



Manufacturing subsectors

Printing and publishing

December 2017

Industrial policy aims to promote diversification and tailor interventions to the needs of individual manufacturing industries. To support evidence-based policymaking, TIPS has completed a series of notes on the main manufacturing subsectors in South Africa. These notes provide information on the contribution to the GDP, employment, profitability and assets, the market structure and dominant producers, major inputs and international trade. They bring together data from Statistics South Africa, Quantec and Who Owns Whom to provide a more detailed overview of each sector.

This note summarises key data and information on the printing and publishing subsector as of December 2017. It will be updated as information becomes available.

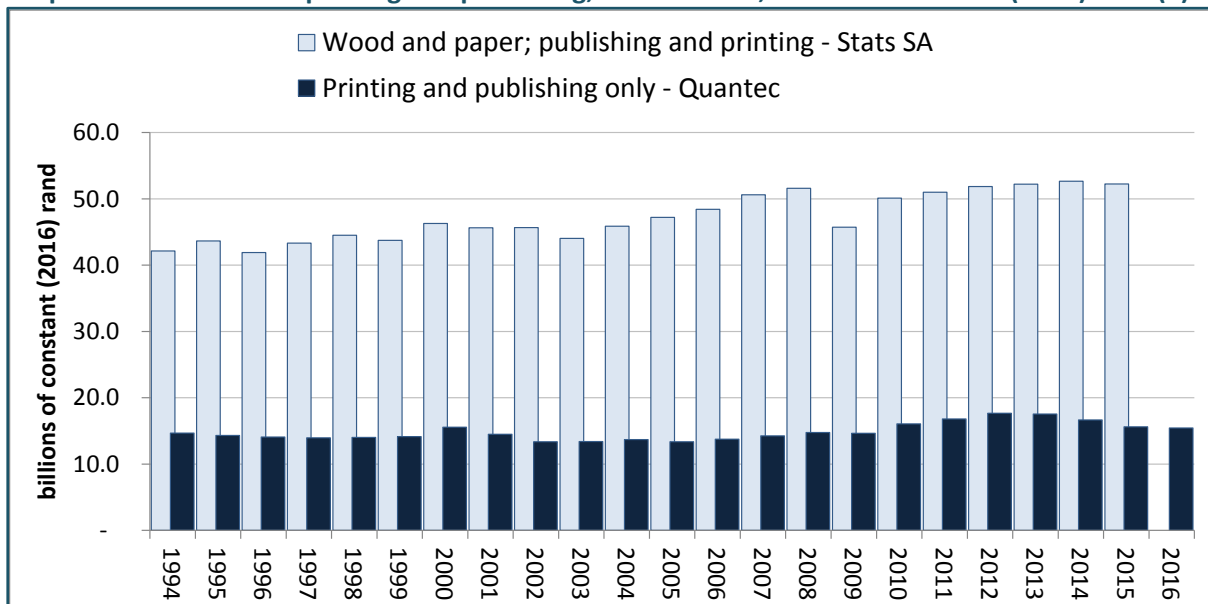
Printing and publishing includes the production of printed material, including recorded media. It excludes the associated services, however, such as advertising.

1 Contribution to GDP

Data for the contribution of manufacturing industries 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 sub-industries. 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 industry to the GDP climbed by only 5%, as Graph 1 shows. Statistics South Africa data include wood and paper, which grew faster until 2008 but largely levelled out thereafter.

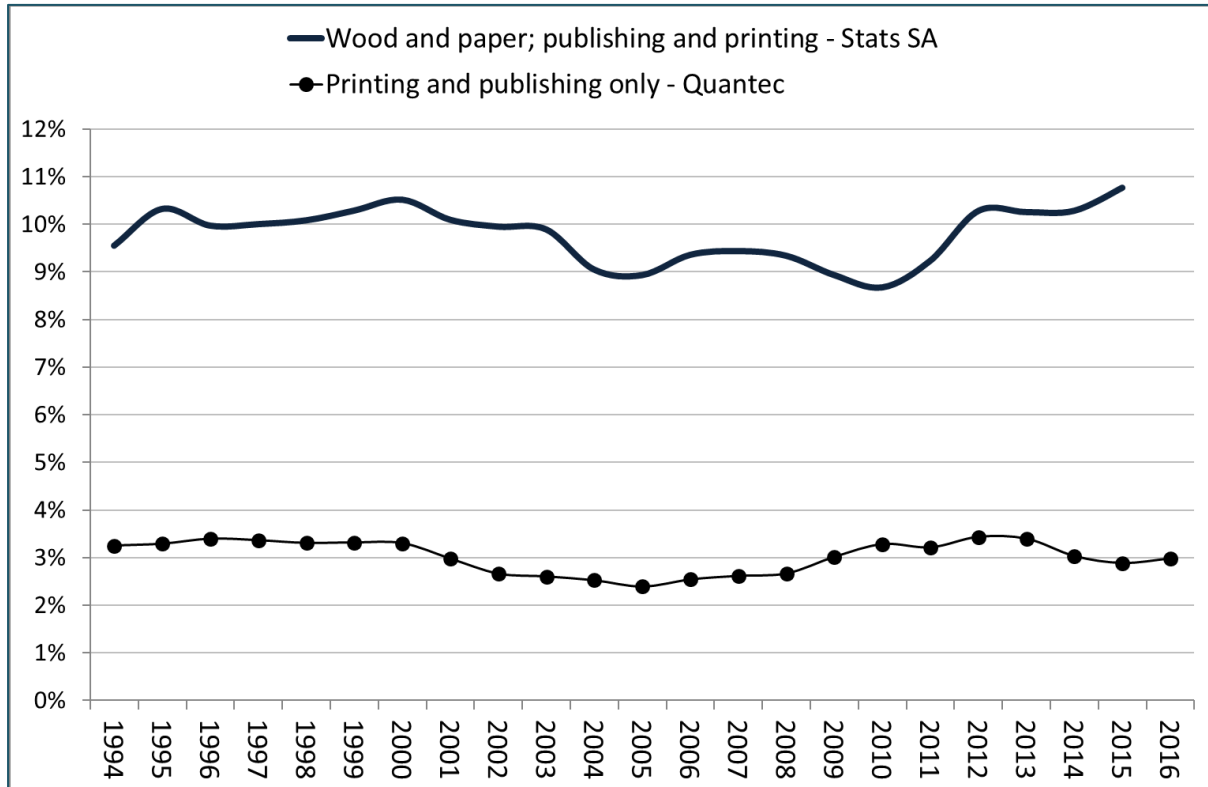
Graph 1. Value added in printing and publishing, 1994 to 2016, in billions constant (2016) rand (a)



