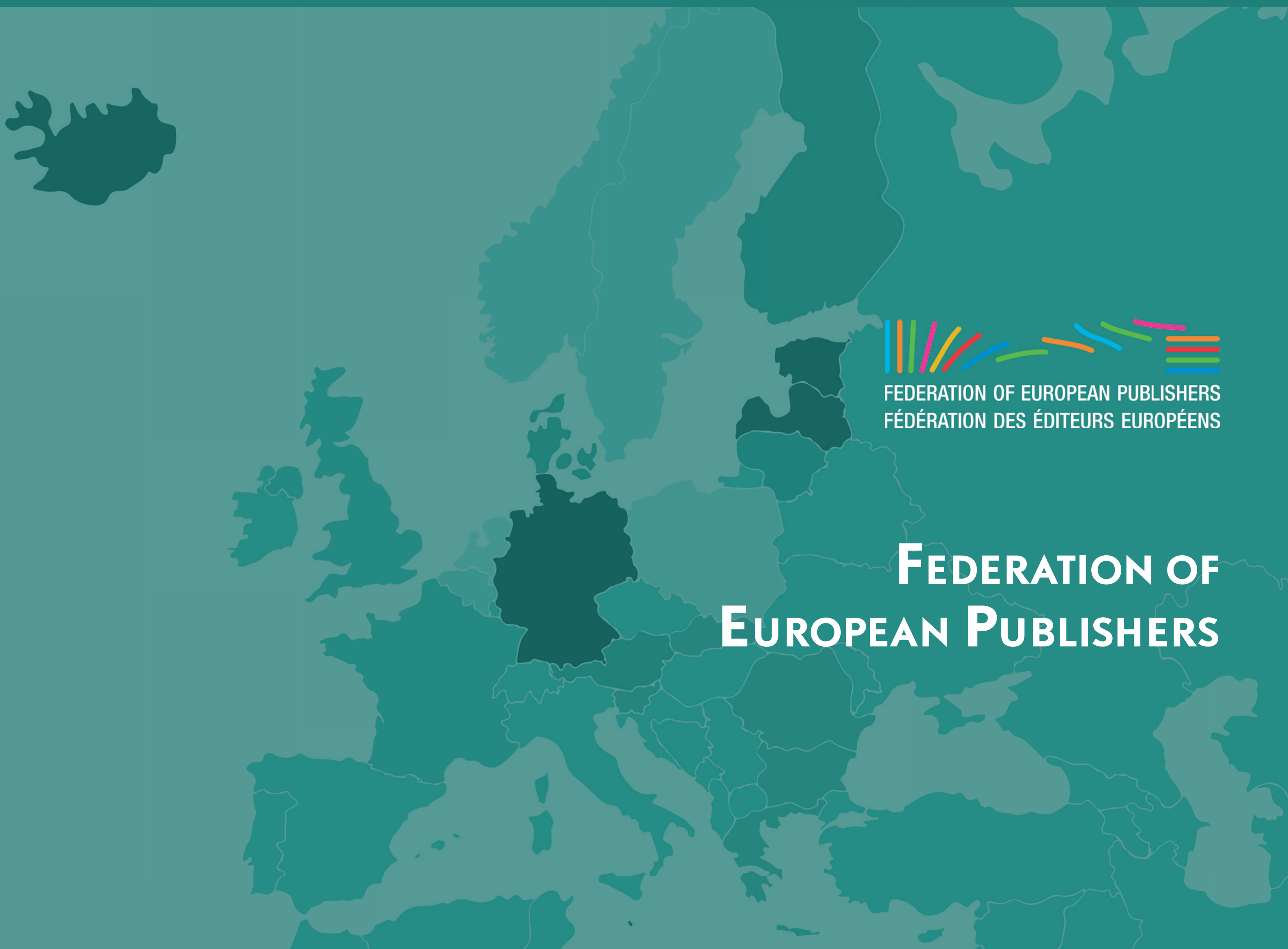
THE BOOK SECTOR IN EUROPE:
FACTS AND FIGURES

2017



FEDERATION OF EUROPEAN PUBLISHERS
FÉDÉRATION DES ÉDITEURS EUROPÉENS

FEDERATION OF EUROPEAN PUBLISHERS

FOREWORD BY
HENRIQUE MOTA, FEP PRESIDENT

It is a great pleasure for me to introduce this publication on statistics of the book sector in Europe, the first attempt of its kind to collect such a wide range of data focusing on book publishing. And we're doing this for a good reason: book publishing is the largest cultural industry in Europe, and European publishing (uniquely among European cultural industries) is a world leader. Besides the sheer size of the sector – book publishing generates a turnover of € 22-24 billion per year in the European Union and European Economic Area alone, for a total market value of € 36-40 billion – another testament to the European primacy is the fact that the majority of the world's top publishing groups are European-owned (6 to 8 of the top 10 publishing groups, according to the annual Global Ranking of the Publishing Industry). Accordingly, the world's major book fairs (Frankfurt, London, Bologna) take place in Europe. Publishing houses directly employ some 150,000 people in the EU, and the whole value chain (authors, retailers) accounts for close to half a million jobs. Taking into account printers, designers, and other sectors that depend in part from book publishing, this number increases to some 600-700,000. European publishers publish more than half a million new titles every year, in the 24 official EU languages and the dozens of minority languages spoken across the continent, making a selection of millions of titles available to each European reader. European book publishing is a solid, innovative cultural sector, with a strong export component and an exceptionally high level of customer satisfaction.

The main factors that have influenced the book market in the last decade are the economic crisis that started in 2008 and the emergence of an e-book market. The years following the onset of the crisis saw a general decrease of sales and revenues. We hope, after a return to growth in 2015, that an upward trend can be re-established. The overall impact of the crisis on the sector has not been as dramatic as in other areas; effects, however, were felt very differently according to the countries considered, with those more strongly affected by the crisis also experiencing in most cases the largest decreases in the book market. Still, all in all, book publishing has remained in fairly good shape during the crisis.

At the same time, starting in 2007, an e-book market emerged, bringing about deep transformations in the sector, as well as a wide range of new challenges and opportunities. E-book sales, stimulated by technological developments, took off at remarkable speed; however, predictions that print books would disappear within a few years haven't come anywhere near becoming a reality. The main reason for this seems simply to be that people mostly prefer reading in print – which comes as no surprise, as print books are an excellent technology. In the digital domain, dedicated e-readers appear to be in decline, mostly replaced by tablets and, increasingly, by smartphones, as the devices of choice for reading e-books.

For most of the decade, title production has continued to grow significantly, and is now well above 500,000 tiles per year – a remarkable contribution to our cultural diversity. This is due in part to the emergence of the e-book market, which has generated a large increase in the catalogue of commercially available titles.

But analysing book publishing is not only about turnover and number of titles published: it is about readers. This is why our brochure is also full of interesting data about how many people read (they could and should be more, especially given the undisputed benefits of reading), where they buy their books, their satisfaction with how the book market works, and more. Our statistics publication thus looks into price evolution, household con¬sumption, internet purchases and more, to provide a rich, multi-faceted picture of book publishing in Europe.

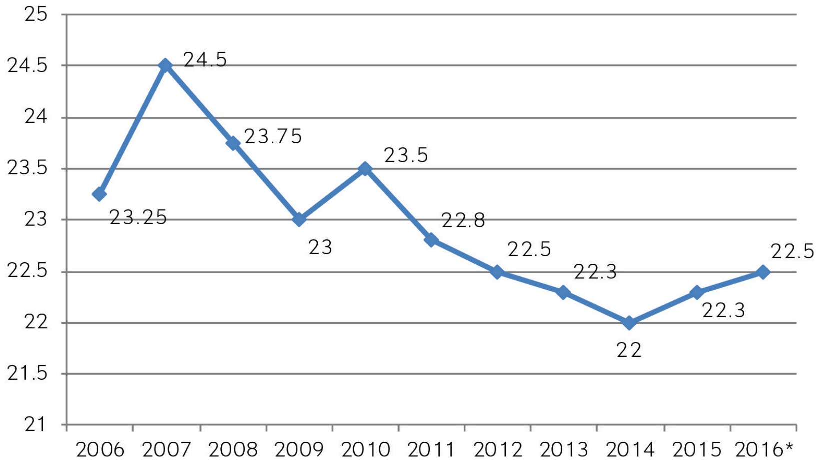
This work is also a way for FEP to further position itself as a trusted source of information in the very varied and not always reliable landscape of book sector statistics, to shape the quantitative narrative around the sector ant to help dispel some myths. With this spirit, we hope you enjoy navigating all the maps, tables and data displayed here.

7th March 2017,
Henrique Mota

1. Small print? No, big and diverse: some basic figures

The total annual sales revenue of book publishers of the European Union and European Economic Area in 2015 was approximately € 22.3 billion. This represents a small increase from the previous estimate of € 22 billion, the result of a mixed picture, with several markets recording a lower turnover than the previous year, but also a number of others confirming previous positive trends or reverting downwards tendencies. Exchange rate effects contributed significantly to the positive result. Total market value is estimated at € 36-40 billion. Based on available information, we expect 2016 to have recorded a further increase, to an estimated € 22.5 billion.

Net publishers' turnover from book sales in the EU + EEA, 2006-2016 (€ billion)

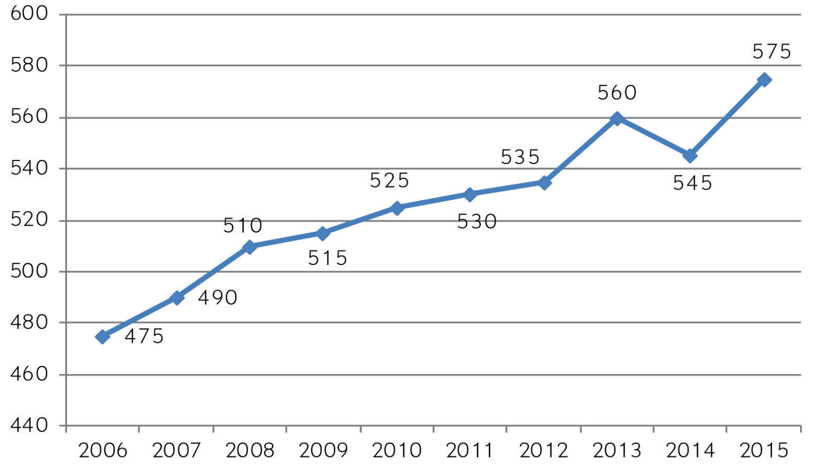


Source: FEP survey

* Forecast

A total of about 575,000 new titles were issued by European publishers in 2015. The figure was taken from different sources – some of which included new editions or non-commercial titles – and was accordingly rounded conservatively. Title production has increased steadily in the period surveyed, with very few exceptions. European publishers held a total of about 22 million titles in stock (of which more than 4 million in digital format), the countries reporting the largest availability being the UK, Germany, Italy, France and Spain; this figure, ever-increasing, has been spiked by the surge in digital publishing (in different formats), the digitisation of back catalogues, the growth of print-on-demand services and the surge in self-published titles (mainly in the UK).

