



CHALLENGING TIMES AHEAD

Volume and sales have been significantly decreasing during the last years. The situation in the printing inks industry can be best described with one word: challenging. However, a difficult environment bears the potential for opportunities. By Damir Gagro.

“We need growth desperately”, said the outgoing Chairman of EuPIA, Felipe Mellado, in his opening speech at this year’s EuPIA Annual Conference, which was held from 21 to 22 April, 2016 in Wroclaw, Poland. All of the more than 80 conference attendees agreed to his statement.

Consumer goods are a very relevant market for the printing inks industry. “Unfortunately forecasts for consumer goods are not favourable”, said Mellado. The prognosis are expecting a very flat development. In all major countries, both emerging and saturated, zero growth is expected. The EuPIA statistics on the printing inks market underlined the challenging situation for the industry.

The market for printing inks is continuously shrinking. The total market size is estimated at some 1.05 million tonnes in Europe. Based on data from EuPIA members, the volumes in Europe fell to 957,000 tonnes in 2015. The lowest volume in more than a decade represents a decrease

of -0.6% compared to the figures in 2014. The sales value decreased by -1.6% to 3.12 USD billion. Sales have fallen to the level of 2005.

PUBLICATION INKS KEEP ON STRUGGLING WHILE PACKAGING INKS KEEP ON GROWING

Especially publication inks are continuing the downward trend. Currently they represent just over 50% (down from 66% in 2005) and of the volume and some 40% of the value. The volumes fell by -4.2% and the value by hurting 7.7%. The outlook for this segment is all but favourable. It is expected that the market size of publication inks will drastically shrink in the years to come, at a fast pace. “Only a few industries have suffered such a transformation with fundamental changes”, said Mellado.

Packaging inks represent just under 50% of market volume (up from 34% in 2005) and 60% of market value in 2015. Compared to 2014 figures, packaging inks recorded +3.3% in volumes and +3% in value in 2015.



“The presentation on macroeconomics was very interesting. A very proactive presentation with simple questions that let you think outside of the box. Furthermore, the presentation on innovation was very good, as it discussed the necessary commitment of CEOs to that approach.”

Denise Lejeune, Siegwerk France



“The conference is an enrichment. All year long, you are basically concerned with your own tasks. The conference is a good opportunity to look beyond and try to think outside the box. I always take some inspiration home and try to implement this ideas in the daily business.”

Marcus Ruckstädtler, Zeller+Gmelin



SAVE THE DATE

The next EuPIA Annual Conference will be held from 30 - 31 March 2017 in Marbella, Spain

Changes in the board: Felipe Mellado ended his term as EuPIA Chairman, he will be succeeded by Herbert Forker. Dr Dirk Aulbert will serve as Vice Chairman.

SEIZING OPPORTUNITIES

The printing inks industry is facing difficult times. But, the picture is not as negative as it may look at first sight. While looking at a broader scope of the world economy, Dr Javier Diaz-Giménez, IESE Business School, raised hope during his presentation. Even though the world economy has been “too slow for too long”, he clearly showed that the global economy is only slightly below the long term average. The economy is weaker than during the last decade, but stronger than the decade before the last. “This is far away from a crisis”, Diaz-Giménez summarised. While saying that for instance China will not implode or crash, he admitted that Europe is continuing to be a shrinking market. How to seize opportunities in a tough environment was presented by Lars Kleinschmidt of the print and media group Eversfrank. According to him, print will sustain. “We have to accept that print plays a new role. Even if it becomes a smaller part, it will certainly have its place in a world of mass communication. We are experiencing an overload in electronic information. Only paper can convey information without an adblocker”, he said.

An interesting insight into the raw material supply situation was presented by Dr Norbert Flüggen of Altana. In the past months raw ma-

terial costs have increased despite low oil prices. Flüggen explained how little low oil prices affect the costs of specialty chemicals used for formulating printing inks. According to him, a price drop of 50% will therefore never be transferred along the value chain at this rate.

NEW IMPULSES ON INNOVATION AND SUSTAINABILITY

The second day kicked off with a presentation on “Digital Business Transformation” by Philipp Deperieux of Eventure. In his opinion it is necessary to force digitalisation at corporations and small & medium-sized enterprises, as the business of the future lies in the digital word. He emphasized that implementing digital processes and business models has to be decided at CEO level in order to bring success.

In terms of success Dr Thomas Allgauer of Dow Chemical addressed the topic innovation in his presentation. He clearly depicted key success factors for innovation. Having worked in many teams in different geographies, showed that Europe has to improve its pace as the emerging economies are catching up.

Dr Dirk Voeste, BASF, gave a good overview on sustainability. He showed how the industry tackled this subject in the past, where it stands today and where it will go in future. ◀



“The EuPIA annual conference is an important event for the inks manufacturer industry. It gives an up-date on the current complex regulatory landscape and provides good insights into technology trends and the business outlook.”

Romain Boulot, Flint Group Iberia



“My highlight presentations were the “Outlook on the World Economy”, “Digital Business Transformation” and “Successful Innovation”. All in all, excellent ideas on how to encounter the upcoming challenges to our business.”

Urs Schlatter, Sun Chemical