



MARKET OPPORTUNITIES  
in  
CHINA  
2002-2008

**A Multi-Client Report**

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Manufacturers and Suppliers  
of  
Plates, Film, Platesetters and Imagesetters

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## TABLE OF CONTENTS

	Page
<b>Introduction &amp; Methodology</b>	4.
<b>Executive Summary</b>	8.
<b>Section 1</b> Background to People's Republic of China	16.
<b>Section 2</b> The Chinese Printing Industry <i>Geographic location; digital workflow adoption; exports; role of distributors; branding</i>	20.
<b>Section 3</b> The Chinese Market for Offset Plates <i>Historical demand; conventional, recycled and CtP plate demand forecasts; forecast supply; imports; forecast thermal v visible plate demand.</i>	28.
<b>Section 4</b> The Chinese Market for Platesetters <i>Installed base; market shares; geographical distribution; forecast demand by format</i>	46.
<b>Section 5</b> The Chinese Market for Imagesetters <i>Installed base by format; 2008 forecasts</i>	67.
<b>Section 6</b> The Chinese Market for Graphic Arts Film <i>Forecasts to 2008, split by type of film</i>	70.
<b>Appendix</b> Chinese Printing Colleges; Chinese Printing Publications	73.
<b>About VSM</b>	80.



## LIST OF TABLES

	Page
TABLE 2.1. China Offset Printing Population Breakdown - 2003.....	22.
TABLE 2.2. Guangdong Region Print Production - by Value .....	23.
TABLE 2.3. Comparable Productivity Rates of Three Main Cities.....	23.
TABLE 2.4. Turnover of Printing, Printing Equipments and Printing.....	25.
Materials 2002, Mainland China	
Import and Export of Printing Equipments and Printing	
Materials 2002, Mainland China	
TABLE 3.1. Forecast Demand for All Aluminium Offset Plates 2002-2008.....	30.
TABLE 3.2. Forecast CtP <i>cf</i> Conventional Plate - 2002-2008.....	33.
TABLE 3.3. Comparative Plate Prices - Mainland China 12/03.....	36.
TABLE 3.4. Forecast Supply of CtP Plates - 2002 - 2008.....	38.
TABLE 3.5. Forecast Supply of Conventional Plates 2002 - 2008.....	40.
TABLE 3.6. Forecast Changes in Plate Imports to China 2002-2008.....	41.
TABLE 3.7. Forecast CtP Plate Split 2002-2008.....	44.
TABLE 4.1. Metal Platesetter Installed Base - by Supplier.....	47.
TABLE 4.2. Installed Base - by Address System.....	48.
TABLE 4.3. Installed Base - Geographical Breakdown.....	49.
TABLE 4.4. 2003 Platesetter Sales - Geographical Breakdown.....	50.
TABLE 4.5. Platesetter Installed Base - by Main Format.....	51.
TABLE 4.6. Comparative Early CtP Adoption of CtP - China <i>cf</i> Japan.....	52.
TABLE 4.7. Forecast Platesetter Installed Base - by Format 2002-2008.....	54.
TABLE 4.8. Forecast Annual Sales of Platesetters - by Format 2002-2008....	55.
TABLE 4.9. Forecast Visible v Thermal Installed Base 2002-2008.....	57.
TABLE 4.10. Forecast Visible v Thermal Annual Sales 2002-2008.....	58.
TABLE 4.11. Forecast Visible v Thermal 8pp Installed Base 2002-2008.....	59.
TABLE 4.12. Forecast Visible v Thermal 8pp Sales 2002-2008.....	60.



Table of Contents .....	Page
TABLE 4.13. Forecast Visible v Thermal News Installed Base 2002-2008.....	61.
TABLE 4.14. Forecast Visible v Thermal News Sales 2002-2008.....	62.
TABLE 4.15. Forecast Visible v Thermal 4pp Installed Base 2002-2008 .....	63.
TABLE 4.16. Forecast Visible v Thermal 4pp Sales 2002-2008.....	64.
TABLE 5.1. Forecast Imagesetter Installed Base - by Format - 2002 -2008...	68.
TABLE 5.2. Forecast Imagesetter Annual Sales - by Format - 2002 -2008....	69.
TABLE 6.1. Forecast Demand for GA Film -by Type -2000-2008.....	72.



