



VDMA: Myanmar has market potential for print

The German printing industry opens up new growth markets in Southeast Asia

Rangoon, 14 October 2013 – After the large newly industrialised countries India and China, the German printing industry is generating new sales markets in Southeast Asia. One of the countries it is currently looking at is Myanmar. After decades of military dictatorship, the country is now making progress for democratisation and, as a result, at the beginning of an economic boom. "Myanmar is in the process of overcoming its decades of economic backwardness at high speed. The country has huge potential for development. For our industry this means that it is an interesting growth market. Therefore, it is important and necessary to nail one's colours on the mast very early and to open up this market," said Dr. Markus Heering, the Managing Director of the VDMA Printing and Paper Technology Association, in Rangoon on Monday at the end of a one-week conference tour which had taken the representatives of the German printing industry first to Laos and Cambodia.

In the course of the next few years, growth in the market for print products in Myanmar will come from two areas: From the print media and the packaging sector. During the military junta years, the small number of media that existed was state-owned. All publications were censored. Censorship has been abolished now, and since April 2013 private publishers are also allowed to publish newspapers and magazines. During the first month already, the number of new newspapers was eight. Since then, many other publications have followed suit. These print products meet with a high demand. Because Myanmar is a developing country that is on its way to becoming a newly industrialised country with an extremely low illiteracy rate of eight percent (estimation of the United Nations) and thus a comparatively high level of education.

The economy of Myanmar is dominated by farming. The share of agriculture in the gross domestic product (GDP) is about 35 percent. About two thirds of the nearly 60 million inhabitants are involved in agriculture. At present, the agricultural products are seldom packed. This is going to change in future. "The increasing prosperity that comes with the economic upswing will bring an increase in packaging, above all of food packaging. We have already seen such a development in many countries with a comparable past," Heering predicts. The future presence of international companies will also cause an increase in the demand for packaging. Many companies from abroad already plan investments running into billions. "We definitely see a large future potential for print particularly in Myanmar," said Rex Teng, Sales Manager in Asia of printing machinery manufacturer Koenig & Bauer. "In the past, the conditions there did not allow to cultivate this market. Now it is important to get our foot into the door quickly."



Much room for growth

German printing and paper technology is not new in Myanmar. In 2012, exports of printing technology to this country between India, China and Thailand amounted to 20 million euros. The German exports of printing technology to all markets in Southeast Asia were nearly 162 million euros in 2012, and thus much higher than in the previous years. The total share of the three markets Laos, Myanmar and Cambodia in the region was 15 percent. In comparison with world exports from Germany, this is a very small share. In 2012, exports totalled 4.8 billion euros.

Great interest in Laos and Cambodia

Compared with Myanmar, the national economies and, as a result, the markets for German printing technology in Laos and Cambodia are smaller. "For us, it is important that we open up these markets also, because they help us to assess the entire region better," said Heering. The economy of Cambodia had a six-percent annual growth rate over the last 10 years, but 30 percent of the population still fall under the poverty line. The conditions in Laos are similar. Nevertheless, the conferences of the German printing industry in Vientiane and Phnom Penh were as successful as the one in Rangoon. "We have reached our goal and aroused some interest. With this start, we have prepared the ground for our marketing activities in the future," said Fred Spangel, Area Sales Manager Southeast Asia of Kolbus, a manufacturer of bookbinding machines. "We will certainly not enter these markets with our high-speed machines immediately, but rather with smaller machines. This, however, doesn't make this market less interesting."

At the one-day conferences held in these three cities, representatives of the German printing engineering manufacturers gave an overview of the technological trends and innovations in this industry. Along with the large printing press manufacturers Heidelberg and KBA, numerous post-press companies were represented as well.

Baumann/Wohlenberg:	Cutting technology: Increase of productivity by using peripherals
bielomatik Leuze:	Paper Converting Equipment: Efficiency Counts
E.C.H. Will:	Current technologies / possibilities in the paper converting industry
H.C. Moog:	Gravure, the decisive plus of sheet-fed printing
Heidelberger Druckmaschinen:	Quality requirements for packaging printing and / or equipment / production requirements for Packaging Printing
IST Metz:	Specialization with UV technology
Koenig & Bauer:	Current developments in sheetfed offset technology from KBA
Kolbus:	Book production – Packaging

