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## EXECUTIVE SUMMARY

This report was commissioned for the Canadian Printing Industry Association (CPIA) by the Canadian Consulate, Consular office in Buffalo, New York. The objectives were to provide an information base for Canadian printing firms that wish to pursue an export-based growth strategy, identify potential barriers, and supply information that will assist such growth into the U.S. marketplace.

The area of interest for the study includes all of upstate New York and western Pennsylvania. The economy of the area is primarily manufacturing based. Despite having suffered large losses of business and employment during the recent recession, the area remains one of the major industrial regions of the United States. The printing and publishing industry is the second largest group of the area's manufacturing sector. There are approximately 1,400 printing firms in the area, and most of the medium to large firms are concentrated in or near larger towns and cities.

Comparing the Canadian and U.S. printing industries on the basis of national averages indicates that growth in manufacturing productivity, labor productivity, and unit labor costs have been quite similar historically. However, the drop in value of the Canadian dollar with respect to the U.S. dollar has deteriorated the competitiveness of U.S. firms. Furthermore, the potential for rising costs for materials, environmental regulations, technology changes and employee training are expected to further erode U.S. competitiveness.

The projected growth in revenues for the printing industry in the United States is predicted to be more than 2% during 1994, rising to \$177 billion (US). It is possible that with the current exchange rate and the amount of growth in the U.S. market, Canadian printers will be able to make considerable in-roads into U.S. markets.

Executives from Canadian printing firms that are currently exporting to the United States indicated that in order to successfully export to the U.S. market, a Canadian firm must find and be able to exploit a specific market niche. This can be accomplished through good market research, a buyout, and/or a joint venture. It was also noted that Canadian printers should make it appear to potential U.S. customers that they are located just next door. An easy and cost effective way to achieve this is through the use of an "800" number.

Print buyers in the United States were surveyed to determine if there is a "Buy American" bias that would hinder the chances of exporting for a Canadian printer. It was

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