## MARKET OPPORTUNITIES in CHINA 2002-2008

### *Introduction*

This is the first of what is intended to be an occasional series of Reports on the burgeoning market for selected GA equipment and consumables in the People's Republic of China (PRC).

The idea of doing a report specifically devoted to this market arose out of the growing interest in China and all things Chinese that seemed to sweep across the developed industrial world during the middle of '02 when the 'old' economies seemed at their flattest. All eyes were turned east in envy at the phenomenal economic growth that was China, and many observers wanted a piece of that action.

This project took twelve months to complete, necessitating the training and supervision of fieldwork staff in mainland China as well as dealing with interruption by SARS mid-term.

Now, at the time of publication, the economic indicators for the US are looking good in terms of economic growth, although the \$US dollar is weak and there is a huge imbalance of payments to be addressed.

We only hope that a brighter short term future for the United States will not distract attention away from the potential superforce that is China.

Getting even the most superficial taste of what is happening in that vast nation makes one ask the question of not *if* but *when* China will challenge the US as the world's dominant economic force. It could be as little as only ten years away.



What is disturbing, as far as we are concerned, is the little insight that any of the major western economies have of China and what it represents in terms of potential world markets. Even the US has little understanding of the Chinese people and their nation, while the majority of Western European governments seem so complacent about their position in the world, they are best referred to as 'going to hell in a handcart'.

Hopefully this, and subsequent Reports will shed a little more light on what is going on and what is likely to go on as this huge powerhouse starts to kick into operation.

Barry Happé



## ***Methodology***

China is not an easy market to research. Government statistics vary, according to which Trade body one talks to; domestic suppliers tend to exaggerate their own performance in a market sector, either by inflating their sales performance, or significantly understating the market size; importers will report what their own personnel will have told them about the market – which will always reflect well on their own business acumen.

In general, most Chinese will tell you what they think you want to hear, and if that is at odds with the facts, well, so be it.

There is no desire to maliciously deceive, or mislead, it is just that the personal interaction between people who might potentially be business partners is much more important than spoiling a good deal with data which could cause problems. Everyone in China wants to do a deal, so data about the market will invariably be put in the best light.

One of the first objectives of this research was therefor to try and sort out fact from fiction.

After extensive desk research using official websites, published articles and export trade initiatives, we started with the premise that Government statistics were probably the most reliable basis of information. This involved contacting and ultimately interviewing such trade bodies as PEIAC (Printing Equipment Industry Association of China), Printing Technology Association of China for published and semi-published data.

This initial desk research program was followed by a commissioned research fieldwork programme, followed by a series of personal discussions by the author with leading printers, plate and film manufacturers, platesetter and imagesetter suppliers and trade magazines.



While the larger companies tended to be quite accurate in their returns, the smaller were apt to report potential performance as being actual performance.

In the absence of any recognised market research companies specialising in the GA industry, we used the services of Beijing based facilitating company, PBE, who were familiar with conventional plate production and chemistry, to act as interpreters and arrange meetings. In total, twenty eight interviews were carried out as part of this report preparation.

These were split between Hong Kong (8), Shanghai (10) and Beijing (10) and took place between September '02 and December '03.

All fieldwork and original desk research was supplemented by information and returns made as part of our VSM Audit which has provided a separate section on China for the past two years.

**This Report is available immediately as a PDF at a cost of £7,500 and can be ordered from Barry Happé as detailed below.**



## About VSM

Vantage Strategic Marketing was formed in 1993 specifically to monitor developments in worldwide 'direct-to' industries.

Initially focusing on CtP platesetter development, the scope of the VSM studies rapidly broadened to include all plates, film, imagesetting and proofing, as well as peripheral impact technologies such as inkjet and electronic presses.

The great majority of VSM's published work, including the original 'direct-to' technologies programme, is original research produced by Barry Happé and Peter Bowden.

Prior to establishing his own consultancy in 1980, Barry Happé held a number of senior management positions within the industry, including Sales Director for a North American paper group, as well as heading up the GA section of industry specialist research company, BIS.

He is a Business Graduate and holds the Diploma of the Chartered Institute of Marketing and has presented a number of papers at industry conferences as well as writing for the trade press.

