

## Exploring international connections - the PPMA reaches for the skies

Gulfood, which took place in Dubai at the end of February, is now one of the most important exhibitions in the food and food manufacturing calendar. The 2008 event was the 13th in the series and grew by 20% to 60,000m<sup>2</sup> compared with the 2007 show.

The exhibition already fills the Dubai International Convention and Exhibition Centre and on its completion in 2011 will move to the new Exhibition City being constructed close to the international airport.

Some 86% of exhibitors come from outside the United Arab Emirates (UAE) and with 2,500 companies from 72 countries taking part, the importance of the market is clear.

New national pavilions were in evidence from as far away as Ecuador, Uruguay and Malawi. The UK had three separate but co-ordinated pavilions organised by Food From Britain, the Catering Equipment Suppliers Association and the PPMA. Additionally a joint network buffet was held at the British Consulate during the show.

### More than 39,000 visitors attended Gulfood.

Dedicated halls for Processing, Packaging & Labelling (PPL) and Beverages & Beverage Equipment were featured. The PPMA Pavilion had six exhibiting companies and all recorded an excellent level of enquiries; one exhibitor sold all the machines on the stand. The association has successfully negotiated a larger area in the same position in PPL for 2009 (Feb 23-26) as a direct result of increased levels of interest from members.



Dubai and Abu Dhabi account for 80% of the foodservice demands of the seven Emirates. Within this 75% of the population are non-nationals and many are single males with a propensity for ready or easy to prepare meals and it is estimated 180,000 Brits live and work in the Gulf area.

Dubai is also a major tourist centre as well as an

international travel hub. Hotel and leisure facilities enjoy 85% capacity. Proposed hotel developments in the Gulf region as a whole are valued at US\$18bn. Abu Dhabi is also developing its tourism, leisure and trading sectors rapidly. Dubai's GDP is set to grow at 6% this year and tourism already accounts for 10% of GDP.

As a major banking and trading centre the Gulf is seeing an increase in inward investment.

Ishida, for example, has set up a facility in one of Dubai's duty free zones. Trade in processing and packaging equipment through the Dubai hub, which is the world's third largest re-exporter, is forecast to reach US\$14.8bn by 2009.

## ProPak Vietnam 08 goes international

ProPak Vietnam took place in early March at the Ho Chi Minh International Exhibition and Convention Centre (HIECC). It was run in tandem with PIA Vietnam 2008 (Process, Instrument & Analysis).

Vietnam's manufacturing sector boom seems to be going from strength to strength which has led to the show establishing itself as the leading processing and packaging event in the country.

The two shows featured 284 exhibitors from 23 countries. Occupying 3,500 sq metres across 3 halls, it attracted some 160 international participants.

The show attracted 12,450 Business & Trade visitors, made up of 88% of visitors from the South, 1.7% from the North and 10.3% International visitors.

The visitor profile was made up of Food Processing Manufacturers, Beverage Production, Laboratory, Pharmaceutical Manufacturers, Canners, Frozen Food Manufacturers, Quality Controllers, Preserved Food Manufacturers, Cosmetic & Healthcare Manufacturers, Consultants, Dairies, Contract Packaging, Machinery Importers & Distributors, Retail Packaging, Dehydrated Food Manufacturers, Government, Food Scientists, Seafood Processing Manufacturers, Brewing, Refrigeration, Bottling, Agricultural Supplies, Water Treatment, General Food Manufacturers, Food Exports and Packaging Material Manufacturers.

National Pavilions were operated by Singapore, Taiwan, Germany, Japan and the two UK pavilions were organised by Gambica and PPMA. The UK Pavilions were made up of ten stands from which seven speakers took part in the 'UK Technology Seminar' which was operated by the associations in conjunction with the local UKTI/FCO team.



Delegates attending one of the 'UK Technology Seminar' sessions

## Investment Vietnam food and drink alert

Agriculture and Sea Food is driving the processing and packaging sector and production is growing at 11%/year. The focus on export driven manufacturing means investment is focused on the latest technology to meet the stringent requirements and regulations of the EU, USA and Japanese markets.

High rates of production growth since 2000 have been achieved and Vietnam is on track for 8.5% annual GDP growth through to 2010; this exceeds most of East Asia.

The availability of raw materials will impact on finished product supply and will be affected by the processing, packaging and handling of the bulk raw material. This will need to be available in the right place at the right time and of the right quality. All, of course, supported by validation documents.

Product presentation and quality driven originally by

export markets is now impacting on domestic production and finished products in the shops. This will require further investment in processing equipment to ensure product quality is maintained and validated, together with packaging and associated techniques to ensure good product "shelf life".

**The packaging equipment market is estimated at US\$55m/year million, of which US\$40m is accounted for by the food & drink sector.**

Vietnam is a world leading producer of seafood, coffee, tea, cashew nuts and pepper, some of the many sectors where export markets demand the latest processing and packaging technologies.

