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A Report on
Global Market Opportunities
for
Packaging and Labelling Equipment

Department of Foreign Affairs and International Trade
Sectoral Liaison Secretariat (TOS)
125 Sussex Drive, Ottawa, ON K1A 0G2

June 1991

INTERNATIONAL TRADE DEVELOPMENT BRANCH

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TO ENHANCE CANADIAN EXPORT PERFORMANCE AND INTERNATIONAL COMPETITIVENESS

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I. Introduction

The management of export activities can be described as a number of sequential phases, starting with the firm serving only the domestic market and ending with the firm established as a global producer and marketer of its products. The specific phases for export development can be organized as follows:

- Initial export interest.
- Identifying market opportunities.
- Developing and executing market-entry strategies.
- Developing and executing market penetration strategies.
- Developing and executing market-share maintenance strategies.

The last two of these phases, concerned with market penetration and market-share maintenance, assume successful entry into an export market and are generally the concern of mature exporters. The market information requirements associated with these mature phases of export development are intensive and require substantial "on-site" investment in marketing research. In cases where Canadian exporters are engaged in these activities, they are almost entirely self-directed and funded.

The first three phases, however, are the crucial entry points for Canadian firms looking to export markets and are within EAITC's mandate. The department has neither the resources nor the expertise to conduct the advanced marketing research and other activities demanded by mature international marketing. It can, however, assist new exporters in evaluating the possibility of exporting, identifying and evaluating market opportunities, and in developing and executing market-entry strategies.

The purpose of this Directory is to provide Canadian manufacturers of packaging and labelling equipment with a timely overview of global market opportunities for their sector. For the domestic manufacturer considering exporting for the first time or the occasional exporter, identifying market opportunities for further investigation is a critical task. Marketing resources are limited and must be carefully applied to potential markets that show real promise. This Directory is designed to assist Canadian manufactures in that critical first decision: where to start in evaluating potential export markets?

Once a short-list of target markets has been identified, you will want to move on from this Directory to further investigation. This can also be assisted by External Affairs and International Trade Canada. The Program for Export Market Development (PEMD), in particular, can help defray part of the costs involved in overseas marketing visits. This second stage of market research should be much more focused than the first. In the target market, specific potential clients and client groups should be identified. Local pricing should be examined very carefully, given its key impact on profit potential. Unlike the more general information contained in this directory, "second-stage"

marketing activities are directed to answering a single specific question: can my firm export its products to this market and make a profit?

This directory is organized geographically in order to provide a global perspective. The world has been divided into seven major geographic areas (roughly continental in size). Each region has an introduction which is followed by country reports. These country reports are the heart of the directory and have been specifically designed to assist you in evaluating the market potential for that nation.

Please note that these reports are intended as a starting point. They can assist you in developing a short list of markets with significant potential for your products. Selecting a particular target market and developing a market entry strategy will require much more marketing effort.

II. The Global Market for Packaging and Labelling Equipment

As an industrial good, the global market opportunities for packaging and labelling equipment are concentrated in relatively advanced economies. Food processing, pharmaceuticals and light manufacturing of all kinds are the primary industrial customers for this class of equipment. The greatest opportunities will be in those markets moving without a mature domestic equipment sector but which have developed substantial manufacturing and processing sectors.

Successful exporting in this sector rests on a combination of solid market research, good timing, an evaluation of the relative costs of input factors in foreign markets, and high quality and service. Like all industrial goods, marketing packaging and labelling equipment requires a good understanding of your customers production environment and how your equipment lines can reduce his costs and increase the quality of his products.

The North American, EEC, and Japanese markets for this equipment are very large but also very competitive. All three markets have substantial domestic machinery sectors with which potential importers must contend. Successful approaches, particularly to the EEC and Japanese markets, have concentrated on carefully targeted niche marketing backed up by superior service. To introduce general purpose filling machinery into the Italian market, for example, with very strong local competitors, may not offer great hopes for success. Targeting a particular class of filling machinery, however, particularly those ill-served by domestic producers, offers more opportunity. Another avenue for entering these mature markets is through joint marketing and/or production agreements with foreign partners. While this carries an omnipresent risk of unwanted technology transfer (creating your own future competitors, in effect) it may be the only practical route into these markets.

Greater opportunities are offered by the markets of newly industrialized or industrializing nations who have not yet developed substantial local equipment sectors. With very strong light manufacturing industries, often for export markets, these rapidly industrializing economies offer substantial markets for packaging and labelling equipment. Current examples include South Korea, Singapore, Malaysia, Thailand, Taiwan and Hong Kong.

A key consideration in evaluating opportunities in these markets will be the relative cost of labour to capital. While labour costs remain much lower than capital costs, as is currently the case in Malaysia, capital equipment opportunities will be limited. However, if local labour costs rise in real terms, as has been the case in South Korea over the last several years, local manufacturers will turn increasingly to automated packaging and labelling lines to reduce input costs. In these circumstances, opportunities quickly emerge.

III. North America

North America, including the rapidly developing light manufacturing area in northern Mexico, represents one of the largest and most dynamic markets for packaging and labelling equipment in the world. It is the closest market to Canada geographically and the most similar in terms of commercial practices. With the recent Free Trade Agreement with the United States and the potential of an extended free trade area including Mexico now under negotiation, this market offers the greatest potential for Canadian firms seeking export markets.

Due to the proximity of this market and the current familiarity of many Canadian firms with it, this directory focuses on potential markets which are further afield.

IV. South and Central America

A. Country Profile: Argentina

MARKET OVERVIEW:

Description

The bulk of the packaging and labelling equipment in Argentine industry is concentrated in food products, household sundries and pharmaceutical products. The best period for both local and foreign packaging equipment was from 1979 to 1981 but since then the total sales of packaging equipment has been steadily dropping and at present sales are practically nil. This is mainly due to the drop in purchasing power of the average Argentine citizen and to a recession which started in early 1989 and is continuing. Current idle installed capacity for food products and household sundries is approximately 60%. For the pharmaceutical industry, it is estimated at 30 to 40%.

In spite of these current poor market conditions it is expected that over the long term Argentina might start to produce food products for the export market which could be funnelled into overseas retail operations. This would imply a high degree of packaging and labelling sophistication on the part of the local food processing industry which it does not currently possess. If this development of the food industry actually occurs in the next 3 to 5 years this would generate demand for the import of highly sophisticated packing and labelling equipment.

Size of Market

The global market under normal circumstances is between 30 and 40 million US Dollars annually of which 50% is manufactured locally. In the present recession market estimates for packaging equipment are 5 to 10 million US Dollars and the bulk of this is maintenance and spare parts rather than the installation of new packaging lines.

MAJOR BUYERS:

Major Local Buyers

Major local buyers are grouped around three basic industries. The food processing industry, including all types of pre-packaged foods for the local retail trade. Argentina does not yet have an important international market for food products that are distributed at the retail level and therefore does not have a market for sophisticated packaging and labelling technology. The beverage industry is mainly orientated towards local wine processing and is well supplied by local manufactures. The pharmaceutical industry uses a high degree of sophistication packaging but is mainly supplied by the multinationals who operate in Argentina and are the major pharmaceutical producers.

Major Types of Equipment

The major types of equipment purchased are cartoning machines, bent sealers, automatic strapping and taping equipment and capping machines.

Key Factors in Purchasing Decisions

This information is currently unavailable.

SOURCES OF SUPPLY:

Profiles of Local Manufacturers

Local suppliers are largely composed of small to medium sized local firms manufacturing equipment with the assistance of off-shore technology transfer. They are concentrated in the cities of Bairs and Rosario (Province of Santa Fe) and are largely family owned. They have shown a great deal of flexibility in incorporating new technology into their equipment.

Current Foreign Sources

Foreign sources can be divided into several categories:

- Highly sophisticated packaging equipment is normally sourced in North America and/or the European Common Market countries.
- For equipment that does not need a high degree of sophistication, the Brazilian and local industry will easily fulfil the needs of the Argentine buyer. It has been indicated that with the future integration of Argentina and Brazil, the potential sales of this type of equipment will increase. One may expect major Brazilian participation in the packaging equipment industry in the not too distant future.
- Multinationals basically active in the household sundries and pharmaceutical products import used equipment from other off-shore plants.

Recent Imports/ Exports

This information is currently unavailable due to inadequate trade statistics.

BUSINESS ENVIRONMENT:

Preferred Distribution Channels

The normal arrangement for imported equipment is to retain an exclusive agent who also acts as a distributor and importer at the same time. These representatives normally handle more than one product line and have a close relationship with the industries that need and/or use packaging equipment. Most of them also have servicing capabilities. Direct factory sales are normally done only by the local manufacturers, who have their own sales force who are in constant touch with potential clients.

Regarding marketing methods, the use of specialized media is most common. There are no major specialized trade fairs where this type of machinery is showcased.

Financial Practices

Payment for this type of equipment from foreign sources is through a letter of credit negotiable against normal shipping documentation.

Standards

The metric system is used.

Import Regime

There are no specific tariff or non-tariff barriers which effect this equipment. The average import rate at this moment is between 10 and 24% on the CIF value landed in Buenos Aires and on which another 13% value added to tax (VAT) is applied.

Protection of Technology

Patent protection is poor and technology transfer agreements, such as licensing, are only honoured by reputable local firms.

Language Requirements

Spanish is required.

Language for Promotional Materials

Promotional material must be made available in Spanish.

Canadian Government Initiatives

No initiatives are currently planned.

Other

This information is currently unavailable.

CONTACT LIST:

Local Canadian Representatives

Canadian Embassy

Street Address:

Suipacha 1111,
25th Floor, 1386,
Buenos Aires, Argentina

Mailing Address:

Casilla de Correo 3898
1000, Buenos Aires, Argentina

Cable: DOMCAN BUENOS AIRES

Tel: (011-54-1) 312-9081/88

Fax: (011-54-1) 312-9775

Telex: (Destination code 033) 21383 (21383 CANAD AR)

Industry Associations

Asociacion Argentina de Fabricantes de Maquinaria,
Herramientas

Accesorios Y Afines, Aisina 1609
(1088) Buenos Aires
Tel. 45-3833/ 46-9298

Individual importers are represented by:

Camera De Importadores de la Republica Argentina,
Ave Belgrano 427,
(1092) Buenos Aires
Tel. 43-0523/1101

B. Country Profile: Cuba

MARKET OVERVIEW:

Description

The Cuban market for packaging and labelling equipment is growing but is very limited due to the economic difficulties affecting the Cuban economy. Being a state operated economy there is a single organization responsible for the development of the local industry: the National Packaging Centre (the Cuban state organization responsible for development of Cuban packaging and labelling industries and approval of all types of packaging and labelling), AVF.DEL BOSQUE NO. 121, NEUVO VEDADO, CIUDAD HABANA, CUBA. ATTN/ Tania Cortina, Chief of International Relations.

