the office to absorb and process all of this content. Traveling gives me more time to revisit an article I may have earlier started reading but had to put aside, and put more focus on it. By the end of my trip, I may have another idea or two that could impact our business.

• **Say “no” sometimes:** Don’t spread yourself too thin by agreeing to every social engagement when you’re on the road. I personally try to prioritize the highest impact, face-to-face meetings with customers and our management team first. No matter what else I get done on that trip, I know that I’ve at least had that valuable facetime. After that, I will schedule other meetings but try to leave myself some wiggle room in case I want to agree to something last minute.

Every one of us has their own business travel preferences and habits. There is no one-size-fits-all way to be most productive. What’s great about travel is that it puts your usual routine on pause, giving you an opportunity to think outside of the proverbial box and—if you use the time wisely—actually make you feel recharged by the time you reach your destination.
... to stay competitive we can ill afford to eliminate a vital tool for export promotion, finance and job creation such as Ex-Im Bank—in short, we need exports to grow jobs and the economy, and Ex-Im plays a key role in that effort.

Ex-Im Bank at Risk

NPES MEMBERS ENCOURAGED TO URGE SUPPORT FOR REAUTHORIZATION

Unless Congress acts by September 30, the Export-Import Bank (Ex-Im) will cease to exist and American exporters will find it just that much harder to compete in global markets. The bank was last reauthorized in May 2012; NPES strongly supports its reauthorization again now.

Ex-Im’s critics label it “welfare for corporations” or “crony capitalism,” but the facts say otherwise. Ex-Im is the official export credit agency of the United States that assists in financing the export of U.S. goods and services for thousands of American companies. It operates at no cost to taxpayers, and has a track record of returning money to the U.S. Treasury, over $1 billion in 2015 alone. Ex-Im assumes credit and country risks that the private sector is unable or unwilling to accept. It also helps to level the playing field for U.S. exporters by matching the financing that other governments provide to their exporters.

According to the National Association of Manufacturers (NAM), over the past decade exports grew more than five times as fast as the domestic market. And the U.S. Trade Promotion Coordinating Committee calculates that Ex-Im supports over six thousand jobs per $1 billion of U.S. exports. Moreover, exports to rapidly growing foreign markets are imperative to sustain this job growth, and won’t be possible without support from Ex-Im.

Additionally, Ex-Im fills critical gaps in private-sector financing for small and large companies alike. More specifically, NAM reports that nearly 90% of Ex-Im transactions directly benefited small businesses in FY2013, and those sales supported an estimated 205,000 jobs at more than 3,400 companies. But Ex-Im does not provide subsidies or grants, rather companies must pay application and exposure fees for Ex-Im loans, credit insurance and loan guarantees as well as interest on direct loans, which cover Ex-Im’s expenses and go into a loan-loss account that would cover any defaults.

Bringing the critical need for Ex-Im closer to NPES’ membership, Ron Rose, President of Nova Pressroom Products, NPES Board member and NPES Government Affairs Chairman, reports that his Jacksonville, FL-based company insures its export receivables through Ex-Im. He says the insurance is important in Latin America where longer credit terms are the norm. The Ex-Im insurance program has allowed his company to take a more aggressive sales posture in some key markets. In 2008, export sales were less than 7% of Nova’s total revenue. This number steadily increased to 23% in 2012 when Nova was named the SBA Southeastern Exporter of the Year. The Ex-Im insurance program has given Nova a needed comfort level (at a relatively low cost) that allows it to successfully compete in Asia and Latin America.

On behalf of NPES’ over 600 member companies, President Ralph Nappi commends Ex-Im for its vital role in helping U.S. exporters remain competitive in international markets, stating that “[U.S.] international competitors are aggressively promoting exports and capturing markets, and to stay competitive we can ill afford to eliminate a vital tool for export promotion, finance and job creation such as Ex-Im Bank—in short, we need exports to grow jobs and the economy, and Ex-Im plays a key role in that effort.”

