

**Presse
Press**

High level of interest despite difficult times

**interplastica and UPAKOVKA/UPAK ITALIA 2016 in Moscow
recorded considerably more visitors than in the previous year**

Western technology for the production of packaging and related processes, as well as for the manufacturing of plastic and rubber goods is still highly valued by Russian companies. However, the political framework conditions, the fall of the oil price, and a continually weak rouble, having an inflation rate of approx. 15.8 percent last year, as well as hesitant lending as a result thereof are making it difficult to make investments, especially for small businesses.

On the other hand, there is still considerable investment needed in Russia and neighbouring countries. Above all, the demand has been placed on the domestic consumer goods industry, the food industry, and the packaging industry to optimise production processes and product quality in order to be able to substitute imports. Therefore staying informed concerning innovative technologies, maintaining business relationships with suppliers, or establishing new ones represented the main focus of visitors to the interplastica and the UPAKOVKA/UPAK ITALIA 2016. From 26 to 29 January, 20.900 specialist visitors from Russia and its neighbouring countries came to the Moscow Expocentre in Krasnaya Presnya – around 1.900 more than in 2015. The atmosphere within the halls was remarkably great. The exhibitors reported there being extremely interested business people, who were also, in part, ready to make orders. A total of 828 companies from 38 countries presented their range of offers at both trade fairs.

“Russia is still a potentially significant market currently experiencing difficult times. At the moment, for small and middle-sized Russian companies in particular, it is not easy – the problem of financing planned investments is a quite big. However, the market has in no way come to a halt. There is still a high level of interest in high-quality and innovative machinery, systems, and materials. Companies want to invest and are



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also making effort to realise planned projects. In such a situation, trade fairs play an important role! With their participation, the exhibitors have provided that they do not only have short-term success in mind, but are making endeavours to sustainably maintain relationships. This was clearly rewarded,” commented Matthias Werner Dornscheidt, Chairman and CEO of Messe Düsseldorf. The trade fair company organises both specialist trade fairs, the interplastica and UPAKOVKA/UPAK ITALIA together with its subsidiary, Messe Düsseldorf Moscow OOO, the latter in cooperation with the Italian organiser CPA.

The visitors unanimously expressed positive feedback regarding the versatile range of companies and products, the numerous product debuts, and the presence of many market leaders. Special suppliers and newcomers were also able to be delighted with the lively activity at their trade fair stands.

Russian food and drink manufacturers still look to western technology: one in two confectionery machines used in Russia is German-produced and the same goes for brewery machines and drinks bottling machines. “In particular, it is large agricultural holdings and retail firms wanting to act independently from their suppliers who invest in the development and expansion of local food production, not least due to the import ban on foods and state subsidies. In UPAKOVKA/UPAK ITALIA we offer an ideal platform to companies with the technology to meet this demand – and Russia is one of the largest sales markets for food and drinks worldwide,” commented Bernd Jablonowski, Global Portfolio Director of Processing & Packaging at Messe Düsseldorf.

As a result of the investments numerous new factories for the production of ready-meals and convenience products are springing up. This offers sales opportunities to German manufacturers of food and packaging machinery. Nevertheless, the hole in the order books from 2014 impacted 2015 and German exports of food machinery and packaging machinery to Russia fell in the first ten months of that year by 36% to Euro 261 m. This knocked Russia from its No. 3 position in the ranking of key export markets of the German food and packaging manufacturers, one it held since 2010, down to No. 5. “German technology is still in demand in Russia – both by international food

manufacturing concerns and by purely Russian operations across the entire value added chain. Today, it is more important than ever to fly the flag, maintain contacts and invest so as to be out in front when the economy picks up,” commented Vera Fritsche of the VDMA, Food Processing and Packaging Machinery Association.

A similar view is shared by Andrea Briganti, CEO of the co-organizer CPA and General Manager of the Italian association of manufacturers of machinery for the graphic, converting and paper industry, ACIMGA: “The current conditions are certainly not ideal, but better times will come. In order to take advantage of the enormous market potential, one has to be on the ball when economic conditions improve.”

The special show “World of Packaging Materials” was also well attended. Here companies showcased their solutions from the field of packaging materials.

The next UPAKOVKA/UPAK ITALIA will be held in Moscow from 24 to 27 January 2017, once again in parallel to interplastica.

