An In-depth Study on the Printing and Publishing Industry In the Philippines

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Executive summary

The Philippines has chosen to pursue the path of liberalization and global integration to spur economic activity, to give rise to new businesses, to create new jobs for the rapidly growing labor force, and to foster competition among the different industries in the country. The printing and publishing industry in the Philippines is one such industry that could take advantage of the huge opportunities offered by liberalization. The question is whether its potential as a major export industry could be realized.

Given this background, this paper aims to: (1) determine the scope of the printing and publishing industry; (2) describe the structure of the printing and publishing industry; (3) determine the existing and potential markets for the products and services of the industry; (4) determine the supply capability of the firms in the industry; (5) determine the driving forces of the industry; (6) identify the inhibitors to growth, (7) present an action plan to enhance the growth and competitiveness of the establishments in the industry.

Scope of the industry

The printing and publishing industry has three major subsectors classified according to the products or services they offer. These subsectors are (1) newspapers and periodicals, (2) books and pamphlets, and (3) commercial and job printing and other allied industries.

Structure of the industry

Industry structure has a strong influence in determining competitive rules. According to Porter, the state of competition in an industry depends on five basic competitive forces, namely industry competitors, suppliers, buyers, potential entrants, and substitutes. All five forces jointly determine the intensity of competition and profitability. Understanding how these forces behave may be crucial in determining ways of promoting growth and enhancing the competitiveness of the industry.

Just like any industry, the printing and publishing industry is primarily affected by the actions taken by these players, primarily by (a) the firms in the industry themselves, (b) the customers or buyers of the products and services offered by the industry, and (c) the suppliers of the inputs utilized by the printing and publishing firms. For the purpose of this analysis, an assessment of the effects of the actions taken by government, and the industry associations will also be made, recognizing the major role they play in either enhancing or hindering the overall growth of the industry.

Firms in the industry. The number of firms belonging to the printing and publishing industry increased from 2,563 in 1994 to 2,755 in 1995, with small firms (those employing less than 10 employees) accounting for about 3/4 of the total number. Total employment level in the industry reached 32,652 in 1994 and 33,075 in 1995, with small firms accounting for about a third of the total employment.

In 1998, there were a total of 73 printing and publishing firms among the Top 7000 corporations in the Philippines. The total assets of these firms reached P12.695 billion in 1998, a 22.65% increase over the P10.350 billion in 1997. The gross revenues of these 73 firms rose by 30.69% from P11.499 billion in 1997 to P15.029 billion in 1998. However, net income after tax decreased by 6.96% from P845 million in 1997 to P790 million in 1998.

In addition, there were a total of 50 printing and publishing firms among the Next 5000 corporations in the Philippines. The total assets of these 50 firms reached P1.084 billion in 1998, a 5.96% increase over the previous year's total of P1.023 billion. Gross revenues decreased by 6.43% from P980 million in 1997 to P917 million in 1998, resulting in a net loss of P143 million in 1998, a staggering 1344% decrease over the previous year's net income after tax of P9.904 million.

Overall, the top 123 printing and publishing firms contributed a total of P15.947 billion in revenues, and generated net profits of P647 million in 1998. While revenues jumped by 27.78%, profitability dipped by 24.24%.

The competitors of the firms in the printing and publishing industry include exporters from other countries, which satisfy the demand for printed matter that local printing and publishing companies cannot completely fulfill. In fact, the Philippines is a net importer of printed matter. It recorded negative trade balances that peaked to $80.265 million in 1997. In 1999, imports exceeded exports by $53.704 million.

Specifically, local book publishers do not only compete among themselves for a share of the local market but also with foreign publishers. Foreign book publishers compete through any of the following modes: (1) selling directly to major bookstores; (2) appointing an agent in the Philippines who will, in turn, introduce their books to booksellers and take the latter's orders; (3) working with booksellers who receive orders from clients and import their clients' requirements; or (4) granting reprint rights following the Berne Copyright Convention, to which the Philippines is a signatory.

Local publishers of newspapers, journals and periodicals compete largely among themselves for a share of the domestic market, but also compete with publishers of foreign newspapers and magazines for certain segments of the market.

Job and commercial printers largely service the domestic market, but also compete with printers based in other neighboring Asian countries like Hong Kong, Singapore, Thailand, Malaysia, and Taiwan.

Generally, there is keen competition among the players of the industry, which is characterized by numerous and diverse competitors, slow industry growth, high fixed costs, and lack of differentiation. For bigger players, there are high strategic stakes and high exit barriers. The large number of firms in the industry is a strong indicator that there are no major sources of barriers to entry into the industry.

Customers. The major customers of the printing and publishing industry could be divided into consumers and institutional buyers. The consumers include households, students, teachers, researchers, professionals, and political candidates. The major institutional buyers include educational institutions, libraries, manufacturers of consumer products; banks, insurance firms, and other financial institutions; hotels and restaurants, advertising agencies, and government

Buyers compete with the industry by forcing down prices, bargaining for higher quality or more services, and playing competitors against each other. Buyers of the printing and publishing industry have a strong bargaining power over commercial printers because the products and services offered by the industry are largely standard and undifferentiated. Buyers can, therefore, choose a printing press that offers the lower price. Moreover, the intense rivalry among the players in the printing and publishing industry has worked for the benefit of customers.

Suppliers. Among the major suppliers of the printing and publishing industry across subsectors are the suppliers of paper, ink, fuel, and printing equipment. Also important suppliers are companies that provide transportation, electricity, and postal and messenger services.

For the publishers of newspapers, journals, and periodicals, the suppliers of paper accounted for 41.59% of output; the commercial and job printing subsector of the industry accounted for 5.10%; wholesale and retail trade, 5.05%; manufacturers of miscellaneous chemical products, 3.65%; and road freight transport and supporting services to land transport, 2.13%.

For the books and pamphlets subsector, the leading suppliers include paper suppliers which accounted for 21.12% of inputs; commercial and job printing, 12.17%; wholesale and retail trade, 3.78%; manufacturers of miscellaneous chemical products, 3.30%; and real estate developers, 2.57%.

For the commercial and job printing subsector, the leading suppliers include paper suppliers which accounted for almost half of its inputs; manufacturers of miscellaneous chemical products, 6.63%; wholesale and retail trade, 3.89%; and suppliers of electricity, 2.00%.

Most printing companies use traditional printing machinery. There are printshops that use a combination of traditional and modern printing machines, the choice of which depends on the type of printing technology used by the company. Among the printing machines and equipment used by printshops are the following: printing and binding machines, computer-aided machines, computers, computer printers, scanners, electronic pre-press equipment, photocopying machines, communication equipment and gadgets, finishing equipment and supplies, graphic art tools and supplies, laminating machines, and silkscreen and signage equipment among others.

The Philippines is largely import dependent on printing equipment. It imported as much as $66.437 million in 1998, but imported only about $43.368 million in 1999. If imported machines and equipment used in the paper industry are added to the total, total imports peaked to $128.829 million in 1997, but only reached $58.797 million in 1999.

The bargaining power of suppliers of the printing and publishing industry is strong primarily because the printing and publishing industry is largely dependent on the paper industry, which is a highly concentrated industry. Local paper manufacturers like PICOP, for example, are protected by government through the imposition of taxes on imported paper. Moreover, there is an acknowledged cartel of paper importers, which exert considerable influence in setting prices and terms of payment because they are selling to a highly fragmented market.

Therefore, local commercial printers are rendered less competitive than foreign printing presses because the cost of production of the former is higher due to the more expensive price of paper. The book industry, in particular, suffers because the price of imported books (which are brought in the country tax-free) becomes cheaper as compared to books produced in the country.

Local commercial printers also have weaker bargaining power compared to the suppliers of printing equipment. Except for the bigger companies that can afford to directly import from abroad, most companies in the industry depend on local distributors for their printing equipment, as well as for the spare parts and the service attendant to the maintenance and repair of these machines.

According to Montesines (1998), however, only about 20% of printing companies in the Philippines can afford state-of-the-art equipment. Many of them use rebuilt or reconditioned equipment instead.

Government. During the past decade, government has been enforcing several laws intended mostly to promote the growth and development of the printing and publishing industry in the Philippines. These include the following, among others: (1) Republic Act (RA) 8293 of the Intellectual Property Code of the Philippines, (2) R.A. 8047 or the Book Publishing Industry Development Act, and (3) R.A. 8424 or the Tax Reform Act of 1997, and (4) Executive Order No. 226 or the Omnibus Investment Code.

The Intellectual Property Code of the Philippines (R.A. 8293) is relevant to the printing and publishing industry particularly because it contains the Law on Copyright which covers "published works" defined as "works, which, with the consent of the authors, are made available to the public by wire or wireless means in such a way that members of the public may access these works from a place and time individually chosen by them.

Chapter II Sec. 172 of the Law on Copyright states that Original Works, particularly Literary and Artistic Works, and Derivative Works shall be protected by copyright. These include the following products of the printing and publishing industry: (a) books, pamphlets, articles, and other writings, and (b) periodicals and newspapers, among others. The assumption is that more robust creative activity, e.g. book writing, fueled by a fair system of protecting the economic rights of authors, is a principal opportunity for the printing and publishing industry.

The Book Publishing Industry Development Act (R.A. 8047) declares that it is the policy of the State "to promote the continuing development of the book publishing industry, with the active participation of the private sector, to ensure an adequate supply of affordable, quality-produced books not only for the domestic but also for the export market."

R.A. 8047 created the National Book Development Board (NBDB), which is tasked primarily to formulate and implement a National Book Policy with a corresponding National Book Development Plan "that will serve as the enduring basis for fostering the progressive growth and viability of the book industry."

Among the declared objectives of the National Book Policy are the following: (a) to create conditions conducive to development, production, and distribution of books, especially the acquisition, and adoption of state-of-the-art technology, equipment and machineries on book publishing, (b) to obtain priority status for the book publishing industry, (c) to promote the effective distribution of books in the domestic as well as in the international markets through an efficient and reliable postal and transport delivery system, and (d) to foster the development of skills of personnel engaged in book publishing through in-service training programs and formal degree and non-degree book publishing courses in schools. These objectives are clearly "developmental" in nature.

While the National Book Policy has already been formulated, the National Book Development Plan has yet to be finalized. This plan is expected, among others, to tackle important issues confronting the book publishing industry, particularly those related to authorship and creative activity, marketing and distribution, printing, readership, and the library system.

R.A. 8047 also includes a section on incentives for book development, which states that persons and enterprises engaged in book publishing and its related activities duly registered with the NBDB shall be entitled to the applicable fiscal and non-fiscal incentives as provided for under Executive Order No. 226 or the Omnibus Investment Code subject to the qualifications and requirements of the Board of Investments (BOI). As it is, book development activities, "shall always be included in the Investment Priority Plan (IPP)."

Incentives for book development under R.A. 8047 and other relevant laws such as the Tax Reform Act of 1997, and the Omnibus Investment Code include: (a) tax and duty-free importation of books; (b) tax and duty-free importation of raw materials to be used in book publishing; (c) participation of private publishers in the public school textbook program; (d) exemption from the coverage of the Value-added Tax; (e) reduced royalty tax for authors; (f) income tax holiday; (g) additional deduction for labor expenses; (h) unrestricted use of consigned equipment; (i) tax and duty-exempt importation of spare parts and supplies; and (j) employment of foreign nationals.

Industry associations. Industry associations play a crucial role in enhancing the growth and competitiveness of the printing and publishing industry.

Among the major industry associations are the Printing Industries Association of the Philippines (PIAP), the Philippine Educational Publishers Association (PEPA), the Publishers Association of the Philippines, Inc. (PAPI), the Association of Philippine Booksellers (APB), the Book Suppliers Association of the Philippines (BSAP), the Book Development Association of the Philippines (BDAP), the Book Exporters Association of the Philippines (BEAP), the Packaging Institute of the Philippines, the Philippine Printing Technical Foundation (PPTF), the Printing Industries Board Foundation, Inc., the Philippine Graphic Arts Dealers Association (PGADA), and the Screenprinting and Imaging Graphics Association of the Philippines (SIGAP).

Some of these associations, such as the PEPA, BDAP, and APB, were instrumental in the passage of Republic Act No. 8047 or the Book Publishing Industry Development Act.

The Printing Industries Association of the Philippines (PIAP), founded in 1963, is one of the biggest associations of graphic arts practitioners in Asia. It has more than

800 members. Its objectives are (1) to foster among its members adherence to ethical standards of fair business practices; (2) to promote their common welfare, maintain and enhance friendly relations among its members; (3) to promote the general welfare of the printing and allied industries in the Philippines; (4) to cooperate with the government or any agency in the study and solution of the problems affecting the industry, and (5) to conduct public relations and educational programs stressing the role of the printing industry in national economic development.

The Book Exporters Association of the Philippines (BEAP), founded in 1999, aims to consolidate efforts of Philippine publishers who are interested in the export of books, and to encourage and assist publishers in financing, producing, and marketing quality books and other publications as required in the international market.

Industry associations are also recognized by the government as critical partners in formulating and implementing policies affecting the industry. The National Book Development Board (NBDB), for instance, has a Governing Board composed of 11 members, six of which must be "nominees of organizations of private book publishers, printers, writers, book industry related activities, students and the private education sector."

The Governing Board of the NBDB has the following functions, among others: (a) assume responsibility for carrying out and implementing the policies, purposes, and objectives provided for in the Book Act, and (b) formulate plans and programs as well as operational policies and guidelines for undertaking activities relative to promoting book development, production, and distribution, as well as incentive schemes for individual authors and writers. With the representatives of industry associations in the Board, it is assumed that the interests of their members shall be properly articulated and protected.

Market potential

The printing and publishing industry of the Philippines currently caters primarily to the domestic market, but is slowly discovering a potential market abroad. Some players, particularly those that have the supply capability, have realized that a much larger market exists abroad, and that tapping this foreign market would increase their profitability.

According to Hoover's Online, publishing is a $750 billion business worldwide, and is led by major publishing houses such as Random House, Simon and Schuster, Bantam Doubleday Dell, and Time-Warner. According to the World Book Report 1998, book sales alone reached nearly $75 billion in 1996 in the top 20 markets in the world. These markets are led by the USA, Germany, Japan, United Kingdom, and France.

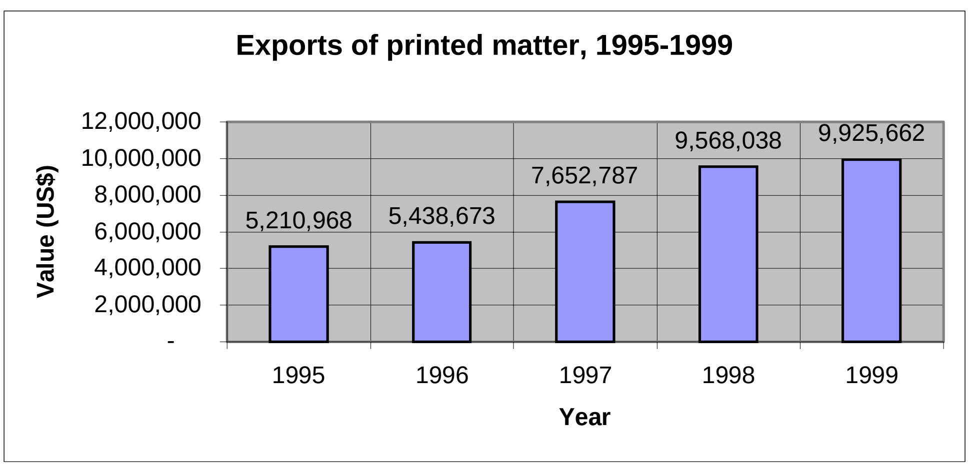
Book sales in major markets, 1991-1996 (US$ million)

Country and rank	**1991**	**1992**	**1993**	**1994**	**1995**	**1996**
1 US	20,101	21,224	22,635	23,794	25,490	26,127
2 Germany	7,768	8,572	8,339	8,664	9,962	9,773
3 Japan	7,005	7,608	9,020	10,215	10,467	9,126
4 UK	4,532	4,799	4,403	4,824	4,746	4,772
5 France	2,695	2,987	2,703	2,887	3,380	3,306
6 Spain	2,383	3,336	2,762	2,704	2,992	2,981

Country and rank	1991	1992	1993	1994	1995	1996
7 South Korea	2,749	2,685	2,716	2,716	2,805	2,742
8 Brazil	1,204	1,104	1,275	1,722	2,526	2,678
9 Italy	2,846	2,891	2,250	2,200	2,246	2,500
10 China	1,419	1,392	1,511	1,645	1,760	1,867
11 Canada	1,324	1,261	1,263	1,213	1,274	1,296
12 Australia	1,039	1,030	991	1,095	1,187	1,243
13 Netherlands	857	929	922	970	1,200	1,155
14 Belgium	911	1,016	977	1,020	1,189	1,084
15 Mexico	689	952	1,055	974	822	820
16 Switzerland	525	567	580	650	805	786
17 Austria	640	716	738	767	809	726
18 Russia	541	562	586	619	634	678
19 Taiwan	602	614	573	653	665	664
20 Argentina	475	511	586	642	614	640
TOTAL	**60,303**	**64,757**	**65,884**	**69,973**	**75,573**	**74,963**

Source: Euromonitor Global Market Information Database

The Philippines, however, has barely tapped this large foreign market. Philippine exports of printed matter have only gradually increased over the years, rising from $5.210 million in 1995 to $9.925 million in 1999, posting an average growth rate of 18.46% from 1995 to 1999.



The Philippines' main exports of printed matter are Christmas and other greeting cards (printed by any process, with or without trimmings), which accounted for 39.13% of total exports of printed matter; Other books, brochures, and similar printed matter, 11.91%; Paper or paperboard labels, 10.25%; Magazines, reviews, journals and periodicals, 8.50%; and Prayer books, bibles, and other religious books, 5.30%.

Top exports of printed matter by value (in US$), 1995-1999

Description	5-year cumulative total	% of total exports of printed matter
Christmas and other greeting cards	14,789,895	39.13071
Other books, brochures and similar printed matter	4,502,043	11.91139
Paper or paperboard labels, printed	3,875,505	10.25371
Magazines, reviews, journals and periodicals	3,214,909	8.505922
Prayer books, bibles and other religious books	2,004,362	5.303088
Newspapers, journals and periodicals	1,757,836	4.650836
Calendars of any kind, printed	1,469,321	3.887491
Transfers (decalcomanias), vitrifiable	1,252,962	3.315054
Other printed or illustrated postcards	1,189,098	3.146084
Other printed material	1,138,558	3.012367
Dictionaries and encyclopedias	870,846	2.304061

The top export markets of the Philippines for printed matter are Germany, USA, Japan, Hong Kong, Singapore, and Taiwan.

Top export markets of printing and publishing materials

Rank	Country	% share (2000)	% share (1999)
1	Germany	22.42	20.18
2	USA (excluding Hawaii and Alaska)	16.02	17.21
3	Japan	14.71	9.7
4	Hong Kong SAR	9.81	12.31
5	Singapore	5.62	2.63
6	Taiwan	4.45	3.98
7	France	2.79	5.99
8	Italy	2.45	2.52
9	Great Britain and Northern Ireland	2.08	7.67
10	Saudi Arabia	2.06	1.94
11	New Zealand (excludes Western Samoa)	1.94	0.59
12	Netherlands	1.92	0.29
13	Malaysia	1.36	0.84
14	Australia	1.29	2.32
15	India	1.12	0.04
16	Others	9.96	11.79
	TOTAL	100.0	100.0

Driving forces

There are three major driving forces in the industry, namely economic growth, technological development, and the rising production costs in Western countries.

First, there is a strong correlation between the growth of local economies and the health of the printing and publishing industry. This is particularly true for countries like the US, UK, France, Japan, South Korea, Hong Kong, and Singapore, which have vibrant printing and publishing industries. Being largely dependent on the domestic market, the printing and publishing industry in the Philippines rises and falls with the general economy.

Second, the evolution of equipment and new printing technologies has led to better and more innovative products and services that cater to the changing needs of customers. The utilization of new equipment and various printing technology, particularly those with IT applications, has enabled companies to reduce turnaround times, shorten press make ready and cut down on costly waste. This also opens opportunities for small- and medium-scale enterprises that maintain a lean and highly computerized operation to serve niche markets requiring low volume printed / published materials.

Third, the high cost of production in Western countries such as the United States and the United Kingdom has prompted publishers in these countries to shift to Asia for their printing requirements, an opportunity that has been aggressively exploited by countries such as Hong Kong, Singapore, Taiwan, and Malaysia.

Inhibitors to growth

The printing and publishing industry in the Philippines is constrained by lack of formal training of managerial and technical personnel, and inadequate investment in new technology.

Low barriers to local entry have contributed to the proliferation of printing companies in the country. The large number of players in this fragmented industry, coupled with high exit barriers, has resulted in stiff competition among printers, many of which strive to lower their prices so as to get business or to simply sustain their operations. Since the domestic market is extremely price sensitive, many firms have compromised the quality of their products just to compete with smaller firms that offer lower prices. Local printers are, therefore, discouraged from investing in technology and training for fear that profitability would be influenced by low prices rather than the quality of their products.

The industry's reluctance to invest in new technology and in the training of its human resources is the main reason the country has failed to exploit the opportunities currently enjoyed by countries like Hong Kong, Singapore, Taiwan, and even Malaysia, which have cornered a significant percentage of business brought by US, UK and other Western publishers. Instead, most local printers settle for the domestic market, and consequently limit their profitability.

Even in the Philippines, local printers are faced by high operating costs due to inefficient processes, and due to the price of paper and other inputs, most of which are imported. And since they could not increase their prices by so much, they suffer from ever thinning margins, preventing them from upgrading their technological and human resource capabilities.

Fortunately, this is not the case among companies offering pre-press services. There has been a dramatic increase in the number of design and graphic imaging service companies over the past few years, one that can be attributed to the rapid development of pre-press technology and the dramatic reduction in the cost of computer hardware.

Supply capability of firms

To determine the supply capability of the firms and the overall competitiveness of the industry, it is important to examine the quality of human resources, capital resources, and technology utilized in the production of goods or in the delivery of services

In the newspaper and publishing subsector, there is a steady supply of writers and editors who are adept in both English and Filipino. Together with the creativity of people involved in illustrations, photography, layout and design, these editors and writers have contributed to the publication of several well-written newspapers and magazines.

In the book publishing subsector, industry respondents decried the lack of formal training of technical and managerial personnel in the field of publishing. While many people involved in the publishing industry finished courses like mass communication, journalism, English and literature, most had not prior training specifically in publishing. In terms of authors, there is a talented pool of writers in literature, many of which are proficient in English. However, there is a dearth of Filipino authors in the technical fields, which explains the dependence of the country on foreign textbooks for the tertiary level.

The job and commercial printing subsector suffers in terms of the lack of formal education and training of their human resources on the managerial and technical aspects of printing and publishing. Majority of the press operators never attended technical schools, and most of them are high school graduates only. This is due to the absence of formal courses offered in local colleges and universities. Because of these, there is a limited supply of skilled technical personnel in the industry. Firms are, therefore, faced with the option of training people on-the-job or pirating skilled individuals from other printing companies. For pre-press operations, however, there are highly skilled personnel involved in pre-press operations, such as editing, proofreading, layout and graphic design.

In terms of technological capability, many newspapers and magazines have shifted to more modern methods of coming up with their final product, getting rid of the more traditional (and tedious) processes of print production. Some major newspapers and magazines are even able to sustain online (Internet) editions, resulting in expanded readership and more advertising revenue.

Many book publishers have already integrated the use of information technology in various aspects of the trade. The Internet has opened the door for publishers to deal more closely with their suppliers and customers. Technology, such as desktop publishing, has also resulted in speedier and more flexible production of printed materials.

For the job and commercial printing subsector, a weakness of many companies is the lack of hi-tech equipment that can produce low-cost, high quality books and printed materials comparable to that produced in neighboring Asian countries. Most small firms, for example, rarely invest in new equipment, and prefer to utilize reconditioned machines usually discarded by other countries. Some of the bigger companies, however, have invested in new printing and pre-press equipment, and have adopted the latest in scanning technology, digital camera technology, desktop publishing, color management, computer technologies, direct-to-press digital printing, digital proofing, and computer-to-plate systems. These companies have the capability to produce printed matter comparable to those produced in Hong Kong and Singapore.

Action plan to enhance growth and competitiveness

In conclusion, it can be said that there is a large demand for the products and services of the printing and publishing industry, especially abroad. Filipino firms, however, have failed to tap this huge market because of constraints in terms of investing in state-of-the-art technology and in terms of the training and development of its human resources. This reluctance of local firms to upgrade their equipment or to invest in staff training is largely because of the low returns on investment caused by high production costs and stiff pricing competition among players in the local market.

Several suggestions have been forwarded to increase the competitiveness of the industry. According to Torio (1999), Filipino printing firms need to increase production and cut costs to be able adjust to a highly-competitive environment, This can be done by investing in new technology and by training its workers while providing for attractive compensation packages. Other innovative solutions are: standardization of each stage of the printing process, specialization in services and products, training of clients and end-users on the technology, and values reorientation of workers and management.

Given all these inputs, the following action plan is presented. The suggestions are largely meant to enhance the capability of the firms not only to respond to the needs of the domestic market but of the international market as well.

Suggestion for the firms

- **Invest on new technology.** This will significantly enhance the supply capability of firms as well as enable them to respond to the changing needs and requirements of customers.
- **Invest on human resources.** Investment in new technology necessitates the corresponding training of human resources to handle new machines and equipment. Training is also needed on different aspects of the business like productivity improvement, quality, and customer service.
- **Focus on certain segments of the market.** Newspapers and magazines should create a niche (e.g. women's magazines, business newspapers, music magazines, fashion magazines). This could attract advertisers that want to reach a specific target market into their pages.
- **Offer specialized products and services.** Firms could choose to specialize in the type of products and services that they give. This will allow them to improve their technical skills in one area (such as printing of business forms) or product (such as paper bags and greeting cards) and in the long run increase efficiency in production. This will also avoid cutthroat competition in already saturated markets.

- **Standardize work processes and product types.** To increase professionalism in the industry, there is a need to establish uniform work procedures and methodologies and define quality standards for both products and raw materials used. Companies might want to seriously consider working for **ISO 9000** and **ISO 14001** certifications. These could serve as impetus for workers and management to break non-productive habits and practices.
- **Work closely with customers.** Empowering the client with need-to-know basics regarding the printing process speeds up work and eliminates re-prints. This translates to the efficient use of resources and reduction in production costs.
- **Consolidate businesses.** Consider the option of consolidating businesses through mergers and acquisitions. This will increase the size of existing business and allow them to gain economies of scale, as well as synergies of closely-related businesses such as publishing, printing, and retailing. An alternative would be for smaller business to collaborate closely with each other so that they could specialize on one particular activity (e.g. only color separation, or only printing) of the entire printing and publishing process. These businesses without having to invest on multiple equipment.
- **Develop competencies in IT-related activities.** Gaining competencies in activities such as desktop publishing, electronic imaging, or online publishing will not only expand the capabilities or speed up the production processes, but also serve to prepare the firm to shift to IT-based business in the future, if needed.
- **Participate in initiatives of industry associations.** This will expand the firms' network of contacts, enable them to exchange valuable industry information and best practices, and lobby for legislation beneficial to the industry.

Suggestions for industry associations

- **Training.** Sponsor regular training programs for members to strengthen the capabilities of their human resources.
- **Exposure to new technology.** Provide opportunities for members to be exposed to new printing and publishing technology through trade fairs, exhibits, etc.
- **Collaborative activities.** Provide opportunities for members to form collaborations and partnership agreements so that they can collectively provide a wider variety of services to their clients
- **Database of information.** Maintain a database of information concerning key result areas of the industry such as revenue and profit levels, investment in capital equipment, cost structures, profile of employees and labor market, salary scales, etc. Industry associations can tap private organizations or the academe to conduct research for them, and ask their suppliers to help fund these studies, as is the practice in the United States.
- **Linkages with other industries.** Establish linkages with related industry associations such as the industry associations of the paper industry, the ink industry, and the association of dealers of printing machines so that issues

affecting these sectors could be discussed and threshed out in an institutionalized manner. These issues could be viewed from the framework of these firms belonging a single cluster of industries that are very much interdependent.

- **Information dissemination.** Support government in disseminating information concerning incentives that can be availed of by their members. This is particularly important given the limited resources of government, which can instead be channeled to promotional or developmental activities.
- **Standardize work processes.** Uniform work procedures and methodologies could be used as standards that could be used as benchmarks practices for players in the industry. Industry associations can help companies who would want to attain **ISO 9000** and **ISO 14001** certifications, a move that will lift the overall quality of products and services offered by the industry, making the industry more competitive with its foreign counterparts.

Suggestions for government

- **Promote concept of global competitiveness.** The government should engender a mindset of competitiveness among the firms of the industry by recognizing export development initiatives, and by providing the necessary support in terms of removal of disincentives, or financial assistance in international fairs and exhibits by local printers and publishers similar to what neighboring Asian countries are doing. It must impress upon the players of the industry that there is an opportunity beyond the domestic market, and that by being competitive in the international arena, these companies are contributing to national development.
- **Facilitate human resource development efforts.** Explore and pursue the creation of a graphic arts institute in coordination with the Printing Industries Board Foundation and other industry associations. This will serve as a long-term solution to the shortage of skilled manpower in the industry.
- **Facilitate access to capital and credit.** Government should provide support in terms of facilitating grants and credits schemes for printers.
- **Establish performance-monitoring scheme.** The government, in cooperation with industry associations, must establish a system of monitoring the performance of firms in the industry, primarily through the maintenance of relevant data about the competitiveness of the industry.

An in-depth study on the printing and publishing industry in the Philippines

Introduction

The Philippines has chosen to pursue the path of liberalization and global integration by taking an active part in the ASEAN Free Trade Area (AFTA), the Asia-Pacific Economic Cooperation (APEC), and the World Trade Organization (WTO). Liberalization is seen as a key element to the country's continued growth and development because of its potential to spur economic activity, to give rise to new businesses, to create new jobs for the rapidly growing labor force, and to foster competition among the different industries in the country.

One of the major economic goals of the Philippines is for local businesses to achieve global competitiveness, consistent with the overall direction under the medium-term framework for export development. According to the Philippine Export Development Plan 1999-2001, "this direction recognizes that the effort to develop the capacity to compete globally is not limited to export industries alone but extends to domestic market-oriented industries and support services."

The printing and publishing industry in the Philippines is one such industry that could take advantage of the huge opportunities offered by liberalization. The question is whether its potential as a major export industry could be realized.

Given this background, and taking into consideration the information gathered from interviews and various primary and secondary sources, this paper aims to:

1. determine the scope of the printing and publishing industry
2. describe the structure of the printing and publishing industry
3. determine the existing and potential markets for the products and services of the industry both locally and abroad.
4. determine the supply capability of the firms in the industry
5. determine the opportunities and threats faced by the industry
6. present an action plan to enhance the growth and competitiveness of the establishments in the industry

1. Scope of the industry

1.1. UN Classification

Using the United Nations Central Product Classification V1.0 (CPC V1.0), the products and services of the printing and publishing industry could be classified under the following: **CPC V1.0, Section 3, Division 32:** Pulp, paper and paper products; printed matter and related articles, which includes the following groups: **Group 322:** Books, brochures and leaflets (except advertising material) printed, printed maps; music, printed or in manuscript; **Group 323:** Newspapers, journals and periodicals, appearing at least four times a week; **Group 324:** Newspapers, journals and periodicals, appearing less than four times a week; **CPC V1.0, Section 3, Division 32, Group 325:** Stamps, cheque forms, banknotes, stock certificates, postcards, greeting cards, advertising material, pictures and other printed matter; **Group 326, Class 3260:** Registers, account books, note books, letter pads, diaries and similar articles, blotting-pads, blinders, file covers, forms and other articles of stationery, or paper or paperboard; **Group 327, Class 3270:** Composed type, prepared printing plates or cylinders, impressed litographic stones or other impressed media for use in printing.

