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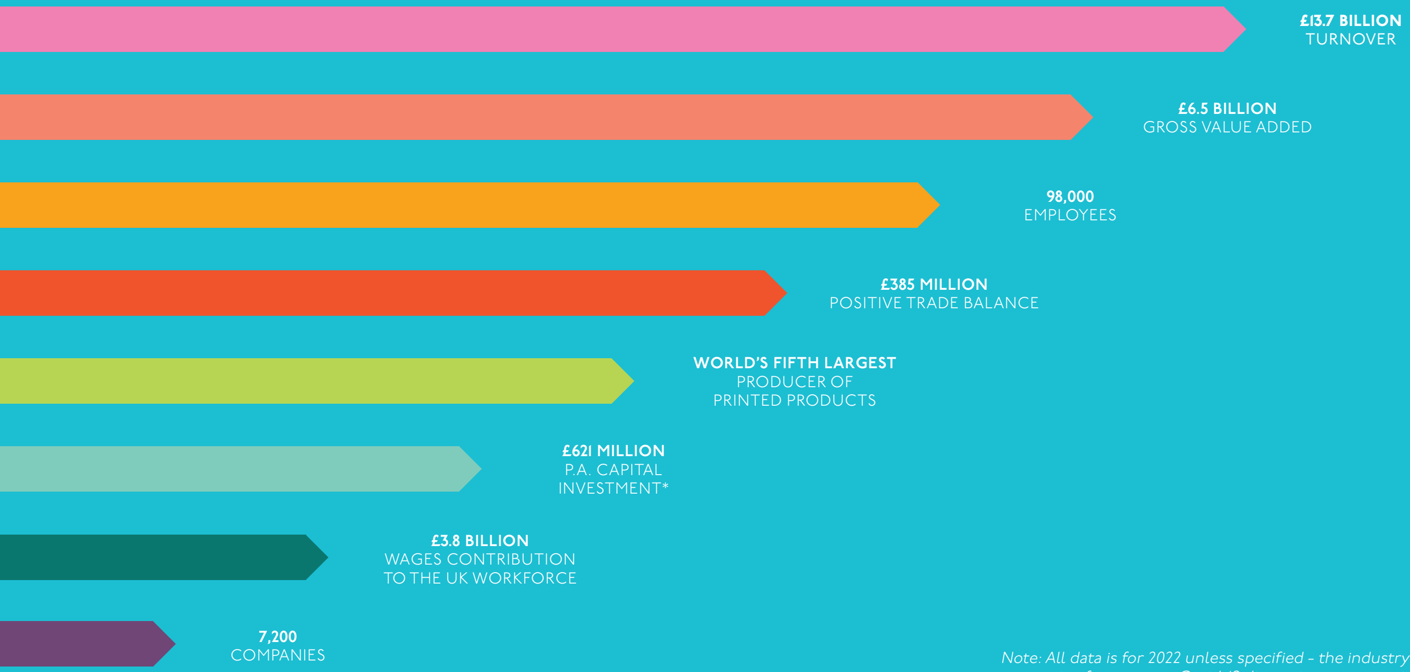
UK PRINTING FACTS & FIGURES



*Note: All data is for 2022 unless specified – the industry has been recovering from severe Covid-19 disruption; turnover is forecast to reach £13.9 billion in 2023. * Average in the ten years to 2020.*

WHAT IS PRINTING?

*Source: Two Sides, twosides.info; *Cepi, cepi.org*

IT'S ALMOST IMPOSSIBLE TO IMAGINE A WORLD WITHOUT PRINT.

IT'S ALL AROUND US AND PLAYS A VITAL ROLE IN OUR DAILY LIVES.

Print is largely produced using sustainable materials. It is predominantly paper-based. 86% of the wood used by the industry is sourced from within the European Union and 78% comes from certified forests* – which are growing by over 1,500 football pitches every day! Printing companies are at the forefront of improvements in environmental performance in manufacturing, with high levels of take-up for both the ISO 14001 environmental management standard and for FSC and PEFC chain of custody accreditations.

Print is highly effective. It provides the means to communicate 'messages' easily, quickly and at a low cost.

Print has impact. It is creative, it engages, it is versatile and it is persuasive.

Print has longevity and authority. It is tactile and offers a 'real world' experience. It has a unique ability to grab and hold people's attention. In fact no other media channel can offer this combination of qualities.

