ANNUAL BOOK PUBLISHING INDUSTRY SURVEY 2015

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DEPARTMENT OF INFORMATION SCIENCE
PUBLISHING STUDIES
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Contents

1. Introduction

The PASA industry survey provides information on the growth and development of the publishing industry. It is the most comprehensive survey available of the publishing industry in South Africa, providing information for planning and lobbying purposes since 2002. The data collected annually is invaluable for understanding the publishing industry in South Africa, especially as transformational shifts take place across the key publishing sectors – Education, Trade and Academic.

The data is collected from an intensive survey of South African publishers, focusing on their turnover and production patterns from the previous financial year, as well as ownership and employment. A list of active publishers was drawn up, consisting of both PASA and non-PASA members, regardless of size. The total number of publishers invited to participate in July 2016 was 255; the vast majority of these were small or micro publishers, often consisting of just one or two staff members, and producing a handful of titles. Several such small publishers declined to participate, citing a lack of capacity or inadequate management information systems. The survey also does not adequately represent self-publishers or distributors. This is an ongoing difficulty in conducting the survey.

The report was automated to a greater extent than before, to make it easier and quicker to complete. Participation was also encouraged through meetings and presentations at the PASA AGM, through a general email request, and through direct and personalised requests for participation from both the researchers and the PASA management. In particular, a core list of 44 publishers was encouraged to participate. Nonetheless, overall participation remained relatively low, with 24 publishers participating. In fact, these publishers should be termed "business units", since they collectively represent more than 50 imprints and smaller publishers that have been acquired or merged in recent years. Just ten years ago, the entities that responded would have responded separately – which shows that the trend of consolidation through mergers and takeovers is ongoing in this industry. Of the 24 participants, 20 were PASA members and 4 non-members. Moreover, 15 can be classified as large companies, with turnover in excess of R50 million in 2015; four are medium companies, with turnover between R5 million and R50 million; and five are small companies, with turnover below R5 million per annum. In other words, all of the large South African publishers participated, with the exception of two Religious Trade publishers, which should be borne in mind when considering the results for the Trade sector. The research is thus broadly representative of the publishing industry.

All data is aggregated for each industry sector and product category.

1.1 Definitions

Net income	Refers to turnover derived from the sale of products in the South African market, after subtracting VAT and any applicable discounts
Format	Refers to either digital or print products
Channel	Refers to sales outlets
New editions	Refers to all first and revised editions issued with a new ISBN.

2 Overview of the South African Publishing Industry

2.1 Total income

The total income recorded by South African publishers during 2015 dropped, to R2.9 bn. The fluctuation is largely due to downturns in the Education sector, which dominates the book market in South Africa. During 2015, the Department of Basic Education ordered few new book titles.

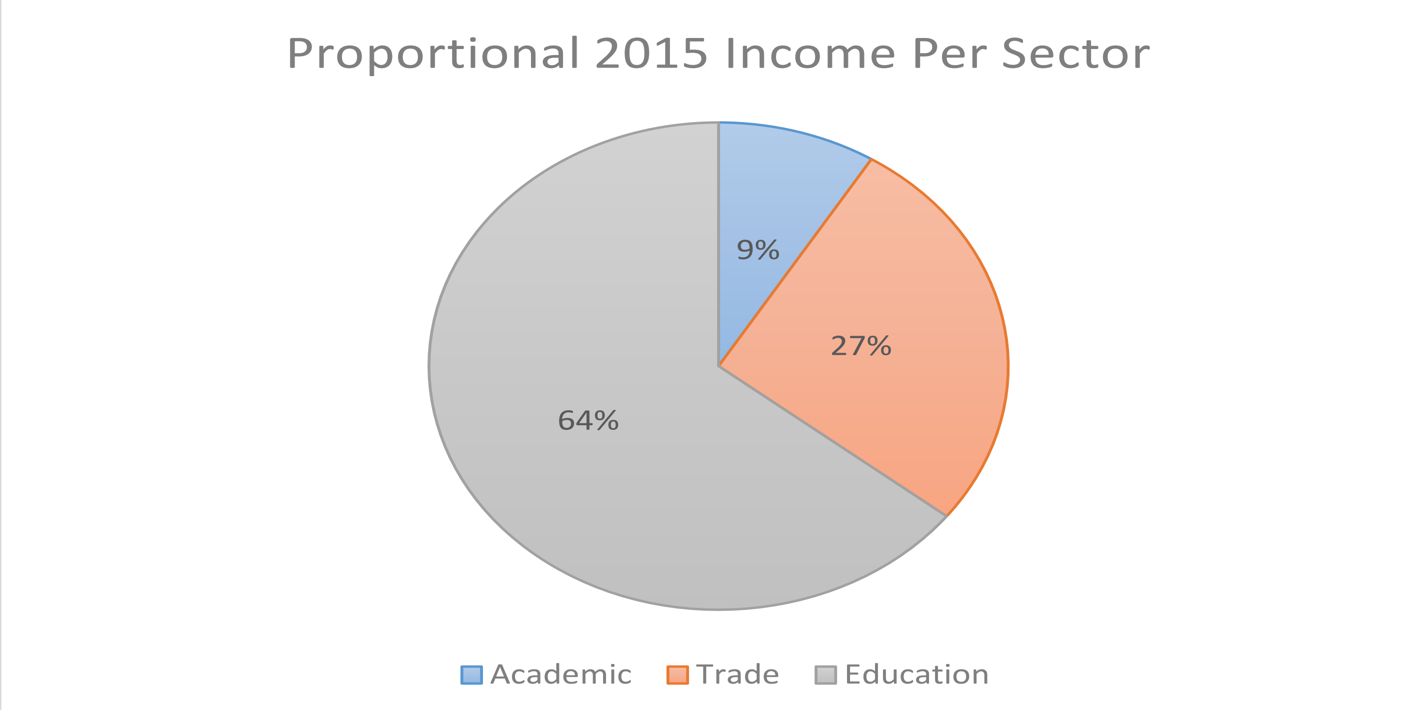
Table 2.1 Total Net Income (R'000)

Sector	2015	2014	YoY Movement
Academic (n = 11)	467 700	462 824	1%
Trade (n = 11)	733 291	707 744	4%
Education (n = 16)	1 792 109	2 479 568	-28%
Total	2 993 101	3 650 136	-18%

1. The movement in the Academic sector reporting is likely an anomaly due to lack of sufficient data in the 2014 report. According to the PWC forecast for 2012-2016 (which excludes professional books), this sector is expected to grow slightly (1.5%) in the next financial year.

2.The slight growth in the Trade sector is corroborated by findings from the DTI.

3. The drop in Education can be considered expected due to the continued activity of the Department of Basic Education. Aside from the internal development of workbooks and texts and the commissioning of one new text only top-ups were recorded since 2014. There is also an expected shinkage in school-aged children.