Some could be classified under **CPC V1.0, Section 8, Division 86,** which includes the following: **Group 863:** Paper and paper product manufacturing services; and **Group 869:** Other manufacturing services

Table 1. Classification of printing and publishing products and services under the UN CPC V1.0

Code		**Activity description**
(Under Sec. 3, Division 32)		Pulp, paper and paper products; **printed matter and related articles**
Group	Class	
322	3221	Printed books, brochures, leaflets and similar printed matter, in single sheets, other than advertising material
322	3222	Dictionaries and encyclopaedias, and serial installments thereof
322	3223	Printed books (except dictionaries and encyclopaedias and serial installments thereof), brochures, leaflets and similar printed matter, other than advertising material, not in single sheets; children's picture, drawing or colouring books
322	3224	Atlases and other books of maps or charts
322	3225	Maps and other hydrographic or similar charts (including wall maps, topographical plans and globes), printed, other than in book-form
322	3226	Music, printed or in manuscript
323	3230	Newspapers, journals and periodicals, appearing at least four times a week
324	3240	Newspapers, journals and periodicals, appearing less than four times a week
325	3251	Unused postage, revenue or similar stamps; stamp-impressed paper; cheque forms; banknotes, stock, share or bond certificates and similar documents of title
325	3252	Printed or illustrated postcards; printed cards bearing personal greetings or messages, with or without envelopes or trimmings
325	3253	Trade advertising material, commercial catalogues and the like
325	3254	Printed pictures, designs and photographs

Code		Activity description
325	3255	Plans and drawings for architectural, engineering, industrial, commercial, topographical or similar purposes, being originals drawn by hand; hand-written texts; photographic reproductions and carbon copies of the foregoing
325	3256	Transfers (decalcomanias) and printed calendars
325	3259	Other printed matter
326	3260	Registers, account books, note books, letter pads, diaries and similar articles, blotting-pads, blinders, file covers, forms and other articles of stationery, or paper or paperboard
327	3270	Composed type, prepared printing plates or cylinders, impressed litographic stones or other impressed media for use in printing
(Under Sec. 8, Division 86)		**Production services, on a fee or contract basis**
863	8634	Paper and paper product manufacturing services
869	8691	Publishing, on a fee or contract basis
	8692	Printing and reproduction services of recorded media, on a fee or contract basis **Subclass 86921 -** Printing services and services related to printing, on a fee or contract basis, which includes: Newspaper printing services; Book printing services; Bookbinding, folding, assembling, stitching, gluing, collating, basting, adhesive, binding, trimming, gold stamping services; Other finishing services such as folding, cutting, stamping, drilling, punching, perforating, embossing, sticking, gluing and laminating; Services of processing matrices, films, bromide prints or electronic data in order to generate original texts to be reproduced (composition, photo composition); Services of processing matrices, films, bromides prints or electronic data in order to generate original texts to be reproduced (plate-making); Services combining text and image techniques for making a reproducible original; Production services of other reprographic products such as overhead projection foils, sketches, lay-outs, dummies; Preparation services of digital data, e.g. enhancement, selection, linkage of digital data stored on EDP data carriers; Other graphic service activities; Other printing services, n.e.c.; Rebinding services **Subclass 86922 -** Reproduction services of recorded media, on a fee or contract basis

Using the International Standard Classification System (ISIC Rev.3), the products and services of the printing and publishing industry could be classified under **Category D, Division 22:** Publishing, printing and reproduction of recorded media, which is further divided into three groups, namely **Group 221** - Publishing; **Group 222** - Printing and service activities related to printing; and **Group 223 -** Reproduction of recorded media (Note: does not involve printed matter).

Table 2. Classification of printing and publishing products and services under the ISIC Rev. 3

Code	Activity description
Category D Division 22 Group 221 Class 2211	**Publishing of books, brochures, musical books and other publications.** This includes the publishing (or the publishing or printing combined) of almanacs, atlases, books, business directory, catalog of collections, catalogs (i.e. mail-order, store, merchandise), children's coloring books, diaries and time schedulers, dictionaries, directories, discount coupon books, encyclopedias, fiction books, globe covers, guides, maps, music books, non-fiction books, professional books, race track programs, racing forms, religious books, school textbooks, sheet music, songs, street guides, technical books, technical manuals and papers, telephone directories, travel guide books, yearbooks.
Category D Division 22 Group 221 Class 2212	**Publishing of newspapers, journals and periodicals.** This includes the publishing (or publishing and printing combined) of advertising periodicals, agricultural magazines and periodicals, comic books, financial magazines and periodicals, juvenile magazines and periodicals, magazines of all formats, newsletters of all formats, newspapers, periodicals of all formats, professional magazines and periodicals, radio schedules and guides, religious magazines and periodicals, scholarly journals, scholastic magazines and periodicals, technical magazines and periodicals, television guides, trade journals, trade magazines and periodicals,
Category D Division 22 Group 221 Class 2219	**Other publishing.** This includes art prints, calendars, greeting cards, limited edition art prints, patterns, posters, race track programs, racing forms
Category D Division 22 Group 222 Class 2221	**Printing.** This includes printing of newspapers, magazines, periodicals, journals, books, music pamphlets, maps, atlases, posters, calendars, playing cards and other materials for others on a fee or contract basis, e.g. catalogs on account of machinery producers; postage, revenue stamps or currency on account of governments; books, albums, diaries, business forms, etc., on account of stationers. Printing includes reproducing material by means of duplicating machines, computer controlled reproduction and embossers.
Category D Division 22 Group 222 Class 2222	**Service activities related to printing.** This includes the bookbinding and manufacture of loose leaf binders. Production of composed type, prepared printing plates or cylinders, impressed lithographic stones or other impressed media for use in printing in another unit.

1.2. Philippine Classification

The Philippines classifies the activities of the printing and publishing industry along the lines of the ISIC. Under the Philippine Standard Industrial Classification (PSIC), printing and publishing activities are classified as follows:

Table 3. Classification of printing and publishing activities

PSIC Code			**Industry**
Division 22			Publishing, printing and reproduction of recorded media
Group	Class	Subclass	
221			**Publishing.** This group includes mainly publishing whether or not connected with printing. Publishing involves financial, technical, artistic, legal and marketing activities.
	2211	22110	**Publishing of books, brochures, musical books and other publications.** This group includes publishing of books, textbooks, atlases and maps, brochures, pamphlets, musical works and other publications
	2212	22120	**Publishing of newspapers, journals and periodicals.** This group includes publishing of newspapers, journals and periodicals of technical or general contents, trade journals, comics, etc.
	2219	22190	**Other publishing**. This group includes publishing of photos, engravings and postcards, timetables, forms, posters, reproduction of works of art, or other printed matters; also includes all micropublishing
222			Printing and service activities related to printing
	2221	22210	**Printing.** This group includes printing of newspapers, magazines, periodicals, journals, books, music, pamphlets, maps, atlases, posters, playing cards and other materials for others on a fee or contract basis, e.g. catalogs on account of machinery producers; postage, revenue stamps or currency on account of governments; books, albums, diaries, business forms, etc., on account of stationers. Printing includes reproducing material by means of duplicating machines, computer controlled reproduction, embossers, photocopiers or thermocopiers.
	2222		**Service activities related to printing.** This group includes production of composed type, prepared printing plates or cylinders, impressed lithographic stones or other impressed media for use in printing in another unit. Also includes bookbinding
		22221	Electrotyping, stereotyping and photoengraving
		22222	Bookbinding and related work
		22229	Service activities related to printing, n.e.c.
223	2230	22300	**Publishing and printing activities.** This group includes establishments involved in both printing and publishing activities.
224	2240		Reproduction of recorded media
		22401	Reproduction of video and computer tapes from master copies
		22402	Reproduction of floppy, hard or compact disks

For the products of the printing and publishing industry, however, the Philippines utilizes the Product Standard Category Codes 8921200 to 8928909.

Table 4. Classification of printing and publishing products, PSCC

PSCC	H.S. Code	Description
8921200	49030000	Children's picture drawing or coloring books
8921300	49059100	Maps and charts in book form
8921401	49051000	Globes
8921500	49011000	Printed books, brochures, leaflets and similar printed matter, in single sheets, whether or not folded
8921600	49019100	Dictionaries and encyclopedias, and serial installments thereof, not in single sheets
8921901	49019900	College and high school textbooks including technical and scientific books
8921902	49019900	Textbooks, workbooks and supplementary readers for the elementary grades
8921903	49019900	Prayer books, bibles and other religious books
8921904	49019900	Catalogs in book form
8921905	49019900	Booklets, brochures, pamphlets and leaflets, not in single sheets
8921905	49019900	Other books, brochures and similar printed matter, n.e.s., not in single sheets
8922100	49021000	Newspapers, journals and periodicals, whether or not illustrated or containing advertising material, new issues, appearing at least four times a week.
8922901	49029000	Newspapers, new issues, other than those appearing at least four times a week, whether or not illustrated or containing advertising material
8922902	49029000	Comic magazines, new issues, other than those appearing at least four times a week
8922903	49029000	Magazines (excluding comic magazines), reviews, journals and other periodicals, new issues, other than those appearing at least four times a week, whether or not illustrated or containing advertising material
8924101	49081000	Transfers (decalcomanias), vitrifiable
8924102	49089000	Industrial transfers, other than vitrifiable
8924109	49089000	Transfers (decalcomanias), n.e.s.
8924201	49090000	Picture postcards
8924202	49090000	Christmas and other greeting cards
8924209	49090000	Other printed or illustrated postcards, printed cards bearing personal greetings, messages or announcements, whether or not illustrated, with or without envelopes or trimmings.
8928101	48211000	Paper or paperboard labels, of all kinds, printed
8928102	48219000	Paper or paperboard labels, of all kinds, not printed
8928200	49060000	Plans and drawings for architectural, engineering, industrial, commercial, topographical or similar purposes, being originals by hand; handwritten texts; carbon copies and photographic reproductions on sensitized paper of the foregoing

PSCC	H.S. Code	Description
8928301	49070000	Stock, share and bond certificates and similar documents of title, cheque forms, stamped-impressed paper
8928302	49070000	Unused postage, revenue and similar stamps of current or new issue in the country to which they are destined
8928303	49070000	Bank notes
8928304	49070000	Stamped envelopes, letter cards, postcards and the like
8928400	49100000	Calendars of any kind, printed (including calendar blocks)
8928500	49040000	Music, printed or in manuscript, whether or not bound or illustrated
8928600	49111000	Trade advertising material, commercial catalogs and the like
8928700	49119000	Pictures, design and photographs
8928901	49119000	Anatomical, botanical, etc., instructional charts and diagrams
8928909	49119000	Other printed matter, n.e.s.

Under the Harmonized System Code, however, the products of the printing and publishing industry would be classified as follows:

Table 5. Classification of printing and publishing products, HS

HDG. No.	H.S. Code	Description
49.01		**Printed books, brochures, leaflets and similar printed matter, whether or not in single sheets**
	4901.1000	- In single sheets, whether or not folded - Other
	4901.9100	-- Dictionaries and encyclopedias, and serial installments thereof
	4901.99	-- Other
	4901.9910	--- Educational, technical, scientific, historical and cultural books
	490.9990	--- Other
49.02		**Newspapers, journals and periodicals, whether or not illustrated or containing advertising material**
	4902.1000	- Appearing at least four times a week
	4902.9000	- Other
49.03	4903.0000	**Children's picture, drawing or coloring books**
49.04	4904.0000	**Music, printed or in manuscript, whether or not bound or illustrated**
49.05		**Maps and hydrographic or similar charts of all kinds, including atlases, wall maps, topographical plans and globes, printed**
	4905.1000	- Globes - Other
	4905.9100	-- In book form
	4905.9900	-- Other
49.06	4906.000	**Plans and drawings for architectural, engineering, industrial, commercial, topographical or similar purposes, being originals**

HDG. No.	H.S. Code	Description
		drawn by hand; handwritten texts; photographic reproductions on sensitized paper and carbon copies of the foregoing
49.07	4907.0000	**Unused postage, revenue or similar stamps of current or new issue in the country to which they are destined; stamp-impressed paper; banknotes; cheque forms; stock, share or bond certificates and similar documents of title**
49.08		Transfer (decalcomanies)
	4908.1000	- Transfer (decalcomanies), vitrifiable
	4908.9000	- Other
49.09	4909.0000	**Printed or illustrated postcards; printed cards bearing personal greetings, messages or announcements, whether or not illustrated, with or without envelopes or trimmings**
49.10	49.1000	**Calendars of any kind, printed, including calendar blocks**
49.11		**Other printed matter, including printed pictures and photographs**
	4911.1000	- Trade advertising material, commercial catalogs and the like - Other
	4911.9100	-- Pictures, designs and photographs
	4911.99	-- Other:
	4911.9910	--- Printed cards for jewelry or for small objects of personal adornment or for articles of personal use normally carried in the pocket, handbag or on the person
	4911.9990	--- Other

According to Castillo (1999), the printing and publishing industry has three major subsectors classified according to the products or services they offer. These subsectors are (1) newspapers and periodicals, (2) books and pamphlets, and (3) commercial and job printing and other allied industries.

Table 6. Products of the printing and publishing industry, by subsector

Newspapers and periodicals	Books and pamphlets	Commercial and job printing and other allied industries
• Newspapers/periodicals - National papers - Provincial newspapers • Magazines	• Text book and references • Non-fiction - religious books - professional books - others • Fiction - romance, detective, mystery books - science fiction - adventure - others	• Brochures • Packaging materials • Letterhead, memo pad, business card • Receipts & business forms • Political campaign materials

	• Other books and pamphlets	

Source: GBI Research

According the Board of Investments, the printing and publishing sector may be subdivided into four subsectors, considering the main line of business of the firms:

Table 7. The printing and publishing industry classified according to main line of business [1]

Subsector	Description
Publishers-printers	Those engaged in either publishing or printing of books, pamphlets, newspapers/periodicals and magazine/journals. These printed materials are utilized primarily for communication purposes. Those solely engaged in publishing books, newspapers and magazines have the printing of these items subcontracted to either local or foreign commercial printers.
Job and commercial printers	Those engaged in printing primarily for commercial or business purposes. Product lines include business and office forms, brochures, posters, envelopes, school annuals, promotional / advertising materials, calendars, calling cards, greeting cards, etc.
Industrial and package / label printers	Those mainly printing for packaging purposes as specified by the industrial sectors being serviced. Product lines consist of folding cartons, labels, boxes, and containers. There is a thin demarcation line between job and commercial printers and package / label printers because, depending on the equipment available to the company, the firm may produce, on job order bases, any product in both categories.
Manufacturing firms with own printing presses	These are the big conglomerate companies whose printing plant is specifically established to service the firms' printing requirements.

[1] Printing and publishing sector, Sectoral Development Studies, Board of Investments (February 1990) as cited in the Directory of Philippine Printers and Buyers Guide of the Printing Industries Association of the Philippines

2. Industry structure

Industry structure has a strong influence in determining competitive rules. According to Porter, the state of competition in an industry depends on five basic competitive forces, namely industry competitors, suppliers, buyers, potential entrants, and substitutes. All five forces jointly determine the intensity of competition and profitability. Understanding how these forces behave may be crucial in determining ways of promoting growth and enhancing the competitiveness of the industry.

Just like any industry, the printing and publishing industry is primarily affected by the actions taken by these players, primarily by (a) the firms in the industry themselves, (b) the customers or buyers of the products and services offered by the industry, and (c) the suppliers of the inputs utilized by the printing and publishing firms. This section will attempt to describe these major players and show how they affect the industry. For the purpose of this analysis, an assessment of the effects of the actions taken by government, and the industry associations will also be made, recognizing the major role they play in either enhancing or hindering the overall growth of the industry.

2.1. Firms in the industry

The number of firms belonging to the printing and publishing industry increased from 2,563 in 1994 to 2,755 in 1995, with small firms (those employing less than 10 employees) accounting for about 3/4 of the total number. Total employment level in the industry reached 32,652 in 1994 and 33,075 in 1995, with small firms accounting for about a third of the total employment.

Table 8. Number of firms and total employment in printing and publishing, 1994-1995 (in '000)

Type	No. of firms				Total employment			
	1995	**%**	**1994**	**%**	**1995**	**%**	**1994**	**%**
Less than 10 Employees	2,123	77.10	1,926	75.15	9,711	29.36	10,272	31.46
More than 10 Employees	632	22.90	637	24.85	23,364	70.64	22,380	68.54
Total	2,755	100.0	2,563	100.0	33,075	100.0	32,652	100.0

Source: National Statistics Office

According to Torio (2000), it is estimated that only about 3% of the total number of printing firms have a total net worth of over $1.5 million and employ about 300 workers. The rest are mostly small- and medium-sized establishments with less than four reconditioned printing units, employing around 30 people.

According to Business Profiles 1999-2000: Top 7000 Corporations, there was a total of 73 printing and publishing firms among the Top 7000 corporations in the Philippines. The total assets of these firms reached P12.695 billion in 1998, a 22.65% increase over the P10.350 billion in 1997. The gross revenues of these 73 firms rose by 30.69% from P11.499 billion in 1997 to P15.029 billion in 1998. However, net income after tax decreased by 6.96% from P845 million in 1997 to P790 million in 1998.

According to Business Profiles 1999-2000: Next 5000 Corporations, there was a total of 50 printing and publishing firms among the Next 5000 corporations in the Philippines. The total assets of these 50 firms reached P1.084 billion in 1998, a 5.96% increase over the previous year's total of P1.023 billion. Gross revenues decreased by 6.43% from P980 million in 1997 to P917 million in 1998, resulting in a net loss of P143 million in 1998, a staggering 1344% decrease over the previous year's net income after tax of P9.904 million.

Overall, the top 123 printing and publishing firms contributed a total of P15.947 billion in revenues, and generated net profits of P647 million in 1998. While revenues jumped by 27.78%, profitability dipped by 24.24%.

Table 9. Revenues and profits of the top performing establishments (based on gross revenues) in the printing and publishing industry (in million pesos)

	Gross revenues			**Net income after tax**		
	1998	1997	%	1998	1997	%
Top 73 firms	15,029	11,499	30.69	790	845	(6.96)
Next 50 firms	917	980	(6.43)	(143)	9	(1344)
TOTAL	15,947	12,480	27.78	647	854	(24.24)

The top performing printing and publishing firms in 1998 based on gross revenues are the following: Manila Bulletin Publishing Corporation, Philippine Daily Inquirer, inc., Pablo L. Bustamante III Printing Press, Directory Philippines Corporation, and Bookhaven, Inc.

Table 10. Top performing printing and publishing firms in the Philippines, 1998 (in '000)

Rank	**Company**	**Gross revenues**	**Net income after tax**	**Assets**
269	Manila Bulletin Publishing Corporation	2,006,610	360,275	3,396,244
306	Philippine Daily Inquirer, Inc.	1,621,376	106,364	895,633
345	Pablo L. Bustamante III Printing Press	1,394,831	9,749	3,054
384	Directories Philippines Corporation	1,273,062	102,259	858,698
434	Bookhaven, Inc.	1,145,595	24,238	1,042,769
750	Filco Stationery Co. Inc.	641,586	26,566	134,130
842	Lapu-Lapu Packaging Corporation	558,047	9,319	464,299
868	Printwell, Inc.	541,962	7,697	421,512

Rank	Company	Gross revenues	Net income after tax	Assets
1263	Papercon (Phils.), Inc.	352,199	4,842	214,030
1469	Rowell Lithography and Metal Closure	278,905	6,338	165,017
1551	Alliance Media Printing, Inc.	255,593	8,989	152,140
1625	FEP Printing Corporation	241,097	46,656	580,486
1650	Pilipino Star Printing Co., Inc.	237,490	24,666	218,303
1745	Jardine Salmat Corporation	221,740	54,652	133,029
1781	Monica Publishing Corporation	215,476	440	94,098
1980	Business World Publishing Corporation	186,912	622	194,332
2013	Vibal Publishing House, Inc.	183,880	5,605	349,275
2030	RL Graphic Arts, Inc.	182,629	6,079	132,618
2208	Lotte Aluminum Corporation	161,371	1,223	73,662
2354	Liwayway Publishing, Inc.	149,791	1,156	218,728
2423	Oxford Printing Corporation	145,881	159	284,867
2942	Philippine Telephone Directory, Inc.	110,073	(13,893)	19,133
2945	Consolidated Paper Products, Inc.	109,988	775	59,117
3123	Phoenix Publishing House, Inc.	100,230	2,698	36,301
3131	Banner Plasticard, Inc.	99,773	583	95,883

The competitors of the firms in the printing and publishing industry include exporters from other countries, which satisfy the demand for printed matter that local printing and publishing companies cannot completely fulfill. In fact, the Philippines is a net importer of printed matter. It recorded negative trade balances that peaked to $80.265 million in 1997. In 1999, imports exceeded exports by $53.704 million.

Table 11. Balance of trade in printed matter (in US$), 1995-1999

Description	1995	1996	1997	1998	1999
Imports	77,373,737	82,518,693	87,917,811	80,316,129	63,630,525
Exports	5,210,968	5,438,673	7,652,787	9,568,038	9,925,662
TOTAL	**-72,162,769**	**-77,080,020**	**-80,265,024**	**-70,748,091**	**-53,704,863**

The United States is the country's top supplier of imported printed matter, cornering more than a third of the market both in 1999 and 2000. Other top import suppliers are Hong Kong, Singapore, Great Britain, Germany, and South Korea.

Table 12. Top import suppliers of printing and publishing materials

Rank	Country	% share (2000)	% share (1999)
1	USA (excluding Hawaii and Alaska)	36.0	35.01
2	Hong Kong S.A.R.	19.49	15.13

3	Singapore	12.67	11.15
4	Great Britain and Northern Ireland	9.35	10.34
5	Germany	3.66	1.85
6	South Korea	3.03	12.34
7	Japan	2.85	3.00
8	Thailand	2.79	0.66
9	France	2.18	0.17
10	Malaysia	1.76	1.53
11	Australia	1.25	3.86
12	Taiwan	1.20	1.32
13	India	1.13	1.18
14	China	0.79	1.29
15	Canada	0.51	0.12
16	Others	1.34	1.05
	TOTAL	100.0	100.0

Source: National Statistics Office; Processed by Bureau of Export Trade Promotion

Note: Based on FOB Value in US Dollars, January-October 2000/1999

Specifically, local publishers of books, brochures, musical books, and other publications do not only compete among themselves for a share of the local market but also with foreign publishers. According to Montesines (1997), foreign book publishers compete through any of the following modes: (1) selling directly to major bookstores; (2) appointing an agent in the Philippines who will, in turn, introduce their books to booksellers and take the latter's orders; (3) working with booksellers who receive orders from clients and import their clients' requirements; or (4) granting reprint rights following the Berne Copyright Convention, to which the Philippines is a signatory.

Foreign publishers may export directly to the Philippines. Major third-country suppliers of books and their shares of the import market of the Philippines are the US, Hong Kong, Singapore, and the United Kingdom.

Among the US publishers from which the Philippines imported books are: Academic Press, Avebury, Bantam Doubleday Dell, Paul Brookes Publishing, California University Press, Falmer Press, Francis and Taylor, NTC Publishing, New York University Press, Oxford University Press, Penguin, Random House, Simon and Schuster, and Westview Press. Among the publishers from Hong Kong are Information Handling Services, Inc.; Maxwell Macmillian.

Publishers from Singapore include McGraw Hill Book Co.; Reed Academic Publishing Asia; International Thompson Publishing Asia; Springer Verlag; Addison Wesley/Longman; John Wiley & Sons (Asia), while those from the United Kingdom are Arnold; Blackwell; Brown, Son and Ferguson, Ltd.; Cambridge University Press; Cassel; Chapman & Hall; Dorling Kindersley; Macmillian Publishers Ltd.; Open University Press;

Orion Publishing Group; Oxford University Press; Penguin; Reed Books Ltd.; Routledge; Sage Publications, Ltd.; Thames and Hudson; John Wiley & Sons; ZED Books.

Foreign publishers may also deal with local companies. National Bookstore, for example, distributes Merriam Webster, Warner Books, Golden Family Entertainment and other publishers under exclusive agreement. It also holds a contractual arrangement with McGraw Hill, Prentice Hall, and Simon and Schuster Education Group to reprint their textbooks.

Among foreign publishers with agents in the country are Bantam Doubleday, Blackwell, Dorling Kindersly, Felta Book Sales, International Thomson, Kluer, Ladybird, McGraw Hill, Prentice Hall, Random House, Reed Academic, Reed Consumer Products, Simon & Schuster Trade, Oxford University Press and John Wiley. The Philippine agent of a foreign publisher only accepts orders. They do not have stocks, except copies for evaluation.

Local publishers of newspapers, journals and periodicals compete largely among themselves for a share of the domestic market, but also compete with publishers of foreign newspapers and magazines for certain segments of the market.

Job and commercial printers largely service the domestic market, but also compete with printers based in other neighboring Asian countries like Hong Kong, Singapore, Thailand, Malaysia, and Taiwan. Karina Bolasco, Assistant General Manager of Anvil Publishing--one of the major publishers in the country--for example, revealed that Anvil sometimes goes to Hong Kong or Singapore for certain printing jobs (especially full-color printing) because the cheaper price of paper in those countries results in lower production costs. Ollie Marcelo, General Manager of Ample Printing Press--a small player in the industry--confirmed this, saying that printers in Hong Kong and Singapore have access to cheaper paper, have better machines, and are stricter, in terms of quality.

2.1.1. Intensity of rivalry among existing competitors

Generally, there is keen competition among the players of the industry, which is characterized by numerous and diverse competitors, slow industry growth, high fixed costs, and lack of differentiation. For bigger players, there are high strategic stakes and high exit barriers.

Factors affecting intensity of rivalry	**Present in P&P industry?**
Numerous or equally balanced competitors	Yes
Slow industry growth	Yes
High fixed or storage costs	Yes
Lack of differentiation or switching costs	Yes
Capacity augmented in large increments	No

Diverse competitors	Yes
High strategic stakes	Generally, No; Yes for bigger players
High exit barriers	Generally, No; Yes, for bigger players

Numerous and diverse competitors. According to Melanio Torio, Director of the National Printing Office and Chairman of the Printing Industry Board Foundation, Inc., in his paper "Increasing Production and Cutting Costs: Keys to Surviving the Competitive World of Filipino Printers" (Torio, 2000), the printing industry in the Philippines is composed of around 5,000 printing and graphic imaging companies. Of this total figure, roughly 70% operate in Metro Manila and the rest are located in major cities and economic centers around the archipelago.

Aside from the large number of printing companies, there has been a dramatic increase in the number of design and graphic imaging service companies over the past few years, one that can be attributed to the rapid development of pre-press technology and the dramatic reduction in the cost of computer hardware. Furthermore, the opening of the world market via the World Wide Web, has opened up opportunities for the Philippines, which has a relatively high percentage of college graduates who are adept in the English language.

The large number of players in the industry has resulted in stiff competition among printers and graphic service companies, many of which resort to lowering their prices so as to get business or to simply sustain their operations. According to Alberto Calaquian, President of Primex Printers, Inc., price wars among industry players resulted from the sprouting of a number of small-scale printing firms. Many companies have compromised the quality of their products just to compete with the smaller firms that offer lower prices. Brian Ng, a board member of the International Designer's Network (IdN) Club Philippines, said that printers are discouraged from investing in technology and training for fear the profitability would be influenced by low prices rather than quality of the printed matter (Cusi III, 1998a).

Slow industry growth. The industry has barely grown in real terms over the past ten years. In fact, the gross value added of the printing and publishing industry in 1999 was at P3.055 billion, just four percent higher than its level at P2.963 billion in 1991. Worse, the contribution of the printing and publishing industry to the local economy has been declining since 1991. Its share in the manufacturing sector consistently declined from 1.618% in 1991 to only 1.360% in 1999. Its share in gross domestic product decreased from 0.278% in 1991 to only 0.218% in 1999, while its share in gross national product fell from 0.276% in 1991 to only 0.214% in 1999.

Table 13. Share or printing and publishing in manufacturing and GDP

Year	P&P GVA (in million P)	Mfg GVA (in million P)	% share in mfg	GDP (in million P)	% share in GDP	GNP (in million P)	% share in GNP
1991	2,963	183,111	1.618	716,522	0.278	720,218	0.276

Year	P&P GVA (in million P)	Mfg GVA (in million P)	% share in mfg	GDP (in million P)	% share in GDP	GNP (in million P)	% share in GNP
1992	2,951	179,947	1.640	718,941	0.277	731,396	0.272
1993	2,767	181,289	1.526	734,156	0.271	746,921	0.267
1994	2,894	190,374	1.520	766,368	0.260	786,136	0.254
1995	3,075	203,271	1.513	802,224	0.249	824,525	0.242
1996	3,114	214,613	1.451	849,121	0.235	884,226	0.226
1997	3,233	223,672	1.445	893,151	0.224	930,658	0.215
1998	3,093	221,151	1.399	887,905	0.225	934,386	0.214
1999	3,055	224,667	1.360	917,382	0.218	968,556	0.206

High fixed costs. Many commercial printers resort to price cutting whenever excess capacity is present because of the high proportion of costs incurred in obtaining outside inputs (particularly paper and ink). They do this so that they at least break even in lean seasons.

Lack of differentiation or switching costs. This is particularly true because printing presses offer basically the same type of service. Buyers, therefore, can easily choose one printer over the other largely because one offers a lower prize or offers better service.

High strategic stakes and high exit barriers. This is the case for the bigger players of the industry, some of which have invested in very expensive and specialized machines and equipment. These assets have low liquidation values or high costs of transfer or conversion. The big commercial printers and the major newspaper publishers, for example, have invested in equipment for high volume print runs, and it will take several years before the investment made could be recovered by these companies.

2.1.2. Threat of entry

The large number of firms in the industry is a strong indicator that there are no major sources of barriers to entry into the industry.

Major sources of barriers to entry	Serves as barrier to entry?
Economies of scale	No
Product differentiation	No
Capital requirements	No
Switching costs	No
Access to distribution channels	No for printers; Yes for publishers
Cost disadvantages independent of scale	No
Government policy	No

Economies of scale. Economies of scale refer to declines in unit costs of a product (or operation or function that goes into producing a product) as the absolute volume per period increases. Economies of scale deter entry by forcing the entrant to come in at large scale and risk strong reaction from existing firms or come in at a small scale and accept a cost disadvantage. This is probably a concern among new entrants, but apparently not a significant one as evidenced by the large number of firms in the industry. As observed by Torio (2000), the dramatic increase in the number of design and graphic imaging service companies (which are really companies that offer support services to the printing presses, but still part of the industry) over the past few years can be attributed to the rapid development of pre-press technology and the dramatic reduction in the cost of computer hardware.

Capital requirements. This is not a significant barrier for start-up firms as indicated by the large number of players in the industry. This is due to the fact that prospective industry players do not need to invest huge financial resources to penetrate the industry. They can start their own printing press by merely purchasing reconditioned equipment that can cost as low as P300,000 compared to several millions of pesos for brand new equipment. With this amount, they can easily recoup their investment.

Product differentiation. Product differentiation means that established firms have brand identification and customer loyalties, which stem from past advertising, customer service, product differences, or simply being first into the industry. Differentiation creates a barrier to entry by forcing entrants to spend heavily to overcome existing customer loyalties. However, this is not the case in the printing and publishing industry, whose customers are largely influenced by price rather than loyalty.

Switching costs. Buyers do not have switching costs in relation to the industry. Therefore, new entrants do not need to offer major improvements in cost or performance in order for buyers to switch from their original supplier.

Access to distribution channels. This is not a major problem for commercial printers, but is a major concern for prospective book publishers who will have to compete with the major players in terms of shelf space in bookstores. Book retailers might even demand for bigger discount prices for their books as a condition for carrying the new publisher's titles. This situation, however, is mitigated by the recent proliferation of specialty bookstores that carry titles not usually found in the bigger bookstores like National Bookstore or Goodwill Bookstore.

Cost disadvantages independent of scale. Start-up firms, particularly those involved in basic printing services and those located in previously under-served areas do not necessarily suffer significant cost disadvantages in relation to other firms in the industry. This disadvantage, however, might be significant among prospective newspaper and magazine publishers as well as among book publishers, who are likely to experience heavy start-up losses to gain experience in the business to achieve cost parity with established firms, and who might need to undergo the learning curve.