Print is an important vehicle for advertising, education, entertainment and information. It serves all parts of the UK economy – including central and local government, financial services, retailing, distribution, travel and tourism and manufacturing industries.

Print is an advanced manufacturing sector. It utilises cutting-edge information and production technologies.

Print can be interactive and integrated. The use of augmented reality, printed electronics and near-field communications offers the opportunity to increase the engagement between consumers and brands and enhance the effectiveness of marketing campaigns.

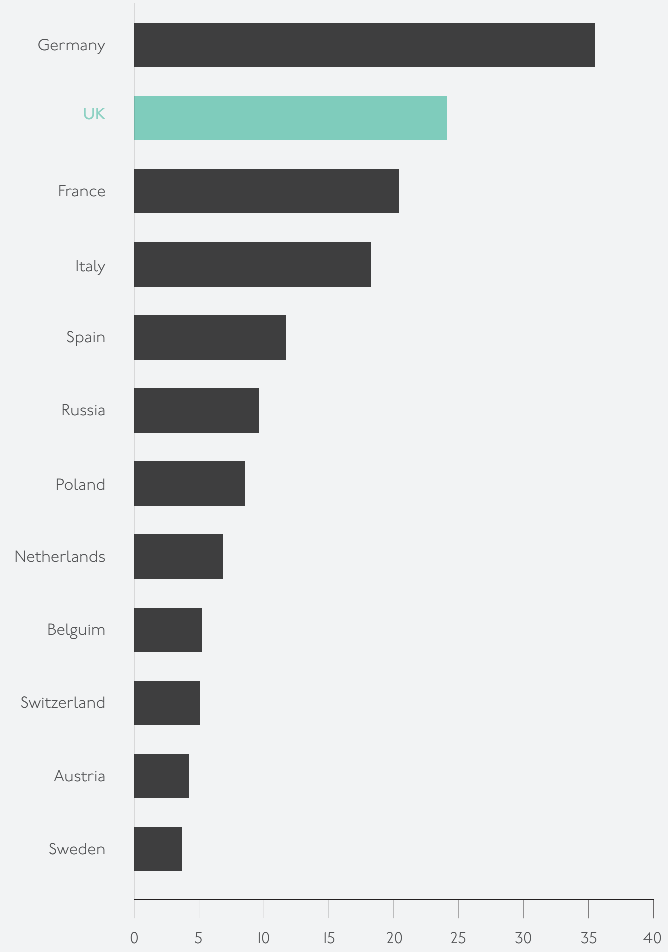
ECONOMIC IMPORTANCE

WITH A TURNOVER OF £13.7 BILLION, GROSS VALUE ADDED OF £6.5 BILLION AND EMPLOYING AROUND 98,000 PEOPLE IN 7,200 COMPANIES, THE UK PRINTING INDUSTRY REMAINS AN IMPORTANT ECONOMIC CONTRIBUTOR AND EMPLOYER IN ALL UK REGIONS.

The UK is the fifth largest producer of printed products in the world, and second largest in Europe. Printed matter contributed £358 million to the UK's balance of trade in 2022.

There are more printing companies in the UK than there are McDonalds in Western Europe.*