NPES has contacted the United States Congress in support of Ex-Im reauthorization and urges its members to do the same. For more information see the Policy Brief at: www.npes.org/Portals/0/ GovAff/PolicyInternational-TradeFinal.pdf or contact NPES Government Affairs Director Mark J. Nuzzaco at phone: 703/264-7255, e-mail: mnuzzaco@npes.org.
Over the course of your 23 years in the mailing and commercial printing industries, what are some of the most striking changes you have observed?

Very evident is the dramatic long-term and steady decline in the number of commercial mailers. Although most are in the business of producing advertising mail, the volume of which has held up pretty well, the decline in number of mailers has resulted from the advantages large companies have over smaller ones—driving mergers, acquisitions and bankruptcies. After a merger or acquisition, companies often try to standardize equipment and software across the company. If a supplier’s equipment and/or software are not on the “winning” side of such standardization, it’s bad news for that company.

You mentioned that advertising mail has held up pretty well, notwithstanding the overall decline in mail volume. What are the differences between the advertising and transactional mail markets?

Not too long ago many large companies printed and mailed their own transactional First Class mail. Due to digital presentment and payment, these volumes have dropped and many such operations have been outsourced to presort houses or specialized mail service providers. In the face of dropping volumes it is hard for individual organizations to justify their investments in the equipment and software needed to minimize printing and mailing costs. Just as mail service providers have long dominated the advertising mail space, the economics of First Class mail is rapidly shifting the transactional mail market to mail service providers as well.

Are there other technological developments that have also impacted the market?

Yes, and for that reason smaller or unsophisticated mailers will increasingly have trouble staying competitive. Although there are still many small “mom and pop” commercial mailers, as the U.S. Postal Service raises the bar on the technology needed to mail, their future becomes uncertain.

So the Postal Service, the delivery arm of the mailing industry, is itself a factor in the increased challenges faced by mailers. In what ways?

The U.S. Postal Service has made some significant changes to better position itself for long-term cost reductions in processing commercial mail. Programs like Full Service Intelligent Mail, Seamless Acceptance and eInduction change long-standing paradigms for mail acceptance and verification. Mailers who embrace these programs and figure out how to leverage them may enjoy long-term savings and competitive advantage, though many short-term challenges still exist. In some cases long-standing business and production processes will have to change. This will require capital and expertise, but some firms may not have access to or seek out these solutions.

With dropping mail volume and new, more demanding USPS protocols on mailers, how will these changes impact mailers’ suppliers, including NPES members?

Well, like the business evolution of other industries, this situation actually creates new opportunities for some vendors, but may precipitate a shake-out among others. The number of prospects for mailing equipment and software is steadily declining, and those that survive will tend to be larger companies that may need sophisticated solutions and very likely, a number of implementation and integration services. This is good news for companies serving these larger companies. Vendors who focus on unprofitable market segments and are slow to react to change may not have a bright future. But companies that can quickly identify new client needs and bring cost-effective solutions to market without long delays should succeed.

NPES has two additional seats on MTAC, available to interested qualified members of the Association. For more information contact NPES Government Affairs Director Mark J. Nuzzaco at phone: 703/264-7235 or e-mail: mnuzzaco@npes.org.
Kudos go to the nation’s top advertising design, graphic communications and screen printing technology students who were awarded nearly $30,000 in scholarships from the Graphic Arts Education and Research Foundation (GAERF).

The students were among 6,000 contestants who participated in the 2014 SkillsUSA Championships held June 22-27 in Kansas City, MO to compete in 99 different skill and leadership contests. The annual event, occupying a vast space equivalent to 16 football fields, showcases the skill and expertise of top career and technical education students from across the country, rewards them for excellence, directly involves industry in evaluating student performance, and provides training relevant to employers’ needs. The annual championship is held with the assistance and support of industry, trade associations and labor organizations.

SkillsUSA is a national partnership of students, teachers and industry, working together to ensure America has a skilled workforce. SkillsUSA chapters help students who are preparing for careers in technical, skilled and service occupations to excel. SkillsUSA has more than 300,000 students and instructors as members.

