

**INDIAN PRINT INDUSTRY –
AN OVERVIEW
SPECIAL EMPHASIS ON
PACKAGING**

By

B. S. KAMPANI

TOYO INK INDIA

INDIA- Land of Dreams & Diversity

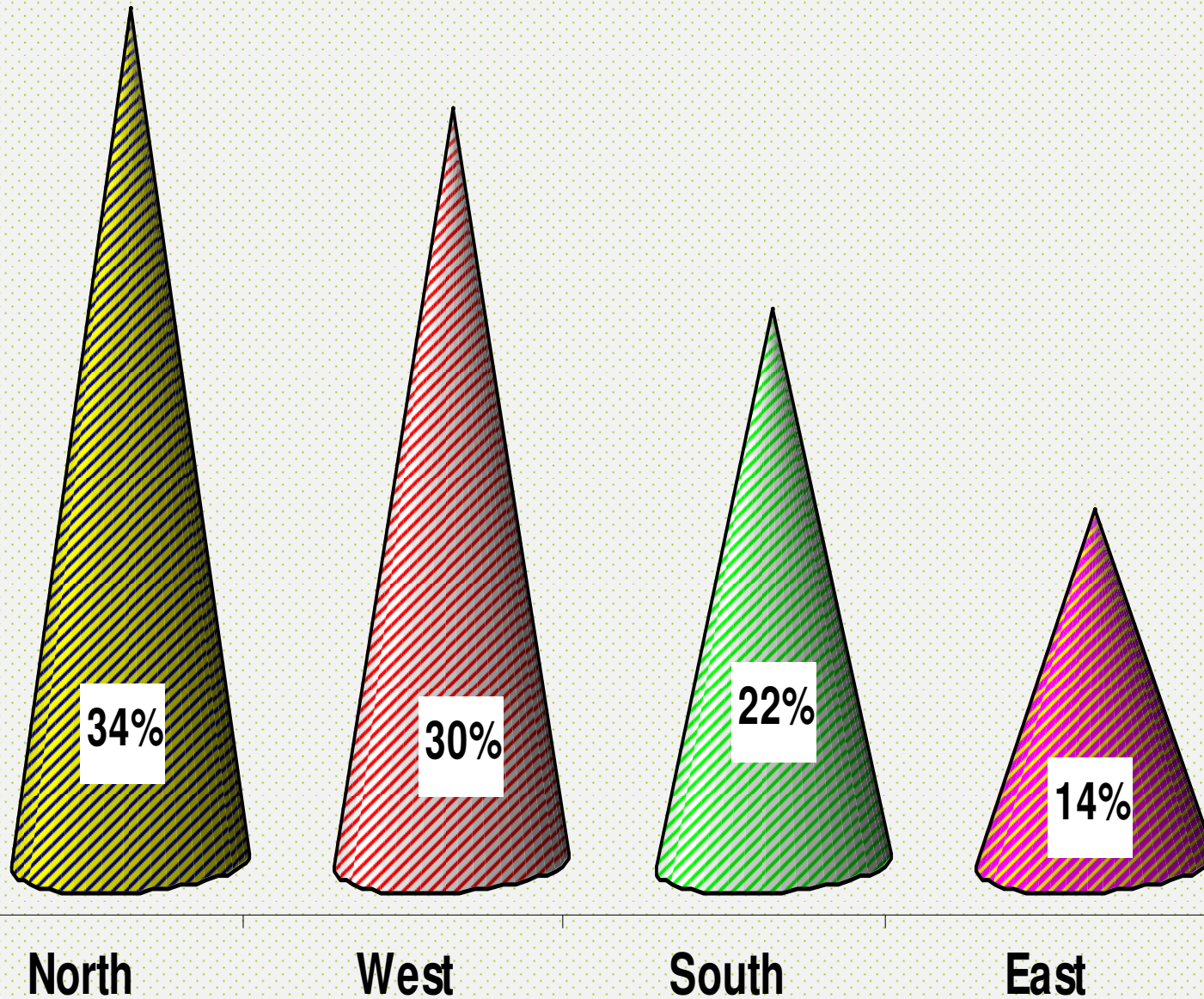
India in the last few yrs of globalization & WTO making inroads into the country's complicated tax laws, infrastructure & import barriers – suddenly there seems to be huge potential for quality internal consumption.

The fact that there are signs of volume growth; unit manufacturing cost would be low. Thereby, It would become an alternate, economical, and quality exporter to the developed countries.

Out of three components of manufacturing business viz. Man, Machine & Money; Man holds the key to success

30.8% of the Indian population is under the age of 15 yrs, representing over 368 mn people

ALL INDIA BREAK UP OF PRINTING POTENTIAL BY VALUE



INDIAN PRINTING INDUSTRY

- The important observation in the printing ink industry is that though the volume & value are increasing by 10-15 %, the average price over the years does not seem to be increasing.
- This indicates that the growth potential is coming from the C & B print quality segments of the market.
- The average price per kg of inks in India is significantly lower than that of developed markets.
- This confirms that the consumption of printing inks in India is influenced by the C & B print segments.

The Indian Print business is Rs. 16,000/- million US \$ industry, of which Rs. 280/- million US \$ is the Printing Ink segment.

Contd....