Government policy. Printing and publishing is not a regulated industry. Government, therefore, does not impose any major controls such as licensing requirements, limits to access to raw materials, or limits to profitability levels that might discourage prospective investors. In fact, the book publishing industry is already part of the Investment Priority Plan.

2.2 Customers

This section aims to provide a description of the primary markets of the industry, and to present statistics that indicate the potential customers of the industry.

2.2.1. Primary markets

Castillo (1999) identified the three-fold purpose of printed and published materials, which serves as a criterion in segmenting the markets of the industry.

- As a producer of reading materials, the printing and publishing industry serves the general reading public (including students, teachers, professionals), and institutional buyers (e.g., libraries), in educating, providing data/information, or entertaining readers.
- As a producer of a medium of communication, the industry serves individuals and institutions in disseminating information and influencing perceptions/decisions (e.g., advertisements).
- As a producer of documents, the industry serves private and government institutions by manufacturing receipts, forms (accounting forms), document, and similar printed materials.

Table 14 summarizes the purposes of printed and published materials and provides some examples of printed/published materials and their corresponding market segments.

Table 14. Market Segments of the Printing and Publishing Industry

Purposes of printed/ Published materials	Examples of printed/ Published materials	Market Segments	
		Consumer	Institutional/Industrial
• to educate • to provide data/ info • to entertain	• books/journals • reference materials • newspapers • magazines	• students & teachers • researchers • professionals • households	• libraries • educational institutions private schools public schools • business firms
• to serve as a medium in disseminating data/ information • to inform/convey an ad message • to create awareness • to develop an image • to solicit response (e.g., buy a product or vote a candidate)	• ad space in publications newspapers magazines • brochures/pamphlets • packaging materials • letterhead, memo pad, business card • political campaign materials	• political candidates	• mfrs of consumer products • banks, insurance firms and other financial institutions • hotels and restaurants • advertising agencies • other business firms
• to document a transaction	• Sales receipts • Accounting forms • Public documents	• households	• business firms • government institutions

Source: GBI Research

Educational institutions. Schools are major buyers of the products of the printing and publishing industry. Public schools, through the secondary level, use local textbooks. Higher education institutions, on the other hand, especially those in the technical fields, use mostly Asian of international editions of (or locally reprinted) U.S. textbooks.

There were 53,361 institutions from the pre-school to the tertiary level as of SY 1996-1997. This was 10.59% higher than the 48,251 schools recorded five years earlier.

Table 15. Number of schools by level of education

School year	Pre-school	Elementary	Secondary	Tertiary	Total
1992-1993	5,613	34,944	5,757	1,937	48,251
1993-1994	5,441	35,184	5,903	2,210	48,738
1994-1995	6,906	35,964	6,069	1,185	50,124
1995-1996	7,355	36,800	6,205	1,286	51,646
1996-1997	7,957	37,665	6,423	1,316	53,361

Data from SY 1994-1995 onwards on tertiary institutions includes only higher education institutions, and does not include technical-vocational education.
Source: DECS and CHED

Most of the institutions at the pre-school, elementary and secondary levels belong to the public sector, while most of the institutions at the tertiary level belong to the private sector. In SY 1996-1997, only 31.85% of pre-schools, 7.45% of elementary schools, and 40.60% of secondary schools were private. It would be important to note that the number of private schools has consistently increased.

Table 16. Number of private schools by level of education

School year	Pre-school (% of total pre-schools)	Elementary (% of total elementary schools)	Secondary (% of total secondary schools)	Tertiary (% of total tertiary schools)	Total (% of total schools)
1992-1993	1,659 (29.55 %)	1,974 (5.65%)	2,285 (39.69%)	1,445 (74.59%)	7,363 (15.26%)
1993-1994	2,003 (36.81%)	2,108 (5.99%)	2,334 (39.54%)	1,665 (75.33%)	8,110 (16.64%)
1994-1995	2,157 (31.23%)	2,291 (6.37%)	2,387 (39.33%)	950 (80.17%)	7,785 (15.53%)
1995-1996	2,299 (31.26%)	2,543 (6.91%)	2,488 (40.09%)	1,014 (78.85%)	8,344 (16.16%)
1996-1997	2,534 (31.85%)	2,807 (7.45%)	2,608 (40.60%)	1,045 (79.41%)	8,994 (16.86%)

Data from SY 1994-1995 onwards on tertiary institutions includes only higher education institutions, and does not include technical-vocational education.
Source: DECS and CHED

School population. Total enrolment from the pre-school level to the secondary level exceeded the 17 million mark in SY 1996-1997, as 11.88% increase over the 15.5 million recorded five years earlier.

Table 17. Pre-school, elementary and secondary enrolment, SYs 1992-1997

School year	Pre-school	Elementary	Secondary	Total
1992-1993	415,483	10,674,073	4,454,908	15,544,464
1993-1994	456,456	10,739,535	4,599,478	15,795,469
1994-1995	546,789	10,910,876	4,772,647	16,230,312
1995-1996	552,599	11,504,816	4,883,507	16,940,922
1996-1997	555,502	11,847,794	4,988,301	17,391,597

Total enrolment in higher education institutions in the country steadily increased from about 1.54 million in SY 1990-1991 to more than 2.22 million in SY 1996-1997. Figures show that most of these students are enroled in private institutions, and 1.2 million of which are enroled in private non-sectarian institutions.

Table 18. Gross enrolment ratio in higher education in the public and private sectors

Year	Total Enrolment	Gross Enrolment Ratio (Public Sector)	Gross Enrolment Ratio (Private Sector)
1990-91	1,549,639	19.26%	80.74%

1991-92	1,525,828	19.76%	80.24%
1992-93	1,532,152	20.56%	79.44%
1993-94	1,583,820	21.62%	78.38%
1994-95	1,871,647	21.35%	78.65%
1995-96	2,017,972	24.16%	75.84%
1996-97	2,220,838	24.79%	75.21%

Source: Commission on Higher Education

The most popular courses are the business administration and related courses, which accounted for 35% of the total enrolment in SY 1996-1997. This was followed by engineering courses, education and teacher training, and medical and allied courses. Books on these fields are, therefore, the more saleable ones (see Table19).

Table 19. Higher education enrolment by program, SY 1996-1997

Discipline group	**Number of enrolees**
General	107,351
Education and teacher training	301,148
Fine and applied arts	10,922
Humanities	14,014
Religion and theology	8,397
Social and behavioral science	41,873
Business administration and related	775,355
Law and jurisprudence	15,892
Natural science	23,031
Mathematics and computer science	153,505
Medical and allied	200,122
Trade, craft, and industrial	273
Engineering	305,843
Architectural and town planning	22,268
Agriculture, forestry and fishery and veterinary medicine	71,228
Home economics	4,826
Service trades	8,169
Mass communication and documentation	12,004
Other disciplines	144,617
Total	**2,220,838**

Source: Commission on Higher Education

Libraries. Montesines (1997) in a report prepared for the US and Foreign Commercial Service and U.S. Department of State, presented the following highlights about libraries in the Philippines:

- There are more than 8,000 libraries nationwide. The National Library (TNL), the Philippines' national repository of printed and recorded cultural heritage and other intellectual, literary and information sources, selects, evaluates, prepares and acquires books for TNL and about 600 public libraries. TNL buys mostly books written by Filipinos (more than 90 percent), encyclopedias, dictionaries and history books. It buys an average of 10 sets of encyclopedias a year, for distribution to provincial and/or city libraries and provides municipal libraries with books on history, psychology and literature.

- Public libraries are under the jurisdiction of the Department of Interior and Local Government and they are dependent on their respective local government units (LGUs) for their book budgets. TNL's budget for public libraries supplements LGUs' budgets. Most LGUs, however, cannot provide public libraries' book requirements as their incomes are very small and can barely reach a million pesos (USD35,000) a year. More than 30 public libraries have computer facilities.

- Academic libraries are in various stages of development, depending on their budget. Among academic libraries that continuously upgrade their book collection and have computer facilities are those located in Ateneo de Manila University, De La Salle University, University of the Philippines and University of Sto. Tomas. These libraries have also formed several consortia to prevent duplication of collections, especially the more expensive books. Consortium members share their catalogs and their students can borrow books from each others library.

- DECS established minimum standards on the collections of libraries in higher education institutions. Schools offering baccalaureate degrees, should have at least 3,000 nonfiction titles initially. After operating for four school years, the library should have at least 5,000 titles. For each offering other than Liberal Arts, e.g., Commerce, Education and Engineering, there should be at least 300 titles for each course. Schools offering graduate courses should have at least 200 more titles for each master's program. Photocopied materials are familiar fixtures in libraries.

- Specialized libraries in government agencies and major corporations are in various stages of development, depending on the budget. Banks and companies in the top 500 list, e.g., San Miguel Corporation and United Laboratories, have specialized libraries.

Buyers of advertising space. Advertising revenue is a major source of income for publishers of newspapers, magazines and other print media. According to the

Advertising Board of the Philippines, total media billings for print reached P2.68 billion in 1997 or 16% of the total media billings of P16.0 billion for the said year.

Table 20. Media billings for 1997

Media	Billings (pesos)	%
Television	9.872 billion	61.7
Radio	2.640 billion	16.5
Print	2.688 billion	16.8
Cinema	160 million	Approx 1.0
Outdoor	160 million	Approx 1.0
Others: point of sale, collaterals, etc.	480 million	Approx 3.0
TOTAL	16.0 billion	100

Figures show that print billings grew by 120% from P1.22 billion in 1992 to P2.68 billion in1997, and that they accounted for about one-fifth of the total media billings during the period concerned.

Table 21. Media billings for print (in million pesos) and share of total billings, 1992-1997

Year	Print billings	% change over previous year	Total billings	% of total
1992	1,220	23	6,638	18.4
1993	1,889	55	7,649	24.7
1994	1,926	2	10,301	18.7
1995	2,236	16	12,559	17.8
1996	2,772	24	14,511	19.1
1997	2,688	-3	16,000	16.8

An examination of Table 19 will reveal the major consumers of the print advertising space. Leading the list is Communications and Business Machines (i.e. business machines and office equipment, and communication facilities, wires and cables / telephones), which contributed P533.6 million in 1997. It was followed by Financial Institutions and Insurance Companies; Automotive, Transport and Tourism (i.e. airlines, shipping lines, travel agencies; auto supplies and car accessories; auto vehicles and car dealers; AUVs, trucks, motorcycles and dealers); and Fashion and Retail Establishments (i.e. clocks and watches; department stores, supermarts, jewelry, beauty shops, boutiques; men's and women's personal accessories, rubber shoes and other footwear; textile companies, fabrics and haberdasheries).

Table 22. Ad spend for print, by product category, 1997

Rank	Product category	Media ad spend for print ('000 pesos)	%
1	Communications and business machines	533,613	19.86

2	Financial institutions and insurance companies	364,530	13.56
3	Automotive, transport and tourism	349,066	12.99
4	Fashion and retail establishments	228,031	8.49
5	Restaurants, fastfoods, bakeshops and theaters	188,817	7.03
6	Construction, heavy machinery and equipment	175,109	6.52
7	Entertainment, sports, special occasions and events	152,462	5.67
8	Appliances, house wares, furniture and fixtures	135,225	5.03
9	Government agencies, institutions and public utilities, schools, universities and seminars / associations	98,154	3.65
10	Corporate and institutional	83,967	3.12
11	Food products	62,886	2.34
12	Cigarettes	53,079	1.98
13	Beer and liquor	50,520	1.88
14	Other personal care products	50,303	1.87
15	Medical products and equipment	47,856	1.78
16	Dairy products	34,879	1.3
17	Beverages	27,447	1.02
18	Home care products	17,187	0.64
19	Paper, paper products, print and periodicals	8,903	0.33
20	Hair care products	8,871	0.33
21	Bookstore, school and office supplies	8,045	0.30
22	Dentrifices, mouthwash, and toothbrush	4,347	0.16
23	Veterinary products	2,842	0.11
24	Agricultural products and equipment	1,220	0.05
	Total	**2,687,359**	**100.0**

2.2.2. Bargaining power of buyers

According to Porter, buyers compete with the industry by forcing down prices, bargaining for higher quality or more services, and playing competitors against each other. Buyers of the printing and publishing industry have a strong bargaining power over commercial printers because the products and services offered by the industry are largely standard and undifferentiated. Buyers can, therefore, choose a printing press that offers the lower price. Moreover, the intense rivalry among the players in the printing and publishing industry has worked for the benefit of customers.

2.3. Suppliers

This section aims to provide a description of the major suppliers of the industry, and to assess the bargaining power of suppliers in relation to the industry.

2.3.1. Major suppliers

Among the major suppliers of the printing and publishing industry across subsectors are the suppliers of paper, ink, fuel, and printing equipment. Also important suppliers are companies that provide transportation, electricity, and postal and messenger services.

For the publishers of newspapers, journals, and periodicals, the suppliers of paper accounted for 41.59% of output; the commercial and job printing subsector of the industry accounted for 5.10%; wholesale and retail trade, 5.05%; manufacturers of miscellaneous chemical products, 3.65%; and road freight transport and supporting services to land transport, 2.13%.

Table 23. Top 25 sources of inputs of publishers of newspapers, journals and periodicals

Sources of inputs	% of inputs
Pulp, paper and paperboard	41.5924
Commercial & job printing & other allied industries	5.1054
Wholesale & retail trade	5.0571
Manufacturers of miscellaneous chemical products	3.6557
Road freight transport & supporting services to land transport	2.1337
Petroleum refineries	1.7892
Electricity	1.6774
Manufacturers of articles of paper and paperboard	1.1331
Non-ferrous foundries	0.7456
Investment, financing & other non-banking services excluding pawnshops	0.7282
Air transport	0.6358
Repair shops for motor vehicles	0.4523
Letting, operating real estate, residential or non-residential, other real estate activities	0.3772
Miscellaneous manufacturing	0.3491
Employment/recruitment agencies	0.2932
Manufacturers of synthetic resins , plastic materials & other man-made fibers excluding glass	0.2754
Postal, messengerial and other communication services, n.e.c.	0.2190
Business management & consultancy and market research services	0.2144
Railway transport services	0.1938
Non-life and other insurance activities	0.1841
Construction	0.1814

Sources of inputs	% of inputs
Manufacturers of electrical industrial machinery and apparatus	0.1453
Ocean passenger and freight transport	0.1324
Manufacturers of other fabricated wire & cable prods excluding insulated wire & cable	0.1022
Stevedoring & other supporting services to water transport	0.1018

For the books and pamphlets subsector, the leading suppliers include paper suppliers which accounted for 21.12% of inputs; commercial and job printing, 12.17%; wholesale and retail trade, 3.78%; manufacturers of miscellaneous chemical products, 3.30%; and real estate developers, 2.57%.

Table 24. Top 25 sources of inputs of printers and publishers of books, pamphlets

Sources of inputs	% of inputs
Pulp, paper and paperboard	21.1277
Commercial & job printing & other allied industries	12.1754
Wholesale & retail trade	3.7813
Manufacturers of miscellaneous chemical products	3.3046
Real estate development	2.5788
Road freight transport & supporting services to land transport	1.8228
Petroleum refineries	1.1539
Electricity	1.1379
Investment, financing & other non-banking services exc. pawnshops	1.1347
Manufacturers of articles of paper and paperboard	1.0856
Fabric knitting mills	0.9810
Non-life and other insurance activities	0.9623
Repair shops for motor vehicles	0.9363
Employment/recruitment agencies	0.8826
Letting, operating real estate, residential or non-residential, other real estate activities	0.7903
Paper and paperboard containers	0.7053
Manufacturers of plastic furniture, plastic footwear & other fabricated plastic products	0.6853
Postal, messengerial and other communication services, n.e.c.	0.5777
Legal services	0.4638
Cutlery, handtools, general hardware	0.4315
Bookkeeping, accounting, and auditing services	0.3778
Manufacturers of electrical industrial machinery and apparatus	0.2824
Construction	0.2608
Miscellaneous manufacturing	0.2601
Business management & consultancy and market research services	0.2600

For the commercial and job printing subsector, the leading suppliers include paper suppliers which accounted for almost half of its inputs; manufacturers of miscellaneous chemical products, 6.63%; wholesale and retail trade, 3.89%; and suppliers of electricity, 2.00%.

Table 25. Top 25 sources of inputs of the commercial and job printing and other allied industries

Sources of inputs	**% of inputs**
Pulp, paper and paperboard	44.8221
Manufacturer of articles of paper and paperboard	6.9158
Manufactures of miscellaneous chemical products	6.6271
Wholesale & retail trade	3.8984
Electricity	2.0071
Road freight transport & supporting services to land transport	0.9307
Petroleum refineries	0.7345
Repair shops for motor vehicles	0.7058
Letting, operating real estate, residential or non-residential, other real estate activities	0.3652
Business management & consultancy and market research services	0.3285
Non-life and other insurance activities	0.3266
Manufacturer of motor vehicles parts and accessories	0.2265
Manufacturers of plastic furniture, plastic footwear & other fabricated plastic products	0.1908
Stevedoring & other supporting services to water transport	0.1899
Postal, messengerial and other communication services, n.e.c.	0.1880
Investment, financing & other non-banking services exc. pawnshops	0.1733
Interisland shipping including inland water	0.1542
Machinery and equipment renting and leasing	0.1500
Telephone	0.1300
Construction	0.1167
Employment/recruitment agencies	0.1014
Storage & warehousing	0.0773
Real estate development	0.0769
Engineering, architectural & technical services	0.0652
Banking	0.0587

Suppliers of printing equipment. Most printing companies use traditional printing machinery. There are printshops that use a combination of traditional and modern printing machines, the choice of which depends on the type of printing technology used by the company. Among the printing machines and equipment used by printshops are the following: printing and binding machines, computer-aided machines, computers, computer printers, scanners, electronic pre-press equipment, photocopying machines, communication equipment and gadgets, finishing equipment and supplies, graphic art tools and supplies, laminating machines, and silkscreen and signage equipment among others.

The Philippines is largely import dependent on printing equipment. It imported as much as $66.437 million in 1998, but imported only about $43.368 million in 1999. If imported machines and equipment used in the paper industry are added to the total, total imports peaked to $128.829 million in 1997, but only reached $58.797 million in 1999. PIAP President Atty. John Choa revealed in a recent interview, that local printers purchased a total of P400 million worth of equipment in the DRUPA 2000 alone.

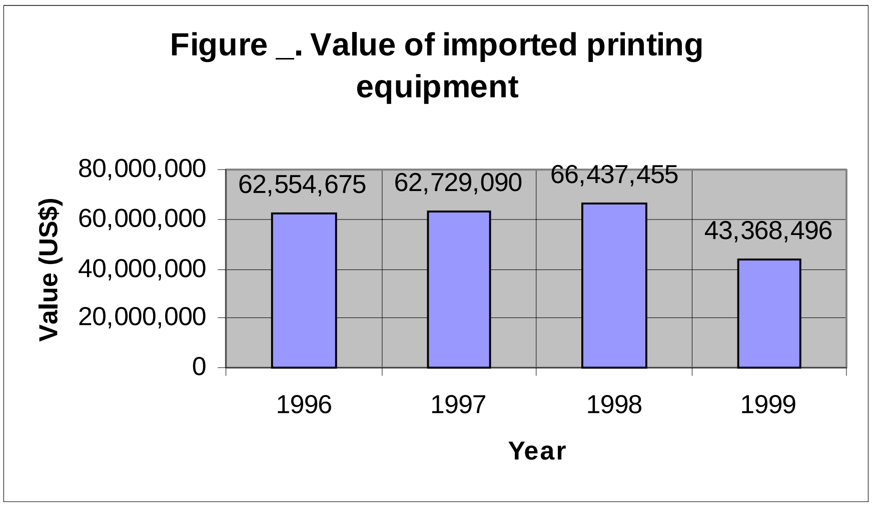


Table 26. Philippine imports of machines and equipment utilized in the paper industry and the printing and publishing industry

PSCC	Description	1996	1997	1998	1999
7251100	Machinery for making pulp of fibrous cellulosic material	680,074	1,478,669	198,835	177,751
7251201	Machinery for making paper or paperboard	9,909,024	15,308,741	859,578	108,976
7251202	Machinery for finishing paper or paperboard	5,524,368	1,317,968	452,274	348,019
7252100	Cutting machines	6,835,936	4,029,231	2,589,702	2,820,587
7252300	Machines for making bags, sacks or envelopes, of paper or paperboard	1,306,322	6,857,876	325,735	489,924
7252500	Machines for making (other than by molding) cartons, boxes, cases, tubes, drums or similar containers, of paper or paperboard	4,520,356	1,347,202	1,356,025	2,713,656

PSCC	Description	1996	1997	1998	1999
7252700	Machines for molding articles in paper pulp, paper or paperboard	28,133	1,354,967	472,062	864,550
7252900	Other machinery for making up paper pulp, paper or paperboard	6,704,686	13,430,825	6,348,479	1,485,875
7259101	Parts of machinery for making pulp of fibrous cellulosic material	1,057,151	885,399	458,746	413,246
7259102	Parts of machinery for making or finishing paper or paperboard	12,069,775	16,437,385	3,398,627	2,888,259
7259900	Parts of the machines of subgroup 725.2	6,085,279	3,651,781	3,511,176	3,118,198
7263101	Phototype-setting and composing machines	856,854	783,488	745,072	1,108,698
7263102	Machinery, apparatus and equipment for type-setting or composing by other processes, with or without founding device	337,994	246,888	152,243	44,786
7263109	Other machinery, apparatus and equipment for preparing or making printing blocks, plates, cylinders or other printing components	915,977	1,824,015	1,361,029	914,081
7263500	Printing type, blocks, plates, cylinders and lithographic stones prepared for printing purposes (e.g. planed, grained or polished)	2,002,178	1,916,772	1,309,975	1,311,576
7265100	Reel fed offset printing machinery	1,603,343	3,375,256	951,979	627,949
7265500	Sheet fed, office type (sheet size not exceeding 22 x 36 cm) offset printing machinery	867	59,736	6,962,993	79,538
7265900	Other offset printing machinery	13,675,308	16,241,871	19,959,501	9,661,514
7266101	Letterpress printing machinery (excluding flexographic printing), reel fed	238,518	467,461	33,478	59,937
7266109	Letterpress printing machinery (excluding flexographic printing), other than reel fed	1,330,427	687,568	560,298	129,787
7266300	Flexographic printing machinery	819,788	444,348	682,859	294,494
7266500	Gravure printing machinery	5,360,094	2,915,500	1,857,650	2,125,171
7266700	Other printing machinery	18,075,661	13,484,189	10,066,795	13,335,267
7266800	Machines for uses ancillary to printing	3,025,167	3,073,230	1,168,054	843,906
7268100	Bookbinding machinery (including book-sewing machines)	2,540,619	2,320,277	916,496	780,286
7268900	Parts for bookbinding machinery	100,930	164,351	17,984	59,213
7269100	Parts for the machines of item 726.31	246,167	148,905	74,728	1,128,832

PSCC	Description	1996	1997	1998	1999
7269900	Parts, for the machines of subgroups 726.5 and 726.6	11,424,783	14,575,235	19,616,321	10,863,461
	TOTAL for machines for paper industry (PSCC Code 725 only)	**54,721,104**	**66,100,044**	**19,971,239**	**15,429,041**
	TOTAL for machines for printing and publishing (PSCC Code 726 only)	**62,554,675**	**62,729,090**	**66,437,455**	**43,368,496**
	GRAND TOTAL	**117,275,779**	**128,829,134**	**86,408,694**	**58,797,537**

Most of the investments on imported equipment from the years 1996 to 1999 went to "Other offset printing machinery", which accounted for 25.32-percent of total imports; "Parts for machines of subgroups 726.5 and 726.6", (24.02%); "Other printing machinery" (23.37%); "Gravure printing machinery" (5.21%); and "Machines for uses ancillary to printing" (3.44%).

Table 27. Philippine imports of machines and equipment utilized in the paper industry and the printing and publishing industry

PSCC	Description	4-year total from 1996 to 1999	% of total imports
7265900	Other offset printing machinery	59,538,194	25.32573
7269900	Parts, for the machines of subgroups 726.5 and 726.6	56,479,800	24.02479
7266700	Other printing machinery	54,961,912	23.37912
7266500	Gravure printing machinery	12,258,415	5.214356
7266800	Machines for uses ancillary to printing	8,110,357	3.449899
7265500	Sheet fed, office type (sheet size not exceeding 22 x 36 cm) offset printing machinery	7,103,134	3.021457
7265100	Reel fed offset printing machinery	6,558,527	2.789797
7268100	Bookbinding machinery (including book-sewing machines)	6,557,678	2.789436
7263500	Printing type, blocks, plates, cylinders and lithographic stones prepared for printing purposes (e.g. planed, grained or polished)	6,540,501	2.78213
7263109	Other machinery, apparatus and equipment for preparing or making printing blocks, plates, cylinders or other printing components	5,015,102	2.133272
7263101	Phototype-setting and composing machines	3,494,112	1.486289
7266109	Letterpress printing machinery (excluding flexographic printing), other than reel fed	2,708,080	1.151935
7266300	Flexographic printing machinery	2,241,489	0.953461
7269100	Parts for the machines of item 726.31	1,598,632	0.680009

PSCC	Description	4-year total from 1996 to 1999	% of total imports
7266101	Letterpress printing machinery (excluding flexographic printing), reel fed	799,394	0.340038
7263102	Machinery, apparatus and equipment for type-setting or composing by other processes, with or without founding device	781,911	0.332601
7268900	Parts for bookbinding machinery	342,478	0.14568
	TOTAL	235,089,716	100

According to the latest NSO statistics, the leading source of printing equipment are Germany, Japan, USA, UK, Denmark, Korea, Taiwan, Hong Kong, and Singapore. Other sources are Australia, France, Italy, Switzerland, Canada, and Malaysia.

Table 28. Top suppliers of printing equipment for the years 1997 and 1999

PSCC	Description	1997	% share	1999	% share
7263101	Phototype-setting and composing machines	Germany UK Canada Japan USA	93.50 4.08 1.87 0.27 0.19	Germany Denmark USA Japan	57.40 33.56 8.87 0.17
7263102	Machinery, apparatus and equipment for type-setting or composing by other processes, with or without founding device	Germany USA Denmark	74.94 14.74 10.33	Germany USA Japan	69.24 17.86 12.90
7263109	Other machinery, apparatus and equipment for preparing or making printing blocks, plates, cylinders or other printing components	Israel Hong Kong USA Japan Taiwan	24.18 21.79 21.03 20.36 6.04	Denmark Japan Hong Kong Malaysia Taiwan	41.79 19.55 11.31 9.99 6.23
7263500	Printing type, blocks, plates, cylinders and lithographic stones prepared for printing purposes (e.g. planed, grained or polished)	USA Germany Taiwan Netherlands Japan	31.79 14.98 11.39 9.52 9.41	USA Taiwan Korea Germany Hong Kong	18.90 16.80 14.00 11.84 8.58
7265100	Reel fed offset printing machinery	Germany Japan France USA Canada	34.55 23.63 7.37 10.56 8.04	USA UK Japan	59.64 33.42 6.94

PSCC	Description	1997	% share	1999	% share
7265500	Sheet fed, office type (sheet size not exceeding 22 x 36 cm) offset printing machinery	USA Switzerland Taiwan	83.60 11.64 4.76	Germany	100.0
7265900	Other offset printing machinery	Germany Japan UK USA Netherlands	37.32 20.42 12.53 10.01 6.37	Switzerland Germany Japan France USA	51.04 12.74 7.92 7.64 7.44
7266101	Letterpress printing machinery (excluding flexographic printing), reel fed	Switzerland Japan Korea Taiwan	47.71 25.22 18.37 8.70	Taiwan Japan	82.48 17.52
7266109	Letterpress printing machinery (excluding flexographic printing), other than reel fed	Japan USA Indonesia Canada Australia	54.71 33.57 7.89 1.44 1.11	Japan Italy Taiwan Australia USA	50.38 34.15 6.02 4.96 2.25
7266300	Flexographic printing machinery	Taiwan Korea Hong Kong Vietnam USA	69.69 22.28 4.30 3.5 0.58	Taiwan Japan Italy Hong Kong Korea	38.83 37.20 11.88 6.00 3.84
7266500	Gravure printing machinery	Japan Taiwan UK Australia	82.07 14.41 3.38 0.14	Japan Taiwan China Korea USA	85.86 9.65 3.81 0.39 0.26
7266700	Other printing machinery	Japan USA Taiwan Singapore UK	39.37 21.40 8.04 7.03 6.47	Japan Taiwan USA Germany Italy	58.43 9.39 9.02 6.19 4.12
7266800	Machines for uses ancillary to printing	Germany USA Japan Sweden Denmark	52.67 14.15 2.57 5.85 5.28	Japan UK Denmark Singapore Taiwan	28.34 15.91 10.26 9.15 7.06

PSCC	Description	1997	% share	1999	% share
72668100	Bookbinding machinery (including book-sewing machines)	Switzerland	39.90	Germany	32.35
		Germany	25.03	Singapore	21.34
		Italy	10.30	Korea	19.30
		Japan	6.41	Japan	12.45
		USA	4.58	Taiwan	5.02
7268900	Parts for bookbinding machinery	Germany	38.67	Germany	59.19
		Hong Kong	34.65	USA	27.70
		USA	7.12	Singapore	5.18
		Sweden	4.79	Korea	3.60
		Korea	3.90	Hong Kong	1.30
7269100	Parts for the machines of item 726.31	Germany	37.31	Japan	96.69
		USA	22.50	Germany	2.60
		Japan	19.20	USA	0.38
		Austria	9.02	France	0.25
		Hong Kong	3.10	Denmark	0.04
7269900	Parts, for the machines of subgroups 726.5 and 726.6	Japan	44.91	Japan	57.28
		USA	16.15	USA	17.13
		Hong Kong	13.28	Germany	5.89
		Singapore	11.27	Hong Kong	4.04
		UK	4.17	UK	2.70

Source: National Statistics Office, 2001; Generated by the Bureau of Export Trade Promotion, Department of Trade and Industry

Among the US brands distributed locally are Chandler and Price, Goss, Harris, Kluge and Miller. Japanese brands include Komori, Hamada and Ryobi. Well-known German brands, on the other hand, are Heidelberg and MAN Roland.

2.3.2. Bargaining power of suppliers

The bargaining power of suppliers of the printing and publishing industry is strong primarily because the printing and publishing industry is largely dependent on the paper industry, which is a highly concentrated industry. Local paper manufacturers like PICOP, for example, are protected by government through the imposition of taxes on imported paper. Moreover, there is an acknowledged cartel of paper importers, which exert considerable influence in setting prices and terms of payment because they are selling to a highly fragmented market.

Therefore, local commercial printers are rendered less competitive than foreign printing presses because the cost of production of the former is higher due to the more expensive price of paper. The book industry, in particular, suffers because the price of imported books (which are brought in the country tax-free) becomes cheaper as compared to books produced in the country.

Since the passage of R.A. 8047, which provides for tax exemptions on the importation of paper to be used in books, only three publishers have so far availed of the exemption. Unfortunately, according to Karina Bolasco of Anvil Publishing, only publishers and industry associations can avail of the exemptions, but not individual job and commercial printers, who still have to pay taxes on paper products (See table 29).

Table 29. Rate of duty (%) on selected paper products

HDG No.	H.S. Code	Description	Rate of duty (%)		
			1998	1999	2000
48.01	4801.0000	Newsprint, in rolls or sheets	15	15	10
48.02		Uncoated paper and paperboard, or a kind used for writing, printing or other graphic purposes, and punch card stock and punch tape paper, in rolls or sheets, other than paper of heading No. 48.01 or 48.03; handmade paper and paperboard	15	15	10
48.10		Paper and paperboard, coated on one or both sides with kaolin (China clay) or other inorganic substances, with or without a binder, and with no other coating, whether or not surface-colored, surface-decorated or printed, in rolls or sheets			
		- Paper and paperboard of a kind used for writing, printing or other graphic purposes, not containing fibers contained by a mechanical process or of which not more than 10% by weight of the total fiber content consists of such fibers:			
	4810.1100	-- Weighing not more than 150 g/m^2	3	3	3
	4810.1200	-- Weighing more than 150 g/m^2	3	3	3
		- Paper and paperboard of a kind used for writing, printing or other graphic purposes, of which more than 10% by weight of the total fiber content consists of such fibers obtained by a mechanical process:			
	4810.2100	--Lightweight coated paper	3	3	3
		--Other	3	3	3

Source: Department of Trade and Industry

Local commercial printers also have weaker bargaining power compared to the suppliers of printing equipment. Except for the bigger companies that can afford to directly import from abroad, most companies in the industry depend on local distributors for their printing equipment, as well as for the spare parts and the service attendant to the maintenance and repair of these machines.

