

interpack the international showcase



Since the first interpack in 1958 its relentless rise means that today it is established firmly as the world's number one packaging and confectionery technology exhibition. Filling the entire Messe Dusseldorf site, comprising 19 halls for 2008, with the addition of a new hall, 8b, the show runs from 24 - 30 April.

The PPMA will again host the UK Pavilion which will feature 24 British companies as well as a networking lounge and business centre.

Last time the PPMA's hospitality was a great success, making it 'the' place to be for meeting up after a busy day at the show. Plans are well advanced to ensure that reputation is maintained.

While the Pavilion is smaller than 2005, due to restrictions on space imposed by Messe Dusseldorf, the area will be designed for maximum impact and, of course, many other UK companies will be exhibiting elsewhere in the show along with most of the PPMA's overseas manufacturing members; in fact they will virtually fill up the machinery halls.

There is no shortage of statistics about interpack and while 2008 is set to break all previous records it is worth reminding ourselves of the scale of this truly international event. The 2005 show hosted 177,000 visitors, 55% were overseas attendees and came from 106 countries.

The UK was second in the league table of foreign visitors, with 7% of the total, only the Netherlands sent more visitors.

Overall the average length of visit was 2.2 days. Industry sectors represented included 15% from food and luxury items, 5% from confectionery, 8% from pharmaceutical and 7% from chemical industries. Sixty five per cent came to see packaging or confectionery machines and 44% were interested in the latest materials technologies.

Surprisingly 48% of attendees were visiting interpack for the first time and overall 63% came from Europe (51% from the 'old' EU), while 17% came from Asia. There were 2,654 exhibitors of which 910 were German.

Two first time features at interpack 2008 will be the INNOVATIONPARC and a new Awards scheme called the iF Awards. The latter has a category open to machine companies and will focus on ergonomics, safety and design quality. Presentations will be made on 24 April.

The PPMA looks forward to welcoming friends old and new to the Pavilion and some Great British hospitality.



PACK EXPO International 2006 Upper North Hall

Viva Las Vegas

Pack Expo Las Vegas, organised by the PMMI, is now well-established as the premier packaging technology show on the west coast of the USA. It is now co-located with Process Expo and CPP Expo

which ensured a growth in both exhibitors, (up 12% at 1,300), and floor space, (from 480,000 sq ft to 550,000 sq ft).

The PPMA hosted a small pavilion with four UK companies, while several others attended with their agents or through US subsidiaries. Despite the strength of Sterling all British companies reported good levels of serious enquiries; Autobox achieving 200+ and both Datalase and Electrix topping the 100 mark.

Overall visitor numbers reached 24,000, a new record and the US economy remains buoyant for the manufacturing sector. The United States is still Britain's top single market for packaging and processing machines. In 2006 these reached record levels at £27.5 million and £23.25 million respectively.

Pack Expo International takes place in Chicago, October 29 to November 2, 2008 and again the PPMA will host a UK Pavilion.

PPMA's bobby-dazzler

PPMA Show 2008 is set to be a bobby-dazzler with plans for the PPMA's 21st birthday celebrations, a hard-hitting seminar series, and much more, well advanced.

Stand sales are also well on track with 165 exhibiting companies on 142 stands booked as we go to press. "With over 9 months to go until the PPMA Show, the floorplan is already over 50% sold and we are very pleased with the number of companies who have committed to the exhibition. Our aim is to make the show as relevant as possible in today's competitive business climate, so one of the highlights of this year's event will be our free conference programme, which will address hot topics in the machinery sector," Deborah Conneely, Marketing Manager.

The seminars will ask delegates to step outside their comfort zone and listen to presentations from major brand owners, retailers, suppliers and industry experts. Set against a background of reduced profit margins, overseas competition and an increasing regulatory burden, the processing and packaging machinery sector must examine ways to help customers automate, increase throughput and reduce costs.

i **interpack 2008**
24 - 30 April 2008
Messe Dusseldorf
Germany

i **PACK EXPO International**
29 Oct - 2 Nov 2008
McCormick Place
Chicago, USA





To Russia without the hassle

Orgalime, the Brussels-based organisation

representing 35 European engineering trade federations, has produced a Position Paper which aims to eliminate obstacles to further growth in trade with Russia.

Last year EU exports of mechanical engineering, electrical and electronic goods to Russia reached €30 billion. The UK packaging machinery sector now ranks the country as its sixth largest market with sales of £10 million in 2006, while processing machines accounted for over £6 million of exports and ranked Russia in fifth place.

However the engineering sector encounters major obstacles when exporting to the Federation, particularly with slow and unjustified bureaucracy, legal uncertainties and poor enforcement of legislation, says Orgalime.

