

### 3.0 CALIFORNIA AS A MARKET FOR PACKAGING MACHINERY AND SYSTEMS

#### 3.1 CALIFORNIA'S MACHINERY AND SYSTEMS REQUIREMENTS

U.S. national production of packaging machinery was estimated to be \$1,332.8 million in 1980. This total accounted for 22.6 percent of national shipment totals under SIC's 3551 and 3569 (food processing machinery and general industrial machinery). Industry sources, including the Western Packaging Association, the Packaging Machinery Institute, and Packaging Digest Magazine, variously estimate California's annual requirement for packaging machinery to be between 12 to 20 percent of the national total. On this basis, it appears that California's industries require approximately \$200 million of packaging machinery per annum.

There is no accurate way to determine California's own annual production of packaging machinery. Census figures provide only information for the main SIC classifications (3551 and 3569) and not for the packaging machinery sub-sections 35514 and 35691. California was responsible for 14.1 percent of the national total production under 3551 and 3569 (the main classifications) in 1978, which is the most recent data available. On the assumption that California produces 14 percent of the national total for packaging machinery, the State could have been responsible for 195 million of the national total. At the same time, California has a requirement for \$200 million of packaging machinery. There is, at face value, a disparity of \$5 million only.

This is not, however, a true picture of the available market for imported packaging machinery in California. There are an estimated six hundred