Foreign suppliers usually appoint a local distributor for their printing equipment who can promote, sell, and service equipment. Printing companies learn about these equipment through the distributors' promotional strategies including sales calls, advertisements in industry publications and yellow pages, sponsorship of industry associations' membership meetings, product presentations and seminars, direct mailings, participation in trade exhibits, open houses and showroom displays.

Foreign suppliers support their distributors by providing sales and service training, visiting the distributor and clients yearly, and giving information on sources of related supplies, e.g., ink. For large equipment, some suppliers send a technical person to supervise installation of the first unit in the Philippines to ensure the equipment will run smoothly and efficiently.

According to Montesines (1998), however, only about 20% of printing companies in the Philippines can afford state-of-the-art equipment. Many of them use rebuilt or reconditioned equipment instead.

Linkages of the printing industry

2.4. Laws and policies affecting the industry

2.4.1. Philippines

Several laws affect the printing and publishing industry in the Philippines. These include the following, among others: (1) Republic Act (RA) 8293 or the Intellectual Property Code of the Philippines, (2) R.A. 8047 or the Book Publishing Industry Development Act, and (3) R.A. 8424 or the Tax Reform Act of 1997, and (4) Executive Order No. 226 or the Omnibus Investment Code.

In R.A. 8293--the Intellectual Property Code of the Philippines, it was declared that the State "recognizes that an effective intellectual and industrial property system is vital to the development of domestic and creative activity, facilitates transfer of technology, attracts foreign investments, and ensures market access for our products."

This code is relevant to the printing and publishing industry particularly because it contains the Law on Copyright which covers "published works" defined as "works, which, with the consent of the authors, are made available to the public by wire or wireless means in such a way that members of the public may access these works from a place and time individually chosen by them. Chapter II Sec. 172 of the Law on Copyright states that Original Works, particularly Literary and Artistic Works, and Derivative Works shall be protected by copyright. These include the following products of the printing and publishing industry: (a) books, pamphlets, articles, and other writings, and (b) periodicals and newspapers, among others. The assumption is that more robust creative activity, e.g. book writing, fueled by a fair system of protecting the economic rights of authors, is a principal opportunity for the printing and publishing industry.

Republic Act 8047--the Book Publishing Industry Development Act--was enacted declaring that it is the policy of the State "to promote the continuing development of the book publishing industry, with the active participation of the private sector, to ensure an adequate supply of affordable, quality-produced books not only for the domestic but also for the export market."

Prior to this act, the book publishing industry in the Philippines suffered a state of underdevelopment because of certain government policy initiatives and intervention. A Policy Study Toward the Development of a National Book Policy made by the Center for Policy and Administrative Development of the University of the Philippines, as cited in Castillo (1999), identified the following ill-traits of the country's book development policies in the past.

- The content of legislative and executive issuances on book development have been mainly regulatory, distributive, and procedural in nature with limited emphasis on the enactment of developmental policies.
- The majority of the policy interventions had been linked with the educational sector, which effectively treated book publishing not as an industry per se but of the larger system of education.
- Government responses were concentrated at textbook production to meet the requirements of the primary and secondary public school systems, which required government functions in direct competition with the private sector.
- An important feature of these policies was the trend towards the establishment of several agencies and ad-hoc structures to primarily serve the needs of the educational system instead of the industry as a whole.

R.A. 8047 created the National Book Development Board (NBDB), which is tasked primarily to formulate and implement a National Book Policy with a corresponding National Book Development Plan "that will serve as the enduring basis for fostering the progressive growth and viability of the book industry."

Among the declared objectives of the National Book Policy are the following: (a) to create conditions conducive to development, production, and distribution of books, especially the acquisition, and adoption of state-of-the-art technology, equipment and machineries on book publishing, (b) to obtain priority status for the book publishing industry, (c) to promote the effective distribution of books in the domestic as well as in the international markets through an efficient and reliable postal and transport delivery system, and (d) to foster the development of skills of personnel engaged in book publishing through in-service training programs and formal degree and non-degree book publishing courses in schools. These objectives are clearly "developmental" in nature.

Dr. Nellie Apolonio, Executive Director of the NBDB, revealed that the National Book Policy has already been formulated, but the National Book Development Plan has yet to be finalized. This plan is expected, among others, to tackle important issues confronting the book publishing industry, particularly those related to authorship and creative activity, marketing and distribution, printing, readership, and the library system.

R.A. 8047 also includes a section on incentives for book development, which states that persons and enterprises engaged in book publishing and its related activities duly registered with the NBDB shall be entitled to the applicable fiscal and non-fiscal incentives as provided for under Executive Order No. 226 or the Omnibus Investment Code subject to the qualifications and requirements of the Board of Investments (BOI). As it is, book development activities, "shall always be included in the Investment Priority Plan (IPP)."

Among the incentives are (1) the duty-free importation of books or raw materials to be used in book publishing, and (2) exemptions from the coverage of the expanded value added tax law.

The details concerning the incentives for book development under R.A. 8047 and other relevant laws are discussed below:

Tax and duty-free importation of books. Section 105 (S) of the Tariff and Customs Code, as amended, and Section 12 of R.A. 8047 provide that imported books shall be released tax and duty-free. Section 103 of R.A. 824 likewise provides that the shipments shall be exempted from the coverage of the Expanded Value-Added Tax (now Section 109 [Y] of R.A. 8242. All importers, whether for commercial or non-commercial purposes, and including those who receive books through donations, are entitled to this incentive. Also covered by are (1) children's books; (2) children's educational comics; (3) boomics, which is a combination of a book and a comics; (4) scientific, cultural, medical, architectural and professional magazines; and (5) book catalogs.

Tax and duty-free importation of raw materials to be used in book publishing. Pursuant to the provisions of Sections 6, 8, 12 and 13 of R.A. 8047, imported raw materials to be used in book publishing shall be released tax-free and duty-free. Those entitled to this incentive are book publishers accredited by the National Book Development Board (NBDB) or book publishers associations habitually engaged in book publishing may import tax and duty-free raw materials, provided they post a security bond equivalent to the taxes, duties and charges waived.

Participation of private publishers in the public school textbook program. Pursuant to Section 11 of R.A. 8047, publishers shall develop and submit to the DECS syllabi and/or prototypes and manuscripts or books intended for use in the public schools for testing, evaluation, selection and approval. Upon approval of the manuscripts or books, publishers shall produce and supply the textbooks as ordered by the DECS. Publishers duly registered with and accredited by the NBDB could avail of this incentive.

Exemption from the coverage of the Value-added Tax. According to Section 109 (Y) of R.A. 8242 and Section 12 of R.A. 8047, the sale, importation, printing, publication or distribution of books shall be exempt from value-added tax.

Reduced royalty tax for authors. With the enactment of R.A. 8424 or the Tax Reform Act of 1997, the tax imposed on the royalties of book authors was cut from 20% to 10%. This will serve as an incentive for authors to write more books.

Income tax holiday. Section 12 of R.A. 8047 and Article 39 (a) of E.O. 226 as amended by R.A. 7918, provide that for six (6) years from commercial operation of pioneer firms and four (4) years for non-pioneer firms, new registered firms shall be fully exempt from income taxes levied by the National Government. A pioneer firm refers to a registered enterprise that uses a process or system of book publishing or book printing which is new and untried in the country as certified by the NBDB in coordination with the Printing Industries Association of the Philippines (PIAP) or with any existing publishing association in the country.

Article 39 also provides that for a period of three (3) years from commercial operation, registered expanding firms shall be entitled to an exemption from income taxes levied by the National Government proportionate to their expansion under such terms and conditions as the Board of Investments (BOI) may determine. However, during the period within which this incentive is availed of, the registered firm shall not be entitled to additional deduction for incremental labor expense.

In general, all new and expanding enterprises engaged in book and textbook publication and all new and expanding enterprises engaged in printing and publishing or books and textbooks registered under E.O. 226 as amended by R.A. 7918 are entitled to ITH incentives unless expressly withheld from the firm under the terms and conditions of its registration with the BOI. In accordance with the locational restriction policy of the BOI, only firms located outside the National Capital Region are entitled to ITH, but exemptions could be given to the following: (1) projects located in several government industrial estates declared as such by national law or by presidential proclamation prior to 1 January 1989, (2) service-type projects with no manufacturing facilities, such as, but not limited to book development, book encoding, and book designing, and (3) expansion projects for export.

Additional deduction for labor expenses. Section 12 of R.A. 8047 and Article 39 (b) of E.O. 226 as amended by R.A. 7918 provide that for the first five (5) years from registration, an enterprise shall be allowed an additional deduction from the taxable income of 50% of the wages corresponding to the increment in then umber of direct labor for skilled and unskilled workers if the project meets the prescribed ratio of capital equipment to number of workers set by the BOI. This additional deduction shall be doubled if the activity is located in less developed areas. However, this incentive shall not be availed of simultaneously with the Income Tax Holiday incentive. Publishers and printers duly registered with the NBDB and the BOI could avail of this incentive.

Unrestricted use of consigned equipment. Section 12 of R.A. 8047 and Article 39 (g), now Article 39 (f) of E.O. 226 as amended by R.A. 7918 provide that machinery, equipment and spare parts consigned to any enterprise registered with the BOI shall not be subject to restrictions as to period of use of such machinery, equipment and spare parts. However, the appropriate re-export bond equivalent to 100% of the estimated taxes and duties has to be posted. Moreover, such consigned equipment must be reasonably needed in the enterprise's registered operations and shall be for the exclusive use of the registered enterprise.

The period for availing of this incentive shall not exceed ten (10) years from the date of registration. During the 10-year period, BOI registered firms shall be allowed to import their machinery and equipment on consignment basis. They can use these equipment for an unlimited period provided a re-export bond is posted and renewed every six (6) months in accordance with Customs rules and regulations. All enterprises--whether new, expanding, or existing--registered with the BOI and NBDB that import equipment and accompanying spare parts on consignment basis regardless of location.

Tax and duty-exempt importation of spare parts and supplies. Section 12 of R.A. 8047 and Article 39 (m), now Article 39 (l) of E.O. 226 as amended by R.A. 7918 provide that importation of required supplies and spare parts for consigned equipment or those imported tax and duty-free by a registered enterprise with a bonded manufacturing warehouse (BMW) shall be exempt from customs duties and national internal revenue taxes payable thereon; provided that at least 70% of production is exported; provided further that such spare parts and supplies are not locally available at reasonable prices, sufficient quantity and comparable quality; provided, finally, that all such spare parts and supplies shall be used only in the bonded manufacturing warehouse of the registered enterprise under such requirements as the Bureau of Customs may impose. The period for availing of this incentive shall not exceed 10 years from the date of registration. Any NBDB and BOI-registered enterprise licensed to operate a bonded manufacturing warehouse exporting at least 70% of production and a holder of a Certificate of Qualification (CQ) may avail of exemption from taxes and duties in its importation of the required spare parts and supplies for its capital equipment.

Employment of foreign nationals. Article 39 (h) of E.O. 226 on Employment of Foreign Nationals, subject to the provisions of Section 29 of Commonwealth Act No. 613, as amended, provides that a registered enterprise may employ foreign nationals in supervisory, technical or advisory positions for a period not exceeding five (5) years from its registration, extendible for limited periods at the discretion of the Board; provided, however, that when the majority of the capital stock of a registered enterprise is owned by foreign investors, the positions of president, treasurer, and general manager or their equivalents may be retained by foreign nationals beyond the period set forth herein. NBDB and BOI-registered enterprises, whether pioneer or non-pioneer, may avail of the incentive to employ foreign nationals under Article 39 (h) of the Omnibus Investments Code by filing a sworn application with the Board of Investments--One Stop Action Center (OSAC).

2.4.2. Abroad

In the international market, the printing and publishing industry is affected by laws concerning taxation, retail price maintenance systems, and copyright protection.

Taxation. Taxation of books is a factor that affects the publishing industry, in the sense that it dampens consumer expenditure. The World Book Report reveals that governments in developed countries, especially in Europe, have the propensity to tax books. The record for the highest tax rates on books belong to Denmark and Sweden where books are taxed at a massive 25%, which serves as a disincentive to literacy at the consumer level. Sweden, though, supports its book industry with grants that assist in the publishing of a wide range of titles. Austria has a tax rate that stands at 10%, the highest rate of the three markets where a combined retail price mechanism is in place. In Switzerland, the taxation rate is only 2%, which might affect the sales of more expensive titles, but should barely dampen consumer/trade books at retail level.

In China, books are taxed at a significant 17%, which is somewhat contradictory, given the need for improved literacy rates and their importance for sustainable economic growth. In Argentina, books are not taxed at all in any form, a feature that is common to the other Latin American countries of Brazil and Mexico.

In Australia, books are exempt from taxes, as is the case in the UK. The situation in the UK may have to alter, however, if the mooted requirement for tax harmonization in the EU becomes a reality. The US, meanwhile, remains the only English-speaking market in which books are subject to a sales tax, reaching up to 8.25% depending on the state. However, the US is also a special case in that there has also been a well-developed trend to discount books, a shift that has gathered momentum in recent years and which makes the application of the tax less painful in the eyes of the consumer.

Taxation in Canada is high, and applied at two levels. This will remain the case as long as the treasury continues to see it as a legitimate and valuable source of revenue for the nation. Yet the Canadian consumer is not spared the pain, as is his/her neighbor in the US, because discounting in Canada is less significant, and the tax rates are much higher.

According to the World Book Report, the average prices of books in the US appear to be lower than they are in Canada, and throughout the 1990s this would have been obvious to Canadian and US nationals. In addition, attempts by the large-format and often discount-orientated book retailers of the US to enter the Canadian market have been resisted by the Canadian industry simply because it wished to avoid any further erosion of prices at a time of economic recession.

Of the major markets, there is unlikely to be any change in the status quo in the short to medium term because those countries applying taxes to the sales of books will have become so used to that revenue stream as to be unwilling and unable (given the emphasis on reductions in government spending) to give up such income.

The countries where taxation rates are likely to change in the medium term are those that belong to the European Union (EU). This is because there is a case to be made for the harmonization of tax rates. Whether this occurs remains to be seen, but it is unlikely that taxes on books will rise to the prohibitively high rate seen in Denmark. Instead, it is expected that a rate between 7-10% will be settled upon, with likely increases thereafter, depending on the strength of the publishing and bookselling industry in Europe.

Table 30. Developments in taxation in the top ten markets

Country	**Existence and nature of taxation**	**Likely future development**
Argentina	Books and other materials for education exempt from sales tax and from any other consumption tax.	Likely to remain unchanged in the medium term.
Australia	No tax of any sort on books.	Likely to remain unchanged in the short term.
Austria	Books are taxed at 10%, which is the lowest of Austria's sales tax rates (range from 10-20%).	Likely to remain unchanged, except in the event of a requirements for harmonization throughout Europe.
Belgium	Books are taxed at 6%, the lowest of Belgium's sales tax rates, which range from 6-21%.	Likely to remain unchanged, except in the event of a requirements for harmonization throughout Europe.
Brazil	Books and other materials for education are exempt from sales tax (ICMS) and from raw material tax (IPI).	Likely to remain unchanged in the short term, especially given the need for improved education to support growth in the economy.
Canada	Books are subject to a Goods & Services Tax of 7%, and to a Provinces Tax of between 4% and 10% (IPA data suggests this is 15%).	Unlikely to change as it is a significant revenue source for the treasury. However, public libraries have received a refund to the Goods and Services Tax since October 1996.
China	A tax rate of 17% is included within the retail price of books in China. This tax combines other smaller charges including educational and manufacturing taxes. Imported books are liable to additional customs duty.	Taxation on imported books is likely to fall or to be removed altogether, perhaps as part of China's requirement for more liberalized trading terms.
France	Books are subject to the lowest level of the sales tax range, which is 5.5% to 20.6%.	Likely to remain unchanged, except in the event of a requirement for harmonization throughout Europe.
Germany	Books are subject to the lowest level of the sales tax range, which ranges from 7% to 15%.	Likely to remain unchanged, except in the event of a requirement for harmonization throughout Europe.
Italy	Books are subject to the lowest level of the sales tax range, which ranges from 4% to 19%.	Likely to remain unchanged, except in the event of a requirement for harmonization throughout Europe.
Japan	Books are subject to a sales tax of 5%.	Likely to remain unchanged in the short term, but needs to change as part of efforts to reflate consumer demand.
Mexico	No taxes are applied to the retail sales of books.	Unlikely to change in the short term.

Country	Existence and nature of taxation	Likely future development
Netherlands	Books are subject to the lowest level of the sales tax range, which is between 6% and 17.5%.	Likely to remain unchanged, except in the event of a requirement for harmonization throughout Europe.
South Korea	No taxes are applied to books and although import licenses are required, books are not subject to customs duty either.	Unlikely to change in the medium term.
Spain	Books are subject to the IVA (Impuesto Valor Agregado) at 4%, which is the requirement for lowest level of the sales tax range (4-18%). IPA reports upper VAT rate of 16%.	Likely to remain unchanged, except in the event of a requirement for harmonization throughout Europe.
Switzerland	Books are subject to the lowest level of the sales tax range, which is between 2% and 6.5%.	Unlikely to change in the short term.
Taiwan	Books are taxed at 5%. No import tariffs on most printed books, but a tariff of 7.5-10% is levied on reproductions of works of art and 15-20% on children's drawing and colouring books.	Unlikely to change in the short term.
UK	No taxes are applied to the retail sales of books.	Likely to remain unchanged, except in the event of requirement for a harmonization throughout Europe
US	Subject to sales taxes of up to 8.25%.	Unlikely to change.

Source: Euromonitor, February 1998

Retail Price Maintenance Systems. The book publishing industry has lobbied successfully for the retention of RPM on the grounds of its cultural and educational value. According to the World Book Report, this argument is less viable now because of the results from North America and the UK, where the absence of RPM systems has not fundamentally negated the success of publishers, nor has consumer choice been harmed, and the American, Canadian and British cultures continue to thrive, the exports of the UK publishing industry largely maintaining its strength.

Where RPM systems remain in place, Book Publishers Associations worldwide continue to claim that the demise of the system would reduce diversity in book publishing, lead to bankruptcies among booksellers and publishers alike, and reduce employment. This might be so but is by no means certain as the UK's recent experience confirms. The strongest argument against the system is in the US where booksellers have been especially innovative and successful in market development activities that have enhanced demand. Initiatives such as coffee shops in situ, targeted consumer marketing, themes and book reading clubs have raised the profiles of the bookseller in the books industry to the extent that these are being copied in Australia and the UK.

In Germany and Austria, publishers still have a special resale price maintenance system which means that books in the German language, which are sold in one market cannot be sold in the other (or indeed in the Swiss market) for a lower price. Thus an unrealistic and backward-looking model of the publishing industry exists in these countries, as is the case for France and Italy. The exceptions to the rule are the UK, the US, Canada, and Belgium.

Title output in the US has been declining, partly as a result of the rise in imports of titles from other countries, notably Germany and the Spanish-speaking nations. There is however strong evidence of the continued health of the small publisher in this market, and the absence of an RPM system has encouraged the US publishing industry to focus on the nature of its activities and the value that those activities offer to consumers, in cultural and/or commercial terms.

This focus is critical to the future of the industry but is likely to be absent from countries in which RPM remains in force. Yet the governments and publishers in those developed nations where RPM is in force maintain tax levels on books that suppress volume sales and access to books by those who are in the greatest need of such cultural and educational requirements.

Meanwhile, Argentina, Brazil and Mexico, despite the assistance given by their governments to the sale of books, have RPM systems in place, which ultimately make books more expensive than they need to be for the consumer. In Brazil and Mexico, the price of books is comparatively high, and in Brazil is considered to be up to 35% higher than necessary, undermining the efforts of local institutions to improve education levels. It is also possible that the book publishers in those markets are taking advantage of their local tax situations, ultimately squeezing a small proportion of the population that will continue to buy books for their cultural value.

However, access to books not prescribed as part of the educational process can be limited, unless the consumer is aware of the opportunity to purchase across borders, in the US via one of the two leading Internet book stores (Amazon and Barnes & Noble). Yet again, it is the most literate and sophisticated members of the populations in Brazil and Mexico who will benefit most from this, suppressing sales of non-educational books in their local markets. There is also little evidence that publishers in Brazil and Mexico have responded commercially in a positive way to this.

Table 31. Retail price maintenance (RPM) systems in major markets, 1997

Country	**Existence and nature of RPM**	**Likely future development**
Argentina	RPM system by convention	Unlikely to change in the short term.
Australia	RPM system by convention and linked with rights sales	Likely to change in the short to medium term due to demise of, and lack of systems in the UK and the US.
Austria	Strong RPM system by convention linked with Germany and Switzerland.	Will face serious challenges in the short term and its future existence depends on the political strength of the Franco-German-Dutch lobbies remaining aligned against the European Commission's Competition Authority.

Country	Existence and nature of RPM	Likely future development
Belgium	None.	Unlikely to change in the medium term.
Brazil	RPM system by convention.	Unlikely to change in the short term.
Canada	None	Unlikely to change in the short term.
China	RPM system by convention. Publishers have agreed and effect a system which allows for a 15-25% margin for booksellers on the prices of books.	Unlikely to change in the short term.
France	A strong RPM system is in place in France, under-pinned by the Lang Law of 1981. This law allows retailers to discount publisher prices by a maximum of 5%.	Will face serious challenges in the short term and its future existence depends on the political strength of the Franco-German-Dutch lobbies remaining aligned against the European Commission's Competition Authority.
Germany	Strong RPM system by convention linked with Germany and Switzerland.	Will face serious challenges in the short term and its future existence depends on the political strength of the Franco-German-Dutch lobbies remaining aligned against the European Commission's Competition Authority.
Italy	Strong RPM system by convention.	Will face serious challenges in the short term and its future existence depends on the political strength of the Franco-German-Dutch lobbies remaining aligned against the European Commission's Competition Authority.
Japan	Strong RPM system by convention set by publishers.	Likely to change in the medium term because market forces are taking the industry in the same direction as the UK.
Mexico	RPM system in place and effected by publishers.	Likely to remain unchanged in the short term
Netherlands	RPM system under-pinned by the Reglement Handelsvekeer. Attempts are being made to widen the regulatory scope of the Reglement Handelsvekeer.	Although likely to remain unchanged as long as the Franco-German-Dutch lobby for RPM in Europe is maintained, the Dutch system is often by-passed in practice.
Russia	None.	Unlikely to change in the medium term.
South Korea	RPM system in place.	Unlikely to remain in force in the short to medium term as the RPM system is facing scrutiny from the Fair Trade Committee.
Spain	RPM system controlled by the government and which allows discounts of between 5-10%. RPM does not apply to book exhibitions and other similar events.	Unlikely to change in the medium term.
Switzerland	Strong RPM system by convention linked with Germany and Austria.	Likely to remain unchanged in the short term despite challenges to Austrian and German elements of the links.

Country	Existence and nature of RPM	Likely future development
Taiwan	An advisory RPM system.	Unlikely to change in the medium term.
UK	No RPM system in force, the original convention (Net Book Agreement) having been jettisoned in 1995/1996	Unlikely to return to an RPM system in the medium or long term
US	None	Unlikely to change.

Source: Euromonitor

Copyright protection. The International Federation of Reproductive Rights Organisations (IFRRO) is a promoter of the proper acknowledgement and distribution of fees to authors and other copyright holders worldwide. Most of the major book markets are represented by their own Reproductive Rights Organizations (RROs), but there is also a tendency for developing nations to lack membership.

The most interesting of these are those in which RPM systems are in place, namely Argentina and South Korea. This is because publishers, on the one hand, operate a convention that protects their commercial rights to sell books at a given price. On the other, they refuse to acknowledge, by implementing a RRO, the rights of authors--the publishers' suppliers of content--to reap the full commercial benefits of those rights. This is just one of the contradictions within the book industry that is difficult to explain, although in this case it is a contradiction that is limited to developing nations.

The World Book Report describes the failure of China to acknowledge the copyright position of any owner of content as "legendary and must surely have negated the growth of its domestic industry, as well as reducing imports of titles." It said that the likelihood that copyright would be upheld for book publishers and authors is rather slim. This is also true of Indonesia, Thailand and Malaysia.

Notwithstanding the willingness of most of the nations above to join the international copyright community, enforcing copyright violations remains difficult and the resources required will not be provided in economies where budget cuts are the dominant theme. The industry itself needs to find better ways of enforcing copyright in a manner that allows successful prosecutions, while at the same time simplifying the process by which copyright can be respected. As the Internet continues to become more significant, the ability of the industry to properly protect copyright will tax the best minds and is unlikely to be resolved by the year 2001, because the technology is not easy to control according to the traditional enforcement criteria.

Table 32. Copyright acknowledgement, 1996

Country	Status	Operations formed
Argentina	Non-member	
Australia	RRO	1988
Austria	RRO	1959
Belgium	RRO	1994
Brazil	RRO	1992

Country	Status	Operations formed
Canada	RRO	1989
China	Non-member	
France	RRO	1984
Germany	RRO	1958
Italy	RRO	1993
Japan	RRO	1991
Mexico	Associate	1964
Netherlands	RRO	1974
Russia	Non-member	
South Korea	Non-member	
Spain	RRO	1988
Switzerland	RRO	1974
Taiwan	Non-member	
UK	RRO	1982
US	RRO	1978

Source: Euromonitor

2.5. Industry associations

Industry associations play a crucial role in enhancing the growth and competitiveness of the printing and publishing industry.

Among the major industry associations are the Printing Industries Association of the Philippines (PIAP), the Philippine Educational Publishers Association (PEPA), the Publishers Association of the Philippines, Inc. (PAPI), the Association of Philippine Booksellers (APB), the Book Suppliers Association of the Philippines (BSAP), the Book Development Association of the Philippines (BDAP), the Book Exporters Association of the Philippines (BEAP), the Packaging Institute of the Philippines, the Philippine Printing Technical Foundation (PPTF), the Printing Industries Board Foundation, Inc., the Philippine Graphic Arts Dealers Association (PGADA), the Publishers' Representatives Organization of the Philippines (PROP), the Pulp and Paper Manufacturers Association (PULPAPEL) and the Screenprinting and Imaging Graphics Association of the Philippines (SIGAP).

Some of these associations were instrumental in the passage of Republic Act No. 8047 or the Book Publishing Industry Development Act. In 1988, PEPA presented to Congress a formal study of the book publishing industry and its pathway to growth. PEPA, through its then president Jesus Ernesto Sibal, and its legal counsel, Atty. Rufus Rodriguez, drafted the bill presented by Congressman Carlos Padilla in the House of Representatives; while, the BDAP and the APB drafted a separate version which was sponsored by then Senator Edgardo Angara.

The Printing Industries Association of the Philippines (PIAP), founded in 1963, is one of the biggest associations of graphic arts practitioners in Asia. It has more than

800 members. Its objectives are (1) to foster among its members adherence to ethical standards of fair business practices; (2) to promote their common welfare, maintain and enhance friendly relations among its members; (3) to promote the general welfare of the printing and allied industries in the Philippines; (4) to cooperate with the government or any agency in the study and solution of the problems affecting the industry, and (5) to conduct public relations and educational programs stressing the role of the printing industry in national economic development.

Among its major projects and activities are regular Printing Update Seminars, the holding of the National Printers Convention, general membership meetings, publication of the bimonthly Philippine Printer, participation in major international printing exhibits and conventions, provision of free legal consultation on labor and tax problems, provision of free technical assistance and dissemination of technical updates, maintenance and upgrading of a library, and various social activities for its members.

A major undertaking is the promotion of the export of printed materials. The association has been receiving information from the Department of Trade and Industry (DTI) about prospective buyers of printed materials from abroad, and has sent circulars about all available information from various sources to its members. It is also in the process of securing up-to-date data on the printing industry especially on the salary scale in the industry.

The Book Exporters Association of the Philippines (BEAP), founded in 1999, aims to consolidate efforts of Philippine publishers who are interested in the export of books, and to encourage and assist publishers in financing, producing, and marketing quality books and other publications as required in the international market. Among its recent activities are the Seminar on Managing Globally Competitive Service Firms, and participation in the Frankfurt Book Fair.

BEAP has also started sponsoring market development activities for its members. According to its president Ramon Rocha, BEAP has undertaken trade missions to the US and Canada, during which they found out that Filipinos abroad crave for books about their heritage, and that there is a market for Filipino books in US libraries and schools in areas where there are large Filipino communities.

Industry associations are also recognized by the government as critical partners in formulating and implementing policies affecting the industry. The National Book Development Board (NBDB), for instance, has a Governing Board composed of 11 members, six of which must be "nominees of organizations of private book publishers, printers, writers, book industry related activities, students and the private education sector." The Governing Board of the NBDB has the following functions, among others: (a) assume responsibility for carrying out and implementing the policies, purposes, and objectives provided for in the Book Act, and (b) formulate plans and programs as well as operational policies and guidelines for undertaking activities relative to promoting book development, production, and distribution, as well as incentive schemes for individual authors and writers. With the representatives of industry associations in the Board, it is assumed that the interests of their members shall be properly articulated and protected.

2. Demand

The printing and publishing industry currently caters primarily to the domestic market, but is slowly discovering a potential market abroad. Some players, particularly those that have the supply capability, have realized that a much larger market exists abroad, and that tapping this foreign market would increase their profitability.

3.1. Philippines

Demand for the products and services of the printing and publishing industry could be gleaned from several indicators. Among those presented in this section are sales receipts of the industry, level of imports of printed matter, and circulation figures of newspapers and periodicals.

Exports of printed matter have gradually increased over the years, but started to dip in 1999, posting an average growth rate of 10.58% from 1995 to 2000.