As the participant profile varies from year to year, the data from previous surveys is not directly comparable to the current results. For instance, the number of respondents for the Academic sector rose in 2015, while the response rate for Religious Trade and Scholarly publishing was too low to report on these as separate categories, and so both have been subsumed into the general Trade sector. The Education figures provided above bring together the income reported for three sectors: Basic Education, Technical Vocational Education and Training (TVET) and Adult Basic Education and Training (ABET). For the first time, separate reports are provided in this report for the latter two sectors (see sections 4 and 5).

Moreover, since some publishers are active across multiple sectors and categories, we should be cautious when relating data from one section of the report to another.

Table 2.2.1 Profile of Survey Participants

Survey Pool			
Total	**PASA Members**	**Non PASA Members**	**New Participants**
24	20	4	17
Turnover Category			
	Companies that grossed >50M	Companies that grossed 5-50M	Companies that grossed <5M
24	14	4	5
Focus Category per imprint			
Total	**PASA Members**	**Non PASA Members**	**New Participants**
	General Trade	Education	Academic
37	10	16	11
Publishing per imprint			
	Print	E-book	Magazine and Journal
47	23	23	1
Distribution			
	Local Print	Import Print	E-book
21	5	6	10
Services			
	Consulting and Logistics	Publishing and Editorial	Training and Marketing
18	5	3	9
Supplementaries			
	Online Sub Database	Print	Digital
16	5	4	7

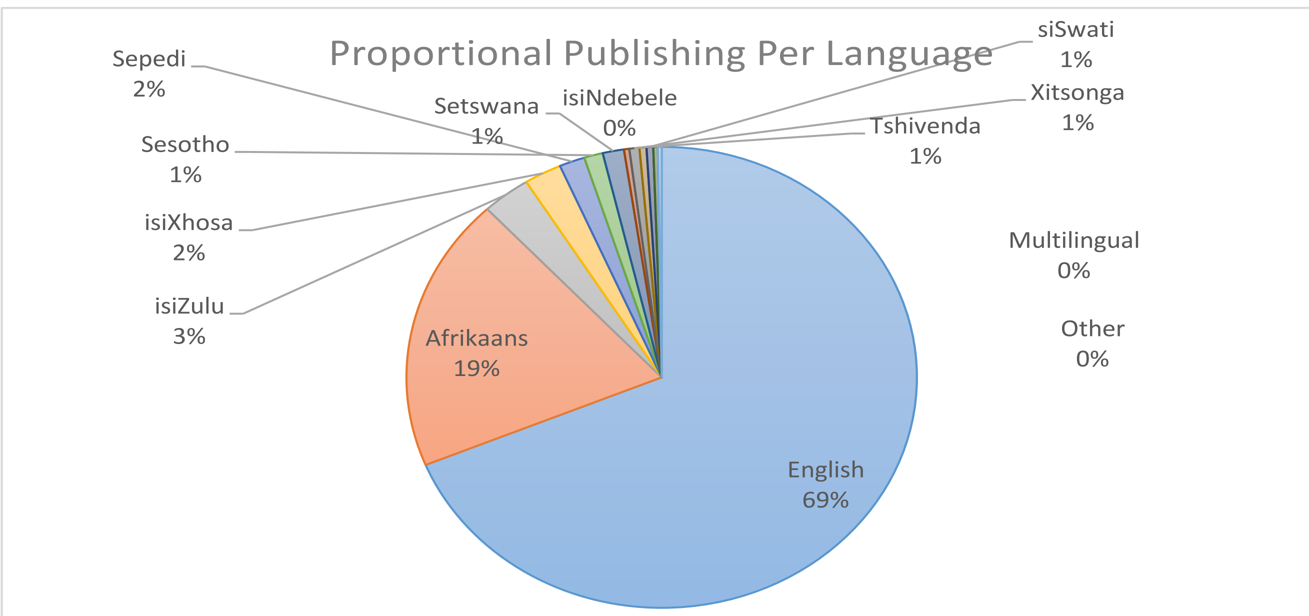
2.2 Local production

In this section, data was collected on both the income per language, as well as the number of new editions in each language. The vast majority of new editions in African languages was produced by the Education sector. The increased new digital editions in these languages are likely a result of increased focus on the development of African language digital publications in this sector.

The number of new editions is an under-reporting of the actual figures. In many cases, publishers do not explicitly capture their production numbers and therefore there are instances where income is recorded but the number of new editions is not.

This table also captures the split between print and digital sales. Print remains hugely dominant in South Africa, accounting for just under 98% of income – although 23 of the 24 respondents report publishing print and digital books. However, in terms of the production of books, there has been a steady rise in new digital editions.

Table 2.3 Turnover Per language (Locally produced) R'000				Numbers of new editions	
Sector	**Total**	**Print**	**Digital**	**New Editions Print**	**New Editions Digital**
English	927929	902775	25155	557	468
Afrikaans	281035	271585	9450	896	371
isiZulu	45859	45722	137	1017	15
isiXhosa	35363	35144	219	275	1
Sepedi	24097	24066	31	8	385
Sesotho	17764	17723	41	6	515
Setswana	20068	20042	26	458	7
isiNdebele	5028	4995	33	2334	436
Xitsonga	9469	9457	12	145	0
Tshivenda	6587	6586	1	2	0
siSwati	6336	6333	3	11	0
Multilingual	4287	3780	507	7	0
Other	3523	3523	0	0	0



2.3 Royalties

In the past, the survey has attempted to obtain accurate details on the demographic profile of authors, as well as on the distribution of royalties. As many participants do not have suitable systems in place to capture this data, only the amount of royalties distributed could be captured, and this is reflected here as an average royalty rate. The royalty rates are captured as a percentage of net sales. There are large differences in recorded royalties across the sectors, which is due to a few publishers reporting very high royalty percentages.

Table 2.4 Average royalty pay-outs %				
Sector	**2015 (Excluding new respondents)**	**2015 (All respondents)**	**2014**	**2013**
Academic	15.95%	16.56%	8.60%	11.50%
Trade	19.05%	17.01%	13.90%	12.50%
Education	17.78%	13.46%	13.20%	17.50%
Total	17.59%	15.68%	11.90%	13.83%
1. Due to the Religious publishing sector reporting higher than average royalty rates the Trade sector royalty rate may not be representative of the whole sector.				

2.4 Sales channels

Publishers were asked to provide a breakdown of their income according to the various sales channels. An average discount was calculated. As not every respondent provided full details, the figures do not record overall income, but they do reveal patterns.