Size of Market

Precise figures are unavailable at this time. The main potential market is the pharmaceutical/drug industry which includes the manufacture of packaging in Cuba as well as the supply of pertinent raw materials.

MAJOR BUYERS:

Major Local Buyers

The major buyer is Maquimport, the Cuban enterprise for the import of machinery and equipment, call 23 No. 55, Vedado, Ciudad Habana, Tel 70-2546 and 703137, Telex 51137.

Major Types of Equipment

Major equipment types required are:

- Equipment for the manufacture of plastic caps (Pilfer Proof Type).
- Machinery for the manufacture of aluminium tubes (both rigid and compressible) and aluminum tubes for aerosol containers.
- Printing machines for self-adhesive labels.
- Stucco/plastering machines for the production of chromium-plated paper and cardboard.
- Production line for the manufacture of plastic vials and caps.
- Flexographic print machinery for paper and cardboard.
- lacquer covering machines, thermo-sealing for plasterboard used in blister packaging.
- Punching machines for blister pack pasteboard.
- Drilling machines for blister pack pasteboard.

In addition to machinery, there is also demand in Cuba for packaging and labelling raw materials:

- Serigraphic cloth for flexographic printing.
- Ribbon for thermoprinting.
- PVC film, 0.4 and 0.6 thickness and 375 mm width for blister packaging.
- Thermo-sealing polyethylene, 150 micron, 375 mm width for skin packaging.
- PVC film, 0.4, 0.6 and 1 mm thickness and 545 mm width for thermo-shaping machines.
- Stretching film, 300-500 mm width for wrapping machines.
- Teflon ribbon for sealing machines.
- Complex film for vacuum packaging (Mulitvac machines).
- Liner and cardboard for box manufacture.
- Chromium=plated paper and pasteboard.

- Kraft paper for multi-wall paper bags.
- Plastic resins of polyethylene, low, high and lineal density.

Key Factors in Purchasing Decisions

- Quality guarantees for each purchase.
- Credit facilities.

SOURCES OF SUPPLY:

Profiles of Local Manufacturers

Local suppliers are limited with low level of technology.

Current Foreign Sources

Most types of equipment are imported from Italy, Spain and Switzerland due to the lack of local manufacturing facilities and the low level of local technology.

Recent Imports/ Exports

This information is currently unavailable.

BUSINESS ENVIRONMENT:

Preferred Distribution Channels

The major trade fair for the industry is Havanapak, which takes place every other year. The next one will be held in September 1992.

Financial Practices

Financing is largely through credit facilities: government to government and L/C. Joint production is also a favoured approach.

Standards

This information is currently unavailable.

Import Regime

This information is currently unavailable.

Protection of Technology

Should be discussed with potential suppliers.

Language Requirements

Spanish and English.

Language for Promotional Materials

Promotional material in English is quite acceptable.

Canadian Government Initiatives

This information is currently unavailable.

CONTACT LIST:

Local Canadian Representatives

Canadian Embassy

Street Address:
Calle 30 no. 518 Esquina
a7a Avenida
Miramar, Havana

Mail Address:
Commercial Division
P.O. Box 500 (HVAN)
Ottawa, Ontario
K1N 8T7

Cable: CANADIAN HAVANA
Tel. (011-53-7) 2-6516/17/27, 29-3392
Telex: (Destination Code 28) 511586 (CAN CU)

Industry Associations

This information is currently unavailable.

CONTACT LIST:

Local Canadian Representative

Canadian Embassy
Street and Mailbox Address:
ANNIE VAN MOD
Cable: DOMCAN VIENNA
Tel: (01-43-22-41-10)
Telex: (A)NACMO 017-11 (7) 2800 (Canada)

V. Western Europe

A. Country Profile: Austria

MARKET OVERVIEW:

Description

Austria is a small market of 7.5 million inhabitants but is very sophisticated and financially healthy with reasonably strong local ownership and a strong nationalized industry sector. Due to the recent changes in East Europe the market is expected to expand. Annual increases in GNP are estimated with 4% for the next few years (1991-1995).

The most important factor in the current low level of Canadian exports is the lack of production and related service capabilities in Europe. In addition, Austrian companies prefer specialized machinery suitable for the mass production of specific items rather than machinery that can be adapted to a wide variety of requirements.

Future success for Canadian firms in this market will most likely come from licensing, joint-venture agreements or direct investment. Several Canadian firms have entered the market through these avenues.

Size of Market

This information is currently unavailable.

MAJOR BUYERS:

Major Local Buyers

This information is currently unavailable.

Major Types of Equipment

This information is currently unavailable.

Key Factors in Purchasing Decisions

This information is currently unavailable.

SOURCES OF SUPPLY:

Profiles of Local Manufacturers

Local companies produce filling machines and/or equipment for oil and gas, granulates, lemonades (rotary table) and bottle washing machines. They also make vacuum packaging and shrink wrapping as well as closing and dosing machines.

Current Foreign Sources

More than 50% of the equipment is imported from Germany and very little from Japan and USA.

Recent Imports/ Exports

Austria is a net importer of above equipment, except for the materials handling area (HS 8428 30). Total imports in relevant sectors were C\$ 170 million in 1989 while exports reached only C\$ 117 million. There seem to be no Canadian exports in this field.

BUSINESS ENVIRONMENT:

Preferred Distribution Channels

Distribution is handled either directly or via agents. Usually Austria buyers visit the DRUPA Fair in Dusseldorf, Germany.

Financial Practices

This information is currently unavailable.

Standards

This information is currently unavailable.

Import Regime

There are no tariff or non-tariff barriers.

Protection of Technology

This information is currently unavailable.

Language Requirements

This information is currently unavailable.

Language for Promotional Materials

This information is currently unavailable.

Canadian Government Initiatives

This information is currently unavailable.

CONTACT LIST:

Local Canadian Representative

Canadian Embassy
Street and Mailing Address:
Dr. Karl Lueger Ring 10
A-1010 Vienna
Republic of Austria
Cable: DOMCAN VIENNA
Tel: (011-43-222) 533-36-91
Telex: (Destination Code 47) 11-5320 (DMCAN A)

Industry Associations

This information is currently unavailable.

B. Country Profile: United Kingdom

MARKET OVERVIEW:

Description

The UK market, although well serviced by domestic and foreign manufacturers will, because of the very nature of the industry's need for innovation, expose "niche" markets to new entrants from time to time. Canadian companies have the capability to service these "niche" markets and have over the years established profitable connections and a good reputation.

As these markets need to be sought out, companies need to maintain a constant market research/surveillance programme with frequent visits in order to take advantage of opportunities as they develop.

Size of Market

The total UK consumption of packaging materials is valued at approximately £6 billion p.a.. Packaging machinery is estimated at another £550 million, 70% of which is imported.

MAJOR BUYERS:

Major Local Buyers

This information is currently unavailable.

Major Types of Equipment

This information is currently unavailable.

Key Factors in Purchasing Decisions

This information is currently unavailable.

SOURCES OF SUPPLY:

Profiles of Local Manufacturers

This information is currently unavailable.

Current Foreign Sources

The major equipment and machinery exporters to the UK are Italy, Germany, Switzerland, USA, France and Holland.

Recent Imports/Exports

The total annual volume of packaging and labelling equipment imports has been approximately 385 million pounds. As individual types of machinery cannot be identified from the statistics this import figure is a trade guesstimate. In addition, because of the increasing complexity of the industry, the varied interpretations of definitions and the difficulty in collecting statistical information, the above figures should be treated as close approximations only.

BUSINESS ENVIRONMENT:

Preferred Distribution Channels

This information is currently unavailable.

Financial Practices

This information is currently unavailable.

Standards

The power supply for the UK market is 240v 50 cycle and Canadian suppliers must be prepared to manufacture to this standard.

Import Regime

There are no non-tariff barriers to the importation of packaging equipment/machinery into the U.K. The duty would range from 3.5% to 5.8%, dependent upon the product end use/description (HS codes):

- 8422.20, Machinery for cleaning or drying bottles or other containers; 3.5%
- 8422.30, Machinery for filling, closing, sealing, capsuling or labelling bottles, cans, boxes, bags or other containers; 3.5%
- 8422.40, Other packing or wrapping machinery; 3.5%
- 8423.30, Constant weight scales and scales for discharging a predetermined weight of material into a bag or container, including hopper scales; 4.4%
- 8428.39, Other continuous-action elevators and conveyors, for goods or materials; 4.1% per kg
- 8442.30, Flexographic printing machinery; 4.1% per kg
- 8452.21, Sewing machines, automatic units; 4.4%
- 8465.92, Planning, milling or moulding (by cutting) machines (use for roller die cutting equipment); 5.8%

(NB duty is charged per kilogram or number whichever is the greater, unless otherwise stated.)

Protection of Technology

This information is currently unavailable.

Language Requirements

This information is currently unavailable.

Language for Promotional Materials

This information is currently unavailable.

Canadian Government Initiatives and Trade Shows

The next federal government sponsored activity in this market will be at Pakex '92, June 3-9, 1992.

There are two major European packaging exhibitions that provide a showcase for the industry and, these take place in Dusseldorf, Germany, and at the national Exhibition Centre, Birmingham. Exhibitor attendance or visits to either or both of these fairs should enable potential new exporters to make a preliminary market assessment. The next Pakex exhibition will be in June 1991.

CONTACT LIST:

Local Canadian Representatives

London: Canadian High Commission
Street Address:
Macdonald House
One Grosvenor Square
London W1X 0AB
England

Cable: DOMINION LONDON
Tel: (011-44-1) 629-9492
Telex: (Destination code 51) 261592 (CDALDN G)

Other location is the Canadian Trade Office in Glasgow, Scotland.

Industry Associations

This information is currently unavailable.

