



August 26, 2016

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“Books are written in Cairo, printed in Beirut and read in Baghdad”. This well-known Arab saying attests the importance of the Lebanese printing industry that dates back to 1585, with the printing press of Saint Antonius in “Qozhaya” being the first in the Middle East.

According to Elie Raphael, Chairman and General Manager at Arab Printing Press, the Lebanese printing industry is a competitive industry, valued at an estimated \$250M, with around 1,000 companies, of which 4% are big printing companies, 10% are medium, while the rest are small. The top market players are Arab Printing Press, Chemaly & Chemaly, Dots, Ipex Printing Press, and Raidy Printing Press.

Since its start, the Lebanese printing industry was a flourishing industry serving the international market. Raphael stated that the printing industry ranks the 5th Lebanese exporting industry. According to Hicham Mneimneh, Co-owner of Ipex Printing Press, the lion’s share of around 70% of the Lebanese printing production is exported.

Besides being the oldest country in the Middle East having a printing press, high exports in this sector were powered by Lebanon’s geographical location that eased international trade. Moreover, the freedom of speech that characterizes Lebanon makes the country a perfect home for press. Hence, Lebanon was renowned as the “Printing Press of the Middle East”.

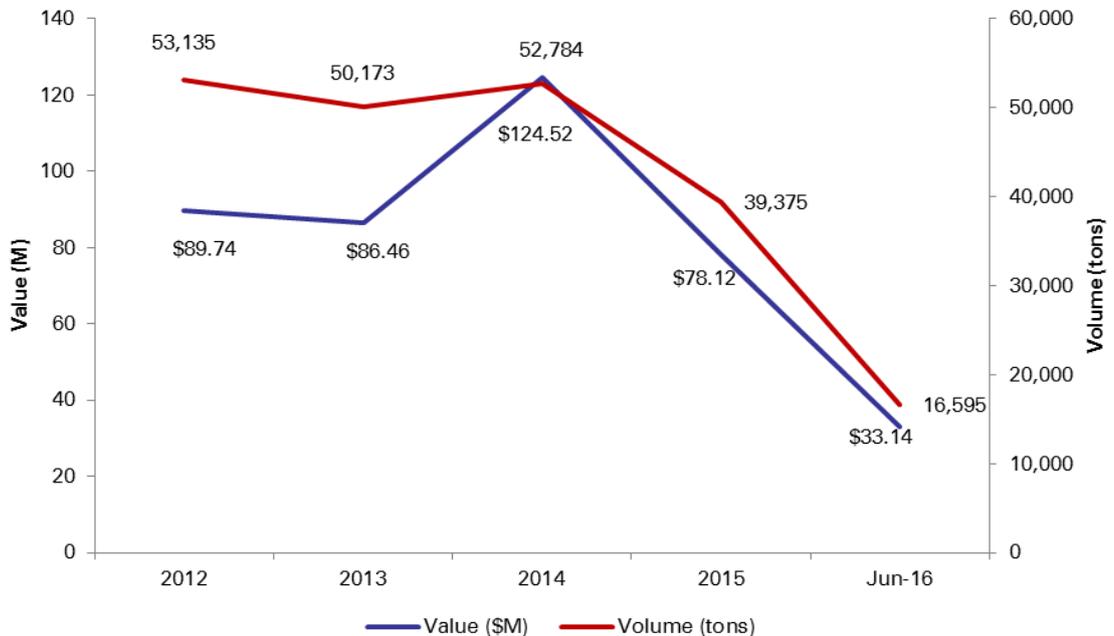
To market themselves abroad, printing presses opened offices in countries such as the United Kingdoms, United Arab Emirates, Saudi Arabia, Iraq and Ivory Coast. Moreover they bid in international tenders for owning the printing rights of academic books.

According to Lebanese Customs, Lebanon exported 16,595 tons of printing products with a value of \$33.14M, in the first half of 2016. The major destinations of the printing industry are Algeria, with a share of 19.51%, Saudi Arabia (10.30%), and Iraq (9.7%).

The printing industry experienced growth years for most of the first decade of this century. However, problems began to surface, starting with the rise of the Arab spring. Regional upheavals lowered demand for Lebanese printed products, noting that the major markets were Arab countries. According to Raphael, the war in Syria closed many export markets for the printing industry such as Syria, Yemen, and Kurdistan, as most were transported by land through Syria. As a consequence, many

printing presses turned to exporting by sea, which costs more and takes more time. According to Antoine Chemaly, Owner at Chemaly & Chemaly, stated that they are bearing high costs of exporting, as Lebanon is the country with the highest costs of air freight.