Table 2.5 Total income for locally published books, per sales channel (R '000)						
	Education	Trade	TVET	ABET	Total	Average Discount
National or regional bookseller chains	285 916	245 707	19 316	561 598	561 598	33.50%
Full service permanent stockholding book retailers	153 974	41 151	9 165	204 370	204 370	20.68%
Non-book retail outlets	41 239	4 419	62	45 721	45 721	24.22%
Internet booksellers	9 096	23 218	1 965	34 280	34 280	27.86%
Direct mail booksellers	34 311	15 263	263	49 836	49 836	25.00%
Businesses and corporations (direct sales)	6 562	7 335	-	77 217	77 217	15.43%
The public (direct sales)	38 642	2 486	493	41 638	41 638	19.67%
Libraries	791	6 726	-	7 692	7 692	21.12%
State and provincial departments	845 859	246	-	854 172	905 672	14.03%
Schools and Educational institutions	29 958	987	123 836	155 398	103 897	16.23%
School book distributors and tenders	35 280	3 002	43 888	82 171	82 171	12.05%
Export sales	34 618	5 872	-	40 491	40 491	25.11%
Other	548	203	-	751	751	19.11%
Total	1 516 795	356 614	198 989	2 155 334	2 155 334	21.08%
1. Due to the low figures reported for the distribution methods of professional books in the Academic Sector it is necessary that it be left out in this table. The textbook distribution methods for the Academic sector have been adjusted for this report, rendering the data non-compatible with above distribution methods.						

2.5 Distribution of sales by province

Publishers provided details of how much income was collected from each province. Gauteng and the Western Cape are dominant, but it should be noted that they also serve as distribution hubs for other provinces for certain categories of books.

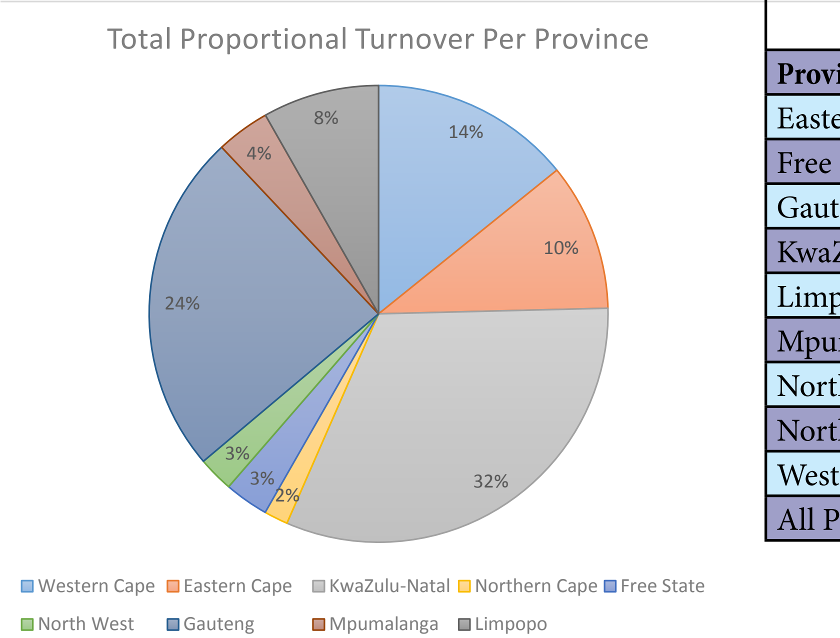


Table 2.6 Total Recorded Turnover by province

Province	Turnover R '000
Eastern Cape	122 070
Free State	46 676
Gauteng	589 897
KwaZulu-Natal	366 466
Limpopo	89 567
Mpumalanga	54 186
Northern Cape	24 533
North West	39 127
Western Cape	424 493
All Provinces	1 757 015

2.6 Ownership and employment

The survey provides an overview of the ownership and employment profiles of the publishing industry in South Africa. In general, the respondent companies are locally controlled, or when internationally owned may have a stake owned by a local, often black-owned, share-holding scheme. In many cases participants found it difficult to report on the exact breakdown of ownership and only provided general figures. In addition, it should be borne in mind that the response pool was not identical from 2014 to 2015, so some changes may be ascribed to different respondents.

All participants provide information on BBBEE scoring, which reflects the most recent ownership information. Due to a change in the rating system from levels (1-8) to a letter score (A-C) comparison to the 2014 profile is not possible.

Table 2.7 Company Profile According To Ownership

	Education			Trade			Academic		
Ownership	Amount		(%)	Amount		(%)	Amount		(%)
	2015	2014		2015	2014		2015	2014	
Black Male	41	47	-13%	19	25	-24%	3	0	N/A
Black Female	16	12	33%	16	13	23%	97	100	-3%
White Male	42	38	11%	0	51	-100%	0	0	N/A
White Female	1	1	0%	65	0	N/A	0	0	N/A
Local	79	52	52%	100	89	12%	83	86	-3%
Foreign	21	47	-55%	0	11	-100%	17	14	21%

Table 2.8 2015 BBBEE scores (all participants)				
2015 BBBEE scores as recorded across all participants	Total (Distinct)	Education	Trade	Academic
BBB	6	5	3	1
BB	1	1	0	0
AAA	1	1	0	0
AA	5	7	1	2
A	5	4	0	2
C	1	0	1	0
Not Answered	5			

Respondents also provided data on the demographic profile of their permanent employees. Although the publishing industry makes regular use of contract and freelance employees, not all companies are able to provide detailed reports on such employees, and so these figures are not captured.

Table 2.9 Employment Demographics in the Publishing Industry												
	Black Male			**Black Female**			**White Male**			**White Female**		
	2015	**2014**	**% Change**	**2015**	**2014**	**% Change**	**2015**	**2014**	**% Change**	**2015**	**2014**	**% Change**
Admin	10	18	-44%	69	114	-39%	6	14	-57%	51	51	0%
CEO	5	4	25%	1	3	-67%	9	14	-36%	11	11	0%
Dept Heads	25	33	-24%	33	38	-13%	52	20	160%	51	119	-57%
Editorial	24	16	50%	113	130	-13%	31	38	-18%	148	176	-16%
Finance	23	17	35%	87	105	-17%	8	11	-27%	29	28	4%
HR	6	2	200%	26	19	37%	1	1	0%	9	12	-25%
IT	39	23	70%	25	13	92%	19	24	-21%	9	9	0%
Logistics	96	105	-9%	60	88	-32%	2	1	100%	4	7	-43%
Production	20	26	-23%	37	68	-46%	18	23	-22%	40	64	-38%
Marketing, sales, promotion	125	113	11%	191	149	28%	29	28	4%	117	143	-18%
Other staff	27	39	-31%	58	88	-34%	9	5	80%	9	20	-55%
Total	400	396		700	815		184	179		478	640	
1. This table represents all the respondents to the 2015/2016 financial year survey, including respondents who were not captured last year.												