The economic potential is further strengthened by its membership of ASEAN, the Association of South East Asia Nations, which gives access to a free market of 515 million people who have a combined income of US\$60bn.

Ho Chi Minh City and surrounding area has an industrial output that is expanding at the rate of 13.5%/year: packaging accounts for 12% of the total value of Vietnamese commodities. Ho Chi Minh City, the commercial centre of Vietnam, accounts for 70% of private investment and the vast majority of economic activity.

### By invitation only

**The next show is planned for March 2010 at the New Saigon Exhibition Convention Centre, Ho Chi Minh City. However, following the success of the technology seminar, the PPMA has been asked by the VCCI to operate an "invitation only" seminar in 2009 in a local hotel. Watch this space!**

## Make the most of PPMA pavilions & events

| Event / Location                             | Date                            | Overview   | UKTI Funding     |
|--|---------------------------------|--|------------------|
| <b>INTERPACK 2008</b><br>Dusseldorf, Germany | 24-30 April '08                 | Seven day international processing and packaging event                       | Available (UKTI) |
| <b>PROPAK ASIA</b><br>Bangkok, Thailand      | 11-14 June '08                  | 16th international processing and packaging technology exhibition            | Available (UKTI) |
| <b>PROPAK CHINA</b><br>Shanghai, China       | 9-11 July '08                   | 14th international processing, packaging and end-of-line printing exhibition | Available (UKTI) |
| <b>PPMA SHOW 2008</b><br>NEC, Birmingham, UK | 30 September -<br>2 October '08 | The UK's annual showcase for processing and packaging machinery              | Unavailable      |
| <b>PACK EXPO</b><br>Chicago, USA             | 9-13 November '08               | The leading packaging event in America                                       | Available (UKTI) |
| <b>GULFOOD</b><br>Dubai, UAE                 | 23-26 February 2009             | The 14th Gulf food, hotel and equipment (processing and packaging) event     | Available (UKTI) |
| <b>PACK EXPO</b><br>Las Vegas, USA           | 5-7 October 2009                | The latest developments in packaging technology                              | TBC              |

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# 'Last Train' to catch the Indian Tiger

The Commons Trade and Industry Select Committee said in 2007 that many British companies risked missing the 'last train' to India if they want to take advantage of that country's economic boom.

But despite continuing initiatives, such as the Indo-British Partnership Network, many SMEs are reluctant to do business on the sub continent because of high tariffs, IPR issues and other perceived problems.

However the environment for British SMEs to do business in India is improving rapidly according to PPMA's CEO Chris Buxton, who was invited to take part in a high level mission during January 2008 to explore the opportunities for member companies. Further details of the trip are available from the PPMA.

Chris went on the visit, which was sponsored by JETCO (the UK-India Joint Economic Trade Committee's Agri-Food Working Group) and the UK High Commission, with clear objectives in mind:

- To gain a better first hand understanding of the Indian market
- Establish the willingness of Indian companies to do business with PPMA members
- Identify key stakeholders in both the Public and Private sectors to establish contacts and develop networks
- Look at ways to establish an Indian office similar to the PPMA's existing China office

Accompanying Chris on the trip were Phillipa David, CEO of the International Agriculture Technology Centre (IATC); Mark Ball, Head of Imported Food branch, Food Standards Agency; Andrew Cox of PMN Group; and the

mission leader Professor Colin Dennis, Director General of CCFRA.

Visits took the group to an emerging food retail outlet, the Indian Agricultural Research Institute, the Indian Institute of Packaging and the newly formed Institute of Packaging Machinery Manufacturers of India

(IPMMI) along with several meetings with local UK Government representatives, Chambers of Commerce and relevant Indian business contacts.

A prime objective of the visit was to test the water for a Representative office for the PPMA in India. Named the 'Tiger Service' there was a universally enthusiastic support for the idea from all quarters. Chris explored possible locations in Mumbai, Bangalore, New Delhi

and Pune.

Advantages of placing it near the engineering 'hub' of Bangalore and Pune were seen as strong, but many

end users are located at the other centres. Potential for funding such an office by the UK High Commission was discussed, as was a possible JV with IATC.

Visits to retail outlets showed that standards of packaging techniques such as over-wrapping are still highly variable and there is still a strong propensity to buy goods in bulk rather than pre-packed. Only 2% of vegetables produced in India are processed, consequently waste and damage is enormous. However there are signs that Indian consumers are beginning to equate packaged goods with 'hygiene and quality'. This is particularly true in urban communities with a growing population of young, professional workers with increasing disposable incomes.

India is also increasing its export horizons away from raw materials and bulk products to 'added value' items. The myth that most of the economic boom has been due to IT and business service outsourcing is exploded by the burgeoning Spice industry which is set to export more than \$1billion of black pepper, cumin, red chilli, tumeric, etc this year, up more than 15-20% on last year.