For further information go to www.upakovka-upakitalia.de or contact Messe Düsseldorf GmbH, Mr. Thomas Dohse, Tel. 0049 211 4560-416, Email DohseT@messe-duesseldorf.de or Mr. Malte Seifert, Tel. 0049 0211 4560-416, Email SeifertM@messe-duesseldorf.de.

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Exhibitor Statements on UPAKOVKA/UPAK ITALIA 2016:

Anna Lebedeva, CEO of the Global Association for Marketing at Retail POPAI RUSSIA

We are participating at UPAKOVKA/UPAK ITALIA for the first time and are presenting our entire service range for design, branding and production of promotional packaging. In this day and age there is a lot of competition and customers very much appreciate an individual approach to their company. In my opinion, we should see a challenging economic situation as a time of new opportunities. This is the time to look for new customers and form even closer ties with existing partners! We are very satisfied with the results of the trade fair. It is a good opportunity to present our products and canvas new customers!

Anna Mauri, Customer Manager at The Group of Companies Maury

We are exhibiting at the trade fair for the fourth time now. Our main customers are manufacturers of dairy products, confectionery and pastry goods. On the first day of the trade fair there were not many visitors. Obviously, we cannot help noticing the drop in demand as well as the fall in order volume. For this reason, we are in search of new development channels for our business and the trade fair offers us an excellent platform to explore topical areas of market activity and gauge the needs of modern customers.

Natalja Fedotova, Director of Administration at ANTON OHLERT

Our customers are major factories and operations that purchase high-cost machinery such as UniConf: ROTFRONT, Krasny Oktyabr, Babaevskiy Group. Obviously, the current climate is complicated. The price to rig up a facility has risen significantly due to exchange rate fluctuations and this has forced contracting firms to address the issue of budget planning in a more cautious manner. In this context we do not expect major sales but we are convinced that the interest in the business remains unchanged. We see this in our partners and customers who are actively visiting our stand. Beyond the image aspects of our trade fair participation we are already posting positive results on the second day of the fair.

Tatiana Minaeva, Administrator at ULMA PACKAGING LLC.

A goal of our participation is obviously to take new orders and to increase the company's financial profit. We are customer-oriented and present high-quality European equipment. I cannot help noticing trade visitor interest at our stand and hope for good results from the business negotiations held at the trade fair.

Anastasia Kolmykova, Deputy Director YAMATO SCALE LLC.

UPAKOVKA/UPAK ITALIA is the only trade fair in the Russian Federation that we attend. Flexible service and payment conditions allow us to maintain our sales volumes at pre-crisis levels. 2014 and 2015 were very successful for us. We hope our figures do not fall in 2016. In our sector electronics and technology is modernised every three years. So this year we are also expecting an upgrade to the product range.

Alexey Kazarev, Head of the Polygraphy Department at FORINTEK Ltd.

80% of our customers are representatives from the food industry. Demand in this sector is steady. Today, customers are transitioning to lower cost machinery. And we are ready to offer machinery of this kind without compromising on quality. The 24th edition of UPAKOVKA/UPAK ITALIA surprised us. Given events at the start of the year and the current unstable economic climate we anticipated fewer visitors. However, I am happy to report that all our old customers came and that all pressing issues were dealt with in lively discussions between exhibitors and visitors.

Tatiana Gaponova, Area Manager OMET

UPAKOVKA/UPAK ITALIA 2016 was an interesting exhibition for our company this year. It was well organised and gave us possibilities to find new potential clients and meet existing ones.

Fiorino Gregori, General Director OMAG

We are on the whole satisfied with UPAKOVKA/UPAK ITALIA 2016, our stand was always full of customers and potential buyers and in the two central days we collected interesting new contacts. We worked hard to

prepare for this important fair. Although the exhibition space has decreased, Upakovka remains a very important date for the Russian market.

Stefano Squarcina, Sales Manager UTECO GROUP

This edition has confirmed our expectations in terms of visitor turnout of the sector: the economic crisis and the devaluation of the local currency are heavily affecting the implementation of new projects. Proof of this is the fact that the majority of customers we met were existing customers, while new customers are postponing investment. Another signal that the market is experiencing a shrinkage is the reduction of the exhibition space compared to previous editions. Clients are still confident in a strong economic recovery that will bring new lifeblood into the flexible packaging industry, where interest in new food packaging technology remains high. Also, exhibitors believe in a strong recovery of the demand and there is already talk of new synergies for new layout of the exhibition spaces.