Table 2.10 Employment in the Education Sector												
	Black Male			**Black Female**			**White Male**			**White Female**		
	2015	**2014**	**% Change**	**2015**	**2014**	**% Change**	**2015**	**2014**	**% Change**	**2015**	**2014**	**% Change**
Admin	11	7	57%	64	51	25%	2	3	-33%	19	4	375%
CEO	8	3	167%	1	2	-50%	10	5	100%	11	3	267%
Dept Heads	19	17	12%	44	23	91%	26	18	44%	48	43	12%
Edito-rial	18	11	64%	100	59	69%	41	12	242%	152	78	95%
Finance	20	11	82%	91	53	72%	5	5	0%	19	13	46%
HR	6	1	500%	26	13	100%	1	1	0%	10	4	150%
IT	28	10	180%	10	3	233%	23	13	77%	12	3	300%
Logis-tics	85	45	89%	78	38	105%	0	1	-100%	7	4	75%
Produc-tion	28	13	115%	58	34	71%	18	8	125%	55	24	129%
Mar-keting, sales, promo-tion	111	60	85%	167	78	114%	23	6	283%	98	44	123%
Other staff	23	20	15%	38	63	-40%	2	4	-50%	0	19	-100%
Total	357	198		677	417		151	76		431	239	

1. This table represents all the respondents to the 2015/2016 financial year survey, including respondents who were not captured last year.

Table 2.11 Employment in the Trade Sector												
	Black Male			Black Female			White Male			White Female		
	2015	2014	% Change	2015	2014	% Change	2015	2014	% Change	2015	2014	% Change
Admin	3	7	-57%	22	51	-57%	4	3	33%	40	4	900%
CEO	0	3	-100%	0	2	-100%	2	5	-60%	5	3	67%
Dept Heads	11	17	-35%	7	23	-70%	38	18	111%	25	43	-42%
Edito-rial	5	11	-55%	33	59	-44%	14	12	17%	53	78	-32%
Finance	5	11	-55%	17	53	-68%	1	5	-80%	13	13	0%
HR	0	1	-100%	1	13	-92%	0	1	-100%	2	4	-50%
IT	8	10	-20%	3	3	0%	5	13	-62%	3	3	0%
Logis-tics	43	45	-4%	24	38	-37%	1	1	0%	1	4	-75%
Produc-tion	6	13	-54%	18	34	-47%	7	8	-13%	18	24	-25%
Mar-keting, sales, promo-tion	22	60	-63%	48	78	-38%	14	6	133%	52	44	18%
Other staff	10	20	-50%	13	63	-79%	1	4	-75%	1	19	-95%
Total	113	198		186	417		87	76		213	239	

1. This table represents all the respondents to the 2015/2016 financial year survey, including respondents who were not captured last year.

Table 2.12 Employment in the Academic Sector

	Black Male			Black Female			White Male			White Female		
	2015	**2014**	**% Change**	**2015**	**2014**	**% Change**	**2015**	**2014**	**% Change**	**2015**	**2014**	**% Change**
Admin	3	1	200%	4	20	-80%	0	3	-100%	1	2	-50%
CEO	0	1	-100%	0	0	N/A	1	4	-75%	2	3	-33%
Dept Heads	4	4	0%	5	9	-44%	9	7	29%	10	20	-50%
Edito-rial	12	3	300%	61	38	61%	18	17	6%	31	39	-21%
Finance	8	4	100%	30	26	15%	2	3	-33%	10	5	100%
HR	0	0	N/A	2	2	0%	0	0	N/A	1	3	-67%
IT	19	7	171%	15	6	150%	6	7	-14%	3	5	-40%
Logis-tics	28	35	-20%	15	32	-53%	1	0	N/A	1	2	-50%
Produc-tion	4	7	-43%	20	19	5%	3	3	0%	13	20	-35%
Mar-keting, sales, promo-tion	33	25	32%	50	32	56%	13	7	86%	16	26	-38%
Other staff	4	2	100%	14	5	180%	7	0	700%	8	0	800%
Total	115	89		216	189		60	51		96	125	

1. This table represents all the respondents to the 2015/2016 financial year survey, including respondents who were not captured last year.

3. The Education Sector

The Education sector is largely concerned with producing school books and servicing the Department of Basic Education as well as private schools. Publishers respond to tenders or calls for new books, and are regulated by a stipulated curriculum. The sector is dominated by a few large publishers, a few medium publishers and a large number of very small publishers focusing on niche subjects and often using partners for distribution. Because the sector is so reliant on the DBE, changes in government policy have a direct effect on income, production and employment in this sector.

Enrollments in the school sector are very consistent, but provincial spending priorities are highly variable resulting in major fluctuations in turnover. The drop in Education income in 2014 and 2015 is primarily driven by the completion of the implementation of the CAPS curriculum. The procurement of literature for the Further Education and Training (FET) phase was haphazard and influenced by conflicting instructions from the DBE regarding the phasing of the implementation.

3.1 Income

As it is tailored for the South African schools market, production in this sector is almost entirely local, with just 3% of income being derived from imported books. The sector is also still largely print-driven, although this may change if government initiatives to introduce digital school books are more widely rolled out.

Table 3.1 Income derived from all book-related activities in R ‘000s

Local sales of locally published print books	1 320 538
Local sales of imported print books	91 209
Local sales of digital book products	37 733
Local rights sales	34 451
Income from export of products	33 336
Income from export rights sales	-
Other Income	89
Local sales of non-book products	6 247
Total	1 523 603

1. The year-on-year rate of change (included in the Overview) is based on the total recorded income of the previous survey and thus includes TVET and ABET figures
2. Exported products are recorded under the distribution profile.
3. Non-book products usually refers to informative posters.

3.2 Local production

This table records data on new editions, and the languages and formats in which they are being produced. It also records the income per language and per format.

According to the Department of Basic Education annual financial report 1544 schools were connected to the internet through the Universal Service and Access Obligation, allowing for some growth in digital publishing for this sector. Grades 4-6 and Grades 1-3 showed delivery in all 11 official languages, offering some growth in the African languages for this sector.

Table 3.2 New editions

	Turnover R'000		New Editions (Amount)	
	Print	**Digital**	**Print**	**Digital**
English	437835	13358	329	310
Afrikaans	141726	2909	276	26
isiZulu	34667	132	1016	15
isiXhosa	28390	215	275	0
Sepedi	20431	29	8	385
Sesotho	14307	36	6	507
Setswana	16788	25	455	7
isiNdebele	4871	32	2334	436
Xitsonga	6631	9	145	0
Tshivenda	4653	0	2	0
siSwati	5622	0	11	0
Multilingual	2251	66	0	0
Other	609	0	0	0
Total	718782	16811	13540	1831

3.3 Royalties

Royalties are recorded per book category and aggregated here. Past efforts have been made to accurately record this per product category as well as according to the demographic make-up of publishers' author pool. The average royalty rate for this sector is usually between 10–12%.

Table 3.3 Royalties paid per product category: Education

Product Category	Average value of royalty paid on locally published titles (%)
School print books	19.98%
School digital books	10.39%
Total	15.18%

1. Percentages here indicate not the prescribed royalty rate, but the average percentage which is paid out after net income.

3.4 Sales channels

While publishers are dependent on state and provincial government departments for the vast majority of orders, they also distribute their products through a variety of other sales channels.