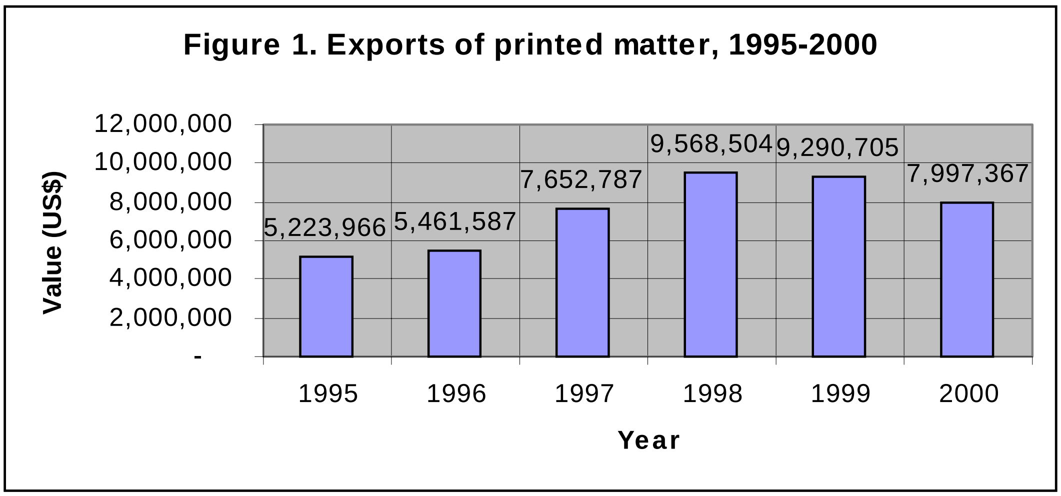


Table 33. Exports of printed matter (in US$), 1995-2000

Year	Exports	Growth rate (%)
1995	5,223,966	
1996	5,461,587	4.55
1997	7,652,787	40.12
1998	9,568,504	25.03
1999	9,290,705	-2.90
2000	7,997,367	-13.92
Average		10.576

Source: National Statistics Office

Table 34. Value of exports of printed matter (in US$), 1996-2000

Description	1996	1997	1998	1999	2000
Christmas and other greeting cards	2,293,040	3,615,421	3,272,459	3,901,693	2,308,902
Other books, brochures and similar printed matter	432,657	575,574	1,850,314	1,319,431	818,426
Paper or paperboard labels, printed	502,019	721,903	1,078,718	961,878	953,127
Magazines, reviews, journals and periodicals	685,152	691,660	610,482	481,789	410,932
Prayer books, bibles and other religious books	253,854	322,461	488,968	652,869	670,715
Newspapers, journals and periodicals	309,374	332,621	332,363	356,467	360,450
Transfers (decalcomanias), vitrifiable	56,580	219,605	260,803	660,133	686,884
Calendars of any kind, printed	312,160	277,909	384,901	295,092	188,234
Other printed material	154,172	427,049	301,044	168,389	371,762
Other printed or illustrated postcards	118,882	212,907	315,231	151,696	293,393
Trade advertising material	22,019	74,784	114,318	38,644	272,939
Unused postage, revenue and similar stamps	19,100	7,610	260,885	-	173,503
Comic magazines, new issues	94,684	75,073	68,750	52,025	37,246
Catalogs in book form	70,905	35,575	-	1,001	17,232
Dictionaries and encyclopedias	2,161	39,156	79,953	73,884	63,463
Booklets, brochures, pamphlets and leaflets	14,995	3,793	8,852	89,580	50,024
Children's picture drawing or coloring books	3,200	9,360	104,275	-	1,395
Stamped envelopes, letter cards	10,140	-	-	-	111,300
College and high school textbooks	50,794	204	12,359	12,111	44,462
Textbooks, workbooks	-	7,587	14,108	9,349	55,148
Paper or paperboard labels,					

Description	1996	1997	1998	1999	2000
not printed	-	-	-	4,433	56,819
Stock, share/bond certificates	-	-	-	36,341	23,500
Other maps and hydrographic charts	22,914	-	466	15,610	2,675
Picture postcards	3,278	-	9,255	8,139	14,811
Globes	13,187	-	-	-	-
Maps and charts in book form	12,455	2,170	-	131	-
Industrial transfers	-	-	-	-	8,554
Pictures, design and photographs	1,099	-	-	-	244
Plans and drawings	1,646	-	-	-	-
Newspapers, new issues	1,120	365	-	20	-
Bank notes	-	-	-	-	1,227
Music, printed or in manuscript	-	-	-	-	-
Printed books, brochures	-	-	-	-	-
Transfers (decalcomanias)	-	-	-	-	-
TOTAL	5,461,587	7,652,787	9,568,504	9,290,705	7,997,367

Source: National Statistics Office, 2001; Generated by the Bureau of Export Trade Promotion, Department of Trade and Industry

The Philippines' main exports of printed matter are Christmas and other greeting cards (printed by any process, with or without trimmings), which accounted for 39.13% of total exports of printed matter; Other books, brochures, and similar printed matter, 11.91%; Paper or paperboard labels, 10.25%; Magazines, reviews, journals and periodicals, 8.50%; and Prayer books, bibles, and other religious books, 5.30%.

Table 35. Top exports of printed matter by value (in US$), cumulative total for the years 1995-2000

Description	6-year cumulative total	% of total exports of printed matter
Christmas and other greeting cards	17,098,797	37.83345
Other books, brochures and similar printed matter	5,320,469	11.77227

Paper or paperboard labels, printed	4,828,632	10.68402
Magazines, reviews, journals and periodicals	3,625,841	8.022674
Prayer books, bibles and other religious books	2,675,077	5.918978
Newspapers, journals and periodicals	2,118,286	4.687001
Transfers (decalcomanias), vitrifiable	1,939,846	4.292177
Calendars of any kind, printed	1,657,555	3.66757
Other printed material	1,515,320	3.352855
Other printed or illustrated postcards	1,482,491	3.280216

The top export markets of the Philippines for printed matter are Germany, USA, Japan, Hong Kong, Singapore, and Taiwan.

Table 36. Top export markets of printing and publishing materials

Rank	Country	% share (2000)	% share (1999)
1	Germany	22.42	20.18
2	USA (excluding Hawaii and Alaska)	16.02	17.21
3	Japan	14.71	9.7
4	Hong Kong SAR	9.81	12.31
5	Singapore	5.62	2.63
6	Taiwan	4.45	3.98
7	France	2.79	5.99
8	Italy	2.45	2.52
9	Great Britain and Northern Ireland	2.08	7.67
10	Saudi Arabia	2.06	1.94
11	New Zealand (excludes Western Samoa)	1.94	0.59
12	Netherlands	1.92	0.29
13	Malaysia	1.36	0.84
14	Australia	1.29	2.32
15	India	1.12	0.04
16	Others	9.96	11.79
	TOTAL	100.0	100.0

Broken down in types of printed matter, the leading export markets for the years 1998 and 1999 are listed in Table 37.

Table 37. Top markets for exports of printed matter, 1998 and 1999

PSCC	Description	1998	% share	1999	% share

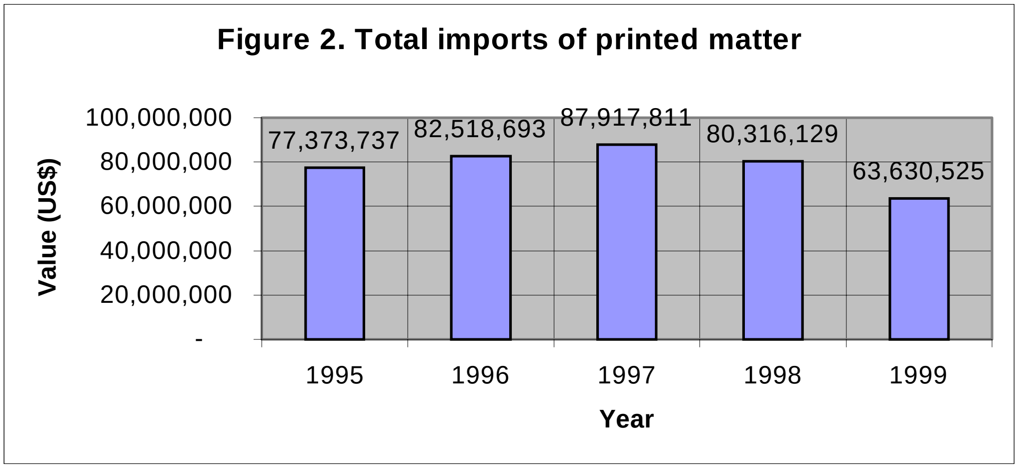
PSCC	Description	1998	% share	1999	% share
8921200	Children's picture drawing or coloring books	USA Belgium South Africa Pakistan	80.46 14.56 3.84 1.15		
8921300	Maps and charts in book form			USA	100.0
8921600	Dictionaries and encyclopedias, and serial installments thereof, not in single sheets	Singapore Thailand Taiwan USA	76.85 11.62 11.28 0.26	Taiwan Singapore Hong Kong USA Japan	47.77 46.24 4.08 1.82 0.08
8921901	College and high school textbooks including technical and scientific books	Singapore USA	83.82 16.18	Singapore Japan South Africa Australia Thailand	22.05 12.06 11.56 11.48 11.06
8921902	Textbooks, workbooks and supplementary readers for the elementary grades	UAE S. Arabia USA	67.17 16.50 16.33	Singapore Kuwait S. Arabia	75.07 22.46 1.60
8921903	Prayer books, bibles and other religious books	USA Barbados T & Tobago Singapore Australia	34.33 23.04 22.33 5.65 4.07	USA Canada Malaysia Hong Kong Italy	38.78 27.75 8.64 4.93 4.21
8921904	Catalogs in book form			Japan Denmark	50.05 49.95
8921905	Booklets, brochures, pamphlets and leaflets, not in single sheets	Hong Kong USA Germany Taiwan Vietnam	40.67 30.14 12.35 7.46 7.14	Germany Korea USA India Hong Kong	73.23 13.23 8.36 2.96 1.61
8921905	Other books, brochures and similar printed matter, n.e.s., not in single sheets	USA Hong Kong Pakistan Singapore India	40.80 19.87 10.86 9.02 3.07	Hong Kong USA Singapore Kuwait Taiwan	51.82 15.26 8.47 7.94 4.26
8922100	Newspapers, journals and periodicals, whether or not illustrated or containing advertising material, new issues, appearing at least four times a week.	Hong Kong Taiwan Italy USA S. Arabia	44.24 14.66 11.49 7.02 5.31	Hong Kong Taiwan Italy USA S. Arabia	33.74 27.38 14.97 4.71 4.70

PSCC	Description	1998	% share	1999	% share
8922901	Newspapers, new issues, other than those appearing at least four times a week, whether or not illustrated or containing advertising material			Guam	100.0
8922902	Comic magazines, new issues, other than those appearing at least four times a week	Hong Kong Italy S. Arabia USA Singapore	28.16 13.09 12.75 11.88 9.33	Hong Kong S. Arabia Singapore T. Territory Guam	30.00 15.76 13.12 9.85 8.80
8922903	Magazines (excluding comic magazines), reviews, journals and other periodicals, new issues, other than those appearing at least four times a week, whether or not illustrated or containing advertising material	Taiwan S. Arabia USA Italy Guam	24.05 21.63 17.44 10.63 4.75	Taiwan S. Arabia USA Italy Hong Kong	23.78 23.71 14.80 11.37 6.89
8924109	Transfers (decalcomanias), n.e.s.	Japan Taiwan Vietnam Sri Lanka	88.93 9.15 1.34 0.57	Japan Taiwan Sri Lanka	98.43 1.48 0.09
8924201	Picture postcards	Germany USA	93.38 6.62	Germany Italy Japan USA	70.03 24.61 4.88 0.48
8924202	Christmas and other greeting cards	Germany UK USA Australia Netherlands	44.08 22.48 17.87 6.64 2.79	Germany France USA UK Australia	37.67 17.48 17.39 14.55 4.46
8924209	Other printed or illustrated postcards, printed cards bearing personal greetings, messages or announcements, whether or not illustrated, with or without envelopes or trimmings.	Germany Australia USA France Thailand	57.88 16.35 10.10 4.52 4.50	USA Germany UK Taiwan N. Zealand	51.92 27.19 12.22 4.61 1.28
8928101	Paper or paperboard labels, of all kinds, printed	Korea Japan USA France Germany	26.70 26.23 14.44 10.49 6.68	Japan France USA Pakistan Netherlands	49.15 8.08 6.61 6.33 4.40

PSCC	Description	1998	% share	1999	% share
8928102	Paper or paperboard labels, of all kinds, not printed			Japan China Greece Egypt USA	31.83 26.84 18.09 17.55 5.68
8928301	Stock, share and bond certificates and similar documents of title, cheque forms, stamped-impressed paper			Spain	100.0
8928302	Unused postage, revenue and similar stamps of current or new issue in the country to which they are destined	USA Jordan	98.47 1.53		
8928400	Calendars of any kind, printed (including calendar blocks)	USA France UK Belgium T. Territory	55.28 22.49 11.10 5.19 1.30	France USA Japan UK Germany	50.86 33.23 5.46 4.83 2.03
8928600	Trade advertising material, commercial catalogs and the like	Belgium Netherlands USA Guam France	27.80 15.93 11.07 10.61 8.39	USA Netherlands Japan Hong Kong Germany	45.08 16.54 9.52 7.34 7.02
8928909	Other printed matter, n.e.s.	Germany USA UK France Papua NG	33.71 26.72 8.54 6.48 5.99	USA Hong Kong Palau Germany Japan	46.83 6.42 6.35 5.82 5.14

Source: National Statistics Office, 2001

Imports of printed matter reached $87.9 million in 1997 but dipped to $63.6 million by 1999.



Since 1995, the imports of printed matter contracted by an average of - 4%. It went down to $63.63 million in 1999 from a peak of P87.92 million in 1997 (See Table 38).

Table 38. Imports of printed matter (in US$), 1995-1999

Year	Imports	Growth rate (%)
1995	77,373,737	--
1996	82,518,693	7.00
1997	87,917,811	7.00
1998	80,316,129	-9.00
1999	63,630,525	-21.00
Average	78,351,379	-4.00

Source: National Statistics Office

Table 39. Value of imports of printed matter in US$, 1995-1999

Description	1995	1996	1997	1998	1999
Children's picture drawing or coloring books	1392957	1301781	535160	78424	69522
Maps and charts in book form	288700	4639	227681	9788	345
Globes	76602	59996	71830	55799	89232
Printed books, brochures	0	897	26735	1609	0
Dictionaries and encyclopedias	14382742	8547396	6561432	3047165	2694563
College and high school textbooks	785150	1707419	568995	374787	188739
Textbooks, workbooks	181543	486288	260416	104774	114202
Prayer books, bibles and other religious books	1106820	1263162	823092	1801343	881749
Catalogs in book form	5134	8723	118394	5337	1687
Booklets, brochures, pamphlets and leaflets	0	48196	690411	11414	4940
Other books, brochures and similar printed matter	24655745	34829206	34524117	22803138	23624213
Newspapers, journals and periodicals	10736	79649	92214	33006	24364
Newspapers, new issues	3951	11927	12906	19209	32192
Comic magazines, new issues	473972	190447	180564	32175	1280
Magazines, reviews, journals and periodicals	5971520	6950640	8392510	4998880	4168611
Transfers (decalcomanias), vitrifiable	648750	807256	828427	404761	409554
Industrial transfers	49830	37440	274908	2239	0

Description	1995	1996	1997	1998	1999
Transfers (decalcomanias)	662326	351073	220728	280333	306389
Picture postcards	3206	0	13414	4690	5929
Christmas and other greeting cards	86956	150762	221529	43954	67478
Other printed or illustrated postcards	295408	311612	603611	208119	293801
Paper or paperboard labels, printed	11388202	10347854	12140159	11763495	11968391
Plans and drawings	245897	266710	30932	12923	34096
Stock, share/bond certificates	180547	103895	173660	4144876	34286
Unused postage, revenue and similar stamps	27105	0	2750	6699	5003
Bank notes	4720986	1978215	6860914	14597390	6155895
Stamped envelopes, letter cards	3454	2200	50592	23537	38033
Calendars of any kind, printed	299313	443154	428408	510835	420087
Music, printed or in manuscript	10345	0	6513	0	27981
Trade advertising material	2159760	3457821	3151723	2130683	2678750
Pictures, design and photographs	79115	343318	173549	190228	237314
Other printed material	7176965	8427017	9649537	12614519	9051899
TOTAL	77,373,737	82,518,693	87,917,811	80,316,129	63,630,525

Source: National Statistics Office, 2001

The biggest imports are 'Other books, brochures and similar printed matter', which accounted for 35.84% of total imports. This was followed by paper or paperboard labels, printed, 14.70%; other printed materials, 11.97%; dictionaries and encyclopedias, 8.99%; bank notes, 8.75%; magazines, reviews, journals, and periodicals, 7.78%; trade advertising material, 3.46%; prayer books, bibles and other religious books, 1.50%; and stock, share/bond certificates, 1.18%.

Table 40. Top imports of printed matter in US$, cumulative total for years 1995-1999

Description	5-year cumulative total	%
Other books, brochures and similar printed matter	140,436,419	35.848
Paper or paperboard labels, printed	57,608,101	14.705
Other printed material	46,919,937	11.977
Dictionaries and encyclopedias	35,233,298	8.994
Bank notes	34,313,400	8.759
Magazines, reviews, journals and	30,482,161	7.781

periodicals		
Trade advertising material	13,578,737	3.466
Prayer books, bibles and other religious books	5,876,166	1.500
Stock, share/bond certificates	4,637,264	1.184
College and high school textbooks	3,625,090	0.925

Source: National Statistics Office

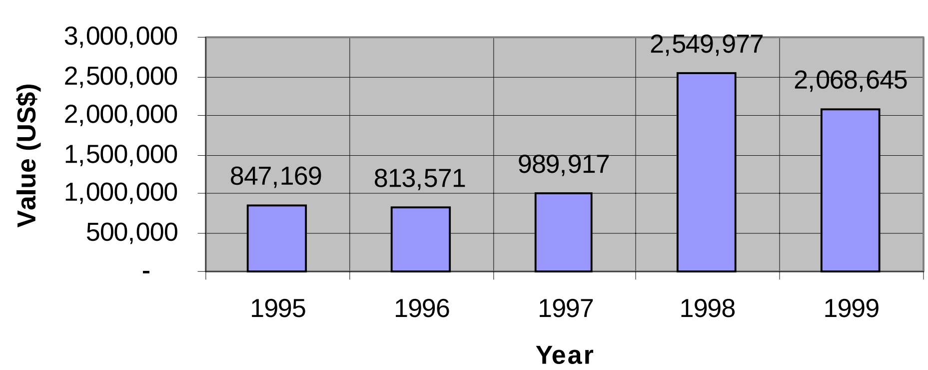
Book exports. In terms of value, religious books contributed a significant percentage of total book exports, followed by children's books.

Table 41. Total exports of books by value (in US$), 1995-1999

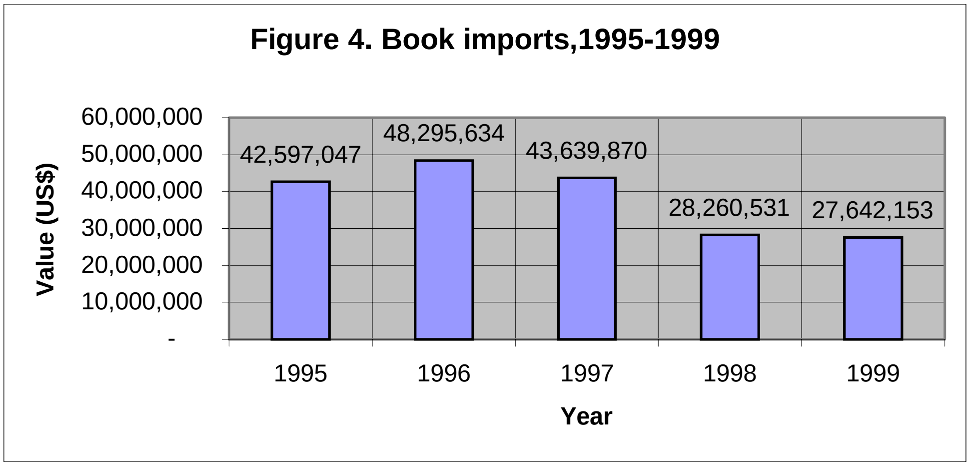
Description	1995	1996	1997	1998	1999
Children's picture drawing or coloring books	43,491	3,200	9,360	104,275	-
Printed books, brochures	-	-	-	-	-
Dictionaries and encyclopedias	15,692	2,161	39,156	79,953	73,884
College and high school textbooks	-	50,794	204	12,359	12,111
Textbooks, workbooks	27,260	-	7,587	14,108	9,349
Prayer books, bibles and other religious books	286,210	253,854	322,461	488,968	652,869
Catalogs in book form	150,449	70,905	35,575	-	1,001
Other books, brochures and similar printed matter	324,067	432,657	575,574	1,850,314	1,319,431
TOTAL	847,169	813,571	989,917	2,549,977	2,068,645

Source: National Statistics Office, 2001

Figure 3. Book exports, 1995-1999



Book imports. Book imports peaked at $48.295 million in 1996 but steadily declined since then, reaching only $27.643 by 1999.



In terms of value, "other books, brochures and similar printed matter" lead the pack followed by "dictionaries and encyclopedias", "prayer books, bibles and other rellgious books:, and college and high school books (see Table 42).

Table 42. Top book imports by value (in US$), 1995-1999

Description	Cumulative imports for 1995-1999	%
Other books, brochures and similar printed matter	140,436,419	73.74
Dictionaries and encyclopedias	35,233,298	18.50
Prayer books, bibles and other religious books	5,876,166	3.09
College and high school textbooks	3,625,090	1.90
Children's picture drawing or coloring books	3,377,844	1.77
Textbooks, workbooks	1,147,223	0.60
Christmas and other greeting cards	570,679	0.30
Catalogs in book form	139,275	0.07
Printed books, brochures	29,241	0.02
TOTAL	190,435,235	100.00

Source: National Statistics Office, 2001

Overall, the Philippines is a net importer of books, but the negative trade balance has decreased from $41.7 million in 1995 to only $24 million in 1999 largely because of the gradual decline in the value of book imports during the past few years.

Table 43. Balance of trade in books (in US$), 1995-1999

Description	1995	1996	1997	1998	1999

Imports	42,597,047	48,295,634	43,639,870	28, 260, 531	27,642,153
Exports	847,169	813,571	989,917	2,549,977	2,728,645
BALANCE	-41,749,878	-47,482,063	-42,649,953	-25,710,554	-24,913,508

Source: National Statistics Office, 2001

Newspapers and periodicals. Demand for newspapers and periodicals could be gleaned from the circulation figures of these publications. According to the 1999 National Publication Rate Card, as published in the 4As Media Fact Book 2000, those with the biggest circulation figures among the morning broadsheets are the Philippine Daily Inquirer, Philippine Star, Manila Bulletin, and Manila Times. Among the morning tabloids the leaders are Abante, People's Journal, Remate, and Tempo, while among the afternoon tabloids, People's Tonight and Abante Tonite lead the pack.

Table 44. Circulation figures of Philippine newspapers, 1999

Publication	**Language**	**Frequency**	**Total circulation ('000)**
Morning broadsheets			
Philippine Daily Inquirer	English	Daily	257
Philippine Star	English	Daily	251
Manila Bulletin	English	Daily	250
Manila Times	English	Daily	209
Today	English	Daily	152
Malaya	English	Daily	150
Philippines Journal ('98)	English	Daily	147
Manila Standard	English	Daily	96
Kabayan	Filipino	Daily	70
Morning tabloids			
Abante	Filipino	Daily	417
People's Journal	English	Daily	382
Remate	Filipino	Daily	295
Tempo	English / Filipino	Daily	250
Taliba	Filipino	Daily	228
Pilipino Star Ngayon	Filipino	Daily	181
Balita	Filipino	Daily	150
Isyu	English	M-F	126
People's Balita	Filipino	Daily	120
Pinoy International	Filipino	Daily	100
Ang Bagong Diyaryo	English / Filipino	Daily	70
Afternoon tabloids			
People's Tonight	Filipino	Daily	365
Abante Tonite	Filipino	Daily	277

Publication	Language	Frequency	Total circulation ('000)
Evening Tempo	English / Filipino	M-F	250
Remate Tonight	Filipino	Daily	200
Balita sa Hapon	Filipino	Daily	60
Business newspapers			
Philippine Daily Inquirer Job Market	English	Daily	164
The Philippine Post	English	Daily	120
Business World	English	M-F	61
Sports			
MBA Weekly	English	Friday	150
Chinese newspapers			
United Daily News	Chinese	Daily	85
World News ('98)	Chinese	Daily	80
China Com. News	Chinese	Daily	50
China Times	Chinese	Daily	Na

Source: 1999 Newspaper Rate Card as cited in Media Fact Book 2000

The leading magazines, on the other hand, are the Sunday supplements of the major broadsheets, according to the 1999 Magazine Rate Card. Several general interest magazines, female-oriented magazines, teen-oriented magazines, and sports magazines also enjoy healthy circulation figures. Among the general interest magazines, those with the biggest circulation figures are the Philippine Graphic, Miscellanaeous, Mirror, and Mr. & Ms.

Table 45. Circulation figures of Philippine magazines, 1999

Publication	Language	Frequency	Total circulation
Sunday supplements			
Philippine Panorama	English	Sunday	300,000
Sunday Inquirer Magazine	English	Sunday	268,575
Starweek	English	Sunday	251,680
Kampus	English	Monthly	85,837
General interest			
Philippines Free Press	English	Weekly	NA
Philippine Graphic	English	Weekly	165,870
Miscellaneaous	English	Weekly	165,384
Mirror	English	Weekly	160,090
Mr. & Ms.	English	Weekly	140,665
Ms. Vanity	English	Weekly	128,230
Family Today	English	Fortnightly	76,425
Metro	English	Monthly	60,000

Publication	Language	Frequency	Total circulation
Magalogue	English	Bi-monthly	50,000
Baby Magazine ('98)	English	Monthly	48,000
Health and Beauty	English	NA	48,000
Parents	English	Monthly	30,000
Health News	English	Weekly	NA

Source: 1999 Magazine Rate Card as cited in the 4As Media Fact Book 2000

Female-oriented magazines in the market far outnumber male-oriented magazines. Those that have circulation figures of more than 150,000 are Woman Today, Mod Magazine, Chic, Ma. Clara Today, and Women's Journal. In contrast, the leading male-oriented magazine, Men's Zone has a circulation of only 31,750. The leading teen-oriented magazines are Teen Magazine and Super Teen, both with circulation figures exceeding 100,000. The leading sports magazine, on the other hand, are Sports Weekly and Sports Flash.

Table 46. Circulation figures of Philippine (other than general interest) magazines, 1999

Publication	Language	Frequency	Total circulation
Female-oriented			
Woman Today ('98)	English	Weekly	184,900
Mod Magazine ('98)	English	Weekly	176,800
Ma. Clara Today	English	Weekly	164,453
Chic ('98)	English	Weekly	160,000
Women's Journal	English	Weekly	152,825
Woman's Home Com. (98)	English	Weekly	146,969
Filipina Magazine	English	Weekly	120,000
Working Woman	English	Monthly	70,000
Good Housekeeping ('98)	English	Monthly	60,000
Cosmopolitan	English	Monthly	55,000
MOD International	English	Monthly	55,000
Preview	English	Monthly	40,000
Mega	English	Monthly	37,000
Asian Bride	English	Monthly	29,309
Hola ('98)	English	Monthly	28,000
Male-oriented			
Men Zone	English	Monthly	31,750
Man Magazine	English	Bi-monthly	26,000
Bond	English	Monthly	15,000
Cosmo Man	English	Monthly	NA
Teen-oriented			

Publication	Language	Frequency	Total circulation
Teen Magazine	English	Weekly	133,779
Super Teen	English	Weekly	114,115
Teen Trends ('98)	English	Monthly	75,000
Candy	English	Monthly	40,000
Teen Cosmo	English	NA	40,000
Cosmo College	English	Annually	30,000
Specialty			
Glitter Magazine ('98)	English	Forthnightly	110,000
W.T. Celebrity Recipe	English	Monthly	53,955
Sports magazines			
Sports Weekly ('98)	English	Weekly	125,250
Sports Flash ('98)	English	Weekly	104,164
Sports Zone ('98)	English	Weekly	97,750
New Sports Life Weekly ('97)	English	Weekly	92,700
MBA All-Star Weekly	English	Weekly	86,100

Source: 1999 Magazine Rate Card as cited in the 4As Media Fact Book 2000

There is also a thriving provincial press in the Philippines, with circulation figures ranging from a few thousands to as much as 70,000 as in the case of Daily Informer of Iloilo City.

Table 47. Circulation figures of leading provincial publications, 1999

Publication	Area circulated	Frequency	Total circulation
Daily Informer	Iloilo City	Daily	70,000
Panay News	Iloilo City	Daily	62,500
The Freeman	Cebu City	Daily	30,000
The Freeman Sunday Magazine	Cebu City	Weekly	30,000
The Freeman's TGIF	Cebu City	Weekly	30,000
Sunstar Daily	Cebu City	Daily	25,000
Sunstar Horizons	Cebu City	Monthly	20,000
Sunstar Superbalita	Cebu City	Daily	20,000
Cebu Daily News	Cebu City	Daily	20,000
The Independent Post	Cebu City	Daily	18,000
Baguio Midland Courier	Baguio City	Weekly	15,750
Zee Quarterly Magazine	Cebu City	Quarterly	15,000
Mindanao Mirror Bulletin	Davao City	Weekly	15,000
Mindanao Mirror Magazine	Davao City	Monthly	15,000
Visayan Daily Star	Bacolod City	Daily	12,000
Daily Zamboanga Times	Zamboanga City	Daily	12,000

Publication	Area circulated	Frequency	Total circulation
Mindanao Daily Mirror	Davao City	Daily	12,000

Source: 1999 Provincial Publication Rate Card as cited in the 4As Media Fact Book 2000

3.2. Abroad

This section will present information about international market demand for the products and services of the printing and publishing industry, including book sales, circulation figures of newspapers and magazines, and others.

Book sales. According to the World Book Report published in February 1998, book sales in the major national markets grew by over 24% to nearly US$75 billion in 1996, due mainly to robust dollar value growth in most of the top ten countries. The exceptions to this were the UK, South Korea, and Italy. Indeed, Italy's market contracted over the review period by 12% and contrasts with Japan, which grew by 30% over the same period. Both economies experienced difficult economic conditions in the 1990s, which have impacted the book markets in very different ways.

Although the overall trends for the major markets are positive, they have also occurred at a time of sharply higher paper prices which will have inflated the unit prices of books in each economy. Notwithstanding that, the main features of the statistics below are:

- The largest three markets are the US, Germany and Japan in that order, with Germany superseding Japan in 1996;
- South Korea, Brazil and China represent the largest of the developing markets, each of which features in the top ten ranked by size;
- Russia is one of the smallest markets by value, despite the propensity of its nationals to read and the comparatively large population in that market.

Table 48. Book sales in major markets, 1991-1996 (US$ million)

Country and rank	1991	1992	1993	1994	1995	1996
1 US	20,101	21,224	22,635	23,794	25,490	26,127
2 Germany	7,768	8,572	8,339	8,664	9,962	9,773
3 Japan	7,005	7,608	9,020	10,215	10,467	9,126
4 UK	4,532	4,799	4,403	4,824	4,746	4,772
5 France	2,695	2,987	2,703	2,887	3,380	3,306
6 Spain	2,383	3,336	2,762	2,704	2,992	2,981
7 South Korea	2,749	2,685	2,716	2,716	2,805	2,742
8 Brazil	1,204	1,104	1,275	1,722	2,526	2,678
9 Italy	2,846	2,891	2,250	2,200	2,246	2,500
10 China	1,419	1,392	1,511	1,645	1,760	1,867
11 Canada	1,324	1,261	1,263	1,213	1,274	1,296
12 Australia	1,039	1,030	991	1,095	1,187	1,243

Country and rank	1991	1992	1993	1994	1995	1996
13 Netherlands	857	929	922	970	1,200	1,155
14 Belgium	911	1,016	977	1,020	1,189	1,084
15 Mexico	689	952	1,055	974	822	820
16 Switzerland	525	567	580	650	805	786
17 Austria	640	716	738	767	809	726
18 Russia	541	562	586	619	634	678
19 Taiwan	602	614	573	653	665	664
20 Argentina	475	511	586	642	614	640
TOTAL	**60,303**	**64,757**	**65,884**	**69,973**	**75,573**	**74,963**

Source: Euromonitor Global Market Information Database

Among the major national markets, Brazil's market saw the fastest growth, having more than doubled from US$1.2 billion in 1991 to US$2.5 billion in 1995. The Swiss book market also grew strongly in the context of a slower economy and in that respect matches the Japanese market. There has also been an equal tendency for the smaller markets by value to see robust value growth similar to that for the larger markets such as Brazil and Japan. Only Canada and Italy witnessed contractions in their markets by value, that which occurred for Canada being comparatively minor.

Table 49. Book sales growth in major markets, 1991-1995

Country	% change (1991-1995)	Ranking by value (1995)
Brazil	109.8	8
Switzerland	53.3	17
Japan	49.4	2
Netherlands	40.0	12
Belgium	30.5	13
Argentina	29.3	20
Germany	28.2	3
US	26.8	1
Austria	26.4	16
Spain	25.6	6
France	25.4	5
Major market average	24.3	
China	24.0	10
Mexico	19.3	15
Russia	17.2	19
Australia	14.2	14
Taiwan	10.5	18
UK	4.7	4

Country	% change (1991-1995)	Ranking by value (1995)
South Korea	2.0	7
Canada	-3.8	11
Italy	-21.1	9

Source: Euromonitor

Of the top 20 major national markets, per capita values of book sales are highest in Germany, Belgium, Switzerland and Austria, each of which exceeded US$100 in 1995, underpinned by growth of between 23% and 45% over the period 1991-1995. Per capita expenditure in France is lower than might be expected, and at US$58.3 is below the levels seen for Spain, Australia and South Korea. Russian and Chinese per capita consumption levels are lowest, such values confirming the potential for development of their markets. Within Latin America, Argentina still has the highest per capita expenditure level, closely followed by Brazil.