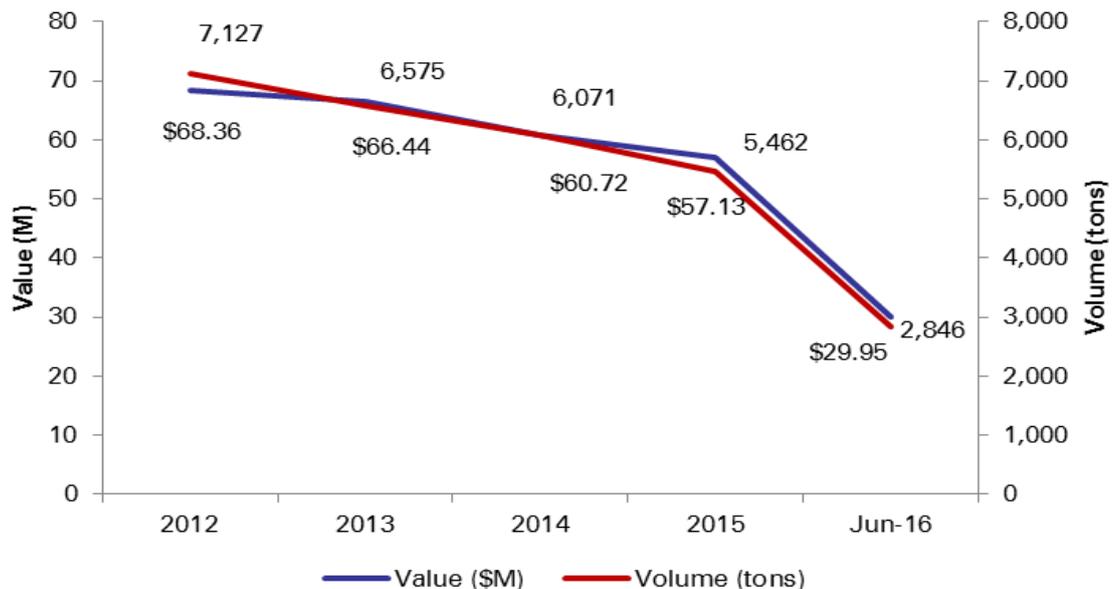
Volume and Value of Lebanese Printing Industry's Exports



Source: Customs

In 2015, the value of the printing industry's exports declined by an annual 37.26% to \$78.12M, with a 25.4% decrease in volume to 39,375 tons. According to Nabil Dabbous, Managing Partner at Salim Dabbous Printing Co, this drop came as a result of the closure of the road between Damascus and Jordan in 2014, making land transportation of exports hard. Moreover, the decline in oil prices depressed the Gulf's demand for imports, as they were cutting down their budgets.

Volume and Value of Printed Imports to Lebanon



Source: Customs

Looking at imports, Lebanon imported 2,846 tons of printed products with a value of \$29.95M, in the first half of 2016. In 2015, the volume of imported printed products dropped by a yearly 10.03% to 5,462 tons, with a 5.91% decline in value to \$57.13M. Lebanon imports printed products from France (25.72%), United States (23.55%), and United Kingdom (18.65%).

The printing industry has been witnessing a downturn, suffering from an oversupply for the last couple of years. Locally, the political and economic situation led companies in Lebanon to decrease their overhead costs, thus decreasing their demand for printed products.

Demand from Arab countries declined also, due to the regional turmoil, declining oil prices and the closure of roads that led to the halt of land transport.

In addition, the depreciation of the euro against the dollar-pegged Lebanese Pound, made the Lebanese printing industry's products relatively more expensive, leading to a drop in demand from the Euro Zone. Mneimneh stated that Ipex Printing Press became cautious and ceased exporting, scared that their clients would not pay.

Another factor that hampered the growth of the printing industry came in the form of the rise of the digital industry and e-books. Demand for printed magazines has declined as people are inclined to read news on websites and blogs. In addition, according to Chemaly, newspapers are finding it cheaper to go online, without supplying printed copies. Moreover, many schools are turning into e-books to lessen the weight of the schoolbags that students carry. However, e-books had a slight effect on printed books as people still prefer reading the hard-copy version.

Due to the downward trend that the printing industry is experiencing, many printing companies tried to hedge their risks by diversifying into new markets such as the 3D printing. Despite having similar names, 2D and 3D printing are not analogous and cater to different clientele. While 2D printing gives the ability to print on papers, 3D printing allows users to print objects.

Despite the dire state the industry is facing, Lebanon has a comparative advantage over other countries in the printing industry, which led foreign companies to outsource their printing works to Lebanon. This is due to the quality, reliability, and punctuality of the services provided by Lebanese printing presses. These characteristics will allow the printing industry to ricochet from the slump it has recently reached.

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