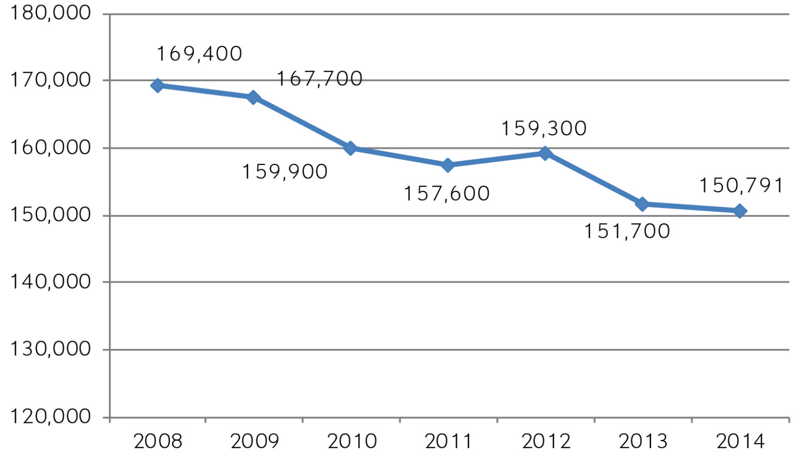
New titles published in the EU + EEA, 2006-2015 ('000)



Source: FEP survey, National Statistics Offices (elaboration by FEP)

According to EUROSTAT a total of approximately 150,000 people were employed full time in book publishing in 2014, basically the same level as one year earlier. However, this is an area where it is more difficult to gather reliable data. The survey of FEP members also reveals stability in employment, including for 2015, and a longer term downwards trend along the crisis years. The entire book value chain (including authors – the European Writers' Council represents some 150,000 of them, booksellers – some 125,000 people work in specialised bookstores according to EUROSTAT, printers, designers, etc.) is estimated to employ, directly and indirectly, more than half a million people.

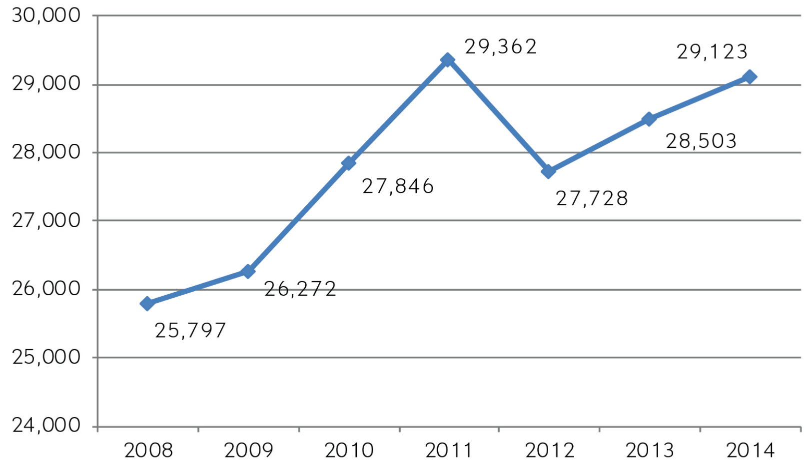
Number of persons employed in book publishing in the EU, 2008-2014



Source: EUROSTAT - Note: EU 27 until 2010

There are several national definitions of publishers, and criteria vary, also according to the size of markets. We have therefore decided to use EUROSTAT data as an attempt to provide a harmonised picture. The main message here is that the sector is made of a huge number of mostly small and very small players, and it is in constant evolution. FEP, through its members, represents more than 6,000 individual publishers, covering 75 to 90% of the respective national markets.

Number of enterprises in book publishing in the EU, 2008-2014



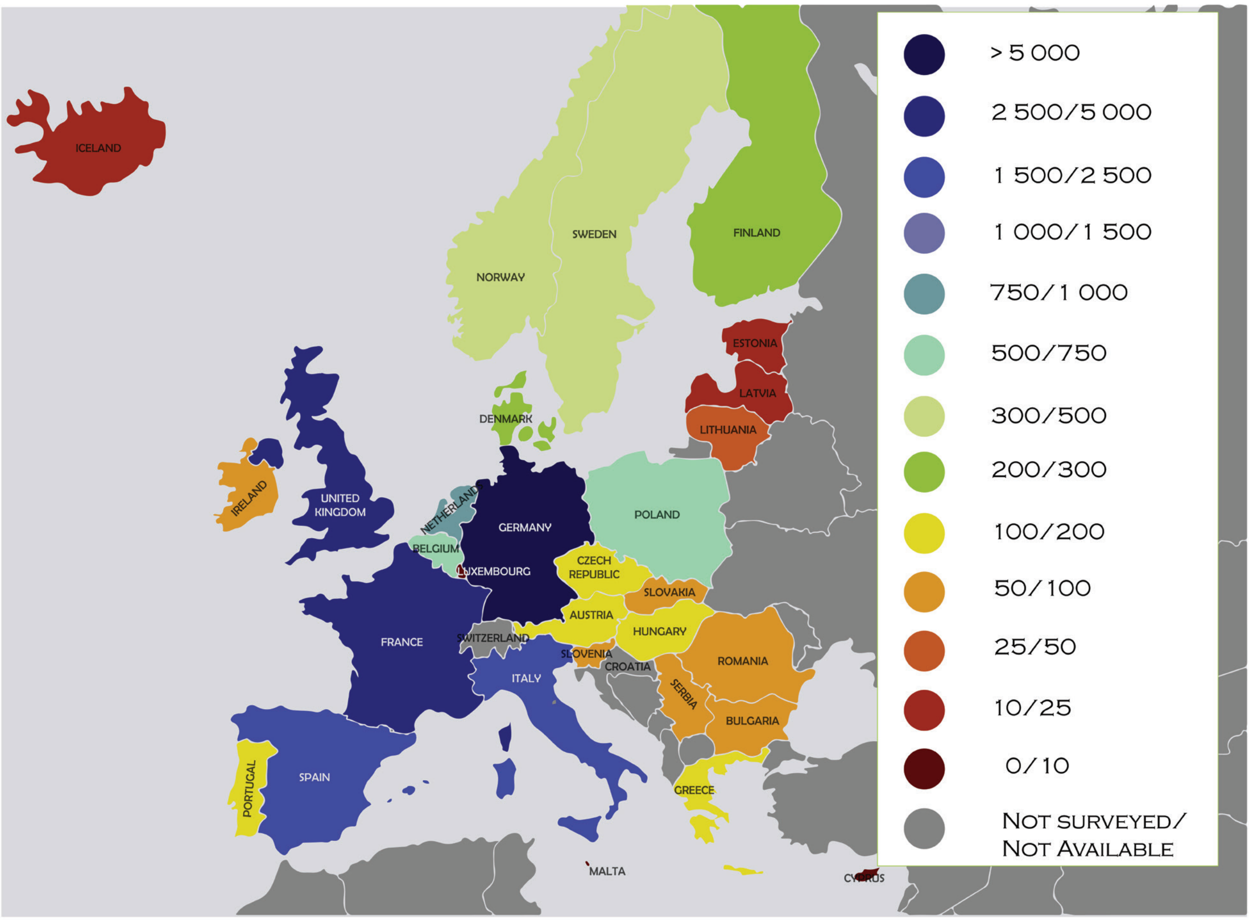
Source: EUROSTAT - Note: EU 27 until 2010

Publishers' turnover experienced several years of steady growth until 2007; from 2008, the world economic crisis started to affect the sector, although initially it had less of an impact on publishing when compared to most other sectors (and more on exports). In 2010, the trend was reverted and growth resumed (driven mostly by exports), although favoured by exchange rates. Between 2011 and 2014, the market went down again, though the e-book market grew rapidly and exports were strong (especially in years when the Euro was weaker). Growth returned in 2015 (with strong exports) and most likely 2016 was a positive year as well, hopefully marking a return to a long term positive trend. The effects of the economic downturn have been uneven; countries that were hit the hardest by the crisis often experienced the most severe effects in the book market as well, in some cases with losses of 20 or 30% in the years from 2009 to 2015. All in all however the publishing sector weathered the economic crisis showing more resilience than many other sectors. The most recent years have also seen the e-book markets show signs of stagnation.

2. A source of income and growth in every country

The map shows the turnover of the publishing industry per country; it highlights of course a wide range of relative sizes and positions, from the largest markets (Germany, UK, France, Spain, Italy) to the smallest – but nonetheless relevant for local cultures and languages. Data refer to net publishers' revenues from book sales, including exports.

Publishers' net turnover from book sales per country in the EU + EEA and EU candidates, 2015 (€ million)

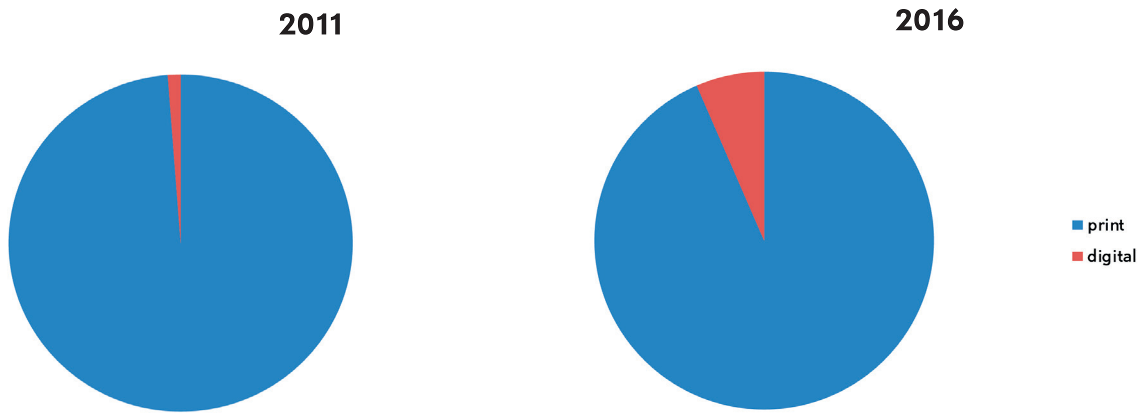


Source: FEP survey

The latest trends seem to indicate that the signs of recovery seen in 2015 may be the beginning of a new phase of sustainable growth. In this scenario, a lot of attention is focused on what direction the e-book market is going to take. Emerging as a significant phenomenon only around 2007, e-book sales, stimulated by technological developments, took off at remarkable speed, showing growth in the double and even triple digits in some countries and sectors. That growth now appears to have slowed down, with print sales picking up again in several territories. Indeed, if between 2009 and 2014 print sales decreased almost everywhere and digital sales helped to contain the losses (and in a few cases were sufficient to provide overall growth), now print seems to account for most of the current recovery. At the same time, the growth of the e-book market is likely to have contributed to the decline of sales in print and to the global shrinking of the market, as there has been a degree of substitution and e-books tend to have lower prices. The next section puts the spotlight on the digital world.

