

Printing, print media and publishing Sector

A profile of the printing, print media and publishing sub-sector

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1. Executive Summary

This sector profile provides a brief overview of the printing, print media and publishing sectors. It covers the key trends and challenges, the drivers of change and the key role players in the printing, print media and publishing sectors. Profiles of FP&M SETA learners in the printing, print media and publishing sectors are provided.

2. Overview

The printing, print media and publishing (PPMP) sector contributed R4 156 835 to manufacturing sales as at 1 July 2014 (StatsSA, 2014). Of this amount, publishing sales accounted for R1 622 882, which could be attributed to increased use of electronic tools to access traditionally published works.

To understand this sector it is important to differentiate between the printing, print media and publishing sub-sectors. Table 1 below provides a definition of each area. Although each sub-sector is unique, they are also all closely linked in terms of final delivery to the public.

Table 1: industry definitions

Printing	Print media	Publishing
The process, business, or art of producing printed matter (Collins Dictionary).	The industry that is engaged in the printing and dissemination of news through newspapers and magazines (Collins Dictionary).	To issue printed or otherwise reproduced textual or graphic material, computer software etc for sale or distribution to the public (Dictionary.com).

The PPMP industry is regulated by the following legislation:

- Copyright Act, Act 98 of 1978
- Imprint Act, Act 43 of 1993
- Media Development and Diversity Agency Act, Act 14 of 2002
- National Environmental Management Waste Act, Act 59 of 2008

The South African print media industry is highly concentrated, with a small number of firms with large market shares at each level of the value chain. Four main media houses account for a significant portion of the newspaper market. These media houses also have considerable influence over printing and distribution. There are four main players: Naspers through its subsidiary Media24, Caxton, The Times Media Group and Independent Newspapers (Table 2).

Table 2: main players in the print media industry

Organisation	Description
Media24	Media24 controls the Naspers group's publishing and printing activities. It is the largest publisher, printer and distributor of magazines and newspapers in Africa.10 Media24 publishes more than 60 newspapers including The Daily Sun, City Press, Beeld, Die Burger and Rapport. About 50 of these publications are community papers with localised distribution. The group's largest presence in community papers is in the Western Cape.
Caxton Group	The Caxton Group has one paid-for newspaper, The Citizen, which has a national footprint. The group has an interest in more than 150 community newspapers that are distributed throughout the country.
Times Media Group	The Times Media Group, formerly Avusa, publishes 19 newspapers including South Africa's biggest Sunday paper, the Sunday Times. Their community newspapers division publishes nine weekly titles in the Eastern Cape. Times Media Group is involved in the publication of the Financial Mail and Business

Organisation	Description
	Day though a joint venture with the British publisher Pearson.
Independent Newspapers Group	The Independent Newspapers Group is a wholly owned subsidiary of Independent News and Media Limited.14 Independent Newspapers publishes 30 daily and weekly newspapers. The group has a large presence in the English reader market, estimating that it reaches 63% of the English market in Gauteng, KwaZulu-Natal and the Western Cape. Independent Newspapers also publishes the only isiZulu daily in South Africa, Isolezwe.

South African publishing houses focus on three broad market areas:

- Academic (or higher education) publishing provides learning materials for the tertiary market (that is, all post-school levels);
- Education publishing is aimed at the school market, from pre-school to Grade 12, and provides learning materials for learners and support materials for teachers; and
- Trade publishing provides the kinds of books that you will find at bookstores in your local mall.

(PASA, 2014)

Publishing houses generally specialise in one or two of these market areas.

3. Key features

3.1 Trends

For over 20 years 3D printing has been utilised in manufacturing, and while once considered an expensive option it is becoming an affordable asset for creating final products for virtually any market. International brands already integrating 3D printing into their manufacturing operations to create finished parts and/ or products include General Electric, Boeing, Ford, Nike, Hershey's, Hasbro, and Mattel, amongst others. (Graphix Mag, 2014)

In a 2014 research study commissioned by Canon findings revealed that 92% of businesses believe professionally printed material is critical to their business, whether done by commercial printers or in house print divisions. Industries surveyed were retail and wholesale, marketing and communications, education and health, manufacturing and primary business services, as well as IT and finance. The study demonstrated that the role of print is not going to change within the next two to five years. (Graphix Mag, 2014)

The advent of the Internet and mobile technology applications has impacted on the manner in which information is consumed. Despite electronic access to most published data, the place of the printed document cannot be completely exchanged easily or cheaply at this stage of the industry's technological evolution. The key will be to exploit synergies between print and digital media so that they are combined in an innovative and more effective communication mix which caters to consumers' needs. (News24, 2014)

3.2 Challenges

Generic challenges in the South African PPMP industry included the following:

- Impact of the internet on PPMP operations, particularly printing;
- Availability of print media in languages all South Africans speak; and
- Transformation in terms of race and gender.

