



Great Grizzly Times

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North Central Industries

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A Message From The President, Richard B. Shields

2012 is sure to be a great year. Each year North Central Industries, Inc. carries over 650 different items and offers at least 50 new products each year! Here is a sneak peak at a few changes to look out for this coming season:



Item #875 - A Million Lightning Bugs (packed 12/1) will now have 10 rows of 30 missiles compared to previous years with 5 rows of 60. This larger design will make the item more stable for consumer use.
35CM (L) x 12.5CM (W) x 7 CM (H)

Item #884 - 200 Shot Saturn Missile (packed 18/1) new version will help make the item much safer & less likely to cause injury due to misuse.
21.5CM (L) x 11CM (W) x 6.5CM (H)



Item #801 - 300 Shot Saturn Missile (packed 12/1) will be altered to a more square shape to stabilize the item with 10 rows of 30 missiles
31.5CM (L) x 11.5CM (W) x 6.5CM (H)

Also the ever popular **Item #909 - Blaster Balls** (24/12) will be redesigned. The 1-1/2" shells will be covered with **gold and blue foil** this year compared to last year when they were covered in plain brown craft paper.

As you can see NCI strives to constantly improve existing items as well as intergrate new items you are sure to love each year. Suggestions are also taken into consideration when planning for future years so if you have ideas you would like to share please let us know, we would love to hear from you!



WORD UP

Logic Problems come in a variety of forms, and have been fascinating mankind for countless centuries. Solutions are given below but try not to look for the answer right away!

1) "The Boxes"

There are three boxes.

One is labeled "APPLES" another is labeled "ORANGES". The last one is labeled "APPLES AND ORANGES".

You know that each is labeled incorrectly.

You may ask me to pick one fruit from one box which you choose. How can you label the boxes correctly?



2) "Choose wisely"

You are driving down the road in your car on a wild, stormy night, when you pass by a bus stop and you see three people waiting for the bus: * An old lady who looks as if she is about to die* An old friend who once saved your life* The perfect partner you have been dreaming about.

Knowing that there can only be one passenger in your car, whom would you choose?



Answers:

1) Pick from the box labeled "Apples & Oranges". This box must contain either only apples or only oranges. Ex: if you find an Orange, label the box Orange, then change the Oranges box to Apples, and the Apples box to "Apples & Oranges"

2) The old lady of course! After helping the old lady into the car, you can give your keys to your friend, and wait with your perfect partner at the bus stop

NEW for 2012 Terminal Attack Saturn Missile 500 Gram



- rapid firing missiles of red, green, silver tails with whistling, crackling, banging

-duration 50 seconds

Dimensions: 20.5" x 14.5" x 3"

GET INVOLVED



Now more than ever, with heightened surveillance of imports from China, a surge in homeland security, and potential for environmental legislation & regulation, **A COLLECTIVE VOICE IS NEEDED** to tackle the pressing issues the fireworks industry faces both here and overseas.

The APA is that voice.

For nearly 60 years, the American Pyrotechnics Association (APA) has set the agenda and determined the priorities that serve the common good of companies and professionals in the fireworks industry. The APA has established relationships to link business owners like you with government regulators at DOT, ATF, CPSC, FMC-SA, and other agencies that directly impact your business.

No single company could amass nor readily afford the extensive technical knowledge and expertise available through the APA staff, consultants, and members.

The APA continues to be the leader in addressing issues that threaten the survivability of the fireworks industry. In the aftermath of a series of well publicized industry accidents and the 9-11 tragedy, challenges to our industry have never been greater.

Since 2000, the APA has allocated significant resources to key programs and activities aimed at strengthening the image of the industry and increasing the confidence in its products among Members of Congress, regulators, the media, and general public.

More than just national issues, the APA provides a host of other benefits that will assist businesses of every size, contributing to your bottom line and profitability including:

- *On-Call Technical & Regulatory Compliance Assistance
- *Communication Expertise in Times of Crisis Management
- *24-Hour Emergency Response System-Required by DOT
- *Safety Training & Educational Programs
- *Information - Newsletters, Emails and Special Alerts
- *Business Networking Opportunities
- *Discounted Publications for Regulatory Compliance

The founders of the American Pyrotechnics Association recognized the value in working together to preserve and restore the American tradition of celebrating with fireworks. Unity and cooperation are critical to effectively dealing with the array of challenges impacting the way we do business.

By encouraging safety in design and use of all types of fireworks and by promoting reasonable regulation of the industry, we can each do our part in securing the future viability of our industry.

We invite you to join the APA and help us in our mission to preserve, protect, and promote the American tradition of fireworks.

www.americanpyro.com



SUPPLY AND DEMAND

There have been significant changes in China's labor market and economy during the past 10 years. A once relatively rural economy, China has developed into the world's second largest economy worth US\$5.8 trillion in just 30 years time. Naturally with these changes, the landscape of China's economy has changed dramatically. The once perfect ingredients in large supply that built up China's fireworks industry, has become scarce: labor.