The Paper identifies a number of areas which could improve the trading environment for engineering products. There are few formal trade restrictions, such as quotas, tariffs or licensing. In fact much Russian legislation is now compatible with EU law, as the country has introduced reforms as part of its bid to join the World Trade Organisation (WTO). But in practice many of the new rules are not enforced, particularly in the regions where officials are under qualified and unfamiliar with the new legislation.

Certification and Standards

Russian certification procedures can be a large administrative burden. Currently it does not recognise international safety or quality certificates. Machines imported into the country require a 'GOST-R' certificate issued by the regional agencies of the Federal Agency on Technical Regulations and Technology.

Machines must be tested at an accredited Test Centre and are undertaken by third parties. Other tests covering fire safety and health may also be required. While a Federal Law, 184-FZ was introduced in July 2003, to reduce the scope of machines requiring a test and introducing a Declaration of Conformity it is only a transitional law and still not fully implemented. Additionally several draft technical regulations are under public discussion. But due to inconsistencies and overlaps little progress has been made.

Concerns were expressed about one draft regulation on 'the safe operation and utilisation of machinery' which makes no mention of health and life protection for those close to the machine and no description of conformity procedures.

Orgalime recommendations include that EU and Russia commence regular exchanges of information on technical issues. The Commission should promote the

benefits of New Approach Harmonisation of Technical Regulations. It urges Russia to apply the principles of 184-FZ and be more transparent with information about their legislative regime as well as providing English translations of draft regulations.

Customs Duties and Procedures

A new Custom Code came into force in January 2004 and was meant to replace the previous slow and bureaucratic process. The Code pledged to release goods within three days or provide a written explanation why they were not cleared. It also clarified the documents required to enable clearance and included a provision to submit paperwork in advance to allow immediate clearance of goods on arrival.

However, yet again this is a transitional Code and more changes are expected in the future. While large logistics companies seem to benefit, smaller companies do not. Yet again customs officials, particularly in the regions, are unaware or unfamiliar with the new Code and this causes delays and confusion.

Particular concerns over the temporary import of goods procedures were expressed and seen as a severe burden for those attending Trade Exhibitions.

Orgalime recommends the introduction of the simplified Code for smaller companies, better training for customs officials and an exchange of views on future reforms. The need for reform of the temporary import procedures is urgent.

VAT Refunds

There are on-going difficulties in reclaiming local VAT (18%) on imported goods and components and it is often easier to offset a VAT credit with a VAT debt than attempt recovery. Inability to reclaim local VAT makes many Russian electronic goods uncompetitive compared with imported equipment and places the domestic manufacturers at a disadvantage.

Orgalime wants Russia to facilitate VAT refunds for investors and to discuss reducing import taxes and facilitation of VAT refunds on electronic components to help local industries to grow.

Free Trade in Raw Materials

EU restrictions on the supply of raw materials such as steel from some markets is placing European engineering manufacturers at a disadvantage compared with machine builders in unregulated areas of the world.

Orgalime asks the Commission to adopt an 'open trade policy' for iron and steel and to abolish or phase out EU import quotas and anti-dumping measures currently in force on Russian steel.



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Legal Uncertainties

Russian business law lacks clarity in many areas and is not precise on principles such as corporate governance in foreign companies, which consequently are not accepted by Russian courts. No mutual recognition of commercial courts seems possible, even when international arbitration clauses exist.

IPR reforms lag behind the EU and several old laws which were to be cancelled are still on the statute books. Certain IPRs are simply not recognised in Russian law, a definition of 'know how' does not exist and protection of Trade Marks is not guaranteed. While Russian courts will award damages for infringements they never deliver injunctions to stop counterfeiting.

Orgalime suggests discussions between EU and Russia are needed urgently to address these problems.

Overall Orgalime regards poor bureaucratic practices and legal uncertainties as restricting trade development for both parties. But it fully supports the EU-Russia dialogue and hopes the Paper will inform that process.

Orgalime is happy to contribute input and expertise, particularly to the certification and conformity assessment sub groups and sees real potential for progress in easing trade barriers.

The facts about FachPack

As the juggernaut which is interpack hoves into view a rather less well known German packaging exhibition closed its doors on another successful event in late October 2007.



FachPack 2007

FachPack, held in the two intervening years between interpack, has been held in Nuremberg for many years and now attracts 1,300 exhibitors, mainly from Germany. But in 2007 over 250 came from overseas, continuing the trend of more foreign company participation in recent events.

The show has gained a reputation for being a German show for German buyers but the opening up of Central and Eastern Europe has led to more interest from outside German borders. In 2007 6,000 overseas visitors were registered from 80 countries, out of a total of 34,000.

During the nineties several attempts were made to organise a British Group at FachPack but this met with limited success and attracted no support from UKTI,



Trade fair activity, Fachpack 2007

which tends to put its money into the interpack UK Pavilion, organised so successfully by the PPMA.