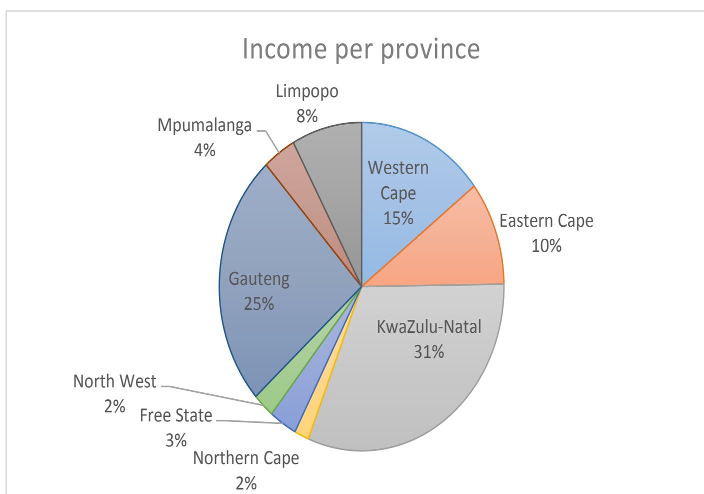
A word of caution concerning the average discounts for this report. For the State and Provincial Departments, procurement orders are made off net price CAPS catalogues, so no discount is applicable. It is only in the case of supplementary materials that the old catalogues show recommended retail prices (RRP) with a discount.

3.4 Turnover and average discount granted according to sales outlet category.		
Type of sales outlet	Annual turnover	Average Discount
National or regional bookseller chains	285 916	33.90%
Full service permanent stockholding book retailers	153 974	30.78%
Non-book retail outlets	41 239	32.17%
Internet booksellers	9 096	30.00%
Direct mail booksellers	34 311	30.00%
Businesses and corporations (direct sales)	6 562	28.33%
The public (direct sales)	38 642	17.71%
Libraries	791	31.67%
State and provincial departments	845 859	30.56%
Schools and Educational institutions	29 958	19.44%
School book distributors and tenders	35 280	30.00%
Export sales	34 618	27.22%
Other	548	50.00%
1. Direct sales usually refer to bulk sales to training institutions and NGOs.		

3.5 Distribution of sales by province

Turnover is collected from all product categories, in individual provinces and cross-checked against total recorded income. This detailed analysis per product category is new to the 2015 survey and thus cannot be compared to the 2014 survey.

Table 3.5 Total Education Turnover by province (excl ABET & TVET)		
Province	**Turnover '000**	
	Locally published	**Imported**
Western Cape	176011	10 922
Eastern Cape	129690	2 145
KwaZulu-Natal	396730	6 833
Northern Cape	20952	126
Free State	38604	1 935
North West	30972	364
Gauteng	300444	20 837
Mpumalanga	46963	1 168
Limpopo	101942	519
All Provinces	**1242308**	**44 854**



In the tables that follow, there is a detailed breakdown per province and book category.

Eastern Cape R'000		
Book Category	Locally Published	Imported
Grade R	20 811	0
Grade 1-3 core	11 739	0
Grade 4-6 core	13 894	0
Grade 7-9 core	20 382	0
Grade 10 core	7 090	0
Grade 11 core	10 297	0
Grade 12 core	7 014	0
Grade 10 Prescribed literature	81	0
Grade 11 Prescribed literature	21 644	0
Grade 12 Prescribed literature	91	0
FP Reading schemes	5 143	808
IP Reading schemes	155	68
SP Readers (non-core)	85	0
Dictionaries (Primary)	559	217
Dictionaries (Secondary)	677	218
Atlases (Primary)	169	0
Atlases (Secondary)	250	0
Posters	1 741	42
Supplementary and Library	4 074	182
Other	3 793	611

Free State R'000		
Book Category	Locally Published	Imported
Grade R	3 928	0
Grade 1-3 core	2 155	0
Grade 4-6 core	11 864	0
Grade 7-9 core	1 348	0
Grade 10 core	911	0
Grade 11 core	2 754	0
Grade 12 core	622	0
Grade 10 Prescribed literature	17	0
Grade 11 Prescribed literature	10 568	0
Grade 12 Prescribed literature	95	0
FP Reading schemes	319	266
IP Reading schemes	1 309	9
SP Readers (non-core)	244	0
Dictionaries (Primary)	95	63
Dictionaries (Secondary)	142	7
Atlases (Primary)	50	0
Atlases (Secondary)	52	0
Posters	6	0
Supplementary and Library	408	159
Other	1 718	1 432

Gauteng R'000		
Book Category	Locally Published	Imported
Grade R	23 322	0
Grade 1-3 core	23 906	35
Grade 4-6 core	38 287	45
Grade 7-9 core	61 291	0
Grade 10 core	34 387	0
Grade 11 core	12 555	0
Grade 12 core	11 474	0
Grade 10 Prescribed literature	1 443	0
Grade 11 Prescribed literature	23 970	0
Grade 12 Prescribed literature	2 662	0
FP Reading schemes	9 300	63 31
IP Reading schemes	2 616	597
SP Readers (non-core)	784	0
Dictionaries (Primary)	18 167	2 654
Dictionaries (Secondary)	6 555	170
Atlases (Primary)	1 988	5
Atlases (Secondary)	1 289	7
Posters	177	21
Supplementary and Library	13 060	6 543
Other	13 211	4 430

KwaZulu-Natal R'000		
Book Category	Locally Published	Imported
Grade R	16 370	0
Grade 1-3 core	66 773	0
Grade 4-6 core	94 327	0
Grade 7-9 core	86 219	0
Grade 10 core	28 526	0
Grade 11 core	30 691	0
Grade 12 core	30 686	0
Grade 10 Prescribed literature	1 015	0
Grade 11 Prescribed literature	9 560	0
Grade 12 Prescribed literature	1 291	0
FP Reading schemes	5 101	4 501
IP Reading schemes	1 455	374
SP Readers (non-core)	790	0
Dictionaries (Primary)	1 609	605
Dictionaries (Secondary)	3 449	37
Atlases (Primary)	595	3
Atlases (Secondary)	1 766	0
Posters	85	0
Supplementary and Library	10 638	889
Other	5 786	424

Limpopo R'000		
Book Category	Locally Published	Imported
Grade R	6 735	0
Grade 1-3 core	1 538	0
Grade 4-6 core	2 112	0
Grade 7-9 core	15 158	0
Grade 10 core	10 548	0
Grade 11 core	9 820	0
Grade 12 core	8 005	0
Grade 10 Prescribed literature	340	0
Grade 11 Prescribed literature	24 385	0
Grade 12 Prescribed literature	6 939	0
FP Reading schemes	12 012	252
IP Reading schemes	252	133
SP Readers (non-core)	135	0
Dictionaries (Primary)	227	77
Dictionaries (Secondary)	294	3
Atlases (Primary)	65	0
Atlases (Secondary)	58	0
Posters	134	0
Supplementary and Library	543	29
Other	2 644	25