To be eligible for the national competition, students must first compete at the state level. Two representatives from each state—one at the secondary school level and one at post-secondary—then advance to the national competition.

For more information about GAERF scholarships, contact GAERF Director Eileen Cassidy at phone: 703/264-7200 or e-mail: ecassidy@npes.org. For more information on SkillsUSA, visit: www.skillsusa.org.

GAERF Scholarships Go to SkillsUSA Medalists

GAERF is committed to supporting programs that prepare our workforce of the future and we are delighted to recognize our industry’s most talented students.

GAERF Scholarships Go to SkillsUSA Medalists

Congratulations SkillsUSA 2014 Champions

Advertising Design Medalists

Secondary School Level
- Gold: Vanessa Vilchez, Americas High School, El Paso, TX
- Silver: David Moyer-Albrecht, Lake County High Schools Technology Campus, Grayslake, IL
- Bronze: Carly Sauro, Oxford Hills Technical School, Norway, ME

Post-secondary School Level
- Gold: Amber Jackson, Sullivan College of Technology and Design, Louisville, KY
- Silver: Brett Koster, University of Wisconsin-Stout, Menomonie, WI
- Bronze: Alanea LeDay, SOWELA Technical Community College, Lake Charles, LA

Graphic Communications Medalists

Secondary School Level
- Gold: Chandler Kerr, Center of Applied Technology—North, Severn, MD
- Silver: Jackie Nowotarski, Berks Career & Technology Center—West Campus, Leesport, PA
- Bronze: Christopher Nixon, Dubiski Career High School, Grand Prairie, TX

Post-secondary School Level
- Gold: Shelby Johnson, Tulsa Technology Center—Sand Springs, Sand Springs, OK
- Silver: Nathan Ribelin, Riverside Community College, Riverside, CA
- Bronze: Theresa Calabrese, Coastal Carolina University, Conway, SC

Screen Printing Technology Medalists

Secondary School Level
- Gold: Miranda Haller, Nichols Career Center, Jefferson City, MO
- Silver: Nataly Patino, North Garland High School, Garland, TX
- Bronze: Mary Beth Albertson, Pickens County Career and Technology Center, Liberty, SC

Post-secondary School Level
- Gold: Kimberly Jeppson, Salt Lake Community College, Salt Lake City, UT
- Silver: Rashaun Edwards, Forsyth Tech Community College, Winston-Salem, NC
- Bronze: Barbara Paris, Waynesville Career Center, Waynesville, MO
The NPES Booth gave me the opportunity to explore the show and research the potential of the Brazilian market without too great of an upfront investment of time and resources. —Michael Aumann, President, Brandtjen and Kluge

ExpoPrint 2014
BRAZIL MARKET HOLDS PROMISE FOR NPES MEMBERS

From July 16-22, fresh off the excitement of the World Cup in São Paulo, Brazil, ExpoPrint Latin America 2014, the largest printing exhibition in the Americas this year and the third largest in the world, lived up to expectations. Occupying over 450,000 sq. ft. of space at the Transamerica Expo Center, the event was a showcase for 300 exhibitors representing more than 750 brands. A total of 48,866 unique visitors attended the show, which had been sold out since the end of last year and welcomed 4,082 international attendees mostly from other Latin America countries and visitors from North America, Europe and Asia.

The NPES booth at ExpoPrint featured five member companies including: Brandtjen & Kluge, Inc., NOVA Pressroom Products, Inc., Printing Research, Inc., TUK Systems, Ltd., and Xitron. Sharing a booth with NPES, enabled members to cut costs and focus on finding local contacts with the assistance of NPES Latin American Director Hamilton Terni Costa.

Scott Brown, President, Printing Research, Inc. commented, “I was pleasantly surprised by the scope of the Brazilian printing market and the number of attendees and exhibitors at the show exceeded my expectations. With the NPES staff to guide me I felt I was better equipped to handle the local culture and market possibilities.” Michael Aumann, President, Brandtjen and Kluge, echoed this sentiment adding, “The NPES Booth gave me the opportunity to explore the show and research the potential of the Brazilian market without too great of an upfront investment of time and resources.”

