



Robert Flather

President of Global Print

This is my final UK market report in my capacity as President of Global Print; I will hand over the Presidency at our forthcoming meeting in July.

I have enjoyed my tenure very much indeed and would like to thank all my colleagues for their advice and support over the last two years. It has been an honour and a privilege to take the helm of the international face of the manufacturing side of our industry. Our website describes the Global Print mission as “to further the common interests and mutual understanding of manufacturers of printing, papermaking and converting machinery, equipment and consumables.” If we did not exist, the ten national associations would operate in a vacuum, focussing on narrow domestic concerns and only occasionally aware of the global trends shaping the industry. Instead, Global Print provides an invaluable umbrella mechanism that acts as an international forum for consultation, ideas-sharing and identifying issues that affect us all. Long may this continue.

I look forward to handing over to the next Global Print President and I look forward to seeing you at IGAS on July 27th, 2018.



GLOBAL PRINT: UK MARKET REPORT BY BETTINE PELLANT – CEO PICON

And so to business.....

So far as the economic performance of both the UK economy in general and the printing industry are concerned, readers will find what follows rather familiar. The outlook for both continues to be uncertain, due in no small measure to the continuing questions about the UK's post-Brexit relationship with the EU. All that can be said with certainty is that we are approaching the time when the questions must be answered.

UK Economic Performance and Outlook

The UK economy grew at its slowest rate for six years in the first quarter of the year (Q1), according to the latest figures from the Office of National Statistics (ONS). A sharp fall in construction and a sluggish manufacturing sector were cited for the 0.1% figure, down from 0.4% in the final quarter of 2017.

A spell of bad weather during the quarter had a “relatively small” impact. An ONS spokesman said: “Our initial estimate shows the UK economy growing at its slowest pace in more than five years, with weaker manufacturing growth, subdued consumer-facing industries and construction output falling significantly.”

These disappointing figures are likely to have postponed the interest rate rise that had been widely expected in May. This has in turn caused sterling to fall in value, which should help exporters.

There is more encouraging news from the Purchasing Managers Index, which is usually an accurate indicator of the health of the manufacturing sector. This recorded a pick-up in output growth towards the end of Q1, although this was offset by slower increases in new orders and employment. Manufacturing production rose for the twentieth month in succession in March, with companies reporting solid inflows of new work from both domestic and overseas markets.

Household spending accounts for around 60% of the UK economy, so there was a widespread welcome for the announcement in April that for the first time in a year month-on-month wages are now rising faster than prices. However, on a three-month measure wages are still rising less quickly than inflation, so caution is advisable.

UK Printing industry

The most recent “Printing Outlook” survey by the British Printing Industries Federation (BPIF) covers the final quarter of 2017 and is notable for the absence of the expected seasonal upturn that usually occurs as Christmas approached. This contributed to the worst Q4 output report for five years, with 40% of printers increasing output in Q4, 40% holding steady, and 20% experiencing a decline. The resulting balance — the difference between the increases and decreases — was +19, which was slightly better than the expected +14 but well below the +30 reported in Q3.

Not surprisingly, expectations for the beginning of 2018 were subdued: 37% predict increased output, 38% expect to remain as they are, and 25% forecast a decline. The BPIF notes that the +12 balance compares favourably with historic actual Q1 performances. The three most-mentioned business concerns remain competitors’ pricing (70%), paper/board prices (60%), and access to skilled labour (32%).

The report’s “Brexit Barometer” registered a slight improvement in confidence as the industry welcomed the pre-Christmas progress in negotiations between the UK and the EU. Compared to Q3, 18% of respondents were “somewhat confident” about the outlook for the UK economy, up from 17%. Just over one-third (34%) described themselves as “neither confident nor unconfident”, and 41% were feeling “somewhat unconfident”. It should be noted, however, that the research was undertaken before the current debate about whether the UK remains in some form of customs union or arrangement.

Each year industry magazine *PrintWeek* produces an in-depth analysis of the financial data from the country’s “Top 500” printers. This year’s report, published in March, showed an average pre-tax profit margin of 5.1%, a slight decline on the previous 5.8%. The report noted a widening gap in profit margins between large companies and small- to medium-sized businesses. Average turnover increased by 3.7% in 2017, which was in line with inflation rather than showing growth in real value.

A digital skills “black hole”

The concerns about access to skilled labour highlighted by the BPIF are reinforced in a recent report by the Federation of Small Businesses (FSB), which found that a deficit of digital skills in the UK workforce is negatively impacting productivity. The survey showed that 26% of business owners lack confidence in their basic digital skills and 22% believe a lack of such skills is holding their staff back. The Government recognises the problem, and the recent Budget included provision for a National Retraining Scheme with the primary aim of improving adult learning and retraining, with the creative industries as one of the sectors for particular attention.

The FSB report noted that many business owners believe staff are too busy to be trained, and that training is too expensive or not available locally. A remarkable 49% have no formal training plan or budget. To help our Members tackle the problem, Picon has introduced a new scheme of training grants — TAGX — under which we reimburse 75% of the value of eligible training costs up to £5,000. The training can be in any area that advances the Member's business objectives, so long as it is provided by a recognised training/educational organisation. Take-up has been excellent, with almost 30 Members claiming a total of over £102,000 to date. In many cases, Members tell us that TAGX has made possible training they would not otherwise have considered.

Print hits the headlines

The printing industry rarely makes national news, but it did so in March when it emerged that the £490m contract to produce the new, post-Brexit (and therefore blue) passports is to go to Franco-German firm Gemalto. The contract involves producing over six million passports a year and newspaper reports suggested that Gemalto's bid was around £50m below that of incumbent supplier De La Rue.

In the ensuing row, De La Rue expressed its "shock and disappointment" and considered appealing the decision, while the Unite trade union described the decision as "outrageous" and said it would mobilise a campaign to reverse it. Inevitably, the issue became "Brexitised" as commentators contrasted the decision with the pro-Leave campaign's promises to "take back control".

Subsequently De La Rue decided not to appeal and passport production will move to Gemalto in summer 2019.

Baroness Dean

With the death of Baroness Dean, also in March, the industry lost a figure from the days when print regularly hit the headlines — although often for the wrong reasons.

Baroness Dean had started her career as a 16-year-old secretary at the Printing, Bookbinding & Paperworkers Union. As Brenda Dean, she was one of the UK's best-known trade union leaders in the 1980s, leading the SOGAT union during the Wapping dispute of 1986. The dispute followed Rupert Murdoch's decision to move production of his News International titles from Fleet Street to new, non-unionised sites, and was rightly described by the *Guardian* newspaper as "a watershed for the future of the print industry."

In 2017 Baroness Dean served as President of The Printing Charity. Speaking at the charity's annual lunch a few months ago she said: "Print is not moving into its twilight, as some would have you believe.

It has changed over the years and continues to change — it communicates the news, but also makes it.”

By invitation only

London-based fine art and bookbinding specialist Barnard & Westwood has been revealed as printer of the wedding invitations for the forthcoming wedding of Prince Harry to Meghan Markle. A total of 600 invitations were printed in gold and black on a 1930s Waite and Saville die-stamping press, then burnished to bring out the shine and gilded at the edges. The job took two days for Barnard & Westwood employee Lottie Small.