Mpumalanga R'000		
Book Category	Locally Published	Imported
Grade R	2 654	0
Grade 1-3 core	970	0
Grade 4-6 core	1 952	0
Grade 7-9 core	4 154	0
Grade 10 core	1 931	0
Grade 11 core	2 168	0
Grade 12 core	5 958	0
Grade 10 Prescribed literature	16	0
Grade 11 Prescribed literature	17 585	0
Grade 12 Prescribed literature	5 029	0
FP Reading schemes	1 050	737
IP Reading schemes	179	84
SP Readers (non-core)	17	0
Dictionaries (Primary)	582	79
Dictionaries (Secondary)	243	16
Atlases (Primary)	213	0
Atlases (Secondary)	121	0
Posters	35	0
Supplementary and Library	828	137
Other	1 278	115

Northern Cape R'000		
Book Category	Locally Published	Imported
Grade R	1 503	0
Grade 1-3 core	249	0
Grade 4-6 core	6 299	0
Grade 7-9 core	8 067	0
Grade 10 core	211	0
Grade 11 core	976	0
Grade 12 core	235	0
Grade 10 Prescribed literature	3	0
Grade 11 Prescribed literature	2 215	0
Grade 12 Prescribed literature	10	0
FP Reading schemes	111	33
IP Reading schemes	116	5
SP Readers (non-core)	71	0
Dictionaries (Primary)	91	20
Dictionaries (Secondary)	50	0
Atlases (Primary)	8	0
Atlases (Secondary)	25	0
Posters	14	1
Supplementary and Library	445	67
Other	254	0

North West R'000		
Book Category	Locally Published	Imported
Grade R	4 863	0
Grade 1-3 core	1 607	0
Grade 4-6 core	2 106	0
Grade 7-9 core	2 304	0
Grade 10 core	992	0
Grade 11 core	1 196	0
Grade 12 core	5 891	0
Grade 10 Prescribed literature	608	0
Grade 11 Prescribed literature	6 089	0
Grade 12 Prescribed literature	1 866	0
FP Reading schemes	824	158
IP Reading schemes	858	10
SP Readers (non-core)	49	0
Dictionaries (Primary)	89	75
Dictionaries (Secondary)	162	3
Atlases (Primary)	71	0
Atlases (Secondary)	92	0
Posters	2	0
Supplementary and Library	342	71
Other	961	48

Western Cape R’000		
Book Category	Locally Published	Imported
Grade R	1 156	0
Grade 1-3 core	12 427	0
Grade 4-6 core	34 426	0
Grade 7-9 core	36 778	0
Grade 10 core	16 217	0
Grade 11 core	14 257	0
Grade 12 core	21 850	0
Grade 10 Prescribed literature	173	0
Grade 11 Prescribed literature	1 548	0
Grade 12 Prescribed literature	802	0
FP Reading schemes	8 230	3 732
IP Reading schemes	2 200	600
SP Readers (non-core)	918	0
Dictionaries (Primary)	3 306	1 034
Dictionaries (Secondary)	3 417	67
Atlases (Primary)	1 255	0
Atlases (Secondary)	1 194	3
Posters	122	0
Supplementary and Library	7 896	2 940
Other	7 838	2 548

4. The Trade Sector

Trade publishers produce books for the general reader. The sector is characterized by large international and local imprints, as well as several small to medium specialized niche publishers. It is dominated by multinational publishers that use a variety of distributors to import their books for the South African market. Only a small proportion of these imports are captured in this survey, as the focus is on the production of local books.

The Trade sector includes specialist publishers focusing on the Religious market, as well as Scholarly publishers producing books both for a very small post-graduate Academic market and for a more general cross-over market.

4.1 Income

For local Trade publishers, the domestic market remains the most important source of income, accounting for around 97% of income. The adult market remains considerably larger than the children's market, which may be explained by the dominance of imported books for children.

Table 4.1 Income derived from all book related activities R'000

Income category	Net sales
Local sales of locally published print books	439 779
Local sales of imported print books	260 857
Local sales of digital book products	21 947
Local rights sales	2 849
Local sales of non-book products	512
Sub-total: local sales of products	725 944
Income from export of products	6237
Income from export rights sales	268
Other book-related income	842
Total income	733 291

Table 4.2 Income Derived from General Trade R'000

	Locally produced	**Imported**
Adult print	117 314	182 269
Adult digital	8 591	28 928
Children's print	35 427	27 430
Children's digital	532	82
Religious Trade	9 312	104
Scholarly Trade	4 307	-
Sales of non-book products	3 095	-

1. Sales of non-book products includes all book categories, thus includes all non-book Adult, Children's, Religious and Scholarly products

4.2 Local production

The local production data reveals that the local Trade publishing sector is dominated by Afrikaans, although a significant number of new titles are also produced in English. The Scholarly publishing sector, in contrast, produces books almost exclusively in English. There is very little publishing in the African languages for the general reader, with the exception being in Religious Trade titles, largely Bibles. As a result, if no data was returned for a specific language category, it has been omitted from the tables below. Multilingual titles are usually dictionaries or other reference books.

In terms of categories, local non-fiction remains a stronger income stream than fiction. For formats, general Trade publishers now frequently produce new editions of books in a dual format, of both print and digital simultaneously, especially in fiction, but print sales heavily outweigh digital sales. It should be noted, however, that the actual numbers of new books produced is under-reported in this survey.

Table 4.3 All book categories total per language

Local Production Aspects	Net Turnover		New Editions	
	Print	Digital	Print	Digital
English	120 840	6 221	136	70
Afrikaans	43 607	1 071	691	345
isiZulu	124	1	0	0
isiXhosa	6 754	4	0	1
Sepedi	11 055	5	1	0
Sesotho	1 320	5	7	0
Setswana	2 914	-	0	0
isiNdebele	3 635	2	0	0
Xitsonga	3 416	5	0	8
Tshivenda	3 254	1	3	0
siSwati	711	3	0	0
Multilingual	1 933	1	0	0
Other	2 825	4	0	0
Total	202 388	7 322	838	424

Table 4.4 General Trade: Adult Fiction

Local Production Aspects	Turnover R'000		New Editions (Number)	
	Print	Digital	Print	Digital
English	1 689	236	14	11
Afrikaans	35 147	5 112	250	204
isiXhosa	0	0	0	1
Multilingual	0	5	0	0
Total	36836	5353	264	216

Table 4.5 General Trade: Adult non-Fiction

Local Production Aspects	Turnover R'000		New Editions (Number)	
	Print	Digital	Print	Digital
English	25 637	783	134	63
Afrikaans	40 164	481	122	31
isiXhosa	44	0	0	0
Multilingual	1 320	0	7	0
Total	67 165	1 264	263	94

