As its name implies, “GRAPH EXPO 2010: A Virtual Preview” offers graphic communications professionals an exciting sneak peek at all that the GRAPH EXPO show in October will have to offer. Online registration is open now for the Virtual Preview scheduled for August 19, 2010.

Sponsored by American Printer magazine, GRAPH EXPO 2010: A Virtual Preview will feature an interactive tour of just some of the new equipment and products to be found at the show in October—as well as opportunities to network live with exhibitors, industry experts and peers from across the Americas.

On the day of the Virtual Preview, August 19, registrants will visit a designated URL through their Web browser that will launch a page that “mirrors” the lobby of the physical show where a video on the Jumbotron screen will welcome and explain how visitors can access the different areas of the online event, including the virtual Exhibit Hall; the virtual Auditorium, featuring a series of educational sessions; and, virtual Networking Lounge with scheduled featured topic discussions in five live chat rooms.

Because GRAPH EXPO will host visitors not just from the English-speaking Americas and the Caribbean but also Mexico, Latin America and the Dominican Republic, visitors to the preview will have the option of participating in the online event in English or Spanish.

In addition to the virtual vendor booths and a full listing of exhibitors expected at GRAPH EXPO, the Virtual Preview will include educational webinar sessions covering topics of interest to 11 key industry segments within the full spectrum of graphic communications professionals—from commercial and quick printers to book publishers, packaging printers and converters, mailing and fulfillment professionals, newspaper printers and publishers, creative service professionals and more. Specifically, the virtual Auditorium will feature:

- Six educational webcast sessions covering topics of current interest to the variety of attendee segments,
**president’s perspective**

The Road to Opportunity Leads to...Brazil!

![Ralph Nappi](image)

Ralph Nappi
NPES President

Now let me provide some industry indicators:

- Over 209,000 employees work for 20,000 printing companies in Brazil.
- Over $1 billion was invested in equipment with a majority of that being imported.
- Brazil experienced a 49% increase in web offset growth in 2009.

After taking part in a show that had over 30,000 visitors—despite two days of Brazil World Cup Soccer play—it is apparent that printers in Brazil are ready, willing and able to invest in printing equipment.

A second positive indicator for U.S. manufacturers is the limited availability of equipment made in Brazil. Tariffs for our equipment are placed on a similar playing field when compared to equipment from other countries. That can’t be said of the other two major growth markets of China and India, because both possess a substantial domestic printing equipment manufacturing base.

Third, the U.S. is a major trading partner with Brazil with political, legal, financial and cultural synergies that already exist to make your export effort easier than most growth countries.

Fourth, there is an interest in all types of equipment. As I walked through the hall for the three days I attended the show, it was evident that there was as much interest in offset sheet-fed products as there was in digital and inkjet technology.

Finally, and critically important to you, is the qualified and passionate staff at NPES that is ready to assist you in dealing with all the challenges that come from exporting to Brazil.

Hamilton Terni Costa is a well-connected and experienced printing industry expert. He stands ready to assist with tariff relief, arranging dealer meetings, Portuguese translation services, training, market analysis, and logistics just to name a few. At NPES, in Reston, we have the resources to assist with your market development, data and forecasting, and visa assistance as you consider the Brazilian market.

U.S. companies MUST actively consider the potential of international markets if they plan to be viable and profitable entities. While it is not easy, NPES can make it a lot easier than if you were not a member of NPES. Let NPES help give your company a leg up on an international presence. PLEASE!

- A preview of the always-popular EXECUTIVE OUTLOOK Conference, slated for the day before GRAPH EXPO opens on October 2,
- A preview of candidates being considered for MUST SEE ‘EMS recognition, a popular part of the EXECUTIVE OUTLOOK Conference that highlights the most influential trends and technologies to be found on the show floor,
- A preview of companies and organizations being considered for Positively Print recognition, a new print advocacy program launched by GASC to promote the enduring power of print in the media mix, plus
- A special webcast on how to maximize your time at the show in Chicago, including a tutorial on how to ‘Map Your Show’ using the online GRAPH EXPO Planner tool to find unique applications, discover industry best practices, and learn how to participate in social networking to your maximum advantage before, during and after the show.

As an additional benefit, those who participate in the virtual event will also be able to visit again at any time to access the content, including the educational presentations, up until October 2 just before GRAPH EXPO opens in Chicago.

For more information, or to register for GRAPH EXPO 2010: A Virtual Preview, visit: www.graphexpo.com/virtualpreview.

