

All Party Parliamentary Group on publishing

Briefing paper:

How to maintain international
success of UK publishing industry



The All Party Parliamentary Group on Publishing has been undertaking an investigation into UK Publishing in a Modern Digital Age. The first part of this started with a roundtable to consider what the global cultural landscape look like without a successful UK publishing sector.

UK Publishing has a strong cultural and commercial capacity which contributes to a thriving UK economy and society. From inspiring Oscar-winning films and stage shows to shaping the minds of the next generation and furthering scientific developments, the UK publishing industry stimulates growth and success both nationally and internationally.

A roundtable was held where members of the All Party Group were able to question a range of industry experts from across the book and publishing community. The Group was keen to understand whether this success is being properly harnessed. Whether there is there more that the Government, or indeed the publishing community and its partners, could be doing?

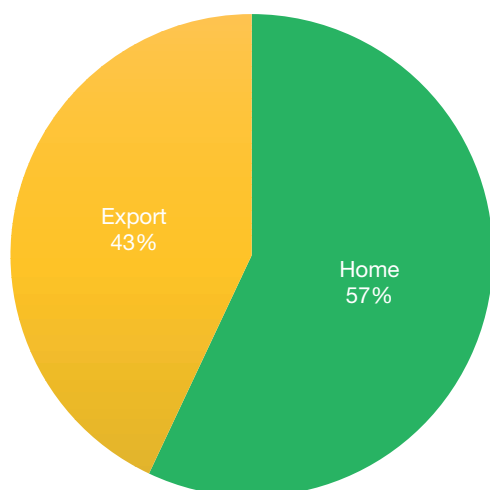
The Group is challenging both the industry and our lawmakers to ensure that the UK's global success is properly developed and supported. This pamphlet sets out some key findings from that roundtable and makes some recommendations for both the government and industry.

The international importance of the UK publishing industry

UK published material, whether that be the latest fiction bestseller, our world renowned scientific journals or textbooks for the classroom, is sought after globally.

British publishers export to every international market and has seen particular growth in recent years in Latin America, the Middle East and North Africa, and East and South Asia.

Total book market



- The UK book and learned journal publishing industry is worth £4.4 billion.
- Publishers' export sales of books (physical and digital) in 2015 were £1.42 billion with education, academic and ELT (English Language Teaching) publishing accounting for two thirds of this. Physical sales were £1.2bn. Digital sales were £218m.
- The UK is the largest exporter of physical books.
- While UK books are exported to every region in the world, Europe remains a strong market. Physical sales accounted for over 35% of total export revenues.
- The second best performing market was East and South Asia with 17% growth.

At a time when the Government is looking to increase the number of businesses selling their wares overseas, they could do a lot worse than look to the success of the publishing industry as a model.

But we have not got to be this global leader by accident. The UK government needs to ensure the framework is right to enable industry to maintain its top position.

The Group believes there is further scope to maximize the publishing industry's role promoting the UK. UK publishing sets a benchmark for quality – it promotes a culture of excellence amongst academic research and acts as an inspiration for others to follow. There is a great opportunity here for the UK to lead and join together its world-leading content industries with its tech know-how.

Impact of Brexit

While publishers have shown resilience following the UK's vote to leave the European Union, with the majority saying it will not affect their business plans, the Brexit vote has still brought up a number of concerns for publishers:

- There is a great deal of uncertainty following the UK's vote to leave, with little clarity over what policies the new Government might pursue and what sort of relationship the UK might have with the EU post-Brexit. This makes it hard for publishers to plan for the future.
- Publishing is an international industry which means that it relies on hiring talent outside the UK and moving staff between offices in various locations. Publishers employ almost 10% of its workforce from Europe, meaning a change in the status of EU migrants would have a significant impact on their businesses.
- Already the vote to leave has caused currency fluctuations has raise the costs of doing business. Although a weaker pound makes exports more competitive, publishers rely on imports of goods such as paper which have become more expensive.
- Even outside the EU, UK publishers are still likely to be affected by policies the EU and its members states pursue, such as the Commission's copyright reform package or individual country's open access policies. There is a concern that outside the EU, the UK will have a reduced voice as these policies develop.

- Publishers benefit both directly and indirectly from EU research funding. The UK is the second largest recipient of EU funding for science and research and therefore a loss of this funding is a major challenge for scholarly research and the UK's place within it, and would also have a knock on effect on the £1.1bn journal market. Publishers also receive funding directly from Creative Europe which provides funding for the translation of literary works into different European languages.

Issues facing publishers

The roundtable identified the following issues:

- Importance of copyright as the mechanism by which authors get paid and publishers remunerated for their investment. If authors can't get paid and publishers can't exploit their rights the whole system falls down.
- Challenges being faced to copyright around the world.
- Lack of profile of publishing in Ministerial trade missions and challenges the industry faces meeting the ROI requirements to qualify for UKTI funding.
- Challenges associated with publishers' major supplier, Amazon, also being the main self-publishing route to market.
- Myth that existing publishing businesses are not 'digital' and that the sector would benefit from being 'disrupted' by tech players.

Brexit recommendations

In order to support the publishing industry in facing some of these post-Brexit challenges the Group believes the Government should:

- Commit to securing access to EU research and cultural funding programmes, or develop new strategies for domestic investment to cover any loss of funding.
- Ensure that any immigration policy enables publishers to continue to have access to the people and skills it needs.
- Set out a clear plan and timetable for leaving the European Union to increase business and consumer confidence.
- Keep barriers on trade with the EU at an absolute minimum and not to accept trade barriers on books and other publications (physical or digital) in exchange for lowering them on other goods.

General Recommendations

The Group believes that the Government and publishers need to work together to ensure the ongoing international success of the UK publishing industry. To that end, we recommend that:

- Information is included about the success of the UK's publishing and book industry as part of each and every trade mission.
- The Government gives the clear message that copyright is not red tape.
- Publishers and government to work together to improve the copyright laws in other countries.
- The ROI requirements for inclusion on trade missions are reviewed. Current requirements are not appropriate for publishing where lead-in times for deals are much longer.
- The Government undertakes measures to support a properly diverse eco-system for book buying and book finding both online and on the high street.

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