3. Going digital

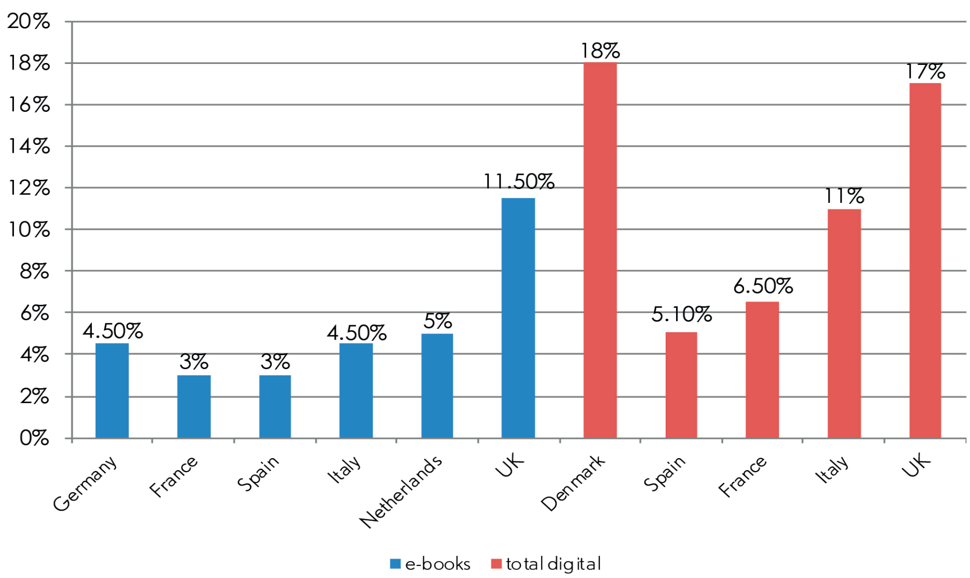
E-book share of the book market in the EU, 2011/2016



Source: FEP survey (elaboration by FEP)

Digital technologies have been present in the book value chain for a long time, but only recently did a true e-book market emerge, as technology was not ready yet to provide the reader with a fully satisfactory reading experience. Since then, the digital share of the book market has been growing, initially at impressive rates, while slowing down in the last year or two. The lack of precise data from certain large retailers, as well as the emergence of self-publishing, makes it difficult to obtain detailed reliable information on the e-book market. It is however estimated to represent some 6-7% of the total market in Europe, with significant differences between countries.

Digital and e-book share of the book market in selected countries, 2015



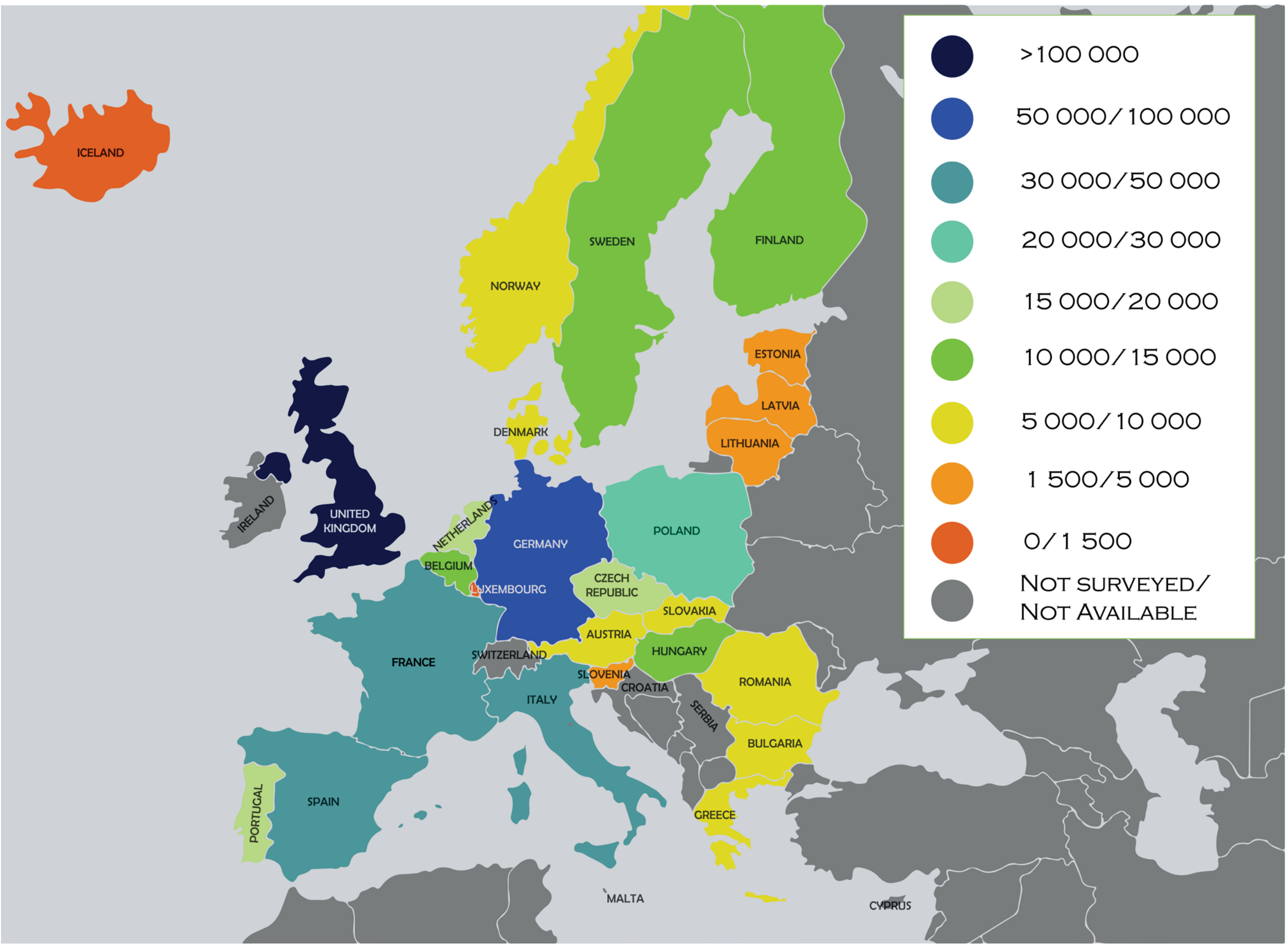
Source: FEP survey - Note: Germany, France, Italy, Netherlands: the share of e-books refers to the trade/consumer books sector only (excluding scientific and educational books) - Due to differences in methodology, in most cases figures are not comparable between countries

The graph shows the proportion of digital sales in the overall book market in some selected countries; in some cases the figures distinguish between the sales of e-books as such and the broader sales of digital products from publishers (such as databases and subscriptions). E-books have gone a long way since 10 years ago, when they were little more than an interesting novelty, or even since 5 years ago – in 2011 they represented no more than 1% of the book market everywhere (except in the UK, where e-book sales were 4% of the total and digital sales neared 8%). It is however hard to predict how the e-book market will develop in the coming years, as we have passed several dates at which the demise of paper had been predicted: what is sure is that a lot will depend on the readers' preferences and that different supports, formats and business models are most certainly going to coexist for the foreseeable future.

4. Don't know what to read? Look around

The maps show the number of new titles published annually in each country (based on an average of the last 5 years), total and per 1 million inhabitants; it is a testament to the contribution of the book sector to cultural diversity in Europe. Data refer as much as possible to new titles (as opposed to reprints or new editions) and are taken from industry sources as well as from national statistics. Larger countries – especially with widely spoken languages – publish the most titles (UK, Germany, France, Spain, Italy), but figures relative to population paint a picture where also some smaller markets present a very vibrant publishing sector.

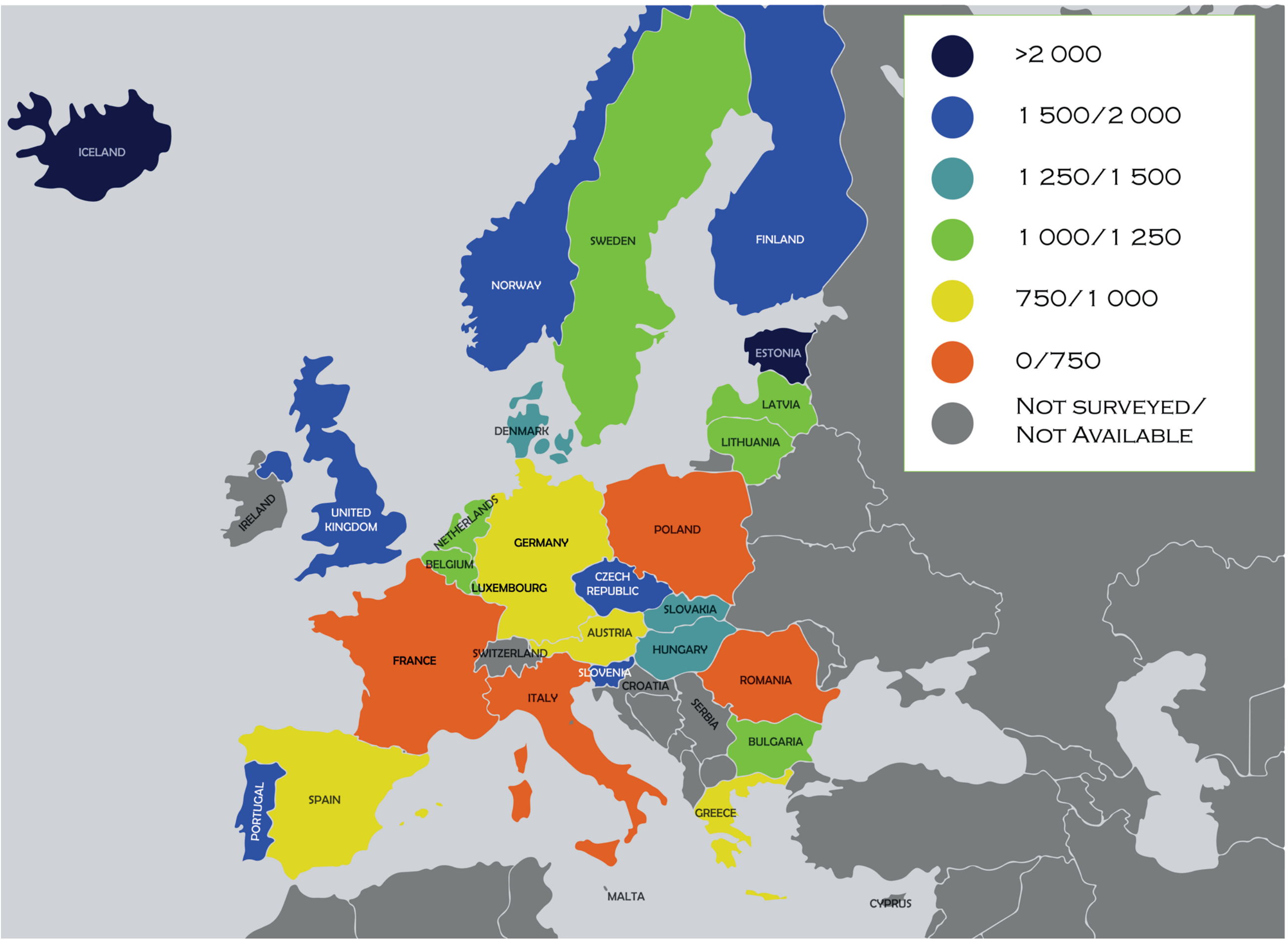
New titles published per country in the EU + EEA, 2010-2015



Source: FEP survey, National Statistics Offices

The adopted methodology warrants some further explanations, especially because of the heterogeneity of the sources of the data. For several countries, the FEP surveys have collected meaningful information from national book publisher associations about the total number of titles published by commercial publishers – i.e. the information we were trying to capture. However, already in this case there are differences, as not all sources are able to distinguish between new titles, new editions of previous titles and simple reprints of existing titles. In addition, for a number of other countries, data come from National Statistics Offices and/or National Libraries (often in relation with the legal deposit). In those cases, the figures often capture a broader production than that of books destined to the consumer market: non-commercial publications, brochures and pamphlets tend to be included in those datasets, and in some cases it is not possible to differentiate the various categories. It becomes therefore necessary to apply some criterion to estimate the number of relevant titles out of the total, which involves a degree of arbitrariness and approximation. These considerations limit the comparability of data across countries, so that comparisons should be taken with caution.

