Meeting the challenges of a smaller market volume

**KBA to integrate Trennfeld plant into its main plant in Würzburg**

In Autumn 2013 Koenig & Bauer AG (KBA) will integrate its plant in Trennfeld, which was founded in 1964, into its main plant in Würzburg. The world’s second-largest printing press manufacturer is thus pushing ahead, actively tackling the challenges caused by rivalling online media, structural changes in the printing industry and enormous leaps in productivity of new machinery in the significantly smaller global market for web offset presses. This decision was announced by KBA CEO and president Claus Bolza-Schünemann at an employee meeting in Trennfeld on 4 December.

At Trennfeld, some 220 skilled staff currently assembles printing units and superstructures for commercial and newspaper presses. With a high global market share of 40% for newspaper presses, KBA plays a leading international role and as part of the relocation, the highly-qualified assembly specialists in Trennfeld will be offered new positions in the main plant in Würzburg, only 25km (16miles) away.

KBA recognised the market slump early and over the past years it has carried out a raft of measures to adjust capacity and realign its production plants for sheetfed and web presses. This has also involved a significant reduction in personnel and the splitting of the plant in Frankenthal into two limited companies last year and opening them up to external contractors. The foundry and other manufacturing cells at the plant in Würzburg are being increasingly used for supplies to the sheetfed offset plant in Radebeul near Dresden. In addition production of a new series of presses for
printing bank notes has been transferred from the subsidiary KBA-Mödling AG in Austria to the main plant in Würzburg.

Thanks to its unique broad product portfolio targeting different print sectors and the realignment of its plants initiated three years ago, the KBA group has been the only major press manufacturer to remain in the black since 2009. Pre-tax earnings of €12.5m at the end of the third quarter were also positive. KBA’s strong position in non-media dependant markets such as packaging and securities is a big advantage compared to the main competitors. However, the traditional core business in web presses for commercial and newspaper printing is suffering from supplier over-capacity for a global market which has shrunk by more than half since 2007. So earnings in this division have been accordingly low.

With no expectations of sustainable market recovery of any magnitude, KBA is anticipating a smaller volume for new web press sales over the next three years. The current plants are still too big. CEO Claus Bolza-Schünemann says: “The decision made by the management and the supervisory board to integrate the Trennfeld plant was not an easy one. From an economical point of view, keeping two only partly utilised plants open does not make sense. Our web business can only look positively into the future when all employees, space and equipment available are fully utilised. As a result of the relocation and the closer proximity to construction and manufacturing activities it brings with it, we expect simplified processes and considerable savings.” On completion of the relocation, the plant in Trennfeld will be closed at the end of 2013.

Photo:
Founded in 1964, the KBA production facility in Trennfeld (Main-Spessart district) is only 25km (16 miles) away from the main plant in Würzburg