Note: (a) deflated by calculating the deflator used in the sources from figures in current and constant rand, and then rebasing to 2016. Source: Statistics South Africa, GDP P0441. Annual quarter and regional revisions. Q4 2016. Excel spreadsheet. Series on manufacturing subsectors in current and constant rand. Downloaded from www.statssa.gov.za in September 2017; 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 in September 2017.

Over the past 20 years, the share of value added by printing and publishing in manufacturing as a whole was fairly stable at around 3%, according to Quantec estimates.

Graph 2. Printing and publishing contribution to manufacturing value added



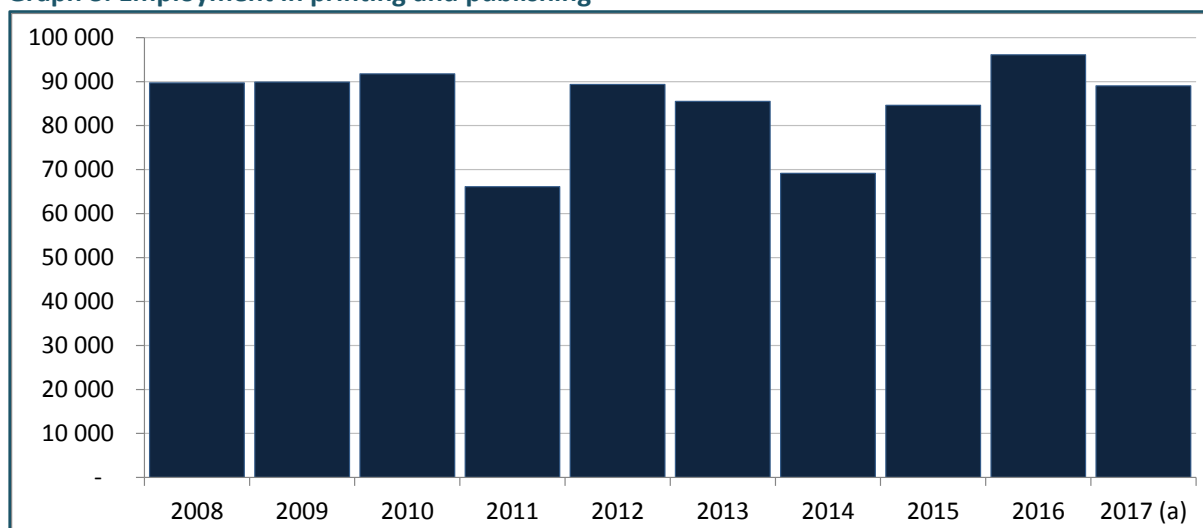
Source: Calculated from Statistics South Africa, GDP P0441. Annual quarter and regional revisions. Q4 2016. Excel spreadsheet. Series on manufacturing subsectors in current rand. Downloaded from www.statssa.gov.za in September 2017; and Quantec EasyData. Standardised regional data. Database in electronic format. Series on value added in current rand. Downloaded from www.quanis1.easydata.co.za in September 2017.

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. This methodology is used to derive annual data for total employment by industry in 2016 and the year to the third quarter of 2017.

Around 90 000 people worked in printing and publishing from 2008 to 2016. The fluctuations in the data do not show any clear trend.