SOURCES OF SUPPLY

Profile of Local Manufacturers

This information is currently unavailable.

Profile of Foreign Suppliers

This information is currently unavailable.

The new federal government sponsored survey in this market will be in place by June 30, 1991.

There are two main reasons for the delay in the market. The first is the fact that the market is still in a state of flux. The second is the fact that the market is still in a state of flux.

C. Country Profile: Greece

MARKET OVERVIEW:

Description

The market for this type of equipment is currently saturated, but there is future growth potential. There are over 50 firms active in the packaging market making materials for the food industry, frozen food, sugar products, books, printed matter and consumer products. In the labelling industry about 20 firms are active making products like self-adhesive paper, self adhesive plastic, self adhesive synthetic and thermoplastic.

Size of Market

Not known.

MAJOR BUYERS:

Major Local Buyers

Major buyers include the pharmaceutical industry (partly in partnership with foreign manufacturers, partly of Greek ownership under foreign licence), the food packaging industry (mainly of Greek ownership) and the bottling enterprises (a small part of which is in partnership with foreign firms, eg., Coca Cola, Pepsi Cola).

Major Types of Equipment

The type of machinery purchased by such enterprises covers all the major categories of packaging and labelling equipment.

Key Factors in Purchasing Decisions

Besides price, availability of servicing and reputation of local agent are the key factors in purchasing packaging and labelling equipment.

SOURCES OF SUPPLY:

Profiles of Local Manufacturers

None of this type of equipment is manufactured in Greece, except for a very insignificant portion and mainly for small scale industry.

Current Foreign Sources

Major suppliers are European, i.e. West German and Italian, as well as from Canada. Specifically, the largest labelling company locally, ANKER SA, uses Canadian labelling machinery as part of their production line.

Recent Imports/Exports

Level of imports is estimated at roughly 20-25 million dollars annually.

BUSINESS ENVIRONMENT:

Preferred Distribution Channels

Equipment is distributed almost exclusively by sales agents and direct sales are rare. All customary marketing methods are used. International fairs and advertisements in leading journals are common, but most important of all for the Greek environment is research and promotion done by the sales agents. Individual companies should appoint a local agent to promote their products and establish a foothold in this area.

Financial Practices

For a large order, payment in instalments is a common practice. A Canadian supplier could also ask for a letter of credit which is also a common means of payment but it is quite costly due to the high inflation rate in Greece.

Standards

Metric system.

Import Regime

Greece accords preferential customs tariff treatment to imports from EEC member countries. Imports from third countries are levied with customs duties and value added tax.

Protection of Technology

Patents can be protected in Greece and one can ask for registration locally. Building a strong relationship with local buyers and negotiating a carefully outlined agreement can guard against copy infringements.

Language Requirements

Most importers and manufacturers can communicate very well in English.

Language for Promotional Materials

Promotional material should be in Greek. Correspondence and literature to agents is mostly done in English.

Canadian Government Initiatives and Trade Shows

Information not available.

CONTACT LIST:

Local Canadian Representatives

Canadian Embassy

4 Ioannou Ghennadiou Street
115 21 Athens, Greece
Cable: CANADIAN ATHENS
Tel: (011-30-1) 723-9511
Telex: (Destination code 601) 215584 (215584 DOM GR)
Fax: (30-1) 724-7123

Industry Associations

There is no association locally of manufacturers of packaging or labelling equipment.

D. Country Profile: Ireland

MARKET OVERVIEW:

Description

By international standards, the Irish market is relatively small. However, during the last decade, sales of packaging and labelling equipment have grown dramatically. There is, for example, considerable demand from the food processing sector for sophisticated packaging systems. The chemical and pharmaceutical industry is another area that has contributed to the growth.

Size of Market

The market is modest, estimated at \$50-60 million per annum.

MAJOR BUYERS:

Major Local Buyers

Major local buyers are the food processors and packers plus the major drink companies. Specific companies are:

- Avonmore Foods PLC, Ballyragget, Co. Kilkenny. (dairy products)
- Arthur Guinness Son & Co. (Dublin) Ltd., St. James Gate, Dublin 8. (brewery)
- Irish Distillers Group PLC, Bow Street, Dublin 7. (distillery)
- Cadbury Ireland Ltd., Coolock, Dublin 5. (chocolate confectionary)
- Waterford Foods PLC, Dungarvan, Co., Waterford (dairy products)
- Cantrell & Cockrane Group Ltd., Kylemore Park South, Dublin 10. (softdrinks)

Major Types of Equipment

Major types of equipment in demand are: Shrink wrappers, cartoning machinery, L-sealers, heat sealing equipment, liquid filling machinery, sack/bag fillers and sealers, conveying equipment (various), labelling systems (various), ink jet coders.

Key Factors in Purchasing Decisions

While technology and price are important, local service back-up is also an important consideration.

SOURCES OF SUPPLY:

Profiles of Local Manufacturers

The manufacture of packaging machinery in Ireland is negligible although there are one or two companies involved in supplying special "one-off" equipment and in reconditioning.

Current Foreign Sources

A high percentage of imports are sourced from the UK, either by direct sales to the large processors e.g., the co-ops or through local distributors and agents.

Recent Imports/Exports

Unfortunately, Irish Trade Statistics do not accurately report on the level of imports (and exports) of such equipment. Packaging equipment appears to be included under general headings such as "Machinery nes for the food and drink industries" and "Machinery having individual functions nes" with no useful breakdown.

BUSINESS ENVIRONMENT:

Preferred Distribution Channels

We attach a list of the major distributors of packaging and labelling machinery plus an indication of the types of equipment being marketed. Because the total market is somewhat modest (compared to larger EEC markets) these distributors often maintain a substantial portfolio i.e., representing 6+ different manufacturers.

Distributors (and agents) for Packaging/Labelling Machinery

Glenpak Industries Services Ltd.
1, Kilgoblin Road
Sandyford,
Co. Dublin

FAX: 952959

Liquid filling, capping equipment. Bag filling & closing equipment. Metal detection equipment. Tablet presses and tablet coaters. Feeders and bulk materials handling. Vibrating feeders.

Norman Waugh Ltd.
Unit E1, Ballymum Industrial Estate
St. Margaret's Road
Dublin 11

FAX: 429019

Sealers and bag sealers, ink jet printers. Labelling systems. Label printers. Carton scalers. Tape machines. Bag and L sealers.

Bardon Distributors Ltd.
22, Greenmount Industrial Estate
Harolds Cross
Dublin 12

FAX: 535708

Heat sealers, sleeve sealers and L sealers. Shrink wrappers. Carton printers. Vacuum packaging equipment. Case and Pallet wrapping equipment. Marking machines and coders. Socks/bags and strapping.

Appian Industrial Supplies Ltd.
St. Itas
Holly Park
Blackrock
Co. Dublin

Carton and ink jet coders. Filling machines. Shrink wrappers. Heat sealing machinery. Staplers etc. Tableting equipment. Adhesives. Tapes.

IPAC Ltd.
24, Kill Avenue
Dun Laoghaire
Co. Dublin

Heat sealing equipment. Bag closures and security closures. PTFE sheeting and belting. Net sleeving.

FAX: 842551

Peter Miller Ltd.
108, North Strand Road
Dublin 3

Flow-wrapping machines.
Shrink wrapping systems.
Cartoning machines. Weigh-
price labelling systems.

N.J.B. Packaging Ltd.
3A, John F. Kennedy Road
Dublin 12

Flowpackers. Stretch-
wrapping machinery. L
Sealers. Ink-jet coders.
Label makers. Pallet
wrappers.

FAX: 500127

Flopak Ltd.
Walkinstown Avenue
Dublin 12

Cartoning machinery.
Flow-wrappers. Liquid
filling machinery. Shrink
wrappers. Sack fillers.
metal detectors. Check-
weighers. Laser coders.

FAX: 503890

Wilson Packaging Systems
Ballymount Road
Walkinstown

Plastic strapping machines.
Foam and Fill machinery for
chemicals.

FAX: 507957

In regard to advertising, there is currently no 'true' packaging magazine but suppliers often advertise in Food Ireland (for food processors and packers).

- Tara Publishing Co. Ltd.
Poolbeg House
1/2 Poolbeg Street
Dublin 2 FAX: 719263

Financial Practices

Once an initial purchasing relationship has been established, credit of 30 days plus may be sought.

Standards

No specific Irish standards are in place for packaging machinery. There are, however, Irish quality standards for end products.

Import Regime

As a full member of the EEC, the Common External Tariff applies. The duty rates for such equipment range from 3.5 to 5.8%. Value Added Tax (VAT) of 21% is applicable regardless of source.

Protection of Technology

This information is currently unavailable.

Language Requirements

English.

Language for Promotional Materials

English.

Canadian Government Initiatives and Trade Shows

PAKEX '90
Burlington Hotel
Dublin 4
(National Show)

September 25-26, 1990

Organizers: McCann McGuirk Presentations Ltd.
Greenmount House
Harolds Cross
Dublin 6
FAX: 544179

The 1989 event featured some 70 exhibitors. Products/services included packaging and labelling machinery, cartons and containers, bottles, weighing systems, conveyors, adhesives, film. Design and contract services etc.

PAK EXPO '90
Royal Dublin Society (R.D.S.)
Dublin 4

Show held in April 1990

(National Show, but the British Processing and Packaging Machinery Association arranged for 17 of its members to exhibit - in total 64 exhibitors).

Similar products to PAKEX. No details of 1991 event yet available.

Organizers: Expo Exhibitions & Conferences Ltd.
5/7, Main Street
Blackrock
Co. Dublin
FAX: 883536

CONTACT LIST:

Local Canadian Representatives

Commercial Division
Canadian Embassy
65, St. Stephen's Green
Dublin 2, Ireland
Tel: (011-353-1) 781988
Fax: (011-353-1) 781285

Industry Associations

Association:

Packaging Society of Ireland
Greenmount House
Harolds Cross
Dublin 6
FAX: 544179

E. Country Profile: Italy

MARKET OVERVIEW:

Description

Italy is the third largest producer of subject machinery in the world after the USA (US dollars 2.5 billion) and FRG (US dollars 2.1 billion). Other major European producers are UK and France (respectively US dollars 900 and 425 million).