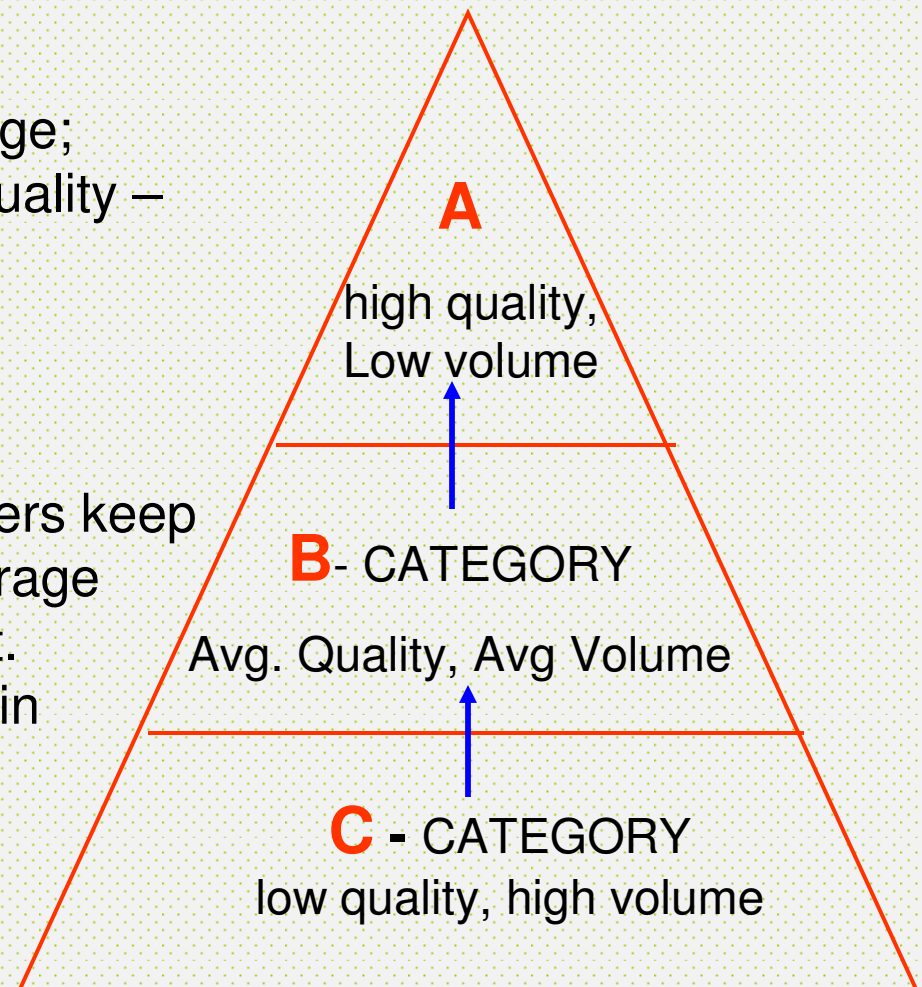
INDIAN PRINTING INDUSTRY

- India, in the next 5 years is on the path of upgrading its benchmark of quality because of the digital technology revolution in pre-press, press and post-press.
- This would ensure keeping in tune to consumer's preference for quality for an ultimate handshake of the printed product locally - globally.
- This could lead to a value growth in the range of 20 -25% against the volume growth of 12 -15%.
- This decision to support quality up gradation needs to be taken at the level of print buyers & consumers, as the pressure on printing ink manufacturers is very high to reduce prices at the cost of quality.
- In other words, while we have prospered in the growth segment; we still need to upgrade ourselves from C to B and B to A quality segment.

Contd....

INDIAN PRINTING INDUSTRY – GROWTH PATH

- The price & value growth would be high, the consumption level in volume terms could also be high.
- Owing to, better yield & lower wastage; leading to global benchmarking of quality – environmentally safe and efficient manufacturing standards, etc.....
- The quality expectations of the printers keep on increasing, leading to higher average prices & better contributions to profit. Thereby, assuring good investment in research 'n' development.



INDIAN PRINTING INDUSTRY COMPONENT - PUBLICATIONS

- Out of world's 100 largest newspapers India holds 17 newspapers
- Rise in population & literacy would ensure the continued growth of the newspaper industry
- Huge scope for growth - with 258 million literate adults in India, who don't read any publication
- With increased number of publications; readers are exercising choices; leading to increased habit of reading 2 newspapers among current readers.