Barnard & Westwood has held a Royal Warrant from the Queen since 1986. The company was founded in 1921 by Albert Barnard after his return from World War I. Unable to return to his pre-war employer because of injuries sustained during the conflict, he borrowed money to start the business from his suffragette aunt. In 2015 the employees took ownership of the company through an Employee Ownership Trust.



News from APTEch

Overview

These continue to be exciting times for the printing and imaging industry with its ability to adapt and change with evolving technologies and unique new applications that respond to whatever the market demands.

It is our belief that our industry's continued success will require a highly informed perspective on current and future trends, and rapid acceptance and adoption of new business models. To that end, our organization is placing a greater emphasis on ensuring that the print and imaging industry value chain is aligned so that all are best positioned to move forward together.

Earlier this year, *(the formerly known as)* NPES developed for the Association a new leading market position with its 2017-2020 Strategic Business Plan that launched in January 2018. Heralding its bold new mission to drive printing industry growth, NPES-The Association for Suppliers of Printing, Publishing and Converting Technologies announced a name change to become the **Association for Print Technologies (APTEchSM)**. The new identity is both a nod to the Association's signature annual event—PRINT[®]—which it has produced since 1968, and it marked a defining moment in the Association's 85-year history.

On the heels of the Association rebrand, will be a compelling new and expanded line-up of programs and services, which include the April 2018 launch of the Association's new website:

www.PrintTechnologies.org. Upcoming Association offerings will span the areas of Research & Market Data, Industry Advocacy & Standards, Events and Communications.

As part of the organization's repositioning, a new strategy was launched for its signature annual industry event—PRINT[®]—which in 2017 was the largest North American industry event by the number of visitors. This year's PRINT[®] 18 event will take place Sunday, September 30 through Tuesday, October 2, 2018, at McCormick Place South in Chicago, Illinois.

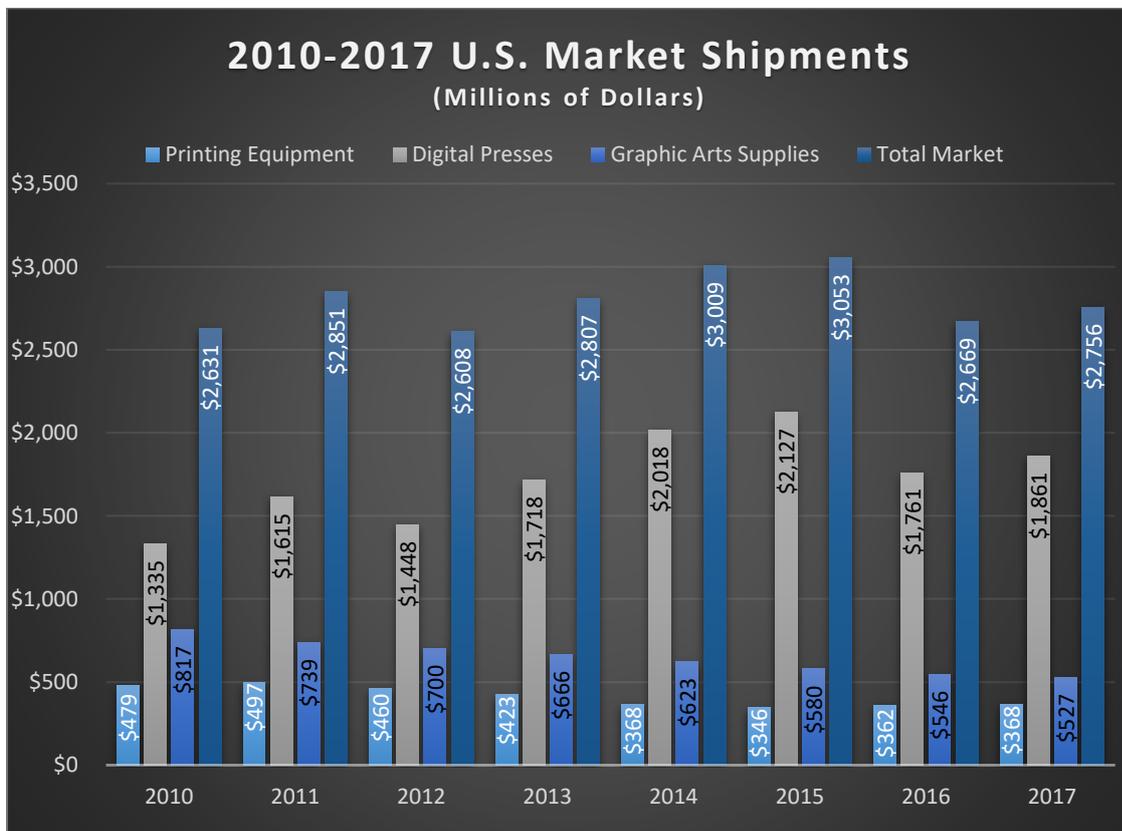
Market Outlook for the United States – 2018/Early 2019

US Industrial Production in 2017 was 1.8% higher than in 2016, according to ITR—an APTEch partner providing members with expert macro-economic analysis and industry specific forecasts. Activity is increasing in all three segments of the industrial economy. Mining and Manufacturing Production are growing at accelerating rates, up 6.5% and 1.6% on a year-over-year basis, respectively. Utilities Production is below the year ago level, down 0.9%, but in a recovery trend. Growth in these components will support accelerating rise in US Industrial Production into the middle of 2018. The

pace of growth will then slow through the remainder of this year. Plan for activity to decline mildly in 2019 before expanding throughout the following year.

Employees are in high demand right now, as firms look to increase output during this period of accelerating growth in the macroeconomy. The problem that many companies are facing is that with a low unemployment rate (4.1%), there are relatively few qualified candidates from which to choose. This situation is unlikely to get better any time soon. Employment will grow at an accelerating pace in 2018, making the labor market even tighter. Firms will have to offer competitive compensation packages to attract new employees. This may include increased monetary benefits, but non-monetary benefits can also help companies stand out from the crowd. Focus on employee retention to mitigate the challenges that will come with hiring and training new workers.

Rising employment and wages are helping to increase consumer strength. US Total Retail Sales are growing at an accelerating pace, up 4.2% in 2017 from the previous year. Industrial Production is rising, in part, to meet this increasing demand for retail goods. However, we are expecting the rate of growth for Retail Sales to slow later this year and in 2019. US Personal Savings as a Percentage of Disposable Personal Income, a two-year leading indicator, transitioned to a declining trend in late 2015. Ongoing decline in the Savings Rate suggests that consumers will have less resources saved to spend in the future. This trend is unlikely to send Retail Sales into recession but may contribute to a slowing pace of growth. Plan for industrial activity to face downward pressure from the waning consumer demand in the latter half of this year and in 2019.



