

Restructuring Egypt's Printing Industry

Roadmap to reposition Egyptian printing industry as international outsourcing hub and to develop the domestic market

UK strategy consultants Ronald Ventures have recently concluded a comprehensive assessment of the state of the printing industry in Egypt with the aim of repositioning the local printing industry and transforming it into an international outsourcing hub.

The firm worked in partnership with a Cairo-based management consultancy firm called ProGress Business Consultants (PBC) in order to conduct an assessment of the present state of the printing industry as the country gears up to closer trading with Europe.

PBC was initially invited to tender for the printing study, but one of the conditions was the need to have international expertise in the industry. This is where Ronald Ventures was hired. The company wrote the rationale and methodology for the tender and provided two of the key "international experts" as well as the experience in conducting strategy work. PBC provided the on-the-ground knowledge.

The project was co-funded by the European Union and Egypt through the Industrial Modernisation Centre (IMC), a joint initiative set up to deliver Egypt's Industrial Modernisation Programme which aims to develop international competitiveness in the country's private manufacturing sector.

The Egyptian industry currently has 200,000 employees working in 4300 printing houses. The industry is undergoing a process of change and around 700 printing houses have closed in the last two years. The aim of the project was to deliver a vision and strategy to develop and strengthen the industry,

together with a detailed action plan and budget for all stakeholders in the industry. In this way, the Egyptian printing sector will be in a better position to benefit from new opportunities arising from the exposure to global markets and in particular the challenges posed by the progressive introduction of free trade with markets in the Eurozone.

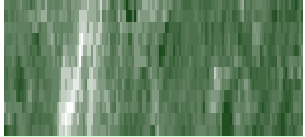
As a first step, Ronald Ventures carried out a global review of the printing industry to develop an understanding of current trends, themes and challenges affecting the industry worldwide. During this phase it became apparent that there is far from a consolidated view of the industry's size worldwide. By combining a number of data sources from market research reports and industry bodies, it was established that the industry had a market size of around \$620 billion in 2002, if package printing is included.

A present state assessment and value chain analysis revealed the printing market of Egypt to be valued at \$1.5 billion in 2003, with an average growth of 0.5% per annum since 1998. It also identified the key issues affecting the performance of the industry.

Analysis of the value chain showed how current market conditions, competition and fiscal measures affect the economics of printing houses in Egypt in four product groups: Print Media, Books, Commercial and Packaging.

The detailed, comprehensive and structured assessment of the national printing industry included a survey of eighty local and international industry professionals. The assessment involved the most detailed market analysis conducted to date in Egypt.

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Finally, a detailed benchmarking of the industry was carried out against the printing industries in Germany, Italy, Jordan, Lebanon, Turkey, Dubai and the UK. The benchmarking determined Egypt's relative performance in terms of market access, quality and cost leadership. The benchmarking exercise determined the ability of the local printing industry to attack competitor markets and take business from them as well as its ability to defend itself from penetration by products from competitor markets.

Outcome

The project provided a detailed action plan to achieve its vision of a future national printing industry to be implemented in strategic steps.

The action plan sets out all the objectives and measures that need to be taken by all the major stakeholders in the industry, including the private sector printing houses, government-owned and public sector printing houses, industry bodies and the government itself. Carrying out the action plan will amount to a leap forward in the industry's performance.

The report has been circulated to all printing houses registered with the country's Chamber of Printing Industries and several high profile seminars and conferences have been organized within the industry to popularize its findings and recommendations.

The key findings, strategy and action

Oman to Build New \$500mn Port

Oman has a plan under way to create a new commercial port at a cost of more than \$500 million, Transport Minister Mohammed bin Abdullah Al Harthi stated this week. Royal Haskoning of the Netherlands, together with Lebanon's Khatib and Alami, is designing the port and shipyard in Duqm, central Oman, which will be able to handle ultra-large crude carriers. An initial estimated cost of \$260mn has increased to at least \$500mn as the development scope widened.

(Source: Trade Arabia, 5 April)

plan were presented at the end of last year to Egypt's Minister of Foreign Trade and Industry Rashid Mohamed Rashid as the gold standard of consulting projects commissioned by the IMC to date.

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