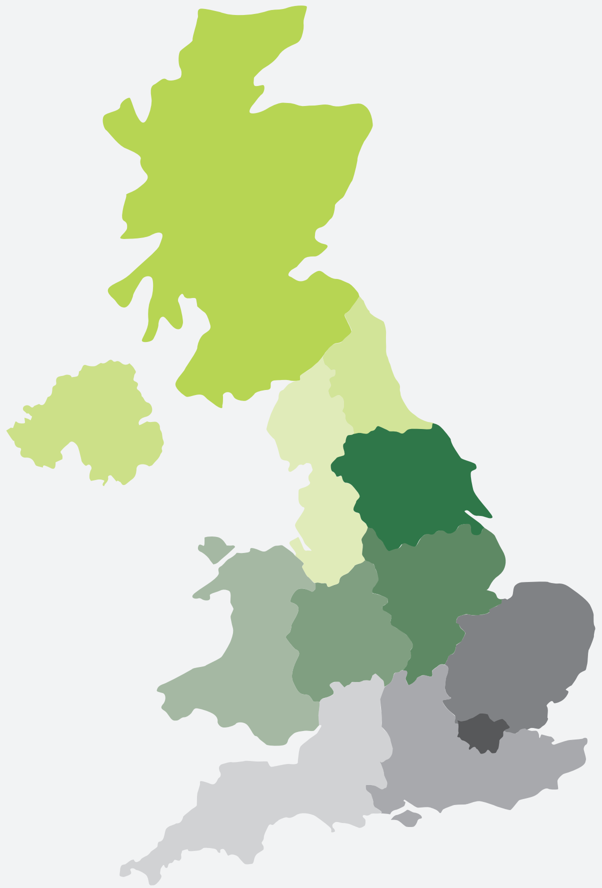
LARGEST EUROPEAN PRINT MARKETS
OUTPUT BY COUNTRY
2022 VALUE € BILLION



Source: Smithers - estimates for 2022, www.smithers.com
**Number of McDonalds sourced from www.statista.com*

REGIONAL
UK PRINTING

UK PRINTING - 2022
COMPANIES, EMPLOYMENT AND TURNOVER



NORTH EAST
Companies 217
Employment 4,162
Turnover £971m

NORTH WEST
Companies 774
Employment 10,867
Turnover £1,455m

YORKSHIRE AND THE HUMBER
Companies 635
Employment 12,363
Turnover £1,732m

EAST MIDLANDS
Companies 690
Employment 11,197
Turnover £1,670m

WEST MIDLANDS
Companies 597
Employment 7,077
Turnover £781m

EAST
Companies 822
Employment 11,396
Turnover £1,319m

LONDON
Companies 940
Employment 8,925
Turnover £1,269m

SOUTH EAST
Companies 1,123
Employment 12,238
Turnover £1,805m

SOUTH WEST
Companies 665
Employment 8,802
Turnover £1,212m

WALES
Companies 250
Employment 3,844
Turnover £602m

SCOTLAND
Companies 365
Employment 4,975
Turnover £622m

NORTHERN IRELAND
Companies 151
Employment 2,152
Turnover £310m

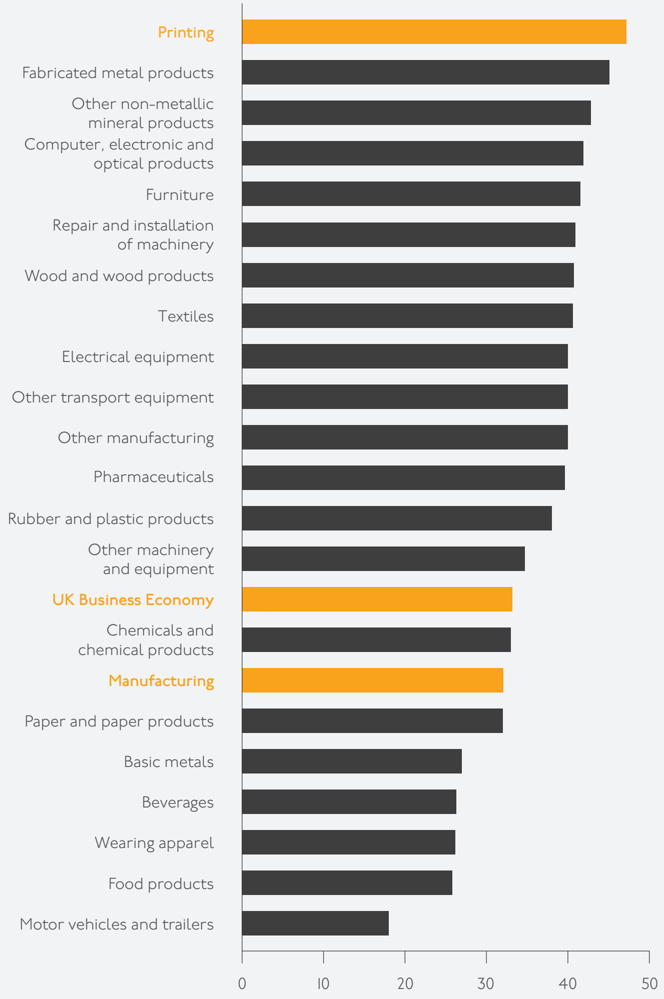
ENGLAND
Companies 6,433
Employment 87,027
Turnover £12,214m

