



**TRADE & INDUSTRIAL POLICY STRATEGIES**

## **MANUFACTURING SUBSECTORS**

### **Printing and publishing**

**March 2021**

Industrial policy interventions aim to promote structural transformation and structural change in pursuit of economic growth. The effectiveness and efficiency of these interventions depends to a crucial extent on the ability of policymakers to tailor interventions to the specific needs of individual manufacturing subsectors.

To support evidence-based policymaking, TIPS has completed a series of notes on the various manufacturing subsectors in South Africa. The aim is to provide synthesised data on the dynamics of the South African manufacturing subsectors, specifically in their contribution to the GDP, employment, profitability and assets, market structure and dominant producers, and international trade. The main data sources are Statistics South Africa, Quantec, Who Owns Whom, and the International Trade Centre.

This note provides a high level overview of the South African printing and publishing subsector as of December 2020.

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## Executive summary

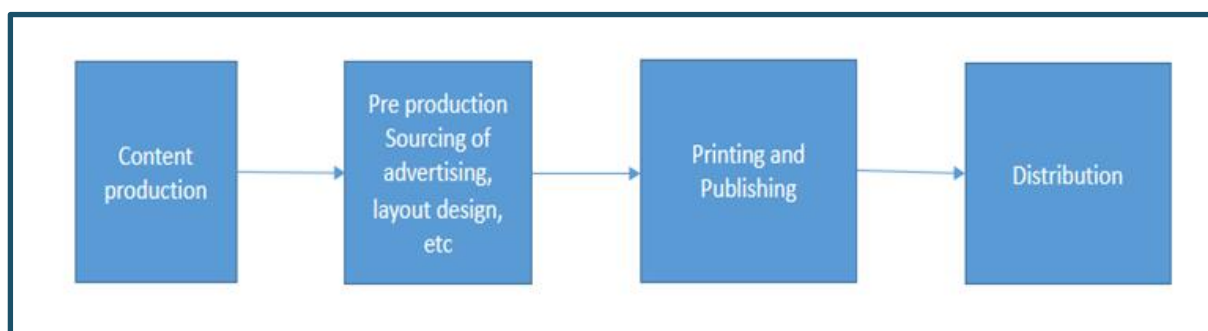
The printing and publishing subsector saw its share in manufacturing value added decline from 4% in 1994 to around 2% in 2019. Employment data for the 1990s are not reliable, but from 2009 to 2019 employment in the subsector dropped from 93 000 to 63 000, or from 6% of total manufacturing employment to 4%. Digital disruption continues to drive the decline in the subsector, especially in the printing segment where production volumes have been on a steady downward trajectory from the early 2010s.

South Africa is a net importer in the printing and publishing subsector and imported almost R20 billion in printed material in 2019, while it exported R1.3 billion. That meant printed material constituted less than 0.2% of national trade. Virtually all exports went to other parts of Africa, while imports were mainly from the United Kingdom and Switzerland. In constant rand, the value of exports fell 24% from 2010 to 2019. Imports grew by 13% in the same period. Half of exports were books and 7% were newspapers, periodicals and journals. In 2019, seven eighths of South Africa's imports of printed material were paper money, mainly from the United Kingdom. The imports of paper money were an anomaly that neither the South African Revenue Service nor the South African Reserve Bank could explain.

The pandemic downturn was initially more severe in printing and publishing than other manufacturing, although its sales had almost fully recovered by the end of 2020. According to Statistics South Africa monthly production and sales data, in April 2020 seasonally adjusted monthly sales in printing and publishing contracted nearly 76% over March, more than other manufacturing, which shrank 42%. Printing and publishing production had recovered to January 2020 levels by the end of 2020. South Africa's exports of printing and publishing declined 35% from 2010 to 2019, but regained some ground in 2020 mostly because of a sharp increase in purchases of printed books by Angola.

### Printing and publishing value chain

Printing and publishing subsector includes the production of printed material, including recorded media. It excludes the associated pre-production services such as content production and advertising and graphic design that are crucial in its value chain. The subsector is dominated by a few large vertically integrated players that have significant stake in successive aspect of the value chain.

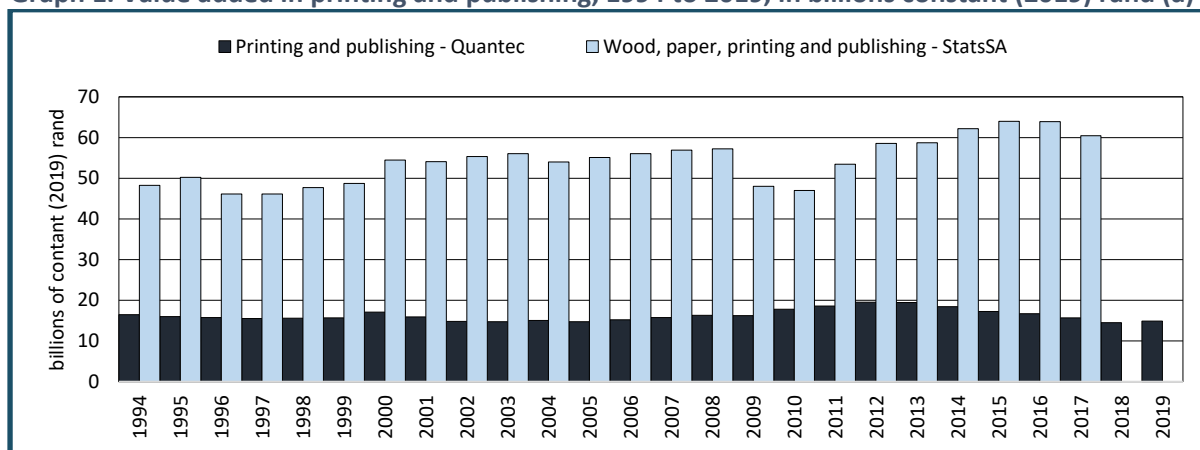


## 1. Contribution to GDP

Data for the contribution of manufacturing subsectors to the GDP (that is, for value add by industry) comes from two sources: the GDP data published by Statistics South Africa, and Quantec, which develops estimates based on the Statistics South Africa figures for sales, production and employment by industry and subindustries. The figures are not identical, although they typically show the same trends. This note provides both.