Table 4.6 General Trade: Children's' Fiction				
Local Production Aspects	Turnover R'000		New Editions (Number)	
	Print	Digital	Print	Digital
English	1256	20	18	4
Afrikaans	27209	481	281	59
isiZulu	29	0	1	0
isiXhosa	2	0	0	0
Tshivenda	48	0	0	0
Total	28 546	502	300	63

Table 4.7 General Trade: Children's' non-Fiction				
Local Production Aspects	Turnover R'000		New Editions (Number)	
	Print	Digital	Print	Digital
English	2 575	8	4	1
Afrikaans	4 900	30	12	14
Sepedi	1	0	0	0
Setswana	0	0	3	0
Tshivenda	3	0	0	0
SiSwati	2	0	0	0
Other	1	0	0	0
Total	7 482	38	19	23

Table 4.8 General Trade: Religious Books		
Local Production Aspects	Turnover R'000	
	Print	Digital
English	14 224	24
Afrikaans	13 420	117
isiZulu	11 025	5
isiXhosa	6 707	4
Sepedi	3 634	1
Sesotho	3 416	5
Setswana	3 254	1
isiNdebele	124	1
Xitsonga	2 825	4
Tshivenda	1 882	1
SiSwati	709	3
Other	2 914	0
Total	64 134	166

4.3 Royalties

These royalties are reported from across general, Scholarly and Religious Trade. It is important to recall that these percentages do not represent the royalty rate of any specific publishers, but rather an average on the figures reported from all publishers.

Table 4.9 Royalty Aspects	
Product Category	**Value of royalty paid on locally published**
	Percentage
General Trade print books	13.70%
General Trade digital books	20.46%
Religious Trade print books	38.63%
Religious Trade digital books	2.50%
Scholarly print books	10.00%
Scholarly digital books	9.50%
Total	17.01%

4.4 Sales channels

The majority of Trade books are sold through bookseller chains. The library market has shrunk considerably in recent years, and attempts to reach markets through other channels, such as online retailers or direct sales, have still not fully come to fruition.

Table 4.10 Turnover and average discount granted according to sales outlet category: All Trade		
Type of sales outlet	**Annual turnover**	**Average Discount**
National or regional bookseller chains	256 256	38.60%
Full service permanent stockholding book retailers	69 520	35.42%
Non-book retail outlets	6 305	34.80%
Internet booksellers	23 590	37.98%
Direct mail booksellers	15 819	38.33%
Businesses and corporations (direct sales)	9 797	21.56%
The public (direct sales)	21 899	30.00%
Libraries	6 726	37.06%
State and provincial departments	246	5.00%
Schools and Educational institutions	987	18.56%
School book distributors and tenders	3 002	11.11%
Export sales	6 016	39.52%
Other	203	27.93%

1. The Trade turnover includes all Trade categories. The per-channel turnover thus includes Scholarly, Trade and Religious books.

2. **These figures include all general consumer books. Outlet discounts per publisher are recorded and aggregated to represent an industry standard.**

4.5 Distribution of sales by province

Publishers were asked to provide a breakdown of income per province, and about half of the respondents did so. Due to varying population sizes in each province the total spend per province is not an accurate measurement of the per person spend on Trade publications. As may be seen below, some of the provinces with a lower income may have a higher per-capita spend than assumed. The population size for each province is taken from the 2011 census report and may thus be slightly outdated, but the proportions remain relatively similar.

Table 4.11 Per Capita spend on Trade publications per province					
	Trade Turnover R'000	Rank Turnover	Population '000	Spend per Capita	Rank (per Capita)
Eastern Cape	9 752	4	6 562	1.49	7
Free State	7 360	6	2 746	2.68	4
Gauteng	162 825	1	12 272	13.27	2
KwaZulu -Natal	34 482	3	10 267	3.36	3
Limpopo	2 459	8	5 405	0.45	9
Northern Cape	2 036	9	1 146	1.78	6
North West	4 751	7	3 510	1.35	8
Mpumalan-ga	8 509	5	4 039	2.11	5
Western Cape	150 041	2	5 823	25.77	1

5. The Academic Sector

The Academic sector publishes textbooks and other products for university students, as well as professional products and books for continuing professional development, such as doctors, lawyers and accountants. This sector is dominated by a few major players locally, as well as by imported textbooks.

5.1 Income

Locally published Academic books are largely sold through primary retail outlets. Print remains the dominant format.

The sector is dominated by imports, although certain niche disciplines are covered by locally produced materials. This survey is not able to capture a full picture of the Trade in imported textbooks, as that data can only be provided by booksellers and distributors and is beyond the scope of this study.

Table 5.1 Income Derived from all book related activities R'000

Sub-sector	Primary Retail	e-Commerce	Other
Local sales of locally published print books	387 266	902	5 540
Local sales of imported print books	37 425	3 721	962
Local sales of digital book products	19 321	1 687	7 723
Income from export of products	2 234	-	-
Local rights sales	902	-	-
Other Income	16	-	-
Total	447 164	6 311	14 225

Academic

5.2 Local production

The Academic sector is differentiated by category (textbooks and professional books) as well as by format (print or digital), and by language. Print remains the format of preference, although all of the Academic publishers have invested in new technologies and new digital products. The sector is heavily dominated by the production of English-language books, a trend that mirrors the increasing use of English as the language of academia and university education.

While an attempt was made to collect the numbers of new titles produced, poor reporting by the publishers has meant that this section has had to be omitted due to lack of data.

Table 5.2 Local market turnover according to product sub-category R'000

	Locally Published		**Imported**	
Book Category	**Print**	**Digital**	**Print**	**Digital**
Textbooks	213 719	10 264	42 108	19 191
Professional Books	133 128	83 980	0	16
Total	346 846	94 244	42 108	19 207

Table 5.3 Local Production Aspects: Textbooks

	Turnover	
	Print	**Digital**
English	202193	8579
Afrikaans	7190	308
Multilingual	209	436
Total	209591	9323

1. As mentioned above, there were no new editions reported in print or digital mediums for textbook production.

Table 5.4 Local Production Aspects: Professional books		
	Turnover	
	Print	Digital
English	178059	0
Afrikaans	145	12
Total	178204	12

1. As mentioned above, there were no new editions reported in print or digital mediums for professional book production.

5.3 Royalties

Table 5.5 Royalty Aspects	
Product Category	**Average value of royalty paid on locally published titles (%)**
Textbook print books	17.25%
Textbook digital books	14.00%
Professional print books	16.00%
Professional digital books	19.00%
Total	16.56%

5.4 Sales channels

Academic books are mostly sold through bookseller chains, many of which are located on or near university campuses.

Table 5.6 Turnover and average discount granted according to sales outlet category: Textbook and Professional Books (R'000)		
Type of sales outlet	**Annual turnover**	**Average Trade Discount**
Primary Retail Outlets	267 5060	32.45%
e-Commerce	6 311	25.00%
Other	19 958	10.00%

1. This is a new category breakdown in the 2015 survey and as such cannot be compared to previous years. Other sales outlets include direct institutional and personal sales.