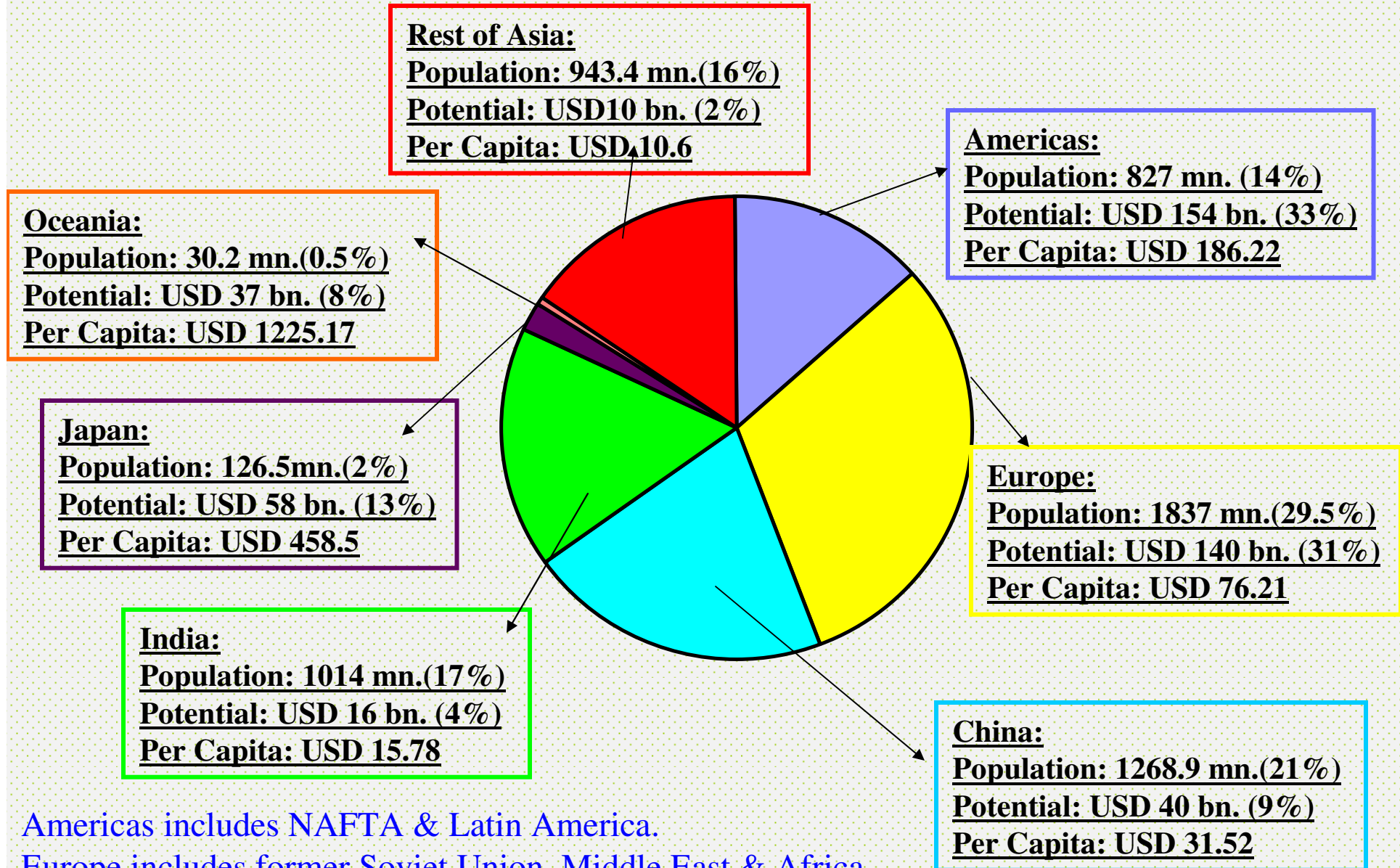
VALUE FOR MONEY –

To woo & retain more 'n' more readers, publication are

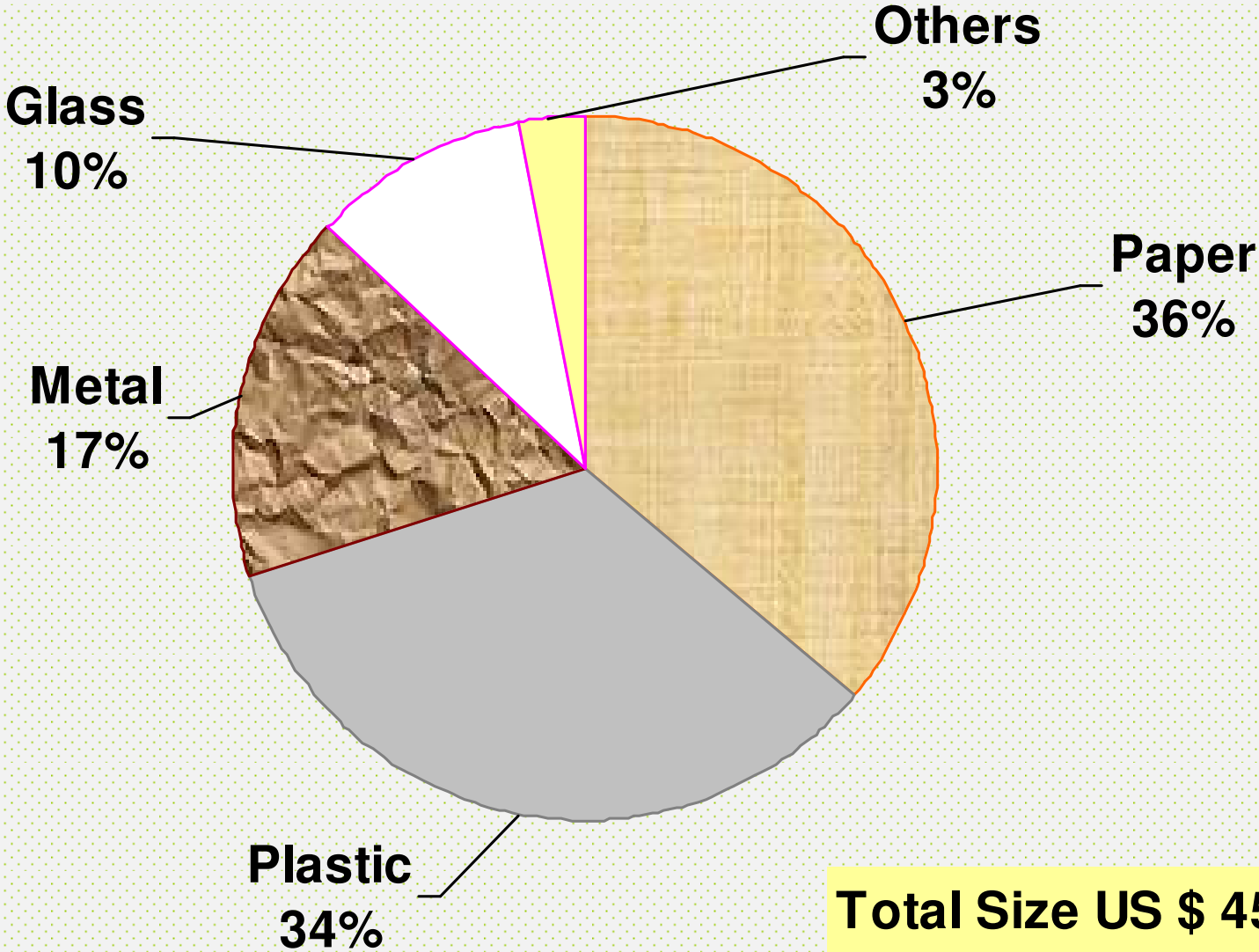
- increasing the number of pages through supplements
- the quality of the pages & printing inks used, no. of colour pages is also on the rise.

