From the desk of Global Print President

Yoshiharu Komori
President, Global Print
President, Japan Printing Machinery Association

The first month of 2012 has already passed. I hope all Global Print colleagues have successfully started a new challenging year of 2012.

Last year, we had horrible disasters such as the massive earthquake in Eastern Japan and large-scale flooding in Thailand. Both had a serious negative impact not only on Japanese business but also on the global economy. I sincerely wish quick recovery for those who suffered from these disasters. In addition to these disasters, the Japanese economy and industries have been negatively affected by the continuing appreciation of the yen and the economic turmoil in the EU.

Despite these bitter economic circumstances, IGAS2011 attracted 73,554 visitors from all over the world to see diverse exhibits by many exhibitors including the world’s leading companies. The exhibits included growing digital presses and related products and informative solutions for various challenges of the printing industry such as environmental issues. We had meaningful and successful discussions at the Global Print meetings which were held on the second day of IGAS2011. The leaders of printing machinery associations from seven countries attended the meetings and exchanged their opinions regarding the print market situation, protection of intellectual property rights, international print exhibitions and some other issues. I am sure that the successful results at IGAS2011 will link to success of drupa2012 and the evolution of Global Print.

The Japan Printing Machinery Association started Japan Color Certification System in 2009. In addition to the Offset Process Control Certification, we started a certification program on Color Matching Accuracy, Proofing Process Management and Proofing System. By promoting standardization of printing processes by Japan Color certification and the R&D program regarding calculations & operation
guidelines for green-house gasses by the printing equipment, JPMA will continue to make efforts to contribute to raising print quality and the reduction of social costs caused by printing processes.

Now, we see the growing diversification of the information media and reduced print production lots in the print market. Addition of unique values on print, on-demand versatility and variable printing are the increasing demands to the print media. On the other hand, providing advanced technology and services to the printing industry including sustainability issues, environmental countermeasures and innovation and improvement of current printing processes are an essential and important challenge to us. This year I heartily wish for the printing industry to establish a concrete foundation of a sustainable business management while searching for the right direction.

Lastly, I wish all Global Print members a Prosperous and Happy Year 2012!
Looking forward to seeing you at drupa in Düsseldorf,

Global Print office News

Global Print Tokyo meeting was held in conjunction with IGAS2011
On September 17, 2011, the second day of IGAS2011, Global Print General Secretary meeting and Presidents meeting were held at the Conference Room 102 in Tokyo Big Sight. Both meetings reviewed the current status of market including demand for print, printing machinery and trade exhibitions for printing machinery and materials. The global printing machinery industry has been continuing its recovery over the three years since the financial shock of 2008, boosted by increased demand in emerging countries such as China, India and Brazil. The situation, however, is precarious because developed countries including Japan, the US and European nations are still facing their own problems of stagnant economies and an uncertain future.
On the other hand, despite some skepticism about the future of print media due to the spread of electronic media such as the internet and e-books, all participants agreed that the prospects for paper media were still promising due to its unique properties, value and advantages including sustainability not possessed by electronic media.
“Global Print Resolution for the Protection of Intellectual Property” was approved. Following the meetings, participants and representatives from the printing industry in Japan were invited to the IGAS reception at Happo-en restaurant in Tokyo.
Meeting Notice
The next Global Print meetings will take place as follows. Details will be announced as soon as program is fixed.
Date: Saturday May 5th, 2012 (The 3rd day of drupa2012)
Place: Düsseldorf, Germany
Time: 10:30 – 12 am General Secretary Meeting
       3:30 – 4:30 pm Presidents Meeting

The drupa president and the President of VDMA will host dinner for Global Print representatives at the Schloss Eller, Düsseldorf, starting on 7:00pm of the same day.