A challenge specific to print media, and by default publishing and printing, is the structural barriers that make it very difficult for small, independent presses to succeed. (Waal, 2013) Small players in the industry find it extremely challenging to compete against the four big established groups, as these tend to do their own printing and distribution, and also dominate advertising revenue.

3.3 Drivers for Change

As recently as October 2014 members of the printing industry registered concerns with government in respect of corruption in the quotation cycle on the part of the print buyer, who is usually government-based. Printing SA reports that on a number of occasions original print quotations from print service providers, which had been accepted by the government department that had specified the job, have been hiked by considerable amounts on the print order. A dilemma facing the industry is that those service providers who decline to engage in unethical practices are at risk of losing potential business as government will no longer contract with them. (Vorster, 2014) The eradication of fraud and corruption in the supply chain process is a key driver for change to ensure that the industry maintains global ethical standards.

Eastman Kodak (Kodak) recently issued a global white paper on process efficiency for improved sustainability, specifically targeted at print companies looking to use technological innovation to implement significant environmental and financial efficiencies within their print offerings and capabilities. With the print industry constantly in a state of flux, those businesses that optimise their environmental credentials, process efficiency, quality management and process control, stand the best chance of ensuring long-term profitability. (Graphix Mag, 2014) These are all elements which shall drive change in the PPMP sector in the years to come.

3.4 Standard industrial classification code

SIC code	Description	Category
32410	Publishing of books, brochures, musical books and other publications	Publishing
32420	Publishing of newspapers, journals and periodicals	
32430	Publishing of recorded media	
32490	Other publishing	
32510	Printing	Printing and service activities related to printing
32520	service activities related to printing	
32600	Recorded media	Reproduction of recorded media

3.5 Trade unions active in the sector

The Printing Industries Federation of South Africa (PIFSA) is a registered trade organisation and is recognised as the official mouthpiece of the industry. It is consulted by Government and all other important national bodies. The entire control of the direction of its efforts and utterances lies in the hands of the membership. As a constituent member of the South African Chamber of Commerce and Industry (SACCI), and the Johannesburg, Cape and Durban Chambers of Commerce and Industry, PIFSA is able to both influence and enlist the support of a wide range of organisations for the benefit of its members (PIFSA, 2014).

3.6 Professional associations

The Publishers' Association of South Africa (PASA) is the largest publishing industry body in South Africa, and is committed to creativity, literacy, the free flow of ideas and encouraging a culture of reading. The Association aims to promote and protect the rights and responsibilities of the publishing sector in South Africa, establish and apply policy guidelines and codes of conduct and examine policy or legislative proposals likely to affect publishing (PASA, 2014).

PRINTING SA represents printers in South Africa, with around 800 members in four regional chambers. The industry employs approximately 45 000 employees with as many as 500 000 dependants and has an estimated annual turnover of R51 billion (PrintingSA, 2014).

Print and Digital Media South Africa (PDMSA) is a non-profit, voluntary association that was originally formed to bring together under one roof publishers of diverse print genres. In a fast-changing media landscape, the print media recognised the advantages of extending its footprint online. To reflect this, the organisation extended its membership to include digital media publications and changed its name accordingly. PDMSA membership includes more than 700 newspaper and magazine titles that cater for four different language groups. PDMSA is dedicated to promoting a free and independent press through close interaction with members and by working together across print and digital media. It complies with internationally recognised good governance practices and effective stakeholder management. Members include the Times Media Group, Caxton & CTP, Independent Newspapers, Media24, Mail & Guardian and the Association of Independent Publishers (AIP). (PDMedia, 2014)

The Media Development and Diversity Agency (MDDA) was established in 2002 to enable historically disadvantaged communities and persons not adequately served by the media to gain access to the media. Its beneficiaries are community media and small commercial media. (MDDA, 2014)

4. Learner Profile

IQ Business received MIS data from FP&M SETA regarding all learners the SETA has interacted with. The learner profile provides an overview of the FP&M SETA's learner who entered in financial years 2011/12, 2012/13 and 2013/14.

Fields of interest are the learners':

- **Equity distribution:** ethnic group of the learner.
- **Socio-economic status:** employed or unemployed.
- **Disability status:** being disabled, this includes sight, even with glasses.
- **Age at time of enrolment:** age was calculated off of the learner's ID number and worked back to reflect his/her age at the time they entered the course.
- **Home language.**
- **Gender.**
- **Geographical distribution.**
- **Intervention.**
- **Sub-sector.**

In this section a focus was placed on the sub-sector, namely printing sectors. Data¹ is reported in the infographic² below per sub-sector.