Summary of Completed 2018 PRIMIR Research Studies

The Association for Print Technologies' research unit, PRIMIR, published four major studies in 2018 YTD, and will publish another six by year-end. The following summaries provide highlights of each new study released:

Global Trends in Packaging Affecting North American Converter and Supplier Markets

This is an update to the 2009 study with a fresh outlook on the findings and data. Packaging is the fastest growing segment in the printing industry in North America. However, some segments of the packaging market are under severe pressure based on these major factors: global economics, off-shore manufacturing of durable goods and trade imbalances. Based on these and other factors, the North American packaging market is going through dynamic changes depending upon the industry segment. This study examines how these global factors will affect the North American packaging industry and how that in turn will affect packaging converters and suppliers.

Service to U.S. Printers: Trends and Outlook

Print sector customers are running their operations with a sharper business focus and as a result, have a heightened awareness of bottom line profitability. Because of this, they are increasingly reluctant to enlist outside services that may increase costs, without a demonstrated Return on Investment (ROI) or another quantifiable benefit measure. In break-fix service, customers are finding ways to get more out of their equipment before buying new and in day-to-day operations, customers are relying on industry experts to help increase productivity, reduce waste, and grow their bottom line. This changing service marketplace is generating increased demand for print services, but also placing increased requirements on print service suppliers to deliver results. Print industry service suppliers are exploring cost competitive models that can demonstrate to customers the ways they can bring increased productivity, reduced waste, and positive returns; in short, show the value their services provide and the impact they will have on print customers' business and bottom line.

Adoption of LED UV Curing in Printing

The use of LED UV curing technology is growing faster than any other type of curing technology across all printing technologies. This study will explore the key drivers and opportunities, barriers and challenges, for growth of LED UV curing technology by printers, by press technology, and by application segment. This study covers commercial printing and packaging printing (folding carton, tag & label, flexible & wide format). Print processes examined are offset, flexo, inkjet and wide format. This study also reviews the adoption rates of this fairly new curing technology, looking from 2015 through 2021. The scope is North America (U.S. and Canada).

The Evolution of U.S. Retail Print in an Increasingly Digital World

Where are the flyers, in-store products, catalogs, direct mail, and POP displays going with the rise of e-commerce and mobile/digital usage? What are the needs of retailers and of e-retailers? How can a printer best serve them? The scope is U.S. for in store and on-line retail. The study looks at current retail marketing tools and how they are being used in-store and on-line retail. It also identifies how retail print has evolved and best practices for integrating print as part of the marketing mix. The study also examines how printers have evolved with the evolution of retail print.

By year-end 2018, the following studies will be published:

- **The Evolution of Print in the Cross-Generational World of Information Media**
- **Breadth of Press Offerings for Digital Packaging Printing**
- **Outlook for the Global Web to Print Market**
- **Attracting New Talent to the Print Industry**
- **Discover a New World of Color Management Solutions**
- **Future of the Global Corrugated Market**

Global Activity

APTech's Global Programs in 2018 have been focused on new in-country partnerships, new markets, and new educational conference focus areas to advance members' strategic business development activities. New releases of PRIMIR global research, including the "Worldwide Market for Print" study series focused the spotlight on emerging and fast-growing markets and segments around the globe, as well as niche or expanding opportunities in developed countries. Utilizing APTech's expertise and in-country staff, a variety of outbound trade missions and educational conferences, as follow, will serve to unite the entire value-chain to explore mutual business growth:

- **Print Business Outlook Conference 2018**, Hyderabad, India (March) – jointly organized with Telangana Offset Printers Association (TOPA) and supported by the Indian Printing, Packaging and Allied Machinery Manufacturers' Association (IPAMA) and by All India Federation of Master Printers Association (AIFMP)
- **SHIFT_018 Conference**, Bangkok, Thailand (May) – APTech was one of the sponsors for this conference organized by Print Innovation Asia
- **PrintPack Outlook Conference**, "Spotlight on Print & Packaging Media Technologies," Jakarta, Indonesia (September) – jointly organized with PrintPromotion (The Mechanical Engineering Industry Association - VDMA) and supported by the U.S. Department of Commerce

- **2018 International Packaging Printing Forum** Shanghai, China (October) – jointly organized with Messe Dusseldorf Shanghai (MDS)

Industry Standards Program

APTech is accredited by ANSI to develop national technical and safety standards through two committees: The Committee for Graphics Technology Standards (CGATS) and the B65 committee. APTech is also accredited by ANSI to administer the U.S. Technical Advisory Group (USTAG). The USTAG consists of experts from the industry who provide guidance to ANSI on the U.S. position on International Standards relating to the graphic arts.

Additionally, APTech serves as the Secretariat to the International Color Consortium (ICC).

APTECH Standards Meetings

CGATS meets jointly twice a year with the USTAG and the Idealliance Print Properties Committee to develop the US position on standards being developed in ISO/TC130 and to collaborate on work in common to all groups.

ISO/TC130 meets twice yearly with international experts active in all areas of the graphic arts, including, but not limited to, technologies such as: ink, process control, plates, blankets, digital data exchange, safety, color management, security, environmental impact of graphic technology, postpress, conformity assessment, and print quality measurement.

Upcoming Meetings

- TC130, October 15-20, 2018, Tokyo Japan
- CGATS/USTAG, September 11-13, 2018, Chicago, Illinois

International Color Consortium (ICC)

ICC color management meets the goal of creating, promoting and encouraging the standardization of an open, vendor-neutral, cross-platform color management system architecture and components. While the current architecture works well in many areas, new potential applications are emerging, and it is believed that tomorrow's color communication will require a more flexible and extensible system. Within ICC Labs, ICC has developed a new specification, iccMAX, that addresses many of these new requirements.

iccMAX is not intended as a replacement for ICC.1, the existing architecture, but as an extension or alternative where requirements cannot be fully met by ICC.1. Currently the areas covered by ICC Labs include:

- Multi-spectral • Medical Imaging • Image Capture/Digital Photography • Package Printing • Color Management on Internet • Fine Art • Color Information Archiving

Upcoming Meetings

- ICC, May 30-31, Grand Rapids, Michigan
- October 22, Hong Kong
- October 24-25, Tokyo, Japan

Brand Owners Council

APTech provides this forum for a brand owners (users) group to discuss and develop best practices that will align their business partners with a common methodology to deliver consistent design intent on packaging. This empowers brand owners to contribute to the development of standards that improve communication across their suppliers. Their goal is to benefit printers and measurement equipment manufacturers by saving them time and resources by providing requirements and evaluation criteria spelled out in a common fashion.

APTech will host a session at PRINT® 18 on Monday, October 1, where brand owners will present their roadmap for successful alignment of every segment of the packaging supply chain.

About the Association for Print Technologies (APTechSM)

The Association for Print Technologies (APTechSM), formerly known as NPES, is a purpose-driven organization dedicated to supporting the entire commercial printing value chain. We believe in helping our members maximize alignment with their value chain partners to be more effective and competitive. Printing has been vital to communication for decades; today, the digital culture has heightened our industry's complexity and reframed its relevance. APTech's signature event—PRINT®—answers the call by bringing the boldest and brightest innovators, influencers, and newest technology together to create connections that showcase and advance our industry. For complete information about the Association, its programs, and its member companies, visit:

www.PrintTechnologies.org or phone: 703/264-7200.