JPMA News

JPMA New Year Party
Japan Printing Machinery Association hosted the JPMA 2012 New Year Party on January 19 at Tokyo Prince Hotel. 340 people including guests from the “Ministry of Economy, Trade and Industry”, printing associations, related associations and press media together with JPMA members attended the party and exchanged new year’s celebration and resolution.

Japan Color Certification by JPMA
Japan Color Standard for the offset sheet-fed printing was established on 1997. The first revision was made on 2001, then second revision was made on 2007. Needless to say, the standard conforms to ISO12647-2. Japan Printing Machinery Association has started accreditation activity of the Japan Color Certification Scheme on 2009. Adding to the Process Control criteria, JPMA started the new three certification criteria on September 2011. Current Japan Color Certification Schemes are Offset Process Control Certification, Color Matching Accuracy Certification, Proofing Process Management Certification and Proofing System Certification. Currently the total 82 organizations and 24 DDCPs are accredited to Japan Color Certifications.
INFOPRINT 2011 Held Successfully in Beijing
Sponsored by Printing and Printing Equipment Industries Association of China (PEIAC), the 14th Beijing International Printing Information Conference (INFOPRINT 2011) was held successfully at Beijing Friendship Hotel on 2nd December 2011. More than 600 people attended the conference.

Not only did INFOPRINT release the latest comprehensive information about printing industry, but also focused on the hot industries and technological information with a brand new vision. Representatives, who came from industrial associations, printing enterprises and testing organizations, for example like PEIAC, Shanghai Electric, CRON, Lucky Huaguang, Kodak, manroland, Nano Think, Founder Electronics, FUJIFILM, BLOIT, ESKO, TOYO INK, DURR, Jiahe Dingxin, SHUNTENGMA, National Printing Machinery Quality Supervision and Inspection Centre, and China Print Show Company Limited, released their latest information in terms of “Green Printing”, “Digital Printing and Printing Digitization”, and “Comprehensive Innovations” which covered various aspects, including industrial development situation and trends, printing enterprises’ important events, the latest printing technologies and products.

Major international exchanges and cooperation of PEIAC in 2012
• In 2012, PEIAC will have many international exchanges. PEIAC organized 155 Chinese exhibitors to participate in Drupa 2012, covering net area of 8850 sqm. PEIAC pays high attention on intellectual property protection and CE certificate and already organized related training and seminars.
• Recruiting famous foreign companies to PEIAC as members. Lately, Avery Dennison, MBO expressed their intention to join in PEIAC.
• Attracting more foreign printers to join in China Print Awards. Further promoting influence of China national brands on overseas markets.
• Try to hold 15th Beijing International Printing Information Conference (INFOPRINT 2012) successfully.

China Print 2013 will be held from 14th to 18th, May 2013 in Beijing.
In 2012, PEIAC will continue to promote China Print 2013 and do the preparation work. Up to now, more than 200 exhibitors have booked space over 60,000 sqm in total. Internet Blog for China Print 2013 http://weibo.com/ chinaprintshow has been launched.
Drupa fully booked

Drupa 2012 reflects the complete global market supply for the print and media industry. With over 1,800 exhibitors and an occupied area measuring around 170,000 m2, once again drupa 2012 (3-16 May) will be a packed event. All 19 halls on the exhibition grounds are fully-booked. Global players (Heidelberger Druckmaschinen, KBA, manroland) and small innovative companies or operators from emerging countries will be represented at drupa 2012. That is drupa’s decisive unique selling proposition: Where else - other than at the drupa trade fair - can you gain such a detailed overview of what the industry has to offer. Drupa is not only a source of stimulus and a growth motor in the industry. Drupa is right at the heart of the global print and media industry.

January 2012

Informative PrintPromotion events in conjunction with drupa presentation

In the run-up to drupa 2012, the drupa roadshow promotes the world’s number one trade fair for the print media industry until spring 2012 in 46 cities around the world. In connection with these drupa presentations, PrintPromotion held special Print Media Management Conferences in Ecuador, Bolivia and Peru in October this year. The theme of the one-day conferences was “Innovative Applications and Developments in the Printing Industry”. The events were organized by Camara de Comercio e Industria Boliviano-Alemana, Camara de Industrias e Comercio Ecuatoriano-Alemana and Camera de Comercio e Industria Peruano-Alemana, respectively.