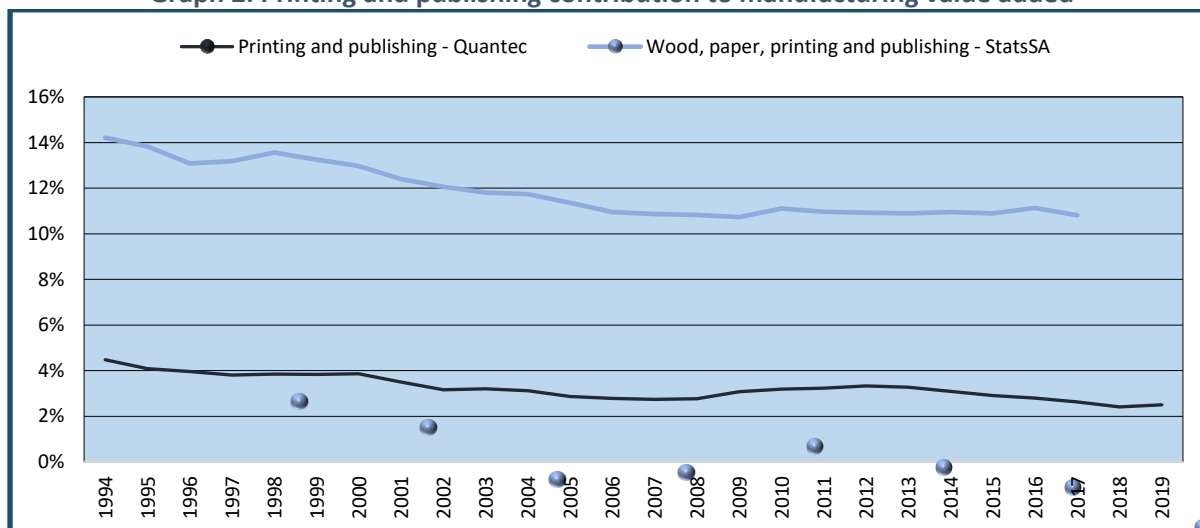
Printing and publishing saw very little growth from 1994 to 2016 in constant terms according to Quantec estimates. Over the entire period, the contribution of the subsector to the GDP climbed by only 5%, as Graph 1 shows. It contracted 4% a year between 2013 and 2019.

**Graph 1. Value added in printing and publishing, 1994 to 2019, in billions constant (2019) rand (a)**



Note: (a) Deflated by calculating the deflator used in the sources from figures in current and constant rand, and then rebasing to 2019. Source: Statistics South Africa, GDP P0441. Annual quarter and regional revisions. Excel spreadsheet. Series on manufacturing subsectors in current and constant rand. Downloaded from [www.statssa.gov.za](http://www.statssa.gov.za) in January 2021; and Quantec EasyData. Standardised regional data. Database in electronic format. Series on value added in current and constant rand. Downloaded from [www.quanis1.easydata.co.za](http://www.quanis1.easydata.co.za) in January 2021.

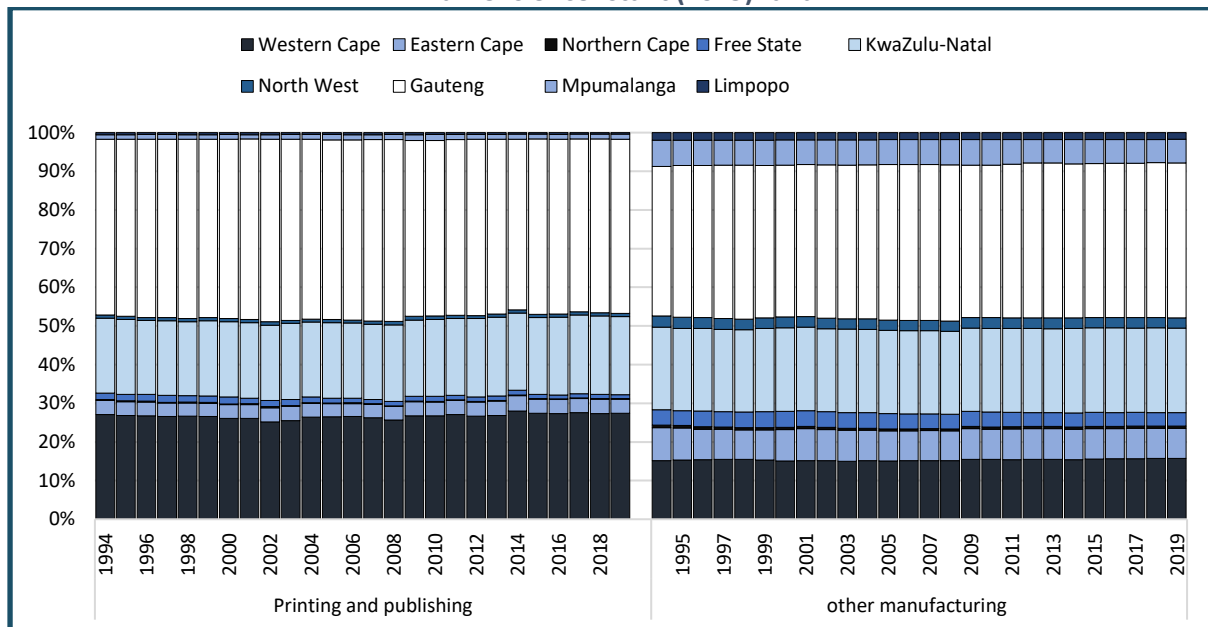
**Graph 2. Printing and publishing contribution to manufacturing value added**



Note: (a) Deflated by calculating the deflator used in the sources from figures in current and constant rand, and then rebasing to 2019. Source: Statistics South Africa, GDP P0441. Annual quarter and regional revisions. Excel spreadsheet. Series on manufacturing subsectors in current and constant rand. Downloaded from [www.statssa.gov.za](http://www.statssa.gov.za) in January 2021; and Quantec EasyData. Standardised regional data. Database in electronic format. Series on value added in current and constant rand. Downloaded from [www.quanis1.easydata.co.za](http://www.quanis1.easydata.co.za) in January 2021.

Gauteng dominated South Africa’s printing and publishing subsector. Its R15 billion value add accounted for half of the total subsector value added in 2019. Gauteng’s dominance in the printing and publishing subsector may be linked to the concentration of large publishing houses in Gauteng.

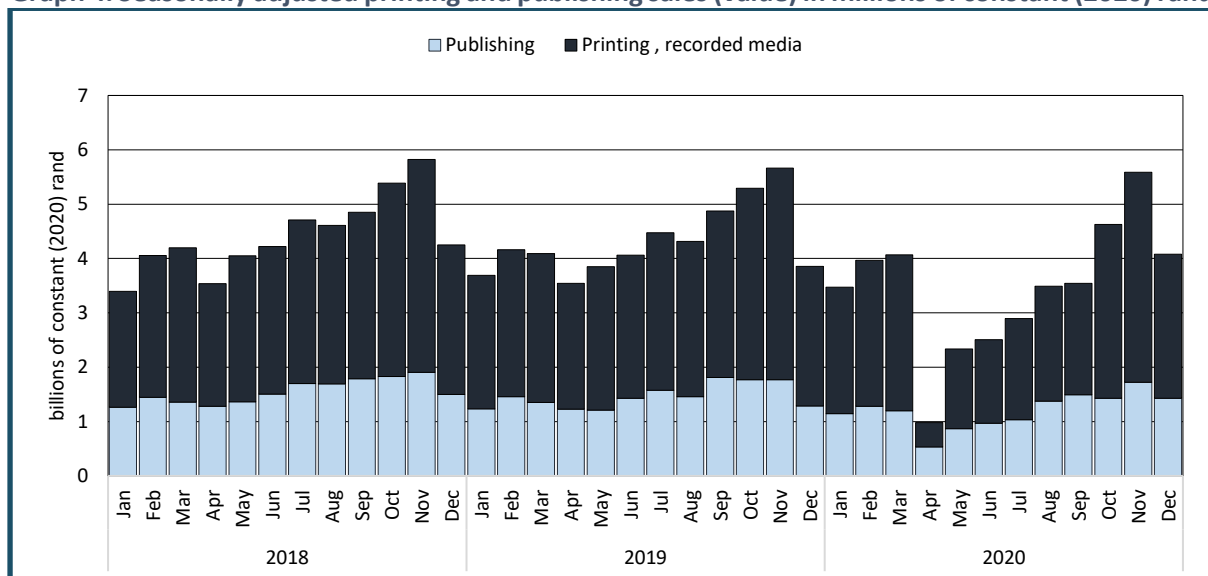
**Graph 3. Printing and publishing contribution to manufacturing value added, in billions of constant (2019) rand**



Source: Quantec EasyData. Standardised regional data. Database in electronic format. Series on value added in current and constant rand. Downloaded from <https://www.quantec.co.za/easydata/> in January 2021.

