The changing face of the print and packaging industry, and opportunities this creates: a perspective from Printing SA

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FEDERATION OF PRINTING & PACKAGING

The vision (our purpose of existence)

We represent the interests of the Printing and Packaging Industry, ensuring that the industry is sustainable and that all stakeholders and in particular our members continue to prosper*.

(* with reference to triple bottom-line reporting: Profitable; due care to the environment; responsible citizenry.)

MISSION (How do we do this?):

We confer; consult; campaign and Train for the well-being of the industry

OUR Values

Professionalism: maintaining the highest appropriate standards of technology and employee skills

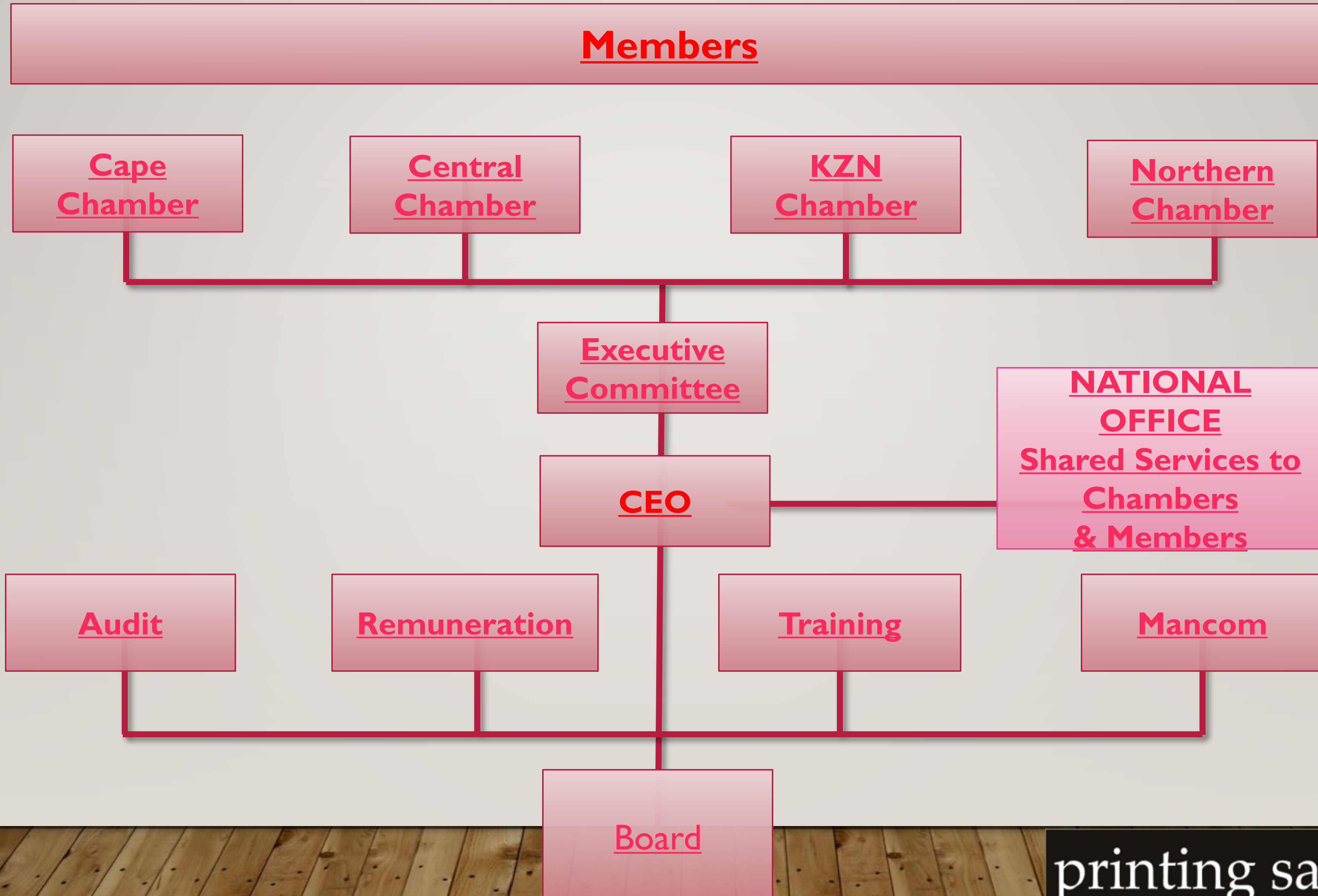
Integrity: being honest and open in all our dealings