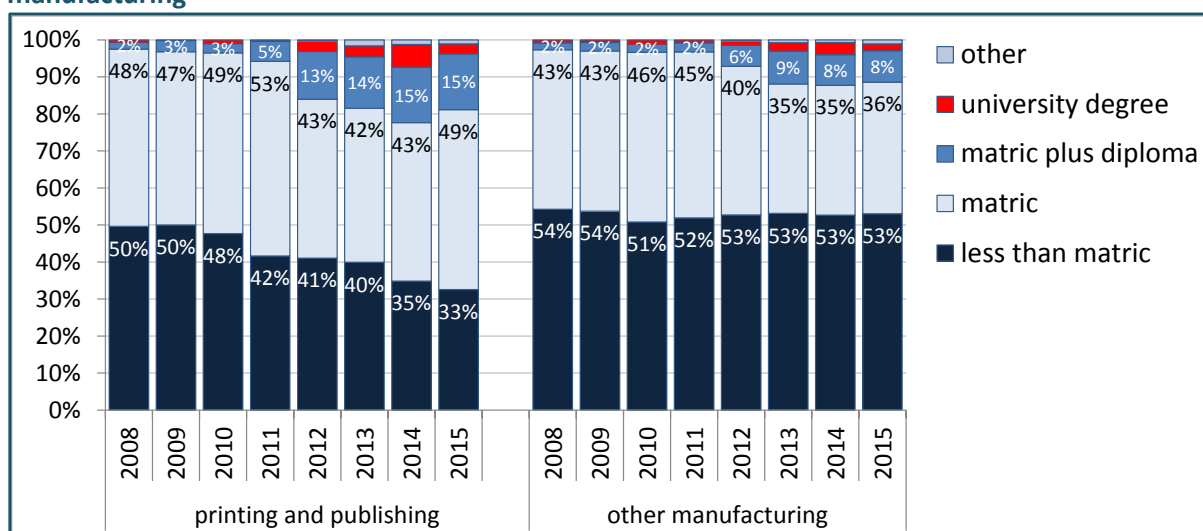
Graph 3. Employment in printing and publishing



Note: (a) Calendar years except for 2017, which is the year to the third quarter. Source: Calculated from Statistics South Africa. Labour Market Dynamics. 2008 to 2015. Series on employment by industry. Electronic databases. Downloaded from www.statssa.gov.za Nesstar facility in September 2017; and Quarterly Labour Force Survey. Q1 2016 to Q3 2017. Series on employment by industry. Electronic databases. Downloaded from www.statssa.gov.za Nesstar facility in December 2017.

Education levels in printing and publishing were significantly higher than in the rest of manufacturing. In 2015, 67% of workers in the industry had at least matric, compared to 47% in the rest of manufacturing. Around one worker in five in printing and publishing had a post-matric diploma or a degree, compared to one in 10 in the rest of manufacturing.

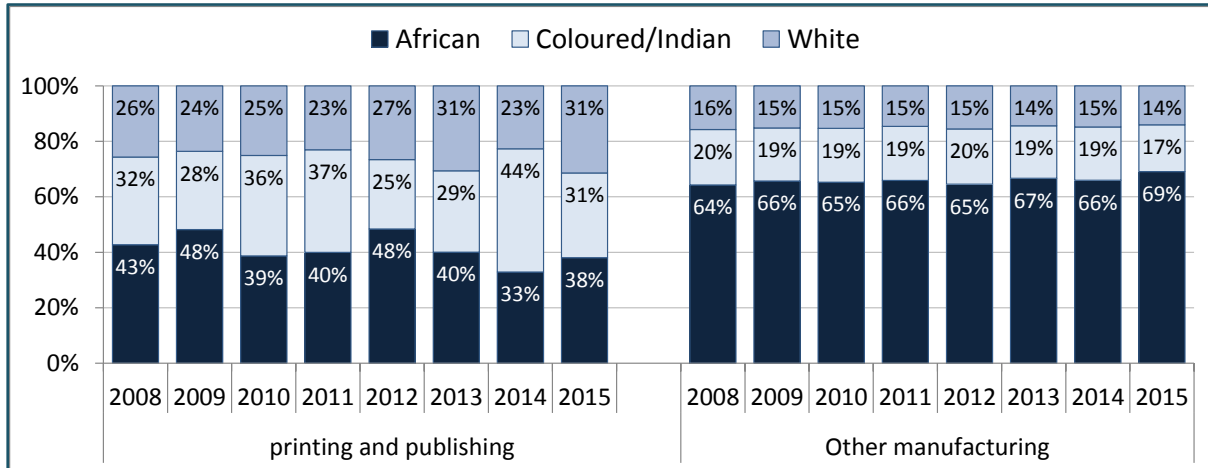
Graph 4. Employment by education level in printing and publishing compared to other manufacturing



Source: Statistics South Africa. Labour Market Dynamics. Relevant years. Series on employment by industry and education. Electronic databases. Downloaded from www.statssa.gov.za Nesstar facility in September 2017.

Employment in printing and publishing was spread almost equally between Africans, Coloureds and Asians, and whites. In contrast, Africans constituted more than two thirds of employment in the rest of manufacturing, and over four fifths of the working-age population.