Of course interpack's reputation as an international exhibition with global reach is unrivalled and is a 'must do' event for anyone serious about exporting.

But anecdotally many German companies tell you that interpack is where Germans look but FachPack is where they buy.

Indeed the Nuremberg event attracts many of the 'blue chip' names in packaging machinery including, Bosch, ACMA, Aetna, Image and Ilapak.

So why do so few British companies attend? Research showed only two direct UK exhibitors in 2007, although several, such as BLG, Domino and Open Date, have participated through their German subsidiaries and others, like Safeline, are part of internationally owned companies.

However, given that Germany is our number two export market, with sales in 2006 of £17.3 million, one would expect a bigger turn out from the Brits.

As it is based in southern Germany the city is in easy reach of many accession states with plenty of EU money to develop their industries.

The last visitor statistics reflect key areas of interest from these countries, such as conveying systems, storage and order picking and all types of automated and ancillary storage and warehouse equipment. This would be fertile ground for many UK companies.

Exhibitor statement figures revealed 55% of the foot falls on their stands were from food, drink and tobacco companies, 43% pharmaceutical, 28% chemical and 23% logistics with others highlighting auto and electrical components, (19 and 17% respectively), depending on the product profiles of the stands.

Overall FachPack seems to fit a profile not dissimilar to the PPMA Show and could well provide effective access to one of the UK sector's biggest export destinations and the surrounding markets.

Think on...

Beryl gets Go (a) ing!

Beryl Nasse, until 2006 PA to the Chief Executive and Board of the PPMA, has been elected the first President of the British Business Group Goa and has been instrumental in starting the first Meet the Buyer event to be staged there, in conjunction with the Goa Chamber of Commerce.

Since 'retiring' and moving to Goa Beryl has not been idle, setting up her own company, Business Co-ordinators, to facilitate contacts between UK and Indian businesses.

The Meet the Buyer event will be staged from 12-14 May and will be the ideal place to learn about doing business in India and meeting local companies in Goa, says Beryl.

She would like to hear from any PPMA members who would like to participate. Those who remember Beryl will fail to do so at their peril!! To contact Beryl e-mail berlynasse@bcoindia.com

Confectionery boom in Asia

Confectionery retail volume sales in Asia grew at an average rate of 5.2 % between 1998-2007 period.

Strongest growth is in India, China and Indonesia, where retail volume sales grew by 10%, 7% and 9% respectively in 2007.

Emerging countries are seeing strong growth of chocolate confectionery, sugar-free gum and functional gum, albeit from a very low consumer base. Growth of chocolate confectionery in countries like India and China is driven by the growing number of middle-class consumers in urban areas.

Sustained economic growth in these countries is making chocolate more affordable to mainstream consumers for the first time. One of the key trends within chocolate



confectionery in China is the increasing importance of these products beyond traditional seasons such as the Chinese New Year. Chinese consumers increasingly perceive chocolate to be an ideal gift for friends on special occasions. *Source Euromonitor.*

Ukraine big in food

Ukraine is second only to Russia as the biggest packaged food market in Eastern Europe and, says Euromonitor International, is expected to become the fastest growing. With GDP and purchasing power on the rise, consumer expenditure on food in the Ukraine has showed double-digit growth over the past six years, with consumers moving away from homemade food to packaged products.

Euromonitor International expects this development to continue over the next five years. On the back of a continued rise in consumer affluence, the Ukrainian packaged food market is predicted to increase by 37%+ in constant terms, to reach a value of Hryvnia 90.5 billion (US\$17.92bn) by 2011. This is equal to a Compound Annual Growth (CAGR) of 6.5%, well above the regional average of 4%.

Nestlé has already expanded production capacity and has invested in the construction of a greenfield plant in Volynskiy. The plant will manufacture baby food and sauces, dressings and condiments. Nestlé is currently the third biggest packaged food manufacturer in Ukraine with about a 3% share of the market.

Make the most of PPMA pavilions & events

Event / Location	Date	Overview	UKTI Funding
GULFOOD - Dubai, UAE	24-27 Feb '08	The 13th Gulfood, hotel and equipment (processing and packaging) event	Available (UKTI)
PROPAK VIETNAM Ho Chi Minh City, Vietnam	5-8 March '08	International processing, packaging and printing exhibition	Available (UKTI)
INTERPACK 2008 Dusseldorf, Germany	24-30 April '08	Seven day international processing and packaging event	TBC
PROPAK ASIA Bangkok, Thailand	11-14 June '08	16th international processing and packaging technology exhibition	TBC
PROPAK CHINA Shanghai, China	9-11 July '08	14th international processing, packaging and end-line printing exhibition	TBC
PACK EXPO Chicago, USA	9-13 November '08	The leading packaging event in America	TBC

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