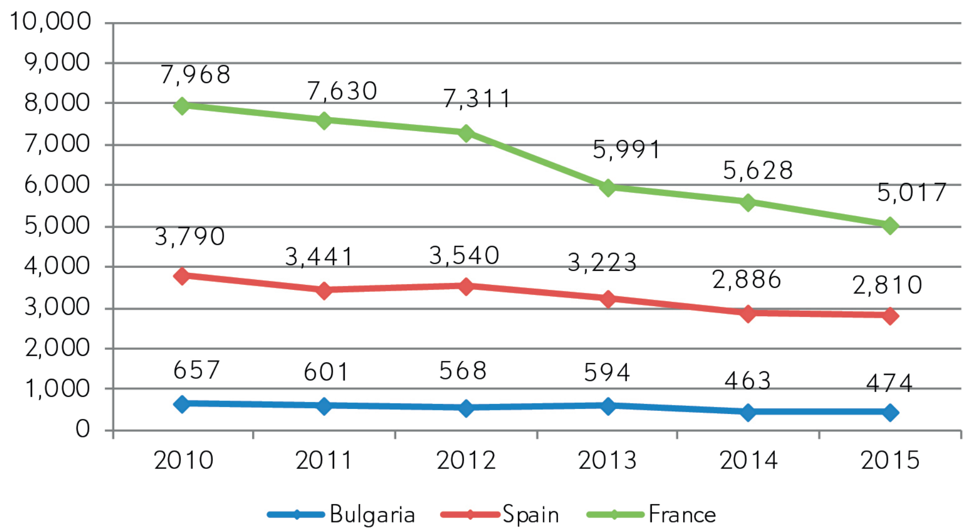
New titles published per country in the EU + EEA per million inhabitants, 2010-2015



Source: FEP survey, National Statistics Offices (elaboration by FEP)

The strong growth in titles has been accompanied in recent years by another phenomenon: a steady decline in average print runs across most (if not all) territories. Many factors can explain this trend: from a logical consequence of broadening the title basis to a symptom of higher volatility of sales, to an increased efficiency in handling stocks (aided by technological developments in the printing sector, such as Print-on-Demand). The graph shows the evolution of average print runs in some selected markets.

Average print runs in selected countries, 2010-2015

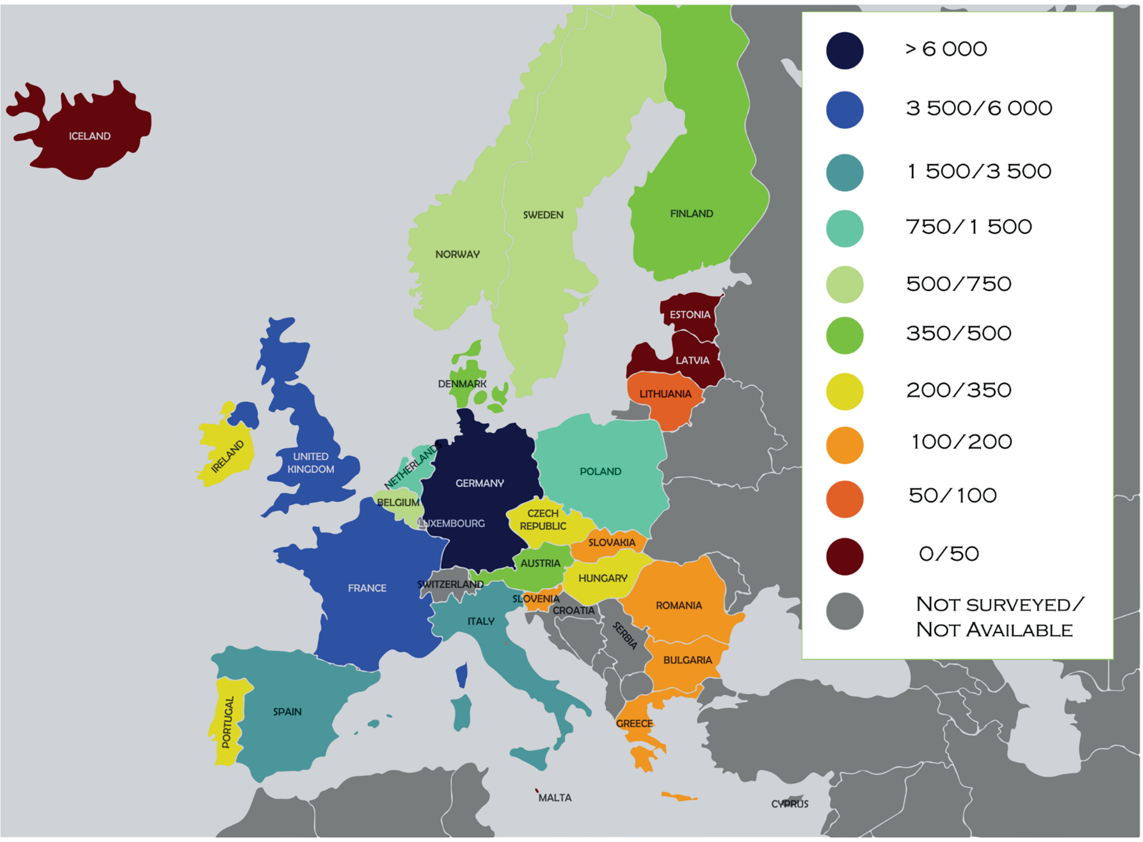


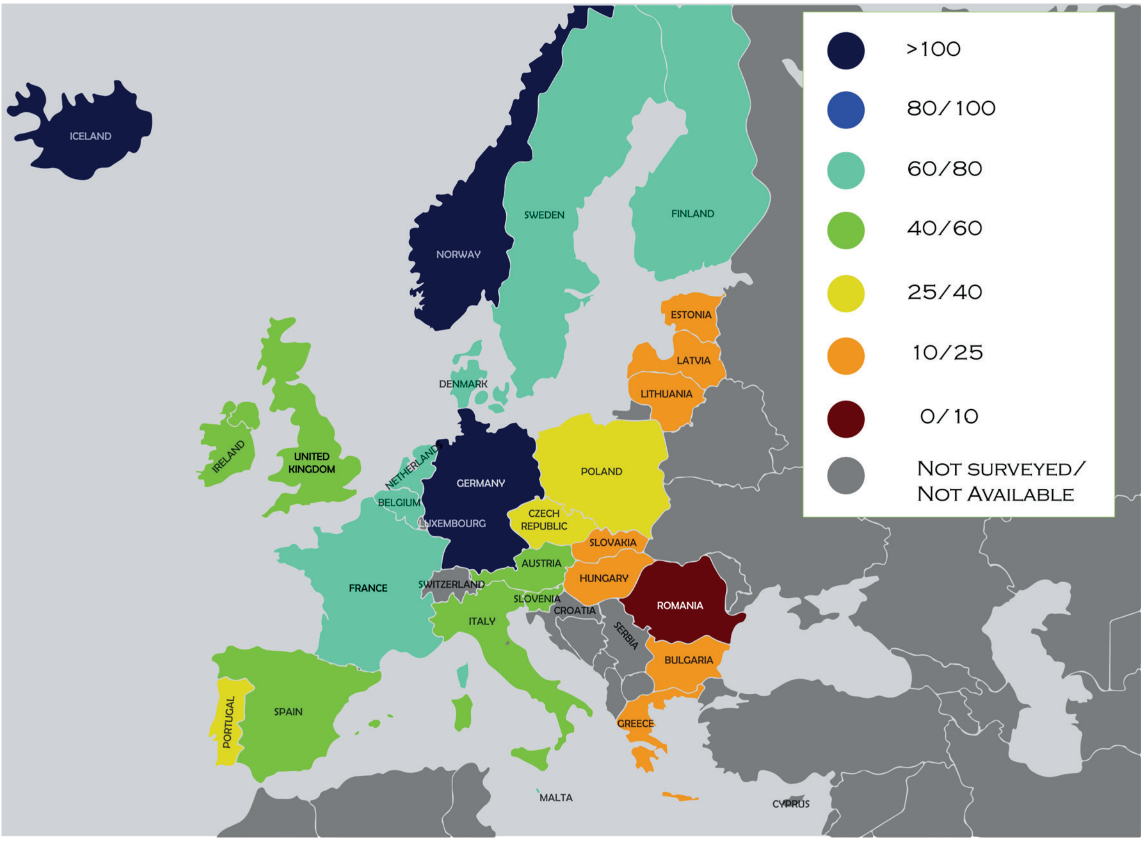
Source: National Statistics Office (Bulgaria), Federación de Gremios de Editores de España (Spain), Syndicat National de l'Edition (France)

5. Many markets big and small

The maps show the size of the book market in each country (i.e. the value of sales at price cover, including taxes, possibly with the addition of imports), and the same value in relation to the number of inhabitants. Again, the picture is very varied, and not always the largest countries in absolute terms are also the highest ranking in relative terms.

Value of domestic book market per country in the EU + EEA, total (€ million) and per inhabitant (€), 2015



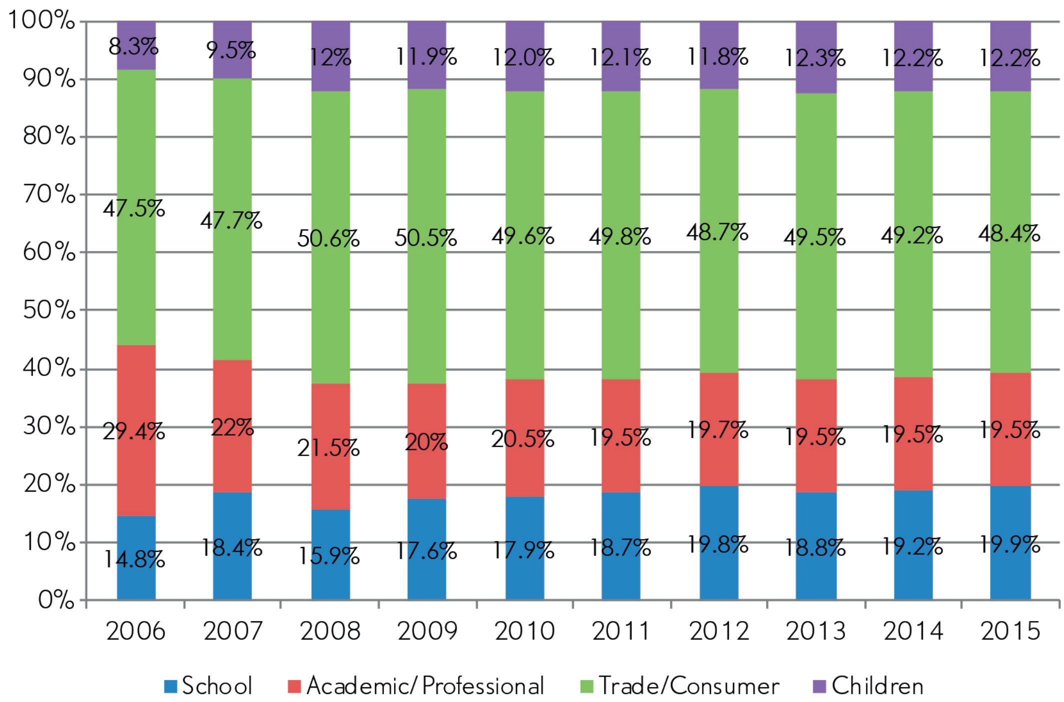


Source: FEP survey (elaboration by FEP)

6. One industry, different sectors

Publishers' turnover can be roughly divided into four broad categories: educational (school books, ELT), academic/professional (higher education, dictionaries, encyclopaedias, STM, humanities, social sciences, management, etc.), trade/consumer books (fiction, non-fiction, literature, essays, manuals, practical books, leisure, art, belles-lettres, comics, etc.) and books for children and young adults. Each sector is very relevant: while consumer books (including children's books) represent around 60% of the market, another 40% of revenues are generated by educational and academic books. Moreover, there are significant differences at national level: in some countries, especially from small linguistic areas or sharing their language with much larger markets, educational publishing is often the backbone that supports most of the publishing industry, representing anywhere between one and two thirds of the whole publishers' turnover. Proportions have remained relatively stable during the years, but there are fluctuations, with different explanations: for example, textbook sales are subject to cycles depending on educational policies. It is interesting to note the resilience in particular of children's books during the economic crisis; most likely books have been seen as a gift offering high value for money.

