



To: Rt Hon Rishi Sunak MP, Chancellor of the Exchequer and Rt Hon Alok Sharma MP, Secretary of State for Business, Energy and Industrial Strategy:

The Graphics and Print Media Alliance appreciate the work your Departments, and the Government more widely, have done to protect jobs and business across the UK at this extremely challenging time. As such, we understand the need for the new restrictions on social gatherings and normal business activity being introduced this week.

We do wish, however, to draw your attention to the impacts of these measures on the graphics and print media sector. We are keen that the efforts that have been made by your Departments to prevent job and business losses, are not undone.

Our particular concern is for the printing industry and its future, the maintenance and integrity of its supply chains, and the threat to thousands of businesses and tens of thousands of jobs that this pandemic continues to pose.

Our industry

Our industry is important to the UK economy. As the fifth largest producer of printed products in the world, prior to the pandemic we generated in the region of £14bn and employed 112,000 people across 8,000 businesses in the UK. In addition to this, printing businesses are part of an extensive and complex supply chain, with millions of ordinary consumers relying on print to meet their needs for information and communication.

Impacts

Without further direct Government intervention to support businesses in our sector, our industry is facing a significant challenge. As the Job Retention Scheme ends, our industry is still suffering from low demand, which is now being exacerbated by the 'Rule of Six' and additional social restriction measures. This week's measures imposed on the retail, leisure, entertainment and hospitality industries will have a knock-on effect on those industries' need for printed materials. Please see the Annex for more detailed insight into how social restrictions impact the printing industry.

If the restrictions remain in place until the end of the year, and if there is no additional Government support announced, we estimate that:

- Approximately 3000 companies in our industry will need to declare insolvency.
- A further 3,000 will be capable of staying in business for a further six months maximum
- Less than 10% are in a situation to take out further Government-backed loans to remain solvent.



- The remainder will likely need to make redundancies, but will be able to continue working (if our supply chain retains its integrity), as they have a specialism producing print for frontline services, or are in turn suppliers to these specialist organisations.

Unlike machine parts, cars, electronic goods and so forth, demand for printed goods as the pandemic comes to an end will not replace the loss of income our industry has already sustained. Individual consumers may delay purchasing decisions for cars, home entertainment systems and so on until the economic situation is improved. We can expect a surge in demand for these items when it seems the crisis is coming to an end. Print, however, is largely bought on a weekly and monthly basis as needs require – in other words, little and often. At best, order levels will return to where they were prior to the crisis, however it will not be possible for the industry to service all the debt which will have built up due to the need to remain solvent.

Our proposal

As mentioned, we understand the need for the continued action to control the pandemic. Therefore, we are calling for a solution to support the industry to remain solvent while these restrictions continue.

We would appreciate an understanding from your Departments of the specific challenges facing businesses where demand for their products is of the 'little and often' type, and which are therefore unlikely to enjoy a post-COVID business bounce.

It is our view that a mean-tested 'disaster relief' style grant should be made available to the printing industry (and potentially others who face the above scenario). Businesses would need to demonstrate the scale of business damage year-on-year in order to qualify for the appropriate support (it is important to note that not all sectors of, and companies within, our industry have experienced the downturn).

We would very much appreciate your consideration of these concerns and proposals, and any feedback that may arise from internal discussions or those with HM Treasury.

Please contact us if you require any further information. We would, of course, be happy to meet to discuss further.

Your sincerely,

The Graphics and Print Media Alliance — representing the member signatories to this statement overleaf.



Graeme Smith, Independent Print Industries Association - Chairman
Bettine Pellant, Print Industry Confederation - CEO
Charles Jarrold, British Printing Industries Federation – CEO (and Chair of the GPMA)
Brendan Perring, British Association for Print and Communication - Chairman
Neil Lovell, The Printing Charity - CEO
Amy Hutchinson, British Office Supplies and Services Federation – Chief Executive
Andrew Large, Confederation of Paper Industries – Director General
Anthony Evans, Association of Print and Communication Managers - President
Carey Trevill, British Promotional Merchandise Association – CEO
David Harrison, PPMA Group of Associations – COO
Clive Fricker, The Rubicon Network – CEO
Tom Bowtell, British Coatings Federation – CEO
Debbie Waldron-Hoines, European Flexographic Industry Association – Consultant CEO
Martyn Eustace, Two Sides UK – Chairman
Dick Searle, The Packaging Federation – CEO

Annex 1 – The impact of the ‘Rule of Six’ on the UK printing industry

The impact of the 'Rule of 6' and the wider tightening of restrictions across the UK is having a rapid impact on business confidence and direct print orders. This is now rolling out from its initial immediate impact on the business-to-consumer print community, most of whom have a retail aspect, through to larger business-to-business commercial print and print management organisations — specifically with a concentration of customers in metropolitan centres.

Large organised events such as conferences, exhibitions, festivals and sporting/hobby competitions and gatherings that were due to take place from October, now will be unable to do so.

These activities alone compromise around 15% of UK total print volumes and will be a fundamental building block of our industry's recovery.