News from ACiMGA

THE ITALIAN INDUSTRY OF GRAPHIC, PAPER AND CONVERTING MACHINERY

Industrial-size Italian manufacturers number about 250 and employ approximately 7,350 people. The sector shows the typical characteristics of the Italian advanced mechanics industry: few large companies and several, highly specialized medium to small businesses, which have made flexibility their main strength and are connected to a dense network of sub-contractors, also capable of ensuring excellent quality in products. Companies in the industry with over 150 employees are considered large: these account for just below 10% of the total but employ about half of the total employees. 50% of the companies employ less than 50 people. Another feature of the sector is a strong geographic concentration of production plants: about 65% are located in Lombardy and Piedmont while around 30% are found in Emilia-Romagna, Veneto and Tuscany.

PRODUCTION

Italy is one of the world's largest manufacturers of graphic, paper and converting machines, with Italian companies offering a comprehensive range of products. A very important aspect is a highly specialized, global production. Italy is world leader in rotogravure and flexographic printing machines as well as paper and converting machines, while it depends on imports from foreign countries especially for phototypesetting machines, scanners and prepress processes in general. With regard to target sectors, over the last few years there has been a progressive shift towards the packaging market (which now generates over 80% of total industry revenues) mirrored by a drop in production intended for the graphic industry (less than 20%), which in turn is caused by the increasing spread of multimedia technology in the graphic and publishing sectors. The share of production intended for other sectors is negligible at around 1%.

STRENGTHS

The Italian industry has always been strongly export-oriented and over the last few years, in spite of the global economic crisis, it even succeeded in slightly improving its international **position**.

Mechanical technology has always been the main strength of Italian companies, though all machines are equipped with cutting-edge electronic technology.

The simplification of production processes has shaped the sector's reorganization with the objective of achieving solid value for money.

This approach, crucial to the success of made in Italy production, is even more essential in today's uncertain global economic context. The technological capabilities of machines have significantly improved, bringing tangible results in terms of production optimization and shorter job changeover time. The approach adopted by Italian manufacturers is to capitalize on an effective combination of organizational progress, innovation and technical development.

INDUSTRY PERFORMANCE

The Italian industry of graphic, paper and converting machinery closed 2017 with an increase in revenues (+8.7%) compared to the previous year, for a total of € 2.727 million.

Exports registered a slight 0.3% drop but remained extremely high. On the other hand, domestic sales enjoyed an increase of 28.2%, exceeding € 1 billion in total value. Imports dropped by 3.1% and now stand at a value of € 538 million. The trade balance improved from € 1,116 to 1,177 million.

Domestic consumption

With a 9% increase over 2016, domestic consumption grew by 15.3% at the end of 2017, confirming a recovery in domestic investment and reaching € 1.550 million in value. In addition, in 2017 the market demand covered by domestic production increased from 59% to 65%.

EMPLOYMENT AND INVESTMENT

Employment grew by 1.4%, indicating that the recent recovery in production led companies to strengthen their workforce in order to keep up with the increase in orders. The moderate growth rate seems to be indicative of difficulties in finding adequate profiles on the job market.

PRINT4ALL

More than the sum of the parts.

Fiera Milano, Rho May 29 - June 1, 2018

www.print4all.it

Print4All 2018 is a big industry event for the EMEA market that, for the first time, brings together three historic trade show names – Grafitalia, Converflex and Inprinting – to create a one-of-a-kind event, richer and more representative of the individual vertical markets that it includes.

Print4All 2018 goes beyond the traditional segmentation of the commercial, editorial and industrial printing market today to offer a broader showcase and a more vast and varied selection of solutions. Thus, visitors will come in contact with the entire gamut of different target markets, creating synergies and generating new business opportunities.

Print4All 2018 is a unique opportunity to discover the industry and all of its innovations, a whole new perspective for the world of printing.

As part of the ambitious The Innovation Alliance project, Print4All 2018 will be teaming up with four additional exceptional trade shows – Plast, Ipack-Ima, Meat-Tech and Intralogistica Italia, which will all take place at the same time – in a major event dedicated to both the food and non-food manufacturing industries.

You will receive an **invitation code** to attend the event or to invite one of your customers. Global Print will be present at Print4All with a shared stand (Hall 20 – Booth F06-G05)





SPAIN

News from Graphispack

As every year, we have developed the plates survey between several associated companies, that will be later included in the graphic report. This report gathers some sectors such as prepress, offset machinery, paper, inks and varnishes, large format and digital commercial machinery.

Printing and packaging are two linked elements directly responsible for the purchase of a product at the point of sale, to optimize the consumer's use experience, or to provide valuable information during the supply chain. To show the possibilities and new trends in packaging printing, packaging and labels, several associated companies of ASOCIACION GRAPHISPACK have participated in HISPAC-19 that was held in Barcelona from 8th to 11th April. At the fair and within the Packaging and Shopper Marketing Zone, some conferences have been held by our members such as "Evolution of the inks to the water" by Doneck Ibérica, "Product differentiation through the personalization of the packaging" by Roland DG, "Packaging and sensory experience" by Comexi, "Innovation and new challenges in packaging printing" by Dupont, "Improvements in process, quality and cost. Optimization in flexography and gravure using propyl solvents by Oxea GmbH and "Convenience Packaging" by TPL.

GRAPHISPAG EXHIBITION

Jordi Magre has become the new director of GRAPHISPAG Exhibition. The up to now General Manager of Mactac Europe for Spain, Portugal and South America joins Fira de Barcelona to promote the expansion of this leading fair of the Spanish graphics industry, whose next edition will take place from 26th to 29th March 2019. Linked to the graphics industry and the digital printing world for more than 27 years, Jordi Magre is a very well-known figure in the sector due to his work in associated areas, especially for the ASOCIACION GRAPHISPACK as President of a Sectoral Grouping, which brings together suppliers of technology and materials and digital printing companies from all over the country.

Finally, we have just celebrated on 26th April the "Flexography Day". During the day there have been several conferences and in the afternoon we proceeded to the awards of the Flexography Contest of 2017, in which there were 29 awards in the different categories and 2 best in show. At the end of the awards ceremony a dinner was served among the attendees.



News from IPAMA

PRINTPACK INDIA 2019

IPAMA will be organizing the 14th edition of PRINTPACK INDIA International Exhibition at India Expo Centre, Greater Noida, NCR Delhi, India from February 01-06, 2019. The profile of the exhibition includes Press, Pre-press, Post-press, Packaging, Converting, Corrugation, Digital & Signage, Service & Software, Screen & Textile Printing, Consumables & Spares, Label, Paper and related segments. IPAMA has also changed the display system for the first time for this Mega Show. The exhibitors will be allotted exhibition space segment-wise in dedicated halls. This will help the business visitors to locate a particular stall, in a particular segment, without any loss of time. All products of a particular segment will be displayed under one roof.