The pandemic downturn was initially more severe in printing and publishing than other manufacturing, although its sales had almost fully recovered by the end of 2020. According to Statistics South Africa monthly production and sales data, in April 2020 seasonally adjusted monthly sales in printing and publishing contracted nearly 70%, more than other manufacturing, which shrank 45%. Printing and publishing production had recovered from early 2020 levels by October 2020.

**Graph 4. Seasonally adjusted printing and publishing sales (value) in millions of constant (2020) rand**



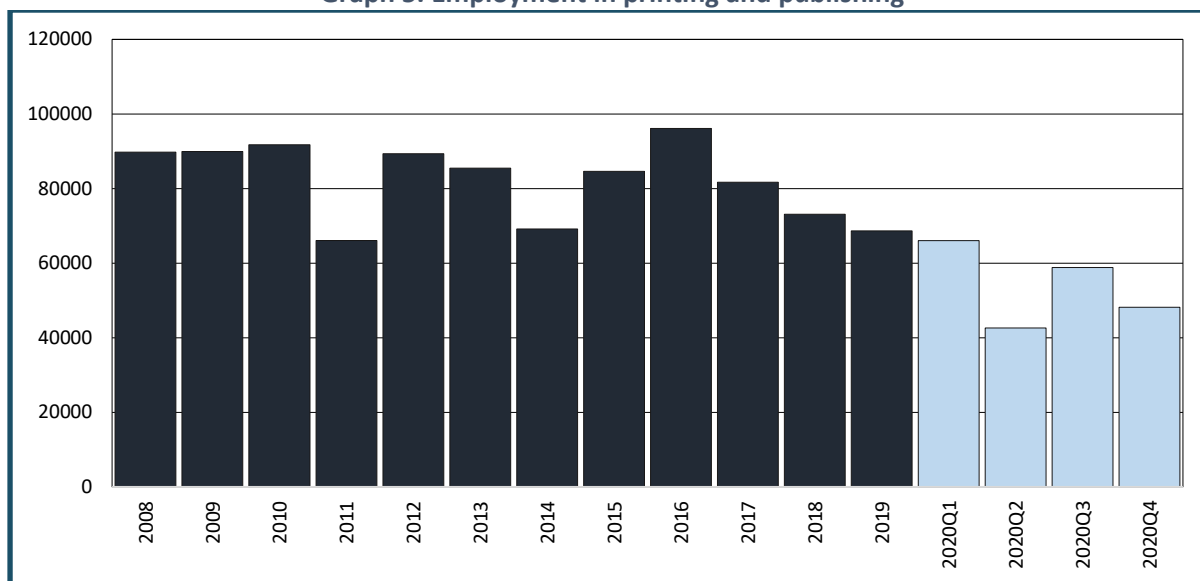
Source: Calculated from Statistics South Africa, P3041.2. Excel spreadsheet. Downloaded from [ww.statssa.gov.za](http://www.statssa.gov.za) in January 2021

## 2. Employment

Employment data provided in this section draws on Statistics South Africa’s Quarterly Labour Force Survey, which was introduced in 2008. Its annual figures, in Labour Market Dynamics, are averages of the quarterly findings.

Around 90 000 people worked in paper and publishing from 2008 to 2016. After that, the numbers fell sharply to 70 000 in 2019. From the second quarter of 2020, the recovery in employment lagged behind the recovery in sales.

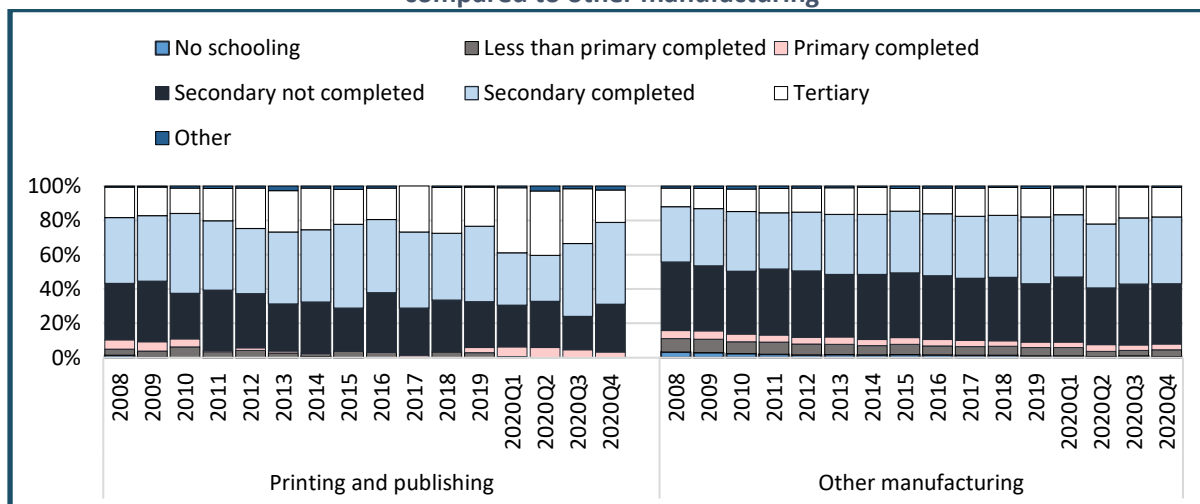
**Graph 5. Employment in printing and publishing**



Source: Calculated from Statistics South Africa. Quarterly Labour Force Survey. Q1 2020 to Q4 2020. Series on employment by industry. Electronic databases. Downloaded from [www.statssa.gov.za](http://www.statssa.gov.za) Nesstar facility in January 2021.

Education levels in printing and publishing were significantly higher than in the rest of manufacturing. In 2019, 67% of the labour force in the printing and publishing had an education level equivalent to a matric or higher, compared to 47% of the labour force in the rest of manufacturing.

