

BPIf

PRIORITIES FOR PRINT

2015-2017

Printing is one of the UK's leading manufacturing sectors. Its success depends on your support.



OUR PRIORITIES

OPTIMISING COMPETITIVENESS
AND PROFITABILITY

SECURING ACCESS TO FUNDING

DEVELOPING SKILLS

DELIVERING SUSTAINABLE

PRODUCTION AT AN AFFORDABLE COST

PROMOTING LITERACY, DEMOCRACY,
AND EFFECTIVE COMMUNICATIONS

THE UK PRINTING INDUSTRY

Serving all sectors of the economy, print is a vital part of the UK's infrastructure. It supports UK exports across a wide range of products and services, with many print companies serving customers in international markets such as publishing, banking and insurance, multiple retail, and pharmaceuticals.

With annual sales of £13.5 billion, the UK printing industry is the fifth largest in the World. It employs over 120,000 people in around 9,000 companies, with many more employed in the manufacture of paper and other raw materials used for print production. Ranging from books to brochures, periodicals to packaging, newspapers to notepaper, and magazines to mail order catalogues, printed products make a positive contribution to the UK trade balance, with exports exceeding imports by over £800 million.

PRIORITY ONE

OPTIMISING

COMPETITIVENESS

AND PROFITABILITY

In relative terms printing adds more value than any manufacturing industry apart from pharmaceuticals - a gross value added* greater than £6 billion annually. The industry invests over £600 million per annum to enhance its competitiveness and reduce its environmental impact.

However sustaining this level of investment requires a business environment that supports competitiveness. Stable economic policies, reduced tax burdens, light-touch regulation and reliable postal services providing universal coverage at realistic prices are of crucial importance, together with measures to curb the abuse of pre-packaged sales in administration ('pre-packs').

* Gross Value Added (GVA) is turnover generated minus expenditure on goods, materials and services. GVA is what the industry adds in value by its activities – essentially its direct contribution to the UK economy.

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HOW GOVERNMENT CAN HELP



REDUCING EXTERNAL COST BURDENS

- Minimise increases in taxes and business rates and maintain existing reliefs
- Continue to eliminate unnecessary regulatory burdens

IMPROVING PUBLIC POSTAL SERVICES

- Maintain existing efforts to improve the value-for-money offered by the UK's public service postal provider and retain the universal service obligation
- Reject calls to replace 'opt-out' options for direct mail recipients with 'opt-in' requirements

CURBING ABUSE OF PRE-PACKS

- Preclude any person advising on a pre-pack from subsequently becoming the administrator in any subsequent pre-pack sale
- Require that any administrator undertaking a proposed pre-pack sale to connected parties must declare that the prospective sale price represents the best value for creditors
- Provide that at least three days' notice must be given to creditors of the terms of any such proposed sale if there has been no open marketing of the assets
- Require court or creditor sanction for any pre-pack sale to a connected party

PRIORITY TWO

SECURING ACCESS TO FUNDING

Access to finance on realistic terms remains difficult for print businesses. Tight credit conditions, high levels of late payment and increased bad debt have been accompanied by a dramatic reduction in bank lending to small firms.

Where finance has been available the cost of lending has often proved to be unacceptably high. In addition, small businesses are often unaware of business support funding available from government or find it difficult to access.

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HOW GOVERNMENT CAN HELP

TACKLING LATE PAYMENT

- Make all public agencies pay all SME invoices within 30 days
- Require that contractors used by the public sector pay their sub-contractors within the same period as the main contractor is paid
- Require that all suppliers to the public sector sign up to the Prompt Payment Code
- Provide for suppliers to be able to make complaints about late payment suppliers anonymously through their representative business organisations, as required under EU legislation

IMPROVING ACCESS TO BUSINESS SUPPORT FUNDING

- Simplify business support programmes, grant funding and tax credits, ensuring that these are relevant to the needs of SMEs and well-communicated to them
- Establish a Sectoral Growth Fund to assist long-established industries to restructure and meet the challenges of the digital revolution

REFORMING THE LENDING SECTOR

- Increase the supply of accessible bank lending to enable essential investment in capital equipment and service development, strengthening incentives and penalties necessary to encourage increased banking lending to SMEs
- Continue to encourage greater competition in the lending sector by supporting the development of alternative sources of finance and by encouraging new lenders to enter the market

PRIORITY THREE

DEVELOPING SKILLS

Printers are adept at producing innovative products and solutions that enable their customers to access new markets. Many are multi-channel marketing solutions providers. Print is an advanced manufacturing industry, using flexible workforces with specialist skills in science, technology, engineering, mathematics and design.