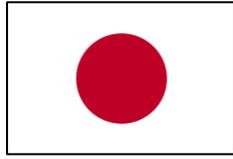
IPAMA has already signed MOUs with various Indian and foreign Associations/Institutions for promoting/marketing of PRINTPACK INDIA 2019, including (1) Association of Label Printers & Suppliers (ALPS); (2) Indian Paper Corrugated & Packaging Machinery Manufacturers' Association (ICPMA) and (3) Screen Printers' Association of India (SPAI), Bangladesh Mudran Shilpa Samity, Bangladesh, Federation of Nepal Printers and Sri Lankan Printers Association. The latest addition in this list is a Taiwanese company. As per the MOU the company will not only assist IPAMA for marketing the exhibition but also coordinate various activities relating to Printpack India 2019.

IPAMA encourages the SMEs to integrate their business to the global value chain. To encourage building global partnerships with India, IPAMA organizes group participation in different overseas exhibitions. Recently, IPAMA had organized group participation for Sri Lanka whereas 28 companies had participated in Srilanka Exhibition. In that line next exhibitions are IGAS 2018, to be held at Tokyo, from 26 -31 July, 2018 and Print2Pack Exhibition, 10-12 September, 2018, at Egypt International Exhibition Center (EIEC), Cairo – Egypt.

Ease of doing Business in India

India jumped up 30 notches into the top 100 rankings on the World Bank's 'ease of doing business' index, thanks to major improvements in indicators such as resolving insolvency, paying taxes, protecting minority investors and getting credit. The significant jump this year is a result of the Indian government's consistent efforts over the past few years and India's endeavour to strengthen its position as a preferred place to do business.

Prime Minister Narendra Modi hailed the jump in India's ranking as "historic" and said it was a result of "all-round and multi-sectoral reform push." Finance Minister Arun Jaitley said India's jump is the highest by any country, and that reaching the 'top 50' target set by Prime Minister Modi is "doable".



JAPAN

News from JPMA



The Latest Information on IGAS2018

We are pleased to announce that the Japan Printing Machinery Association (Chairman: Iwao Miyakoshi) and the Japan Association of Pre-Press & Digital Printing Systems Suppliers (Chairman: Shigenori Tsuji) will host the IGAS2018 (International Graphic Arts Show 2018) at the Tokyo Big Sight from July 26 (Thursday) to 30 (Tuesday), 2018.

Details of this trade show are as follows.

As of today, we expect that the exhibition will include 2,690 booths for 305 exhibitors. These exhibitors will come from a wide range of industrial fields including pre-press, printing and post-press, and also from prominent companies in the field of digital communications.

The theme to be shared among the exhibitors is “Venture into the Next! –Change the Future, Print is being Changed! ”

In particular, from the standpoint of the brand owners who are customers of the printing companies, we will showcase technologies and solutions that are applicable to printing and cross-media communications at the IGAS2018. Moreover, we plan to increase the number of visitors from foreign countries further; in particular, from countries in Asia.

The key events during the exhibition are panel discussions and seminars, guided exhibition tours, the Theme Zone, the Small Start Zone, and the exhibition organized by the Japan Printing Exhibition (JPEX). In the panel discussions and seminars, various themes will be discussed from the standpoint of the brand owners. The themes will cover practical issues that are directly related to this business field: for example, the trends in the latest printing technologies, marketing activities for printing and cross-media communications, transformations in business operations, and new business projects. There will also be professionally guided tours available for thousands of participants. These tours will cover the key features of the IGAS. In addition, there will be a Theme Zones that includes the Flexography Zone, the Zone of the Tokyo Metropolitan Small and Medium Enterprise Support Center, the Research and Academic Zone for exhibiting next-generation printing technologies developed by various laboratories at universities, and the Zone of the Japan Color Certification Systems. In another

zone called the Small Start Zone, special technologies and products, which mainly consist of compact and economical products that have been developed in response to today's market where there is a rising demand for services based on smaller lots, will be exhibited, targeting small and medium-sized printing companies.

Furthermore, the JPEX will arrange an exhibit, in one place, of the print products awarded with prizes in the definitive print contests in Japan organized by the Japan Federation of Printing Industries (JFPI) and its 10 subsidiary organizations. The products to be displayed will include calendars, catalogs, book covers, packages, seals and labels, and universal media designs. The JPEX will also showcase the presentation panels of today's printing industry in Japan.

The IGAS2018 – one of the largest systematically organized events in the printing industry and the related industries – will provide opportunities for the participants to present the latest machines, technologies, and services and will serve as a venue for energetic business communications.





CHINA

News from PEIAC

PRINT CHINA 2019

PRINT CHINA 2019, also known as The 4th International Printing Technology Exhibition of China (Guangdong), will be held on the 9th to the 13th of April, 2019 at Guangdong Modern International Exhibition Centre. The total exhibition area of PRINT CHINA 2019 will be over 140,000 square metres, and there will be more than 1,200 exhibitors and estimated 200,000 professional visitors participated in; Themed on “Smart Guide, Integration Innovation, Service Transformation, and Green Development”, Print China 2019 is based in the Greater Bay Area, connect with the Maritime Silk Road, relies on China and radiates the world.

Guangdong tops the GDP ranking among all provincial-level divisions. It is also the largest printing industry base in China. The total output value of the printing industry in Guangdong Province is over 180 billion RMB, accounting for around 20% of the national total, among which foreign processing trade exceeds 56 billion RMB, ranking first nationwide.

As the core of the Pan Pearl River Delta Economic Cooperation (9+2), Guangdong plays an exemplary and leading role in boosting the regional economy. Home to over 40,000 printing enterprises, the Pan Pearl River Delta region sees the annual output value of its printing industry taking up about 50% of the national total. Guangdong has the strong industry base and market demand for hosting large international printing exhibitions.

The general situation of import and export of printing equipment and material in 2017

Based on the data from General Administration of Customs, imports of printing equipment was USD 1.9 billion in 2017, increasing by 19% than the previous year; imports of printing material was USD 449 million, representing an increase of 6.75%; exports of printing equipment was USD 1.9 billion, up by 7.76% over the previous year, exports of printing material was USD 726 million, up by 9.14% over the previous year.

Several figures needs attention:

1, Big increase on import and export of offset machines

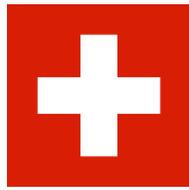
Import of offset machines was USD542 million in 2017, increase by 30.8% than 2016. This is the first up-turn since 2012. Export of offset machines was USD83 million, up by 33.92%, which is a record breaking figure. But not all type of offset machines get increase on import. Only sheet-fed 4 color machines increase by 33%. Import of web-fed offset machines got decrease a lot.

Regarding imports of offset machines, main sources are Germany, Japan and other European countries. Germany took 66% in numbers of set and 71% in amount of money. Japan took 25% in both aspects.

Thinking about the data, PEIAC speculates that the figures of 2017 includes certain amounts of imports of second-hand machine.

2, Big increase of CTP equipment

Import of CTP equipment increased by 36.8% in 2017. And CTP for gravure printing increased a lot.