WORLD PACKAGING INDUSTRY - REGIONWISE

Population: 6046 mn; Per Capita : USD 75.25; Total Value: USD 455 Billion



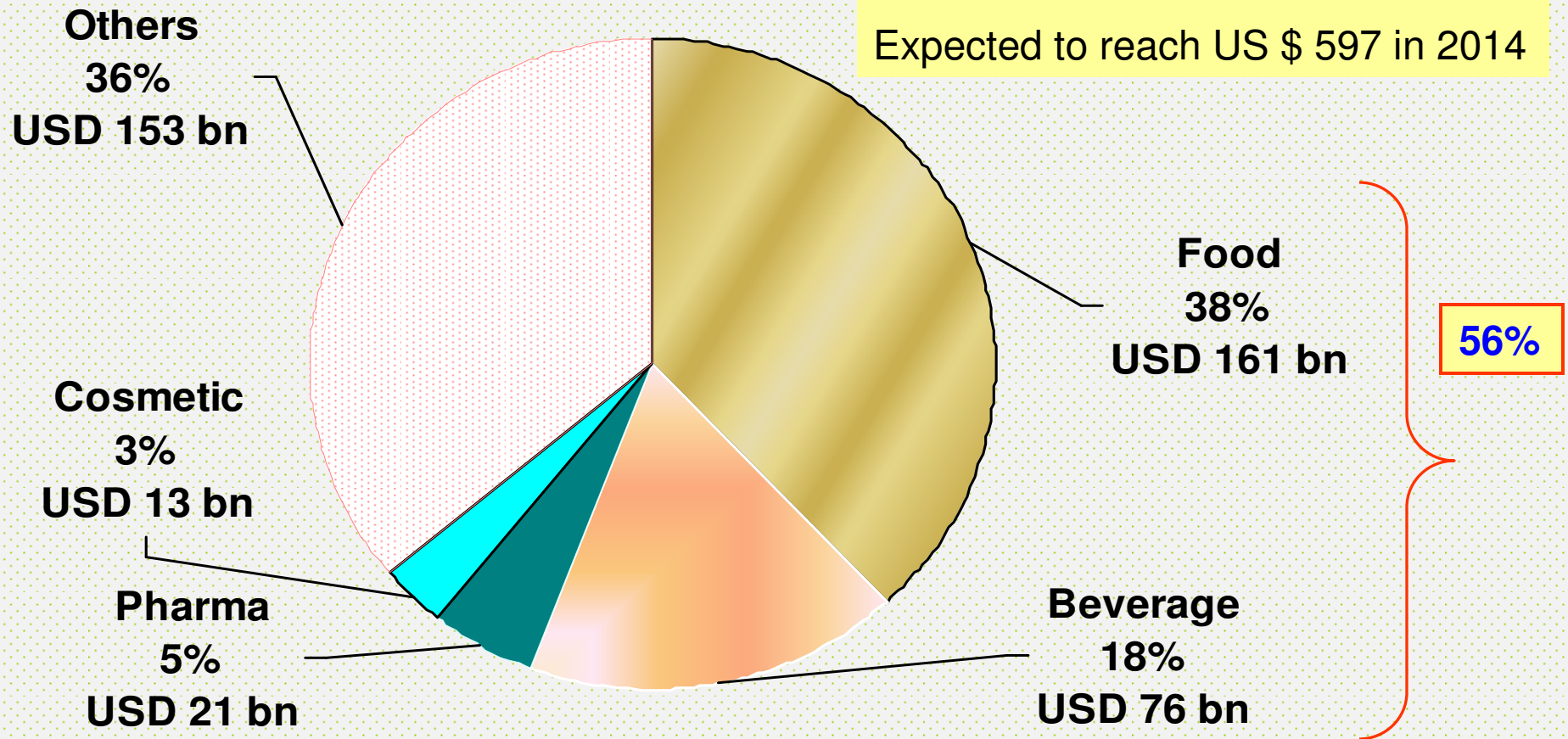
GLOBAL PACKAGING INDUSTRY – Packaging Material break down