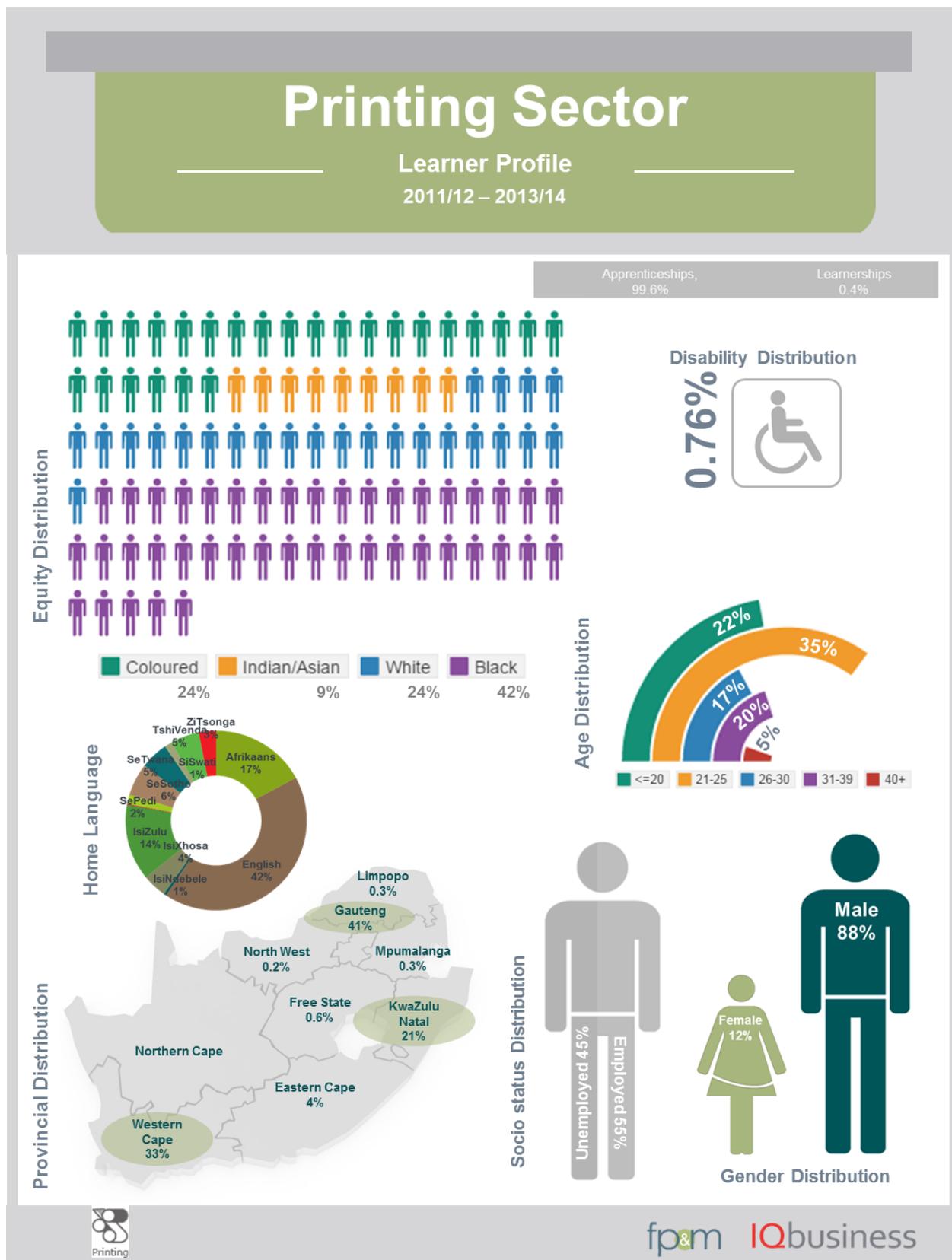
The FP&M SETAs courses in this sector are learnerships and apprenticeships, and learners in these sectors are mainly black South Africans. It can be seen that 95% of printing sectors' learners are under the age of 40 and 0.76% of learners are disabled.

The printing sector is weighted toward male learners and almost equally distributed between unemployed and employed workers who enter into apprenticeships. Apprenticeships occur mostly in Gauteng, Western Cape and KwaZulu-Natal for the printing sectors.

¹ The data excludes missing data within the variables.

² A visual representation of information or data, e.g. as a chart or diagram.

4.1 Printing Sector



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