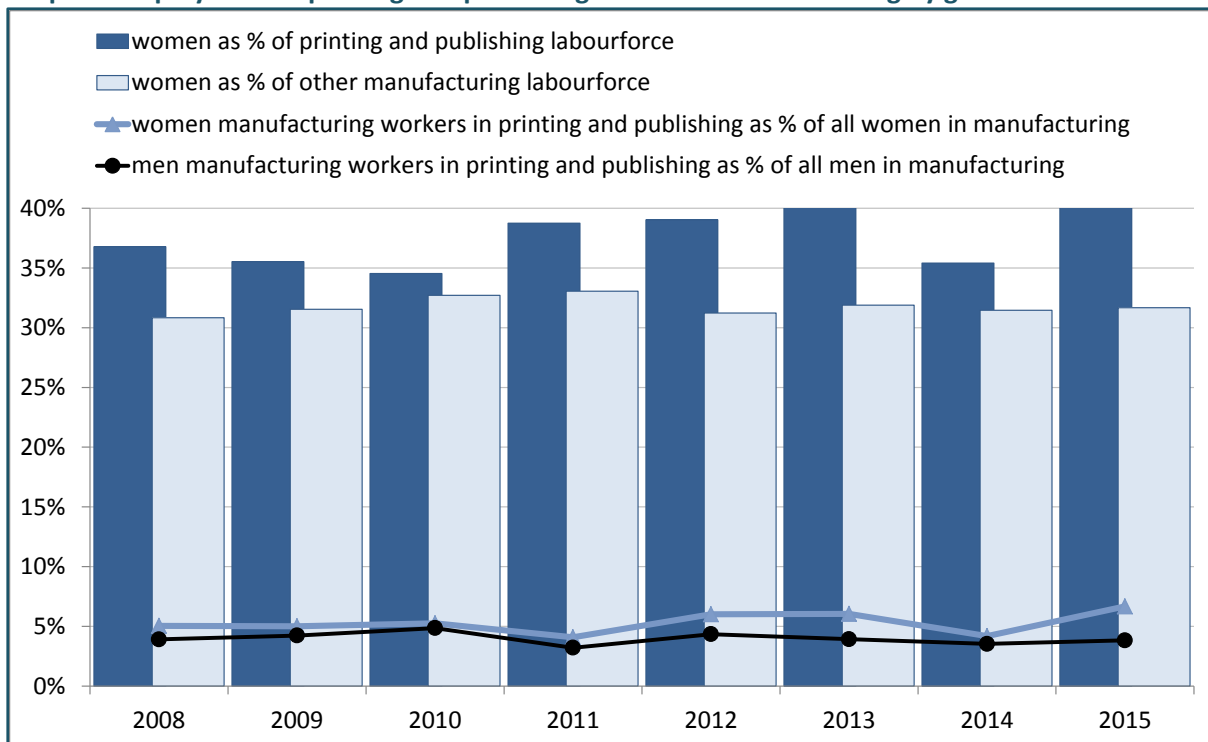
Graph 5. Employment in printing and publishing by race



Source: Statistics South Africa. Labour Market Dynamics. Relevant years. Series on employment by industry and population group. Electronic databases. Downloaded from www.statssa.gov.za Nesstar facility in September 2017.

Women made up around 40% of the labour force in printing and publishing, compared to 30% in the rest of manufacturing. Around 5% of women manufacturing workers had jobs in printing and publishing.

Graph 6. Employment in printing and publishing and other manufacturing by gender

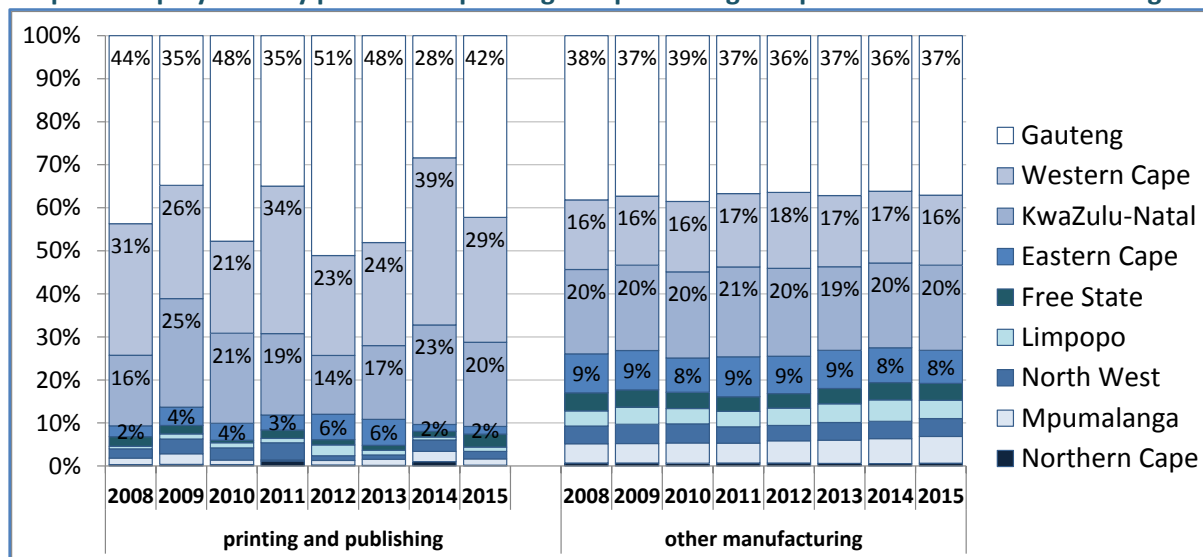


Source: Statistics South Africa. Labour Market Dynamics. Relevant years. Series on employment by industry and gender. Electronic databases. Downloaded from www.statssa.gov.za Nesstar facility in September 2017.

3 Location

Statistics South Africa provides information on employment by province. Over 90% of employment for printing and publishing was in Gauteng, the Western Cape and KwaZulu Natal, as shown in Graph 7. That compares with a figure of around 75% for the rest of manufacturing.