Fairness: providing good value for money and top quality

Sustainability: ensuring the best possible financial, social and environmental performance of the business

Accountability: meeting all our obligations to all our stakeholders

Organisational structure



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Overview of Printing Sector

- Estimated no. of printing companies in SA is **1200**
- About 700 companies are suppliers to the trade and provide prepress and postpress services
- Industry employs around 45 000
- Indirect employment possibly 60 000
- Turnover including packaging is estimated to be R60 billion
- Catalogues, brochures annual reports and general commercial printing provides much of the turnover for smaller printers

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Membership Profile

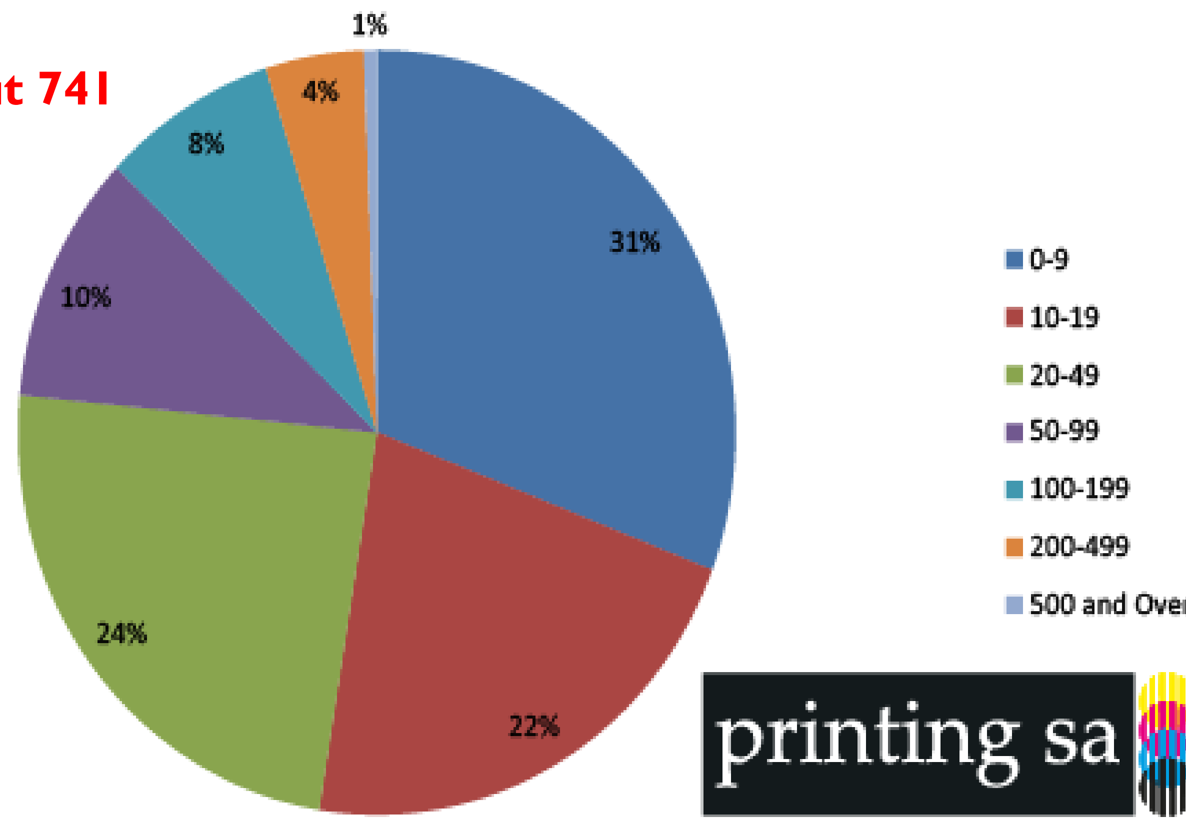
PRINTING SA Companies by Size 2014

Total Membership About 741

Companies employing 0-19 people account for 52.5% of PRINTING SA members, but the employee percentage is only 9%

31% of employes can be found in companies employing between 20 and 99

24% of the workforce however are employed by companies in the 100 to 199 category.