The Spices Board of India has set a target of \$10billion of export sales by 2017.

Contacts between the Indian Institute of Packaging (IIP) and PPMA explored ways to increase co-operation, particularly for training; CE Marking and the Machinery Directive are only vaguely understood by Indian manufacturers and some see the EU regulations as barriers to trade rather than for consumer protection.

The newly formed Institute of Packaging Machinery Manufacturers of India is a break away group from the IIP and now boasts around 55 of the 150 identified machinery makers in the country. IPMMI has recently formed a JV with Messe Dusseldorf to organise a machine show for the sector, Pack-Tec 08. However this will compete head on with the IIP's INDIAPACK exhibition.

Overall Chris came away with a strong impression that Indian companies want to do business with their British counterparts and the establishment of a PPMA 'Tiger Service', should it go ahead, would greatly facilitate that process. While tariffs remain relatively high on packaging and processing machines (between 25% and 40%) there is an increased willingness by end users to buy better quality technology from overseas as their own markets expand abroad.



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The Indian delegation outside the Department for International Development - Delhi

## Don't forget to say hello at interpack

The PPMA is located at the heart of the British Pavilion in Hall 5 at interpack 2008 and looks forward to seeing members and their customers. After a hard day pounding the aisles it will be 'the place to be' to relax before heading off to the Altstadt.

PPMA staff will be on hand to talk about the new products and services on offer as well as the PPMA Show, international events and The China Dragon Service, and the many publishing and technical activities.

We would welcome your comments on the new look Machinery Update. For end users our staff are on hand to offer advice and assistance on all matters Processing and Packaging machinery.

**So be sure to visit stand 5D02-7 during your stay.**

exchange and co-operation, especially on product quality and enforcement matters'.

The new posts form part of the Administration's 'Beyond our Borders' initiative to build stronger co-operative relations with FDA counterpart agencies around the world and enhanced technical co-operation with foreign regulators.

FDA believes the offices in China will facilitate building up these strong links as well as allowing greater access for inspections and 'interactions' with manufacturers.

More details of the FDA's international programmes and the Memoranda of Agreement can be found on the FDA website: [www.fda.gov/oia/overview.html](http://www.fda.gov/oia/overview.html)

### 'Active Business Travel-China'

Britain is the biggest EU investor in China. Currently China is attracting inward investment of more than US\$1bn/week. It is the UK's fastest growing market since 2000 with direct exports rising by 20% in 2005/6 and services income rising 50% in the same period.

To help both first time and more experienced business travellers a new book called 'Active Business Travel-China' is now available. It aims to combine business advice, up to date market information and travel tips in one volume.

The author is a London-based Chinese business woman, Yintong Bester, who has run her own marketing consultancy since 2001. She worked in the UK for eight years managing an Anglo-Chinese company.

Her knowledge about how to bridge the communication gap between the two business communities provides useful insights into how to get the best out of your visit, such as using your interpreter effectively in negotiations to achieve the best results.

PPMA members can buy Active Business Travel-China, or its Chinese version for visitors to the UK, by contacting Chris Buxton. E: [chris.buxton@ppma.co.uk](mailto:chris.buxton@ppma.co.uk)

## FDA moves into China

The American Food and Drug Administration (FDA) is to establish eight full time permanent positions at US diplomatic posts in China over the next 18 months. In addition at least 5 local Chinese employees will be hired to work with the new staff.

The move has yet to be formally authorised by the Chinese Government, but follows the signing of 'historic' Memoranda of Agreement between the FDA and two counterpart agencies in PRC, says the Administration.

Murray Lumpkin, FDA's deputy commissioner for International Special Programmes said, 'Our efforts to fill permanent FDA positions in China are a significant step towards ensuring access to safe food, drugs and medical devices in global markets. They will enable heightened regulatory inter-operability, information

## Hands up for innovation

The theme for the next President's Lunch on May 21 at Burford Bridge, Dorking will be Innovation and how SMEs can get their hands on help with R&D Funding.

Hugh McNeill, McNeill & Co, tax accountants, will talk about R&D Tax Credits and other tax related benefits that can be claimed or used as allowances when accounting for R&D and Innovation in SMEs.

Dr John Richardson, Head of Innovation and Technology, Team Business Link SE, will examine UK Government funded R&D support grants and knowledge transfer schemes and give advice on how companies can apply for these schemes direct.

Mark Gaddes, Practice Leader, PERA, will look at the wider picture of European Schemes and PERA's capabilities in supporting grant applications for UK and EU Funding.

The Innovation Advisory Service (IAS) will discuss the assistance and advice that this state-funded organisation can offer SMEs and about the 'Open Innovation Programme'.

Richard Little, director, Jenton International, will give a case study on how his company successfully won R&D funding worth £100,000 and its use to build a successful new division at Jenton.



### Contact Point

To book your place at the President's Lunch, Dorking, contact:

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