Breakdown of publishers' net turnover in the EU + EEA per category, 2006-2015

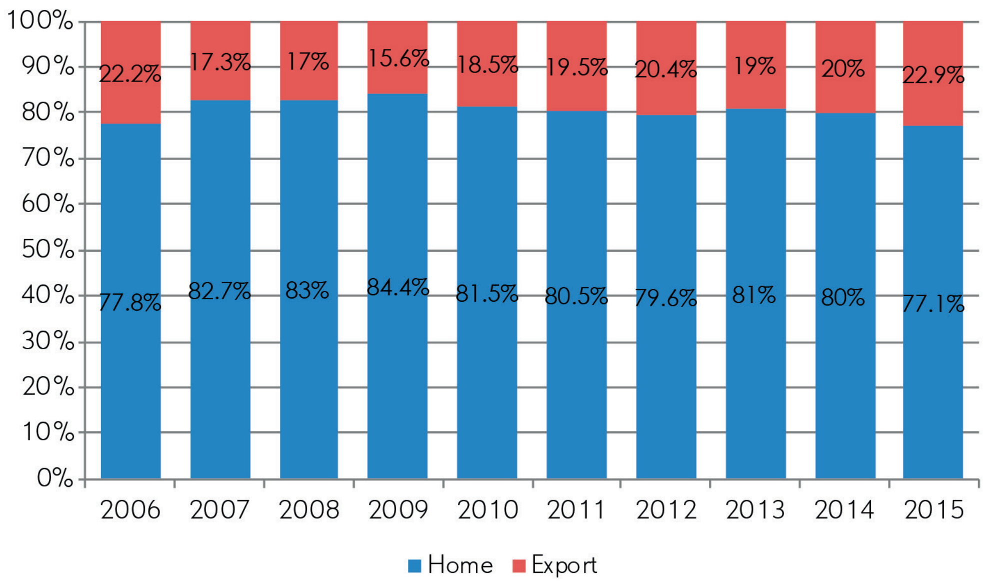


Source: FEP survey (elaboration by FEP)

7. An export-oriented industry

Book publishing has a strong export component, with around one fifth of its turnover coming from exports (between 17 and 22% in the last 10 years), the equivalent of between € 4.2 and € 5.2 billion per year. Exports are mostly (though not exclusively) driven by language homogeneity, with the UK, France, Spain and Germany being the 4 largest exporters.

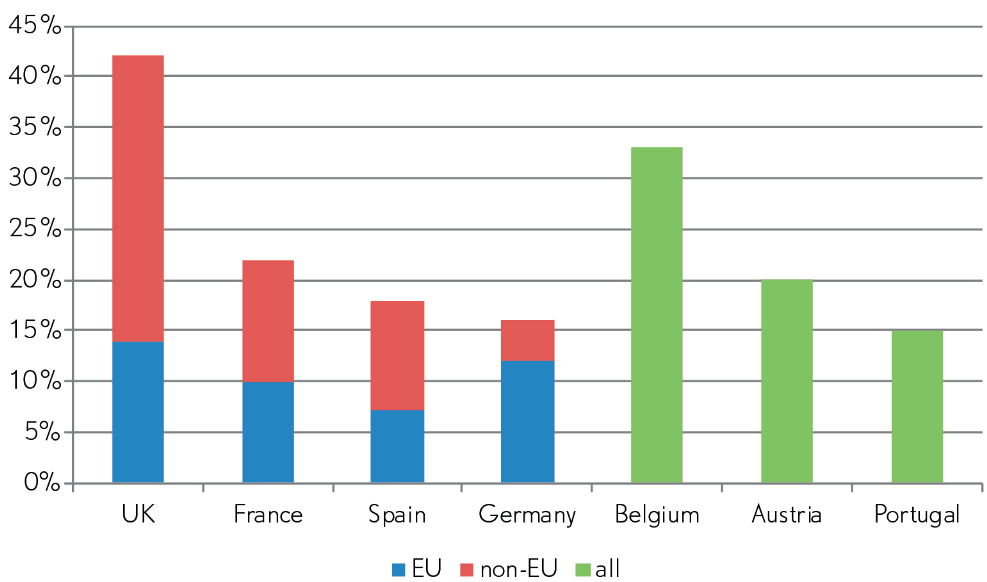
Proportion of EU publishers' turnover by provenance (domestic market/export), 2006-2015



Source: FEP survey (elaboration by FEP)

Exports for UK publishers represent some 40-45% of turnover; roughly one third of them go to the EU, and the rest are quite evenly spread across the world, with North America as the other top market. For French publishers exports are a little over 20% of their turnover, the main destination markets being French-speaking areas (top destinations: Belgium, Switzerland, Canada, and also many African countries); around 55% of French exports go outside the EU. Spanish publishers' exports represent 16 to 20% of turnover; some 40% are destined to the EU, and the rest to third countries, in large majority in the Spanish-speaking areas of the Americas (US included).

Proportion of exports in total publishers' revenue in selected countries, 2010-2015

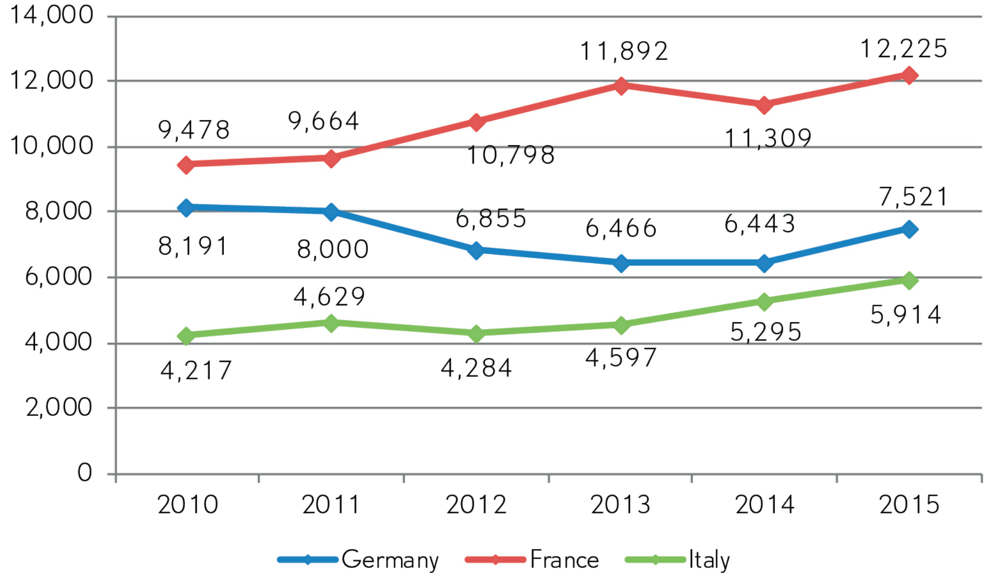


Source: FEP survey (elaboration by FEP)

For German publishers, exports represent more than 15% of turnover, the top destinations being German-speaking areas (Austria and Switzerland), a number of other EU countries and the US; extra-EU exports are about one quarter of the total. All in all, extra-EU exports roughly constitute a little below 50% of all publishers' exports, thus some 8 to 10% of the total turnover: € 2 to 2.5 billion per year.

This strength in international trade is complemented by the sales of rights for translation of titles published by European publishers. Another graph shows the evolution in recent years of the sales or translation rights abroad in selected countries.

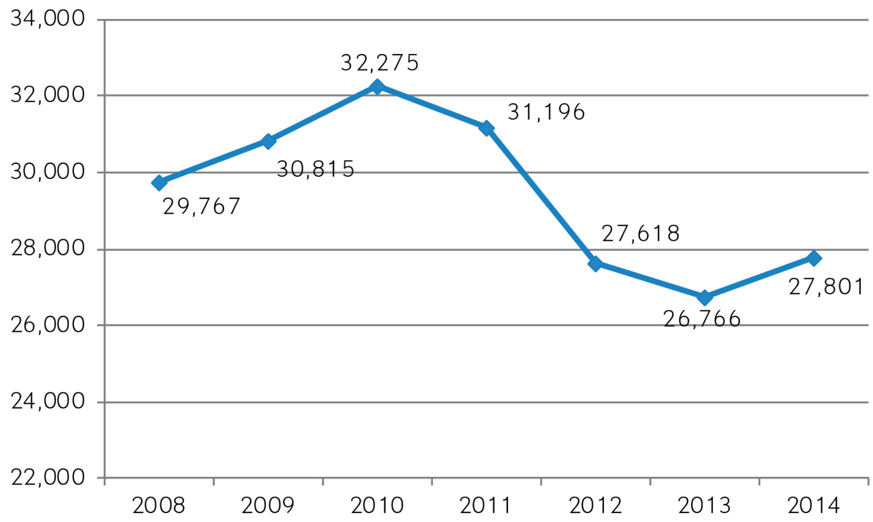
Number of sales of translation rights (titles) in selected countries, 2010-2015



Source: Börsenverein des Deutschen Buchhandels e.V (Germany), Syndicat National de l'Edition (France), Associazione Italiana Editori (Italy)