SWITZERLAND

News from Swissmem

The Swiss economy has been growing faster since the second half of 2017, and this growth is increasingly broad-based across the various sectors. The shock of the Swiss franc's sharp appreciation has probably now been largely absorbed. The situation of the MEM industries (mechanical and electrical engineering industries) is reported as follows:

New orders in 2017 were 7.5% higher than in 2016. In the fourth quarter, orders saw very solid growth of 29.4% compared with the prior-year period. However, this stems from a strong underlying baseline effect, since the equivalent quarter of 2016 was very weak. Nevertheless, the new orders index reached its highest level since 2008 during the final quarter of 2017.

2017 saw turnover in the MEM industries climb by 9.4% year-on-year, thus posting five consecutive quarters of positive growth.

Exports

According to figures published by the Swiss Federal Customs Administration, the MEM industries exported goods with a total value of CHF 66.7 billion in 2017. While exports grew only modestly in the first half (+2.3%), growth accelerated in the third quarter (+5.5%) and even more so in the fourth (+11.5%), producing an overall rise of 5.5% compared to 2016.

In the EU, which accounted for 60% of exports, turnover increased by 5.9%. Exports to Germany (+4.4%), France (+4.8%) and Italy (+11.8%) developed positively.

Graphical Machinery sector exports in 2017

In 2017, the graphic machinery industry exported to 98 countries. The overall export value stuck at 1.2BCHF (+0.6%) compared to last year. The last quarter of 2017 closed with a positive result of 333MCHF (+3.2%), which might indicate the possibility that exports in 2018 will grow faster than the previous years.

Deliveries of goods to Germany, the far largest market for the Swiss Graphic Machinery manufacturers, fell by 11% to 237MCHF. Another set-back where lacking deliveries to Italy (-15%). Both reports explains the flat result in 2017. Other important markets (US, FR, UK, PL, AT, NL, ES and others) were able to contribute greatly to the top-line.

Assessment and prospects

Overall the position of the Swiss MEM industries is better than it has been for a long time. If the recent improvement in the Swiss franc-euro exchange rate and the good economic climate in key markets prove to be sustainable, the uptrend in the MEM industries could well continue in the months ahead. Companies in the MEM industries are optimistic in their outlook. According to the latest Swissmem survey, 53% of companies are anticipating an increase in orders from abroad in 2018. Just 10% fear a decline. This optimism is shared by large companies and SMEs alike.

This only thing that still clouds this positive picture is the persistently unsatisfactory earnings situation. This is mainly because the Swiss franc did not start to weaken against the euro – and therefore margins did not begin to improve – until mid-2017. When Swissmem surveyed member companies in January 2018, it found that 15% of companies were in the red at EBIT level when looking at the year as a whole. A further 29% only achieved inadequate margins of between zero and five percent in 2017. This means that the earnings situation of 44% of companies in the MEM industries is still unsatisfactory.

The results of the survey show that it will take more than a few months' upturn to compensate for the margin and asset erosion of recent years, which in some cases was very severe. What the MEM industries need now is a protracted period of growth with significantly better margins that will enable them to invest more in the future again.

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Swissmem unites the Swiss electrical and mechanical engineering industries and associated technology-oriented sectors



GERMANY

News from VDMA

German Printing and Paper Technology Industry Continues Positive Business Development in 2017

- **Sales increases with printing and paper converting machines**
- **Order intake remains stable all over**
- **Foreign demand consistently at a high level – China and Russia are important driving forces**

Frankfurt/Main, April 19, 2018 – The positive development of the German printing and paper engineering industry continued in the 2017 business year. In total, the manufacturers of printing machinery recorded a 9 percent sales increase during the previous year. In the paper converting technology sector, sales grew by six percent.

“Our member companies again benefitted from their broad export strategy, “explained Dr. Markus Heering, Managing Director of the Printing and Paper Technology Association within the VDMA. This enabled them to compensate for the partly heavily decreasing demand from EU markets like France, Italy, Great Britain and Spain by increases in the U.S., China, Russia, India and many other markets.

German printing and paper technology goes to 171 countries – Strong Russia business

Exports of printing and paper technology “Made in Germany” reached a value of 4.6 billion Euro in 2017, of which more than 40 percent went to Europe. However, there were highs and lows. The demand from the EU28 region, for instance, decreased by 6.6 percent, while exports to the rest of Europe increased by 6.5 percent. The most important driving force was the Russia business which grew by one third.

The biggest single market was again the US market with deliveries of German printing and paper technology totalling 590 million Euro (+ 3.1 percent). With 565 million Euro close behind was China where the German manufacturers of printing and paper technology recorded a 44 percent growth last year. “The two biggest single markets accounted for only one fourth – and the top 10 markets for a little more than half of all exports,” says Heering.

According to him, this clearly shows the broad scope of the foreign business of the German printing and paper technology industry. In total, the manufacturers exported to 171 countries. “This figure shows that the quality and efficiency advantages of our cutting-edge printing and paper technology convinces customers all over the world,” says Heering, adding that the basis of this success lies in the fact that the member companies make long-term investments in powerful global service and

distribution structures.

He points out that a further contribution comes from PrintPromotion GmbH with stakeholders from the German printing and paper technology industry. PrintPromotion regularly invites to series of specialized conferences and qualification measures in all regions of the world. During these conferences, native printing specialists can gather information about the possibilities of networked and quality-controlled workflows and automation solutions for the printing industry in their respective home countries. PrintPromotion will carry out the next specialized conference in May 2018 already. With two conferences in Moscow and St. Petersburg on 15 and 17 May, it draws on the revival going on in the Russian business.

Joint plea for international cooperation and free trade

In fall 2017, PrintPromotion carried out such specialized conferences for the very first time together with the US American Association for Print Technologies (APTechSM). These conferences were held in Brazil, and they are not the only proof of the close cooperation: Lately the VDMA Printing and Paper Technology Association and APTech published several market studies – and both of them vehemently advocate for free trade.

In March, APTech expressed clear opposition to the punitive tariffs announced by US President Donald Trump: “Protectionist tariffs have a well-documented history of negatively impacting economies,” said Thayer Long, President of this Association, who also fears negative effects on the cost in his industrial sector. Lately both associations have again and again publicly campaigned for free, fair trade.

4 percent growth of order intake in 2017

“The importance of free trade for the German printing and paper technology industry is impressively documented by the latest data of this industry,” adds Heering, stressing that this is, inter alia, proven by the volume of orders received for printing technology: While the order intake decreased in the home market by 17 percent and the volume of orders from Euro partner countries grew only slightly by three percent, the global increase in orders by 12 percent made up for the decline in the important home market. At the bottom-line, the manufacturers of printing technology reported a four percent increase in orders in 2017. On the other hand, the level of incoming orders in the paper converting sector was slightly below that of the previous year – with the only two percent decrease being due to a strong demand in the home market and the Eurozone.