The PrintPromotion Print Media Management Conferences comprised eight lectures given by representatives of the German printing technology industry with a focus on technical and economic subjects as well as innovative solutions for the printing process.
After the welcome speech by PrintPromotion General Manager Dr. Markus Heering, representatives of the local printing associations gave an overview of the printing industry in their country. Then, as the representative of manroland, Michael Nitsche explained value added printing in sheet-fed offset in the future; Manuel Blauensteiner from IST Metz talked about productivity increases by the use of UV technology. “Potential for optimisation during the cutting process” was the heading of the lecture given by Sven Schubert from Baumann; other postprint solutions were presented by Christoph Hongsermeier from Kolbus who informed about minimisation of make-ready times and quality assurance with short runs as well as Carsten Schaller from Polar-Mohr who focused on “High-speed cutters: Options, systems and connectivity”. “Gravure quality for short runs” was the subject of the lecture given by Achim Kurreck from H.C. Moog; and last, but not least Dieter Franke from Heidelberger Druckmaschinen described new perspectives for the printing industry, i.e. “The future of the print media industry as well as trends as regards ecology, productivity and differentiation.” During Q&A sessions, the speakers were available to discuss present and future challenges of the printing industry with the participants.

The conference papers and presentations can be downloaded from the PrintPromotion website at printpromotion.de.

In total, the Print Media Conferences at the three venues were attended by more than 300 participants.

Course for specialist teachers from Iran in Germany 2011 from 22nd August 2011 to 21st September 2011

This year PrintPromotion carried out a separate advanced training course for specialist teachers from professional universities in Iran at the AZP (Ausbildungszentrum für Polygrafie e.V.) training centre in Chemnitz/Germany from 22nd August 2011 to 21st September 2011.
The participants attending this 4-week training came from University of Applied Science & Technology, Mashad Printing Union/ Training Department, Jahan Danesh Technical Inst. as well as Allame tabatabayi university in Tehran and Mashad in Iran.

Most of the participants had already attended the PrintPromotion seminars in Tehran and Mashad earlier this year – which was very helpful in fixing the topics and learning contents for the course.

**Investor concept in place for manroland**

Creditor’s committee agrees on stable investor solution for manroland – future existence of all production sites secured

**Augsburg, Germany, January 18, 2012.** The creditors’ committee under the guidance of provisional insolvency administrator Werner Schneider and chief representative of manroland Dr. Frank Kebekus was able to reach an amicable solution for an investor concept in the course of the company’s insolvency proceedings. During the meeting, which took place on Wednesday in Augsburg, the solution to divide the company into three independent units turned out to be the preferred solution. “Our shared goal was to place the company in the hands of investors who are interested in its long-term, independent continuation”, Werner Schneider explained after the meeting. He cited the existing operating concepts, the planned absorption of employees, as well as the rapid implementation of sales contracts as the main criteria guiding the committee’s decision.

According to the concept, the Augsburg site (webfed printing systems), will be sold to the Possehl Group. The family business from Lübeck in Northern Germany also plans to establish long-term supplier relationships with the manroland factory in Plauen in order to secure full capacity at that site. Prospects of a subsequent share in the Plauen factory are on the horizon.

The factory in Plauen will be outsourced as a new company. There are positive signs of the timely acquisition of further third-party orders, which will ensure the sustained survival of the Plauen factory.
The Offenbach site (sheetfed printing systems) will be restructured in the course of a management buyout in cooperation with an investor. This solution has a solid economic foundation and good future prospects – the financing concept does, however, require a guarantee by the federal state of Hessen. Talks have already been held on this matter.