International industry figures for 1989 (same year as above) were as follows:

- a) Production : over US dollars 2 billion
- b) Exports : US dollars 1.3 billion
- c) Imports : US dollars 250 million
- d) Apparent consumption : US dollars 960 million
- e) Employees : approx. 11,900

The impressive numbers shown above reflect the high degree of innovation and level of technology of the industry which has allowed it to reach this enviable position. The above also suggests that there are undoubtedly significant benefits to be derived by Canadian industry from seeking cooperative ventures with Italian firms. On the other hand export opportunities to Italy would be mainly found in niche areas where Canadian firms possess leading edge technology.

Canadian and Italian producers are probably competitors in the US market and the firms of the two countries are similar in size and their approach to the international market. Another important factor is that US exports to Italy, helped by a weak dollar, are increasing quickly - which could indicate similar potential for Canadian producers.

The general conclusion is that there are undoubtedly niche opportunities for Canadian companies seeking to export to Italy. However, there is also obvious potential for investment development activities (joint ventures, licensing agreements, joint research/marketing etc.) given the high level of technology achieved by Italian industry in this sector.

Size of Market

In the automatic packing and packaging machine industry Italy has:

	<u>year 1989</u>	<u>% 89/88</u>
production	2,020,000	+4.5
export	1,309,000	+12.8
domestic deliveries	711,000	-3.0
import	248,000	+13.8
consumption	959,000	+0.8
trade balance	1,061,000	+12.6
import/consumption %	25.9	
export/consumption %	64.8	
workforce (units)	11,890	

Italy ranks as 3rd world producer after: (million US \$)

USA	2,455
W. Germany	2,130

followed by:

UK	900
France	426

MAJOR BUYERS:

Major Local Buyers

Major end users are the food and beverage industries but pharmaceutical, cosmetic and tobacco industries are also large users. The food industry in Italy is highly fragmented and characterized by very large number of small firms. There are some fairly large groups too, however, and many have recently been the target of takeovers by non-Italian companies seeking to enlarge and rationalize their presence within EC prior to 1992. Of note is the acquisition of Moretti/Prinz Brau Breweries by Labatts Group in 1989.

This large foreign ownership of the Italian food industry has had some effect on the buying policies leading to the rationalization of production lines and the subsequent use of similar equipment for easier maintenance.

Major Types of Equipment

This information is currently unavailable.

Key Factors in Purchasing Decisions

This information is currently unavailable.

SOURCES OF SUPPLY:

Profiles of Local Manufacturers

Most of the local manufacturers are small to medium sized and family owned; their level of technology (both in their products and production processes) can be compared favourably to other European producers and it is constantly upgraded to meet competition from within and outside Italy and the rising cost of labour.

Their ability to compete is also the result of their flexibility and capacity to meet customer requirements by offering custom-made product and a high level of after sales service.

Recent Imports/Exports

1989 imports were distributed as follows: (million lire)

W. Germany	120,043	44.7	+ 10.4
USA	22,120	8.2	+ 54.5
Sweden	21,521	8.0	+ 27.3
Switzerland	20,952	7.8	+ 1.8
France	19,371	7.2	+ 10.1
Netherlands	10,076	3.7	+ 10.6
UK	9,302	3.5	- 6.1
Spain	4,627	1.7	+ 30.2
Other Countries	40,547	15.2	+ 15.1

The subdivision of exports and imports in 1989 by type of machine is the following (million lire):

Type of machine	Exports		Imports	
		% 89/88		%89/88
Cleaning, drying, labelling filling, carbonating machin.	344,825	+13.6	69,197	+ 7.9
packing and packaging machin.	847,856	+11.6	133,489	+22.5
parts and accessories	262,364	+15.9	55,332	+ 3.1
metering, filling, closing and other weighing machine	6,818	+ 9.5	7,810	+32.1
weigher and scales	733	-31.2	575	-34.0
weighing and labelling equip. for prepacked products	618	-38.1	2,156	-10.7

BUSINESS ENVIRONMENT:

Preferred Distribution Channels

The distribution channels in Italy of foreign machinery vary depending on the size of the producer and on the importance for the Producer of this market.

There are subsidiaries, agents, representatives: some Companies which do not sell sophisticated equipment and are located not far away from Italy might sell directly. It is important to note that Clients consider a quick and efficient after sales assistance of vital importance. The local market is price sensitive because most of the buyers are small Companies. Great attention should be placed on after sales assistance and spare parts delivery.

Financial Practices

Payment conditions common in Italy are characterized by significantly longer payment periods than in North America.

Standards

This information is currently unavailable.

Import Regime

Non-tariff barriers are virtually non-existent; the local market for this type of equipment is open and the CSA standard is regarded as an excellent one.

Applicable tariffs are the following (to which 19% VAT is to be added):

HS	% duty
8422.20	3.5
8422.30	4.4
8422.40	3.5

8422.30	4.4	
8422.40	3.5	
8423.30	4.4	
8428.39	4.1	(nil for equipment to be used for civil aviation)
8442.30	4.1	
8452.21	4.4	
8465.92	5.8	

Protection of Technology

This information is currently unavailable.

Language Requirements

Italian.

Language for Promotional Materials

Availability of promotional material and technical specs in Italian is a major advantage as it is understood as a clear sign of commitment to the market by the foreign producer.

Canadian Government Initiatives and Trade Shows

It could be useful if this post could be provided with technical product specs from the 28/28 companies in your directory and an assessment of their interest in technology-based ventures with foreign companies, as well as any relevant information on past and current dealings in Italy by these companies so we can verify market possibilities. A mission could subsequently be set up, for instance, during an exhibition in Milan. A quick review of our records showed that only one of these 28 companies is represented in Italy although some have agents in other European countries that may or may not cover Italy.

As always in Italy, trade fairs are a major promotional tool. There are two major trade fairs:

- Packintec International Trade Fair for packing and packaging technologies and processes primarily promoted by UICMA and the Italian Institute of Packaging.

It's held every three years in Milano, next edition will be November 1992.

- Ipak-Ima International Trade Fair on Packing and Packaging, Internal Transportation (inside a production plant) and food processing industry, promoted by ANIMA (Italian Association of General Industrial Machinery). Last edition attracted well over one thousand exhibitors.

It's held every three years and the next edition will be March 1991. Catalog and data to follow in September.

F. Country Profile: Sweden

Market Overview:

Description

The Swedish industry buys packaging material of SEK 8.8 billion (CAD 1.9 billion) annually. The largest consumer is the food processing industry which accounts for more than half of total packaging material consumption. The average Swedish manufacturer spends 1.5% of annual sales on packaging material. Over the last 20 years this figure has remained constant. Plastics are expected to increase their share of total packaging material during the 1990's at the expense of other materials. For the last 30 years, paper and board have kept a market share of around 50%. Plastics have increased from 9 to 24% at the expense of wood (-14%), metal (-5%) and glass (-3%). The table below shows the market for different packaging material in Sweden in 1987.

	Production MSEK	+ Imports MSEK	- Exports MSEK	= Market MSEK	%
Paper/Board	5,029	407	841	4,595	52
Plastics	1,915	850	635	2,130	24
Glass	343	71	47	367	4
Metal	1,497	312	451	1,458	15
Wood/textile	489	60	84	465	5
TOTAL	9,273	1,700	2,058	8,915	100

Size of Market

This information is currently unavailable for packaging equipment.

MAJOR BUYERS:

Major Local Buyers

Major local buyers include the food processing, chemical, pulp and paper, mechanical and metal-working industries. In terms of packaging materials (not equipment) these sectors account for 90% of total consumption. In 1977 and 1987 costs for packaging material in the food processing industry were 5.8% of annual sales. The major subsector in this industry is dairy products. Liquid products such as beer, mineral water, milk, juice, wine, oil, etc., account for approximately half of packaging consumption.

Top 5 Food Processing Companies

Provendor AB
Arla Ekonomisk Forening
Cerealia AB
Svenska Tobaks AB

Top 5 Chemical Industries

Nobel Industries Sverige AB
AGA AB
Skane-Gripen AB
Casconoble AB

Top 5 Pulp & Paper Industries

Stora Kopparbergs AB
Svenska Celluslosa
Holmens Bruk
Industriforvaltnings AB Kinnevik
Mo och Domsjo AB

Top 5 Mechanical and Metal-working Industries

Volvo
AB Electrolux
ASEA AB
Saab-Scania
Ericsson

Major Types of Equipment

This information is currently unavailable.

Key Factors in Purchasing Decisions

This information is currently unavailable.

SOURCES OF SUPPLY:

Profiles of Local Manufacturers

Strength of domestic industry is packaging materials and design rather than machinery, as exemplified by TetraPak, a multi-national that has developed packaging systems and materials for liquid foods. TetraPak's machinery is developed for filling, handling etc. their materials and packages. Other best known names in the sector are PLM (mainly materials, some machinery) and Akerlund & Rausing (mainly materials, some machinery for their own packaging system; owned by Stora, Europe's largest pulp and paper company).

Current Foreign Sources

Since domestic supply capacity is not notably strong, demand is largely satisfied by imports, with Germany the principal supplier. Germany is the principle supplier. Other important suppliers are Denmark, the UK and Italy. Japan and the USA are leading suppliers in particular categories (see attached import statistics).

Recent Imports/Exports

N.B.: Certain HS numbers differ slightly from Canadian numbers.

HS Number	Tariff	Imports 1989	Imports 1988	Leading Suppliers 89
8422.20	free	CAD 4 mill	CAD 5 mill	W. Germany, Denmark
8422.301	3.8%	CAD 0.8 mill	CAD 0.7 mill	U.K.
(machinery for carbonating drinks)				
8422.309	free	CAD 26 mill	CAD 28 mill	W.Germany,USA,Denmark
(other)				
8422.40	3.8%	CAD 64 mill	CAD 62 mill	W. Germ,Italy,Denmark
8423.30	3.8%	CAD 2 mill	CAD 2.3 mill	Japan, W. Germany
8428.39	3.8%	CAD 30 mill	CAD 14 mill	Japan, W. Germany
8442.30	free	CAD 6 mill	CAD 4 mill	W. Germany, USA, UK
8452.21	5.3%	CAD 3 mill	CAD 4 mill	W. Germany, Japan
8465.929	free	CAD 13 mill	CAD 8 mill	W. Germany, Japan

Note: All EC and EFTA exporters enjoy tariff-free access.