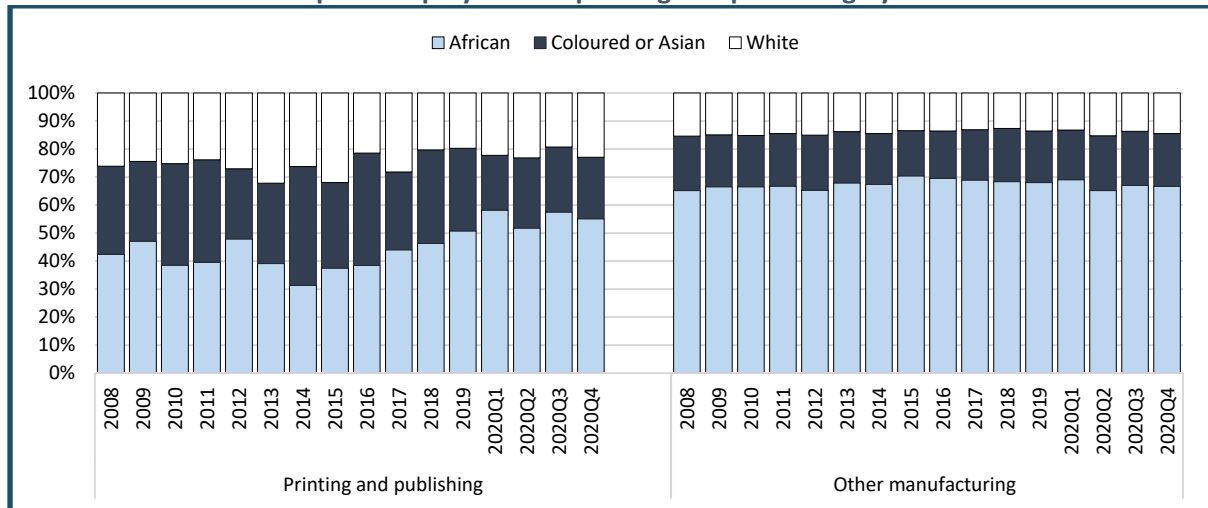
**Graph 6. Employment by education level in printing and publishing compared to other manufacturing**



Source: Calculated from Statistics South Africa. Quarterly Labour Force Survey. Q1 2020 to Q4 2020. Series on employment by industry. Electronic databases. Downloaded from [www.statssa.gov.za](http://www.statssa.gov.za) Nesstar facility in January 2021.

Africans accounted for 51% of the workforce in South Africa’s printing and publishing subsector in 2019. In contrast, Africans constituted more than two thirds of the labour force in the rest of manufacturing, and over four fifths of the working-age population. The proportion of Africans in the printing and publishing subsector has increased steadily from 2014, whereas that of Coloureds and Asians, and Whites declined in the period.

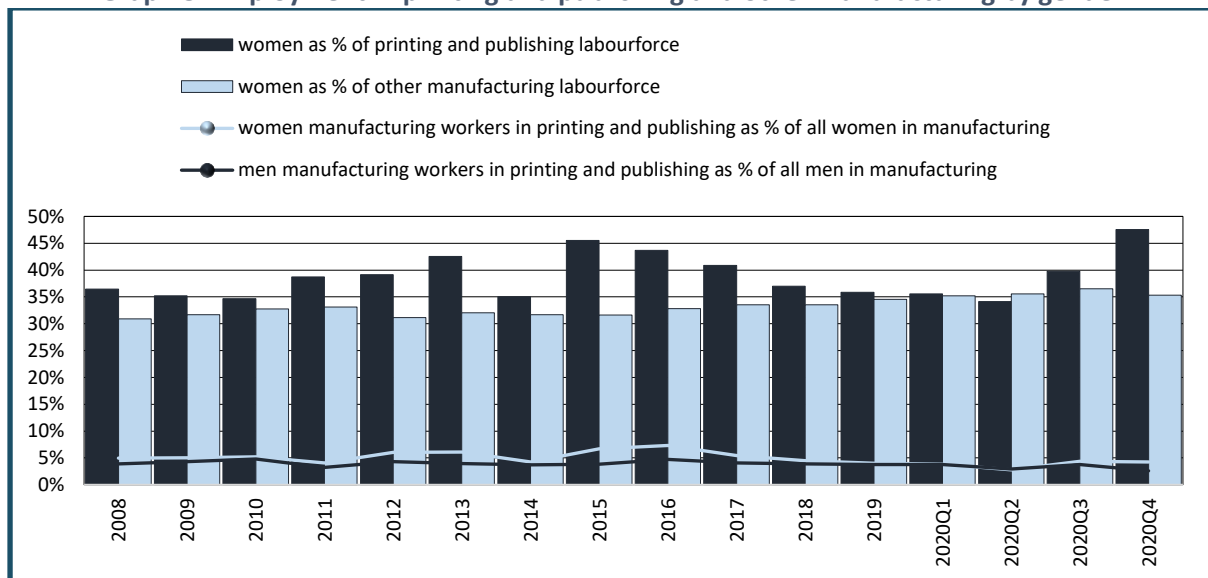
**Graph 7. Employment in printing and publishing by race**



Source: Calculated from Statistics South Africa. Quarterly Labour Force Survey. Q1 2020 to Q4 2020. Series on employment by industry. Electronic databases. Downloaded from [www.statssa.gov.za](http://www.statssa.gov.za) Nesstar facility in January 2021.

Women made up around 36% of the labour force in printing and publishing. This proportion was equivalent to the rest of manufacturing. Around 4% of women manufacturing workers had jobs in printing and publishing.

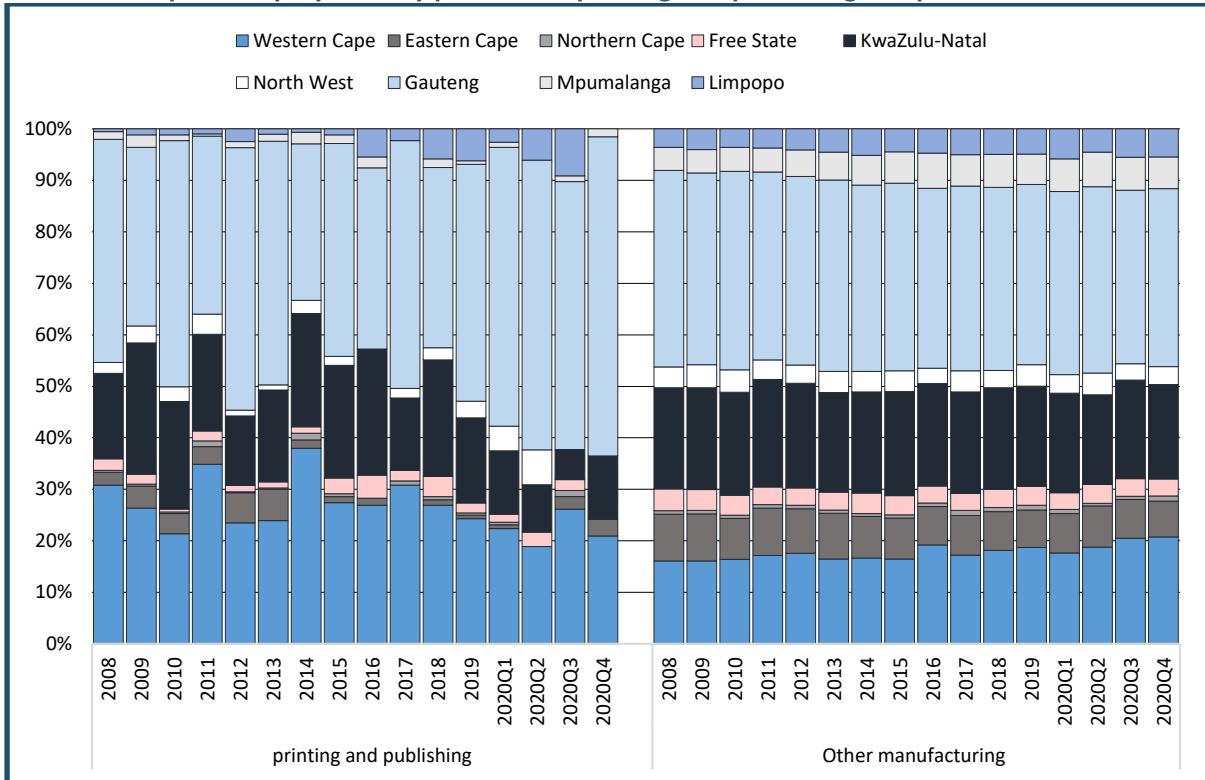
**Graph 8. Employment in printing and publishing and other manufacturing by gender**