UK
Companies 7,199
Employment 97,998
Turnover £13,748m

Note: Turnover in 2019 (pre-Covid) was £13.9bn; forecast for 2023 is £14.2bn.
Source: BPIF Research analysis of ONS data for 2022

VALUE ADDED IN PRINT

PRINTING ADDS RELATIVELY MORE VALUE THAN OTHER MANUFACTURING INDUSTRIES
GVA (GROSS VALUE ADDED) AS A % OF TURNOVER

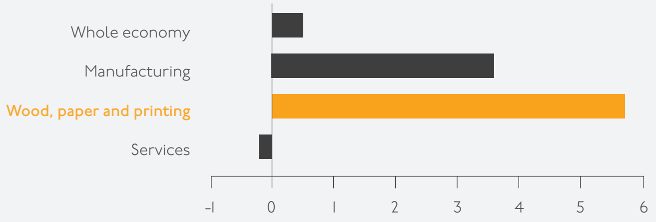


Gross Value Added (GVA) represents the amount that individual businesses, industries or sectors contribute to the economy. It is the difference between the value of goods and services produced by businesses (output) and the cost of raw materials and other inputs which are used up in production of those goods and services (intermediate consumption). Here, **GVA** is what the industry adds in value by its activities - essentially its direct contribution to the UK economy. **GVA as a % of turnover** is calculated to show the performance of each sector, relative to its size.

PRODUCTIVITY IN PRINT

Underperforming productivity continues to be a feature for much of the UK economy. However, the latest productivity statistics from the ONS reveal that the printing industry provides a productivity boost. Continued investment in training, technology and process improvements have ensured that productivity gains are well above national averages.

PRODUCTIVITY (OUTPUT PER HOUR)
AVERAGE ANNUAL % CHANGE 2018-2022



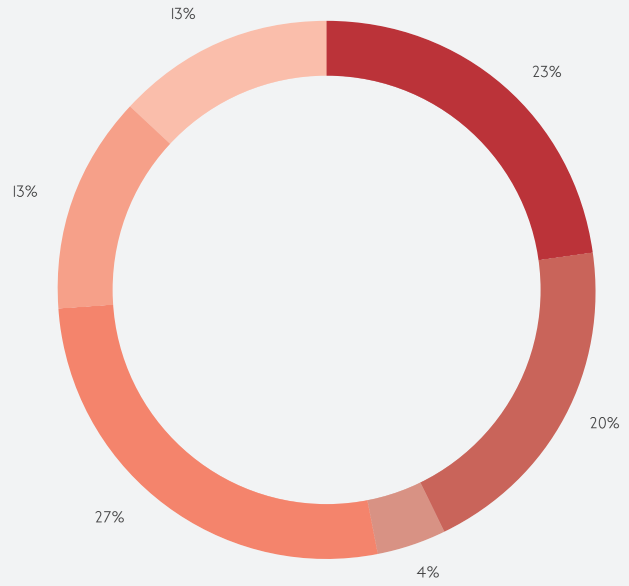
Source: ONS, Annual Business Survey - May 2023
Source: ONS, www.ons.gov.uk

PRODUCTS BY SECTOR

PRINT CAN TAKE MANY FORMS AND HAVE MANY USES.

Print is visual media in its own right, a carrier and display of information, advertising, entertaining and educating. Look around and you'll see many examples of print right in front of you. Print is not only books, newspapers, magazines and advertising – it is packaging, fashion, art, signage, creativity, security and information.