BUSINESS ENVIRONMENT:

Preferred Distribution Channels

It is essential for Canadian companies to appoint a commission agent or distributor for this territory if they are to maximize sales opportunities here. It is in general not a good idea to appoint an agent covering more than one of the Nordic countries: rather, a separate agent should be appointed for each.

The only trade journal worth advertising in is:

Tidskriften Nord Emballage
Box 25
S-162 11 Vallingby
Sweden

Tel: +46-8-87 02 80
Fax: +46-8-87 48 15

Detailed market research, at a price, is available through packForsk Konsult, the consulting arm of the Packaging Research Institute (Box 9, S-164 93 Kista, Sweden, tel: +46-8-752 57 00, fax: +46-8-751 38 89).

Financial Practices

Companies usually prefer cash against documents. However, it is always advisable to begin a relationship with letters of credit until sufficient confidence is built up to allow better terms.

Standards

Metric system.

Import Regime

Import duties vary from 3.8% to 5.3% (see "Recent Imports/Exports"), EC and EFTA exporters enjoy tariff-free access to the market.

Protection of Technology

Application for a patent should be filed with the National Patent and Registration Office, Box 5055, S-102 42 Stockholm, Sweden. Patents are protected for a period of 17 years. New industrial designs and models for products of the manufacturing industry can be registered with the above office. The protection granted is valid for a period of five years and can be renewed for a further five-year period.

Language Requirements

English is spoken widely.

Language for Promotional Materials

It is not a major advantage to have promotional material available in the local language.

Canadian Government Initiatives and Trade Shows

The principal trade fair is ScanPack, held every three years in Gothenburg, next between October 22nd and 26th, 1991 (all exhibit space is already fully booked but ScanPack is well worth visiting by prospective entrants to this market). ScanPack is sponsored by the four Nordic packaging associations and agents from all four countries exhibit there. The majority of exhibitors are, however, Swedes. Smaller regional fairs are generally held other years in Stockholm, Malmo, etc. Many Swedish agents and buyers also visit Interpack in Dusseldorf.

CONTACT LIST:

Local Canadian Representatives

Canadian Embassy
Commercial Section
Box 16129
S-103 23 Stockholm
Sweden
Tel: +46-8-23 79 20
Fax: +46-8-24 24 91

Industry Associations

Swedish Packaging Association
(Svenska Forpackningsforeningen)
Box 5609
S-114 86 Stockholm
Sweden
Tel: +46-8-14 53 00

VI. Eastern Europe

This information is currently unavailable.

CONTACT LIST

Local Canadian Representatives

Canadian Embassy
Commercial Section
Box 10329
S-103 23 Stockholm
Sweden

Tel: +46 8 23 79 28
Fax: +46 8 23 79 28

Industry Associations

Swedish Packaging Association

(Svenska Företagsförbundet)
Box 2609
S-114 86 Stockholm
Sweden
Tel: +46 8 14 23 00

Tel: +46 8 23 79 28
Fax: +46 8 23 79 28

Detailed market research, at a price, is available through the Swedish Packaging Research Institute (Box 9, S-103 23 Stockholm, Sweden). Tel: +46 8 23 79 28. Fax: +46 8 23 79 28.

Financial Practices

Companies usually prefer cash deals. However, some companies accept letters of credit. It is recommended that you discuss this with the supplier.

Standards

Metric system

Import Rights

Import duties vary from 3.8% to 5.5% (see "Russia Imports/Exports"). EC and EFTA exporters enjoy tariff free access to the market.

Protection of Technology

Application for a patent should be filed with the National Patent and Registration Office, Box 3055, S-102 22 Stockholm, Sweden. Patents are protected for a period of 17 years. New industrial designs and models for products of the manufacturing industry can be registered with the above office. The protection granted is valid for a period of five years and can be renewed for a further five-year period.

Language Requirements

English is spoken widely.

Language for Promotional Materials

It is not a major advantage to have promotional material available in the local language.

Canadian Government Initiatives and Trade Shows

The principal trade fair is ScaPack, held every three years in Gothenburg, last between October 22nd and 26th, 1991 (all exhibit space is already fully booked but ScaPack is well worth visiting by prospective exports to this market). ScaPack is sponsored by the four Nordic packaging associations and agents from all four countries exhibit there. The majority of exhibitors are, however, Swedes. Smaller regional fairs are generally held other years in Stockholm, Malmö, etc. Many Swedish agents and buyers also visit Interpack in Düsseldorf.

VIII. Middle East

A. Country Profile: Israel

MARKET OVERVIEW:

Description

The market is a growing market and the growth rate is 10-20% per year.

Size of Market

The market for packaging and labelling equipment is estimated to be US\$ 45 million per annum.

MAJOR BUYERS:

Major Local Buyers

Major local buyers include the food processing, pharmaceuticals and cosmetics industries.

Major Types of Equipment

Demand is strongest for the following types of equipment: filling lines, capping lines, sealing lines and labelling equipment.

Key Factors in Purchasing Decisions

The key factors in purchasing decisions are price, quality, innovation, maintenance and service.

SOURCES OF SUPPLY:

Profiles of Local Manufacturers

There are very few local suppliers in Israel as the market is relatively small and most equipment is tailor-made to meet the purchasing company's needs.

Current Foreign Sources

A wide variety of equipment is being imported to supply the broad range of local requirements. The list of foreign suppliers is very large. Some of the major suppliers are: 3M, Avery, Permapack, MAF, Bealonggi, Yamato, Ihisda and Woodman. Most of the imported equipment comes from Germany, Italy, Spain and Japan.

Recent Imports/Exports

This information is currently unavailable.

BUSINESS ENVIRONMENT:

Preferred Distribution Channels

Most sales are direct sales with sales agents providing maintenance and sales engineering services.

The leading journal for advertising is the quarterly "Packaging and Design" published by Israel Centre for Packaging and Industrial Design. 2 Carlibach St., Tel Aviv 67132, Israel, Tel: 972-3-5614431, Mr. T. Ben Nun, General Manager.

Financial Practices

Standard practice is the use of the Letter of Credit (180-360 days for large equipment and 30-90 days for small equipment).

Standards

This information is currently unavailable.

Import Regime

There are no non-tariff barriers and on only one of the relevant HS codes, 8428.39 is there a tariff (10.5%) on goods originating from Canada while there is no tariff for goods originating from the U.S. or EEC countries.

Protection of Technology

Current patent protection is good and local business practices generally respect intellectual property.

Language Requirements

English is widely spoken but Hebrew is a great asset.

Language for Promotional Materials

It is not necessary to have promotional material translated into Hebrew, English is quite acceptable.

Canadian Government Initiatives and Trade Shows

The major trade fair - Israpack - is held every three years under the auspices of the world packaging organization (WPO), the next fair is Israpack 91.

CONTACT LIST:

Local Canadian Representatives

Canadian Embassy,
220 Hayarkon St
Tel Aviv 63405 Israel
Tel: 972-8272929
Fax: 972-3-5272333
Telex: 341293 CANAD IL

Industry Associations

This information is currently unavailable.

B. Country Profile: Jordan

MARKET OVERVIEW:

Description

Although Jordan's economy is currently going through an economic downturn, local industries (especially small) are being started in accordance with the government's new economic restructuring policy. Jordan's defined objective of export-led growth will depend heavily on its significant agriculture sector. While this may imply exports of fresh fruits and vegetables, an increasing interest in further processing is also developing. In addition, the pharmaceutical industry, which is the most advanced among middle eastern countries, and the phosphates and cement industries, which represent backbone of Jordan's productive economy, are all booming. On this basis, there exists good potential in the market for Canadian packaging and labelling machines provided that they have a competitive price advantage.

Size of Market

This information is currently unavailable.

MAJOR BUYERS:

Major Local Buyers

Food and dairy production and processing, pharmaceutical, phosphates and cement are currently the most developed local industries and could therefore become potential buyers of any packaging equipment applicable to their requirements.

Major Types of Equipment

This information is currently unavailable.

Key Factors in Purchasing Decisions

This information is currently unavailable.

SOURCES OF SUPPLY:

Profiles of Local Manufacturers

The local packaging and labelling equipment industry is non-existent and market demand is almost totally covered by imports. However, less sophisticated industries related to packaging and labelling such as the production of containers, boxes and tins do exist and local production covers market demand almost completely.

Current Foreign Sources

Jordan's market demand for packaging equipment is covered primarily by imports from Europe and the USA since the relatively small size of market and lack of resources and raw materials make it uneconomical to manufacture locally. Some of the most popular brands in the market are Alph Pack (Italian), Diemme Wrap (German), Haver and Booker (German), Sack Pack (Italian), Signode (USA).

Recent Imports/Exports

This information is currently unavailable.

BUSINESS ENVIRONMENT:

Preferred Distribution Channels

Normally such equipment would have local agent/distributor since the chances of direct sales in such a small market are minimal. The following are names and addresses of local Jordanian agents/distributors of packaging equipment. Canadian Manufacturers should contact listed Jordanian agents directly with brochures and information about their products and services.

Ihsan and Tahseen Baalbaki Co.
P.O. Box 2351
Amman, Jordan
FAX: 648711
TELEX: 21557 A/B Eva Jo.

QUQA Trading Co.
P.O. Box 985
Amman, Jordan
FAX 745507
TELEX 22314

Engineering Investment Co.
P.O. Box 6165
Amman, Jordan
FAX 649159

Jordan Aluminium Factories Co.
P.O. Box 5003
Amman, Jordan
FAX 791194
TELEX 21773

Financial Practices

This information is currently unavailable.

Standards

This information is currently unavailable.

Import Regime

Tariffs on all manufactured imports have recently seen large increases to protect the local manufacturing industry. Rates vary widely depending on whether the commodity is regarded as essential or not. Rates would, however, be similar for imported goods originating from any country, i.e., exporters would not be at a competitive disadvantage vis-a-vis other foreign suppliers.

Protection of Technology

This information is currently unavailable.

Language Requirements

Arabic is the official and most widely used language, however English is widely spoken in government and business circles and is the principal foreign language.

Language for Promotional Materials

If Arabic promotional material is not already available English material would be sufficient.

Canadian Government Initiatives and Trade Shows

No such plans exist at present.

One of the major trade fairs taking place in Jordan is the Amman International Trade Fair, held in October with the participation of 300 exhibitors.

