

PRESS RELEASE

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FIRST FESPA STAKEHOLDER SURVEY ON ECONOMIC IMPACT SHOWS MEXICAN PRINTERS POSITIVE ABOUT UPTURN

Results reinforce positive outcomes of first FESPA Mexico Summit

Mexican printers are even more optimistic than most wide-format printers worldwide about an imminent economic revival, according to new stakeholder research from FESPA.

Published one month before FESPA Mexico 2009 opens its doors (Centro Banamex, Mexico City, 27 - 29 August 2009), the FESPA Economy Survey sends a clear signal that Mexican print service providers are positive about their future growth opportunities.

The electronic survey of over 400 individuals in Mexico was conducted by FESPA during July 2009, in partnership with research organisation InfoTrends. The Mexican research ran in parallel with a survey of a similar number of printers worldwide, providing a valuable benchmark of the progress of the Mexican market compared with other regions, as FESPA puts the finishing touches to its second exhibition in the Mexican capital.

This first FESPA Economy Survey shows unequivocally that Mexican print service providers have felt the impact of the global economic downturn. Just 10% of Mexican respondents claim that their business has stagnated but has not seen an actual fall in revenues, compared with 25% who have suffered a drop of 30% or more. More than half of respondents believe that the recent H1N1 virus outbreak in Mexico has negatively impacted their business, and 70% argue that reports about the virus were exaggerated in the media.

However, the Survey indicates that respondents in Mexico are seeing the light at the end of the tunnel. 17% of respondents claim that the market is already recovering (worldwide 13.8%). 27% expect recovery to happen in 2009 (worldwide 23.1%), and a further 37% expect recovery to have taken place by mid-2010 (worldwide 25.9%). Only 8% expect current conditions to last into 2011 (worldwide 12%). 85% of respondents believe they are well positioned to take advantage of the conditions if the market rebounds, two percentage points ahead of the rest of the world.

In common with the global response, Mexican print service providers are looking primarily to their operational processes for solutions to falling revenues. The emphasis has been on waste reduction, with 56.9% of Mexican respondents adopting strategies in this area (worldwide 46.3%). Mexican PSPs have been faster than those in other countries to look to their printer

maintenance programmes as a method of reducing overheads; 25% have followed this route, compared with 18.5% in the rest of the world.

Other tactics have been to reduce overheads with lower priced ink (20.7%), although this figure is substantially lower than the worldwide response (28.7%). Flatbed printing technology has also experienced a boost in the Mexican market, with one fifth of PSPs looking to this technology to trim labour costs.

Unfortunately, Mexican printers have struggled more than most to implement sales strategies that would conserve margins. Half of Mexican wide-format print businesses claim to have cut prices to match competitor pricing, double the worldwide figure.

However, most Mexican respondents have adopted positive sales plans, expanding or otherwise reinforcing their sales force, marketing their services more aggressively, and focusing on specific target segments. More than 10% of Mexican PSPs are using environmental sustainability as a competitive differentiator.

Mexico lags somewhat behind the rest of the world in migrating to higher margin applications such as textile printing to combat the downturn, with 12.2% of Mexican respondents citing this as a strategy, compared with 15.7% worldwide.

FESPA CEO Nigel Steffens comments: "These fresh research findings reinforce the very encouraging impressions we gained at last week's inaugural FESPA Summit in Mexico. The Mexican print service providers we meet are highly engaged, motivated and ready to adopt new ideas and pursue proactive investment and growth plans to pull themselves out of the current economic slump."

70 delegates, including printers and suppliers, attended the one-day FESPA Summit event in Mexico City to participate in presentations and workshops on topics including the economic outlook in Mexico, considerations on environment with the introduction of a new law about printing on recyclable materials, and current and future technological developments. The day also included small group discussions between printers and suppliers on themes such as protecting the Mexican market, and covering technical issues such as colour control, finishing and UV inks. Summit delegates also discussed what the industry expects of FESPA and its national associations.

Nigel Steffens continues, "Without doubt it has been an extremely challenging year for printers worldwide. Building on the success of the Summit, we hope that FESPA Mexico 2009 - like our European FESPA Digital show in Amsterdam in May - will galvanise and inspire the Mexican

wide-format community to explore innovations and applications that can take their business in the right direction for a bright and sustainable future.”

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About FESPA

Founded in 1962, FESPA is a not-for-profit federation of trade associations and an organiser of exhibitions and conferences for the screen and digital printing industries. FESPA's dual aim is to promote screen printing and digital imaging and to share knowledge about screen and digital printing with its members across the world, helping them to grow their businesses and learn about the latest developments in their fast growing industries. FESPA member organisations include 28 separate National Associations in Europe, and 7 Associate Member Associations in Australia, China, Thailand, India, Japan, Korea and the Philippines.

Forthcoming FESPA events include:

- FESPA Mexico World Expo 2009, 27th – 29th August 2009, Mexico City, Mexico
- FESPA 2010, 22nd – 26th June 2010, Munich, Germany
- FESPA Digital 2011, 24 - 26 May 2011, Hamburg, Germany
- FESPA Digital 2012, 28 February – 1 March 2012, Barcelona, Spain

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