All in all, a stable order inflow – Upward trend in paper technology

All in all, the volume of orders for printing and paper technology rose by encouraging seven percent in the business year 2017. Summing up Heering says: “Even though forecasts are difficult to make considering the political uncertainties and emerging protectionism, the figures indicate a consistently stable development in the German printing and paper technology industry.” And he adds that above all the latest market development in China is positive, also for the manufacturers of paper technology. Their sales there rose by nearly 90 percent to 211 million Euro by comparison to the previous year. Since the exports to the U.S., Russia, France, Austria, India and Mexico were also 20 to 100 percent higher than during the year before, the manufacturers look back on a very positive business year in this market segment.

Analysts from Germany Trade & Invest expect a sustained regeneration especially in China. According to them, the growing demand for graphic papers, packaging and household papers as well as the reduction of overcapacities finally led to a recovery of prices. At the same time, the market consolidation at the expense of inefficient companies continues. The government aims to

achieve a comprehensive modernization of the national paper industry by 2020 in order to reduce energy consumption in paper manufacturing and to minimize the associated environmental impacts. “Also for that, the environmentally sound, energy efficient solutions of our member companies are in great demand,” Heering states.

VDMA Printing and Paper Technology Association Looks Forward to the Next Decade with New, Enlarged Board

- **General Assembly discusses future perspectives of printing and paper technology manufacturing in the Industrie 4.0 environment**
- **New, enlarged board – Kai Büntemeyer remains Chairman of the Board**
- **Positive outlook to drupa 2020**

Frankfurt/Main, April 26, 2018 – The Printing and Paper Technology Association within the VDMA enters the next four years with an enlarged board. Last week, the General Assembly re-elected the previous board members Kai Büntemeyer (Kolbus GmbH & Co. KG), Claus Bolza-Schünemann (Koenig & Bauer AG), Erich Kollmar (Gebr. Bellmer GmbH Maschinen-fabrik), Walter Kurz (Leonhard Kurz Stiftung & Co. KG), Stefan Plenz (Heidelberger Druck-maschinen AG), Dr. Markus Rall (Adolf Mohr Maschinenfabrik GmbH & Co. KG) as well as Dr. Joachim Schönbeck (Andritz AG) and Dr. Jürgen Vutz (Windmüller & Hölscher Maschinenfabrik). The new members are:

- Martin Brandt, Managing Director of BW Papersystems Hamburg GmbH in Wedel
- Andreas Endters, member of the Corporate Board of Management of Voith GmbH & Co. KGaA and chairman of the Management Board of Voith Paper in Heidenheim
- Markus Frick, Managing Director of Baumann Maschinenbau Solms GmbH & Co. KG
- Holger Kühn, Managing Director Sales of IST METZ GmbH in Nürtingen
- Bruno Müller, CEO of Müller Martini AG in Zofingen/Switzerland
- Marcus Tralau, CEO of KAMA GmbH in Dresden

The previous board members Volker Assmann, Dr. Christof Soest and Bertram Staudenmaier resigned. “We thank them for their commitment in our Association and look forward to the cooperation with the newly elected board in the coming four years,” said Dr. Markus Heering, Managing Director of the VDMA Association after the election.

Together into the future of the printing and paper technology manufacturing industry

The General Assembly was dominated by discussions about the future of printing and paper technology. With positive turnovers and order intakes in the year 2017, the situation has stabilized further. “Since the last General Assembly three years ago, our industrial sector has overcome the identity crisis. Many companies now reap the fruits of their re-orientation to growth markets,” Büntemeyer summarised the general mood. New chances are arising in packaging printing, in

industrial functional printing and partly also in future-oriented areas, such as printed electronics. And the traditional printing and paper technology industry is a driver of innovation as well. “Print 4.0 is no longer just a slogan, but stands for concrete innovation which enables the printing companies to enhance their productivity,” he said, adding that more and more small orders as well as the trend towards individualization and personalization change the demands on machines. What’s needed is short make-ready times. Automated quality-assured processes. Data and knowledge-based processes. Minimum downtimes thanks to sensor-based machine monitoring – therefore, predictive maintenance. “All that is necessary for printing companies to be able to offer impatient customers top quality at competitive prices,” said Büntemeyer.

Much progress has already been made as far as the implementation of Industrie 4.0 in the paper and printing technology industry is concerned – the industry is already talking about Print 4.0. This can be seen when, inter alia, looking at the member companies of the Initiative Online Print (IOP) whose managing director Bernd Zipper presented the IOP and its targets at the General Assembly. He represents 33 companies with combined sales of more than 5 billion EUR who stand for a clear message: “Print has a future!” They are the companies where the online and the printing world merge. Digital business models come upon largely networked highly automated printing processes. Which method is used depends on the printed product: Sometimes brochures, flyers and posters, sometimes printed T-shirts and advertising material. A growing market that requires the latest printing and paper technology – and is marching towards Print 4.0 in seven-league boots. There are still heterogeneous machine pools and breaks in the process chains. However, their number is decreasing with every investment in modern machines. “We are a driving force for the digital transformation in the printing industry,” said Zipper.

Print 4.0 – The future started long ago

A panel discussion with the board members Stefan Plenz, Bruno Müller, Marcus Tralau and Andreas Endters deepened this subject along the total chain starting with papermaking and ending with the print product. Endters reported about approaches to intelligent papermaking, saying that “Papermaking 4.0” links equipment and virtual systems, inter alia, in order to be able to predict and thus prevent annoying breaks in papermaking. Picking up this ball, Plenz explained the 4.0 strategy of Heidelberg: Data-based autonomous printing processes in the so-called “Smart PrintShop”, new, digitally-supported business models within the scope of which the customers buy an agreed monthly print volume at a fixed price, SmartServices with remote access to machines or new, cloud-based models of cooperation. Bruno Müller described the completely digitized, fully networked printing world pursued by the Müller-Martini group of companies with the Finishing 4.0 approach: Fully automated workflows in print processing. The whole range from 1 copy in the photobook business to magazines in variable high, print runs, in different sizes, with different numbers of pages and on different types of paper, sometimes full-colour, sometimes in black and white is processed in automated, quality-assured process chains. Retrofitting and handling are carried out fully automatically, as is the folding, binding and cutting of printed products.

In networks, where possible without manual intervention and in a highly productive way – this is how the manufacturers of printing and paper technology tackle the future. And according to Marcus Tralau, the Managing Director of KAMA, smaller medium-sized companies also contribute to the Print 4.0 world, no matter whether their partners use digital or analog printing methods. The order of the day is: “Process-oriented thinking!”, he emphasized. With up to 150 printing jobs per day and print runs of sometimes just one copy, the essential requirement of customers is minimum make-ready time. “This only works with 4.0 approaches now,” Tralau stressed. According to Joern Kowaleski, the founder and managing director of macio GmbH based in Kiel and also participating at

the discussion, this development results in completely different production worlds. He said: “The decade of the touchscreens ends because the operators of the future will operate four to five machines at the same time and then have the interface in their pocket.” He went on to say that voice control will become important, and that while the information can be reduced to a few key figures in the faultlessly running production process, the machinery manufacturers will have to provide much more information than at present in the event of faults as well as for service, maintenance and repair.