Graph 7. Employment by province in printing and publishing compared to other manufacturing



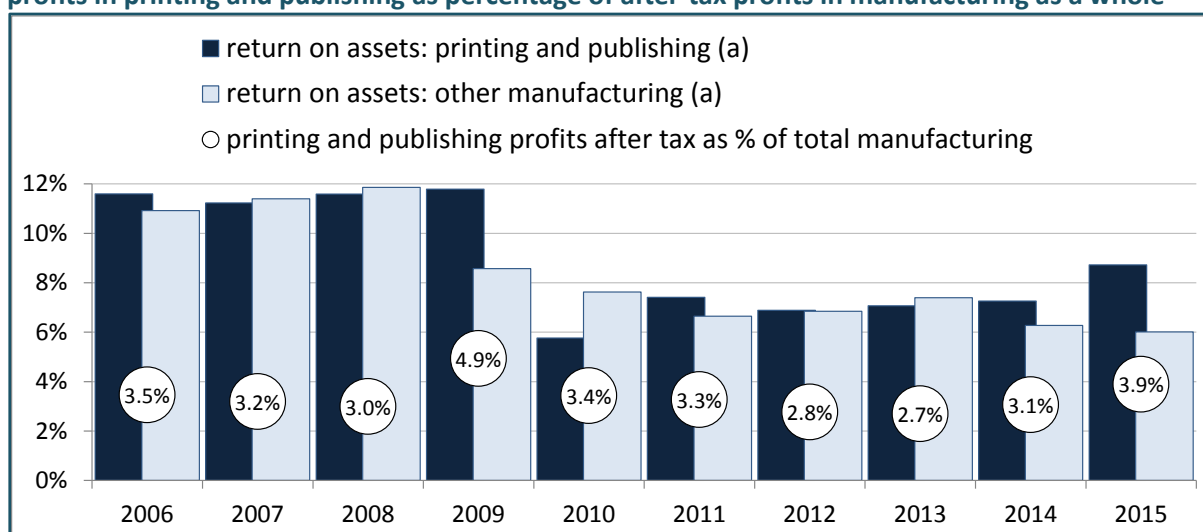
Source: Statistics South Africa. Labour Market Dynamics. Relevant years. Series on employment by industry and province. Electronic databases. Downloaded from www.statssa.gov.za Nesstar facility in September 2017.

The location of manufacturing can also be understood in how it was embedded in apartheid geography. To this day, only a tenth of manufacturing employment is in the former so-called “homeland” regions, where around a quarter of the population lives. In the case of printing and publishing, only 2% of total employment was in the former “homeland” regions from 2008 to 2015, significantly lower than for manufacturing as a whole.

4 Profitability and assets

From 2008, the after-tax return on assets in printing and publishing averaged 8% a year. That is the same rate as in the rest of manufacturing. Printing and publishing provided around 4% of all manufacturing profits in 2015.

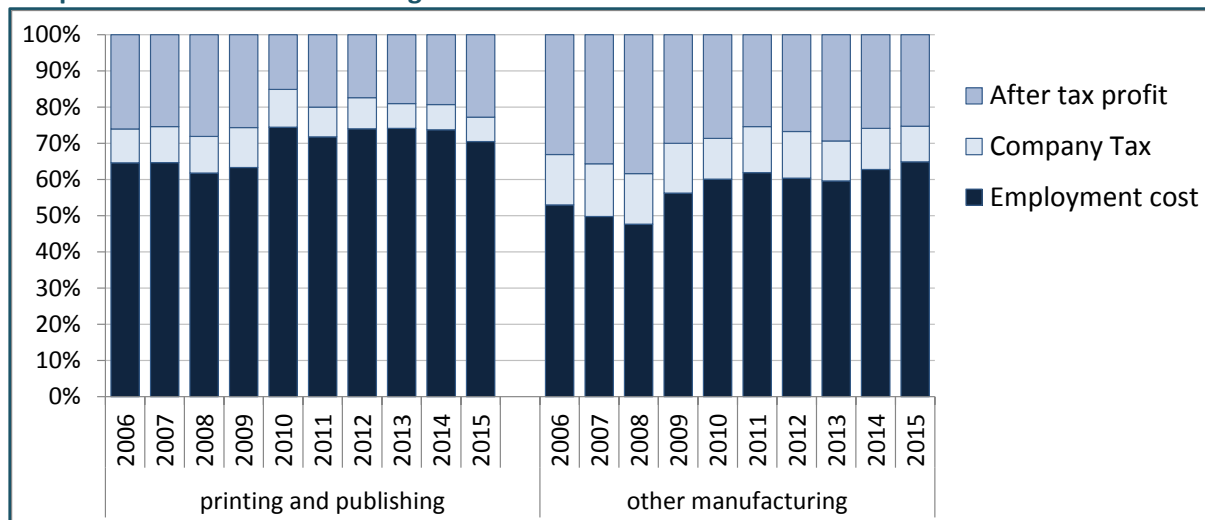
Graph 8. Return on assets (a) in printing and publishing and other manufacturing, and after-tax profits in printing and publishing as percentage of after-tax profits in manufacturing as a whole



Note: (a) Profits before taxes and dividends less company tax as percentage of total assets. Source: Calculated from Statistics South Africa. Annual Financial Statistics. Disaggregated Industry Statistics for relevant year. Excel spreadsheet. Downloaded from www.statssa.gov.za in September 2017.