For information about exhibiting in GRAPH EXPO 2010: A Virtual Preview, contact the GASC Sales Department at: 703/264-7200 or e-mail sales@gasc.org.

**GRAPH EXPO 2010: A Virtual Preview**

Watch the Video

Get More Information and Register
www.graphexpo.com/virtualpreview

For Information about Exhibiting
Contact the GASC Sales Department
Phone: 703/264-7200
E-mail: sales@gasc.org

Sponsored by: Printing Review
Coated Paper Trade Cases

NPES continues its longstanding support of free, fair international trade policy that enforces existing trade laws, and provides a level playing field for Association members’ products in global markets. In that light, NPES is monitoring the unfair trade practice cases filed by three U.S. paper manufacturers and a workers’ union, which allege that China and Indonesia are harming the U.S. paper industry by providing unfair support to their domestic paper manufacturers that export to the United States. Opponents of the cases fear the repercussions of increased paper prices that could result from the imposition of duties on coated paper from China and Indonesia.

In September 2009, U.S. paper producers Appleton Coated, LLC; NewPage Corporation; and S.D. Warren Company, dba Sappi Fine Paper North America, along with the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union filed a petition seeking the imposition of tariffs on certain categories of coated paper suitable for high-quality graphics using sheetfed presses manufactured by paper producers in China and Indonesia. The paper under investigation is typically used for printing multicolored graphics for catalogues, books, magazines, labels and wraps, greeting cards and other high quality items.

Petitioners have sought relief under two of the most frequently applied U.S. trade statutes, Antidumping (AD) and Countervailing Duty (CVD) trade laws. Antidumping laws provide relief to domestic industries that have been, or are, threatened with the adverse impact of imports sold in the U.S. market at prices that are shown to be less than fair market value. Additional import duties can be imposed on dumped imports. Countervailing Duty laws give similar relief to domestic industries that are jeopardized by imported goods that have been subsidized by a foreign government or public entity and therefore have a competitive advantage over similar goods produced in the United States. Like dumped goods, additional duties can be placed on subsidized imports.

AD and CVD cases are conducted jointly by the U.S. Commerce Department’s International Trade Administration (ITA) and the International Trade Commission (ITC). Following an initial finding by the ITC that there is enough information to arguably support the imposition of AD and/or CVD duties, the ITA conducts an investigation and issues a preliminary determination. In the coated paper cases at hand, the ITA issued its preliminary CVD determination against coated paper imports from China and Indonesia in March 2010, and imposed immediate tariffs averaging 8.38%, which will be held pending a final resolution of the case. According to petitioner NewPage, the ITA found that Chinese producers were benefiting from preferential lending, income tax programs, tax credits for equipment purchases and research and development, import duty and VAT exemptions on capital equipment and preferential provision of electric. Indonesian producers were found to have received timber for less than adequate remuneration, and government debt forgiveness.

Although not part of the ITA’s basis for its preliminary determination, petitioners have also asserted that the undervaluation of China’s currency provides an additional unfair subsidy that should be considered by the ITA. This assertion has been further bolstered by a recent letter from U.S. Senators Sherrod Brown (D-OH) and Charles Schumer (D-NY) to Commerce Secretary Gary Locke calling for the Department to include the currency issue in its final CVD analysis and determination.

In response to petitioners’ claims and the ITA’s preliminary CVD determination, Chinese and Indonesian paper producers point to U.S. paper companies’ use of “black liquor” bio-fuels tax credits as a form of U.S. government subsidy of their own.

Following its March CVD determination, in April the ITA announced its preliminary determination that certain coated paper from China and Indonesia had been dumped—sold at less than fair value—in the U.S. market, with additional duties assessed against paper exporters from those countries.

The Commerce Department’s final rulings on both the CVD and AD cases are expected in September. Following that, the last phase in the process will occur in October or November when the ITC makes its final determination of whether the U.S. paper industry has been harmed, which will determine whether import duties will actually be imposed.

Although faced with preliminary CVD and AD findings against them, Chinese and Indonesian producers continue to argue that U.S. domestic shipments of coated paper are down because of the overall bad economy, not because of any unfair practices of theirs...

...Chinese and Indonesian producers continue to argue that U.S. domestic shipments of coated paper are down because of the overall bad economy, not because of any unfair practices of theirs...