Peter Bowden joined VSM in mid-'97, bringing with him over 25 years experience of strategy planning and market analysis, much of that time with Kodak.

Vantage Strategic Marketing specialises in research and information on worldwide printing industry developments and has published a series of multi-client reports directed at the needs of GA suppliers and printers on a worldwide basis.

These reports have received extensive international recognition and sponsorship in Europe, Japan and North America.

Publication history of multi-client reports published by VSM is summarised as



### **VSM Multi-Client Report Publication History**

- May 1994     *"Future Strategic Developments in Computer-to-Plate Applications and Technologies"*
- Apr 1995     *"Investing in CtP - A Practical Guide" - 1<sup>st</sup> Edition*
- May 1995     *" Pre-DRUPA Checklist"*
- Jun 1995     *"Investing in CtP - A Practical Guide" - 2nd Edition*
- Oct 1995     *"Market Opportunities for "Direct-to" Technologies 1995-2000"*
- Jun 1996     *"Direct-to Technologies Interim Report"*
- Dec 1996     *"Market Opportunities for 'Direct-to' Technologies 1996-2001"*
- Dec 1997     *"Developing Market Opportunities for 'Direct-to' Technologies 1997-2002"*
- Apr 1998     *"Investing in CtP - A Practical Guide" - 3rd Edition*
- Jun 1998     *" Market Opportunities for CtP Technologies 1997-2002"*
- Mar 1999     *" Developing Market Opportunities for 'Direct-to' Technologies 1998-2003"*
- Apr 2000     *"Pre-DRUPA Checklist"*
- Aug 2000     *" Developing Market Opportunities for 'Direct-to' Technologies 1999-2004"*
- Jun 2001     *" Developing Market Opportunities for 'Direct-to' Technologies 2000-2005"*
- Dec 2001     *"The Changing Profile of the International Litho Plate Supply Industry 2000-2005"*
- Apr 2002     *"Pre-Ipex Checklist"*
- Jun 2002     *"The Litho Plate Manufacturing Industry in China"*
- Aug 2002     *" Developing Market Opportunities for 'Direct-to' Technologies 2001-2006"*
- Aug 2003     *" Developing Market Opportunities for 'Direct-to' Technologies 2002-2007"*



Further information about VSM services and reports can be obtained from our website at [www.vsm.uk.com](http://www.vsm.uk.com) or from -

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## PRESS ANNOUNCEMENT

*Tuesday 13<sup>th</sup> January 2004*

GA Industry analysts, Vantage Strategic Marketing, announce the publication of their new report '**Market Opportunities in China 2002-2008**'.

A year in preparation and for the first time utilising indigenous fieldwork research, the 80pp report provides a unique insight into the Chinese printing industry and the potential for CtP plates and platesetters as well as CtF film and imagesetters.

Among some of the findings of the report are:

- Of the 80,000 or so printers in China, only 17,000 currently have the potential for investing in 'direct-to' CtP technology.
- Platesetter installations totaled 220 or so last year, 20% of which were for newspapers.
- While Chinese newspapers are making investment in CtP, commercial printers are still hesitant, owing to the comparatively high price of imported CtP plates.
- Average CtP plate prices in China are \$11/ M2 as compared with \$4 / M2 for conventional plates. There is also a sizeable market for recycled plates selling at \$1.20 / M2
- CtP plate consumption in '03 was the equivalent of 3% of all new plates but is due to grow rapidly once domestic producers can manufacture effectively and prices drop.
- While CtP adoption is still in its infancy, CtF and imagesetters continue to enjoy consistent demand. As the rest of the world ditches CtF in favour of CtP, sales of imagesetters in China totaled over 550 machines in '03 and demand is set to remain strong.

The Report provides background data on the Chinese printing industry, its potential as a market for industrialised world GA technology producers, as well as highlighting some of the basic differences in culture and business dealings.

It also underlines VSM's viewpoint that China is likely to replace Europe as the world's second largest economy within a relatively short time, and that what is now seen as a net importer of western and Japanese GA capital equipment will soon witness a reversal of roles.

The Report, which is aimed at manufacturers and suppliers, costs £7,500 and is available in electronic form from

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