CONTACT LIST:

Local Canadian Representatives

Canadian Embassy
Street Address:
Pearl of Shmeisani Building
Shmeisani,
Amman, Hashemite Kingdom of Jordan

Mailing Address:
P.O. Box 815403
Amman, Hasemite Kingdom of Jordan

Tel: (011-962-6) 666-124/5/6
Fax: (011-962-6) 689-227

Industry Associations

Another effective marketing approach is through contact with Jordanian manufacturers and exporters through the following organizations:

Amman Chamber of Industry
P.O. Box 1800 Amman, Jordan
TELEX 22079
FAX 647258

Amman Chamber of Commerce
P.O. Box 287 Amman, Jordan
TELEX 21543
FAX 666155

Jordan Trade Association
P.O. Box 830432 Amman, Jordan
TELEX 23163
FAX 685605

Jordanian Businessmens Association
P.o. Box 665
Amman, Jordan
FAX 680663

C. Country Profile: Syria

MARKET OVERVIEW:

Description

Signs of prosperity in Syria's economy are starting to appear slowly but surely. Large investments are taking place, especially in oil and gas sector, and this reflects positively upon the rest of the economy. Existing local industries are being developed and new ones are being started. Industries such as food processing, pharmaceuticals and plastics are quite advanced. Therefore, we estimate that there exists good potential in the market for Canadian packaging and labelling machines provided that they have a competitive price advantage.

Size of Market

This information is currently unavailable.

MAJOR BUYERS:

Major Local Buyers

Local industries in Syria are relatively advanced in comparison to other surrounding countries. Food and dairy production and processing, pharmaceuticals, chemicals, fibres, clothing and plastics are currently quite developed and could therefore become potential buyers of any packaging equipment applicable to their requirements.

Major Types of Equipment

This information is currently unavailable.

Key Factors in Purchasing Decisions

This information is currently unavailable.

SOURCES OF SUPPLY:

Profiles of Local Manufacturers

Syria's manufacturing potential for packaging and labelling equipment can be described as non-existent. What market demand exists is almost totally covered by imports. However, smaller industries related to packaging and labelling such as the production of containers, boxes, tins and wrappings do exist and local production covers total market demand.

Current Foreign Sources

Syria's market demand for packaging equipment is covered primarily by imports from Europe and Japan because both the relatively small size of market and existing technological abilities limit manufacturing of such equipment locally.

Recent Imports/Exports

This information is currently unavailable.

BUSINESS ENVIRONMENT:

Preferred Distribution Channels

Normally such equipment would have a local agent or distributor since chances of direct sales in such a small market are minimal. The following are names and addresses of local Syrian agents/distributors of packaging equipment. Interested Canadian manufacturers should contact these Syrian agents directly with brochures and information about their products and services:

Attar Bros Trading and Marketing
P.O. Box 2771 Damascus, Syria
Telex: 411194 SY
Attention: Mr. A.R. Attar

Arab Trading and Engineering Office
P.O. Box 4272 Damascus, Syria
Telex: 411429 SY
Attention: Mr. S. Madani

Syrian Office for Coordination and Engineering
P.O. Box 9802 Damascus, Syria
Telex: 412128 SY
Attention: Mr. A. Abu Hammad

Techno Commercial Agency
P.O. Box 2619 Damascus, Syria
Telex: 411270 SY
Attention: Mr. G. Deeb

Rifpure Company
P.O. Box 12739 Damascus, Syria
Telex: 411527 SY
Attention: Mr. S. Diab

Trading and Agriculture Co.
P.O. Box 11408 Damascus, Syria
Telex: 412430 SY
Attention: Mr. W. Habbab

Financial Practices

This information is currently unavailable.

Standards

This information is currently unavailable.

Import Regime

Although Syria previously had substantial trade barriers, its import regime is gradually being opened. Currently, the import of machinery, especially industrial, is encouraged and is relatively straightforward.

Protection of Technology

This information is currently unavailable.

Language Requirements

Arabic is the official and most widely used language, however English is widely spoken in government and business circles and is the principal foreign language.

Language for Promotional Materials

If Arabic promotional material is not already available English material would be sufficient.

Canadian Government Initiatives and Trade Shows

No such plans exist at present.

One of the major trade fairs and excellent marketing opportunities that take place annually in Syria is the Damascus International Fair (DIF) to be held in 1990 in between Aug 28 - Sept 10. DIF offers excellent marketing potential since hundreds of exhibitors meet there from all over the world. Information and brochures are available.

CONTACT LIST:

Local Canadian Representatives

Commercial Relations are managed from the Canadian Embassy in Jordan.

Canadian Embassy

Street Address:

Pearl of Shmeisani Building

Shmeisani,

Amman, Hashemite Kingdom of Jordan

Mailing Address:

P.O. Box 815403

Amman, Hasemite Kingdom of Jordan

Tel: (011-962-6) 666-124/5/6

Fax: (011-962-6) 689-227

Industry Associations

An effective marketing approach is through contact with Syrian manufacturers and exporters via the following organizations:

Damascus Chamber of Industry

P.O. Box 1305 Damascus, Syria

Telex: 411289

A/P Inchad SY

Damascus Chamber of Commerce

P.O. Box 1040

Damascus, Syria

Telex: 411326

A/B Ghurfa SY



D. Country Profile: Turkey

MARKET OVERVIEW:

Description

There is an increasing demand for packaging and labelling equipment as Turkey promotes her export industries - mainly foodstuffs and textiles. There is modest local manufacturing of packaging and labelling equipment and demand is largely met through imported high technology packaging equipment to meet export requirements.

Size of Market

This information is currently unavailable.

MAJOR BUYERS:

Major Local Buyers

Major buyers are the food processing firms which prefer dealing with local dealers with service support.

Major Types of Equipment

This information is currently unavailable.

Key Factors in Purchasing Decisions

This information is currently unavailable.

SOURCES OF SUPPLY:

Profiles of Local Manufacturers

This information is currently unavailable.

Current Foreign Sources

This information is currently unavailable.

Recent Imports/Exports

This information is currently unavailable.

BUSINESS ENVIRONMENT:

Preferred Distribution Channels

It is imperative that Canadian suppliers appoint a local agent/dealer for more effective promotion and access to the market.

Financial Practices

This information is currently unavailable.

Standards

This information is currently unavailable.

Import Regime

There are no trade barriers except customs taxes (approx. 25 percent) on imported packaging and labelling equipment.

Protection of Technology

This information is currently unavailable.

Language Requirements

This information is currently unavailable.

Language for Promotional Materials

English is widely spoken by company executives and this makes possible the use of promotional material in English.

Canadian Government Initiatives and Trade Shows

There has been no/no federal or provincial initiative in this sector during recent years.

Contact List:

Local Canadian Representatives

Canadian Embassy
Street and Mailing Address:
Nenehatun Caddesi 75,
Gaziosmanpasa, Ankara,
Republic of Turkey

Tel: (011-90-4) 136-1275
Fax: (011-90-4) 146-4437

Industry Associations

This information is currently unavailable.

IX. Asia-Pacific

A. Country Profile: Hong Kong

MARKET OVERVIEW:

Description

The Hong Kong market for packaging and labelling equipment currently has a strong demand for injection moulding, blow-moulding, strapping, taping, labelling and die cutting and weighing machinery. The majority of Hong Kong industries are light and the export of these domestically produced goods dominates the economy. Most of the 50,000 Hong Kong factories are small shops employing an average of about 16 people each.

Size of Market

In 1989, the values of Hong Kong imports of packaging and labelling machinery (including filling and bottling machinery), exceeded C\$240 million, of which at least C\$210 million was re-exported to China, the USA (weighing machinery only) and Europe (weighing machinery only).

MAJOR BUYERS:

Major Local Buyers

Major local buyers are the domestic light industrial manufacturers. There are also a good number of traders which re-export this type of machinery to China and other near-by countries.

Major Types of Equipment

All major types of equipment are in demand.

Key Factors in Purchasing Decisions

Pricing and after-sale service are the most important factors in purchasing decisions.

SOURCES OF SUPPLY:

Profiles of Local Manufacturers

The local beverage packaging industry is advanced and competes with world suppliers. Hong Kong manufactures injection moulding machinery and blow moulding machinery (computer controlled) at the world level.

Current Foreign Sources

The dominant foreign suppliers are Taiwan, Japan, Italy and China. West Germany and Britain provide the more sophisticated and advanced equipment.

Recent Imports/Exports

The Hong Kong government census and statistics department has grouped all the machinery for filling, closing, sealing, capsuling or labelling bottles, and or other containers; other packing or wrapping machinery; machinery for aerating beverages under the item code no. 745222 (CCCN Code 8419B); all the weight scales under the item code no. 745250 (CCCN Code 8420A); elevators and conveyors under item code no. 744230 (CCCN 8422C) and Flexo graphic printing machinery under item code no. 726710 (CCCN code 8435C), sewing planning and milling machines, etc.

Are merged into the individual groups, such as textiles machinery metal-working and wood-working machinery and break-down figures are not available. According to the HK Census & Statistics Department, importations of the above-mentioned packaging and labelling equipment into Hong Kong in 1989 are as follows:

- Item code No. 726710 - printing machines NES, 2710 Nos. valued at HK funds 93.5 million (Cdn dlrs 14.3 million) (main suppliers are Japan, China, Taiwan).
- Item code no. 745222 - machinery for filling, sealing, bottles etc., 12,929 Nos. valued at HK funds 207.3 million (Cdn dlrs 31.6 million main suppliers are Taiwan, Japan, West Germany, Britain and Italy).
- Item code no. 745250 - weighing machinery, 2,741,736 nos. valued at HK funds 136.6 million (Cdn dlrs 21 million) (main suppliers: China, Japan, USA, Taiwan, West Germany and Britain).
- Item code no. 744230 - elevators and conveyors, 3 nos. valued at HK funds 537,791 (Cdn dlrs 82,000)

BUSINESS ENVIRONMENT:

Preferred Distribution Channels

Most trade is conducted through agents or distributors. However, if customers are public utilities, large corporations and departments of the Hong Kong government, it may be possible to sell directly. For machinery and equipment, after-sale service is essential. Many Hong Kong agents can also provide effective distribution into the mainland Chinese market. In Hong Kong the appointment of agents is usually made on an exclusive basis, but non-exclusive agreements may be practical for some types of products.