2. Due to low reporting figures for distribution in the Academic sector Textbook and Professional Book distribution cannot be reported on separately. National and regional bookseller sales of Professional books have been included in the figures and discounts for 'Primary Retail Outlets', while sales to state and provincial departments of professional books has been included in the figures and discounts for 'Other' sales outlets.

5.5 Distribution of sales by province

Publishers were asked to report on their sales per province. However, as the major Academic retailers' hubs are primarily situated in the Western Cape and Gauteng, this process of centralised ordering may have skewed some of the data.

Table 5.7 Net turnover per province R'000		
Province	**Turnover Textbooks**	**Turnover Professional books**
Eastern Cape	1 911	10 677
Free State	2 231	6 409
Gauteng	56 103	117 334
KwaZulu-Natal	18 577	18 923
Limpopo	1 119	3 996
Mpumalanga	3 011	3 292
Northern Cape	22	2 289
North-West	1 078	3 594
Western Cape	85 630	35 203
Total Turnover	169 682	201 717

1. Due to the major Academic retailers' hubs being primarily situated in the Western Cape and Gauteng the figures for these provinces may not be entirely accurate. Although the questionnaire specified to report shipping information and not the order address there is no way for the researchers to verify this information. The data is thus skewed by the process of centralised ordering.

6. The ABET Sector

For the first time, data on the Adult Basic Education and Training sector (ABET or AET) has been collected separately, where previously it had been integrated into the larger Education sector. The market is mostly adults who need to complete their basic education or supplement their existing literacy and numeracy skills. Many of the publishers are either private training providers, or Education publishers working in partnership with non-government organisations.

6.1 Income

This is a very small sub-sector, driven entirely by local literacy and other basic training needs. Books are seldom produced as a stand-alone product; rather, they are incorporated into training programmes and projects at public adult learning centres or private companies.

Table 6.1 Income derived from all book related activities

Sub-sector	Income (R'000)
Local sales of locally published print books	20 946
Income from export of products	1
Other income	47 949
Total	68 896

6.2 Local production

The National Qualifications Framework recognises four ABET levels. These correspond approximately to the General Education and Training (GET) phase.

According to the respondents, no digital publications were produced in this sector, so it remains print-only. Data was also only provided on English-language books produced, and not on any of the African languages.

Table 6.2 Local market turnover according to product sub-category

Book Category	Print
Level 1	4 989
Level 2	4 953
Level 3	4 706
Level 4	4 339
ABET Books: sub-total	18 987
Sales of non-book products	47 949

Table 6.3 Local Production Aspects R'000

	Turnover	
	Print	Digital
English	20 954	0
Afrikaans	-7	0
Total	20 947	0

6.3 Royalties

The average royalty rate reported for ABET books is 24.67%.

Table 6.4 Royalty Aspects

Product Category	Average value of royalty paid on locally published titles (%)
ABET print books	39.33%
ABET digital books	10.00%
Total	24.67%

6.4 Sales channels

Table 6.5 Net turnover and average discount granted according to sales outlet category R'000		
Type of sales outlet	**Annual turnover**	**Average Trade Discount**
National or regional bookseller chains	141	30.00%
Full service permanent stockholding book retailers	80	30.00%
Non-book retail outlets	1	0.00%
Internet booksellers	1	30.00%
Businesses and corporations (direct sales)	63 320	15.00%
The public (direct sales)	16	0.00%
Libraries	175	5.00%
State and provincial departments	2 586	12.67%
Schools and Educational institutions	616	17.50%
Export sales	1	30.00%

6.5 Distribution of sales by province

Table 6.6 Net turnover per province R'000 (Books Only)				
Province	**Level 1**	**Level 2**	**Level 3**	**Level 4**
Eastern Cape	76	73	70	69
Free State	172	170	171	162
Gauteng	2 941	3 019	2 591	2 336
KwaZulu Natal	170	17	154	131
Limpopo	259	252	463	242
Mpumalanga	383	375	364	321
Northern Cape	116	114	112	105
North-West	662	643	618	554
Western Cape	200	142	155	443
All provinces	4 979	4 805	4 697	4 362
1 This data refers to the sale of books only.				

7. The TVET Sector

For the first time, data on the Technical Vocational Education and Training (TVET) sector has been collected separately, where previously it had been integrated into the larger Education sector. This sector produces text-books for students at the TVET colleges in South Africa, which offer technical or vocational training. It thus has similarities to the Academic sector, but the procurement and distribution model is completely different as the TVET system is more centralised.

7.1 Income

Income reported in this sector has shown a decline from 2014, but it is still seen as an area of potential robust growth in the future, depending on government funding for the sector.

Table 7.1 Income derived from all book related activities R'000	
Local sales of locally published print books	194 169
Local sales of digital book products	5 153
Other income	288
Total	199 610

7.2 Local production

The TVET sector produces books – overwhelmingly in print – for two different levels: the National Certificate (Vocational), or NCV, and the National Accredited Technical Diploma (NATED). The books are primarily in English.

Table 7.2 Local market turnover according to product sub-category R '000		
	Locally Published	
Book Category	**NCV**	**NATED**
Print books	97 623	94 316
Digital	4 934	219
Sales of non-book products	3 360	0
Total	105 917	94 535

7.3 Royalties

Table 7.3 Royalty Aspects R '000	
Product Category	**Average value of royalty paid on locally published titles (%)**
Print books	14.92%
Digital books	14.38%
Total	14.65%
1. Royalties are reported as a percentage of net sales	

Table 7.4 Income and average discount per sales channel R '000		
Type of sales outlet	**Annual turnover**	**Average Trade Discount**
National or regional bookseller chains	19 316	21.05%
Full service permanent stock-holding book retailers	9 165	31.50%
Non-book retail outlets	62	33.00%
Internet booksellers	1 965	21.07%
Direct mail booksellers	263	30.00%
The public (direct sales)	493	30.00%
Schools and Educational institutions	123 836	21.03%
School book distributors and tenders	43 888	21.05%

Appendix A: List of participants

Table 8.1 2015 Survey participants List		
Bible Society of South Africa (NPC)	Bookstorm (Pty) Ltd	Cambridge University Press SA Pty Ltd
Cengage Learning EMEA Ltd	Future Managers (Pty) Ltd	HSRC Press
Jonathan Ball Publishers	Juta and Company (Pty) Ltd.	LAPA Uitgewers (Edms) Bpk
LexisNexis SA Pty Ltd	Macmillan South Africa (Pty) Ltd	Media Works
NB Publishers	Oxford University Press Southern Africa (Pty) Ltd	Pearson South Africa (Pty) Ltd
Penguin Random House	Shuter & Shooter Publishers (Pty) Ltd	The Answer Educational Publishers (Pty) Ltd
Troupant Publishers (Pty) Limited	UCT Press	Van Schaik Publishers
Via Afrika	Vivlia Publishers and Booksellers	Wits University Press