All parties to the meeting agreed to remain silent on the purchase price for the company. In his statement, Schneider emphasized that the vote by the creditors’ committee was not a formal decision but rather a recommendation. A final decision will be reached in the meeting of creditors; the committee’s vote does, however, send a strong signal.

The current investor concept is tied to downsizing measures. The Augsburg site will employ 1473 regular staff; all apprenticeship positions will be maintained. 750 employees will work in Offenbach and nearly 300 at the Plauen site.

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Picon – Globalprint article
PRINT WINS IN THE LONDON 2012 OLYMPICS

The UK is gearing up for three major events this year: the Queen’s Diamond Jubilee in June, followed closely by the Olympics in July/August and Paralympic Games in September. Not only are all significant cases for national celebration, but they will also have a major impact on our tourist trade bringing a £1billion + boost to the economy. The Olympic Games in particular are having a major impact on the UK print industry. While the overall economy is still flat, with several UK print firms having to tighten their belts and streamline, there is general air of optimism in some quarters for those who are involved in printing material for these events.

The Olympics are impressive: 10,500 athletes will participate in 26 different sporting events over 34 venues around the country. What could also be called the ‘Print Olympics’ is involving print at every level: from 8.8m tickets to 2,012 official pin-badge designs, a multitude of T-shirts, postcards, board games, £72m worth of outdoor signage sites, and much, much more. Instead of the usual one or two official posters, for example, this Olympics sees 12 posters designed by 12 of the UK’s leading artists available to buy as limited edition fine art prints and posters.

The UK last hosted the Olympics in 1948 when print was very much analogue and external advertising and signage was minimal. The Olympics is the largest single event to take place in the UK since the introduction of digital print, and wide-format digital print, in particular, is in huge demand for traffic signage, hoardings and banners.
The Queen’s Jubilee, six weeks before the Olympics, features a multitude of events around the country and will also provide a welcome boost to the UK print industry. All these events put the UK in the international spotlight during the summer, giving UK printers an unprecedented and high-profile platform.

Meanwhile, Drupa, the print industry’s own Olympic event, kicks off the summer in May. Picon is taking 17 UK suppliers to the show to exhibit across 4 halls. While drupa is a major international show attracting a global audience, UK printers are showing an increased interest in visiting national print events, particularly those focusing on added-value vertical markets such as packaging and wide-format. Companies are looking to invest in affordable digital equipment that enables them to enter new markets and expand the range of services they can offer their customers.

Of course, Ipex is on the horizon in 2014 (26th March to 2nd April) and stand space is quickly filling up at the new London ExCeL international exhibition and conference centre (www.ipex.org). ExCeL is situated in London’s Dockland area which has been redeveloped for the Olympics and Ipex will benefit greatly by moving from Birmingham to these modern premises after 30 years at the NEC. ExCeL is an award winning international exhibition and convention centre within a 100 acre campus offering 100,000 sq metres of flexible exhibition space, five on-site hotels, numerous bars and restaurants for after-hours networking and excellent transport links to central London.

It’s events like these that contribute to the health and well-being of the UK industry. With a turnover of £14.3 billion, gross value added of £6.4 billion and employing nearly 140,000 people in around 10,500 companies the UK printing sector is an important economic contributor nationally. The UK is the fifth largest producer of printed products in the world and contributes almost £1 billion to the UK’s balance of trade (ref BPIF).

The Olympic motto is ‘Citius, Altius, Fortius’ or ‘Faster, Higher, Stronger’. A suitable motto to encourage the UK print industry today.
India Printing Packaging and Allied Machinery
Manufacturers’ Association (IPAMA)

History

Founded in 1991, with a modest membership of 50, today IPAMA has more than 800 members under different categories, on its rolls representing more than 80% of the industry. IPAMA is an all India Apex Body of manufacturers of Printing, Packaging, Signage, Digital & Allied Machinery and Equipment, registered under the Societies Registration Act 1860. IPAMA operates from its own sprawling new premises of 12,000 sq.mt. with ultra-modern facilities, administrative block, a research & training center, Conference Hall, Exhibition Hub, etc. at NOIDA in the neighborhood of New Delhi, capital of India.