However the printing industry is dominated by small companies with limited administrative resources, and is greatly dependent on the services of external training providers in accessing funding for apprenticeships and other training and in managing training programmes through to successful outcomes.





HOW GOVERNMENT CAN HELP

PROVIDING THE RIGHT FUNDING SUPPORT

- Provide increased skills funding to enable printing companies to adapt to structural change
- Ensure that employer-led funding for apprenticeships is implemented without imposing onerous administrative burdens on smaller employers and that cash flow constraints do not prevent their participation in apprenticeship training programmes

ENCOURAGING TAKE-UP OF APPRENTICES

- Ensure that no age restrictions apply to apprenticeship or other skills funding
- Amend current age discrimination legislation to allow companies to retire employees in circumstances where this would increase recruitment of apprentices
- Promote manufacturing as a worthwhile and satisfying career option

PRIORITY FOUR

DELIVERING SUSTAINABLE PRODUCTION AT AN AFFORDABLE COST

Print and paper is a highly sustainable sector. Paper is made from a crop, and for every tree that is logged in managed forests, three to four trees are replanted. 65% of all paper is now recycled. The industry has high levels of take-up for the ISO 14001 environmental management standard, FSC and PEFC accreditation, and carbon balanced offsetting.

However while the industry is continually reducing its carbon footprint and energy consumption, it relies on affordable and reliable energy supplies. Printers are concerned at the escalating cost of energy and the impact of this on their competitiveness.

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HOW GOVERNMENT CAN HELP

REFORMING THE SUPPLY SIDE

- Encourage greater competition between energy suppliers and remove barriers to switching supplier
- Improve security of energy supply through investment in new generating capacity

PROMOTING GREATER ENERGY EFFICIENCY

- Provide incentives for companies to improve energy efficiency
- Retain a Climate Change Agreement for the print sector

RECOGNISING PRINT'S ENVIRONMENTAL CREDENTIALS

- Understand that print is an inherently sustainable communications medium and that electronic alternatives do not come with a zero carbon footprint

PRIORITY FIVE

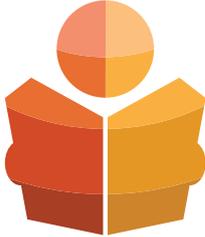
PROMOTING LITERACY, DEMOCRACY, AND EFFECTIVE COMMUNICATIONS

Print is an important vehicle for advertising, education and entertainment. It is crucial to maintaining high standards of literacy. With 7.1 million UK citizens having never used the internet and 33 per cent of UK households not owning a PC, print enables government to engage with the public and seek their participation in elections and consultations. It plays a vital role in disseminating information and in enabling business communications.

As a major supplier to the public sector, the industry looks to Government to ensure simplicity and fairness in public procurement. Procurement decisions should not be made solely on price but should also consider the value for money, product effectiveness and sustainability offered by financially viable UK print suppliers, as well as the social consequences of any decision to source printed products overseas.