8. There's always a place to buy books

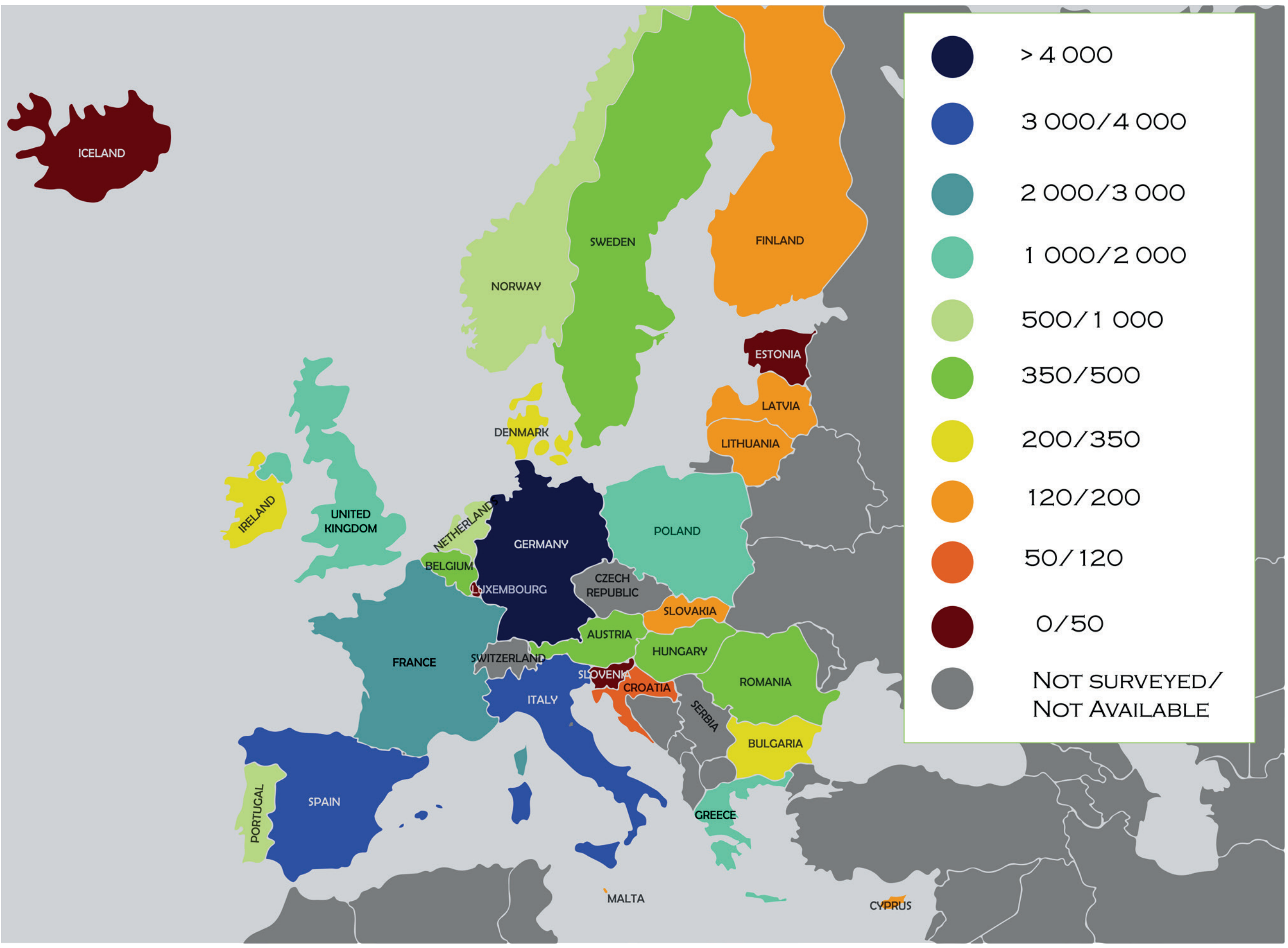
Retail sale of books in specialised stores, number of enterprises in the EU, 2008-2014



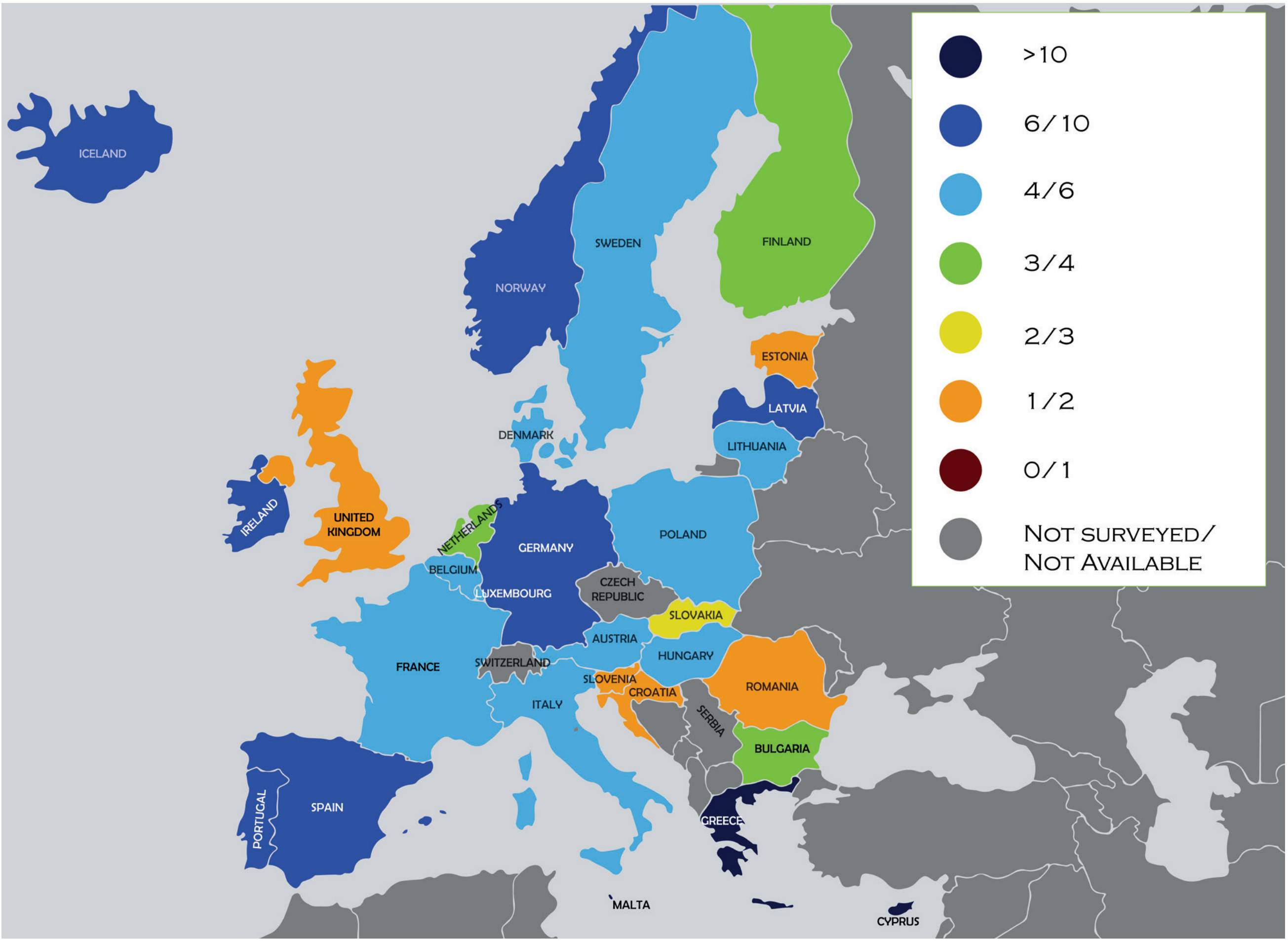
Source: EUROSTAT - Note: EU 27 until 2010

While many people prefer buying books online, a lot of readers also like to visit bookshops, see and touch what's on offer and get expert advice. Luckily for them, there are plenty of opportunities to do this in Europe – despite the crisis having hit the book retail sector as well. The graph shows the total number of specialised stores selling books in the EU in the last years, while the maps show the number of bookstores per country, in total and per 100,000 inhabitants. Data reveal some disparity in the choice given to citizens in different countries as to where to buy their books.

Retail sale of books in specialised stores, number of enterprises per country, 2014



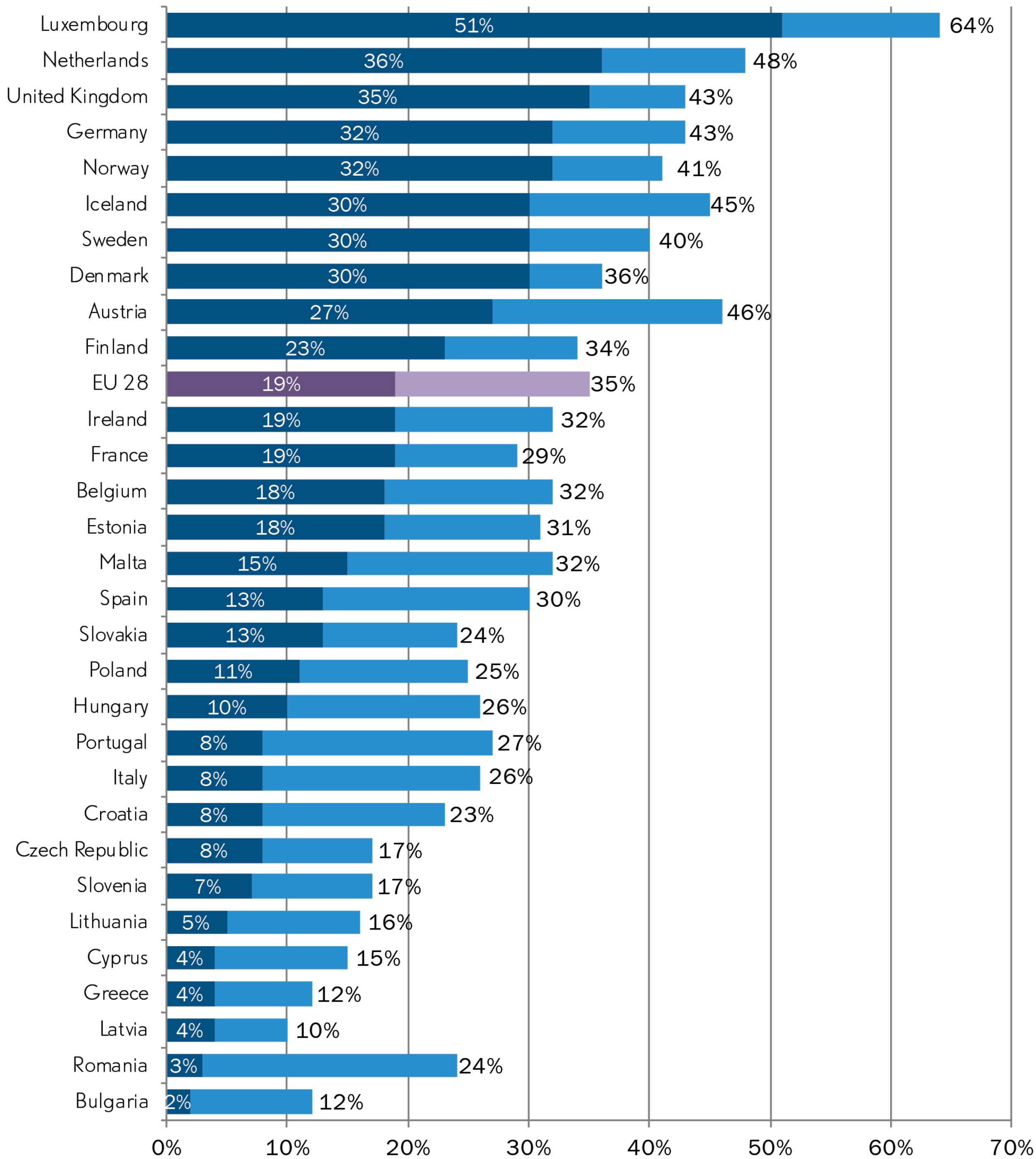
Retail sale of books in specialised stores, number of enterprises per country per 100,000 inhabitants, 2014



Source: EUROSTAT (elaboration by FEP) - Germany, Greece, Latvia, Lithuania, Norway and Spain: data adjusted based on FEP survey

It is well known that e-commerce basically started with book sales; this is because the book sector had the best metadata available of basically any product categories (and certainly of the cultural sector). It was therefore very easy for emerging internet retailers to streamline and automatise the handling of orders and deliveries. Today, books remain one of the main products purchased online; this graph shows the proportion of people who bought books/magazines/e-learning materials online, as a percentage of the entire population and of those who ordered goods or services over the internet, in the last year. Almost one European in five bought books/magazines/e-learning materials online in 2016 (and more than one third of internet shoppers); Luxembourg tops the national ranking with an impressive half of the population buying books/magazines/e-learning materials on the internet (almost two thirds of internet shoppers).