Main activities/Benefits of Membership

• IPAMA continues to play pivotal role in the policy making of exports and imports, in collaboration with Government agencies, CII, FICCI, ASSOCHAM and FIEO.
• Dissemination of information on latest developments in design and machine manufacturing, through its quarterly magazine, Press Release, Circulars, Seminars, etc.
• Finding new avenues of market
• Organizing national and international exhibitions
• Educational Training facility and Research centre
• True spokesman and real service provider to the Indian Graphic Arts Industry
• Taking up any cause of members with Government and non-Governmental organizations
• Synergized with World Federations like Asia Print and Global Print for promoting solidarity and cooperation amongst global and regional fraternity and support each other in the process of organizing Print Exhibitions in member countries
• Organizing Trade Mission to Asian countries, Japan, USA, Germany, Britan, Italy Switzerland, etc.
• Promoting Brand India image and exploring possibilities of entering into joint ventures and business collaborations, etc with Asian Countries.
• Maintains Relevant data bank related to members, exhibitors and visitors to Printpack Shows and provides the same to members and exhibitors on complimentary basis.
• IPAMA encourages its members to get ISO certification to standardize the industry and provides one time subsidy of Rs.15,000/- to the members for the same
• One floor of the new building has a Product Display Center where members display blow-ups of their products with live demos of machines.
• Founder Member of the World Federations e.g. Global Print and Asia Print.
• Members advertising in exclusive IPAMA’s publications are entitled to discount in tariff.
• Provides IPAMA’s publications including quarterly magazine to members free of cost.

**Latest News**

**Print China 2011 & the 4th Asia Print Meet**

The then President Mr. N.S. Manku and Mr. Satish Bajwa, General Secretary visited Print China 2011 from 9th to 13th April 2011, for representing IPAMA at the 2nd International Printing Technology Exhibition of China. IPAMA was allotted a complimentary stall at the exhibition. Coinciding with Print China 2011, the 4th Asia Print Meet was organized on 10th April 2011 in China, in which the then President and General Secretary participated.

**IMPEX 2011 Malaysia and Asia Print Meeting**

In order to promote solidarity and cooperation amongst Global and Regional fraternity and support each other in the process of organizing Print Exhibition in member countries, a national level trade delegation comprising of 17 Governing Council Members of IPAMA visited IPMEX 2011 Exhibition at Kaula Lumpur, Malaysia from 4th to 7th August 2011. Explored the possibilities of entering into joint ventures and business collaborations, etc. with Asian counterparts. Both Mr. N.S. Manku and Mr. Satish Bajwa also participated in the 5th Asia Print Meet held on 5th August 2011 at Kaula Lumpur.

**IGAS 2011 Exhibition & Global Print Meetings**

For representing IPAMA, the then President Mr. N.S. Manku and Mr. Satish Bajwa, General Secretary visited the IGAS 2011 – International Graphic Arts Show held at Tokyo, Japan from 16th to 21st September 2011. Both Mr. N.S. Manku and Mr. Satish Bajwa also participated in the meetings of the Global Print Presidents and Global Print General Secretaries held on 17th September 2011 at Tokyo.

**Printpack India 2013**

IPAMA’s flagship and Asia’s Mega International Showcase on Graphic Arts Industry is slated to be held in February 2013 at Pragati Maidan, New Delhi (India). The event is the largest one-stop international sourcing platform for graphic arts machinery and equipments in the South Asian region. IPAMA with its vast expertise over the years in handling and organizing several international standard exhibitions successfully, and the immense popularity and increasing demand from domestic and global exhibitors and visitors, IPAMA would establish new landmarks in the
forth coming Event Printpack India 2013.

