

2019

ECONOMIC REPORT

Evolution of
the European graphic industry

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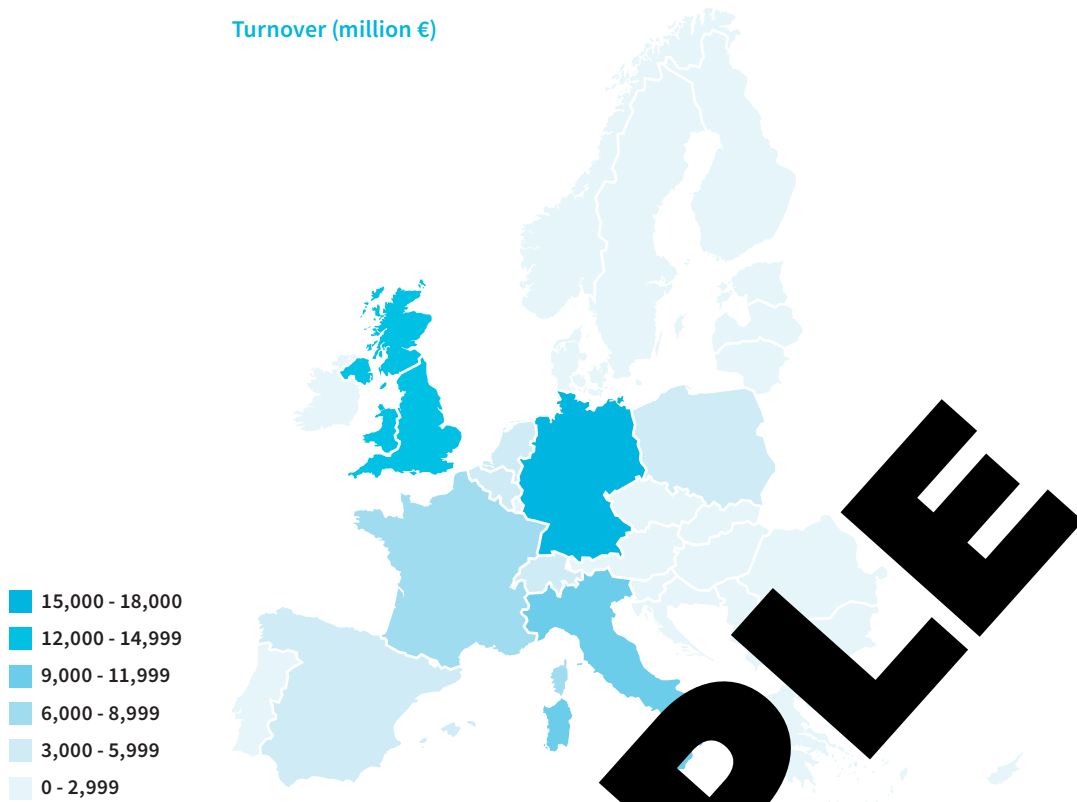
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Turnover (million €)



- Approximately 625,000 employees are working in the European printing industry in 2016.
 - In 2016, the European printing industry counted approximately 112,000 companies, which generated a turnover of around € 79.5 billion.
 - The turnover of the European printing industry decreased by approximately 25% over the last decade (2006-2016), so did the number of employees. The number of companies decreased by over 30% over that period.
- Germany, UK and Italy generate the largest turnover and register the highest number of employees in Europe whereas France, Italy and Spain have the highest number of printing companies in Europe.

SAMPLE

Production value of printed products by country, 2017, in %



- The main producer of printed products in Europe is Germany, with a total production value of € 10.4 billion. This corresponds to a quarter of the total European production. Germany is the largest producer of printed advertising (€ 3.9 billion), which represents one third of its print production. It is also the main producer of magazines (€ 1.4 billion).
- Italy has a total production of € 6.0 billion. This corresponds to 14.5% of the total European production and makes Italy the second largest producer of printed products in Europe. Its production value is mainly allocated to catalogues, advertising and books.
- With a total production value of € 5.5 billion, the UK is the third largest producer in Europe. The UK dedicates the largest share of its production to books (€ 1.6 billion). The UK is the largest producer of books in the European Union (€ 1.6 billion).
- 12% of European printed products are produced in France; this is worth € 4.7 billion. More than a quarter of France's production is allocated to advertising material.

