

PRESS RELEASE 18/03/2020

IMPACT OF COVID-19 ON THE EUROPEAN PRINTING INDUSTRY

Intergraf positions

- **Intergraf urgently calls on European and national authorities to secure the supply of ethyl alcohol for the continuous production of food packaging.**
- **Intergraf calls for the fair treatment of shipments from Italy, as well as other European countries which are/may be subject to restrictive measures.**
- **Intergraf calls on European authorities to ensure that any controls at borders will not disrupt deliveries and the supply chain.**

Current situation

The printing industry is a supplier to many other economic sectors. The effects of COVID-19 on all impacted sectors will ultimately impact the European printing industry.

Foreseen problems: printers

The first impact currently is all over Europe and specifically for printing companies which are supplying trade fairs/exhibitions or meetings and events. They see a large part of their business cancelled at the last moment. This affects brochures and leaflets, but also the printing of exhibition booth panels/posters/wall stickers/signage, or shelves in cardboard.

A general reduction of the European economy will have an impact on advertising, because these costs tend to be cut in a first step. Advertising makes up some 40% of all printed products in Europe, so such a reduction will deeply affect all printing companies, regardless of their specialisation. A drop in orders for catalogues from travel agencies has also already been reported. The same is expected for the demand for print from all leisure-related industries (restaurants, theatres, museums, concerts and other cultural activities, etc.). A lockdown in different countries will also have a direct impact on advertising that is printed and distributed to households.

There are also concerns about impacts on the transport of goods with the increase of border controls in Europe.

Regarding the situation at employee level, sick leaves are increasing, as are requests from staff to stay at home with children when schools are closing. There is, as a result, a general fear of a lack of workforce. Companies are creating a variety of additional back-up plans or emergency plans.

Foreseen problems: supply chains

There are concerns about the possible shortage and/or delays in the supply of paper. Firms are not yet signalling a shortage of inventories, but one company has reported that local suppliers have stocks of printing input materials for about 1.5-2 months. Both China and Italy are significant suppliers of foils and films used in packaging printing, so there are also concerns that these supply chains could be affected. In addition to this, European printing companies indirectly rely on China

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for the supply of chemicals used in input materials in printing processes (e.g. constituents of inks and solvents). Printing companies using isopropanol (IPA) are also reporting a concern for the supply of this solvent, which is also used for the production of hand sanitisers. Many companies have seen an increase in the price and/or a reduction in the supply of IPA.

Foreseen problems: packaging

Ethyl alcohol is a critical input material for the production of printed packaging material, and therefore for the production of food packaging. Ethyl alcohol is used in flexography printing processes to dilute inks and clean machines. It is also used for the production of disinfectants, for which demand has significantly increased with the spread of COVID-19, sparking concerns of a shortage.

While the supply of ethyl alcohol should be secured for sanitary purposes, in particular in medical environments, its supply for the continuous production of food packaging should also be available. Without packaging, food cannot reach the final consumer. Under these exceptional circumstances, the priority is to secure business continuity for the supply of consumer goods that are vital for the population. Food is one of them. It is key that the supply of food to the European population is safeguarded; therefore, any disruption to the supply chain must be avoided. Intergraf together with FTA Europe (the European Flexographic Printers Association) therefore warns about the already experienced shortage of ethyl alcohol in certain countries (statement enclosed).

Outbreak in China

Companies in high exporting European countries see orders coming from customers who used to print in China. Packaging printing companies also report a decrease in demand due to customers lacking components imported from China to manufacture the packaged goods. If fewer or no goods are manufactured, this has a direct impact on the packaging needed.

Outbreak in Italy and the rest of Europe

Similar to China, companies in high exporting European countries do see orders coming from customers who used to print in Italy.

N.B. This situation in Italy has not yet been fully assessed, so the information above does not reflect the situation in printing companies in Italy.

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INTERGRAF

The European Federation for Print and Digital Communication

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Notes to Editor

Intergraf is the European federation for print and digital communication. We are a Brussels-based trade association representing employers in the European printing industry. Intergraf represents 21 national printing federations in 20 countries. Our primary task is to represent and advocate for the interests of the printing and digital communication industry in Europe, working with European Union to support the sector's competitiveness through advocacy, information-sharing, networking and social dialogue. For more information, please visit: www.intergraf.eu

For more information please contact:

Alison Grace
Communications & Policy Officer at Intergraf
Email: office@intergraf.eu
Tel: +32 (0) 2 230 86 46