Current Legislation
IPAMA is a democratic organization, after every second year, elections are held under secret ballot system. In its recent elections, a new team under the leadership of Mr. K.S.Khurana was elected unanimously. Mr. K.S.Khurana was requested by the newly inducted Governing Council to form his team and he included Mr. C.P.Paul as the General Secretary, Mr. J.S.Kalsi as the Treasurer besides four Vice Presidents and Joint Secretaries, one for each region.

IPAMA’s Governing Council Members for 2012-2014

Mr. K.S. Khurana
(President)

Mr. C.P. Paul
(General Secretary)

Mr. J.S. Kalsi
(Treasurer)
ACIMGA closes the year with a positive balance and focuses on packaging

Milan, 2012

Despite an economic situation threatening recession, Italian manufacturers of printing and converting machinery report an outstanding +13% in export sales for the January-September 2011 period.

The figures are backed by trade association ACIMGA’s research department based on data by Istat. The best performance is achieved by the sector of converting machinery, which accounts for over 23% of total sales, followed by paper processing (+18.65) and printing technology (+11.20%).

With 51.45%, North America is the most receptive region for Italian technology. Extra EU Europe (+44.89%) and the EU-27 area (+13.93) follow at close distance. Asia, conversely, shows a negative trend with -12.80%.

Among the main target countries for Made In Italy products, Turkey and Russia report astonishing figures: +150% and +92% respectively.

“The sector shows extraordinary reactivity – says ACIMGA president Felice Rossini. Our forecasts for the closing of the year are encouraging: turnover is estimated at over 7%, exports are predicted to grow by 10% and the trade balance to exceed 20%. Likewise, order forecasts for the first months of 2012 are promising. The packaging industry is our feather in the hat and shows the high technological level achieved by our manufacturers, as testified by the growing interest towards the upcoming events dedicated to this sector including Upakovka Upak-Italia in Moscow and Ipack-Ima 2012 in Milan. Drupa 2012 will also be a chance for us to take stock of market trends at the global level”.

The only sore spot in the sector’s otherwise outstanding performance is domestic sales, expected to drop by 4.7% with imports down by 6%.

The new year started out with Acimga’s participation in Upakovka Upak Italia staged in Moscow on January 24-27 2012. The exhibition dedicated to packaging technology has been organized by Messe Duesseldorf in partnership with Centrexpo and is the benchmark exhibition for the Russian market.

In addition, from February 28th to March 3rd Acimga will bring a group of member companies to Ipack-Ima 2012, the international exhibition of processing, packaging
and material handling technology.
Lastly, Acimga will participate in Drupa (May 3-16 2012, Dusseldorf) with a series of initiatives aimed at promoting Italian manufacturers of printing and converting machinery.

Acimga, founded in 1947, operates through both a national and international network: Confindustria Federmacchine Federazione della Filiera della Carta e della Grafica, Tavolo Filiera della Carta, Eumaprint, Globalprint, Istituto Italiano Imballaggio
For more information visit www.acimga.it

ACIMGA Press Office
The Italian Manufactures' Association of Machinery for the Graphic, Converting and Paper Industry.

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e-mail: llamonarca@acimga.it
### Italian Exports by geographic areas January-March 2011 (Values in thousand Euro)