TURNOVER SHARE BY PRODUCT SECTOR
MARKETING REMAINS IMPORTANT WITH A SIGNIFICANT DIRECT AND INDIRECT IMPACT



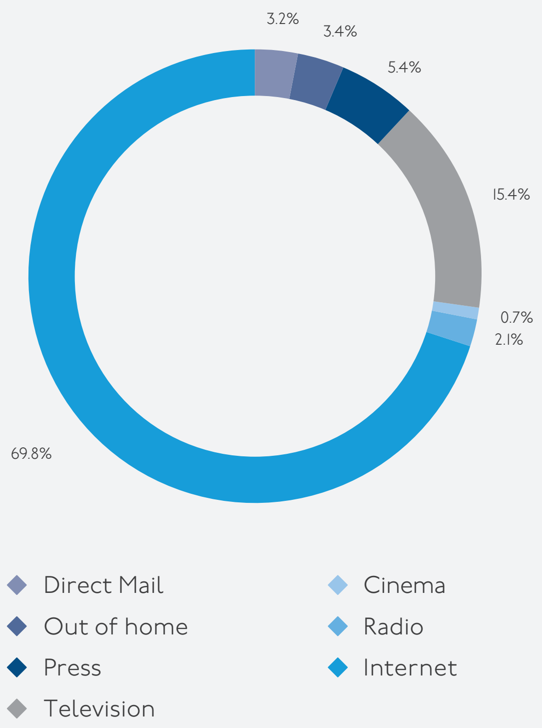
- Advertising literature and business stationery
- Books, magazines and newspapers
- Security printing
- Printed packaging (cartons, labels, sacks and bags)
- Printing onto textiles, plastic, glass, metal, wood & ceramics
- Other printing

Source: BPIF Research analysis of ONS data for 2021

ADVERTISING IN PRINT

The latest Advertising Association / Warc Expenditure Report reveals that advertising expenditure increased by 8.8% in 2022, though economic headwinds are expected to result in minimal growth in 2023 (0.5%) before stronger growth returning in 2024 (3.9%).

UK ADVERTISING EXPENDITURE 2022
% SHARE OF £34.8 BILLION



PRINT POWER

People today appreciate and expect choice. It's a statement that rings as true in the aisles of your local supermarket as it does at home when selecting your viewing choices. And so it is with media. While we consume an increasingly digital-rich diet, our appetite and appreciation is for a more diverse menu.

Print delivers that diversity to the media mix, in a highly creative, complementary fashion – offering levels of trust, attention and physical engagement that other channels simply cannot. That's not to say print advertising should be a marketer's first (or only) choice when deciding how to apportion spend – simply that it would be foolish not to consider it alongside the other options.

Advertising in print media – be it newspapers, magazines, direct mail or door-drops – can help to amplify the impact of other channels, including TV and digital, and increase the overall effectiveness of campaigns. Mail has the highest attention rate of any media and, despite the cheaper costs to buy online advertisements, the cost per minute of attention is almost identical.

A 2020 UK study by Ebiquity shows that a gap between marketer's perception of media attributes and their effectiveness still exists. Print heavy media (newspapers, magazines, out of home and direct mail) rank three to six in terms of the evidence of their performance (after TV and radio) much higher than their perceived performance from marketing professionals.

Visit Printpower.eu to access a wealth of essential facts, stories, expert views and insights – content that gives brand owners, and decision-makers in media and advertising agencies, the evidence and confidence they need to factor print into their budget planning.

Source: Advertising Association / Warc Expenditure Report
Source: Print Power, Printpower.eu

THE POWER OF PRINT MEDIA

According to the evidence - and the experts - print advertising is an engaging and effective part of the campaign mix. The question for marketers isn't print vs digital, but what each medium brings to the overall effectiveness of a campaign.

PRINT IS ENGAGING

- For 60% and 58% of the time we spend reading newspapers and magazines respectively, our focus is spent solely on that medium.
- Newspaper ads are viewed 2.5 times longer than the average digital ad.
- The long-term memory encoding of mail is 49% stronger than email, and 35% stronger than social media advertising, making it more likely to impact future behaviour.

PRINT BOOSTS CAMPAIGN ROI

- Newspapers can increase campaign ROI by 280% for retail, 70% for the automotive sector and 570% for finance.
- Advertising in newspapers and magazines generates £2.43 for every £1 invested over three years.
- 90% of campaigns that included door drops reported a rise in acquisition compared to 59% for those without.

PRINT IS EFFECTIVE

- Door drops increase footfall by 9% (of which 20% are new customers) and sales by 13%.
- Campaigns including print are 67% more effective at delivering new customers.
- 81% of people have bought an item or visited a place after reading about it in a magazine.
- Multi-platform newsbrands boost the business effectiveness of other media.

Newsbrands make:

TV 65% more effective

Online video 69% more effective

Online display 85% more effective

Social media 87% more effective

Source: Print Power, www.printpower.eu

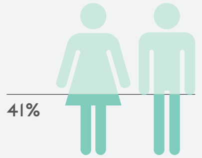
PRINT IS
SUSTAINABLE

PRINT AND PAPER'S PLACE IN A POST-PANDEMIC WORLD

The print and paper industry is surrounded by myths, many of which are rooted in historical misconceptions about paper's impact on forests. For many years, service providers have reinforced these environmental myths in their efforts to move consumers to digital communications. The need to update perceptions and raise awareness of paper's sustainability is now more important than ever. Research from Two Sides highlights the gap that still exists between perception and reality.