GLOBAL PACKAGING INDUSTRY – Sector break down

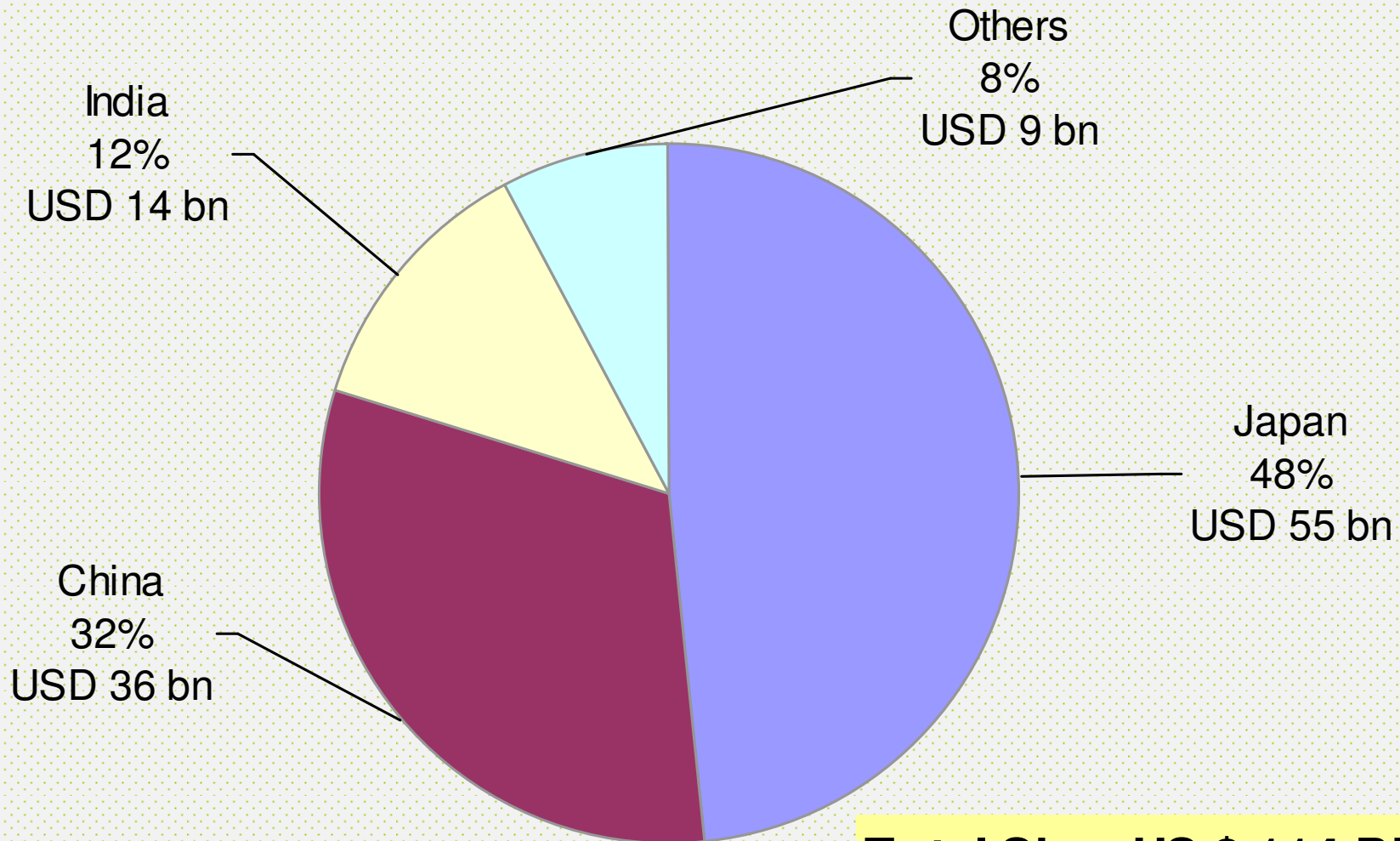
Total Size in 2004 US \$ 455 Bn.

