

PPMA China Office

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No region has had more publicity and impact upon the world's economy over the last ten years than China.

The Chinese economy overtook that of the UK in 2005 to become the fourth largest in the world and, with foreign firms now investing over \$1 billion a week in the country, is predicted to take the number one slot by 2040!

So no manufacturer, from the substantial international corporations through to small to medium sized enterprises, can safely afford not to have a plan that accounts for the 'China Syndrome'.

PPMA China office

In 1999 the PPMA had the foresight to establish a China office in Shanghai and is now able to provide members with a platform from which to take advantage of the market's expanding opportunities, whether through joint ventures with Chinese companies, sourcing low cost components or identifying local agents and representatives.

The office, which is manned by local staff, is already home to several PPMA members and is forecast to grow significantly as more members take advantage of its facilities, and its appropriately named 'Dragon Service.'

This new and evolving service is menu driven and may be tailored to fit the specific needs of any company. Options include full translation services, a local employment service, chaperoned business visits and networking, a PPMA China web site and assistance with publicity, publishing, trade fairs and exhibitions.

The China challenge

China is a low cost economy with, for example, skilled machinists earning less than £2000 a year. This means that European manufacturers of packaging and processing machinery cannot compete in terms of price but must rely for success on the intrinsic technology, reliability, and quality of their products to differentiate themselves from the competition.

For while at the moment it may be true that Chinese manufacturers are some way behind Europe in terms of quality and reliability, things are changing fast. Chinese suppliers are quickly closing the gap and moving up the 'price versus differentiation curve.' (See figure overleaf.)

For UK manufacturers this means that efforts to find that all-important niche market and key differentiators must continue with renewed vigour but, when they are not available, the growth of the Chinese economy can provide alternative opportunities.

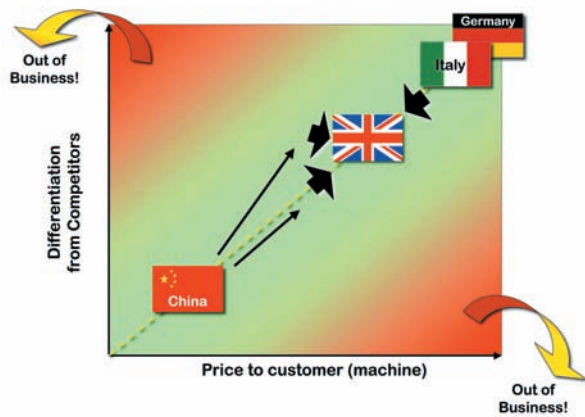


Craig Chen – PPMA China Office manager



PPMA signs a memorandum of co-operation with the China Packaging Federation – Beijing 2006

PPMA China Office *continued*



UK market position with respect to Western Europe and China

More and more UK companies are using China to source low cost machinery parts whilst bigger suppliers have even moved their low technology manufacturing

into China. This is especially evident in the chemicals market where more and more bulk chemical production is carried out in China while the specialist manufacturing and the intellectual property – the differentiator – is retained in the domestic region.

The PPMA China office is able to assist with information and introductions to local component suppliers and potential business partners.

Although there are inevitable price challenges, there is nevertheless a substantial Chinese market for UK machinery and equipment, but UK suppliers can only concentrate on developing better and better machines to stay ahead of the game. With our China office the PPMA is well equipped to help companies meet this challenge.

Call us now for further details on +44(0)20 8773 – 8111 and ask for either Chris Buxton, John Cowdrey or a member of our support staff.

Did U Know?

China consumes 50% of the world's concrete and 25% of the world's steel and copper!