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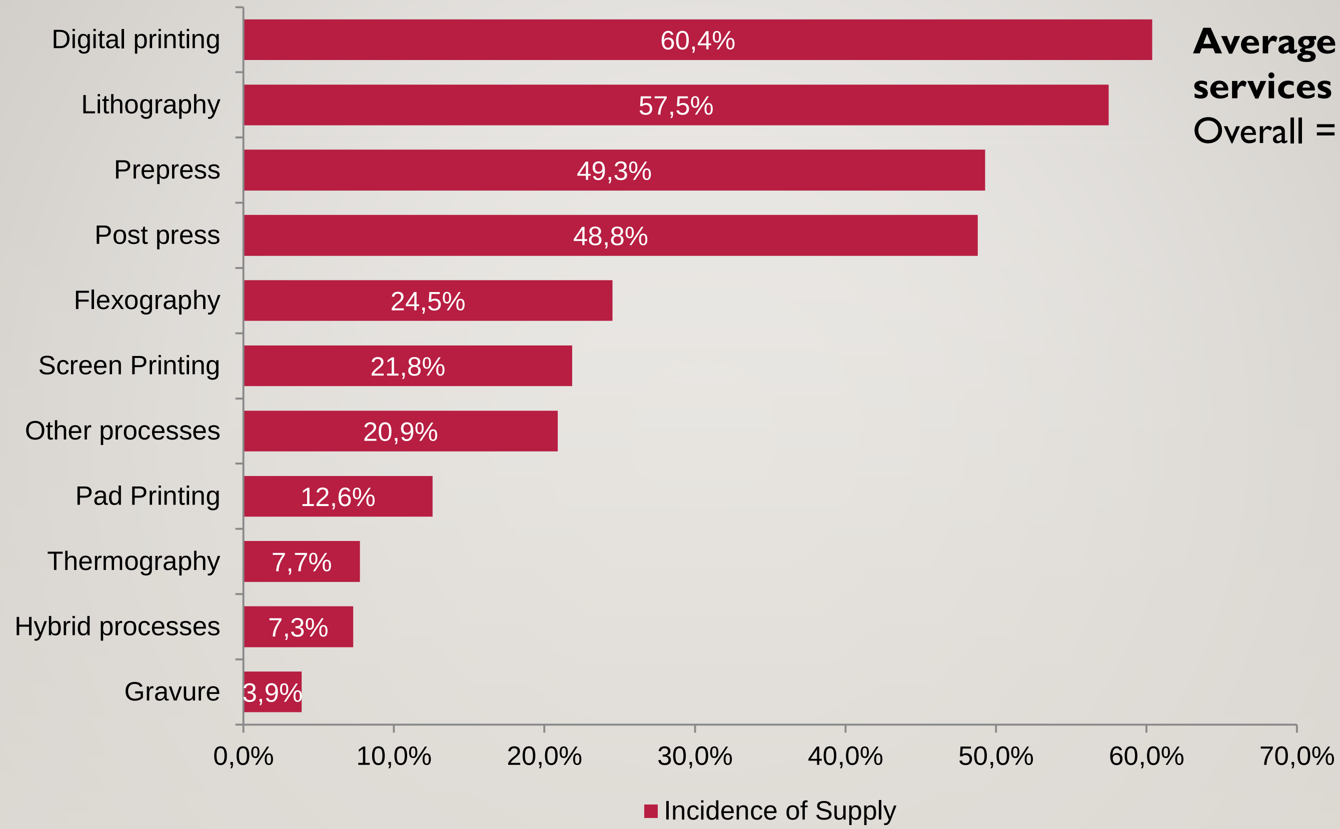
THINK INK. IT'S PART OF YOUR LIFE.