Expected to reach US \$ 597 in 2014



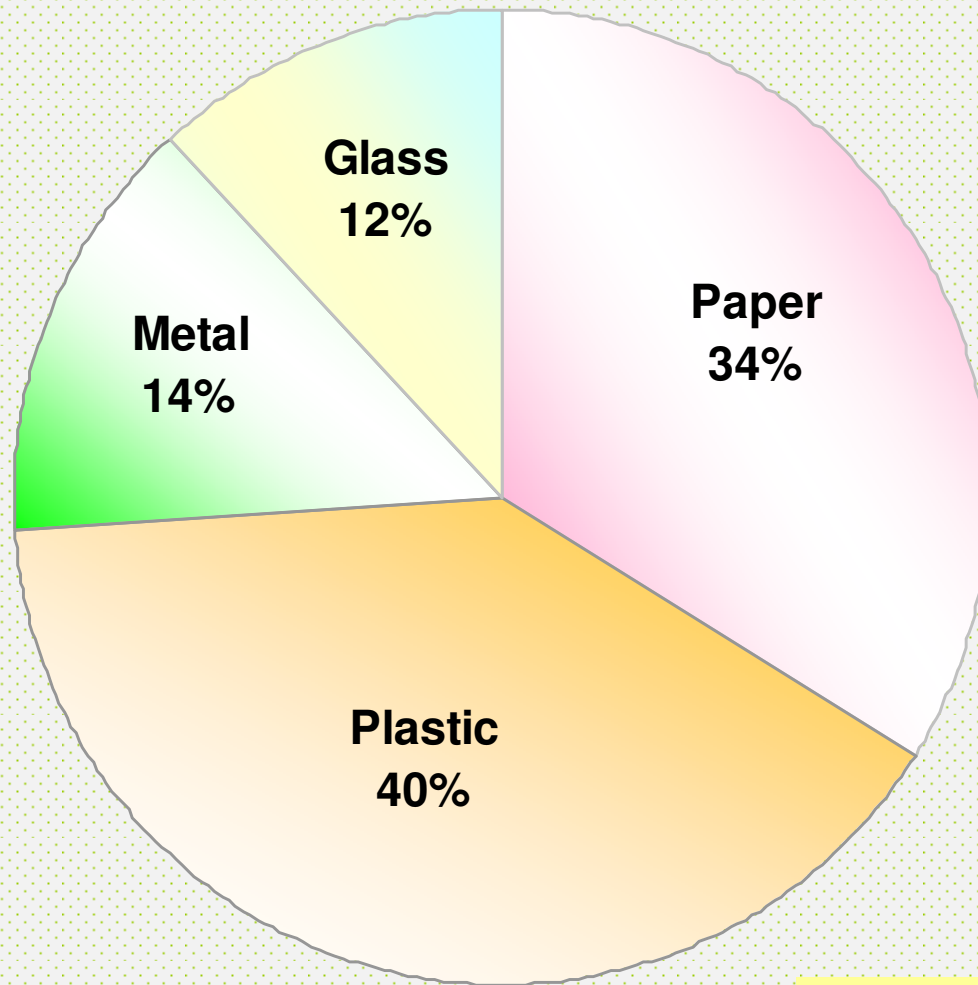
With growth getting tapered off in developed economies like EU, US & Japan, the developing economies like India, China, Brazil etc hold the key for future growth drivers.