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HOW GOVERNMENT CAN HELP

HARNESSING THE POWER OF PRINT IN ENGAGING MEMBERS OF THE PUBLIC

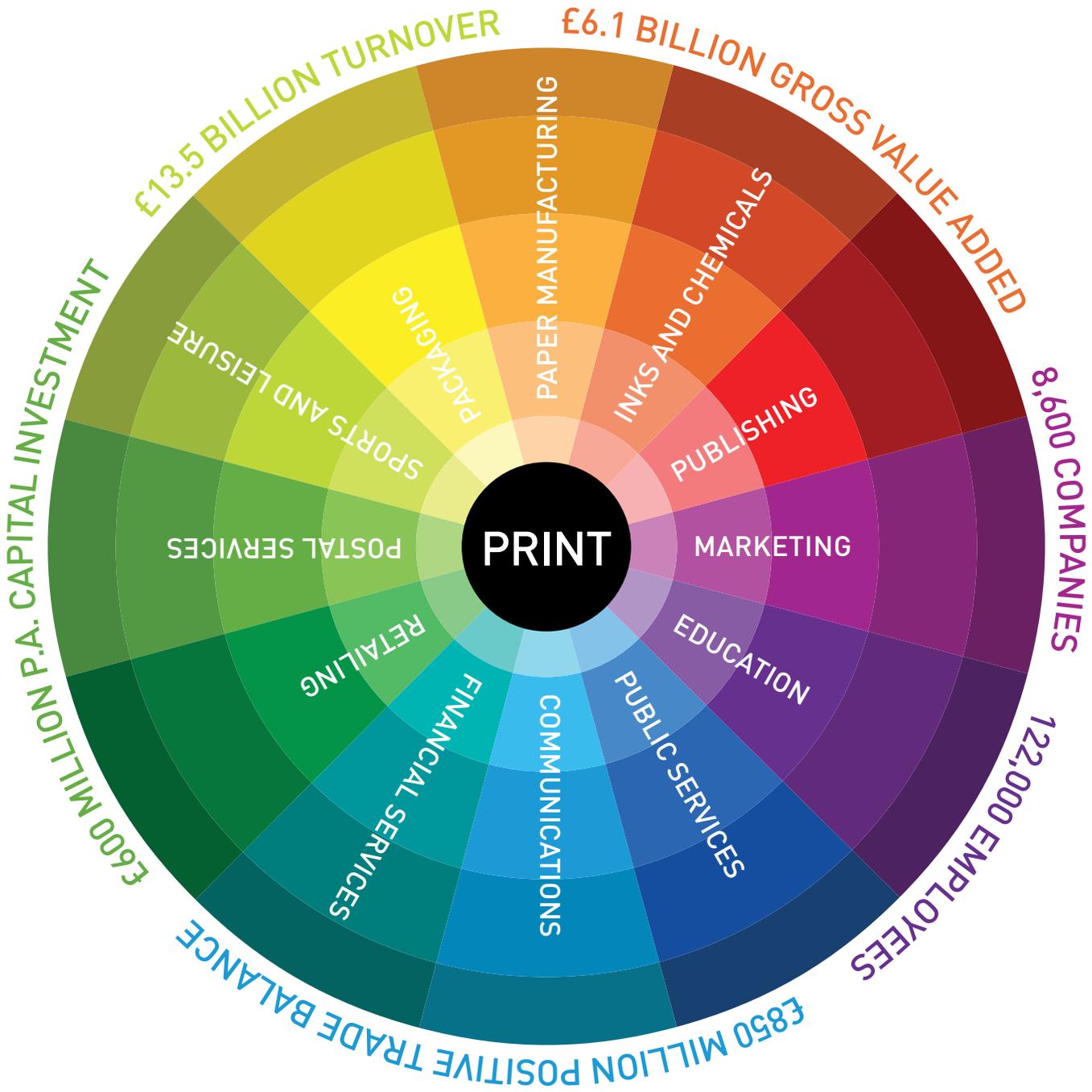
- Use print media to optimise engagement with UK citizens and ensure high levels of participation in public affairs

PROMOTING LITERACY

- Retain VAT zero-rating of printed books, newspapers and magazines
- Provide that in circumstances where a supply of postage for direct mail marketing products is combined with the supply of printed matter which is zero-rated (single sourcing), then no VAT would be chargeable on the postage element

ENSURING SIMPLICITY AND FAIRNESS WHEN BUYING PRINT

- Adopt fair, charge-free and transparent procurement policies and procedures, requiring public bodies to seek optimum value for money from viable UK print manufacturers that use efficient and sustainable production processes
- Simplify and standardise pre-qualification tender requirements and ensure these are applied by all public sector print buyers
- Ensure that public sector organisations competing with the private sector in offering printing services on a commercial basis do so on a 'level-playing field' basis
- Ensure that all public bodies, and their contractors, pay suppliers within 30 days



PRINT SUPPORTS ALL ASPECTS OF BRITAIN'S ECONOMY



Print is an important medium for advertising, education, entertainment and information. It serves all parts of the economy – including central and local government, financial services, retailing, distribution, travel and tourism and manufacturing industry. It is extremely versatile and well-trusted. Print is produced in attractive, tactile and highly portable formats, mainly using sustainable materials.



BPIF

ABOUT THE BPIF

The BPIF is the principal business support organisation representing the UK print, printed packaging and graphic communication industry and is one of the country's leading trade associations. Visit our website to find out more about us or contact us via the details below.

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