All of the major international brands related to prepress, software, finishing and consumables were represented at the show and also featured were booths from Heidelberg, KBA, Komori and other offset press manufacturers. These shared space with digital printers, including a large Kodak booth and HP demonstrations that were split among four different spaces.

While some areas of the world see a slowdown, there remain plenty of business opportunities and niches in Brazil and the rest of Latin America based on the use of web-to-print, personalized and customized printing, and, of course, packaging and labels, all of which we expect to see at ExpoPrint 2018.
Attendees were able to provide input into the direction of future PRIMIR research and gained a stronger understanding of how the industry is changing, and where to find new opportunities.

Print’s Evolution

CHANGING MARKETS, FIRMS, TECHNOLOGIES AND APPLICATIONS

The PRIMIR 2014 Summer Meeting titled, “Print’s Evolution — Changing Markets, Firms, Technologies and Applications,” held July 21-23, 2014 at the DoubleTree Downtown Lakeside-Hotel, Cleveland, Ohio, showcased two new PRIMIR studies as well as a full program of up-to-the-minute industry topics, market trends and research discussion, and events and networking opportunities designed to make the most use of and value for attendees’ time during the two-day meeting. Attendees participated in several roundtable sessions and task force discussions and also enjoyed an insightful plant tour of nearby Tap Packaging Solutions.

Some of the highlights of the meeting are presented in this photo recap and for further information, please contact Rekha Ratnam, Assistant Director Market Data/Research, at phone: 703/264-7200 or e-mail: rratnam@primir.org.

PRIMIR Recognizes...

Mark Hanley, President, I.T. Strategies, kicked off the meeting with findings from PRIMIR’s new study, “Print Applications: Revenues, Processes and Run Lengths in Commercial Printing,” discussing key trends and drivers and evaluating factors that might favor one process over another technology to accommodate customer needs.

Don Carl, President, Nima-Hunter, closed out the meeting with an exploration of “Functional Printing, Printed Electronics, Active/Intelligent Packaging & Sustainability.”

No PRIMIR meeting is complete without the popular Printer Panel to engage attendees in interactive dialog and provide insights for future research. In the highly-received panel discussion, Al Carrero (r), Owner/Partner-President Operations and Finance, Hudson Printing and Tom Weber (l), President, CardPak, provided frank and often divergent perspectives into their operations, how things have changed in their 25+ years in the industry, and where they see the industry headed.

(l-r) Greg Safko, VP NPES Market Data & Research and PRIMIR Executive Committee Chair, Eric Frank, VP Marketing at KBA North America, recognized Rick Mullen, VP Market Development & Analysis, Domtar, and Paul Jaynes, Consultant, CAN-AM Consultants, Inc., representing Kodak, for their chairmanship of the “Emerging Printing Technologies & Applications” study.
economists predict that more than 70% of global GDP will come from emerging markets over the next 10 years.

Uniquely Different

PACKAGING IN EMERGING MARKETS: LATIN AMERICA AND ASIA-PACIFIC

Approximately 82% of the world’s population lives in emerging market countries and these account for more than 40% of the world’s economy. More importantly, economists predict that more than 70% of global GDP will come from emerging markets over the next 10 years. As these markets grow and change, there are opportunities for print. A new PRIMIR study, “Packaging in Emerging Markets: Latin America and Asia-Pacific,” by LPC concentrates on regions with the most potential for change—particularly the countries of China, India, Brazil and Mexico, with total packaging sales revenues of US $66.7 billion in 2012 as shown in Exhibit 1.

More than 240 package printing companies across Asia and Latin America participated in surveys and interviews for this study. In addition to package printers, brand owners in both emerging markets and the U.S. provided perspectives about packaging trends and trade flows. The packaging sectors examined include: tag and label, flexible packaging, folding cartons and corrugated.