PROCESSES OFFERED

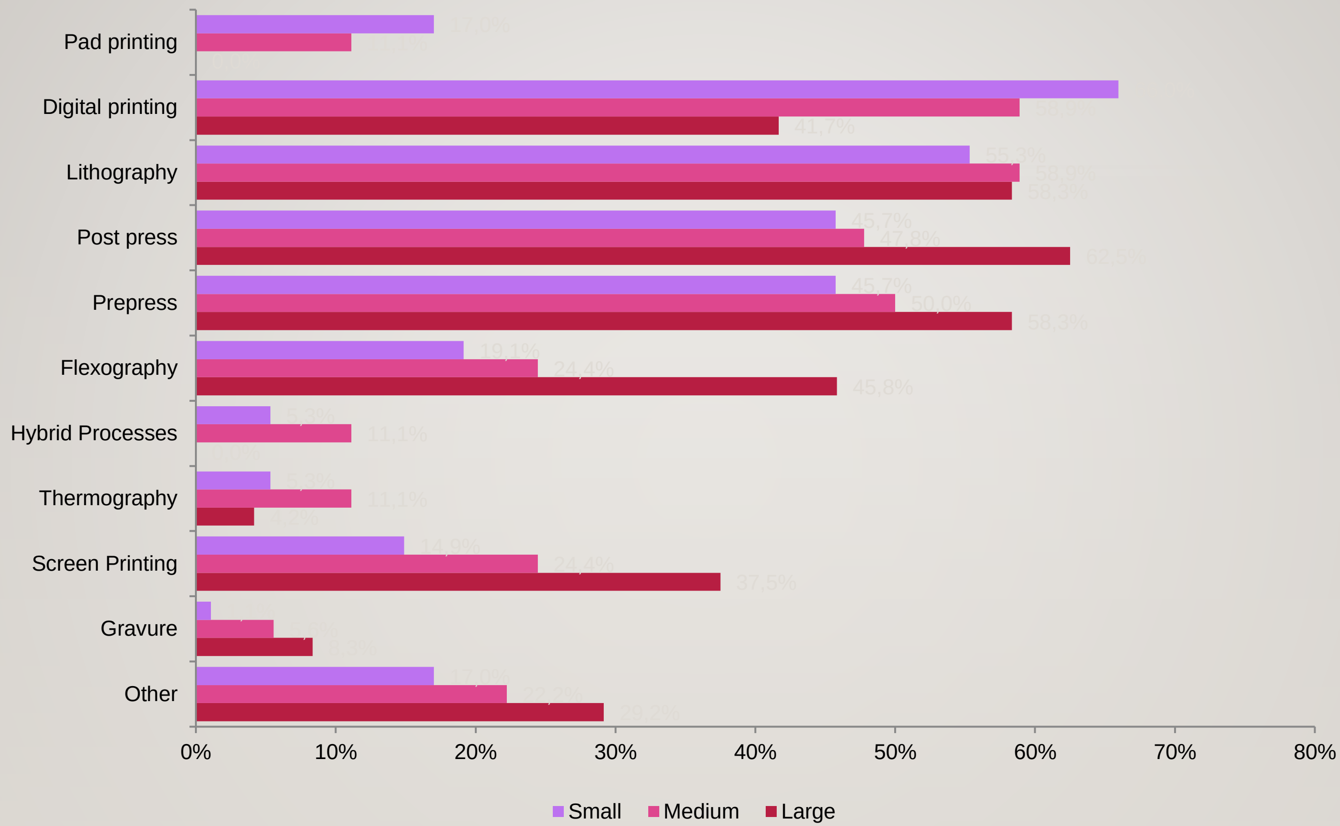


Average number of services
Overall = 3.1

- *This chart offers a breakdown of the incidence of processes offered by the printing industry. Given the average number of services (3.1), it is likely that most businesses offer digital printing, lithography, prepress and post press services, with a collection of less common services to make up the balance.*

n = 202 – 208 respondents, depending on the number that answered for each individual process

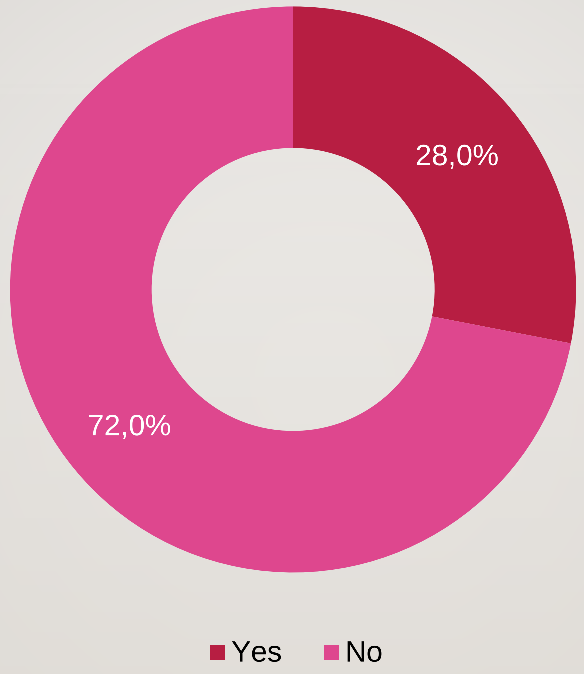
PROCESSES OFFERED CONT.