SAMPLE

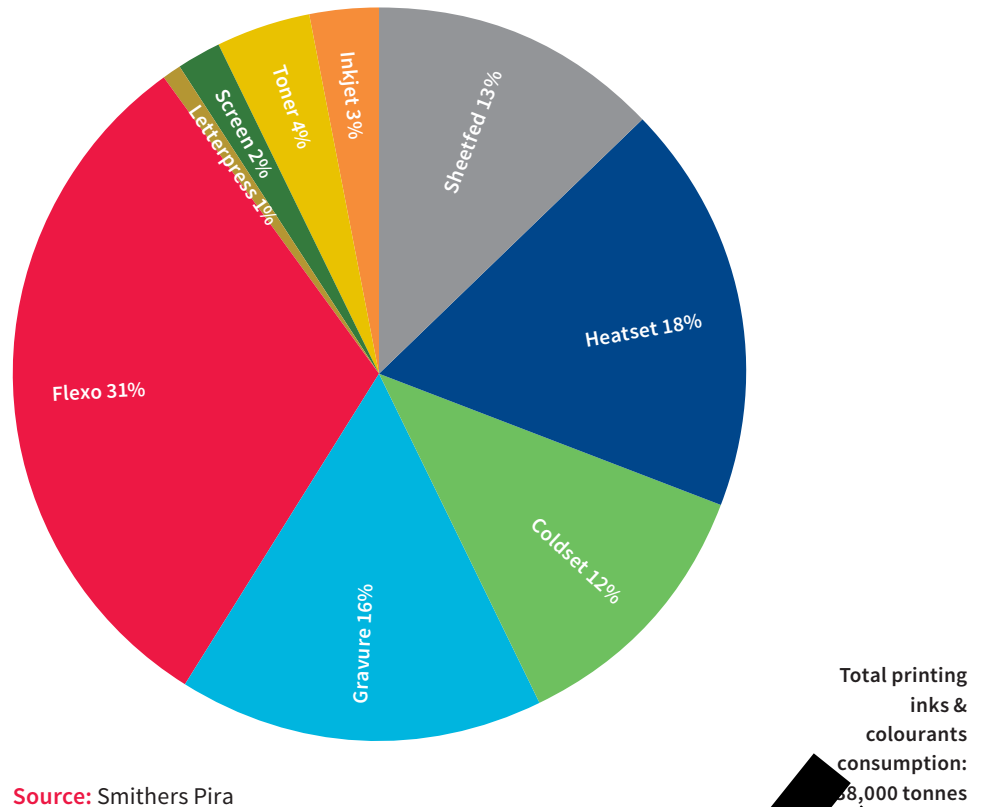
Trade partners, exports from the EU, 2018



- The European Union exported 16.5 billion worth of printed products to non-EU countries.
- 49% of EU exports of printed products were books.
- The most important EU exports in 2018 were Switzerland (18%), the US (16%) and Australia (5%).

SAMPLE

FIGURE 5 European Printing Inks Consumption by Type, 2018 (% share by volume)



Source: Smithers Pira

Printing equipment

Future demand for print systems generally declining at a slow rate. Overall, new analogue presses are declining at constant prices, while digital is growing. The offset and coldset litho machinery has been particularly pronounced. Magazine printing has dropped in Europe, while innovation in flexo processes makes the only analogue process to show positive growth across 2013–18. The market is expected to drop across 2018–23, but at a slower rate than the five years before. Only inkjet (marginally) will see positive growth as annual sales into Europe drops from 1.5 billion to 1.4 billion, a compound annual growth rate of -1.2%.

Digital print equipment sales remain strong with a growth rate of 3.9% per annum over the last five years. However, it is predicted that over the next five years the annual sales of digital printing presses is expected to decline at a rate of 0.3%. This is in part due to a fall in sales of electrophotography presses in response to better inkjet printers. Investment in inkjet printing equipment is continuing but growth rates are expected to settle back over the next five years while investment in electrophotography systems is set to fall back.

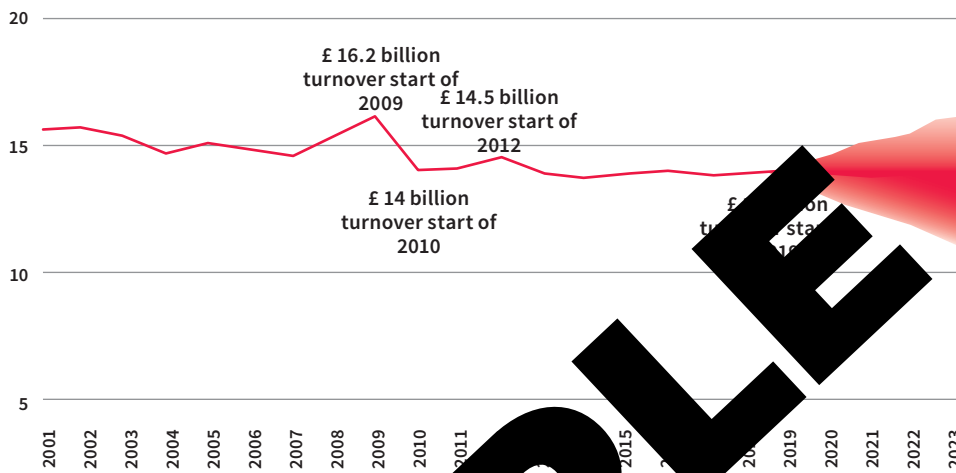
Overall sales of printing equipment are forecast to decline on average, by 1.2% per annum in real terms over the period 2018–23 to €4.96 billion but will grow by half a per cent per annum in current terms including the effects of general inflation. Offset litho printing equipment investment is set to fall back, coldset web offset press sales declining by just over three per cent per annum in real terms. Inkjet equipment sales, meanwhile, are forecast to grow by around two per cent per annum in the same measure, reaching €1.11 billion at today's prices by 2023.

5.14 UNITED KINGDOM

2018 turnover

Preliminary data suggests that 2018 turnover data may be very slightly up (around 1%, in comparison to 2017) for the entire printing industry. The fan chart below shows turnover on recent years and expectations for the next few years.

UK Printing industry - turnover (£bn) 2001-2023



Source: BPIF Research; 2017 – 2023 forecast estimates.

As in recent years, much of the headwinds are often mitigated by the changes that have been occurring in the newspaper and magazine sectors, which continue to face considerable disruption from the rise of digital media and changing consumer behaviour. However, other sectors have exhibited resilience and some have seen healthy growth. The charts below show that companies have managed to achieve output and order growth throughout 2018 (though not all will have achieved turnover growth).

Volume of output (Q4) with forecast, dip to come in Q1