A common characteristic of firms in these regions is the ability to deliver the same quality levels as their counterparts in Western Europe and the U.S. The top four emerging markets boast the use of top-of-the-line press manufacturer brands, digital prepress and platemaking in-house, automated workflows and Enterprise Resource Planning (ERP) systems tracking waste, runs and profitability.

While delivering the same quality levels, there are notable differences from their Western European and U.S. counterparts. Due to the logistics of importing raw materials from developed markets, consumable goods inventory levels typically average 120-180 days. There is a lack of trained technical personnel, particularly in flexo. And management teams are challenged with handling a company’s revenue strategy in markets that are growing at five to six times the rate of developed countries.

Trade between emerging countries is outpacing developed-to-developed and developed-to-emerging market trade flows. China has replaced the U.S. as Brazil’s most significant trade partner, and in 2010, Brazil surpassed Spain to become Mexico’s fourth-largest export destination.

High-export finished goods, such as electronics, pharmaceuticals and toys, arrive at their destinations entirely packaged. Printed packaging occurs in the country of origin.

While some emerging markets are more export-oriented than others, brand owners and packaging buyer respondents stressed the importance of securing regional printed packaging supply channels for domestic consumption. The overriding preference in these markets is for printing to occur in close proximity to where the product is being filled, formed, labeled and bottled.

There are profitable opportunities for suppliers of capital equipment and consumables. Emerging markets are projected to deliver annual packaging growth rates at two to four times those of developed markets (see Exhibit 2).

While each market has its own unique challenges and demands, printers and converters in all emerging markets have very similar challenges:

- Decreases in average job size (run lengths)
- Finding skilled labor
- Lead time demands
- Print/color consistency from job to job
- Print quality demands driven by globalized print standards
- Raw material price fluctuations, and
- Access to technical knowledge/education about print manufacturing best practices.

Exhibit 1

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<th>Emerging Markets Printed Packaging Revenue 2013: Domestic Consumption for Each Packaging Subsector (U.S. Millions)</th>
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<tr>
<td><strong>China</strong></td>
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<td>Tag &amp; Labels</td>
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<td>Flexible Packaging</td>
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Source: PRIMIR 2014 study, “Packaging in Emerging Markets: Latin America and Asia-Pacific,” by LPC
NPES members will find opportunities in these emerging markets if they provide solutions and services focused on the unique needs of the country.

Flexo is a growth market across Asia and Latin America in the tag and label and flexible packaging sectors. However, while Mexico and Brazil are well-educated flexo markets, both China and India are nascent markets for flexo; they perceive other print processes to be superior and/or cheaper. In Asia, suppliers in different niches must work together to address the markets’ requirements and to more effectively educate the industry on the merits and capabilities of flexography.

For substrates, films promise the most growth in emerging markets. Pressure-sensitive film is predicted to grow at twice the rate of pressure-sensitive paper and 2.5 times the rate of non-pressure-sensitive paper. Survey respondents predict that annual growth rates for clear films will reach double-digit percentages as consumers in emerging markets demand more convenience products. In both India and China, consumers are seeking the security of bottled and sealed drinks. The demand for high-barrier films will surge as converters seek local supply channels to meet increasingly rigorous performance requirements for their printed applications.

LPC estimates that between 850 and 900 new press systems (for all packaging sectors) will be sold into China, India, Brazil, and Mexico each year over the next five years. Equipment suppliers (both press and post-press) need to understand the new equipment sales complexities in these emerging markets and adjust their sales strategy accordingly. For example, while there is opportunity in India, it is estimated that 70% of all presses sold there in 2012 and 2013 were used. In China, while the purchase of used machinery is outlawed, suppliers reported ways to circumvent those regulations. Chinese-manufactured printing presses proliferate in all packaging sectors across Asia, and increasing sales of these presses remain a major threat to other manufacturers. It is important to understand the competitive price points of locally manufactured machinery.

The need and opportunity for digital solutions in packaging sectors (beyond labels) is high, especially since in emerging markets average runs in flexible packaging are much lower than those in developed markets. Marketing efforts should focus on beverage labels, single-serve sachets and pouches, plus variable-data applications in corrugated.