- *From a birds eye view, the market is dominated by medium players, with small then large businesses making up the balance of the trade. Digital printing, the most common process, is skewed to smaller players. Lithography services, being second, maintain a relatively even share between medium and small going concerns.*

n = 208 respondents, incidence calculated as percentage of all respondents

IMPLEMENTATION OF DIGITAL PRINTING

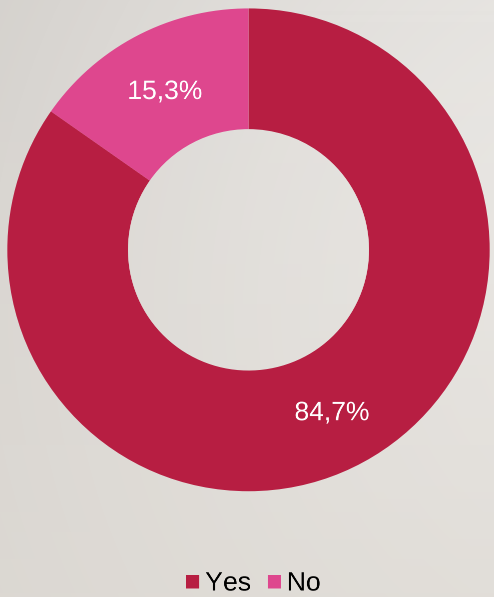


- *Nearly a third of respondents claimed that they have plans to introduce digital printing within the next two years.*

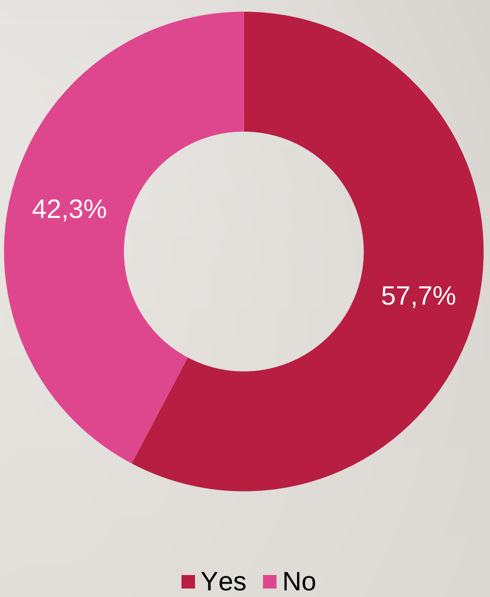
n = 82 respondents

PLATE MAKING DETAILS

Incidence of Computer-to-Plate Technology



Incidence of Film-to-Plate Technology

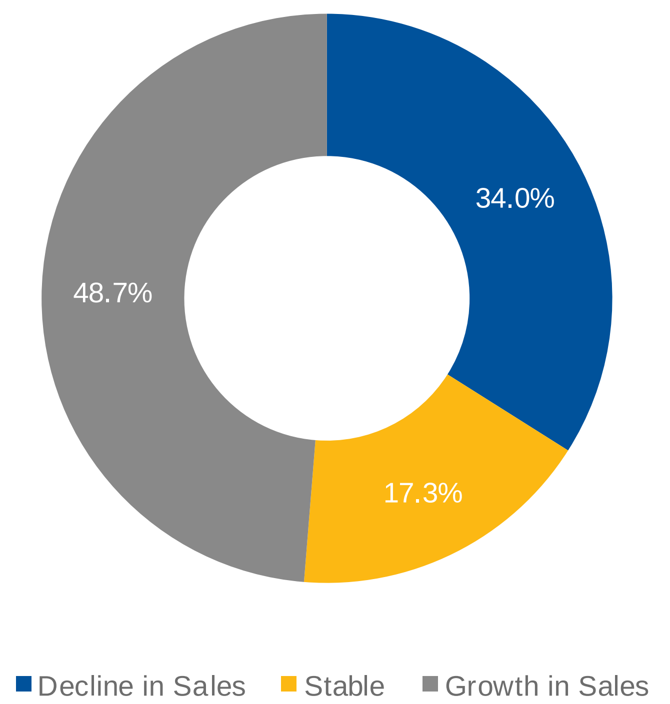


- *There is a far higher incidence of computer-to-plate technology than of film-to-plate technology.*