.Source: Calculated from Statistics South Africa. Quarterly Labour Force Survey. Q1 2020 to Q4 2020. Series on employment by industry. Electronic databases. Downloaded from [www.statssa.gov.za](http://www.statssa.gov.za) Nesstar facility in January 2021.

Over 85% of employment for printing and publishing was in Gauteng, the Western Cape and KwaZulu-Natal, as shown in Graph 9. That compares with a figure of around 73% for the rest of manufacturing.

**Graph 9. Employment by province in printing and publishing compared to other**

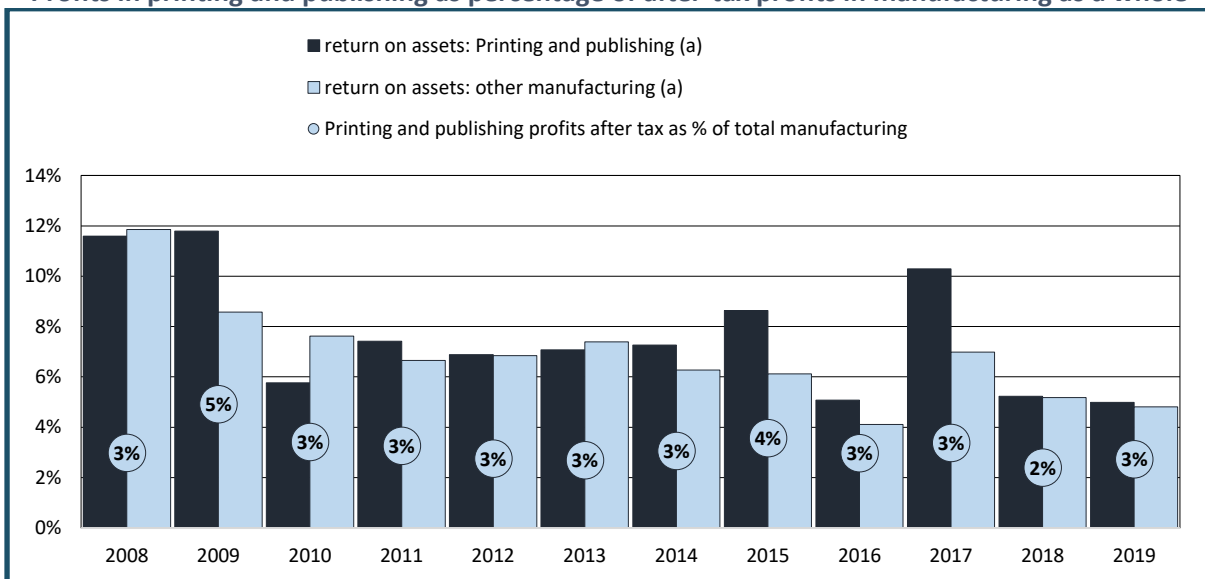


Source: Calculated from Statistics South Africa. Quarterly Labour Force Survey. Q1 2020 to Q4 2020. Series on employment by industry. Electronic databases. Downloaded from [www.statssa.gov.za](http://www.statssa.gov.za) Nesstar facility in January 2021.

#### 4. Profitability and assets

From 2008, the after-tax return on assets in printing and publishing averaged 8% a year. That rate was a percentage point higher than other manufacturing rate of 7% a year. Printing and publishing provided around 3% of all manufacturing profits in 2019.

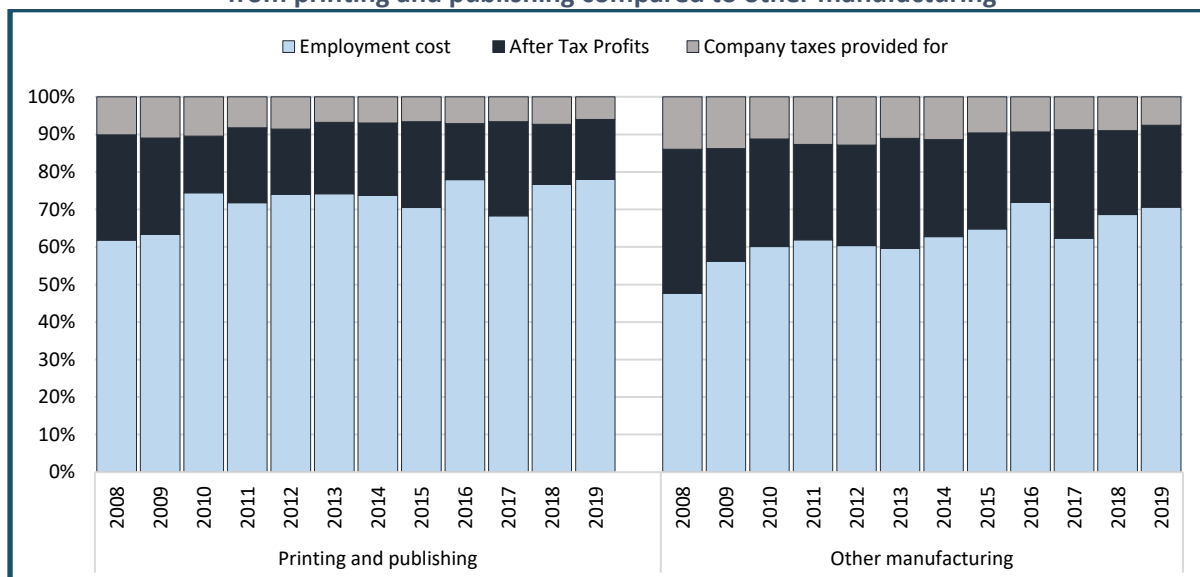
**Graph 10. Return on assets (a) in printing and publishing and other manufacturing, and after-tax Profits in printing and publishing as percentage of after-tax profits in manufacturing as a whole**



Source: Calculated from Statistics South Africa. Annual Financial Statistics. Disaggregated Industry Statistics for relevant year. Excel spreadsheet. Downloaded from [www.statssa.gov.za](http://www.statssa.gov.za) in January 2021.

Between 2008 and 2015, employment costs came to around 70% of income generated in publishing and printing, higher than in the rest of manufacturing. Profits and company tax absorbed a smaller share of income than in other manufacturing.