Profitability is and will continue to be the key

At the end of the discussion, Bruno Müller stressed that the customers are prepared to make investments in 4.0 technology if they significantly increase the productivity and the stability of their production processes. “And profitability must be perfect for us as well – otherwise all that doesn’t pay,” he made plain.

The history of Leonhard Kurz Stiftung & Co. KG in Fürth, i.e., the company of host Walter Kurz, shows how the printing machinery manufacturers successfully respond to the changing markets – and can thus secure their profitability. After its early days as gold leaf producer at the end of the 19th century, the company developed vacuum-deposited genuine gold stamping foils, later aluminized foils, and in the 1960s started building machines for their application. Now, this group of companies is the largest coating manufacturer for its own demands in southern Germany, uses its foils to decorate components made of plastic, the interior of automobiles, household appliances and textiles on a large scale, develops security foils for banknotes, security concepts for brand manufacturers – and is a leading supplier for the printed electronics sector with its subsidiary PolyIC. The group not only comprises design and software companies, but also manufacturers of special machinery and suppliers of security and light management. What began in Fürth as a small company is now a group of companies with 5200 staff and 14 production sites in Europe, Asia and the USA. The key to success: The company saw very early that printed decoration is not merely window-dressing, but also fulfils functions, contributes to security and can serve as means of communication. Industrial functional printing now produces larger and larger printed circuits, sensors and touch displays – and has thus secured consistent growth for the Fürth-based company for years and years.

Heading for drupa 2020

“No matter whether it’s Print 4.0, functional printing or packaging printing – at drupa 2020, our industry will have plenty to offer,” stressed Dr. Markus Heering. According to drupa Director Sabine Geldermann, the trade fair has started off well. She reported that, although it’s still pretty early, more than 400 manufacturers from 30 countries have already registered. Among them, one tenth are first-time exhibitors. According to Geldermann, 60,000 square metres of exhibition space have been booked so far. “We are confident that we will reach our target of 1850 exhibitors and an exhibition space of 160,000 square metres,” she stressed, adding that in order to achieve that, the existing concept with the drupa touchpoints, the drupa cube and the drupa innovation parks (dip) will be continued and improved. “We have received a large amount of positive feedback,” she said.

With a view to the oncoming trade fair, the member companies of the VDMA Association agreed in Fürth to start fresh forward-looking and innovation workshops. In the run-up to drupa 2016, they had developed joint visions for print and paper technology manufacturing under the slogan Print 2030. “The only weak point of the initiative was its name,” said Büntemeyer, adding: “because our companies implement what we had expected for 2030 already now.” He went on to say that the innovation speed in the increasingly digital world is gaining in momentum dramatically so that it is right and important to enhance the visions for the industry. The same applies to market research and

sector statistics. In this respect, too, the Association will expand its offer in future in order to make navigating in the increasingly rough water easier for the member companies. Büntemeyer's conclusion: "A lot will be easier to achieve when a collaborative approach is adopted." And this is the leading motto for the four years until the next General Assembly.

drupa 2020 – Press Release No. 7 / April 2018

5th drupa Global Trends Report reflects positive mood in the printing industry

- **Clear pattern of improvement demonstrable for most but not all markets and regions since 2013**
- **Strategic challenges for print mean that clear investment strategies are recognized as best way forward**
- **5th drupa Global Trends Report will be released by the end of April 2018**

Printers and suppliers from the majority of market sectors reported growing confidence in their companies' economic performance. The opportunity was taken this year to track patterns of performance over the years. Packaging remains the most buoyant market and there has been a steady improvement in confidence over the five years amongst Commercial printers. Functional printers were following a similar positive story but there was a puzzling increase in uncertainty this year for both printers and suppliers to this market. Publishing printers probably face the most challenging strategic changes and there is a decline in assurance this year, despite the reducing threat from E-books.

Sabine Geldermann, Director drupa, Messe Duesseldorf, commented, "The report indicates that print can be optimistic about the future. After the double blow of the 2008 global recession and the consumer shift to digital communications, printers and suppliers are taking full advantage of the slow but clear global economic revival and finding new ways to exploit emerging technologies so as to place print as a central tool for consumers."

Recruited from senior managers who visited drupa in 2016, over 700 printers and almost 250 suppliers participated in the survey run by Printfuture (UK) and Wissler & Partner (CH). Richard Gray, Operations Director at Printfuture, states, "Both printers and suppliers clearly understand the strategic challenges that print faces. However there is increasing confidence in a strong future for printers in most markets and regions, as long as they analyse their target markets carefully and make suitable innovations to meet the future needs of their clients' customers."

Challenges for some regions but strong growth in suppliers' core sales

In regional terms again the picture is positive in general but with clear exceptions. North America has been consistently the strongest region over time, although Europe has shown steadily increasing confidence. Sadly Africa and the Middle East see clear decline in confidence over time.

Globally this is the fourth year of increasing confidence reported by suppliers. What is striking this year is the surge in sales of core equipment/software/materials (+29% net balance). Indeed all supplier revenue streams showed their best ever net positive balance.

Printers globally report that the squeeze on prices and margins continues and is coped with best by ever increasing utilization and hence revenues, whilst holding costs as steady as possible. There is evidence that over time the squeeze on prices and margins is somewhat lessening globally. However the regional picture is far more patchy. For example whilst North America reported some increase in prices, Australia/Oceania reported a clear drop in pricing. Equally Packaging prices are holding up globally whilst Publishing and to a lesser degree Commercial prices continue to decline.

Digital print grows but conventional print still dominates

The transition to digital print continues but slowly, with Functional printers now largely dependent on digital print but few packaging printers reporting significant digital sales as yet. (60% of Functional printers report more than 50% of turnover is digital, whilst just 12% of packaging printers report more than 25% of turnover is digital.) It is striking to report that only 27% of all printer participants operate a Web to Print /Storefront installation, up just 2% from 2014.

Globally printers were more willing to invest: 42 percent reported an increase in capital expenditure compared to the previous year while 9 percent reported a decline – a positive net balance of 33 percent. North America performed best with a net balance increase of 51 percent while Australia/Oceania lagged farthest behind with a net increase of only 18 percent. Not surprisingly Packaging printers reported the biggest positive net balance at +45%, Functional at +42%, Commercial at +30% and Publishing at +20%. Finishing is the most popular focus for investment for the second year running, followed by print technology and then prepress/workflow/MIS.

Plans for print investment in 2018 depend on the market sector, with Flexo the most popular choice in Packaging, followed by Sheetfed offset. In Commercial it is Digital toner cutsheet colour that leads followed closely by Sheetfed offset and Digital inkjet wide-format. In Publishing it is Sheetfed offset that leads and Digital toner cutsheet colour in second. While in Functional, it is Digital toner cutsheet colour that leads and Digital inkjet wide-format in second.

Infographics and obtaining the full reports

Infographics showing the key findings are attached to this press release. The full report in English will be released by the end of April, with the executive summary available in German, English, French, Portuguese, Spanish, Russian and Chinese. The full report in English will be available for sale from www.drupa.com.