

needs of their publishing clients by implementing shorter production runs and sortation procedures. The USDOC notes that newspaper inserts represent the fastest growing market for U.S. printers and that in 1988, the number of inserts had more than doubled since 1980. Other important segments are direct-mail printing and business-to-business catalogs which have grown due to increases in service-oriented business and U.S. manufacturing activity. In response to these demands, the USDOC reports that printing operations are becoming less centralized, as regional plants become capable of tailoring products to local markets under tighter time constraints.

In the future, the USDOC points to a number of constraints that could adversely affect the industry. It notes that increases in third-class postal rates will hinder the growth of catalog and direct mail volume. Unfavorable changes in cost conditions will impact the marketing efficiency of printed products to reach mass and fragmented audiences. If demand for printed materials remains high, it may strain the U.S. papermill capacity, and the cost of paper used by the industry may increase accordingly.

The USDOC notes that 1988 U.S. imports are estimated at \$445 million (U.S.) representing a 7.5% dollar increase over 1987 levels, although units shipped actually declined. Approximately 50% of total U.S. imports were accounted for by Canadian printers, and other important supplier countries were West Germany, the United Kingdom, Japan and the Netherlands.

Note to Readers

This chapter has provided a definition of the products included within the scope of this report, the criteria used for their selection and a summary of U.S. imports of those products for 1982-88. Where available, a short-term outlook for the corresponding U.S. industry has also been provided. As this report is intended only to provide a sectoral overview and an indication of the opportunities that may exist for increased Canadian exports, individual readers are strongly encouraged to conduct more in-depth research on any potential opportunities identified.

Users of this report who are interested in undertaking further research into specific markets are also encouraged to contact any of the Canadian Government Trade Development offices listed in the final Appendix to this report to determine what assistance may be available to them.