ASIAN PACKAGING INDUSTRY – Geographical break down



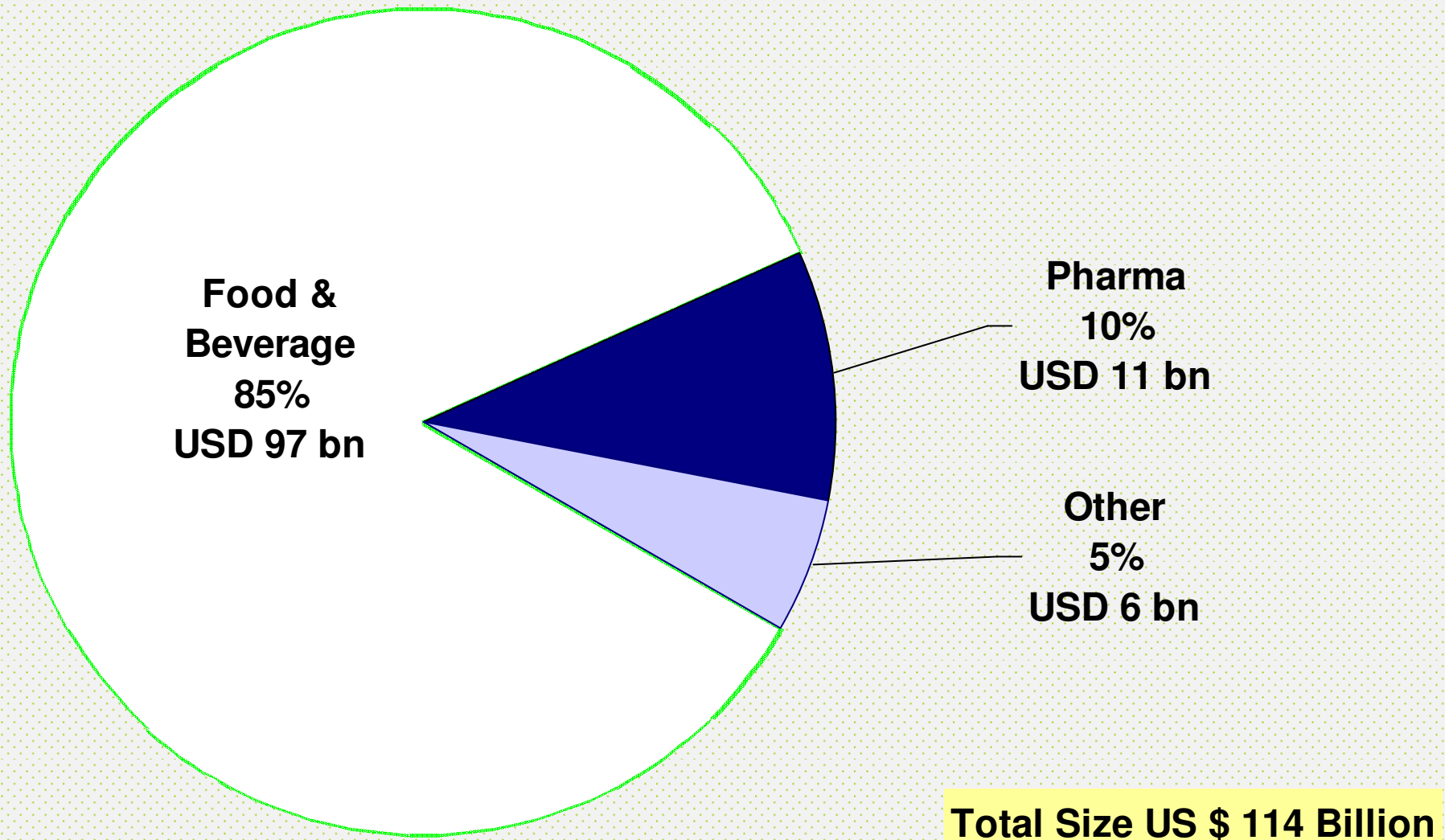
Total Size- US \$ 114 Billion

ASIAN PACKAGING INDUSTRY – Packaging Material break down



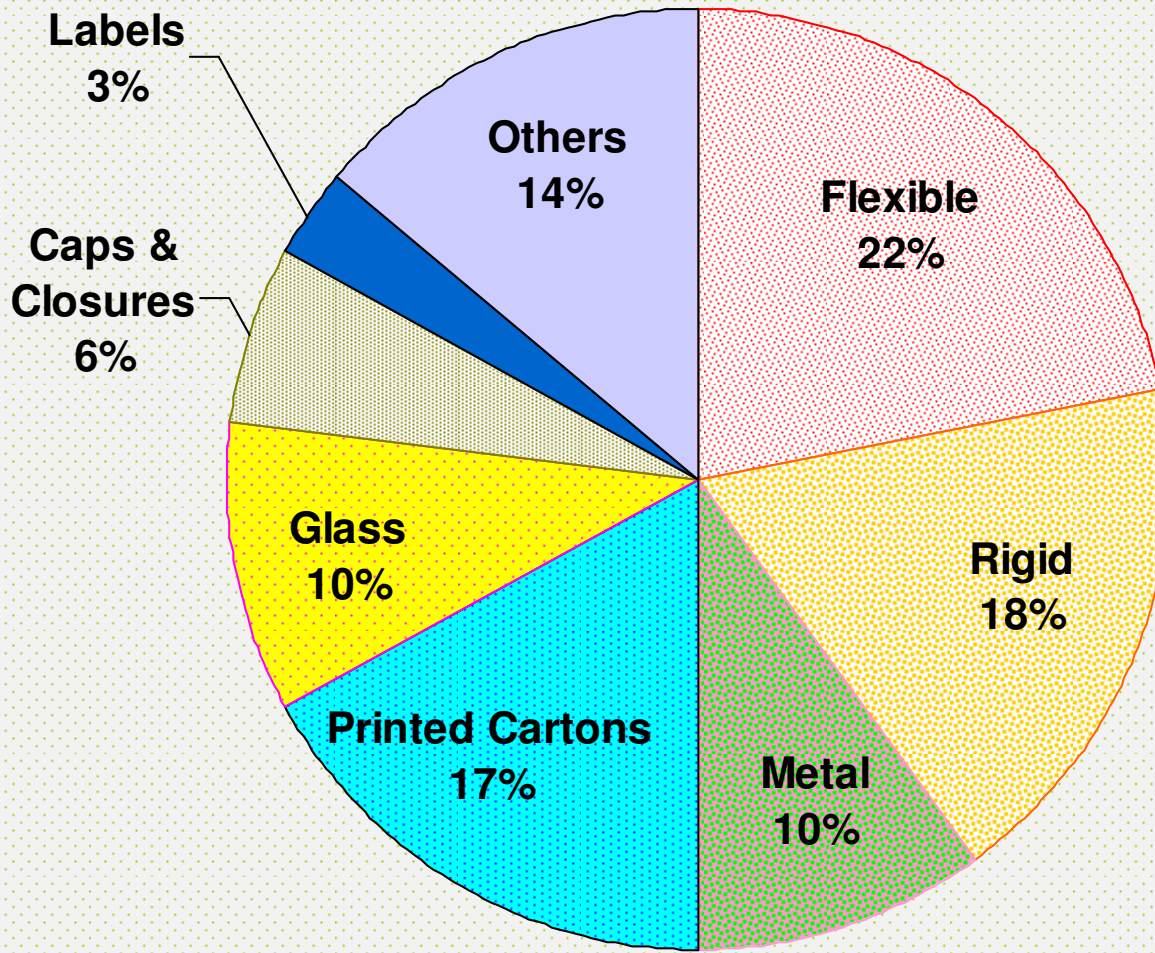
Total Size US \$ 114 Billion

ASIAN PACKAGING INDUSTRY – Sector break down



Total Size US \$ 114 Billion

INDIAN PACKAGING INDUSTRY – Packaging Material break down



NO. OF PLAYERS

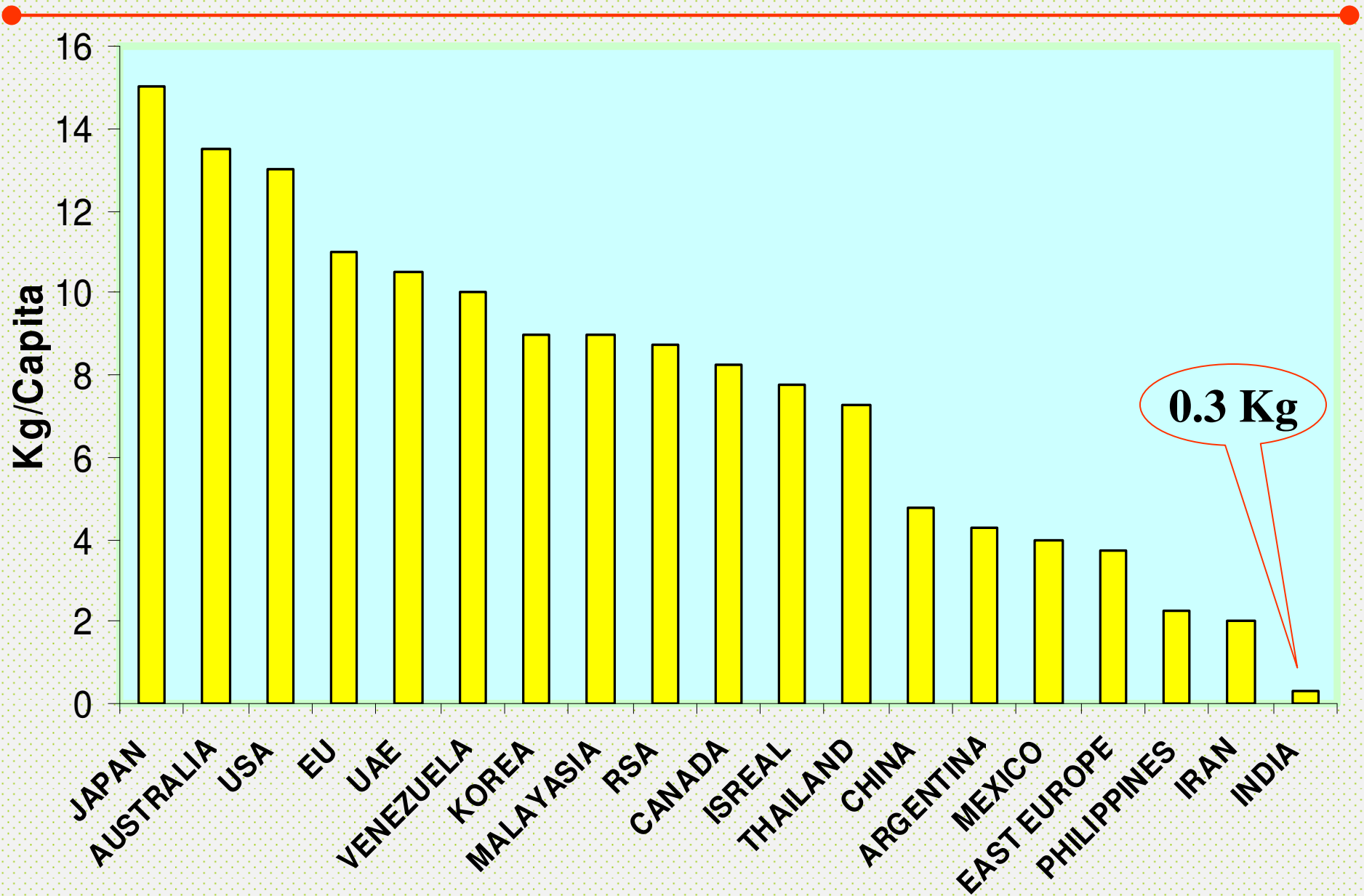
LARGE -	40
MEDIUM -	7,000
ORGANISED- SMALL SCALE	4,50,000

POTENTIAL FOR PACKAGING INDUSTRY

	WORLD RANKING	Mn. TONS
EDIBLE OIL	3	7
MILK	1	90
FRUITS	2	47
VEGETABLES	2	90
SUGAR	1	12
FOOD GRAINS		216

FOOD PROCESSING	
INDIA	2%
USA	70%
BRAZIL	70%
THAILAND	30%
MALAYASIA	83%

GLOBAL PACKAGING CONSUMPTION



WORLD STAR AWARD WINNERS

Year	2005	2006	2007
India	3	11	9
Germany	8	16	13
Japan	8	11	14
Singapore	-	1	-
UK	2	9	6
USA	3	7	14

ASIA STAR AWARD WINNERS

Year	2005	2006	2007
India	11	22	-
Japan	9	7	12
Singapore	14	15	16
Sri Lanka	11	5	5
Thailand	11	9	23

INDIAN PRINTING INDUSTRY

Despite stiff competition globally and locally, growth of Printing Industry is sure owing to;

- Increase in disposable income
- Desire to better the standard of living
- Opening of new retails outlets & spaces
- availability of International brands
- Access to ever increasing number of brands across all categories

Forcing Companies to increase Media Ad spend (across different channels- out door media, On air, Publications, etc...) to capture consumers' eyeballs, arrest their attention; hoping for mind space leading to brand recall translating into purchase.

But....

PRESSURES ON PRINT

Battling for a place in the media mix, like;

- Electronic media
- Rush and time pressure
- Natural “preference for print” eroding – TV viewing time, Internet, etc..
- Combine traditional advantages with new flexibility, speed, quality.

TECHNOLOGY DRIVING MAJOR TRENDS

- Faster turnaround
- Shorter runs
- No more “buy and store”
- And of course...less cost!
- Low inventory levels

DISCONTINUITIES

- Modernizing nations abandon old pattern of incremental improvements.
- Modernize all at once
- Requires a thriving economy and sound competitive strategy
- India has it all...results beginning to show

FOOD FOR THOUGHT

- 6-8 color machines
- Print both sides in one pass
- Faster sheetfed runs and inroads into web business
- Depends on fast-drying, non-smearing ink
- Ink must also remain easily workable

DISCUSSION

THANK YOU