Table 50. Per capita growth of major book markets, 1991- 1995 (US$ per capita)

Country	1995	% change, 1991-1995
Germany	122.1	25.7
Belgium	117.6	28.9
Switzerland	111.8	44.9
Austria	101.5	23.8
US	96.8	21.7
Japan	83.7	48.0
UK	81.5	3.5
Netherlands	77.4	36.2
Spain	75.5	23.4
Australia	65.6	9.2
South Korea	62.3	-1.8
France	58.3	23.4
Canada	43.2	-8.2
Italy	39.3	-21.7
Taiwan	30.8	5.1
Argentina	17.8	23.2
Brazil	15.6	90.7
Mexico	8.8	11.9
Russia	4.3	18.2
China	1.4	18.8

Source: Euromonitor

Statistics of the world book report (see Table 39), show that developing economies have a strong bias within title output towards the educational sector, while those in developed economies are biased towards the more discretionary aspects of book publishing.

Argentina, Brazil and Mexico have title output biases towards the education sector. The Argentine book market recently shifted towards education not because of a sharp increase in their titles but because of a decline in general literary titles. Thus the Argentine market situation is a reflection of the difficult economy of the 1990s, where educational titles were more likely to show resilience to economic downturn. Similar characteristics are likely for the Brazilian and Mexican markets.

In the more developed economies, the bias of title output is clearly towards social sciences and literature, the Australian and Belgian markets being the exceptions to the rule. In the former case, the bias remains firmly towards educational titles, even as the latter is towards children's books and comics - a peculiarly Belgian trait. In developed countries, literature and social sciences have been the drivers of title output simply because it is in these economies that such luxuries can be afforded.

Table 51. Largest sector in major book markets (latest year)

Country	**Sector**
Argentina	40% education by title output, rising
Australia	42% education by sales, falling
Austria	35% social science by title output
Belgium	25% children's books and comics by title output
Brazil	32% basic education by title output
Canada	na
China	42% culture, education, science & sport by title output
France	30% literature by title output
Germany	21% social science by title output
Italy	26% literature by title output
Japan	21% social science by title output
Mexico	32% school books by title output
Netherlands	27% literature by title output
Russia	24% literature by title output
South Korea	17% literature by title output
Spain	20% literature by title output
Switzerland	33% social science by title output
Taiwan	na
UK	21% social science by title output
US	21% adult trade by sales, rising

Source: Euromonitor

The top ten book markets are forecast to grow by some 8% between 2000 and 2005. Brazil, Spain and China will rise through the ranks, while Italy and France will see declines in their relative positions. The US market will continue to remain by far the largest of the top ten markets.

Table 52. Forecast sales for the top ten book markets, 2000/2005, US$ million

Country	2000	2005
US	30,412	33,453
Germany	10,018	10,819
Japan	9,878	10,076
UK	4,988	5,288
Spain	3,339	3,673
Brazil	3,132	3,602
France	3,356	3,491
South Korea	2,910	3,026
Italy	2,653	2,732
China	2,400	2,640

Source: Euromonitor

3. Supply capability of the industry

The supply capability of the industry depends largely on the resources of the firms involved, the quality of its human resources, and its technological capabilities. To better assess the capability of the industry, it is necessary to divide the industry according to its subsectors, namely: (1) publishing of books, brochures, musical books and other publications, (2) publishing of newspapers, journals, and periodicals, and (3) job and commercial printing and other service activities related to printing.

3.1. Operations / services

In the book publishing subsector, certain players (particularly the bigger ones) have taken advantage of vertical integration to offer a variety of services and to expand their markets. Large publishers, for example, can handle the concern of authors from the handling of the manuscript to post-press operations.

In the publishing of newspapers, magazines and other periodicals, the major strength of certain players is their ability to offer specialized contents geared towards segments of readers.

For the job and commercial printing subsector, the large firms have the capability to offer a variety of services from pre-press to post-press services, giving the customers the option of having all of their requirements handled by the printing press. The larger firms also reduce their production costs per unit because of the economies of scale.

Many smaller firms suffer from weak bargaining power in relation to suppliers of paper and distributors of printing equipment because of limited financial resources. Smaller companies are often faced with less favorable credit purchase terms (e.g. shorter payment periods) from paper suppliers. If they do not accede to these terms, they face the prospect of losing their supply of paper in favor of bigger players who buy in larger volumes. For many players, the lack of access to additional capital other than what is generated by the business, coupled with the high prices of new equipment, has limited their ability to upgrade their printing capabilities. The smaller firms, however, compensate by establishing networks with other small players so that they could specialize on one particular activity (e.g. only color separation, only printing, or only binding) of the printing process, without having to invest in multiple equipment.

3.2. Marketing and sales

Publishers target four main groups of book buyers: (1) the individual customers, or those who purchase directly from the publisher; (2) institutions including all types of libraries, such as elementary and secondary school libraries; public libraries; college and university libraries, as well as other institutions like business, government and private agencies; (3) retailers, which includes retail outlets of various kinds: large chain bookstores, small specialty bookshops, institutional college or university bookstores, book dealers that sell by mail or by subscription, and special interest groups such as societies or associations that may arrange to purchase books for resale to their membership or to offer books at a special price to their own members; and (4) wholesalers, or firms that buy in quantity for resale to book retailers, or to schools, libraries and other institutions

Some publishers also act as distributors of their products in an effort to harness the synergies derived from both activities as in the case of Anvil Publishing and National Bookstore. Publishers who have a wide network of dealers could easily sell the books that they publish through this existing network.

For most players, however, meager financial resources have limited the promotional options of local book publishers to sales calls, catalogues, participation in regional and national book fairs, and displaying books in retail outlets. They also deliver books to libraries for evaluation. Exposure in radio and television is severely limited because of the prohibitive costs of advertising in broadcast media. Many publishers, except those targeting specific markets such as schools, are largely dependent on bookstores to reach end-customers. Not surprisingly, most of these firms focus on the local market.

Recently, the Book Exporters Association of the Philippines (BEAP) has involved some of its members in market development efforts in the USA and Canada. Most members, however, still encounter problems in terms of book distribution abroad because of the expensive shipping and freight costs. Publishers that have started to penetrate the US market utilize 'fulfillment agents' who establish a network of dealers for them. Gwenn Jessica Galvez, Marketing Manager of Anvil Publishing, Inc., revealed that there is a demand not only for Filipino books but also for complete "cultural kits" (i.e. books, audio-visual materials, and music) in the US. The important thing is for local publishers to work together for them to be able to provide dealers with a wide variety of books and other materials for the US market.

Most of the commercial and job printers, on the other hand, depend largely on traditional forms of getting accounts, and seek to strengthen personal relationships with their clients as well as on word-of-mouth marketing. Most of the firms in the industry, however, focus their efforts on the domestic market.

3.3. Expertise of personnel

In the book publishing subsector, industry respondents decried the lack of formal training of technical and managerial personnel in the field of publishing. Ms. Karina Bolasco of Anvil Publishing said that many people involved in the publishing industry finished courses like mass communication, journalism, English and literature, but had no prior training specifically in publishing. In terms of authors, there is a talented pool of writers in literature, many of which are adept in the English language. However, there is a lack of Filipino authors in the technical fields, which explains the dependence of the country on foreign textbooks for the tertiary level.

In the newspaper and magazine publishing subsector, there is a steady supply of writers and editors who are adept in both English and Filipino. Together with the creativity of people involved in illustrations, photography, layout and design, these editors and writers have contributed to the publication of several well-written newspapers, and sleek magazines. There are other players, though, that come up with publications with weak editorial content and less-than-desirable layouts and design, which could be due to the inadequate journalistic training of certain writers particularly those writing for tabloids.

The job and commercial printing subsector suffers in terms of the lack of formal education and training of their human resources on the managerial and technical aspects of printing and publishing. According to Torio (2000), majority of press operators never attended a technical schools, and most of them are high school graduates only (Torio, 2000). This is due to the absence of formal courses offered in local colleges and universities. Because of this, there is a limited supply of technical personnel in the industry. Firms are, therefore, faced with the option of training people on-the-job or pirating skilled individuals from other printing companies.

3.4. Technological capability

Many book publishers have already integrated the use of information technology in various aspects of the trade. The Internet has opened the door for publishers to deal more closely with their suppliers and customers. Technology such as desktop publishing have also resulted in speedier and more flexible production of printed materials.

Many newspapers and magazines have also shifted to the more modern methods of coming up with their final product, getting rid of the more traditional (and tedious) processes of print production. Some major newspapers and magazines are even able to sustain online (Internet) editions, resulting in expanded readership and more advertising revenue. Among these are the Philippine Daily Inquirer, Manila Bulletin, Philippine Star, and Business World. The adeptness of the Philippines in utilizing this emerging medium is illustrated by the recognition of the Philippine Daily Inquirer's web site as one of the 20 most visited news sites in the world.

For the job and commercial printing subsector, a weakness of many companies is the lack of hi-tech equipment that can produce low-cost, high-quality books and printed materials comparable to that produced in neighboring Asian countries. Most small firms, for example, rarely invest in new equipment, and prefer to utilize reconditioned machines that are usually discarded by other countries such as Japan. This means that most local players will continue to predominantly serve the domestic market, and would lose out on the opportunity to tap the foreign market, which generates substantial revenues for the leading players like Hong Kong and Singapore.

Some of the bigger companies, however, have invested in new printing and pre-press equipment, and have adopted the latest in scanning technology, digital camera technology, desktop publishing, color management, computer technologies, direct-to-press digital printing, digital proofing, and computer-to-plate systems. These companies have the capability to produce printed matter comparable to those produced in Hong Kong and Singapore.

3.5. Quality and quantity of training

The quality of human resources is a critical factor in the success of any industry. This is also true in the printing and publishing industry. This section will attempt to present a general picture of the quality of human resources in the printing and publishing industry both in the Philippines and abroad.

Philippines. Industry sources decried the lack of formal courses on the printing and publishing field, a situation that has severely affected the supply of skilled technical personnel of these firms. Only a handful of institutions such as the Don Bosco School of Printing and the Philippine Printing Technical Foundation offers such courses.

Don Bosco School of Printing offers a two-year Printing Technician Course (PTC) with specializations in Conventional and Digital Prepress, Lithographic Offset Printing, and Postpress. Among the subjects included in the PTC in Conventional and Digital Prepress are: Orientation to Printing, Basic Conventional Prepress, Computers and

DTP, Color Reproduction, Digital Prepress, Advanced Conventional and Digital Prepress, Printing Economics, Cost Estimation and Organization, and Quality Systems. Among the subjects included in the PTC in Lithographic Offset Printing are: Orientation to Printing, Basic Offset Lithography, Sheetfed Offset Press, Advanced Offset Printing, Introduction to Prepress, Postpress Operations, Printing Economics, Cost Estimation and Organization, and Quality Systems. Among the subjects included in the PTC in Postpress are: Orientation to Printing, Introduction to Postpress Operations and Procedures, Magazine Manufacture, Book Manufacture, Adhesive Binding, Edition Binding, Non-Editorial Postpress, Printing Economics, Cost Estimation and Organization, and Quality Systems.

Don Bosco also offers a variety of seminars/workshops that lasts from two to four days. Most of these seminars/workshops deal with learning computer software for prepress operations. Among these seminars and their corresponding seminar fees for the year 2000 are as follows:

Seminars	**Seminar fee**
Adobe Pagemaker 6.5	2,500
Adobe Photoshop 5.0	2,500
Adobe Illustrator 7.0	2,500
Graphic Design Package	4,000
Orientation to Printing	2,000
Adobe Dimensions 3.0	2,500
Basic Film Assembly	4,000
Financial Management and Cost Estimation in Printing	2,000
Basic Computer Operations	2,000

The Philippine Printing and Technical Foundation, on the other hand, offers a series of short-term courses every year. Among the courses PPTF offers and the corresponding course fees for the year 2001 are as follows:

Courses	**Seminar fee (PPTF members)**	**Seminar fee (non-PPTF members**
Orientation to Graphic Arts (Introduction to Printing Technology)	3,000	3,500
Basic Print Cost Estimating	3,000	3,500
Printing Production Management	3,000	3,500
Paper and Ink Experience	1,500	2,000
Production Planning and Control in the Printshop	3,000	3,500
Basic Film Assembly	4,000	4,500

Most technical personnel, however, learn the skills on-the-job. This is because most of the printing presses in the country utilize basic (often second-hand) equipment that workers can learn to operate on the job. And since most printing presses in the country hardly upgrade their equipment, there is really no need to retrain employees.

According to Torio (1999), majority of press operators never attended a technical school, and that most of them are high school graduates only. He also added that available equipment manuals are too technical to be understood and production managers are not all technically proficient.

PIAP President Atty. John L. Choa agreed that the industry lacks skilled technical personnel, saying that some are even pirated abroad. He sees the need for a printing school that would offer a full-blown course, but said that they would settle, in the meantime, for an informal printing school. Choa, however, revealed that PIAP is currently negotiating with the University of Santo Tomas and the Pamantasan ng Lungsod ng Maynila for the offering of formal courses for technical personnel of the industry.

Former PPTF President Eleanor de Gracia points to economics as the culprit for the lack of printing schools in the country. First, there is limited demand for a full-blown printing course primarily because there are limited job opportunities in the printing industry. Second, it is not financially viable to set up a printing school because of the huge capital requirements to support it (i.e. upgrading and maintaining printing equipment). Printing schools, she said, could not rely solely on tuition to upgrade their facilities because it will result in prohibitive fees. Nor could they depend on suppliers of printing equipment to support them in terms of lending equipment and providing technical personnel to serve as faculty. Unlike in more developed countries, suppliers of printing equipment are not inclined to support a printing school because this is not seen as a major source of potential clients for them.

Currently, the training of human resources is being augmented by seminars and conventions sponsored by industry associations. However, these are mostly directed to owners or managers of printing companies. To illustrate, the theme of the 9th National Printers Convention was "Innovative Approaches During Crises", after which the topics of the series of seminars was inspired.

Among the topics of the series, the speakers of which were experts in the respective fields, were: "Print Buyer's Expectations", "Innovating Fund Management", "Motivating Employees Toward Greater Productivity", "PIAP vs. Millenium Bug: A Special Y2K Forum", "The Significance of (PDF) Portable Document Format for Printing Production", "ISO 9002 and ISO 14001 Certification", "What Printing Companies Should Do to Achieve ISO (002 and ISO 14001 Certification", "Imaging Trends in the Next Millenium", "A Profitable Solution for Outdoor Advertising", "General Information on Contitech Printing Blankets", "Fast Forward into the Digital Arena", "Digitizing Your Creative Workflow", and "Data Management for a Profitable Business".

Aside from the seminars during the National Printers Convention, PIAP also sponsors regular Printing Update Seminars for its members, which are usually sponsored by major suppliers. Among the topics discussed were "What Printers Should Know About Printing Ink" and "Print Standardization and Quality Control".

The lack of formal courses is also true for the publishing subsector. This was affirmed by Ms. Karina Bolasco, Assistant General Manager of Anvil Publishing, who said that many of the people involved in the publishing industry finished courses like mass communications, journalism, English, and literature, but had no prior training specifically in publishing. She suggested the institutionalization of training in leading schools in the country, and the setting up of an apprenticeship program. She said that it might not be viable to offer a course on publishing, "but subjects could be integrated in certain courses like mass communication."

Currently, the NBDB is involved in the training of human resources, particularly those related to book publishing. In fact, among the functions of the Governing Board of the NBDB is to conduct studies, seminars, workshops, lectures, conferences, exhibits, and other related activities in support of book development on such matters as: indigenous authorship, intellectual property rights, the use of alternative materials for printing, distribution, and others. NBDB Executive Director Dr. Nellie Apolonio revealed that they have conducted a regional book-publishing seminar and several workshops on bookwriting.

However, Apolonio said that the limited funds of the NBDB, which had a budget of only P26 million for the year 2000, has prevented them to conduct more book development activities. A P10-million fund that was supposed to come from the President's Social Development Fund has been alloted for bookwriting workshops across the country, but it has yet to be released.

Abroad. In the United States, there is a good number of institutions providing education and training on printing and publishing.

Despite the proliferation of printing schools in the US, the demand for employees by the printing and publishing industry outstrips the supply of personnel, largely because of the low unemployment rate and the creation of more jobs due to the robust economy. In 1996 and 1997, America's printing industry created over 47,000 new jobs, a trend that was maintained in 1998. The Printing Industries of America (PIA), in fact, estimated in 1998, that there are over 20,000 job vacancies in the industry, most of which are for entry-level and skilled/technical positions. (http://www.printing.org/NAPM/980214.htm).

The tight labor market in the U.S. printing industry continued up to 1999, and has, in fact affected the ability of firms to expand. A survey conducted by PIA for the third quarter of 1999 revealed that "a new definition of printing industry capacity has emerged with capacity limitations now tied to labor availability rather than equipment" (http://www.printing.org/NAPM/000107.htm).

In a Print Market Survey conducted by the PIA in 1998, panelists were asked the question "How much do you spend, as a percent of payroll, on employee education and training?" The answer is an average of 2% of payroll, which, in an aggregate basis, would amount to over $1 billion per year for the industry. For the question "What sources do you use for education and training?", the top sources in terms of percentage of printers using them are: in-house personnel (74%); local PIA affiliate (43%); private consultants (29%); local community college (28%); other associations (26%); and PIA National (13%). (http://www.printing.org/NAPM/980615.htm).

Hong Kong. In Hong Kong, there is an institutionalized training center meant for its printing and publishing companies. The Advanced Printing Technology Centre (APTEC) is a joint project of the Hong Kong Printers Association and the Hong Kong Institute of Vocational Education. It was established in September 1999 with a funding of HK$8.6 million from the Innovation and Technology Fund. After 8 months of construction work, negotiations with suppliers, and the installation of equipment, APTEC officially opened in May 2000 (Dela Cruz, 2000).

APTEC is supported generously by many suppliers of graphic arts equipment who consign some of their products for one year for learning purposes. Today, various state-of-the-art digital printing equipment from digital cameras to pre-press to print-on-demand systems with a total value of about HK$15 million are set up in APTEC. APTEC, therefore, acts as a technology transfer center to disseminate the latest trend and technology in digital printing and electronic publishing to local printing and publishing companies.

APTEC organizes and conducts seminars and training courses for managerial and hands-on level. The course contents cover the full scope of digital images, color management, network and data managerial digital output to plate and to press.

Thailand. In Thailand, Charungsaksakul (2000) stressed the importance of increasing printing productivity and reducing cost, and listed practical ways by which the staff, foreman, and executives can achieve this end.

According to him, staff can help improve productivity through the following: (1) cooperating with the productivity plan of the board of directors, (2) having a good attitude towards working atmosphere, (3) aiming at company's excellence, (4) learning new things and always developing themselves, (5) working as a team, (6) having mutual responsibility, (7) feeling free to exchange information, (8) sacrificing willingly, (9) keeping work place and office clean, (10) producing high quality products and services, (11) planning in advance, (12) managing time effectively, (13) giving good suggestions, and (14) preparing jobs for each shift in advance.

The foreman can help improve productivity by: (1) giving good advice when necessary, (2) having themselves trained on supervisory capability, (3) giving advice to form up discipline, (4) using machines properly, (5) keeping machines clean and in proper condition, (6) understanding the company's objectives and policy and convey the message to the workers, and (7) doing every activity to achieve productivity.

Executives, on the other hand, can help achieve productivity by: (1) selling goods and services at competitive prices, (2) increasing sales value per unit of machine, (3) increasing sales value per head, (4) increasing sales volume per head, (5) extending working hours, (6) purchasing raw materials at lower price (considering quantity and in-time delivery), (7) training staff and letting them have participation and giving incentives, (8) using advanced equipment, (9) increasing capital, (10) increasing velocity of working capital, (11) applying appropriate technology, and (12) utilizing raw material to the utmost benefit.

Malaysia. The government is very supportive of the printing industry, which employs at least 70,000 people in Malaysia. Aside from removing various forms of taxes and offering incentives to help the industry for upgrading, it also helps the industry to find new markets by periodically conducting trade missions overseas. Moreover, it has played a vital role in establishing various educational centers to enhance the knowledge of printing in the country. Courses of certificates to degree levels are offered at vocational institutions and at institutions of higher learning. Certificate courses in printing, for example, are now available at Pusat, Giat Mara, Bangi, Selangor. Basic machine operation and maintenance courses are also available in places like Industrial Training Institutes in Kuala Lumpur and other towns, and in Monfort Boys School in Shah Alam, Selangor (Yong, 1999).

The private sector has also played a dynamic role to further strengthen the industry through EAC Graphics and Intergrafica Print & Pact (M) Sdn. Bhd. These centers provide training and education to its customers, upgrading their skills, and introducing total quality control systems from sensitometry to production plant layout and systems design up to printing investment consultancy (Yong, 1999).

Singapore. In Singapore, the industry has an annual output of nearly $1.6 billion, and is considered a major international printing center thanks to its use of the latest technology and the quality of its workforce. With the help of the government, the industry is embarking on a major program to re-train the workers in the industry to acquire the right skills to handle the latest technology. In fact, a major skills redevelopment program for the printing industry has been launched and is being implemented (Theyvendran, 2000).

4. Opportunities and threats

The printing and publishing industry in the Philippines faces a multitude of opportunities and threats brought about by social, technological, economic, and politico-legal developments both here and abroad.

5.1. Opportunities

Population growth. The steady growth in the population of the Philippines increases the base of potential customers for the industry, as this contributes to increased school populations, and to more buyers of consumer goods that utilize printed matter in their packaging.

Large school populations. The increasing number of students from primary to the tertiary level assures constant demand for textbooks, which constitutes the biggest share of the book market in the Philippines. This is an opportunity for private publishers now that DECS has opened up its textbook program to them.

High literacy rate. The high literacy rate in the Philippines could contribute to increased demand for reading matter such as newspapers, magazines, books, comics, and other printed matter.

High degree of press freedom. Freedom of the press could be an opportunity for the Philippines to attract international publishers to establish their presence in the country. This is illustrated by the case of Hong Kong, which enjoys a high degree of press freedom, therefore attracting publishers (especially those involved in publishing newspapers and news magazines) to set up their regional centers there. Several international magazines (e.g. The Economist and Newsweek) and regional newspapers and magazines (e.g. The Asian Wall Street Journal, USA Today, Far Eastern Economic Review and Asia Week) are printed in Hong Kong.

Large Filipino communities abroad. Printed matter (e.g. religious books, pocketbooks, magazines) produced in the Philippines have markets in countries with a large number of overseas Filipino workers (OFWs) such as Hong Kong and Taiwan. There is also potential market in North America, which has a large Filipino-American population eager to reestablish their links with the Philippines.

Evolution of equipment and new and improving printing technologies. This is an opportunity for those who can afford state-of-the-art equipment because they can provide better and more innovative products and services that cater to the changing needs of print buyers.

Cusi III (1998d) posits that "the application of digital technology in the printing industry is perhaps the next great revolution since Johannes Gutenberg introduced the movable type press in the 15th century." In the latter part of the 1980s, the integration of typesetting, electronic publishing, color separation and graphics usage into one coherent system was realized with the introduction of desktop publishing. This has greatly refined the quality and speed of services, and has become indispensable to printers and graphic artists since the 1990s.

According to Vision 21: The Printing Industry Redefined for the 21st Century, "technologies first shown at DRUPA 95 are now reaching commercial viability, particularly filmless printing technologies such as computer-to-plate (CTP), direct imaging (DI) and toner-based production." With CTP, images can be transmitted onto a zinc plate directly without the process of making color separation films. This development can shorten production time. Digital printing, on the other hand, is an advancement of the CTP technology, which enables text and graphics to go straight from the computer to the printing machine. The technology shortens the production time, and improves productivity, speed, and accuracy.

The utilization of new equipment and various printing technology, particularly those with IT applications, has enabled companies to reduce job turn-around times, shorten press make ready and cut down on costly waste. This also opens opportunities for more small- and medium-scale enterprises that maintain a lean and highly computerized operation to serve niche markets requiring low volume printed/published materials.

The Internet. This is an opportunity for printing companies because the Internet has become an increasingly important tool for printers to communicate and link with customers and suppliers to market, sell, and distribute print, manage print production, and order supplies. Vision 21 states that imperative for printers "to properly align their Internet capabilities with their specific workflow processes, customers, and job profiles."

Economic growth. This has slowly expanded the base of customers for the industry over the past decade. On the average, a percentage rise in personal consumption expenditure increases the output of the industry by 1.6%

Increasing advertising expenditures. Media expenditures by advertisers, particularly ad spend for print, have increased steadily from 1992 to 1997, contributing to greater revenues for the industry. The continued health of the advertising industry bodes well for the printing and publishing industry because of the expected increase in demand for printed matter, and for advertising space.

Demand of Western publishers for cheap and high quality printing services. The high cost of production in Western countries such as the United States and the United Kingdom has prompted publishers in these countries to shift to Asia for their printing requirements. This is a development that bigger local players can exploit as well.

Elections. This is an opportunity for the commercial printing industry, which will be deluged by orders for ballots and campaign paraphernalia by political parties and candidates. Politicians competing on the national level, for example, are expected to spend from about P100 million to P150 million on posters and other printed materials. Elections, however, largely benefits printers who have the right connections. According to Roderick Figueroa of Filasia Printers, printers who made a profit in the 1998 elections "were the ones who had already developed their contacts with the politicians and their campaign managers in the past." Profits, however, were not as fat as they used to be, primarily because of competition with other printing shops (Cusi III, 1998c).

Incentives for the book industry. Among the incentives set by the National Book Development Board (NBDB) are: (1) tax and duty-free importation of books; (2) tax and duty-free importation of raw materials; (3) participation of private publishers in the public school textbook program; (4) exemption from the coverage of the value added tax; (5) reduced royalty tax for authors; (6) income tax holiday; (7) additional deduction for labor expenses; (8) unrestricted use of consigned equipment; (9) tax and duty-exempt importation of spare parts and supplies; (10) employment of foreign nationals.

Opening of public textbook program to private firms. The law has allowed private book publishers to supply the textbook requirements of both public and private schools starting SY 1998-1999. Previously, it was only DECS that published and distributed elementary and secondary textbooks to public schools, even as the private book publishers were limited to supplying the book requirements of private schools, which accounts for only 15% of the total textbook market.

5.2. Threats

Lack of reading culture in the country. This is a bane for book publishers, who depend largely on a population that reads. As it is, the growth in the printing and publishing industry is driven by the production and distribution of textbooks, and not of trade books.

Lack of formal courses on printing and publishing. This has resulted in a limited supply of skilled labor familiar with the operations of printing presses and of personnel knowledgeable about activities related to publishing.

Limited supply of skilled labor. This could limit the capability of local printing companies to increase their production output or to expand, as the US experience has illustrated. In fact, printing industry capacity in the US is now due to labor availability rather than equipment. This could also affect the overall quality of service rendered by personnel in the printing and publishing industry.

CD-ROMS and electronic publications. With the advent of electronic publications, the prospects of traditional printed publications may be undermined. The shipments of business forms in the United States, for instance, have been declining for years and is expected to decline until the first decade of the 21st century because of the emergence of electronic substitutes. In fact, form printers and distributors in the US have been entering into related document management service markets or shifting to other print market segments. According to Vision 21, “electronic substitution presents a viable option for many selected types of printed products, particularly for an increasing number of transactional documents and legal and legislative records.” Printers, therefore, must continue to redefine their businesses in the next few years as this substitution occurs.

High operational costs. Printing presses face high cost of raw materials such as paper and ink. Taxes are imposed on imported paper, except in certain cases defined by R.A. 8047. This effectively increases the cost of production not only of printing presses but of book publishers as well. Also, the high cost of postage and freight affects the distribution efforts of wholesalers of books, and consequently limits the access of publishers to their intended markets.

Tight competition among players. The large number of players in the industry has resulted in stiff competition among printers, many of which strive to lower their prices so as to get business. PIAP President John Choa, however, argues that price wars are to be expected in any industry. He classifies clients into two types--one who does not care about the price as long as the quality is good, and one who is not concerned much about quality as long as the price is low. His estimate is that 80% of the buyers belong to the second type (Cusi III, 1998a). For specialized projects of discriminating buyers, though, printers with good track records in terms of quality could afford to set their prices higher because of their capabilities.

Some players, however, overcome the stiff competition in the domestic market by setting their sights on the foreign market, where there is strong export potentials. Even then, local printers have to compete with printers from Hong Kong, Singapore, and Taiwan, all of which are way ahead in the international market compared to the Philippines largely because they are equipped with sophisticated machineries with larger production capacities (Cusi III, 1998a).

Unreliability of paper supply in the domestic market. The Philippines produces a limited range of paper products due to high production costs and outmoded equipment. The 31 mills in the pulp and paper industry have a combined capacity of about 530,000 tons of paper and paperboard products. The local paper industry produces newsprint, printing/writing materials, corrugated materials (linerboard and fluting), tissue paper, cartonboard, sack paper and kraft/wrapping products. The most dominant source of fiber in the country is secondary fiber which is produced by repulping waste paper. This limits the quality of the paper produced and as a consequence, high-end paper requirements of the country are mostly imported. Consequently, full color publications are generally more expensive to produce locally than to import already finished (Torio, 2000).

Cusi III (1998b) noted that inward shipments of paper products in 1997 reached P353.07 million, a 6.79% increase over the previous year's figure of P330.63 million. Exports of paper products, on the other hand, declined from P52.62 million in 1996 to P51.99 million in 1997. According to the Pulp and Paper Manufacturers Association, inc. (Pulpapel), packaging paper and board comprised roughly 56% of aggregate imports, followed by printing and writing paper, newsprint, and other paper grades which accounted for 20%, 17% and 7% respectively.

Former Pulpapel President Lorenzo Ligot attributed the country's dependence on imports to delayed expansion efforts of local paper manufacturers due to the oppressive atmosphere in the Marcos regime and the power crisis during the Aquino administration (Cusi III, 1998b).

Cusi III (1998b) also pointed out that "little has been done to fully maximize the country's resource advantages." He cited the fact that not much research was done to discover further uses of abaca even as the Philippines supplies 85% of global demand for the material. The material is widely used abroad in the manufacture of various specialty papers like currency notes, which the country largely imports.

High investment costs. Companies that offer commercial and job printing services must invest a large amount to upgrade their printing equipment to enable them to provide high-quality service comparable to that offered by printing companies in Hong Kong, Malaysia, and Singapore. Moreover, the rapid pace of technological change could prove to be too fast for some printers to keep up with the latest developments unless they collaborate with other companies in order to offer a more complete and advanced range of publishing and printing services to their clients without having to invest in all these equipment on an individual-firm basis.

Lack of reliable statistics on the industry. A reliable data bank is crucial for players to map out strategies to compete in the global market. Unfortunately, numerical information on the printing industry is insufficient and often inaccurate (Cusi III, 1998). A country paper presented in the First Asian Graphic Arts Technology (FAGAT) forum in Japan in 1996 stated that "this inadequacy of basic data has tremendously obstructed meaningful discussions of the printing and publishing issues." However, the lack of reliable industry statistics can be blamed on the players themselves. Many printing houses refuse to cooperate with PIAP in its survey activities because many of these companies believe that divulging information on their financial position and production performance is inimical to business interests. Nevertheless, the Filipino delegates in the FAGAT conference still saw the need for the companies concerned to subject themselves to monitoring either by the government or the printing industry associations.

Tedious procedures in availing of incentives. According to Ms. Karina Bolasco, Vice Chairman of the Book Exporters Association of the Philippines, that since the enactment of R.A. 8047, which provides for the tax and duty-free importation of paper and raw materials, only three publishers have availed of the incentive because of the tedious procedures to be followed and the requirements to be submitted.

Limited budget for public libraries. Public libraries are under the jurisdiction of the Department of Interior and Local Government, and they are dependent on their respective local government units (LGUs) for their book budgets. Most LGUs, however, cannot provide public libraries' book requirements because their incomes are very small. Therefore, the demand for books in these libraries is consequently limited, if not non-existent.