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

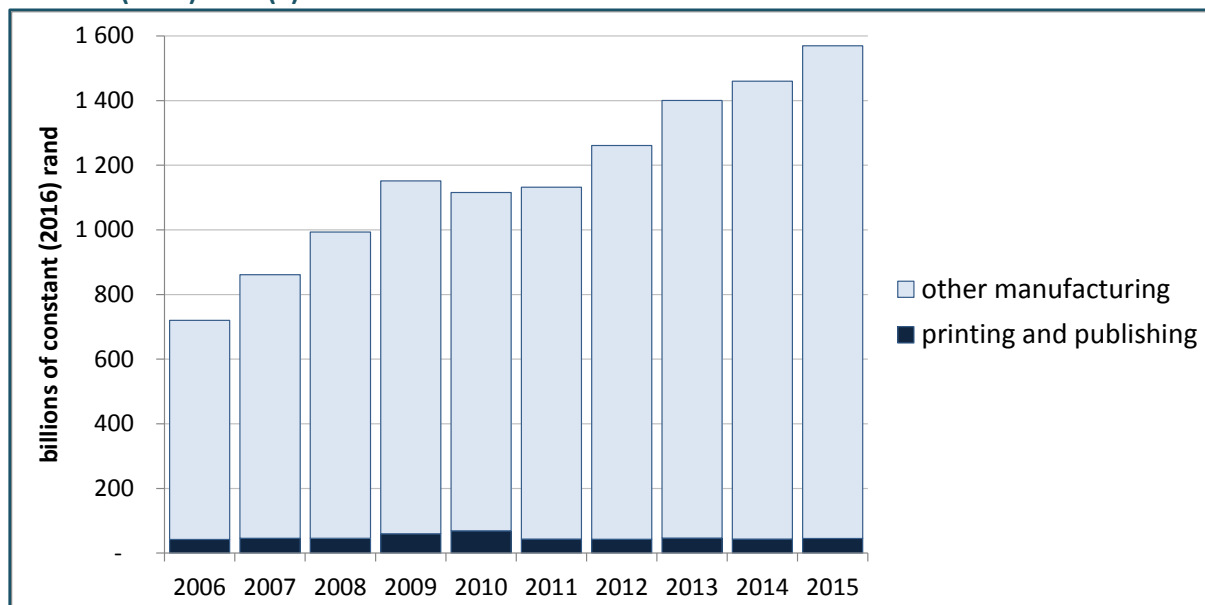
Graph 9. Share of remuneration, profits and taxation in income from printing and publishing compared to other manufacturing



Source: Calculated from Statistics South Africa. Disaggregated Industry Statistics for relevant year. Excel spreadsheet. Downloaded from www.statssa.gov.za in September 2017.

The value of printing and publishing assets declined by 1% from 2008 to 2015, while the assets in the rest of manufacturing rose 67%. As a result, the share of printing and publishing in total manufacturing assets fell from 5% to 3% over this period.

Graph 10. Value of total assets in printing and publishing and other manufacturing in billions of constant (2016) rand (a)



Notes: (a) Deflated with CPI. Source: Calculated from Statistics South Africa. Disaggregated Industry Statistics for relevant year. Excel spreadsheet. Downloaded from www.statssa.gov.za in September 2017.

5 Market structure and major companies

According to Statistics South Africa's Manufacturing Financial Statistics, in 2014 the share in total income of the largest five companies was far higher in printing and publishing than in other manufacturing industries. In printing and publishing, the top five companies controlled 71% of revenues, which was higher than much more capital-intensive industries like basic chemicals and the auto industry.¹

In 2015, the Labour Market Dynamics Survey found around 10 000 formal enterprises (that is, employers and self-employed) in printing and publishing compared to a total of around 60 000 in manufacturing as a whole, and 671 000 for the entire economy. The figure was too small to permit a meaningful analysis of trends.

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

Table 1. Market structure for major printing and publishing products

Company	Employed	Nature of Business
Publishing of Newspapers, Journals and Periodicals		
Naspers Ltd	24 000	Owns Media24 Ltd, which prints newspapers and magazines. Also has internet platforms in China, Russia, Eastern and Central Europe, Latin America, Africa, India and South East Asia.
Caxton and CTP Publishers and Printers Ltd	6 310	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	6 210	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
Tiso Blackstar Group	3 016	Owns Times Media and BDFM, which publish Business Day, the Financial Mail and the Sunday Times, among others.
Novus Holdings Ltd	2 003	Finishing, labelling, and the manufacturing of tissue products and flexible packaging, including magazines, newspapers, advertising and labels. In SA has ten 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. It
Macleary Investments	700	Litho and gravure printing.
Kaqla Media	220	Publishes specialist business-to-business magazines
Publication of Books, Brochures, Musical Books and Other Publications		
LexisNexis (Pty) Ltd	389	Information and editorial commentary for professionals, government, corporates and students in both print and online format.
AC Braby (Pty) Ltd	310	Specialist business directories (including on line), maps, calendars and diaries
New Holland Publishing (SA)	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.

¹ Calculated from Statistics South Africa. 2016. *Manufacturing Industry: Financial, 2014*. Pretoria. Table 9, p 33, ff.