For more information contact NPES Government Affairs Director Mark J. Nuzzaco at 703/264-7235, or e-mail: mnuzzaco@npes.org.
Benchmarking and Worldwide Market Trends for Flexographic Printing

Flexographic printing has had a bad rap for years for low quality output. Enlightened folks in the industry, however, understand that flexographic printing and converting can often be performed entirely inline, on a wide range of materials and substrates, and the quality has improved substantially. These factors equate to a cost-effective process that produces minimal waste. And, in fact, many would be surprised to learn that flexo is the fastest growing global analog print method.

Since packaging is a key growth engine for the graphic communications industry, and flexography is a dominant process for many packaging applications, PRIMIR recently commissioned LPC Inc. to conduct research on the topic. The resulting outcome is a new report, "Benchmarking and Worldwide Market Trends for Flexographic Printing" which was released in May 2010. The study provides a comprehensive assessment of the global flexographic industry while answering how this analog print process fits into a world that is increasingly going digital and which world regions are likely to provide opportunities for future growth. The study investigates flexo in packaging as well as non-packaging applications.

According to the new PRIMIR study, packaging comprises nearly 92% of the global flexographic volume; the remaining volume is in non-package printing applications such as security printing, pharmaceutical products and commercially printed electronics. In the next several years flexo will enjoy a 4-5% growth rate—largely coming from growth in the developing regions, more specifically the BRIC countries.

LPC reports in the study that flexography accounts for nearly 60%, or just more than $260 billion, of the $440 billion printed packaging market. In 2009, flexo’s market share for packaging applications included: $125 billion for corrugated, $81 billion for flexible packaging, $56 billion for labels and tags, and $1.2 billion for folding carton.

Not surprisingly, North America and Western Europe featured the most flexo press installations. However, global growth opportunities lie in the emerging markets where flexo is not currently the dominant process. As urbanization occurs and incomes rise in these countries, consumers will increasingly purchase packaged foods at retail stores versus fresh foods from local outdoor markets. This trend will increase the demand for packaging, and in many cases, flexography. The adoption of flexo in these markets depends on numerous variables such as: training, consumable costs, and changing perceptions about the flexo process—mainly quality concerns.

One of the more exciting growth areas for flexography is printed electronics. While reportedly only accounting for $3 million in sales in 2008, the printed electronics market is forecast to grow to $89 billion by 2020. Even sharing this growth with the other print processes, there are tremendous opportunities for flexo in this area.

As part of the research, LPC surveyed more than 75 print buyers or specifiers to learn about their purchasing practices and any biases they have towards flexography. Not surprisingly, 63% of those respondents believe that flexography has limitations when it comes to their specific applications. Many of the limitations cited related to print quality issues, however some felt flexo lead times were longer, flexo printing plates were too costly, and there was concern around authentication of packaging using flexo versus other print processes. But, despite those concerns, more than 70% of those respondents also indicate that their company’s use of flexography will increase during the next five years, often replacing materials printed by another print process (see Figure 1).

It is also interesting to note that print buyers expect in the next five years they will be sourcing their flexo printed products from regions of the world separate from the one in which they are located. In fact, 70% anticipate sourcing these materials from Asia, while 60% will be sourcing from Latin America.

Getting back to the quality perceptions about flexography mentioned earlier, clearly those concerns are not an issue in the tag and label sector where an estimated 92% of label printers in North America use flexography on their production floor. In fact, the quality levels of flexo-printed graphics are the highest in the tag and label marketplace where the narrow to mid-web presses produce six to ten-color, 175 line-screen applications with sophisticated graphs targeted at discerning consumers. It should be noted though, that digital presses are making a tremendous impact on the flexographic label industry as flexo printers around the globe install digital press systems alongside their conventional flexo presses. Given this development, it should be no

![Figure 1](image-url)
Think Outside the Box—Expand Globally!

Have you ever asked yourself, “should I take my company global?” Or, if you already do export to some countries, “should I expand my export business to China or India?” Of course, you might need more money, and then you’ll probably face higher risks and challenges. And then, there are those immediate questions... How do I get started? How do I find the right distributor or sales agent that will focus on my product?

Certainly expanding your business globally does involve more money, and higher risks and challenges that are inherent in working with other cultures, different laws, different languages, political risks etc. But, imagine the positives—access to additional growing markets and the ability to balance the risks, all resulting in more sales for your company. As NPES data has shown, there is only so much room your company can grow in the local printing market so now is the ideal time to discover export opportunities.