The PRIMIR study demonstrates that NPES members will find opportunities in these emerging markets if they provide solutions and services focused on the unique needs of the country. They will need to adapt their sales strategies, incorporating both education and new solutions to their offerings, to benefit from the better-than-average packaging growth rates. The full report, “Packaging in Emerging Markets: Latin America and Asia-Pacific,” is available to NPES member firms. For more information contact Rekha Ratnam, Assistant Director Market Data and Research, at phone: 703/264-7200 or e-mail: rratnam@primir.org.

**FREE NPES INTERNATIONAL PROGRAM & NETWORKING RECEPTION**

Join us at GRAPH EXPO 14 on Tuesday, September 30
4:00 pm-5:30 pm • Room N426ab • McCormick Place South

Be the first to hear an overview from the newly released PRIMIR study “Packaging in Emerging Markets: Latin America and Asia-Pacific” focused on the Latin American market. Also learn from the experts about the broader Latin American printing market and participate in discussions on the trends, opportunities, and challenges.

For more information and to register contact: Pernilla Jonsson NPES Assistant Director International Trade Programs Phone: 703/264-7200 • E-mail: pjonsson@npes.org
Despite China’s growth in all product categories, the greatest opportunities will be in packaging and publishing, which will grow at 9.2% and 9.1% respectively between 2012 and 2017.

China—Global Print Power Leader

The recently released, comprehensive NPES and PRIMIR study, “World-wide Market for Print: Identifying Global Opportunities for the Print Industry,” conducted by the Economist Intelligence Unit (EIU), offers a roadmap of potential profit opportunities for savvy manufacturers and printers willing to negotiate the fragmentary nature of developed and emerging markets outside the U.S. Especially significant in global leadership position is China, posing a unique set of socio-economic and structural dynamics, well worth NPES members’ investigation for market entry or sales expansion strategies.

The EIU forecasts that China’s printing industry will reach a market size of US$154 billion in 2017. The robust growth during 2007 to 2011 will continue through the end of the forecast period in 2017, although the growth rate will drop from 11.7% to 8.7%, making China the largest print market in the world by 2017 as volumes surpass those of the United States in 2016 (see Exhibit 1).

In terms of demographics, China will remain the most populous country in 2017 with close to 1.4 billion people. Adult literacy in China at 95% is also high by global standards and will drive further consumption of print media. Rural to urban migration in China will be an important factor in the growth of the total accessible market for packaged goods. GDP per head will also increase from US$6,240 in 2012 to US$10,460 in 2017; and, private consumption per head will grow from US$2,240 to US$4,080 over the same time.

Print Market Summary

China’s dynamics will lead to significant print market growth at an overall CAGR of 8.7% between 2012 and 2017. China’s gains in all product categories will be supported by healthy, but more moderate growth compared to its past economic performance. Still remaining one of the fastest-growing countries in the global economy, China’s GDP growth at 7.7% in 2015, will slow down to 6.5% by 2017.

Sales of equipment, consumables, inks, and substrates will grow at high rates in China, but some potential for exports to China will face competition from a growing B2B used equipment market and local competitors producing consumables, inks, and substrates. Nevertheless, China’s increase in demand for flexographic equipment and digital equipment will be supported by rising incomes and demand for packaging and print advertising. China will also be the second-largest market in substrates sales behind the United States—reaching close to US$100 billion in 2017 (see Exhibit 2).

Print Product Revenues

While all print product categories will see positive growth rates in the period 2012 to 2017, insert printing and direct mail printing will record the fastest growth rates, at 14.6% and 13.6% respectively, due to increased demand for non-commodity goods among the country’s rapidly growing middle class, fueling increased levels of print advertising.

Despite China’s growth in all product categories, the greatest opportunities will be in packaging and publishing, which will grow at 9.2% and 9.1% respectively between 2012 and 2017. The packaging industry, which was 47.3% of total print product sales in 2012, will continue to grow to
become 48.5% of total print product sales in 2017. A rapidly expanding middle class, higher consumer demand, and rising wages will all drive the growth of the packaging industry.