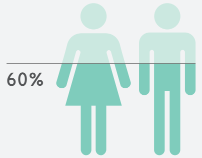
PERCEPTION: 41% believe paper is a wasteful product

REALITY: The European recycling rate is 71%, making it one of the most recycled materials in the world!* In Europe, paper fibres are reused 3.8 times on average.



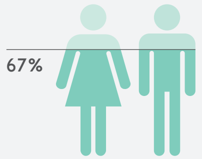
PERCEPTION: 60% believe European forests are shrinking

REALITY: Between 2005 and 2020, European forests grew by 58,390km2 - that's an area larger than Switzerland and equivalent to 1,500 football pitches of forest growth every day. These forests supply over 86% of the wood used by the European paper industry.



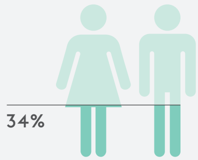
PERCEPTION: 67% believe only recycled paper should be used

REALITY: Because fibre degrades after time, virgin fibre is essential to European paper production. 56% of the fibre used by the European paper industry comes from paper for recycling.



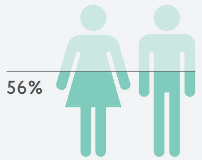
PERCEPTION: 34% believe paper and paper packaging are bad for the environment

REALITY: Paper is based on wood, a natural and renewable material. As young trees grow, they absorb CO_2 from the atmosphere. Furthermore, as a wood product, paper continues to store carbon throughout its lifetime. European forests act as a major carbon sink. Between 2010 and 2020, the average annual sequestration of carbon in forest biomass reached 155 million tonnes in the European region.*



PERCEPTION: 56% believe electronic comms are more eco-friendly than paper-based comms

REALITY: The ICT industry accounts for 5-9% of energy use, which is more than 2% of global greenhouse gas emissions. If left unchecked, the ICT footprint could increase to 14% of global emissions by 2040.* In Europe, the print and paper sector is one of the lowest industrial greenhouse gas emitters at 0.8%.*



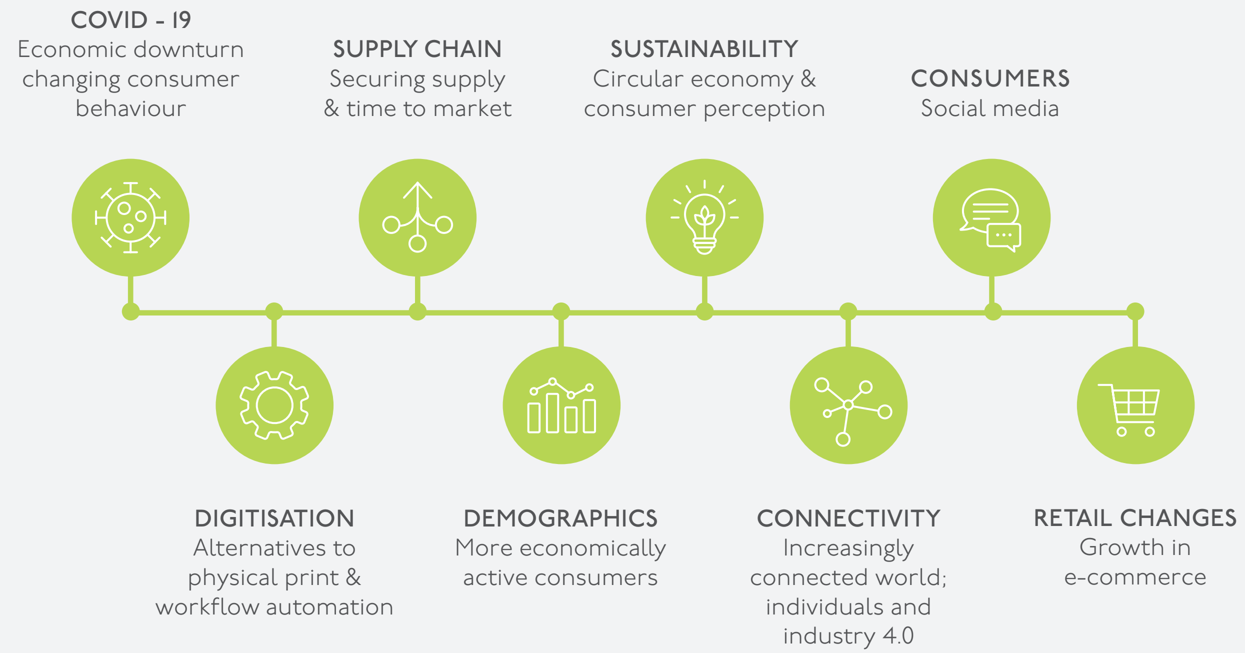
Source: Two Sides Trend Tracker 2023, European Findings, twosides.info
**Forest Europe, State of Europe's Forests, 2020, foresteurope.org*
**Cepi, cepi.org*
**European Commission, joinup.ec.europa.eu*
**European Environmental Agency Greenhouse Gases Data Viewer, 2021, eea.europa.eu*