There are various factors affecting the future of the fireworks industry:

Labour Shortage

It used to be that workers would line up outside factories to get a job. During the past 5-6 years, all factories have to actively recruit workers and offer attractive packages for workers. The unemployment rate in China is virtually 0 and it's now a "workers" market, meaning workers go on strike, demand for higher salary or move to other factories for better job opportunities. Many young people also do not want to work in a "dirty" fireworks factory. In the summer it's too hot, in the winter it's too cold; there is no heating or air condition inside workshops. Most families in the 80's and 90's were already under one child policy, and so they do not want their single child to work in fireworks factories. You can easily tell that when visiting factories now. You can hardly find anyone under 50. To keep workers, factories have increased their wages, which then has an effect on the cost of fireworks. Wages in fireworks factory are also not any better than wages in other general industries. Some of the largest export fireworks factories are down to about 300 workers from over 1000 from 10 years ago.



Photo Above: Factory Managers advertising for workers

Chinese domestic market

Since China opened up fireworks again for all major cities, the Chinese market now consumes 2.5 times more than the export market. Before then, most of the fireworks China made was for export and very small percentage of firecrackers were for special local festivals such as weddings. Now, the Chinese New Year is huge in China - both firecrackers and fireworks. The demand is so high that factories that used to make for export are not making for domestic market especially between September - January each year. During this time, many factories are also rushing European/New Year orders, so July orders for the US get pushed back. These factories are not interested to make for export anymore. Domestic market has no mandatory 3rd party batch testing, no conformity tests, no HCB test, no CIQ - basically no regulations, and the orders are large - at least 10,000 cases of one big cake.

Inflation and increased costs

China has an overheated economy with prices of homes, shares, grocery increasing. Inflation for the past year has been about 5.4%. Commodity prices continue to increase especially silver and other metals, which are widely used in fireworks. Worst, paper, the main material in fireworks have increased its prices a lot in the price 5 years as the Chinese government closed many small paper mills due to pollution.

Development of other industries in China

China is booming, someone has even commented that it looks like all the world's construction cranes are inside China as there are so many. The construction and other industries have drawn a lot of workers from the fireworks industry. Furthermore, the service sector in China has also increased - more restaurants, bars, hotels, and entertainment venues, meaning more job opportunities besides fireworks for people.

A Trend in fireworks items

Due to the increasing costs, factories are not interested to make small items with low price, but instead prefer to make large items with a higher price as the output cost is lower and they can earn more. Some labour intensive items such as artillery shells, will continue to be in short supply as not many factories have the license to make shells and shells are also the biggest items in the Chinese domestic market. Labor-intensive items will phase out, as factories and workers are not interested.



For example, a factory with 100 workers can roll out 200 cartons of 500 gram cakes a day, while only be able to roll out 10 cartons of Jumping Jacks a day. The choice is obvious.

Increased regulations and monitoring

China's regulatory body on fireworks export, CIQ, continues to have stricter rules on certification. Liuyang government had recently imposed a 32-day ban on fireworks production due to hot weather. The official regulation imposes a ban on production when the weather reaches 32°C (90F) while the current temperature is well above that.

We are noticing that the main problem for the fireworks market is that fireworks industry in China no longer relies on the export market as they had been from 1960 - 1990.

NEWS FLASH

MICHIGAN - House & Senate has approved ALL consumer fireworks! The governor is expected to sign the bill soon

KENTUCKY - is still deciding... the Mayor of Louisville signed a controversial ordinance in November to reinstate a ban on certain fireworks that explode or leave the ground due to public safety concerns. More new developments sure to come.

COMING SOON!

NCI is in the process of upgrading www.greatgrizzly.com

Currently it is still in the design phase and is expected to launch before the 2012 season so keep an eye out for the new and improved look!

Don't forget to find North Central on Facebook  and  Twitter!

PROTECT YOUR BUSINESS

Drayton Insurance continues to provide North Central with insurance coverage and so we are able to offer you great rates as additional insured.

PRODUCT

Product policies are billed as 2% of your firework purchases. It will not be billed on promotional items, freight cost, or on your premise insurance policies. Product insurance will cover some misuse claims or malfunctions that product items may have.

PREMISE

Premise policies will cover a trip & fall type of claim that could happen at your establishment. There are 3 different policies to choose from. Half-million policy for \$160/month. One-million policy for \$210/month. & now a Two-million dollar policy for just \$290/month!

Please note that policies **cannot be back dated, call ahead!**

ROLL CALL!

NCI STAFF:

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36th Season!

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18th Season!

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26th Season!

Sean Alexander
Warehouse Asst. Mgr
14th Season!

Jack Miller
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24th Season!

INDUSTRY EVENTS

Indiana Firework Distributors Association

The IFDA works to support your industry, **become a member today!**
Contact Executive Director Steve Graves
(800) 535-7477.

International Symposium on Fireworks Society

13th International Symposium on Fireworks will be held in Malta
April 23-27th 2012
www.isfireworks.com

National Firework Association Trade Exposition

For information on NFA's 2012 Expo please visit:
www.nationalfireworks.org

American Pyrotechnics Association (APA)

APA Educational Conference

Feb. 21-24th, 2012 in Las Vegas, Nevada

APA Annual Convention

October 2nd-5th 2012 in Louisville, KY

For more info call (301)907-8181 or

www.americanpyro.com



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