<table>
<thead>
<tr>
<th>Areas</th>
<th>Jan./March 2010</th>
<th>Jan./March 2011</th>
<th>Δ%</th>
<th>Δ%</th>
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<tbody>
<tr>
<td>EUROPEAN UNION (27)</td>
<td>110.888</td>
<td>132.226</td>
<td>44.68%</td>
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<tr>
<td>NON EU</td>
<td>35.345</td>
<td>23.050</td>
<td>7.79%</td>
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<tr>
<td>NORTH AMERICA</td>
<td>29.048</td>
<td>30.729</td>
<td>10.38%</td>
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<td>MIDDLE-SOUTH AMERICA</td>
<td>29.082</td>
<td>34.391</td>
<td>11.62%</td>
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<tr>
<td>ASIA</td>
<td>53.972</td>
<td>50.470</td>
<td>17.05%</td>
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<tr>
<td>OTHER</td>
<td>13.904</td>
<td>25.082</td>
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<tr>
<td>Total</td>
<td>272.239</td>
<td>295.948</td>
<td>100.00%</td>
<td>+8.71</td>
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</tbody>
</table>

Source: ACIMGA Economic Dept. on ISTAT data

### Trend of our industry 2008-2010 (Values in thousand Euro)

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>09/08</th>
<th>10/09</th>
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<tbody>
<tr>
<td>Turnover</td>
<td>1.820.000</td>
<td>1.500.000</td>
<td>1.720.000</td>
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<td>+14.7</td>
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<tr>
<td>Deliveries on the domestic market</td>
<td>367.491</td>
<td>363.617</td>
<td>360.105</td>
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<td>Imports</td>
<td>743.461</td>
<td>487.010</td>
<td>532.094</td>
<td>-34.5</td>
<td>+9.3</td>
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<tr>
<td>Consumption</td>
<td>1.110.952</td>
<td>850.627</td>
<td>892.199</td>
<td>-23.4</td>
<td>+4.9</td>
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<tr>
<td>Trade Balance</td>
<td>709.048</td>
<td>649.373</td>
<td>827.801</td>
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<td>+27.5</td>
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<tr>
<td>Export/Turnover (%)</td>
<td>79.8</td>
<td>75.8</td>
<td>79.1</td>
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<tr>
<td>Import/Consumption (%)</td>
<td>66.9</td>
<td>57.3</td>
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<tr>
<td>Employment (N. Employees)</td>
<td>7.200</td>
<td>7.000</td>
<td>7.000</td>
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<td></td>
</tr>
</tbody>
</table>

Source: ACIMGA Economic Dept.
Navigating Turbulent Waters

U.S. Graphic communications firms need to look at the reality in front of them, and embrace the changes that keep coming.

By Ralph J. Nappi, President
NPES The Association for Suppliers of Printing, Publishing and Converting Technologies

While considering the realities facing graphic communications executives in the United States today, and as I look to forecast what lies ahead for our industry here, I must reflect on the outcome of GRAPH EXPO 2011. With countless media reports of the down economy and the ‘forecast’ for the show mixed, the 2011 event was hailed a success, with many exhibitors reporting their best show in years.

GRAPH EXPO’s success was not a happy accident. Confronted with an industry facing challenges on all fronts—from the economy to technology to new media platforms—the Graphic Arts Show Company re-invented the show to include 34 co-located industry conferences and events, which attracted a diverse spectrum of attendees and expanded the range of business education and networking opportunities. The Marketing and Newspaper Pavilions also delivered new attendees and exhibitors.

Looking ahead, my forecast draws much of its information from the PRIMIR study: “Evolution of General Commercial Printing: Implications for the Future,” presented by Jack Miller of Market-Intell LLC; Mark Favus of Favus & Associates; and Dave Costa of State Street Consultants. The study presents an overview of the reality facing the graphic communications industry, primarily focused in the U.S., and offers a blueprint for industry executives looking to navigate their way through the uncertain waters ahead.

1) The overall (not so pretty) picture.

While the U.S. economy is expected to improve throughout 2012 and 2013, the increase in activity will be slight; the data suggests that print will continue to decline between 1-2% per year. From 2000 to 2010, print declined by 20% in current U.S. dollars, or 25% to 30% in real terms, and without the growth of ancillary services there would be an additional 8% decline. Consolidation has shrunk U.S. employment, the number of printers, and the number of presses running. Print
sites are down 30%, yet overcapacity has gotten worse. The one area of growth is
digital services, which increased by 314% in the same period.