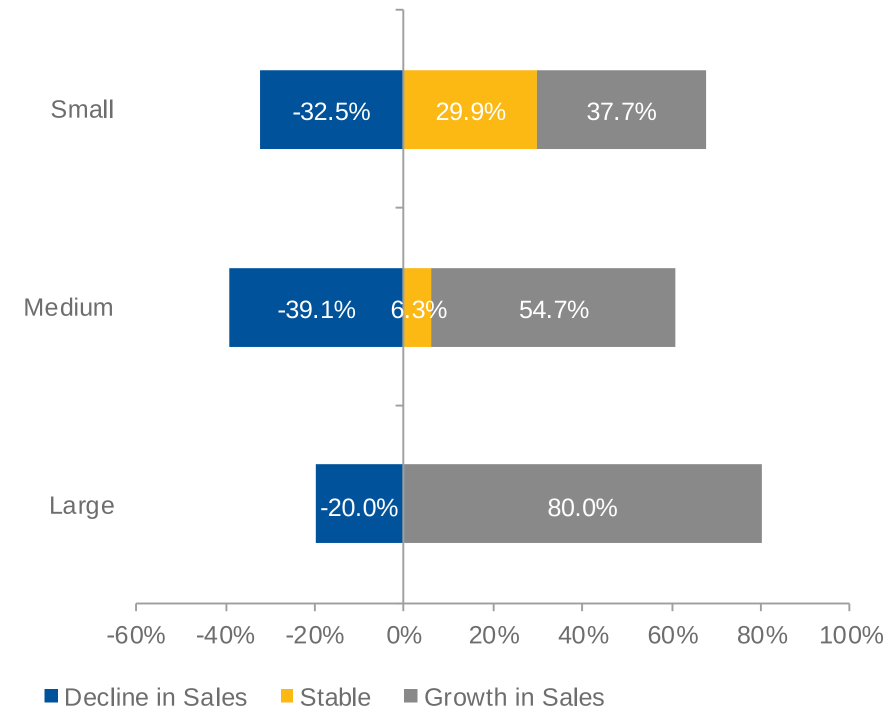
n = 72 respondents

CHANGE IN TURNOVER

Sales Growth/Decline in Last 12 Months



By Company Size

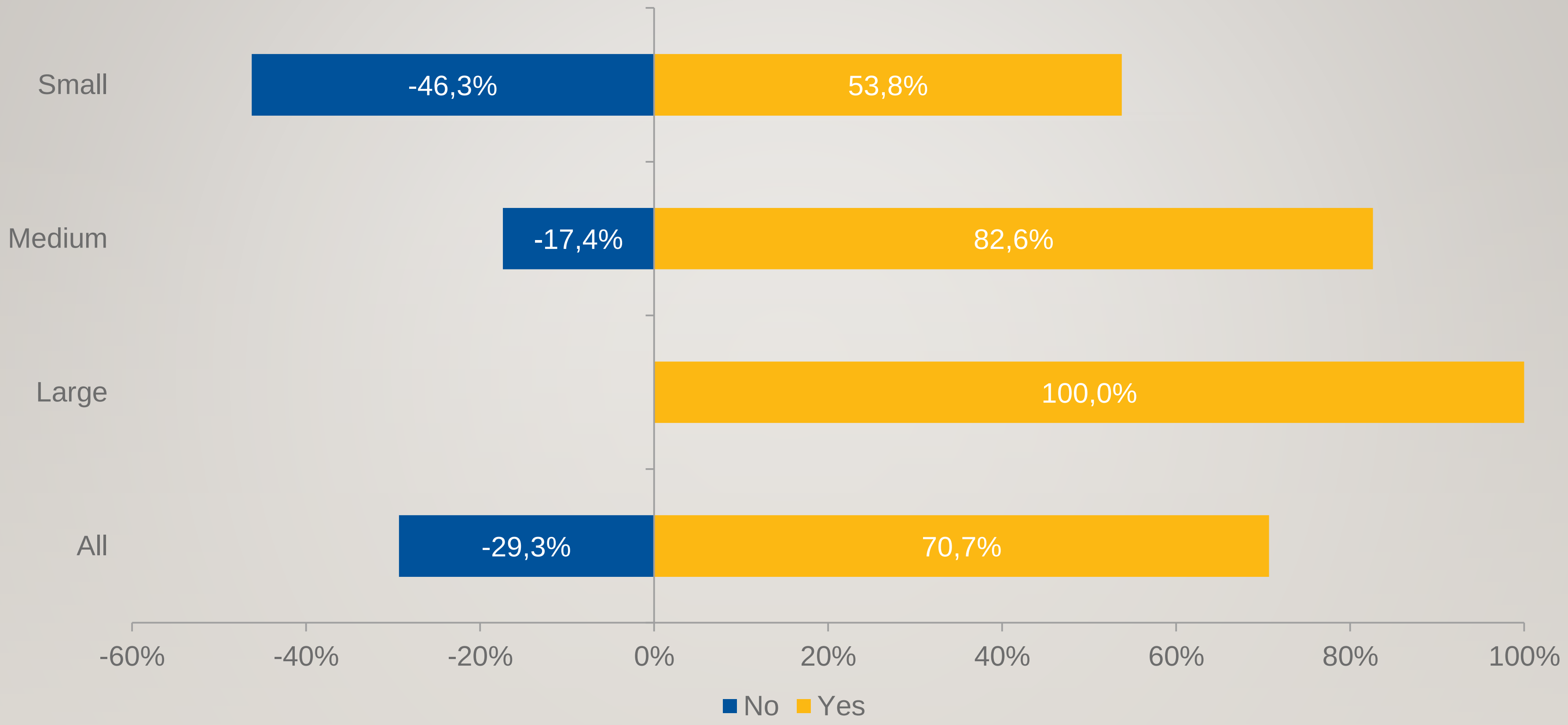


Half of the industry (48.7%) has shown growth in sales in the last year. This is driven by the larger and medium size companies with smaller companies showing a much wider spread of trading conditions. Please note that this is an optimistic view as it excludes company closures in the same time period.