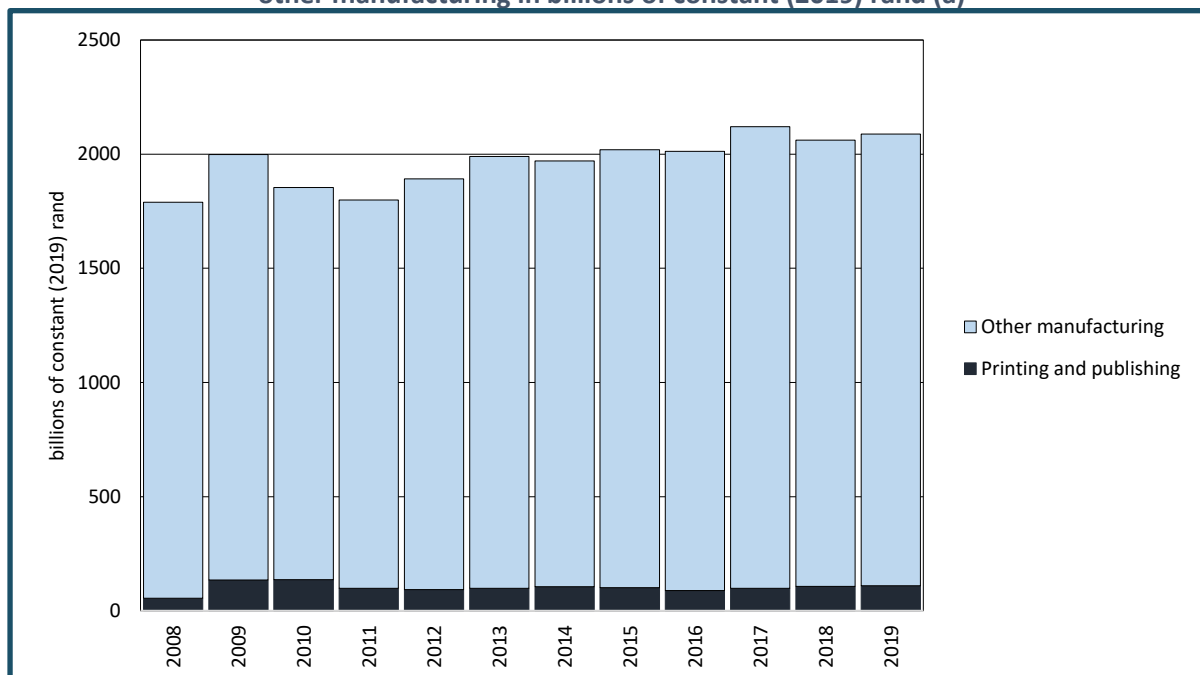
**Graph 11. Share of remuneration, after tax profits and company taxes in income from printing and publishing compared to other manufacturing**



Source: Calculated from Statistics South Africa. Annual Financial Statistics. Disaggregated Industry Statistics for relevant year. Excel spreadsheet. Downloaded from [www.statssa.gov.za](http://www.statssa.gov.za) in January 2021.

The value of printing and publishing assets declined by 20% from 2009 to 2019, while the assets in the rest of manufacturing rose 6%. As a result, the share of printing and publishing in total manufacturing assets declined from 7% to 5% in the period.

**Graph 12. Value of total assets in printing and publishing and other manufacturing in billions of constant (2019) rand (a)**



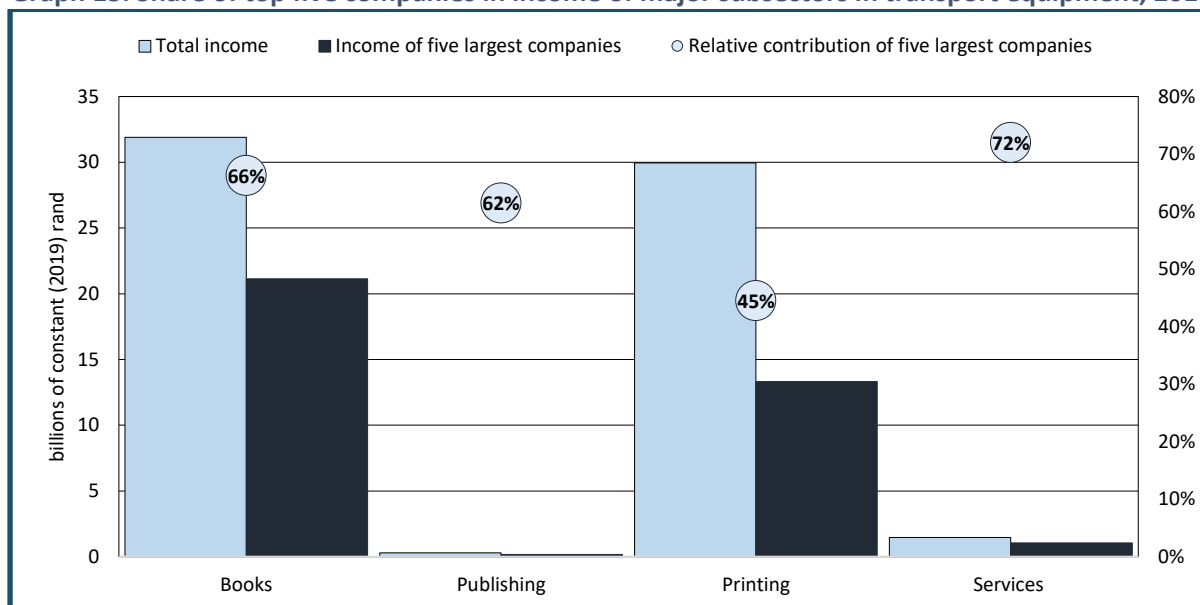
Source: Calculated from Statistics South Africa. Annual Financial Statistics. Disaggregated Industry Statistics for relevant year. Excel spreadsheet. Downloaded from [www.statssa.gov.za](http://www.statssa.gov.za) in January 2021.



## 5. Market structure and major companies

According to Statistics South Africa's Manufacturing Financial Statistics, in 2017 the share in total income of the largest five companies was far higher in printing and publishing than in other manufacturing industries. In services related to printing and publishing, the top five companies controlled 72% of revenues, which was higher than much more capital-intensive industries such as basic chemicals and the auto industry.

**Graph 13. Share of top five companies in income of major subsectors in transport equipment, 2017**



Source: Calculated from Statistics South Africa. *Manufacturing Industry: Financial, 2019*. Pretoria. Table 9, p 33,ff.

The largest companies in printing and publishing are described in Table 1.