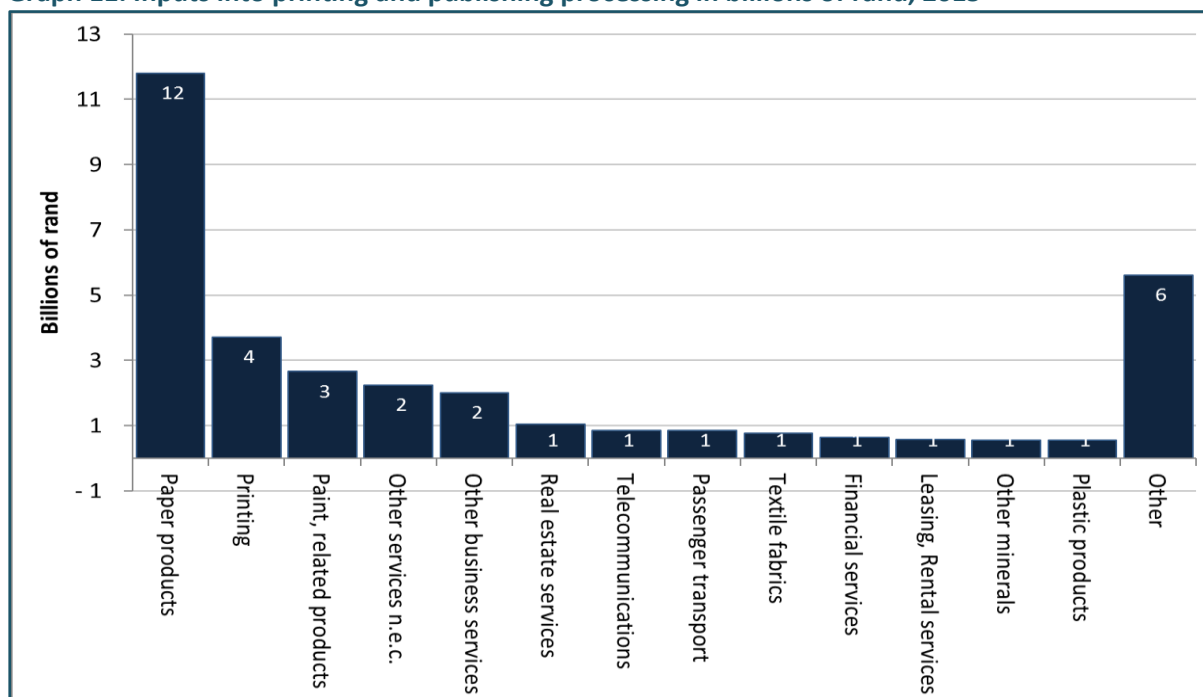
Company	Employed	Nature of Business
SA Greetings	480	SA Greetings designs, manufactures and distributes greeting cards, gift wrap, gift bags and social stationery ranges.
Printing		
Golden Era Printers and Stationers Bops	1 200	Lithographic and flexographic printing and packaging.
Hirt and Carter	770	Photolithographer and type setter, as well as undertaking graphics.
Paarl Media	700	Litho and gravure printers.
Jetline Franchises	508	Print on demand, visual communication, multimedia and print solutions with 47 individually owned franchises in South Africa.
International Trimmings and Labels SA (Pty) Ltd	430	Global designer, manufacturer and distributor of apparel branding, including screen printing.
Afripack (Pty) Ltd	327	Printing and packaging.
Fishwicks Printers	240	Commercial printer.
Ultra Litho (Pty) Ltd	180	Commercial printer.
Shumani Mills Communications	163	Commercial printer.
NB Print CC	162	Printing and packaging.
HP Labelling	125	Prints labels.
Beith Digital	80	Commercial printer.
Lexlines Press	70	Commercial printer.
Impala Stationery Manufacturers	49	Commercial printer.
Packaging and printing		
Nampak Products	4 158	Printing for packaging.
RPC Astrapak	1 681	Printing for packaging.
Bidvest Paperplus	7 690	Printing and packaging.
Mpact Ltd	4 998	Printing for packaging.
Keypak (Pty) Ltd	400	Printing for packaging.
Nampak Ltd	6 678	Printing for packaging.

Source: *Who Owns Whom. Report Generator. Large companies in printing and publishing. Downloaded in November 2017.*

6 Major inputs

The main inputs into printing and publishing are paper products, printing, and paint-related products. In constant rand, the value of inputs remained almost unchanged from 2012 to 2015. Paper products, printing, and paint related products constituted about 53% of all inputs.

Graph 11. Inputs into printing and publishing processing in billions of rand, 2015