Elections. Contrary to public perception, elections do not necessarily translate into windfall profits for the printing industry. According to industry players, many politicians would rather buy their own printing equipment to minimize their spending. PIAP President John Choa explained, "instead of paying P10 million for the printing of campaign materials, invest the money on a P300,000-machine, run this for 24 hours and you'd probably save P4 million." In fact, many printers experienced difficulty in getting orders during the 1998 elections, revealed Primex Printers President Alberto Calaquian. For those who did get orders, the collection process could be such an ordeal especially when the candidate loses. As such, it has become industry practice to require a 50% down payment upon acceptance of the order and full payment upon the delivery of goods (Cusi III, 1998). On the other hand, other printers attest that anyone who has the right connections could still make a profit from the electoral exercise.

Inadequate government support. Despite the incentives set by the NBDB, some key respondents in the book publishing industry lament the inadequate support the industry gets from government, particularly in promoting their products abroad (e.g. international book fairs). The NBDB, however, encounters constraints in providing financial support to the industry because of a limited budget allocated for its operations. Moreover, the government still imposes certain taxes on imported paper (for non-book publishers) to protect the domestic paper industry, raising the cost of production of printing in the country, making other countries more attractive in terms of price, not to mention quality.

Table 53. Tariff duties on major imported raw materials

		Rate of duty	
Description	**Jan 1998**	**Jan 1999**	**Jan 2000**
Newsprint	15	15	10
Handmade paper	15	15	10
Paper and paperboard	15	15	10
Other paper and paperboard	15	10	10
Corrugated paper / paperboard	10	10	7
Bookbinding machinery	3	3	3
Cutting machines	3	3	3
Printing machinery	3	3	3
Computers	3	3	3

Source: Department of Trade and Industry

5. Action plan to enhance growth and competitiveness

According to Castillo (1999), among the critical success factors in the printing and publishing industry are the following:

- **Wide subscription base.** A wide subscription base does not only generate revenues for publishing companies but serves as an effective tool in soliciting advertisements and in commanding higher ad rates. But the expansion of subscription base is a function of a publication's appeal to the readers. In this regard, it is critical for publishing companies to maintain good writers, editors, and layout artists.

- **Cost-effective rates.** Cost effective rates refer to the average cost that an advertiser incurs for every target reader. In this regard, publishing companies do not only compete with one another but also compete with alternative media in conveying messages such as TV, radio, and outdoor billboards.
- **Dependable delivery.** Except for those that are engaged in publishing newspapers and periodicals, most companies in the industry produce printed materials on job order. Repeat orders are generated if, among others, the printing company is dependable in in delivering on time.
- **Efficient production.** In an industry where price is major consideration of buyers, it is imperative for publishing companies to maintain an efficient operation. This enables printing companies to outbid their competitors and maintain a steady stream of revenues.

Several suggestions have been forwarded to increase the competitiveness of the industry. According to Torio (1999), Filipino printing firms need to increase production and cut costs to be able adjust to a highly-competitive environment, This can be done by investing in new technology and by training its workers while providing for attractive compensation packages. Other innovative solutions are: standardization of each stage of the printing process, specialization in services and products, training of clients and end-users on the technology, and values reorientation of workers and management.

Given all these inputs, the following action plan is presented. The suggestions are largely meant to enhance the capability of the firms not only to respond to the needs of the domestic market but of the international market as well.

5.1. Suggestion for the firms

5.1.1. **Invest on new technology.** This will significantly enhance the supply capability of firms as well as enable them to respond to the changing needs and requirements of customers.

5.1.2. **Invest on human resources.** Investment in new technology necessitates the corresponding training of human resources to handle new machines and equipment. Training is also needed on different aspects of the business like productivity improvement, quality, and customer service.

5.1.3. **Focus on certain segments of the market.** Newspapers and magazines should create a niche (e.g. women's magazines, business newspapers, music magazines, fashion magazines). This could attract advertisers that want to reach a specific target market into their pages.

5.1.4. **Offer specialized products and services.** Firms could choose to specialize in the type of products and services that they give. This will allow them to improve their technical skills in one area (such as printing of business forms) or product (such as paper bags and greeting cards) and in the long run increase efficiency in production. This will also avoid cutthroat competition in already saturated markets.

5.1.5. **Standardize work processes and product types.** To increase professionalism in the industry, there is a need to establish uniform work procedures and methodologies and define quality standards for both products and raw materials used. Companies might want to seriously consider working for **ISO 9000** and **ISO 14001** certifications. These could serve as impetus for workers and management to break non-productive habits and practices.

5.1.6. **Work closely with customers.** Empowering the client with need-to-know basics regarding the printing process speeds up work and eliminates re-prints. This translates to the efficient use of resources and reduction in production costs.

5.1.7. **Consolidate businesses.** Consider the option of consolidating businesses through mergers and acquisitions. This will increase the size of existing business and allow them to gain economies of scale, as well as synergies of closely-related businesses such as publishing, printing, and retailing. An alternative would be for smaller business to collaborate closely with each other so that they could specialize on one particular activity (e.g. only color separation, or only printing) of the entire printing and publishing process. These businesses without having to invest on multiple equipment.

5.1.8. **Develop competencies in IT-related activities.** Gaining competencies in activities such as desktop publishing, electronic imaging, or online publishing will not only expand the capabilities or speed up the production processes, but also serve to prepare the firm to shift to IT-based business in the future, if needed.

5.1.9. **Participate in initiatives of industry associations.** This will expand the firms' network of contacts, enable them to exchange valuable industry information and best practices, and lobby for legislation beneficial to the industry.

5.2. Suggestions for industry associations

5.2.1. **Training.** Sponsor regular training programs for members to strengthen the capabilities of their human resources.

5.2.2. **Exposure to new technology.** Provide opportunities for members to be exposed to new printing and publishing technology through trade fairs, exhibits, etc.

5.2.3. **Market development activities.** Provide opportunities for members to penetrate foreign markets by sponsoring trips to foreign countries with large Filipino communities, and by sharing market information among themselves.

5.2.4. **Collaborative activities.** Provide opportunities for members to form collaborations and partnership agreements so that they can collectively provide a wider variety of services to their clients

5.2.5. **Database of information.** Maintain a database of information concerning key result areas of the industry such as revenue and profit levels, investment in capital equipment, cost structures, profile of employees and labor market, salary scales, etc. Industry associations can tap private organizations or the academe to conduct research for them, and ask their suppliers to help fund these studies, as is the practice in the United States.

5.2.6. **Linkages with other industries.** Establish linkages with related industry associations such as the industry associations of the paper industry, the ink industry, and the association of dealers of printing machines so that issues affecting these sectors could be discussed and threshed out in an institutionalized manner. These issues could be viewed from the framework of these firms belonging a single cluster of industries that are very much interdependent.

5.2.7. **Information dissemination.** Support government in disseminating information concerning incentives that can be availed of by their members. This is particularly important given the limited resources of government, which can instead be channeled to promotional or developmental activities.

5.2.8. **Standardize work processes.** Uniform work procedures and methodologies could be used as standards that could be used as benchmarks practices for players in the industry. Industry associations can help companies who would want to attain **ISO 9000** and **ISO 14001** certifications, a move that will lift the overall quality of products and services offered by the industry, making the industry more competitive with its foreign counterparts.

5.3. Suggestions for government

5.3.1. **Promote concept of global competitiveness.** The government should engender a mindset of competitiveness among the firms of the industry by recognizing export development initiatives, and by providing the necessary support in terms of removal of disincentives, or financial assistance in international fairs and exhibits by local printers and publishers similar to what neighboring Asian countries are doing. It must impress upon the players of the industry that there is an opportunity beyond the domestic market, and that by being competitive in the international arena, these companies are contributing to national development.

5.3.2. **Facilitate human resource development efforts.** Explore and pursue the creation of a graphic arts institute in coordination with the Printing Industries Board Foundation and other industry associations. This will serve as a long-term solution to the shortage of skilled manpower in the industry.

5.3.3. **Facilitate access to capital and credit.** Government should provide support in terms of facilitating grants and credit schemes for printers.

5.3.4. **Support market development efforts of industry.** Commercial attaches of embassies and consulates must gather information about the markets in their respective countries, and make them readily available on the Web for the consumption of the concerned industries. Government agencies such as the Department of Trade and Industry could likewise help industry players by sponsoring the participation of representatives in trade missions abroad.

5.3.5. **Establish performance-monitoring scheme.** The government, in cooperation with industry associations, must establish a system of monitoring the performance of firms in the industry, primarily through the maintenance of relevant data about the competitiveness of the industry.

6. Performance-monitoring scheme

A performance-monitoring scheme is essential to ensure that the industry is moving towards its goals of growth and increased competitiveness. This can only be done, however, by establishing an up-to-date database of information concerning key result areas such as revenue, profit, capital expenditures, cost structures, profile of employees and salary scales. There should also be constant processing of data such as exports and imports of printed matter, major suppliers of inputs, and major export markets similar to those presented in this paper. These data can only be gathered and properly processed through the cooperation of the firms that belong to the industry.

With this in mind, the industry associations, in close coordination with relevant government agencies, must take the lead in gathering these data following the lead of similar associations in other countries such as the Printing Industries Association (PIA) in the USA. This can be done through regular surveys among its members. It must also take steps to constantly gather and process available data from government agencies like the Department of Trade and Industry, Board of Investments, the Securities and Exchange Commission, and the National Statistics Office.

To ensure the constant updating of this database, it is important for the industry association to assign personnel to exclusively handle this task, or it may choose to contract the services of a consultant who can undertake this activity for the industry on a regular basis. It must also publish the results of its survey and its secondary data analysis through its official publication so that the association members are constantly updated with the latest developments in the industry, and could benchmark their performance against industry standards.

The industry association could also initiate the establishment of industry-wide standards of quality by examining the best practices of its members. It can start by requesting its ISO-accredited members to share their experiences with other members, and to help members who might want to undergo the accreditation process as well. The industry association can also prepare manuals of procedures that can be disseminated or sold to interested members.

8. Directory

Industry Association	Address	Contact numbers
Asian Catholic Publishers, Inc.	4/F Mariwasa Building, 717 Aurora Boulevard, Quezon City, Metro Manila	Tel: 721-7492; 722-1827; Fax: 721-8782

Industry Association	Address	Contact numbers
Asian Catholic Publishers Association	10 Nathan St., White Plains, Quezon City, Metro Manila	Tel: 911-4467; Fax: 911-4103
Association of Philippine Booksellers	c/o The Bookmark, Inc., 264 Vito Cruz Extension, Makati City	Tel: 895-8061 to 65; Fax: 897-0824
Association of Special Libraries of the Philippines	Colombo Plan Staff College for Technical Education Building, Block C, DECS Complex, Meralco Avenue, Pasig City	Tel: 631-0993; Fax: 631-0996
Book Development Association of the Philippines	c/o Ateneo de Manila University Press, Bellarmine Hall, Katipunan Avenue, Loyola Heights, Quezon City	Tel: 924-4495; 924-4601 locals 2216 / 2215; Fax: 920-7215
Book Exporters Association of the Philippines (BEAP)	c/o OMF Literature, Inc., 776 Boni Avenue, Mandaluyong City	Tel: 531-2183; 532-7754; Fax: 531-1960
Book Suppliers Association of the Philippines	2631 Alfonso Street, Malate, Manila	Tel: 521-1603; Fax: 920-7215
Federation of Handmade Paper Makers and Converters, Inc. (FEHPA)	Papel Likhang Kamay Center, Hall I, International Trade Center Complex, Roxas Boulevard, cor. Sen. Gil Puyat Avenue, Pasay City	Tel: 831-2201 loc. 249; Fax: 834-0177 c/o CITEM
Packaging Institute of the Philippines	Rm. 216, 2/F, Comfoods Bldg., Gil Puyat Avenue, Makati City	Tel: 817-2936; 844-5661; Fax: 817-2936
Philippine Association of Academic and Research Libraries	PUP Main Library, Sta. Mesa, Manila	Tel: 716-7831 to 45 loc. 246 / 249; Fax: 716-1143
Philippine Association of Teachers and Library Science	c/o UP College of Mass Communication, UP Diliman, Quezon City	Tel: 920-5301 loc. 4458 (library)
Philippine Educational Publishers Association (PEPA)	84 P. Florentino St., Sta. Mesa Heights, Quezon City	Tel: 711-5702; 740-2698; Fax: 711-5702
Philippine Graphic Arts Dealers Association (PGADA)	2665 Honduras Street, San Isidro, Makati City	Tel: 817-9564/ 9556; Fax: 817-9564
Philippine Libraries Association, Inc.	College of Science Library, University of the Philippines, Diliman, Quezon City	Tel: 924-7550; Fax: 924-7399
Philippine Printing Technical Foundation (PPTF)	Room 208, SCC Chevalier Center Bldg., 3892 Ramon Magsaysay Boulevard, Sta. Mesa, Manila	Tel: 713-0902 / 2671; Fax: 713-0905; E-mail: philprint@pptf.com.ph
Printing Industries Association of the Philippines (PIAP)	Suite 212, De La Rosa Conduminium, 7648 De La Rosa Street, Makati City	Tel: 810-9754; 810-9109; Fax: 894-5224; E-mail: piap@piap.org
Publishers' Representatives Organization of the Philippines	81 Talayan Street, Talayan Village, Makati City	Tel: 711-4558; Fax: 711-4503
Pulp And Paper Manufacturers Association (PULPAPEL)	7/F Ace Bldg., 101 Rada Street, Legaspi Village, Makati City	Tel: 894-0053; 892-9781 to 89; Fax: 815-9460; 894-0059
The Screenprinting and	2152 Beta Bldg., España, Manila	Tel: 741-5866 / 3811; 712-

Industry Association	Address	Contact numbers
Imaging Graphics Association of the Philippines (SIGAP)		3312 / 3316 / 3330; Fax: 731-0070

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Appendices

Scrap

	Assets			Liabilities			Stockholder's Equity		
	1998	1997	%	1998	1997	%	1998	1997	%
Top 7000									
Next 5000	1,084,560	1,023,065		782,134	769,784		281,147	248,301	
TOTAL	13,780,035	11,373,640		9,803,581	7,553,607		3,955,159	3,485,702	

Table _. Total revenues, production cost, value of output and capital expenditures of the printing and publishing industry in 1995 (in '000)

Type	Total revenues	Total cost of production	Value of output	Capital expenditure
Less than 10 Employees	794,637	460,728	793,977	56,937
More than 10 Employees	13,102,839	9,439,927	13,130,432	531,422
Total	13,897,476	9,900,655	13,924,409	588,359

Source: National Statistics Office

2.6. Developments in the printing and publishing industry abroad

Printing and publishing

Bangladesh.

Publishers, printers for 25pc duty on imported books

As the proposed budget is likely to be passed today, two associations of publishers and printers have demanded enhanced duty as well as VAT on imported books and materials to protect the local publishing industry, reports UNB.

Their demand came on the heels of the proposed 5 per cent duty on books brochures, leaflets and printed matters under two categories of HS code in the budget for fiscal 2000-2001 placed before the parliament on June 8.

Talking to UNB, leaders of the two associations demanded increase in duty to 25 per cent and imposition of VAT on books and printed matters published abroad so that local publishers could maintain a healthy competition. In India, the duty on imported books is also 25 per cent.

Bangladesh Mudran Shilpa Samity Chairman Rabbani Jabbar said the difference between imported white paper and printed materials is 50 per cent. The printers and publishers are to spend huge in comparison with those who import books or publish books abroad, he said.

At present, country's annual demand for paper is 1.7 lakh metric tons while the local production is only 60,000 metric tons. As a result, the printers and publishers of the country are to depend on imported papers for growing printing industry.

"Taking advantage of less duty on printed books and materials, a section of people are publishing books abroad and bringing those to the country as imported ones," he said. If this is not eliminated, our printing industry will be ruined and India will grab the local market.

According to the proposed budget, he said, one will have to pay only 5 per cent duty for importing printed books, brochures, leaflets and similar printed matters under HS code 4901.10.00 and other books under HS code 4901.99.20.
But, the local publishers will have to count 58.5 per cent duty and VAT in importing paper.

"Earlier, the import duty for the two categories of HS code were 15 and 5 per cent while 15 per cent VAT for both. We hoped it will be increased for the sake of local industry. But the duty has been lowered in the proposed budget," Rabbani Jabbar said.
Bangladesh Pathyapustak Mudrak and Biponon Samity President Shahid Serniabat said the government needs to minimise the discrimination in duties for the sake of 12,000 publishers and printers who have invested Tk 1,200 crore in the sector.

DESCRIPTION	099
Pulp, paper and paperboard	0.415924
Commercial & job printing & other allied industries	0.051054
Wholesale & retail trade	0.050571
Mfr of misc chemical products	0.036557
Road freight transport & supporting services to land transport	0.021337
Petroleum refineries	0.017892
Electricity	0.016774
Mfr of articles of paper and paperboard	0.011331
Non-ferrous foundries	0.007456
Investment, financing & other non-banking services exc. pawnshops	0.007282
Air transport	0.006358
Repair shops for motor vehicles	0.004523
Letting, operating real estate, residential or non-residential,other real estate activities	0.003772
Miscellaneous mfg	0.003491
Employment/recruitment agencies	0.002932
Mfr of synthetic resins , plastic materials & other man-made fibers exc glass	0.002754

Postal,Messengerial and other comm services, n.e.c.	0.002190
Business mgt & consultancy and market research services	0.002144
Railway transport services	0.001938
Non-life and other insurance activities	0.001841
Construction	0.001814
Mfr of electrical ind'l mach'y and apparatus	0.001453
Ocean passenger and freight transport	0.001324
Mfr of other fabricated wire & cable prods exc insulated wire & cable	0.001022
Stevedoring & other supporting services to water transport	0.001018
Mfr of photographic and optical instruments	0.001009
Banking	0.000730
Bookkeeping, acctg., and auditing services	0.000640
Legal services	0.000631
Mfr of basic ind'l chemicals	0.000546
Engineering,architectural & technical services	0.000491
Cordage, rope, twine and net mfg	0.000465
Advertising services	0.000418
Telephone	0.000381
Storage & warehousing	0.000233
Printing and publishing of books and pamphlets	0.000111
Water	0.000040
Mfr of electrical lamps, fluorescent tubes and other electrical apparatus & supplies, n.e.c.	0.000036
Mfr of stationers', artists' and office supplies	0.000020
Newspapers and periodicals	0.000002

DESCRIPTION	100
Pulp, paper and paperboard	0.211277
Commercial & job printing & other allied industries	0.121754
Wholesale & retail trade	0.037813
Mfr of misc chemical products	0.033046
Real estate development	0.025788
Road freight transport & supporting services to land transport	0.018228
Petroleum refineries	0.011539
Electricity	0.011379
Investment, financing & other non-banking services exc. pawnshops	0.011347
Mfr of articles of paper and paperboard	0.010856
Fabric knitting mills	0.009810
Non-life and other insurance activities	0.009623
Repair shops for motor vehicles	0.009363
Employment/recruitment agencies	0.008826
Letting, operating real estate, residential or non-residential,other real estate activities	0.007903

Paper and paperboard containers	0.007053
Mfr of plastic furniture,plastic footwear & other fabricated plastic products	0.006853
Postal,Messengerial and other comm services, n.e.c.	0.005777
Legal services	0.004638
Cutlery, handtools, general hardware	0.004315
Bookkeeping, acctg., and auditing services	0.003778
Mfr of electrical ind'l mach'y and apparatus	0.002824
Construction	0.002608
Miscellaneous mfg	0.002601
Business mgt & consultancy and market research services	0.002600
Railway transport services	0.001935
Mfr of motor vehicles parts and accessories	0.001389
Sanitary and similar services	0.001353
Interisland shipping including inland water	0.000922
Stevedoring & other supporting services to water transport	0.000875
Cordage, rope, twine and net mfg	0.000852
Telephone	0.000654
Advertising services	0.000607
Ocean passenger and freight transport	0.000594
Banking	0.000557
Mfr of basic ind'l chemicals	0.000470
Machine shops & mfr of non-electrical mach'y and eq. n.e.c.	0.000372
Storage & warehousing	0.000258
Mfr of other fabricated wire & cable prods exc insulated wire & cable	0.000065
Mfr of stationers', artists' and office supplies	0.000056
Water	0.000040
Mfr of electrical lamps, fluorescent tubes and other electrical apparatus & supplies, n.e.c.	0.000036
Newspapers and periodicals	0.000002

DESCRIPTION	101
Pulp, paper and paperboard	0.448221
Mfr of articles of paper and paperboard	0.069158
Mfr of misc chemical products	0.066271
Wholesale & retail trade	0.038984
Electricity	0.020071
Road freight transport & supporting services to land transport	0.009307
Petroleum refineries	0.007345
Repair shops for motor vehicles	0.007058
Letting, operating real estate, residential or non-residential,other real estate activities	0.003652
Business mgt & consultancy and market research services	0.003285
Non-life and other insurance activities	0.003266

Mfr of motor vehicles parts and accessories	0.002265
Mfr of plastic furniture,plastic footwear & other fabricated plastic products	0.001908
Stevedoring & other supporting services to water transport	0.001899
Postal,Messengerial and other comm services, n.e.c.	0.001880
Investment, financing & other non-banking services exc. pawnshops	0.001733
Interisland shipping including inland water	0.001542
Machinery and equipment renting and leasing	0.001500
Telephone	0.001300
Construction	0.001167
Employment/recruitment agencies	0.001014
Storage & warehousing	0.000773
Real estate development	0.000769
Engineering,architectural & technical services	0.000652
Banking	0.000587
Mfr of basic ind'l chemicals	0.000377
Ocean passenger and freight transport	0.000343
Mfr of synthetic resins , plastic materials & other man-made fibers exc glass	0.000255
Miscellaneous mfg	0.000253
Mfr of other fabricated wire & cable prods exc insulated wire & cable	0.000249
Bookkeeping, acctg., and auditing services	0.000209
Air transport	0.000184
Advertising services	0.000129
Commercial & job printing & other allied industries	0.000101
Cutlery, handtools, general hardware	0.000081
Legal services	0.000081
Paper and paperboard containers	0.000073
Machine shops & mfr of non-electrical mach'y and eq. n.e.c.	0.000062
Mfr of stationers', artists' and office supplies	0.000052
Mfr of wire nails	0.000045
Mfr of electrical lamps, fluorescent tubes and other electrical apparatus & supplies, n.e.c.	0.000036
Railway transport services	0.000018
Newspapers and periodicals	0.000011
Mfr of electrical ind'l mach'y and apparatus	0.000004
Palay	
Corn	
Vegetables	
Roots and tubers	
Banana	
Pineapple	
Mango	
Citrus fruits	

Fruits and nuts exc. coconut
Coconut
Sugarcane
Tobacco
Abaca
Other fiber crops
Coffee
Cacao
Rubber
Other agricultural production, n.e.c.
Hog
Cattle and other livestock
Chicken
Hen's egg
Other poultry and poultry products
Agricultural services
Ocean,coastal and inland fishing
Aquaculture and other fishery activities
Forestry
Gold and silver mining
Copper mining
Nickel mining
Chromite mining
Other metal mining
Coal mining
Crude petroleum and natural gas
Stone quarrying, clay and sandpits
Salt mining
Other non-metallic mining and quarrying
Slaughtering & meat packing
Meat & meat products processing
Milk processing
Butter and cheese manufacturing
Ice cream, sherberts & other flavored ices
Other dairy products
Canning & preserving of fruits and vegetables
Fish canning
Fish drying, smoking & mfg of other seafood products
Prod'n of crude coconut oil,copra cake and meal
Other crude vegetable oil exc coconut oil, fish and other marine oils and fats
Manufacture of refined coconut and vegetable oil
Rice and corn milling
Flour, cassava & other grains milling
Mfr of bakery prods exc noodles
Noodles mfg

Sugar milling and refining
Mfr of cocoa, chocolate and sugar confectionery
Mfr of desiccated coconut
Mfr of ice exc dry ice
Coffee roasting and processing
Mfr of animal feeds
Mfr of starch & starch prods
Mfr of flavoring extracts, mayonnaise and food coloring products
Miscellaneous food products
Alcoholic liquors and wine
Malt and malt liquors
Softdrinks & carbonated water
Cigarette mfg
Cigar, chewing & smoking tobacco
Tobacco leaf flue-curing and redrying
Textile, spinning, weaving, texturizing and finishing
Fabric knitting mills
Hosiery, underwear & outerwear knitting
Mfr of made-up textile goods exc. wearing apparel
Mfr of carpets and rugs
Cordage, rope, twine and net mfg
Mfr of articles made of native materials
Mfr of artificial leather and impregnated & coated fabrics
Mfr of fiber batting, padding, upholstery fillings incl. coir,linoleum and other hard surfaced floor coverings
Custom tailoring & dressmaking shops
Mfr of ready-made clothing
Embroidery establishments
Mfr of other wearing apparel exc footwear
Tanneries and leather finishing
Mfr of prods of leather and leather substitutes, exc footwear and wearing apparel
Mfr of leather footwear & footwear parts
Sawmills and planing mills
Mfr of veneer and plywood
Mfr of hardboard and particle board
Wood drying and preserving plants
Millwork plants
Mfr of wooden and cane containers and small cane wares
Mfr of wood carvings
Mfr of misc wood, cork & cane prods.
Mfr and repair of wooden furniture incl upholstery
Mfr and repair of rattan furniture incl upholstery
Mfr and repair of other furnitures and fixtures, n.e.c.
Printing and publishing of books and pamphlets
Mfr of fertilizer

Mfr of pesticides, insecticides,etc
Mfr. of paints, varnish & lacquers
Mfr of drugs and medicines
Mfr of soap and detergents
Mfr of perfumes, cosmetics & other toilet preparations
Mfr of asphalt, lubricants and misc prods of petroleum and coal
Rubber tire & tube mfg
Mfr of rubber footwear
Mfr of other rubber products, n.e.c
Manufacture of pottery,china & earthenware
Mfr of flat glass
Mfr of glass container
Mfr of other glass and glass products
Cement mfr
Mfr of structural clay products
Mfr of structural concrete prods
Mfr of other non-metallic mineral prods,n.e.c.
Blast furnace and steel making furnace, steel works and rolling mills
Iron and steel foundries
Non-ferrous smelting & refining plants, rolling,drawing and extrusion mills
Non-ferrous foundries
Structural metal prods
Mfr of metal containers
Metal stamping, coating, engraving mills
Mfr of non-electric lighting and heating fixtures
Mfr of fabricated metal prods exc machinery & equipment
Mfr of agricultural machinery and equipment
Mfr of metal and wood-working machinery
Mfr of engines nd turbines exc. for transport eq. & special ind. mach'y and equipment
Mfr, assembly & repair of office, computing and acctg machines
Mfr of pumps, compressors, blowers and airconditioners
Mfr of radio and TV receiving sets, sound recording & reproducing eq. incl records and tapes
Mfr of communication and detection equipment
Mfr of parts and supplies for radio, TV & communication (semi-conductors)
Mfr of appliances and housewares
Mfr of primary cells and batteries and electric accumulators
Insulated wires and cables
Mfr of current-carrying wiring devices, conduits & fittings
Shipyards and boatyards
Mfr and assembly of motor vehicles
Rebuilding & major alteration of motor vehicles

Mfr, assembly of motorcycles & bicycles
Mfr, assembly, rebuilding & major alteration of railroad equipment, aircraft, and animal and hand-drawn vehicle
Mfr of professional, scientific measuring a & controlling eq
Mfr of photographic and optical instruments
Mfr of watches and clocks
Mfr & repair of furniture & fixtures, made primarily of metal
Mfr of jewelry & related articles
Mfr of musical instruments
Mfr of sporting and athletic goods
Mfr of surgical,dental,medical and orthopedic supplies
Mfr of opthalmic goods
Mfr of toys and dolls exc. rubber and plastic toys
Steam
Water
Busline operators
Public utility cars and taxicab operation
Jeepney and autocalesa operation, trycycle and other road transport operation
Operation of tourist bus and cars and rent-a-car services
Tour and travel agencies
Customs brokers and other services allied to transport
Telegraph service
Pawnshops
Life insurance
Ownership of dwellings
Detective & protective services
Other business services, n.e.c.
Sanitary and similar services
Private education services
Private hospitals, sanitaria & similar institutions
Private medical,dental,veterinary & other health clinics and laboratories
Other social and related community services
Motion picture production
Motion picture distribution and projection
Radio and TV programming
Theatrical production and entertainment
Other recreational and cultural services
Other repair shops, n.e.c.
Laundry, dry cleaning and dyeing plants
Barber and beauty shops
Photographic studios including commercial photography and related services
Other personal services, n.e.c.
Restaurants, cafes & other eating and drinking places

Hotels and motels
Other lodging places
Public education services
Public health services
Public administration and defense

Market growth indicators

Other market growth indicators include the presence of bookstores in most shopping malls in Metro Manila and other urban areas, led by National Bookstore, which has more than 30 branches nationwide. Book rentals and sale of secondhand books are also thriving. Also, new bookstores devoted exclusively to selling books have cropped up over the past few years, in contrast to the usual local bookstore that sells books, school supplies and gift items. Some of these bookstores cater to a specialized market that patronize expensive, hard-to-find, contemporary titles and hardcover editions.

Foreign nationals

A registered enterprise employing foreign nationals with supervisory, technical or advisory functions shall provide a training program for Filipinos to be conducted by said foreign nationals in their field of specialization.

Every foreign national occupying a technical position shall have at least two (2) understudies and such training shall be done regularly during office hours.

The registered enterprise shall submit its training program within 30 calendar days from arrival of the foreign national or from the day he/she reports for duty or from the date of registration in case the foreign national was employed before registration.

The registered enterprise shall submit an annual progress report to the Board on such training program within the month of June of every year containing the following data: (a) name of foreign national and his/her field of specialization as prescribed in the program; (b) names and addresses of Filipino understudies under him/her; (c) number of hours of actual training for each understudy and specific subjects covered; and (d) reasons why Filipino understudies cannot yet take over the work of the foreign national, if such be the case. (NBDB Primer on Incentives for the Book Industry)

According to Castillo (1999), the Philippine printing and publishing industry is still in the growth stage of an industry's life cycle, as indicated by the following:

- First, the industry is among the fastest growing sector in the country. The economic gains since the second half of the 80s and the sustained increase in the consumer base translated to an increasing market for the printing and publishing industry.

- Second, the technology in the printing and publishing industry is changing together with the innovations in IT and developments in the telecommunications industry. These improvements resulted in better quality print materials and shorter production time.

- Third, the industry has been a host to a number of investments. These investments are seen in the improvements in the quality of existing publications and the increase in the number of publishers of magazines that cater to a specific market segment.