**Table 1. Market structure for major printing and publishing products**

Publishing of newspapers, journals and periodicals		
Company	Employees	Operations
Caxton and CTP Publishers and Printers Ltd	6 197	Holding company with interests in the publishing and printing of newspapers and magazines, stationery, labels, and printing inks, as well as producing CDs and DVDs and packaging.
Media24 (Pty) Ltd	3 750	Publishing and printing and finishing group with newspapers, magazines, internet ventures, distribution companies, printing works, books and private education; owns the internet retail outlet Spree.
Arena Holdings	3 071	Arena Holdings (Pty) Ltd is a media and entertainment company operating through various media divisions. He group owns interests in newspaper and magazines, both print and online, as well as the medical reference MIMS, including printing for corporate clients such SA Mining and the in-flight magazine for Kulula.
Novus Print	1 334	Finishing, labelling, and the manufacturing of tissue products and flexible packaging, including magazines, newspapers, advertising and labels. In South Africa has 10 specialised printing plants and one tissue plant.
Independent Newspapers	1 500	Independent Newspapers (Pty) Ltd publishes daily and weekly newspapers in the country's three major metropolitan areas as well as free delivery weekly community newspapers.
Macleary Investments	700	Litho and gravure printing.
Kaqala Media	110	Publishes specialist business-to-business magazines

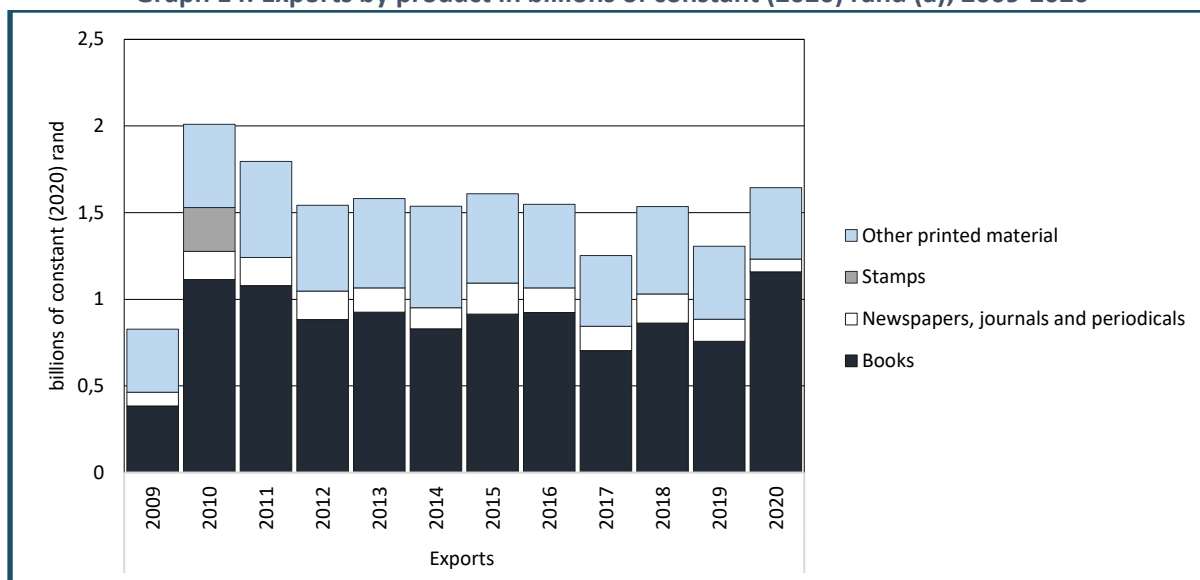
<b>Publication of books, brochures, musical books and other publications</b>		
<b>Company</b>	<b>Employees</b>	<b>Operations</b>
LexisNexis (Pty) Ltd	389	Information and editorial commentary for professionals, government, corporates and students in both print and online format.
AC Braby (Pty) Ltd	110	Specialist business directories (including online), maps, calendars and diaries.
New Holland Publishing (South Africa)	280	Publishes books and maps both locally and internationally.
Juta and Company	210	Publisher and distributor, specialising in educational and legal books.
Oxford University Press Southern Africa (Pty) Ltd	208	Textbooks, with over 1 500 locally published books for school learners and tertiary students in 11 languages, written by more than 700 South African authors as well as imports from England.
SA Greetings	480	SA Greetings designs, manufactures and distributes greeting cards, gift wrap, gift bags and social stationery ranges.
<b>Printing</b>		
<b>Company</b>	<b>Employees</b>	<b>Operations</b>
Golden Era Printers and Stationers Bops	1 100	Lithographic and flexographic printing and packaging.
Hirt and Carter	770	Photolithography and typesetter, as well as undertaking graphics.
Paarl Media	700	Litho and gravure printers.
Jetline Franchises	508	Prints on demand, visual communication, multimedia and print solutions with 47 individually owned franchises in South Africa.
International Trimmings and Labels SA (Pty) Ltd	440	Global designer, manufacturer and distributor of apparel branding, including screen printing.
Afripack (Pty) Ltd	327	Printing and packaging.
Fishwicks Printers	220	Commercial printer.
Ultra Litho (Pty) Ltd	180	Commercial printer.
Shumani Mills Communications	154	Commercial printer.
NB Print CC	163	Printing and packaging.
HP Labelling	94	Prints labels.
Beith Digital	150	Commercial printer.
Lexlines Press	50	Commercial printer.
Impala Stationery Manufacturers	49	Commercial printer.
<b>Packaging and printing</b>		
<b>Company</b>	<b>Employees</b>	<b>Operations</b>
Nampak Products	6644	Printing for packaging.
RPC Astrapak	1500	Printing for packaging.
Bidvest Paperplus	6543	Printing and packaging.
Mpact Ltd	5026	Printing for packaging.
Keypak (Pty) Ltd	400	Printing for packaging.
Nampak Ltd	5061	Printing for packaging.

Source: Who Owns Whom. Report Generator. Large companies in printing and publishing. Downloaded in January 2021.

## 5. International trade

South Africa imported almost R20 billion in printed material in 2019, while it exported R1.3 billion. That meant printed material constituted less than 0.2% of national trade. Virtually all exports went to other parts of Africa, while imports were predominantly from the United Kingdom and Switzerland. In constant rand, the value of exports fell 24% from 2010 to 2019 whereas imports grew by 13% in the same period. Half of exports printed material were books, 7% were newspapers, periodicals and journals, other printed material accounted for the rest.

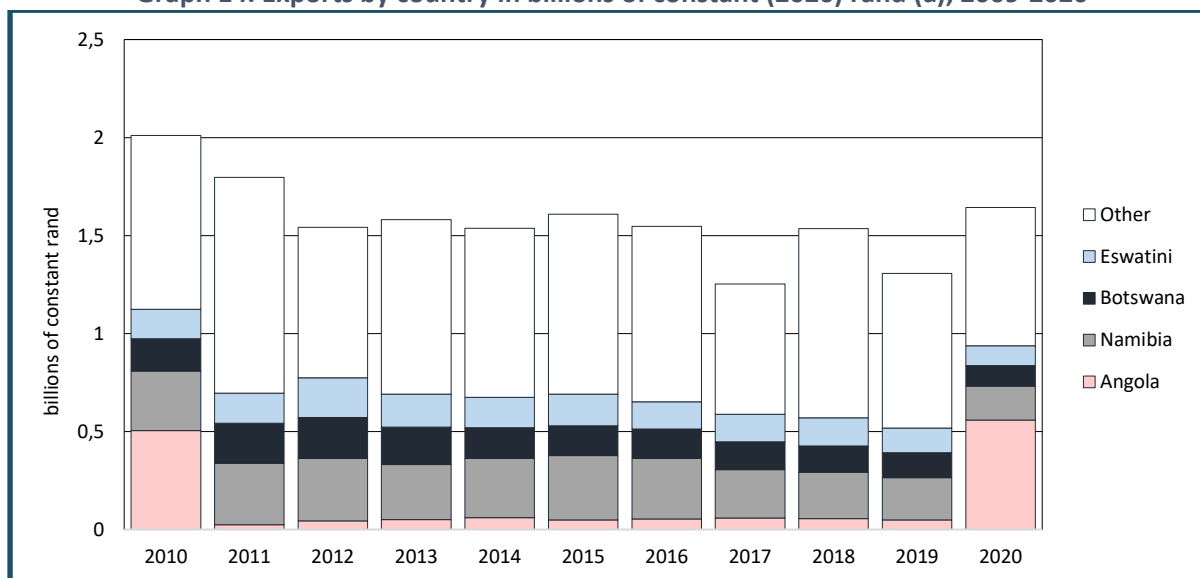
**Graph 14. Exports by product in billions of constant (2020) rand (a), 2009-2020**