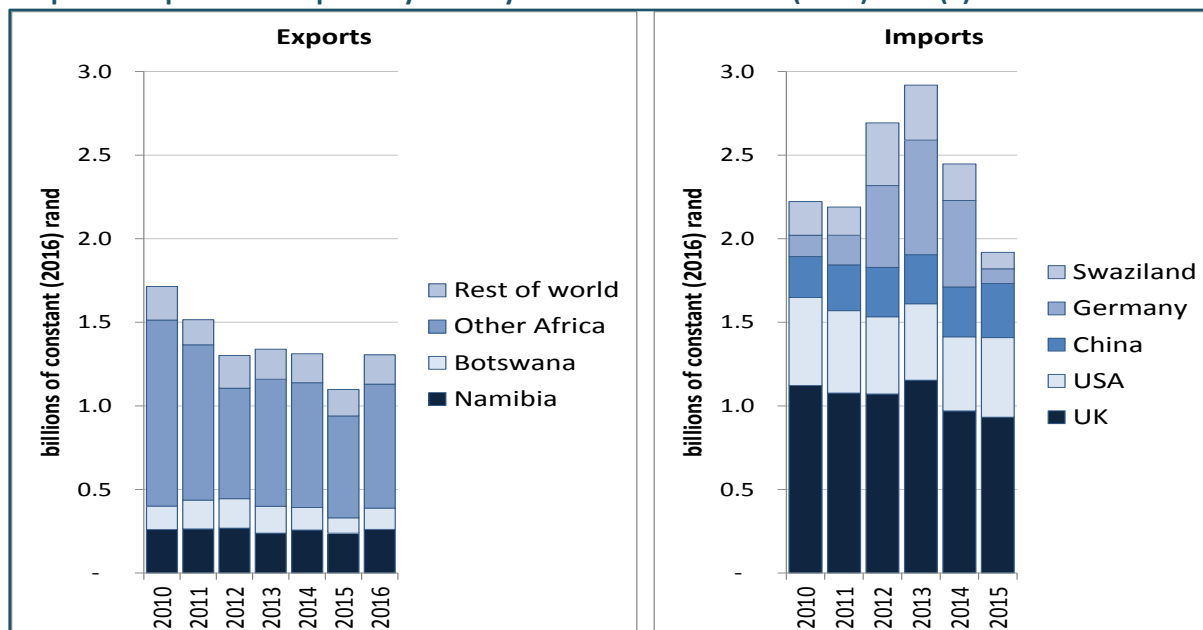


Source: Calculated from Statistics South Africa. Statistics South Africa, GDP data in excel format, Fourth Quarter 2017. Use Tables. Downloaded from www.statssa.gov.za in October 2017.

7 Trade

South Africa imported almost R2 billion in printed material in 2016, 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 UK and the US. In constant rand, the value of exports fell 24% from 2010 to 2016. Imports dropped by 13% from 2014 to 2016 in constant rand.

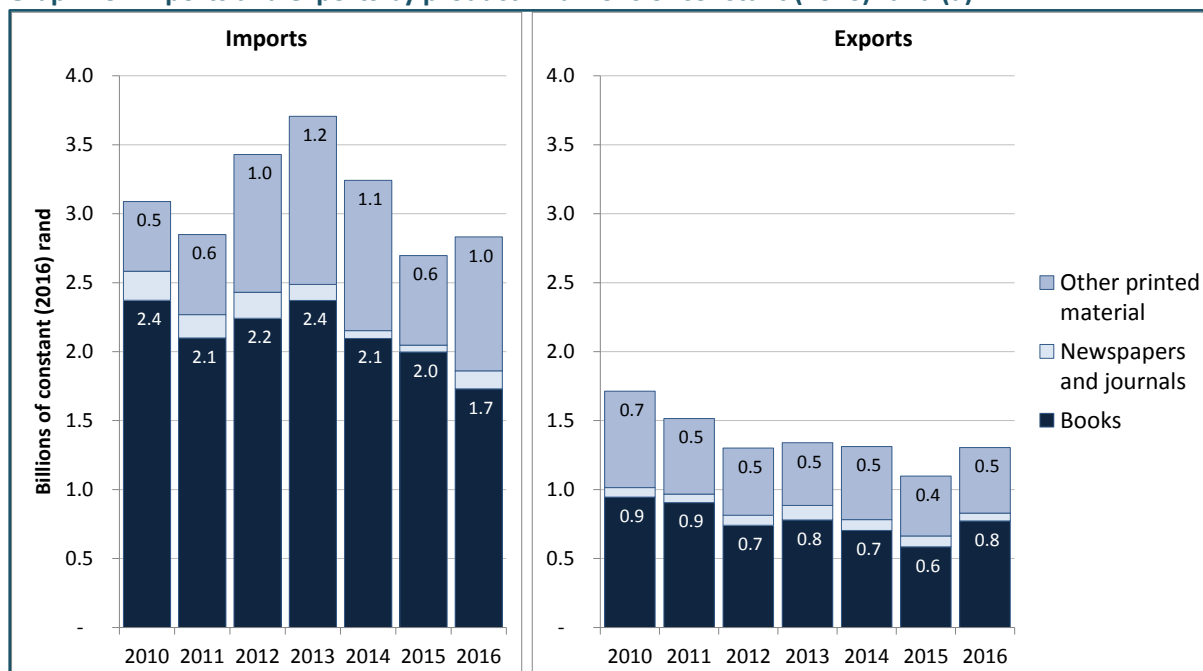
Graph 12. Imports and exports by country in billions of constant (2016) rand (a)



Note: (a) Deflated with CPI. Source: Calculated from ITC. TradeMap. Electronic database. Series on imports and exports in HS49 by country. Downloaded from www.trademap.org in November 2017.

In 2016, books constituted two thirds of imported printed material. Half of exports were books and 7% newspapers and magazines.

Graph 13. Imports and exports by product in billions of constant (2016) rand (a)



Note: (a) Deflated with CPI. Source: Calculated from ITC, TradeMap. Electronic database. Series on imports and exports in HS49 by product. Downloaded from www.trademap.org in November 2017.

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