2) Challenges for printers remain fierce.
Overcapacity continues to hurt printers: overall revenue for commercial printers
decreased by about 24% from 2000 – 2010, while there was a significant increase of
around 30% in sheetfed offset press capacity. Market penetration of digital
presses and wide format printers also increased significantly, increasing total
press capacity. This overcapacity has led many printers to practically give away
the cost of a print job, reducing revenue even more.

Globalization will only increase as the Internet does away with the concept of
buying local, so U.S. printers must stay ahead of the learning curve, adopting new
technologies to keep pace and improve their customers’ ROI.

Press technology continues to improve, lowering the cost of printing and allowing
for a reduced workforce, while delivering faster makereadies and better quality.
Digital print technology will improve, allowing many companies to
cost-effectively move into the short run, personalization and VDP markets.

Technology speeds up workflow and allows printers to work efficiently, maximizing
productivity to meet the increased quality and quick turn demands of their
customers. The downside of technology means that new media
platforms—Internet, mobile phones, iPads and similar devices—look to take away
advertising and marketing dollars from print.

3) Print is alive and kicking.
Print still plays a critical role in advertising and marketing campaigns. The data
shows that website sales increase from 20% to 50% after a catalog mailing; 60% of
senior executives surveyed across North America, Europe and Asia turn to print
when they want in-depth analysis; and, 61% of small business owners believe
traditional marketing/advertising methods are more effective than Web-based
counterparts. Using the Internet alone for marketing proves less effective than
when print is used also—a 25% increase in response rates comes from campaigns
that combine direct mail and Internet vs. just using the Internet.

Some markets show a growth in print. Non-profits still depend heavily on print,
using their annual report as a critical development tool that appeals to high-end
donors. Colleges and universities recruit through the Internet, yet use direct mail
to lure alumni donations. Email alone generated a 6% rate of donation, while
direct mail plus an email campaign generated 14%.

4) **Ancillary and digital services are essential.**

Printers must add marketing services and/or develop new capabilities for
nontraditional markets. These include: fulfillment and mailing; database
management and analytics; workflow solutions; VDP and personalization; QR
codes; pURLs; social media; and, design and Web services.

Growth in the U.S. commercial print sector is in value-added services and digital.
In 2000, digital print shipments accounted for 1% of the total print shipments; by
2009, it was 8%. Commercial printers are taking heed: in second-quarter 2011,
8.8% of those surveyed planned to purchase a digital press in the coming 12
months vs. 2.0% planning to purchase a sheetfed press.

5) **Becoming a profit leader.**

Successful printers welcome change seeing an opportunity to transform their
business and apply innovation. Profit leaders provide marketing value-added
services and develop digital services while entering new markets.

Five years ago, a printer’s fast track to success was through becoming a ‘printing
service provider.’ Today, U.S. industry executives are urged to become
‘marketing services providers’ or a ‘solutions partner.’ Progressive companies
must be able to deliver content via multiple channels.

Successful companies must also focus on customer retention—gain growth with
existing customers by offering them a broader range of products. Despite a
longer sell cycle, companies will benefit from increased customer loyalty and
more opportunity for cross-selling.

6) **The workforce of tomorrow.**

The employee of the future must be flexible and willing to learn various technologies,
rather than just being a press operator or a folding machine operator.
Salespeople—especially Marketing Service Providers—will be educated in a host of
communication media, from the Internet to mobile and print. The U.S. graphics
communications industry, not very familiar to most young people, will have to
compete with many other industries for top talent.

7) **Apply best practices.**

Today, I would tell U.S. printers to help ensure their business’ survival, and strive for
greater success, start by tackling front office tasks: clean up the balance sheet,
review all costs and benefits. Use careful control when it comes to hiring, making investments, and pricing jobs. Take a realistic look at your market(s), and plan ahead for emerging new trends.