

II - CONCLUSIONS OF THE PEAT MARWICK STUDY

The U.S. printing sector is composed of a number of products and product groups. The products included in the printing study are newspaper inserts, periodicals, catalogues, business forms, labels, and flaps or bands. In total, the product groups which are the focus of this study represented approximately \$604 million (U.S.) in U.S. imports in 1988.

The U.S. shipments of printed material, based on information provided by the USDOC, is a composite of U.S. shipments for newspapers, periodicals, book publishing and commercial printing. The total value of industry shipments in 1988 for newspapers, periodicals, book publishing and commercial printing are respectively \$33.4 billion (U.S.), \$18.1 billion (U.S.), \$12.8 billion (U.S.), and \$45.7 billion (U.S.). It is expected that the U.S. market for printing will experience growth in revenues for each of these categories in 1989 and over the longer term. However, a major factor in this revenue growth will be growth in advertising which affects newspapers, periodicals and commercial printing revenues. The revenue growth in the book publishing area will depend on increased levels of library and educational funding, increased disposable income and increased school enrollments. Technological developments are also likely to affect each of these categories. These developments can be perceived as threats, as in the case of cable-TV which takes advertising revenues away from newspapers and periodicals, or opportunities, as in the case of computers which enable commercial printers to enter the desktop publishing market.

The survey of U.S. importers of the products under review indicated that almost 35% of the respondents who had imported in 1988 were facing rising costs for their imports due to the devaluation of the U.S. dollar. Just over 30% of these respondents expected that the devaluation would not have any effect. However, the majority of respondents (73.7%) who had not tried Canadian sources of printing services and printed products expressed interest in learning about Canadian companies. Of respondents who would consider sourcing from Canadian companies, the majority (65%) indicated that the Free Trade Agreement between Canada and the United States would have no effect. Only a moderate percentage (17.5%) expected to increase their purchases as a result of the Free Trade Agreement and, a moderate percentage (17.5%) had not yet considered the consequences of the Agreement on their purchasing patterns.