

## FOREWORD

Packaging is increasingly important to corporate marketing strategy, both in Canada and internationally. Packaging also represents a significant cost of doing business. The cost of packaging materials used annually in Canadian manufacturing amounts to over \$5 billion. The food and beverage industries have typically consumed over half this value.

The challenge to Canadian business to make effective and efficient use of a widening array of packaging materials has stimulated the development of Canada's own packaging and labelling machinery industry, and contributed to the steady growth of the industry over the past decade. At the same time, there has been growing recognition among the machinery manufacturers of the need to specialize and to pursue on an international basis the opportunities to meet the specific needs of particular market segments. As a result, export sales now average 65 per cent of the industry's shipments, with small to medium-sized firms accounting for nearly two-thirds of those exports.

Canadian export capability lies in selective types of standard and custom-made machines aimed at niche markets. Areas of particularly strong capability include case packers, cartoners, shrink packaging machinery, labelling machines, and bottle filling and capping machines. In their specialty markets, Canadian products have gained wide international acceptance. They are technologically advanced, highly innovative, of good quality and competitive in price.

A significant advantage of Canadian firms is their ability to respond quickly to changing market demands. Their flexibility and wealth of experience in providing custom-engineered products for particular applications has greatly contributed to their success at home and in international markets.

Much of this experience has been accumulated by addressing the demanding requirements of packagers located in the United States. Canada ranks among the top five foreign suppliers of packaging machinery to the United States. It is not uncommon to find Canadian manufacturers of packaging equipment reporting over 80 per cent of their sales to the United States.

With strong bonds with customers located throughout North America, Canadian firms are well-attuned to the development of new packaging materials and the introduction of process changes, particularly in the food and beverage industries. While Canadian food processors still use the traditional glass and metal containers, they are also rapidly adopting flexible packaging (aseptics, retort pouches and dual-ovenable paper), microwaveable containers, aluminum cans and plastics, plastic laminates and specialty films.

Moreover, Canada's manufacturers of packaging and labelling machinery are in a position to make an important contribution to global efforts to use economical, high performance and environmentally benign packaging that will help make a finite supply of food and other necessities support a growing world population. Canadian machines in the low to medium speed ranges and sizes have been shown to be particularly well adapted to the applications of many developing nations.