Financial Practices

Financing arrangements are not normally required. When dealing directly with local firms payment by confirmed irrevocable letter of credit is usual until the customer becomes well known to the exporter. However, variety of credit terms are used by suppliers and their importers, especially when they have a well established relationship. Prices should be quoted CIF or C&F HK, FOB Canada prices are not generally acceptable. Canadian, Hong Kong and US dollars are acceptable currencies for quotations.

Standards

Metric System. The standard electricity supply is 200 volts (soon going to 220), single phase or three phase, 50 cycle AC.

Import Regime

Hong Kong is essentially a free port and there are no import tariffs whatsoever on importations of general merchandise including packaging and labelling equipment. All products compete on an equal footing.

Protection of Technology

Patent and copyright protection are provided by the laws of Hong Kong or by extension of United Kingdom legislation. Hong Kong does not grant patents in its own name, but does recognize British patents. Trademarks can be registered locally. Application for patent extension to cover Hong Kong must be made within a two-year eligibility period.

Language Requirements

There are two official languages for Hong Kong: English and Chinese.

Language for Promotional Materials

English is more widely used as the language for promotional materials although the Chinese language offers some advantages.

Canadian Government Initiatives and Trade Shows

Packprint Asia '90 was held at the Hong Kong convention and exhibition centre, Wanchai, Hong Kong from June 22 to 25, 1990. This trade show was organized in conjunction with Pub-print Asia '90 by Business & Industrial Trade Fairs Ltd., 28/F, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong (FAX: 8341171).

Interested Canadian manufacturers/ suppliers may wish to consider participating in its Packprint Asia '91 (the 5th international packaging and printing machinery & materials exhibition for Asia) to be held here from June 21 to 25, 1991 using the PEMD in order to expose their expertise in this market.

Canadian firms may send at least six sets of descriptive brochures and best export prices based on C & F Hong Kong to the Canadian Mission in Hong Kong for market investigation purposes.

CONTACT LIST:

Local Canadian Representatives

Commission for Canada
Street Address:
13th Floor, Tower 1
Exchange Square,
8 Connaught Place,
Hong Kong, Hong Kong

Mailing Address:
G.P.O. 11142
Hong Kong, Hong Kong
Tel: (011-852) 5-847-7414
(General-Commercial)

Industry Associations

This information is currently unavailable.

B. Country Profile: Japan

MARKET OVERVIEW:

Description

The Japanese market for imported packaging equipment has gradually evolved from one focussing on packaging for western-style speciality products such as chocolate bars to one serving the growing convenience-driven packaged goods market where performance and price are becoming increasingly important.

With the absence of formal trade barriers - import duties have been removed and North American and Japanese standards are compatible - and a willingness on behalf of the Japanese to do business with Canadian suppliers, successful penetration of the Japanese packaging equipment market comes down to two basic factors: the right type of machine and the right partner.

Machines that are currently unavailable on the Japanese market or that are faster, more durable and less expensive than domestic counterparts offer the greatest opportunities. Since American-made machinery is highly regarded in Japan, Canadian manufacturers should concentrate on imports that have already been accepted in the market.

In addition, equipment that has been successful in Europe offers even stronger prospects in Japan. The greatest opportunities for Canadian manufacturers lie in the area of specialized or customized machinery and, in particular, handling, filling, cartoning and labelling equipment. Opportunities for less specialized packing, cartoning and filling machines depend more upon price.

MAJOR BUYERS:

Major Local Buyers

The majority of packaging machinery is used by the food, pharmaceutical and consumer products industries, whose market shares are 55 per cent, 20 per cent and 25 per cent, respectively. It should be noted that the consumer products category includes fresh food packaged in central distribution centres. Fifteen per cent of all packaging machinery destined for the consumer products industry is channelled to these fresh food distribution centres.

Packaged food industry. The significant variation in shape, size and design of packaging for the food industry has resulted in highly specialized packaging machinery which, in turn, explains the large proportion of small to medium-sized domestic packaging machinery manufacturers serving the industry. Due to the comparatively short shelf life of food products - Japanese consumers tend to base food purchases on the packaging rather than expiration date of the product - domestic food processors are faced with producing an extensive variety of products in small lots. Consequently, the packaging machinery they acquire must adapt to such conditions. In the confectionery industry, for example, these market conditions have led to strong reliance on imported packaging machinery.

Pharmaceutical industry. The pharmaceutical industry accounts for approximately 20 per cent of all packaging machines used in Japan. More than half of them are imported from Europe and the United States. Imports include Bosch of West Germany, Norden of Sweden and Mazzoni, Akuma and CAM of Italy. Although pharmaceutical packaging is generally universal in size and shape, nonetheless, users normally purchase customized packaging machines directly from a manufacturer with which they have long-established ties.

Consumer products industry. The consumer products industry lays claim to 25 per cent of all packaging machinery, the majority of which is used in central distribution centres of department stores and super-market chain stores for packaging fresh and prepared foods. The rapid growth of convenience stores throughout Japan has resulted in a drive to reduce high distribution costs through development of centralized distribution centres. It is anticipated that other industries will also adopt this practice, thereby increasing the demand for packaging machinery.

Major Types of Equipment

This information is currently unavailable.

Key Factors in Purchasing Decisions

This information is currently unavailable.

SOURCES OF SUPPLY:

Profile of Local Manufacturers

This information is currently available from department on request (613-992-7722).

Current Foreign Sources

This information is currently unavailable.

Recent Imports/Exports

As Japan diversifies its food consumption habits and opts for increasing varieties of western-style convenience foods, it is expected that the demand for imported packaging equipment will grow. Imports have steadily increased over the last several years - in 1988, imports of packaging machinery reached Y 13 000 million, nearly doubling the 1983 level - and this growth is expected to continue at least until 1991.

Close to 90 per cent of all imports originate in Europe. Typically, these are niche-market machines that do not compete directly with domestic equipment. Examples include American-made "hot-melt" carton sealing equipment, which takes almost a 100 per cent market share, Sweden's tetra pak and SIG's chocolate-cartoning machine. In each case, the equipment was unique to the market or was introduced early in the industry's development.

Exceptions include machines that perform better than domestic equipment currently available. An example is the Italian CAM cartoning machine imported by Mutual Corporation. It has a comfortable market position because of its unmatched speed, durability, compactness and low price.

Domestic Manufacturing

According to the Japan packaging machinery Manufacturer's Association, the industry consisted of 423 domestic manufacturers in 1988. Over 250 of these companies employed less than 50 workers and together they claimed a 61 per cent market share. Only 44 firms employed more than 300 workers and together recorded a market share of 10 per cent. However, the larger firms accounted for close to 40 per cent of total production, while those employing less than 50 workers recorded a 19 per cent share of total production.

Principal segments of the industry include packaging equipment, pouch packaging machinery, wrapping machinery, cartoning machines, vacuum packaging machinery, shrink packaging machinery, canning machinery and bottle filling machines.

BUSINESS ENVIRONMENT:

Preferred Distribution Channels

Packaging machinery is normally imported by either domestic manufacturers seeking to complete their product line or by import houses. The latter include both the large general trading companies (sogo shosha) and specialized smaller companies that also act as distributors.

A significant number of domestic manufacturers currently offer imported machines as part of an existing system. Several domestic pharmaceutical packaging machinery manufacturers, for example, import filling machines as a system core. This permits expansion or enhancement through the use of domestic machinery or other units specified by end users. The strength of the yen has bolstered this practice which has gained momentum over the last three years and is expected to continue as Japan adopts measures to relieve friction with its trading partners.

As partners, manufacturers have a number of advantages over importers. Most importantly, they offer after-sales service and maintain and operate service networks unmatched by trading houses and general sales representatives. They are also capable of in-house production of replacement parts for imported machinery, thus limiting the need for large inventories - a practice that leads to reduced overheads.

Packaging machinery manufacturers are already well-positioned with an established clientele in specific sectors such as the food and pharmaceutical industries. However, this could prove to be a disadvantage as it may limit market exposure for equipment with wide-range applications.

Most domestic manufacturers use sogo shosha as a go-between to handle import and shipping procedures. However, in recent years, several domestic manufacturers have begun to import equipment directly from the foreign manufacturers, thus eliminating the need for sogo shosha altogether.

Since importer-distributors are considered second only to domestic manufacturers in terms of after-sales support and overall quality of service, they are considered advantageous partners to import packaging equipment to Japan. Generally, they have well-established customer bases in a wide variety of industry sectors and, therefore, can represent packaging equipment with extensive applications to a wider range of prospective buyers. However, like sogo shosha, they fall short in the areas of promotion and technology protection.

Because Sogo shosha's do little product promotion and offer little after-sales service, these general trading companies are known as little more than licence collectors. Although there are some very capable sogo shosha, great care should be taken in their selection. It is often better to tie up with a manufacturer and use a sogo shosha as a go-between to perform specific rather than a full range of services.

Financial Practices

Average mark-ups range from 10 to 20 per cent at each level. Prices for domestic or imported machines (with no customizing and purchased off the rack) are filling machines: Y50 - Y100 million; overwrapping machines: Y20 million; board casers: Y20 million; and pouch packaging: Y10 million.

Protection of Technology

Generally, patents are not considered sufficient protection for new packaging machinery technology in Japan. On average, it takes competitors six months to implement new technology once it has been introduced. Therefore, the best way to protect equipment-related technology is to secure carefully outlined agreements and maintain a strong business relationship with partner(s). Being first in the marketplace or recognized as the original manufacturer, as well as establishing a reputation for product quality and innovation is considered more effective in protecting new technology than patents.

While in theory transfer of technology is one way to deal with the issue of technology protection, in reality it is difficult to achieve, as many manufacturers find it difficult to assess value using this manner of trade. Industry sources agree that there are very few basic patents remaining for packaging machinery and foresee no immediate change in the situation.

Standards

North American equipment entering the Japanese market requires very little modification as Japan Industry Standards (JIS) are modelled after North American and European standards. There are, however, voltage considerations. Japan runs on 200 volts with a hertz difference of 50 cycles north and 60 cycles south of the Fujigawa River. Japan's relatively high humidity, which affects not only machinery but also end products, can rust equipment and cause poor adhesion in packaging.

