



## **PRESS RELEASE**

28/10/2021

## SUDDEN ENERGY SURCHARGES PUTTING THE EUROPEAN PRINTING INDUSTRY AT RISK

Following multiple reports from Intergraf's member companies of sudden and significant energy surcharges imposed by their paper suppliers, we call for an open and transparent dialogue to de-escalate tensions. Such dialogue is essential to ensure good business relations between our two closely linked industries.

European printing companies are shocked following the application of unannounced energy surcharges by paper suppliers across Europe. In the last few days, numerous companies are reporting to Intergraf's national member associations about letters received from many different paper suppliers imposing energy surcharges with immediate effect – irrespective of the date of order, i.e. on already agreed delivery contracts.

Intergraf and our members are concerned about this unsustainable increase, which we find contrary to any conventional commercial practice or trustworthy business relation.

These surcharges are being imposed in addition to a wave of paper price increases in the last weeks and months, which still have to be absorbed by printing companies. These soaring prices were already attributed to increasing energy costs, as well as increasing raw materials and logistics costs.

With demand recovering well after the dramatic decline in 2020, the current situation is characterised by significant shortages of paper on the European market (in particular graphic paper), leading to delivery failure. European printers have no mid-term perspective on the delivery of paper and cannot fulfil orders of their customers, leading to possible contractual breaches and loss of customers.

European printers have their own energy costs, as well as bearing increases in logistic, transport and other raw materials costs. Printers cannot pass on all of these increases to their customers at the level or speed that they are imposed. This situation is putting at risk the whole value chain and will lead to the loss of end-markets for both the printing and the paper sectors.

While we acknowledge that the current pressure on energy prices is significantly impacting paper manufacturers – an energy-intensive sector – printing companies cannot sustain such drastic and unplanned price increases.

Intergraf's members call on paper suppliers to collaborate with their customers and discuss with them an appropriate timeline for any price increases so that printing companies can better prepare and forecast their costs. These standard commercial practices are essential for our value chain to ensure continuous, loyal business relations.

Beatrice Klose, Secretary General of Intergraf commented that:





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"Although Intergraf's aim is not to interfere in market relations, it is our role to report on the situation our members are experiencing. We therefore call for an open and transparent dialogue to de-escalate tensions."

- ENDS -

The European printing industry is made up of some 112,000 printing companies (95% SMEs), which employ 640,000 people and generate a combined turnover of €82 billion (EU27 + UK, Switzerland, and Norway).

Intergraf (www.intergraf.eu) is the European printing industry association, representing employers in this sector. We are a Brussels-based umbrella organisation with 20 members from 19 countries and 5 Associate Members from 4 countries. Our primary task is to represent and advocate for the printing industry in Europe, working with European Union to support the sector's competitiveness through advocacy, information-sharing, networking, social dialogue, and European projects.

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