THE FUTURE FOR PRINT

By 2030, the print landscape will be very different to the pre-Covid world. From 2015-2030, the volume of the global print and printed packaging market is expected to fall by just over 15%. However, the value of the market will grow by nearly 6.8%, largely due to changes in the product mix.

Covid had a significant impact on print outputs across the world, with falls in print demand and changes in consumer behaviour seen. The economic impact is expected to create permanent changes in print demand, and will accelerate some of the long-term trends impacting the print industry. Some print companies and suppliers will fail; however, others will thrive - with a focus on automation, efficiency and service; or perhaps through innovation and diversification to widen the range of products and services they offer. Further development of targeting and personalisation of print is expected.

DRIVERS & TRENDS SHAPING PRINT IN 2030



Source: The Future of Print in a Post-Covid World, Smithers, www.smithers.com

THE CHALLENGE FOR PRINT IN A DIGITAL WORLD

Print and digital are often compared in a bid to decide which is best. However, the debate shouldn't centre around "print vs. digital", as both channels are important and complement each other. Ultimately, consumers must be given the right to decide how they would like to access news and information; ensuring that consumer choice is maintained and those unwilling or unable to access digital information are not disadvantaged.

ATTITUDES TOWARDS DIGITAL

- **49%** Believe they spend too much time on electronic devices
- **32%** Believe they suffer from digital overload
- **58%** Don't pay attention to online adverts
- **51%** Do their best to block or avoid online adverts
- **56%** Are increasingly concerned that personal information held electronically is at risk
- **48%** Are concerned that the overuse of electronic devices could be damaging to health

POSITIVES FOR PRINT

- **49%** Would be concerned if printed newspapers were to disappear
- **65%** Still prefer to read printed books
- **45%** Say they get a better understanding of news stories in print
- **62%** Believe they should not be charged more for choosing a paper bill or statement
- **76%** Want the right to choose how they receive their bills and statements
- **55%** Believe arguments to switch to digital are misleading and about reducing cost

Source: Two Sides Trend Tracker 2023, European Findings, twosides.info

TRADE IN PRINTING

The Covid economic environment and post-Brexit transition period have been challenges for overseas trade – the value of imports and exports of printed products both fell by around 15% in 2020, and a further 10% in 2021. Exports did improve by over 14% in 2022 – and the balance has shifted away from EU trade and towards non-EU trade.

- The UK is a big exporter of printed products – to the value of £2.8 billion in 2022.
- The UK is also a large importer of printed products – £2.4 billion in 2022.
- This trade data means that the UK printing industry still has a positive contribution to the UK's trade balance – £358 million in 2022.
- The book sector forms the main component of UK trade in printed matter – in 2022 exports of books were valued at around £1.7 billion, imports of books were around £1.0 billion.

OVERSEAS TRADE IN PRINTED MATTER
£MILLION 2016 – 2022

Note: the data refers to trade in printed matter – in many cases it may not be the printing company doing the exporting but their client or a publisher.
Source: BPIF Research analysis of HM Revenue and Customs data.

ABOUT US

The BPIF is a thriving, best-in-class trade association invigorating a modern, progressive print industry. It inspires those within the UK print, printed packaging and graphic communication industry to see opportunities for growth.

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BPIF – The Heart of British Print

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