

+++ Looking ahead – The future of print and paper +++

# Passports are always in great demand Security documents constitute a solid basis for Kugler-Womako

## 14.06.13 - Interview with Christoph Golombek

*Mr.* Golombek is the Managing Director of Kugler-Womako GmbH. The company manufactures machines for the paper converting industry, for instance, binding machines, automated punching machines, labelling systems and passport production lines.

*Mr.* Golombek, most recently, Kugler-Womako was represented at "China Print" in Beijing, together with nearly all German suppliers of printing technology. How important is the Chinese market for your company?

**Christoph Golombek:** Naturally, China is a huge market, which is the reason why we are also represented there at this important tradeshow. At the moment, however, we do not focus on this country as a sales market. For our company, the main focal areas are rather in South America, in East Europe and Africa.

### What is it that you sell the most to Africa?

**Golombek:** Our company has been active in Africa for a very long time already. We ship to many countries there – above all our machines for security documents. These machines constitute a good basis of our business. By now, we have installed more than 350 machines for passport production at our customers` companies on all continents, many of them in Africa. The passport business offers a solid basis, because passports are always needed, even in difficult economic times.

# We now have identity cards and driving licences as chip cards. Will passports be substituted as well some day?

**Golombek:** I don't think so. But the security requirements are rising, even for passports. They can be equipped with additional security elements, like, for instance, small memory cards or holograms. This is where a big advantage of our machines becomes obvious. Our production lines are of modular design. It is no problem at all to integrate intermediate units and thus to upgrade them for new requirements. This is much less expensive for the customer.

# Looking ahead: What do you think will the future hold for machine manufacturers?

**Golombek:** The companies which are well-established in the market will find their way. Furthermore, I expect that above all in China further suppliers will enter the market. They will begin with offering mostly machines with a low degree of automation. There will be a demand for both. With our machines, our customers can be sure to manufacture end products of maximum quality and, what is more, at maximum production speed. It is really rather the price that matters. Everywhere, it's an illusion to expect that you get more for less money. Sooner or later, the Chinese manufacturers will also be able to access the premium business segment, but then their machines will also cost more than now.

And, as an aside, local slumps as, e.g., with graphic papers do not automatically mean that a market shrinks. After all, emerging markets signify that new markets are developing. This is where additional markets will come into being. I think that there are still many who need the kind of machines that we manufacture – in Africa, in Brazil, and elsewhere. Whether these machines will then be supplied by us is a different question.

You have already won awards with your EcoBinder machine. What is so innovative in it? **Golombek:** The EcoBinder enables to produce ring binders with rings made of paper and, as a result, of the same material as the book cover. The outstanding feature is that the binding can be printed, and that has been unprecedented. For the ring binder manufacturer, this additionally means a smaller number of suppliers. The EcoBinder has been developed for bookbinding and stationery companies which do not wish to produce really large numbers, but rather an end product with a distinctive feature.

#### So the EcoBinder is just the right thing for digital printing

**Golombek:** Yes. The EcoBinder is optimally suited for short runs. Since the rings can be printed, it is, in fact, even possible to give every binding an individual design. This makes every pad unique. Since the binding can thus be ideally used for promotional purposes, we already cooperate with suppliers of promotional items who sell the end product. Contact with them can be arranged by us.

# One business segment of your paper converting machines is strong: Label printing. Do you want to grow there?

**Golombek:** The answer is clearly: Yes. We already have two very different products for the label market. With LabelCut, a cutting machine for wet glue labels, we are offering several machines in the market. A few years ago, we also bought the Combina brand – a labeller. Now, we think about how we can position ourselves with our already existing products in this market. If necessary, we will also make stronger investments there. We will always be on the lookout to find out where we can still occupy niches.

### At a glance

Kugler-Womako was formed in 1999 through the merger of Kugler Automation GmbH and Womako Maschinenkonstruktionen GmbH. Rich in tradition, the company based in Nürtingen in Swabia made sales of 23 million euros with about 100 staff in 2012. The passport segment accounted for roughly half of this volume, services accounted for 20 per cent, and paper converting machines accounted for 30 per cent.

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