China’s publishing segment will also expand its share of total print product sales from 29.9% in 2012 to 30.5% in 2017. This growth is primarily attributable to the large domestic market and increased demand for consumer goods driven by rising wages and a rapidly expanding class of people capable of, and interested in, purchasing non-necessity items. Unlike in the West, where many readers are gravitating towards online publications, readership of magazines, books, and newspapers is increasing in China.

**Equipment Sales**

For print equipment producers, the Asian markets, particularly China, are going to be more important than all of the European markets. All segments of equipment sales are expected to grow between 2012 and 2017, though at much slower rates than print products. The overall growth rate for equipment sales in China during the period 2012 to 2017 is expected to be 3.4%. Inkjet equipment sales growth is expected to increase the most, at 4.7% between 2012 and 2017. Sheetfed offset lithographic equipment, however, will continue to have the largest sales volume in 2017, with a market size of US$562 million.

**NPES Member Opportunities**

Armed with key country demographics, printing industry trends, and the benefit of established market penetration services and advance investigative work, available through NPES—the rewards can be great. NPES and PRIMIR members should refer to the “World-wide Market for Print” study provided to them earlier this year for: much greater data on the growing China print market; in-depth data and research for the entire Asia-Pacific region and others; and, all 51 individual key country reports encompassed in the landmark NPES/PRIMIR study.

**PRINT’S VOICE in Action**

As a direct result of contact made during the May PRINT’S VOICE ’14 Capitol Hill Fly-In, Harris & Bruno International President Nick Bruno, the Harris & Bruno management team, and local business and city leaders welcomed U.S. Congressman Tom McClintock (R-4-CA) to Harris & Bruno’s Roseville, CA facility on July 7, 2014. The congressman listened with interest to a presentation that included an overview of the company and legislative issues impacting our industry, and toured the 54,000 sq. ft. manufacturing plant.
FREE Meeting Space at GRAPH EXPO 14
GET AWAY TO THE EXCHANGE!

Located just steps away from the bustle of the GRAPH EXPO show floor is the NPES/PRIMIR EXCHANGE. This exclusive haven inside McCormick Place is the ideal free and quiet meeting place where NPES and PRIMIR members have an open invitation throughout the show to come and:

• Conduct business with key customers and prospects in semi-private meeting rooms
• Regroup with staff members to strategize the day’s agenda
• Grab a quick morning cup of coffee or a short afternoon refreshment break, and
• Utilize the convenient PC Corner with Internet and printing capabilities.

Get away to the EXCHANGE and get down to business!

McCormick Place South • Room S101ab
Exchange Hours:
Sunday, September 28: 9 am-5 pm
Monday, September 29: 9 am-5 pm
Tuesday, September 30: 9 am-5 pm
Wednesday, October 1: 9 am-3 pm

Recognize Commitment to Our Industry!
CALL FOR NOMINATIONS: NPES 2014 GEGENHEIMER AWARDS

Nominations are now open for the Harold W. Gegenheimer Awards for Industry Service, which will be presented during the NPES 2014 Annual Conference and PRIMIR Winter Meeting, November 2-4, at the Francis Marion Hotel in Charleston, South Carolina.

The awards named in honor of the former Chairman of Baldwin Technology Company and former President of NPES are presented annually to one NPES member company, and one individual employed by a member company, in recognition of their leadership and commitment to building a strong future for the printing and publishing industry and its suppliers.

Nominations for the Individual and Corporate Service Awards may be made by the delegate of any NPES member company. For complete award criteria, and to download a nomination form, visit www.npes.org/members/gegenheimerawards.aspx.

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DID YOU KNOW?

A study of over 2,500 Internet users found that 73% of respondents had used newspaper printed circulars within the previous month. Respondents especially preferred print circulars over electronic marketing because of the greater portability and ease of scanning of print coupons.

—Newspaper Association of America, 2012