Graphic Arts Technical Foundation (GATF)		
Ink Manufacturers Association of the Philippines		
Machine Dealers Association of the Philippines		
National Association of Printers and Lithographers (NAPL)		

Table _. Media billings (in million pesos) and share of medium (%), 1992-1997

Year	TV	%	Radio	%	Print	%	Others	%
1992	4,325	65.1	1,034	15.6	1,220	18.4	59	0.9
1993	4,423	57.8	996	13.0	1,889	24.7	341	4.5
1994	6,356	61.7	1,792	17.4	1,926	18.7	227	2.2
1995	7,360	58.6	2,085	16.6	2,236	17.8	879	7.0
1996	8,373	57.7	2,060	14.2	2,772	19.1	1,306	9.0
1997	9,872	61.7	2,640	16.5	2,688	16.8	800	5.0

Table 27. Value of imports of printed matter, 1997-1998

	Value in US$		% Share		
Description	**1997**	**1998**	**1997**	**1998**	**% Chng**
Children's picture drawing or coloring books	535,160	78,424	0.6	0.1	(85.3)
Maps and charts in book form	227,681	9,788	0.3	0.1	(95.7)
Globes	71,830	55,799	0.1	0.07	(22.3)
Other maps and hydrographic	21,701	26,391	0.0	0.03	21.6
Printed books, brochures	26,735	1,609	0.0	0.00	(94.0)

Description	Value in US$ 1997	1998	% Share 1997	1998	% Chng
Dictionaries and encyclopedias	6,561,432	3,047,165	7.5	3.79	(53.6)
College and high school textbooks	568,995	374,787	0.6	0.47	(34.1)
Textbooks, workbooks	260,416	104,774	0.3	0.13	(59.8)
Prayer books, bibles and other religious books	823,092	1,801,343	0.9	2.24	118.9
Catalogs in book form	118,259	5,337	0.1	0.01	(95.5)
Booklets, brochures, pamphlets and leaflets	690,411	11,414	0.8	0.01	(98.3)
Other books, brochures and similar printed matter	34,524,117	22,803,138	39.3	28.38	(34.)
Newspapers, journals and periodicals	92,214	33,006	0.1	0.04	(64.2)
Newspapers, new issues	12,906	19,209	0.0	0.02	48.8
Comic magazines, new issues	180,564	32,175	0.2	0.04	(82.2)
Magazines, reviews, journals and periodicals	8,392,510	4,998,880	9.5	6.22	(40.4)
Transfers (decalcomanias), vitrifiable	828,427	404,761	0.9	0.50	(51.1)
Industrial transfers	274,908	2,239	0.3	0.00	(99.2)
Transfers (decalcomanias)	220,728	280,333	0.3	0.35	27.0
Picture postcards	13,409	4,690	0.0	0.01	(65.0)
Christmas and other greeting cards	221,529	43,954	0.3	0.05	(80.2)
Other printed or illustrated postcards	603,532	208,119	0.7	0.26	(65.5)
Paper or paperboard labels, printed	12,140,122	11,763,495	13.8	14.64	(3.1)
Plans and drawings	30,932	12,923	0.0	0.02	(58.2)
Stock, share/bond certificates	173,600	4,144,876	0.2	5.16	2,287.6
Unused postage, revenue and similar stamps	2,750	6,699	0.0	0.01	143.6
Bank notes	6,860,914	14,597,390	7.8	18.17	112.8
Stamped envelopes, letter cards	50,592	23,537	0.1	0.03	(53.5)
Calendars of any kind, printed	428,381	510,835	0.5	0.64	19.2
Music, printed or in manuscript	6,513		0.0	-	(100.0)
Trade advertising material	3,151,715	2,130,683	3.6	2.65	(32.4)
Pictures, design and photographs	173,549	190,228	0.2	0.24	9.6
Other printed material	9,649,452	12,614,519	11.0	15.70	30.7
TOTAL	**87,939,076**	**80,342,520**	**100.0**	**100.0**	**(8.6)**

Source: National Statistics Office as cited in Castillo (1999)

A significant percentage of the imported printed matters are books, particularly religious books, children's books, and dictionaries and encyclopedias.

Table 28. Total imports of books by volume, 1993-1995 ('000)

	1993	1994	1995	% change 1993-1995
Religious books	1,092	1,472	3,164	189.7
Children's books	350	989	3,012	760.6
Dictionaries and encyclopedias	2,153	1,816	2,086	-3.1
Printed books, etc	9,007	42	Na	na
College and high school textbooks	258	299	501	94.2
Elementary school books	18	60	46	155.6
Others	7,807	12,647	12,900	65.2
TOTAL	20,685	17,325	21,709	5.0

Source: National Statistics Office as cited in The World Book Report-Philippines (February 1998) by Euromonitor: Global Market Information Database

In terms of value, dictionaries and encyclopedias lead the pack, followed by college and high school textbooks, and children's books.

Table 29. Total imports of books by value, 1993-1995 (in million pesos)

	1993	1994	1995	% change 1993-1995
Dictionaries and encyclopedias	277.0	236.7	370.4	33.7
College and high school textbooks	20.1	21.1	44.1	119.4
Children's books	5.5	19.4	36.1	556.4
Religious books	23.0	29.0	28.6	24.3
Elementary school textbooks	1.0	0.2	4.7	370.0
Printed books*	4.4	1.6	na	Na
Others	350.8	579.4	634.1	80.8
TOTAL	681.8	887.4	1,118.0	64.0

Source: National Statistics Office as cited in The World Book Report-Philippines (February 1998) by Euromonitor: Global Market Information Database

***Includes printed books, brochures, leaflets and similar printed matter**

Overall, the Philippines is net importer of books, with imports exceeding exports to the tune of $1.0 million.

Table 30. Balance of trade in books, 1993-1995 (in million pesos)

	1993	1994	1995	% change 1993-1995
Imports	681.8	887.4	1,118.0	64.0
Exports	13.1	17.7	18.1	38.0
TOTAL	-668.7	-869.7	-1,099.9	64.5

Source: National Statistics Office as cited in The World Book Report-Philippines (February 1998) by Euromonitor: Global Market Information Database

Exports of printed matter have gradually increased over the years. In fact, export figures doubled in 1997 over that of the previous year.

Table 31. Exports of printed matter (in million dollars)

Year	Exports	Growth rate (%)
1993	3,488	
1994	4,451	27.6
1995	4,594	3.2
1996	7,434	61.8
1997	14,902	100.4
Average	7,845	48.25

Source: National Statistics Office

The Philippines' main exports of printed matter are pictures, postcards, Christmas and other greeting cards (printed by any process, with or without trimmings), the cumulative exports of which for 1994-1997 accounted for 14.7% of total exports of printed matter. In 1996 alone, the figure rose to almost 50% of the total printed matter exports.

Table 32. Cumulative exports of printed matter (in million dollars)

Type of exported printed matter	Cumulative exports (1994-1997)	Percentage to total exports of printed matter (in %)
Picture postcards, Christmas and other greeting cards	12,086	14.7
Magazines (excluding comics) reviews and other periodicals	5,956	7.2
Paper or paperboard labels	5,421	6.6
Other books, brochures and similar printed matter	2,671	3.2
Prayer books, bible and other religious books	1,839	2.2

Source: National Statistics Office

In terms of volume, the Philippines top exports are religious books, followed by children's books. Export volume, however, has fluctuated from 1993 to 1995.

Table 33. Total exports of books by volume, 1993-1995 ('000)

	1993	1994	1995	% change 1993-1995
Religious books	164.0	95.0	212.3	29.5
Children's books	1.0	24.1	11.1	1,010.0
College and high school textbooks	1.3	0.5	2.9	123.1
Dictionaries and encyclopedias	3.0	4.0	1.1	-63.3

Others	202.0	605.0	595.1	194.6
TOTAL	371.3	728.6	822.5	121.5

Source: National Statistics Office as cited in The World Book Report-Philippines (February 1998) by Euromonitor: Global Market Information Database

In terms of value, religious books contributed a significant percentage of total book exports, followed by children's books.

Table 34. Total exports of books by value, 1993-1995 ('000 pesos)

	1993	1994	1995	% change 1993-1995
Religious books	3,092	3,972	7,399	139.3
Children's books	241	2,056	1,243	415.8
College and high school textbooks	797	21	666	-16.4
Dictionaries and encyclopedias	1,242	1,351	404	-67.5
Others	7,750	10,274	8,396	8.3
TOTAL	13,122	17,674	18,108	38.0

Source: National Statistics Office as cited in The World Book Report-Philippines (February 1998) by Euromonitor: Global Market Information Database

The total revenues reached P13.8 billion in 1995, while the total value of output of these establishments reached P13.9 billion in 1995.

Table 7. Total revenue and value of output of printing and publishing industry, 1994-1995 (in '000)

Type	Total revenue				Value of output			
	1995	%	1994	%	1995	%	1994	%
Less than 10 Employees	794,637	6.1			793,977	5.7	859,105	7.3
More than 10 Employees	13,102,839	93.9	10,950,318		13,130,432	94.3	10,980,269	92.7
Total	13,897,476	100		100	13,924,409	100	11,839,394	100

Source: National Statistics Office

The total cost of production increased by 35.29% from P7.3 billion in 1994 to P9.9 billion in 1995, while the level of capital expenditures decreased by 21.09% to just P588 million in 1995.

Table 8. Total cost or production and capital expenditures of printing and publishing industry, 1994-1995 (in '000)

Type	Total cost of production				Capital expenditures			
	1995	%	1994	%	1995	%	1994	%
Less than 10 Employees	460,728	4.6	554,797	7.6	56,937	9.7	127,692	17.1
More than 10 Employees	9,439,927	95.4	7,763,053	92.4	531,422	90.3	617,919	82.9
Total	9,900,655	100	7,317,850	100	588,359	100	745,611	100

Source: National Statistics Office

Appendix B.

Republic Act No. 8047

An Act Providing For the Development of the Book Publishing Industry Through the Formulation and Implementation of a National Book Policy and a National Book Development Plan

SECTION 1. Title. — This Act shall be known as the "Book Publishing Industry Development Act."

SECTION 2. Declaration of Policy. — It is recognized that the book publishing industry has a significant role in national development, considering that books which are its products are instrumental in the citizenry's intellectual, technical and cultural development — the basic social foundation for the economic and social growth of the country. Books are the most effective and economical tools for achieving educational growth, for imparting information and for recording, preserving, and disseminating the nation's cultural heritage.

Accordingly, it is hereby declared a policy of the State to promote the continuing development of the book publishing industry, with the active participation of the private sector, to ensure an adequate supply of affordable, quality-produced books not only for the domestic but also for the export market. For this purpose, the Government shall formulate, adopt, and implement a National Book Policy and a corresponding National Book Development Plan that will serve as the enduring basis for fostering the progressive growth and viability of the book industry.

SECTION 3. Definition of Terms. — For purposes of this Act, the terms below shall be construed to mean, except where explicitly indicated or where the context clearly indicates otherwise, as follows:

a) Book — as defined by the United Nations Educational Scientific and Cultural Organization (UNESCO), a printed non-periodical publication of at least forty-eight (48) pages, exclusive of cover pages, published in the country and made available to the public.

b) Textbook — a book which is an exposition of generally accepted principles in one (1) subject, intended primarily as a basis for instruction in a classroom or pupil-book-teacher situation.

c) Book Title — refers to a particular book of which a number of copies are printed.

d) National Book Policy — a statement of the intention and philosophy of the State as a basis for the formulation and implementation of measures for the development, production and distribution of books.

e) National Book Development Plan — refers to the integrated approach for fostering book development, consisting of the totality of the procedures and systems for attaining the balanced growth of the various components of book development and production, including preparation and distribution of books.

f) National Development — is used in the most general sense to refer to the country's progress as well as to the processes or measures that contribute to such progress.

g) Book Publishing — a process of choosing and making books dealing with everything known to the human spirit, philosophy, religious beliefs, intellectual ideas, the physical world, all the arts and the sciences.

h) Book Development — a condition not only of having more output but also different kinds of outputs than were previously produced, as well as changes in the technical and institutional arrangements by which output is produced and distributed.

i) Related Activities — the domestic manufacturing industries which have direct bearing on the long term viability of the book publishing industry.

SECTION 4. National Book Policy. — The National Book Policy shall conform to the policy provided for in Section 2 hereof and shall have the following basic purposes and objectives:

a) to create condition conducive to development, production and distribution of books, especially the acquisition and adoption of state-of-the-art technology, equipment and machineries on book publishing;

b) to obtain priority status for the book publishing industry;

c) to ensure an adequate, affordable and accessible supply of books for all segments of the population;

d) to promote book readership especially among the young and neo-literates, through programs promoting literary and good reading habits, book fairs and exhibits; and an efficient nationwide system of libraries and reading centers especially in the rural areas;

e) to promote the development of indigenous authorship and of translations among various language groups in the country;

f) to promote the translation and publication of scientific and technical books and classic works in literature and the arts;

g) to promote the effective distribution of books in the domestic as well as in the international markets through an efficient and reliable postal and transport delivery system;

h) to foster the development of the skills of personnel engaged in book publishing through in-service training programs and formal degree and non-degree book publishing courses in schools;

i) to respect and inculcate the concept of intellectual property ownership and to protect the rights of authors and publishers by strictly enforcing copyright laws and providing legal assistance to authors and publishers in suits related thereto;

j) to reaffirm and ensure the country's commitment to the UNESCO principle of free flow of information and other related provisions as embodied in the Florence Agreement and in other similar international agreements; and

k) to promote whenever appropriate the use of recycled/waste paper and other inexpensive local materials in the manufacture of books to reduce the cost of such locally produced books.

SECTION 5. National Book Development Plan. — The National Book Development Plan shall include the specific measures needed to realize the purposes and objectives of the National Book Policy. The formulation of the plan shall involve:

a) the collection and tabulation of data on book production covering such areas as paper production, supply and consumption, publishing equipment and machinery and existing distribution networks;

b) a survey on the availability of adequate and proper manpower and supporting skills needed by the publishing industry such as authors, editors, designers and illustrators, marketing personnel and printers;

c) a survey of existing legislation affecting the book industry both at the national and international levels;

d) a survey of professional training capability as well as of reading habits and attitudes; and

e) consultations with all segments of the book industry concerned in planning for and preparing the National Book Development Plan on the basis of the results of the aforementioned surveys.

The National Book Development Plan shall have the following components and/or requisites.

i. a human resource development program for book personnel;

ii. guidelines for ethical practices in the book trade;

iii. measures for attaining balanced attention and bridging the communication gap among people living in different parts of the country;

iv. provisions for a strong and effective mechanism for book development in the country;

v. provisions for producing books or other periodicals such as appropriate or selected comics as instructional or teaching material for such various categories of readers in the country as pre-school children and school children, school drop-outs, neo-literates, the handicapped, professionals, general readers and ethnic groups; and

vi. measures for addressing the needs and problems of the book development industry as indicated in the surveys conducted.

SECTION 6. Registration of Entities. — Persons and enterprises engaged in book publishing and its related activities shall register with the National Book Development Board.

SECTION 7. Governing Board; Composition; Terms, Powers and Functions. — There is hereby created a National Book Development Board hereinafter referred to as the Board, which shall be under the administrative supervision of the Office of the President. The Governing Board shall be composed of eleven (11) members who shall be appointed by the President of the Philippines.

The eleven (11) members shall be composed of:

a) Five (5) representatives of the government to be chosen from the Department of Education, Culture and Sports (DECS), Department of Trade and Industry (DTI), Department of Science and Technology (DOST), National Commission for Culture and Arts (NCCA), and nominees by the Commission on Higher Education (CHED), and Technical Education Skills Development Authority (TESDA) from the academe and training institutions, respectively; and

b) Six (6) representatives from the nominees of organizations of private book publishers, printers, writers, book industry related activities, students and the private education sector, preferably representatives of the three (3) main islands of the country, in view of the substantial progress made by other regions in the book publishing industry.

The appointees to the Board shall be one of the three (3) nominees of the concerned nationwide organizations duly incorporated with the Securities and Exchange Commission (SEC) and with membership, whenever feasible, in all the cities and provinces throughout the country.

The members of the Board shall elect a chairman from among themselves. The DECS representative in the Board shall be the ex-officio vice-chairman of the Board.

The members of the Board shall serve for a term of three (3) years: Provided, That no member shall serve for more than (2) consecutive terms. Provided, further, that the terms of the first appointees from the private sector shall be staggered thus: the first two (2) representatives of the private sector shall serve for three (3) years; the second two (2) for two (2) years; and the third two (2) for one (1) year: Provided, furthermore, That the appointee from the academe shall serve for a period of three (3) years and the appointee from training institutions shall serve for a term of two (2) years.

The members of the Board shall serve and continue to hold office until their successors shall have been appointed and qualified. Should a member of the Board fail to complete his term, his successor shall be appointed by the President of the Philippines but only for the unexpired portion of the term.

No person shall be appointed to the Board unless he is a citizen of the Philippines, at least thirty (30) years of age, and of established competence and integrity.

For administrative purposes, the Board shall be under the Office of the President.

The members of the Governing Board shall receive per diem and such allowances as may be authorized for every meeting actually attended and subject to pertinent laws, rules and regulations.

SECTION 8. Powers and Functions. — The Governing Board shall have the following powers and functions:

a) assume responsibility for carrying out and implementing the policies, purposes and objectives provided for in this Act;

b) formulate plans and programs as well as operational policies and guidelines for undertaking activities relative to promoting book development, production and distribution as well as an incentive scheme for individual authors and writers;

c) formulate policies, guidelines and mechanisms to ensure that editors, compilers and especially authors are paid justly and promptly royalties due them for reproduction of their works in any form and number and for whatever purpose;

d) conduct or contract research on the book publishing industry including monitoring, compiling and providing data and information of book production;

e) provide a forum for interaction among private publishers, and, for the purpose, establish and maintain liaison with all the segments of the book publishing industry;

f) ask the appropriate government authority to ensure effective implementation of the National Book Development Plan;

g) promulgate rules and regulations for the implementation of this Act in consultation with other agencies concerned, except for Section 9 hereof on incentives for book development, which shall be the concern of appropriate agencies involved;

h) approve, with the concurrence of the Department of Budget and Management (DBM), the annual and supplemental budgets submitted to it by the Executive Director;

i) own, lease, mortgage, encumber or otherwise real and personal property for the attainment of its purposes and objectives;

j) enter into any obligation or contract essential to the proper administration of its affairs, the conduct of its operations or the accomplishment of its purposes and objectives;

k) receive donations, grants, legacies, devices and similar acquisitions which shall form a trust fund of the Board to accomplish its development plans on book publishing;

l) import books or raw materials used in book publishing which are exempt from all taxes, customs duties and other charges in behalf of persons and enterprises engaged in book publishing and its related activities duly registered with the Board;
m) promulgate rules and regulations governing the matter in which the general affairs of the Board are to be exercised and amend, repeal, and modify such rules and regulations whenever necessary:
n) recommend to the President of the Philippines nominees for the positions of the Executive Officer and Deputy Executive Officer of the Board;
o) adopt rules and procedures and fix the time and place for holding meetings: Provided, That at least one (1) regular meeting shall be held monthly;
p) conduct studies, seminars, workshops, lectures, conferences, exhibits, and other related activities on book development such as indigenous authorship, intellectual property rights, use of alternative materials for printing, distribution and others; and

q) Exercise such other powers and perform such other duties as may be required by the law.
SECTION 9. The Secretariat. — The Board shall have a permanent Secretariat under an Executive Officer, who shall be appointed by the Board.
The authority and responsibility for the day-to-day management and direction of the operations of the affairs of the Board shall be vested in the Executive Officer. The Executive Officer shall be assisted by a Deputy Executive Officer. Both the Executive Officer and the Deputy Executive Officer shall be appointed by the President of the Philippines. They shall hold office unless sooner terminated in accordance with applicable laws.
No person shall be appointed Executive Officer and Deputy Executive Officer of the Board unless he is a citizen of the Philippines, at least thirty (30) years of age, and of established competence and integrity.
The Executive Officer shall have the following powers and functions:
a) Execute, administer and implement the policies and measures approved by the Board;
b) Direct and manage the affairs and operations of the Board;
c) Submit within thirty (30) days after the close of every calendar year an annual report to the Board and such other reports it may require;
d) Submit an annual budget and such supplemental budgets as may be necessary to the Board for its consideration and approval;
e) Represent the Board in all transactions with other offices, agencies, and instrumentalities of government and with all persons and other entities, public or private, domestic or foreign;
f) Appoint, subject to the confirmation of the Board, and discipline for cause in accordance with Civil Service laws, rules and regulations, the Board's officers and personnel below the level of Deputy Executive Officer;
g) Delegate in writing, authority, as may be necessary to subordinate officers and personnel of the Board; and
h) Perform such other duties as may be assigned to him by the Board, which according to its sound discretion, are necessary for the efficient and effective implementation of this Act.

The Deputy Executive Officer shall have the following powers and functions; assist the Executive Officer in the discharge of his powers and functions; act as Executive Officer during the Executive Officer's absence, sickness or other temporary disability; and discharge such other powers and perform such other functions as may be required by the Executive Officer of the Board.

The structural and functional organization, compensation plan and the staffing pattern of the Secretariat shall be approved by the Board upon the recommendation of the Executive Officer. The Board may create, abolish, merge, or otherwise reorganize positions therein as may be necessary for the economical, effective and efficient discharge of its functions and responsibilities subject to the existing laws.

SECTION 10. Public School and Textbook Publishing. — The DECS shall consult with the Board in prescribing the guidelines, rules and regulations in preparing the minimum learning competencies and/or prototypes and other specifications for books required by public elementary and secondary schools.

The DECS shall confine itself to:

a) preparing the minimum learning competencies, and/or prototypes and other specifications for books and/or manuscripts called for;

b) testing, evaluating, selecting and approving the manuscripts or books to be submitted by the publishers for multiple adoption;

c) providing assistance in the distribution of textbooks to the public school systems; and

d) promulgating with the participation and assistance of the Board rules and regulations for the private book publishers in the call, testing evaluation, selection, approval, as well as production specification and acquisition of public school textbooks.

The printing of public elementary and secondary school textbooks shall be done on a regional or provincial level, whenever economically feasible.

The DECS shall within a period of not more than three (3) years from the effectivity of this Act phase out its elementary and secondary textbook publication and distribution functions and shall support the phasing in of private sector publishers to assume these functions here. For its part, the Board shall monitor and conduct an annual evaluation of the progress of the shift of functions from the DECS to the private sector.

SECTION 11. Participation of Private Publishers in the Public School Textbook Program. — Guided by the minimum learning competencies for the elementary level, the desired learning competencies for the secondary level, and other specifications prepared by the DECS, publishers shall develop and submit to the DECS those syllabi and/or prototypes and manuscripts or books intended for use in the public schools for testing, evaluation, selection and approval.

Upon approval of the manuscripts or books, publishers shall produce and supply the textbooks as ordered by the DECS.

SECTION 12. Incentives for Book Development. — Persons and enterprises engaged in book publishing and its related activities duly registered with the National Book Development Board shall be entitled to the applicable fiscal and non-fiscal incentives as provided for under Executive Order No. 226, otherwise known as the Omnibus Investment Code, as amended, subject to the qualifications and requirements set by the Board of Investments (BOI): Provided, That book development activities shall always be included in the Investment Priorities Plan (IPP).

In the case of tax and duty-free importation of books or raw materials to be used in book publishing, the Board and its duly authorized representatives shall strictly monitor the quality and volume of imported books and materials as well as their distribution and the utilization of the said imported materials.

The Board shall also recommend to the proper prosecuting agencies any violations of the conditions of the duty-free importation.

Books, magazines, periodicals, newspapers, including book publishing and printing, as well as its distribution and circulation, shall be exempt from the coverage of the expanded value added tax law.

SECTION 13. Implementing Rules and Regulations. — The Board, in consultation with the BOI, Bureau of Customs (BOC), and other appropriate agencies from the private and government sectors, shall issue guidelines and prescribe rules and regulations for Sections 6, 10, and 12 within one hundred twenty (120) days after the effectivity of this Act which shall be published in two (2) newspapers of general circulation. A copy of such guidelines, rules, and regulations shall be furnished the Congress of the Philippines.

SECTION 14. Penalties. — Any person who violates any provision of this Act or the terms and conditions of the rules and regulations issued pursuant thereto, or aids or abets in any manner any violation shall be subject to a fine not exceeding One hundred thousand pesos (P100,000.00) or imprisonment of not more than five (5) years or both, at the discretion of the court.

If the violation is committed by a juridical entity, it shall be subject to a fine not exceeding Five hundred thousand pesos (P500,000.00). The president and/or officials responsible therefore shall also be subject to a fine not exceeding Seven hundred thousand pesos (P700,000.00).

In addition to the foregoing, any person, firm, or juridical entity involved shall be subject to forfeiture of all benefits granted under this Act.

The SEC shall have the power to impose administrative sanctions as provided herein for any violation of this Act or its implementing rules and regulations.

SECTION 15. Transfer of Assets, Properties, Funds and Liabilities. — Assets, properties, and liabilities of the Instructional Material Corporation (IMC) and the Instructional Material Development Center (IMDC) under the DECS shall be transferred to the National Book Development Board.

SECTION 16. Appropriations. — For the initial operating expenses of the Board and the Secretariat, the amount of Five million (P5,000,000.00) pesos is hereby appropriated to be charged to the Office of the President. Thereafter, it shall submit to the Department of Budget and Management its proposed budget for inclusion in the General Appropriations Act.

SECTION 17. Transitory Provisions. — Within a period of one hundred eighty (180) days after the approval of this Act, the Board shall be constituted to start its operation.

All other government offices having the functions similar to those of the Board shall then cease to perform such functions. These functions shall henceforth be deemed transferred to the Board.

This notwithstanding , the DECS shall maintain an office and staff to perform functions specified herein relative to its participation in the government textbook program.

Employees of the IMDC and the IMC who are not hired by the Board and/or who do not opt to remain with DECS or are laid off as a result of the implementation of this Act, within the transition period provided herein shall be entitled to gratuity at the rate of one and one fourth (1 1/4) month's salary for every year of service in the government or a fraction thereof on the basis of the highest salary received, in addition to the retirement and/or gratuity, benefits or pensions under R.A. No. 6656 and other existing Retirement Laws. Unexpected funds of the IMDC and of the IMC shall revert to the Board, after reserving the amount necessary to pay the benefits of those separated or retired from the service.

SECTION 18. Separability Clause. — If any part or section of this Act is declared unconstitutional for any reason whatsoever such declaration shall not in any way affect other parts or sections of this Act. cd

SECTION 19. Repealing Clause. — Executive Order No. 492, series of 1991, as amended; except as herein indicated is hereby repealed. All other laws, decrees, rules, regulations and other administrative issuances or provisions thereof which are contrary to or inconsistent herewith are hereby repealed or modified accordingly.

SECTION 20. Effectivity. — This Act shall take effect after fifteen (15) days following its publication in the Official Gazette or in any newspaper of general circulation.

Approved: June 7, 1995

Appendix C

Executive Order No. 119
Adoption of the National Book Policy

WHEREAS, the Government, through the enactment of Republic Act (R.A.) No. 8047, otherwise known as the "Book Publishing Industry Development Act", recognizes the significant role of the book publishing industry in national development;

WHEREAS, R.A. No. 8047 has lodged on the National Book Development Board (NBDB) the responsibility to formulate, adopt and implement a National Book Policy which will serve as the industry's major source of direction and guidelines as well as the Government's concrete response to its commitment to develop the book publishing in the country;

WHEREAS, the newly developed National Book Policy will be of optimum benefit to the Government and the Filipino people as it embodies the specific measures which will serve as the enduring basis for fostering the viability and progressive growth of the book publishing industry;

WHEREAS, pursuant to Section 5 of R.A. No. 8047, and in order to ensure effective, sustained and successful programs of the Government towards the growth and development of the book publishing industry, it is imperative that the policies embodied in the National Book Policy be institutionalized and implemented to provide the adequate supply of affordable quality-produced books not only for domestic but also for export market;

NOW, THEREFORE, I, JOSEPH EJERCITO ESTRADA, President of the Philippines, by virtue of the power vested in me by law, do hereby order:

SECTION 1. The Promulgation and Adoption of the National Book Policy. — The policy and provisions embraced in the National Book Policy, unless otherwise contrary to law, shall be the policy of the State pertaining to the book publishing industry. Hence, the NBDB, in coordination and cooperation with the other concerned agencies, shall adopt and implement the policies embodied therein, provided that, with regards to the procurement of textbooks, applicable laws and/or issuances on public bidding shall be observed.

SECTION 2. Access to Information/Data Given to the NBDB for the Establishment and Maintenance of Industry Databank. — The NBDB shall be given access to information as in the conduct researches and to soliciting necessary data from the private and public sectors pertaining to the book industry, except those confidential which may prejudice the operations as well as the trade secrets of the entity/agency concerned. NBDB shall maintain and update the book industry databank which will make data accessible to the industry and to the public.

SECTION 3. Persons and Entities Covered by this Order. — All government sectors, particularly the Department of Education, Culture and Sports, the Commission on Higher Education, the Technical Educational and Skills Development Agency, the Department of Interior and Local Government, the Department of Trade and Industry, the Board of Investments, the Department of Finance, the Bureau of Customs and private sector/stakeholders comprising of, but not limited to: book publishers, printers, book sellers, and book authors shall abide and comply with this order.

SECTION 4. Administrative Liability. — Any violation of this Executive Order by any person, officer or entity mentioned in the next preceding section shall be held administratively accountable as provided in R.A. No. 8047 and other pertinent laws.

SECTION 5. Effectivity. — This Executive Order shall take effect immediately after its publication in a newspaper of general circulation or the official gazette.

DONE in the City of Manila, this 4th day of July, in the year of Our Lord, nineteen hundred and ninety-nine.

Directory

Industry Association	Address	Contact numbers
Asian Catholic Publishers, Inc.	4/F Mariwasa Building, 717 Aurora Boulevard, Quezon City, Metro Manila	Tel: 721-7492; 722-1827; Fax: 721-8782
Asian Catholic Publishers Association	10 Nathan St., White Plains, Quezon City, Metro Manila	Tel: 911-4467; Fax: 911-4103
Association of Philippine Booksellers	c/o The Bookmark, Inc., 264 Vito Cruz Extension, Makati City	Tel: 895-8061 to 65; Fax: 897-0824
Association of Special Libraries of the Philippines	Colombo Plan Staff College for Technical Education Building, Block C, DECS Complex, Meralco Avenue, Pasig City	Tel: 631-0993; Fax: 631-0996
Book Development Association of the Philippines	c/o Ateneo de Manila University Press, Bellarmine Hall, Katipunan Avenue, Loyola Heights, Quezon City	Tel: 924-4495; 924-4601 locals 2216 / 2215; Fax: 920-7215
Book Exporters Association of the Philippines (BEAP)	c/o OMF Literature, Inc., 776 Boni Avenue, Mandaluyong City	Tel: 531-2183; 532-7754; Fax: 531-1960
Book Suppliers Association of the Philippines	2631 Alfonso Street, Malate, Manila	Tel: 521-1603; Fax: 920-7215
Federation of Handmade Paper Makers and Converters, Inc. (FEHPA)	Papel Likhang Kamay Center, Hall I, International Trade Center Complex, Roxas Boulevard, cor. Sen. Gil Puyat Avenue, Pasay City	Tel: 831-2201 loc. 249; Fax: 834-0177 c/o CITEM
Packaging Institute of the Philippines	Rm. 216, 2/F, Comfoods Bldg., Gil Puyat Avenue, Makati City	Tel: 817-2936; 844-5661; Fax: 817-2936
Philippine Association of Academic and Research Libraries	PUP Main Library, Sta. Mesa, Manila	Tel: 716-7831 to 45 loc. 246 / 249; Fax: 716-1143
Philippine Association of Teachers and Library Science	c/o UP College of Mass Communication, UP Diliman, Quezon City	Tel: 920-5301 loc. 4458 (library)
Philippine Educational Publishers Association (PEPA)	84 P. Florentino St., Sta. Mesa Heights, Quezon City	Tel: 711-5702; 740-2698; Fax: 711-5702
Philippine Graphic Arts Dealers Association (PGADA)	2665 Honduras Street, San Isidro, Makati City	Tel: 817-9564/ 9556; Fax: 817-9564
Philippine Libraries Association, Inc.	College of Science Library, University of the Philippines, Diliman, Quezon City	Tel: 924-7550; Fax: 924-7399
Philippine Printing Technical Foundation (PPTF)	Room 208, SCC Chevalier Center Bldg., 3892 Ramon Magsaysay Boulevard, Sta. Mesa, Manila	Tel: 713-0902 / 2671; Fax: 713-0905; E-mail: philprint@pptf.com.ph
Printing Industries Association of the Philippines (PIAP)	Suite 212, De La Rosa Conduminium, 7648 De La Rosa Street, Makati City	Tel: 810-9754; 810-9109; Fax: 894-5224; E-mail: piap@piap.org
Publishers' Representatives Organization of the Philippines	81 Talayan Street, Talayan Village, Makati City	Tel: 711-4558; Fax: 711-4503

Industry Association	Address	Contact numbers
Pulp And Paper Manufacturers Association (PULPAPEL)	7/F Ace Bldg., 101 Rada Street, Legaspi Village, Makati City	Tel: 894-0053; 892-9781 to 89; Fax: 815-9460; 894-0059
The Screenprinting and Imaging Graphics Association of the Philippines (SIGAP)	2152 Beta Bldg., España, Manila	Tel: 741-5866 / 3811; 712-3312 / 3316 / 3330; Fax: 731-0070