n = 156 respondents

TRAINING

- *Regularly or continuously conduct staff training*

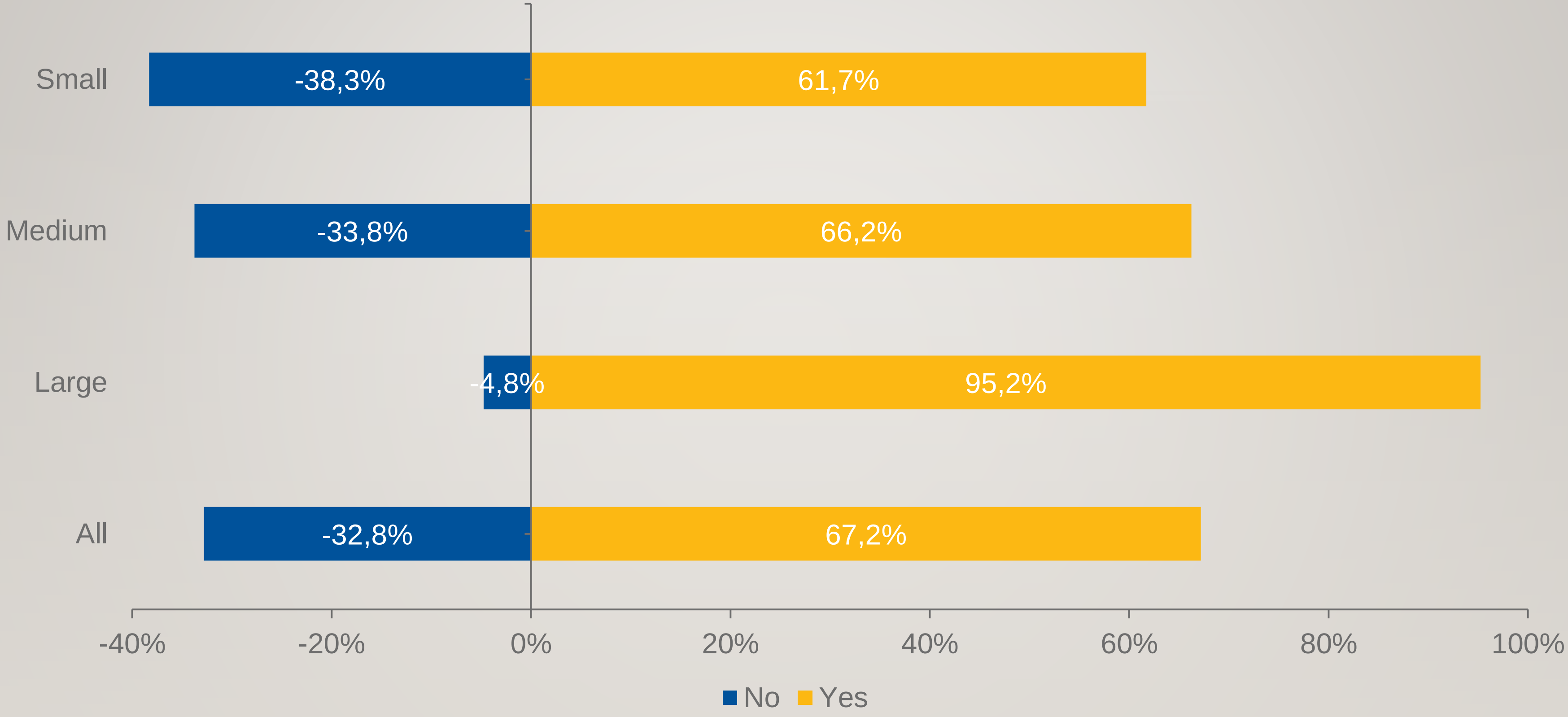


Overall, 70.7% of companies indicated that they conduct staff training on a regular or continuous basis. There is a greater emphasis on training among larger companies, with 100% of large companies conducting staff training compared to only 53.8% of small companies.

