

which showed a 48% reduction in shipments over the period; package handling and bottle cleaning equipment, (42.5% reduction); captive packaging manufacturing, (41.6% reduction); thermoforming, including blister packs, (40% reduction); and, fastening equipment, (35% reduction). Nationally recorded reductions in all these types do not necessarily point to the non-viability of equipment in the California market as will be seen when manufacturer-end-user and distributor interviews are presented and discussed later in the report. At the same time, increases sometimes indicate that machinery manufacturers have been quick to recognize possibilities offered by certain sectors and that there may be strong local competition in some areas.

National Trends:

It is generally acknowledged that the packaging industry is a mature industry. This means that the demand for new machinery is limited to requirements for expansion, replacement for outdated machinery and, in some cases, replacement due to technical advances in manufacturing processes or machine technology. The U.S. market is responsive to high speed technology and there is an increasing demand for accuracy and efficiency in almost all phases of industrial production. However, the desire for increased efficiency has been somewhat overshadowed by the recession. 1980 and 1981 recession years have inevitably affected sales. Despite the recession, most industry sources agree that the market for new packaging machinery sales has held well and will continue to expand. Naturally, an upturn in the economy and an improvement in the