Note: (a) Deflated with CPI. Source: Calculated from ITC. TradeMap. Electronic database. Series on exports in HS49 by product. Downloaded from [www.trademap.org](http://www.trademap.org) in January 2021.

South Africa's exports of printing and publishing declined 35% from 2010 to 2019, but regained some ground in 2020 mostly because of a sharp increase in purchases of printed books by Angola (Graph 15).

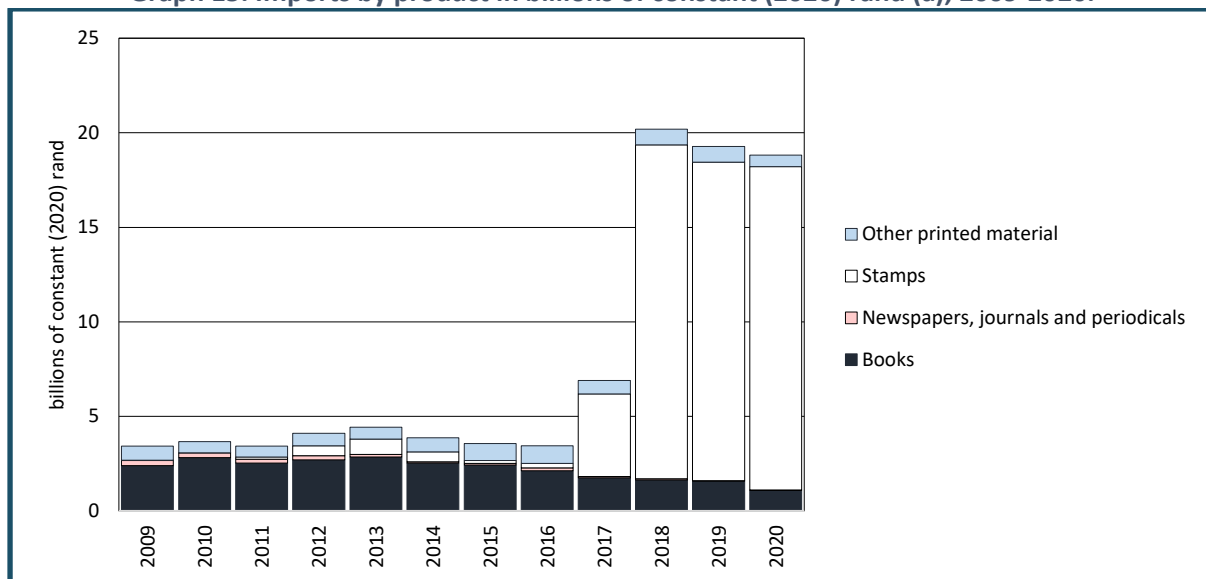
**Graph 14. Exports by country in billions of constant (2020) rand (a), 2009-2020**



Note: (a) Deflated with CPI. Source: Calculated from ITC. Trade Map. Electronic database. Series on exports in HS49 by product. Downloaded from [www.trademap.org](http://www.trademap.org) in January 2021.

In 2019, seven eighths of South Africa’s imports of printed material were paper money, mainly from the United Kingdom The imports of paper money were an anomaly that neither the South African Revenue Service nor the South African Reserve Bank could explain.

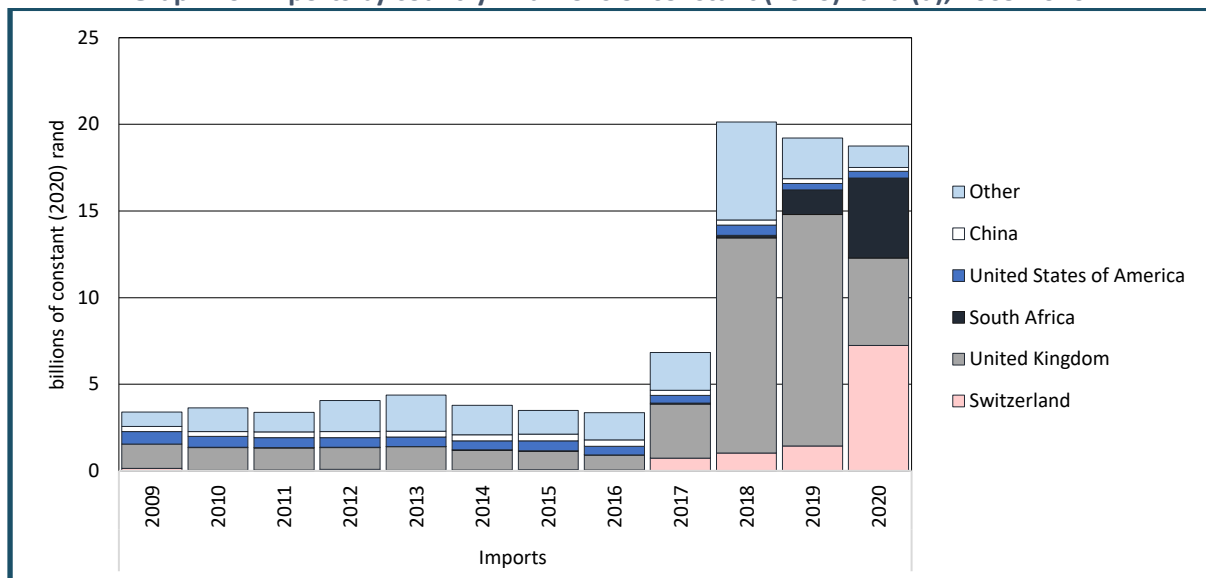
**Graph 15. Imports by product in billions of constant (2020) rand (a), 2009-2020.**



Note: (a) Deflated with CPI. Source: Calculated from ITC. Trade Map. Electronic database. Series on imports in HS49 by product. Downloaded from [www.trademap.org](http://www.trademap.org) in January 2021.

Two thirds of South Africa’s imports of printed material were sourced from the United Kingdom in 2019, while a third was sourced from other countries.

**Graph 16. Imports by country in billions of constant (2020) rand (a), 2009-2020.**



Note: (a) Deflated with CPI. Source: Calculated from ITC. Trade Map. Electronic database. Series on imports in HS49 by product. Downloaded from [www.trademap.org](http://www.trademap.org) in January 2021.

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