n = 167 respondents

PERCEIVED SKILLS SHORTAGES

- *Perceived Skills Shortages*

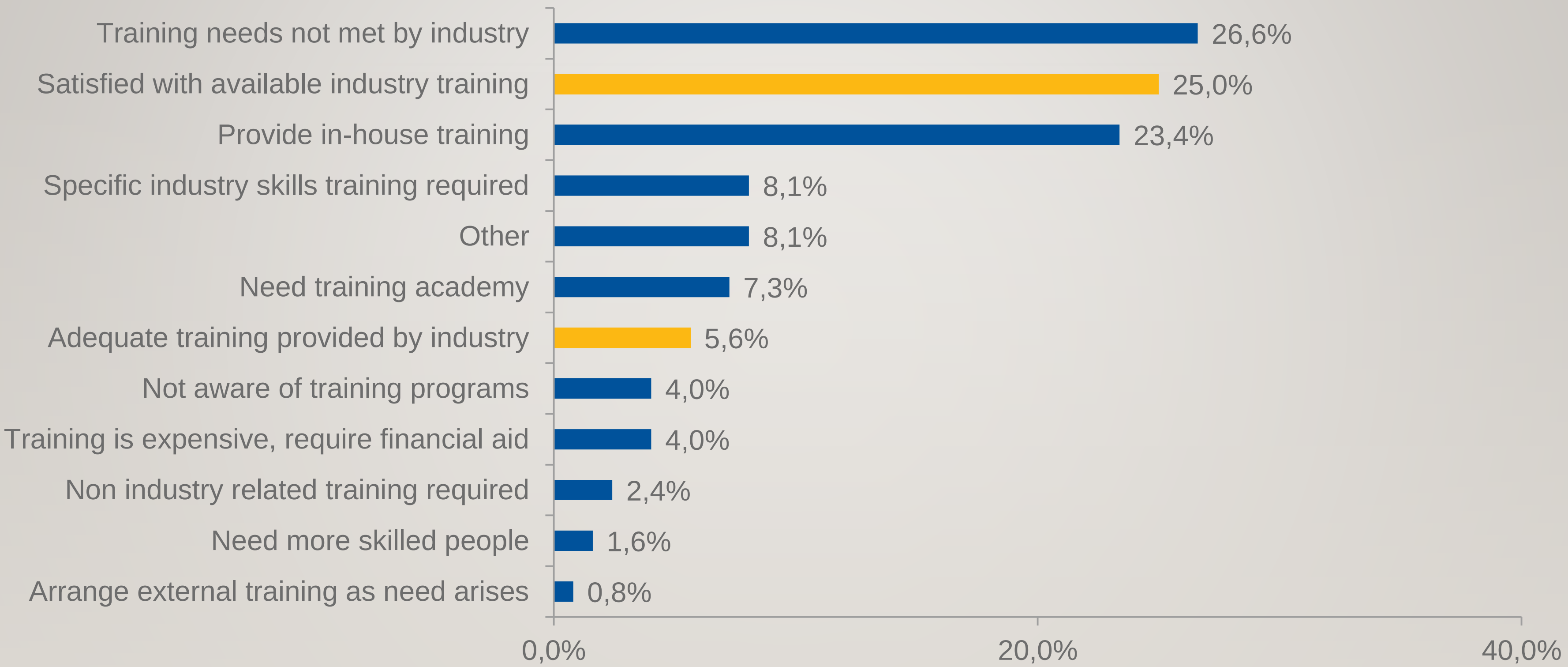


It is evident that large companies are more severely affected by skill shortages with 95.2% indicating that there are skill shortages in the industry. More than 60% of small and medium companies also feel that the industry is negatively affected by skill shortages.

n = 192 respondents

SKILLS

- *Skills and Training Needs met by Industry*



25.8% of companies indicated that their training needs are not met by the industry, while another 25% of companies indicated that they were satisfied with the training received by the industry. A quarter (23.4%) that they conduct their own training in-house. There was also a notable amount of companies who expressed their need for the training colleges to be re-opened.

n = 124 respondents


Thank you