People who bought books/magazines/e-learning materials online in the last year as percentage of population and of individuals who ordered goods or services, over the internet, for private use, 2016

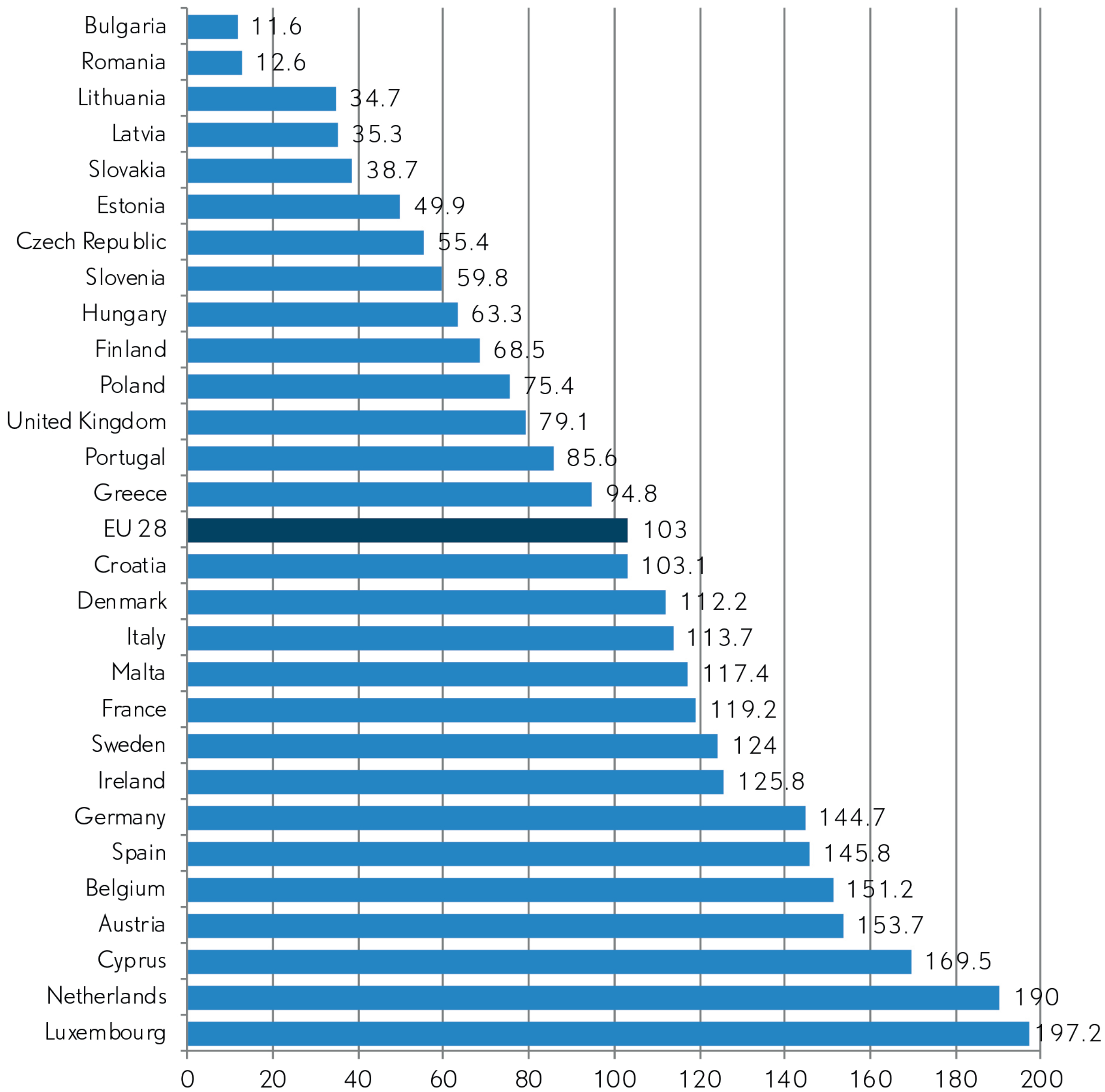


Source: EUROSTAT - Note: the lower figure represents the proportion of book buyers in the entire population, the higher one the proportion among online shoppers

10. How much do Europeans spend on books?

The graph shows the mean household consumption for books per each EU country, expressed in an artificial common currency, the purchasing power standard (PPS), which eliminates the effect of price level differences across countries created by fluctuations in currency exchange rates and allows cross-country comparisons. The disparities across EU Member States in this field are undeniable.

Mean household consumption expenditure in books in the EU, 2010 (PPS)

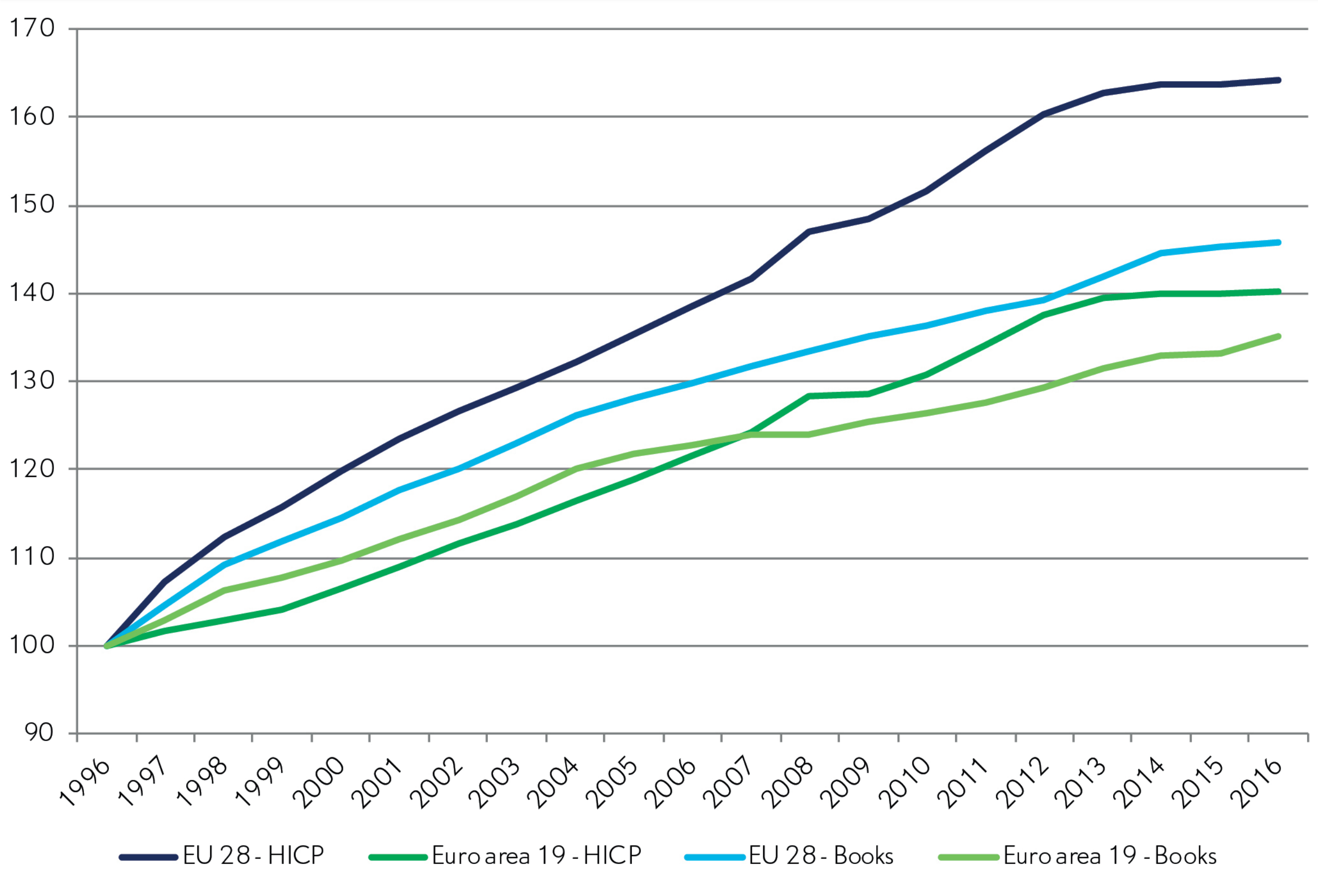


Source: EUROSTAT - Netherlands, Sweden: data 2005

11. Expensive? Think twice

This graph compares the evolution of the average price of books and of the Harmonised Index of Consumer Prices, the EU indicator of consumer price inflation, in the EU as a whole and in the Euro Area. In both cases, we can see that the price of books has increased significantly less than the general level of prices. This is especially obvious taking into account all of the EU 28: the increase of book prices in the last 20 years has been 40% lower than the average inflation.

Evolution of average price of books and Harmonised Index of Consumer Prices in the EU and Euro Area, 1996-2016 (1996=100)