According to an article in the Washington Post, Asian nations are emerging from the recession as stronger economic powers. Numbers are indicating that U.S. sales abroad have increased by more than 3% February to March, and the administration is continuing to focus on exports as a source of new jobs. The plan to reach the goal of $3 trillion in annual exports by 2015 will include more expansion of the U.S. presence in Asia. In order to boost exports, President Obama has created an Export Promotion Cabinet, composed of several cabinet members, the president of the Export-Import Bank and other government officials. Obama also wants various government agencies to help set up "one-stop-shops" in the U.S. and American embassies and consulates to help encourage exports.

Compared to other regions in the world, Asia is still relatively stable with its middle class steadily increasing. The Asian economies are also integrating faster and several new trade agreements have accelerated this process. Consider this: according to the International Monetary Fund, China’s economy is expected to expand about 10% in 2010; by comparison the Eurozone growth is likely to be about 1%; and Canada’s economy is expected to grow less than 3%.

If now is the time for your company, NPES can help you think outside the box to explore new markets. We coordinate trade missions and summits every year. We bring international companies to the GRAPH EXPO and PRINT shows, and we have three international representatives ready to assist you, one-on-one, with international strategies and contacts. For more information about NPES Global Programs, contact Perilla Jonsson at email: pjonsson@npes.org or phone: 703/264-7200.

Sources: Washington Post, Forbes

International Focus at GRAPH EXPO 2010

International Speaker Programs
McCormick Place, Room: S 103 CD

Have you been thinking about expanding into the global marketplace? Don’t miss this informative and efficient way to explore Latin America and China’s fast growing markets—with experienced business development experts, and to network with prospective customers and partners.

Tuesday, October 5, 2010
4:30 pm – 6:00 pm

“The Future of Printing in Latin America”

The leading magazines in Latin America will announce the results of a survey on print trends in the Latin American region—original research released for the first time at GRAPH EXPO. Networking reception to follow.

Wednesday, October 6, 2010
8:00 am – 10:00 am

China Day Breakfast Program:

“Accelerate your Business in the Fastest Growing Market in the World”

Ya-Ping Zhou, NPES Greater China Market Representative, will moderate this timely session that probes current and future opportunities in China.

International Business Center
McCormick Place, Room: S 103 AB

Sunday, Oct. 3 – Tuesday, Oct. 5 • 10:00 am - 5:00 pm
Wednesday, Oct. 6 • 10:00 am - 4:00 pm
First Quarter Market Data: A Return to the Bad Old Days

When we last reported on NPES Market Data trends after the 4th quarter 2009 data was released, we noted the data was showing some marked improvement in the industry. At that time, 4th quarter GDP had increased at an annual rate of 5.6%. Since then, 1st quarter 2010 data released by the Bureau of Economic Analysis showed that the output of goods and services produced by labor and property located in the United States increased at an annual rate of 3% (that is, from the 4th quarter to the 1st quarter). In the 4th quarter, it appeared that things were taking a turn for the better for printing equipment. Final year-end 2009 figures showed an increase of 53% over the 3rd quarter 2009 and 24% over the same quarter 2008 to approximately $378.2 million.

NPES tracks monthly shipments across 80 different categories of equipment and supplies including prepress, lithographic press and bindery equipment as well as film, plates, and proofing products and the related chemistry. It’s important to note that the NPES data does not include digital presses, which would certainly account for some of the reported declines as our industry continues to transition some printed products to a digital platform.

The upward trend we saw in 4th quarter 2009 did not really translate over into 1st quarter 2010. The significant increase in the 4th quarter was due to a boost in press sales in December 2009. We did not witness a similar trend in the 1st quarter, with the data showing a decrease of 18% over first quarter 2009 and a nearly 60% decrease over 4th quarter to $150.1 million (see Figure 1).

There is a close correlation between our market data and the UCC filing data as reported by Equipment Data Associates (EDA). With a strong end to 2009 for printing equipment, UCC filings showed a similar pattern. The UCC filing data for both new and used printing equipment also increased significantly in the 4th quarter. 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.

Following the trend between our market data and the UCC...
filings showed the close correlation between the two, once again, for 1st quarter 2010. However, while it was encouraging news to see how the data points for new and used printing equipment shadowed our market data at the end of 2009, the same did not hold true for the first quarter of 2010. UCC filings have decreased significantly in the 1st quarter (see Figure 2). As shown here, new equipment sales dropped in the 1st quarter and remained stagnant going into 2nd quarter. Used equipment sales, on the other hand, also dropped in the beginning of 2010, but are increasing moving into the 2nd quarter. A factor that could have influenced the drastic increase in printing equipment sales at the end of 2009 was the American Recovery and Reinvestment Act (ARRA), enacted in February 2009 providing bonus depreciation to be applied to new equipment purchased and placed in service in 2009. The expiration of the depreciation bonus at the end of 2009 could have encouraged manufacturers to take advantage of this incentive by purchasing equipment by year end. Although there are plans to reinstate this important provision for 2010, it could explain why new equipment sales have been declining thus far, and used equipment sales are slowly increasing.