Tariff and Non-Tariff Barriers

As of April 1, 1990, import duties on packaging machinery were lifted. However, certain replacement parts, including electrical parts, are still subject to import duties.

There are no specific regulations governing the use of safety labels on foreign machinery. However, the manufacturers normally translate the labels for the end user. The advent of symbols is now making translation unnecessary.

No special permits or licences are required when importing packaging machinery. Customs clearance normally takes one to two weeks.

Price

When purchasing standardized packaging machinery, end users tend to consider price over performance, after-sales service or customized extras. Upper-end specialty machines, however, are priced according to their features. Therefore, Canadian manufacturers should concentrate their efforts on larger volume packagers in need of custom-designed or highly specialized equipment.

Delivery

One principal disadvantage Canadian exporters face is delivery time. Most industrial end users expect delivery and installation of a customized system within six months of the initial order. Siber Kikai K.K., the top chocolate bar packaging equipment supplier, generally requires nine months to design, manufacture and install such a system. The company allows three months each for planning and design, for manufacturing, and for delivery and installation.

After-sales service

Purchasers of packaging machinery assign great importance to after-sales service and maintenance. It is in this area that domestic producers have a distinct advantage over foreign suppliers. Since domestic suppliers service products locally and have replacement parts readily available, they can normally respond to service calls within 24 hours. As well, several major domestic manufacturers deploy maintenance staff in their customer's facility, thereby assuring prompt service. For Canadian exporters, the 24-hour response time is difficult to match and maintaining staff on site is not, in most cases, economically feasible. It should also be noted that large industrial users are generally capable of servicing their own equipment and, therefore, are preferred over small-scale users who tend to call whenever the slightest problem arises.

Quality

One of the key factors in selecting packaging equipment - quality - encompasses performance, durability, adaptability and ease of operation. According to industry sources, imported packaging machines have an

advantage over domestic equipment when it comes to the quality of materials used in their manufacture. Imported machines normally last between 10 to 15 years, while the life of domestic equipment is estimated at between 5 and 10 years.

Versatility

Users generally prefer machines that adapt easily to existing machine systems or are capable of expansion through incorporation of additional options. Versatility includes the ability to handle various packaging sizes and to be multi-functional.

Speed and compactness

Unlike smaller operations that tend to sacrifice speed for price, speed is an important consideration for larger packagers. In Japan, where space is at a premium, a machine's value is enhanced if it requires less space to perform the same function as a larger machine.

Ease of operation

Ease of operation ranks high on the end user's list of considerations. Labour shortage in Japan has forced domestic manufacturers to use part-time/unskilled workers and they are therefore always on the look out for labour-saving equipment that will also handle physically demanding tasks.

Training

Many in the industry consider training sessions for importers and end users a must. Employees of Nakamura Sangyo, importers of Stephan packaging and food processing equipment, are invited for training sessions at Stephan's main plant in West Germany every two years. By making the rounds with Stephan's sales force and attending training courses to better understand the machines they handle, Nakamura staff are better able to respond to the needs of Stephan machinery users in Japan. Exporters must also be prepared to provide marketing support such as regular technical and sales visits and a systemized method of ordering parts. Training sessions and support services go a long way toward ensuring closer rapport between manufacturer and importer.

Trade shows

CHUBU PACK

Packaging and food machinery, packaging materials and related materials.

Frequency/Month: Bi-annually/April (1992)

Location: Nagoya International Exhibition Hall

Contact: Central Japan Packaging and Food Machinery Builders' Association
2-14-10 Kameshima

Nakamura-ku

Nagoya 453

Tel: 052-452-3162

Fax: 052-452-7752

Japan Pack

Packaging machinery.

Frequency/Month: Bi-annually/October (1991)

Location: Tokyo International Fair Grounds

Contact: Japan Packaging Machinery Manufacturers' Association

No. 2 Nano Building

2-20-1 Nishi-Shimbashi

Tokyo 105

Tel: 03-437-0883

Fax: 03-433-7616

Tokyo Pack

Frequency/Month: Bi-annually/October (1992)

Location: Tokyo International Fair Grounds

Contact: Japan Packaging Institute

Honshu Building

5-12-8 Ginza, Chuo-ku

Tokyo 104

Tel: 03-543-2641

Fax: 03-545-6592

CONTACT LIST:

Local Canadian Representatives

Canadian Embassy

7-3-38 Akasaka

Minato-ku

Tokyo 107, Japan

Tel: (011-81-3) 408-2101

Fax: (011-8-3) 479-5320/470-7280

C. Country Profile: New Zealand

MARKET OVERVIEW:

Description

This country's market will always be modest but there is a potential there for Canada to achieve sales provided that local companies can be made aware of the type of equipment being manufactured. Most equipment is supplied from overseas with a limited supply of locally produced equipment.

Size of Market

This information is currently unavailable.

MAJOR BUYERS:

Major Local Buyers

Many of the companies are locally owned. There is an increase in overseas owned companies but most leave the local operation to function on its own.

Major Types of Equipment

This information is currently unavailable.

Key Factors in Purchasing Decisions

This information is currently unavailable.

SOURCES OF SUPPLY:

Profiles of Local Manufacturers

This information is currently unavailable.

Current Foreign Sources

This information is currently unavailable.

Recent Imports/Exports

This information is currently unavailable.

BUSINESS ENVIRONMENT:

Preferred Distribution Channels

This information is currently unavailable.

Financial Practices

This information is currently unavailable.

Standards

This information is currently unavailable.

Import Regime

HS Codes

8422.20	Preferential tariff rates
8422.30	Preferential tariff rates
8422.40	Preferential tariff rates
8423.30	Preferential tariff rates
8428.39	Preferential tariff rates
8443.30	Preferential tariff rates
8465.92	Preferential tariff rates

Most rates will fall from
present approximate 15.5%
to 13.5% by 1992.

8452.21 No Tariff barriers

Protection of Technology

This information is currently unavailable.

Language Requirements

English

Language for Promotional Materials

English

Canadian Government Initiatives and Trade Shows

Trade Fairs - Foodtech '90, Matpac '92

CONTACT LIST:

Local Canadian Representatives

Canadian High Commission
Street Address:
ICI House, 4th Floor
67 Molesworth Street
Wellington, New Zealand

Mailing Address:
P.O. Box 12-049
Wellington, New Zealand

Tel: (011-64-4) 739-577
Fax: (011-64-4) 712-082

Industry Associations

D. Country Profile: South Korea

Market Overview

South Korea has a medium sized and rapidly growing economy which supports a large number of manufacturing and food processing firms. The market for packaging and labelling equipment is currently estimated at \$300 million and is forecasted to grow at 10% per annum over the next decade. There are a substantial number of local equipment manufacturers, mostly small to medium sized.

Major Buyers

Buyers for packaging and labelling equipment range across the whole spectrum of manufacturing. Given the rapid rate of growth for the South Korean economy overall, strong demand is anticipated in all sectors in the medium term. Major buyers would be companies in the food, pharmaceutical and cosmetics industries.

Sources of Supply

There are approximately 100 domestic manufacturers. Most are small to medium sized firms. The smaller firms appear to be more competitive than large corporations due to the nature of this business. They are, however, weak in terms of capital and technology. While almost all kinds of packaging equipment are being locally produced, many are manufactured under technology licensing arrangements with foreign suppliers (mostly Japanese). The types of equipment produced domestically cover virtually the full range of packaging related equipment including automatic shrink wrapping machines, cartoning machines, vacuum and blister machines, band sealers, automatic strapping/taping machines, filling and capping machines, labelling machines, case packers, bottles washers, ink jet printers, auto weighters, etc.

Major exporters to this market, in order of precedence, are the USA, Germany, Italy and Sweden. Foreign suppliers often succeed in competing with domestic suppliers in spite of higher prices on account of their higher quality and capacity. One hundred and eighteen million dollars worth of equipment was imported in 1989, a substantial increase over 1988. (Filling Equip. \$24 million; bottle cleaning/drying 10 million; other packing/wrapping 46 million).

Business Environment

Distribution channels

An effective local agent is essential to penetrate the Korean market. Attempting to introduce one's product without a local agent normally ends with little or no success. The agent should have the capability to market and provide a considerable portion of after sales service for imported product lines.

Financial practices

Sales of equipment together with financing arrangements are not normally required. Buyers usually look after funds themselves. Two to three months private bonds (deferred payment) are common as payment of purchase for domestic contracts but at sight letters of credit are most common for international contracts.

Standards

Metric system.

Import regime

Import duty is 13%. There are no non-tariff barriers as this equipment is an automatic approval item (AA in South Korea nomenclature). Japanese equipment is currently restricted but parts and components are still imported under licensing arrangements.

Protection of technology

Patents do not sufficiently ensure long-term technology protection in South Korea. Building a strong relationship with local buyers and negotiating a carefully outlined agreement can guard against copy infringements.

Language Requirements

English is not widely spoken and promotional material in the local language is a major advantage.

Current Canadian government initiatives and major trade shows

In conjunction with your agent, the packaging industry trade show "Seoul Pack" can be effective in establishing a presence in the market. The organizer is the Korea Trade Promotion Corporation (Exhibition Department, C.P.O. Box 1621, Seoul, phone: 551-4412, FAX 551-4477). Seoul Pack 89 had 63 domestic and 55 foreign exhibitors and 200,000 visitors over five years.

Other relevant information

Two publications specialize in the industry and are distributed to clients:

- The "Monthly Packaging Industry", published monthly by Packaging Industry Ltd. (Rm. 501, Young Han Building, 35-1, 1 KA, Pil Dong, Chung Ku, Seoul, phone: 279-2142, FAX 278-3519); and
- "Packaging Engineering", published bimonthly by Korea Design and Packaging Centre, 128, Yunkun Dong, Chongno Ku, Seoul, phone: 762-9461.

Contact List

Canadian Representative

Canadian Embassy
10th Floor
Kolon Building
45 Mugyo-Dong
Jung-Ku
Seoul 100-170
Republic of Korea

Industry associations

There is no industry association established particularly for packaging and labelling equipment. The Korea Association of Machinery Industry (KOAMI) represents the interest of whole spectrum of local machinery manufacturers, and packaging equipment is included as well. KOAMI's address is: 13-31, Yoido-Dong, Yongdeungpo-Ku, Seoul, Tel: 780-3611, FAX: 784-6749.

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