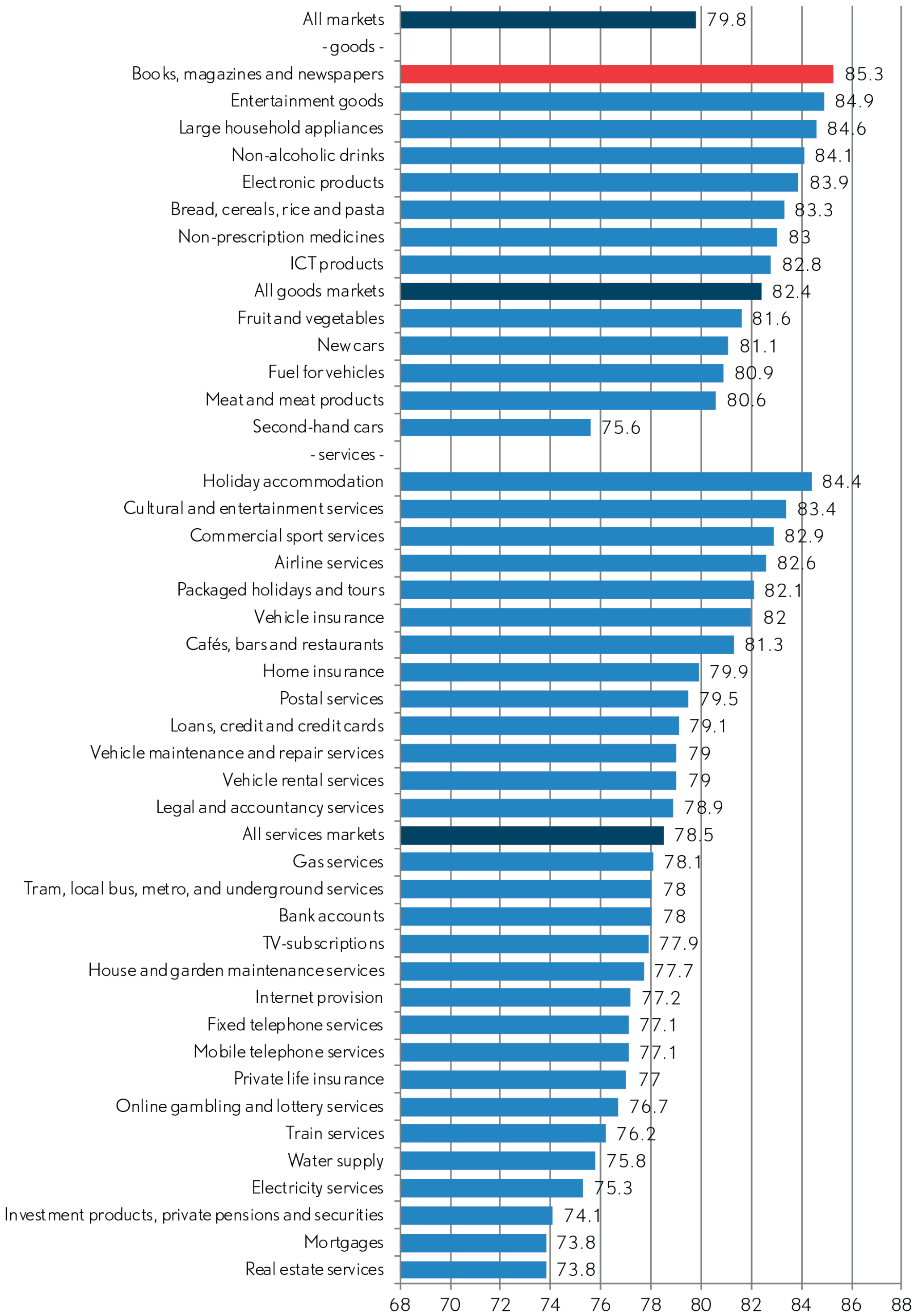


Source: EUROSTAT

12. Happy customers

In 2016, the European Commission presented its latest Consumer Markets Scoreboard, an overview of EU citizens' assessment of the performance of 42 key consumer markets across the 28 Member States, Norway and Iceland. The Scoreboard tracks the performance of many services and goods markets on basis of key indicators such as trusting that sellers comply with consumer protection rules, comparability of offers, the choice available in the market, the extent to which consumer expectations are met, and detriment caused by problems that consumers encounter. Other indicators, such as switching and prices, are also monitored and analysed. The graph shows the results of the 2016 Consumer Markets Scoreboard across all the markets surveyed. With a score of 85.3 out of 100, the market for "Books, newspapers and magazines" is the top performer of all sectors, well above the average for goods markets (82.4) and for all markets (79.8).

Ranking of markets based on the Market Performance Indicator in the EU, 2015

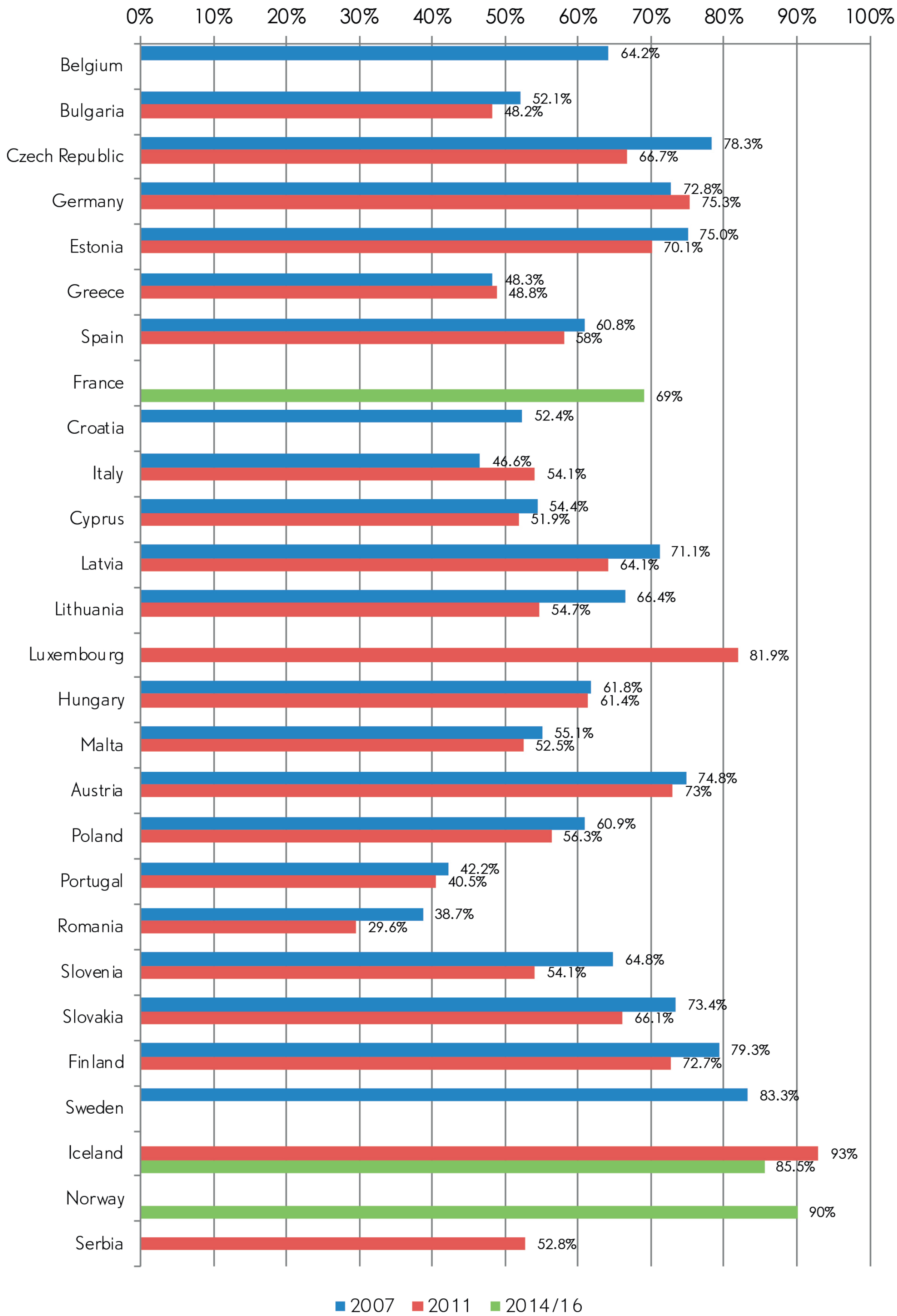


Source: Market Monitoring Survey 2015, 2016 Consumer Markets Scoreboard, European Commission

13. Who's reading?

The positive effects of reading for lifelong achievements are well documented, and range from educational outcomes and career progression to cognitive functions and beyond. The graphs show the proportion of people having read at least one book in the previous year, as well as those who read 10 books or more. While a significant proportion of the population does read books, in several European countries only half of the population or less had read at least one book in the year before the survey, and in many countries the proportion decreased between successive surveys.

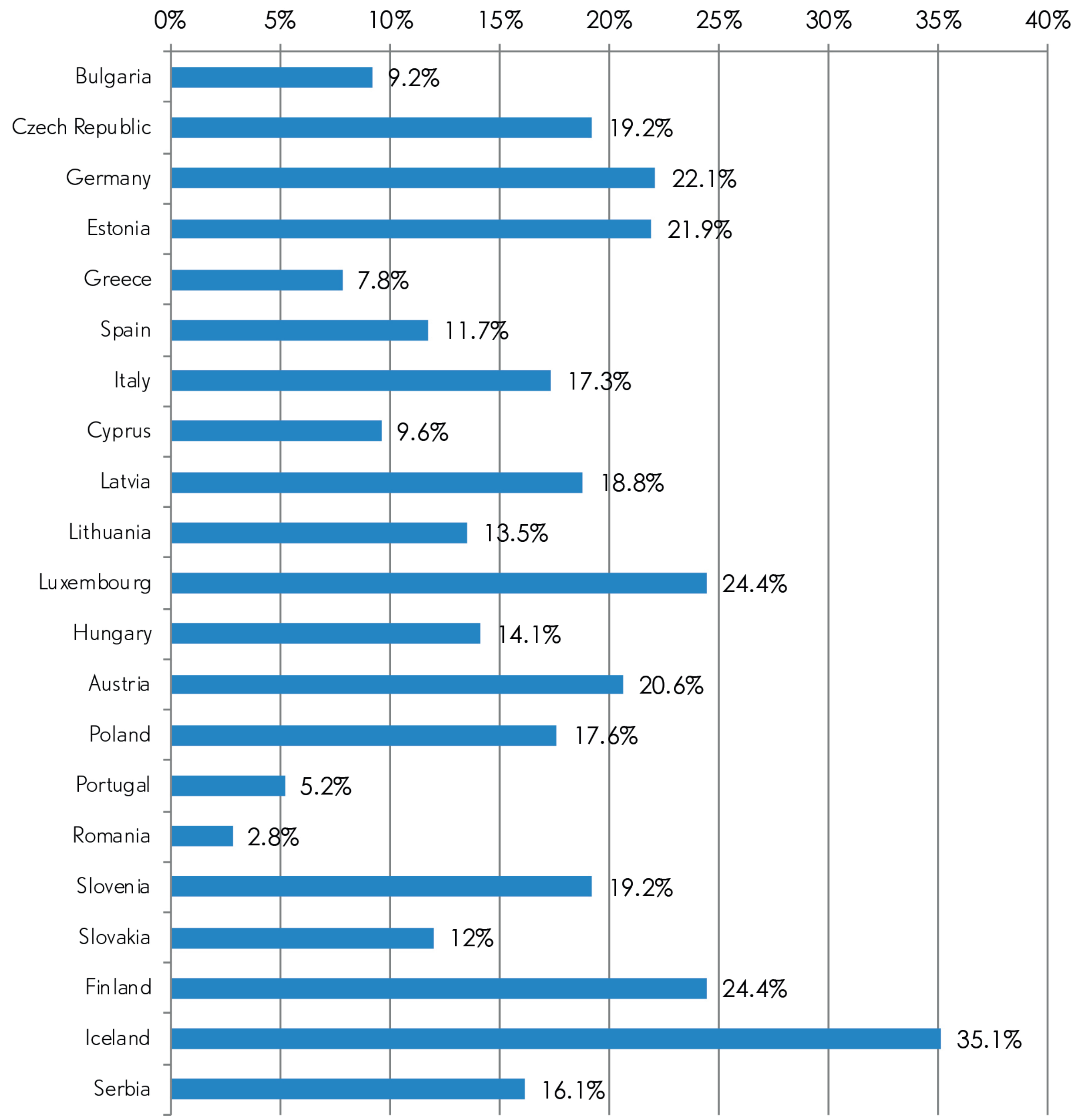
Persons reading books in the last 12 months per country, age 25-64 – Percentage of people who read at least one book, 2007/2011



Source: EUROSTAT - France (data 2014), Norway (data 2015): population age 15 and older, source FEP survey - Iceland (data 2016): source FEP survey

Iceland, Norway (with a different perimeter) and Sweden top the general ranking, followed by Luxembourg, Germany, Austria, Finland and Estonia. Similarly, the ranking of "strong readers" sees Iceland, Luxembourg and Finland on top, followed by Germany, Estonia and Austria (no data for Sweden). Recent data from Norway (again, not comparable with the others) indicate the proportion of people aged 15 and older reading at least 10 books at 40% in 2015, by far the highest - a figure all the more impressive given the downward trend experienced in recent years by many countries (in 2016 the proportion of "strong readers" in Iceland, for example, decreased to 23.7%).

Persons reading books in the last 12 months per country, age 25-64 – Percentage of people who read 10 books or more, 2011



Source: EUROSTAT

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