According to Dr. Joe Webb, “printing shipments are still declining, and prices are flat or declining, which means they’re not keeping up with inflation.” However, according to 1st quarter data from the Commerce Department, printing profits are improving (Q1-2010 is up $830 million vs. Q1-2009). Dr. Webb explains that these profits are occurring because, “printers have finally gotten ahead of the decline in terms of workforce reduction that is faster than the decline in demand, grabbing the business volume of their dearly deceased weakest brethren, and the effects of “tuck-ins” that make far more sense in this uncertain market than outright mergers and acquisitions.”

Moving on to the performance of graphic arts supplies, we continue to see a similar picture to the 4th quarter of 2009. Sales of film, plates, proofing products and chemistry are all directly correlated to shipments of printed products. With the ongoing decline of printing shipments, the negative effect on graphic arts supplies sales continues. Just like printing equipment is impacted by the transition to digital, supply volumes are also affected by the shift from lithographic to digital printing, as digital requires no plates in the workflow. First quarter 2010 data shows the continuing decline of the supplies dollar volume, falling to $189.3 million, an almost 9% decrease from the first quarter 2009 total of $207 million (see Figure 3).

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**SAVE THE DATE!**

**NPES 2010 Annual Conference**

**PRINT REINVENTED 2011: THE FUTURE OF MEDIA COMMUNICATIONS**

**Thursday, November 18 to Saturday, November 20, 2010**

Royal Palms Resort ■ Phoenix, Arizona
NPES CALENDAR

July 2010
PRIMIR Summer Meeting
July 26-27 • Atlanta, Georgia

October 2010
EXECUTIVE OUTLOOK Conference
October 2 • Chicago, Illinois
GRAPH EXPO
October 3-6 • Chicago, Illinois
TC 130 WGs and Plenary
October 10-16 • Sao Paulo, Brazil
CGATS/USTAG
October 28-29 • Location TBA

November 2010
ICC Meeting
November 4-6 • San Antonio, Texas
ICC DevCon
November 8 • San Antonio, Texas
NPES 2010 Annual Conference
November 18-20 • Phoenix, Arizona

December 2010
PRIMIR Winter Meeting
Renaissance Boca Raton
December 6-8 • Boca Raton, Florida

March 2011
Vision 3 Summit
J.W. Marriott Desert Springs Resort
March 13-16 • Palm Desert, California

September 2011
EXECUTIVE OUTLOOK Conference
September 10 • Chicago, Illinois
GRAPH EXPO
September 11-14 • Chicago, Illinois
International Graphic Arts Show
NPES Member Booth and Trade Mission
September 21-27 • Tokyo, Japan

October 2011
NPES 2011 Annual Conference
October 16-19 • Palm Beach, Florida

October 2012
GRAPH EXPO
October 7-10 • Chicago, Illinois

September 2013
PRINT
September 6-11 • Chicago, Illinois

SAVE THE DATE!
Vision 3 Summit • March 13-16, 2011
Advancing Graphic Communications
J.W. Marriott Desert Springs Resort
Palm Desert, CA

A dynamic new leadership conference open to graphic communications service providers and vendors with a broad and distinctly management-level approach.

A joint venture between NAPL, NPES and Printing Industries of America, co-owners of the Graphic Arts Show Company (GASC), producers of the GRAPH EXPO and PRINT trade shows.

Call for Experts for new ISO TC 130 TF2 on Postpress

At the September 2009 Plenary meeting of ISO TC 130 (Graphic Technology) it was agreed to form a Task Force to determine requirements for standardization in the field of postpress by taking into account existing national standards. The plan for this task force is to develop a scope and the framework for future projects to be adopted as ISO publications. After the approval of a first new work item this Task Force will be disbanded and a Working Group will be formed.

A call for experts to participate in this work has been issued by the TC 130 Secretariat, and is open to anyone who has an interest and is knowledgeable about postpress issues in printing. Additional information on this work can be found in the TC 130 Call for Experts document, available from the NPES Standards Workroom at: http://www.npes.org/Standards/isoworking.html.

If you are interested in participating in this work or have questions, please contact Debbie Orf in the NPES Standards Department at e-mail: dorf@npes.org.