ANNUAL BOOK PUBLISHING INDUSTRY SURVEY 2016

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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 2017 was 150, with a special effort being made to reach out to additional small and micro publishers not on the PASA membership list, often consisting of just one or two staff members, and producing a handful of titles. Unfortunately, none of the additional small publishers chose 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 limitation in conducting the survey.

The respondents represent more than 50 local imprints, as well as acting as distributors for a variety of international imprints.

The report and capturing process was completely automated as of this year, which simplified the data collection process significantly and reduced the possibility for researcher-introduced errors – resulting in more valid data. 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.

Two new data categories are included in the report:

- First, the introduction of a weighted average for discounts and royalties offered by publishers. Where possible, publishers were asked to provide weighted averages for discounts and royalties in order to reduce statistical discrepancies.
- The different kinds of activities performed by publishers, especially those not traditionally related to publishing, are also being tracked. This enables us to assess how the industry is changing in response to market pressures.

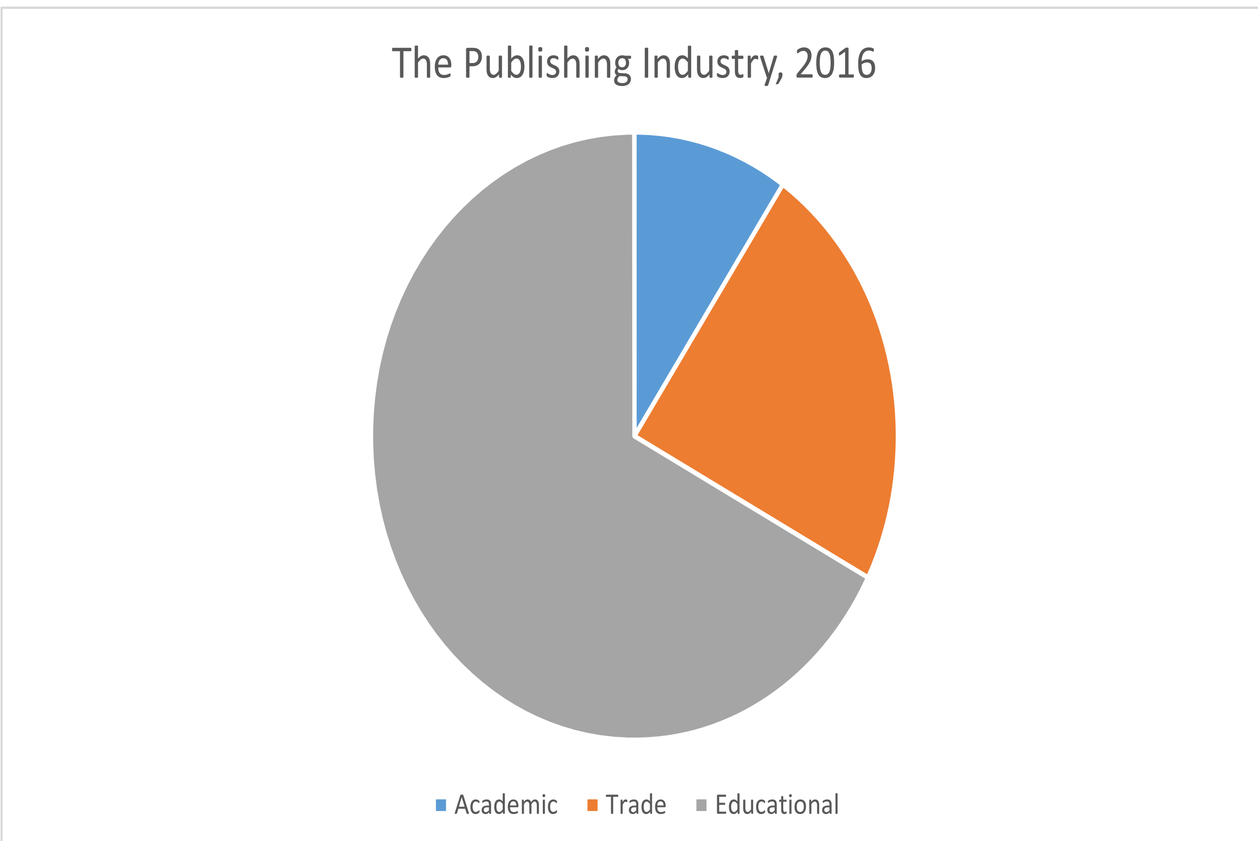
All data is aggregated for each industry sector and product category.

Overview

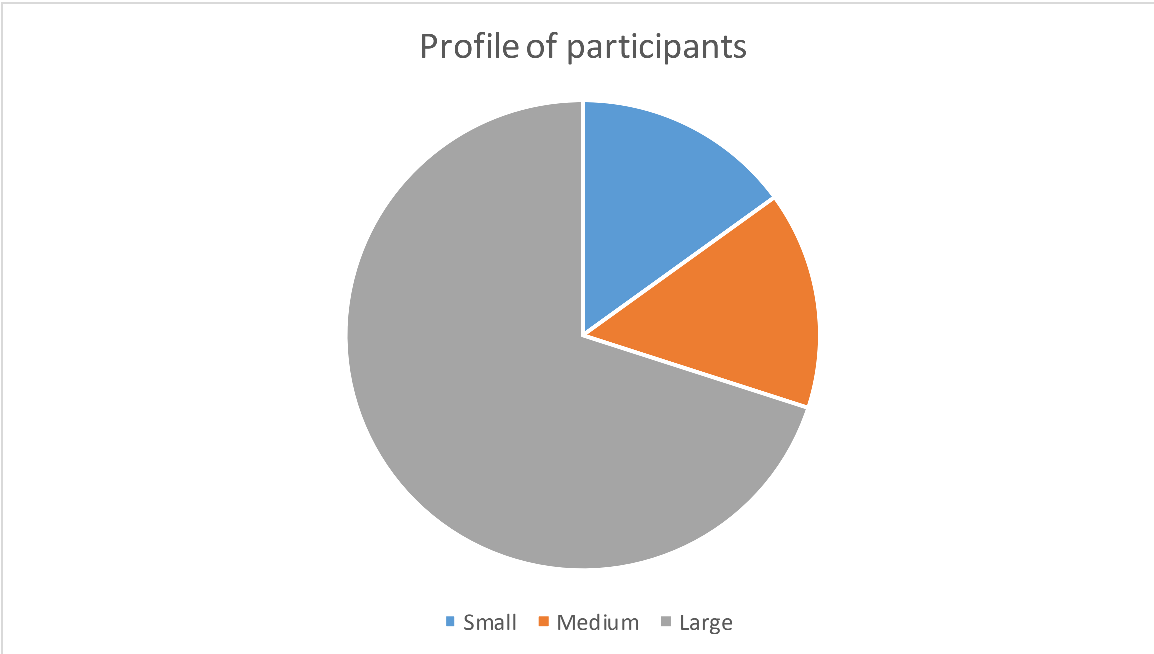
Total income for the industry

Sector	2016/2017 (R'000)	2015/2016 (R'000)	YoY movement*
Academic	313,570	485,311	-1%*
Trade	764,403	715,680	+7%
Educational	1,978,003	1,353,874	+21%
TVET	234,997	194,169	+46%
ABET	5,290	20,947	-74%
Total industry	3,296,262	2,726,052	+17%

* As there is a difference in respondents from year to year, the percentage shift is calculated only on the figures that can be tracked across more than one reporting year.



Profile of participants



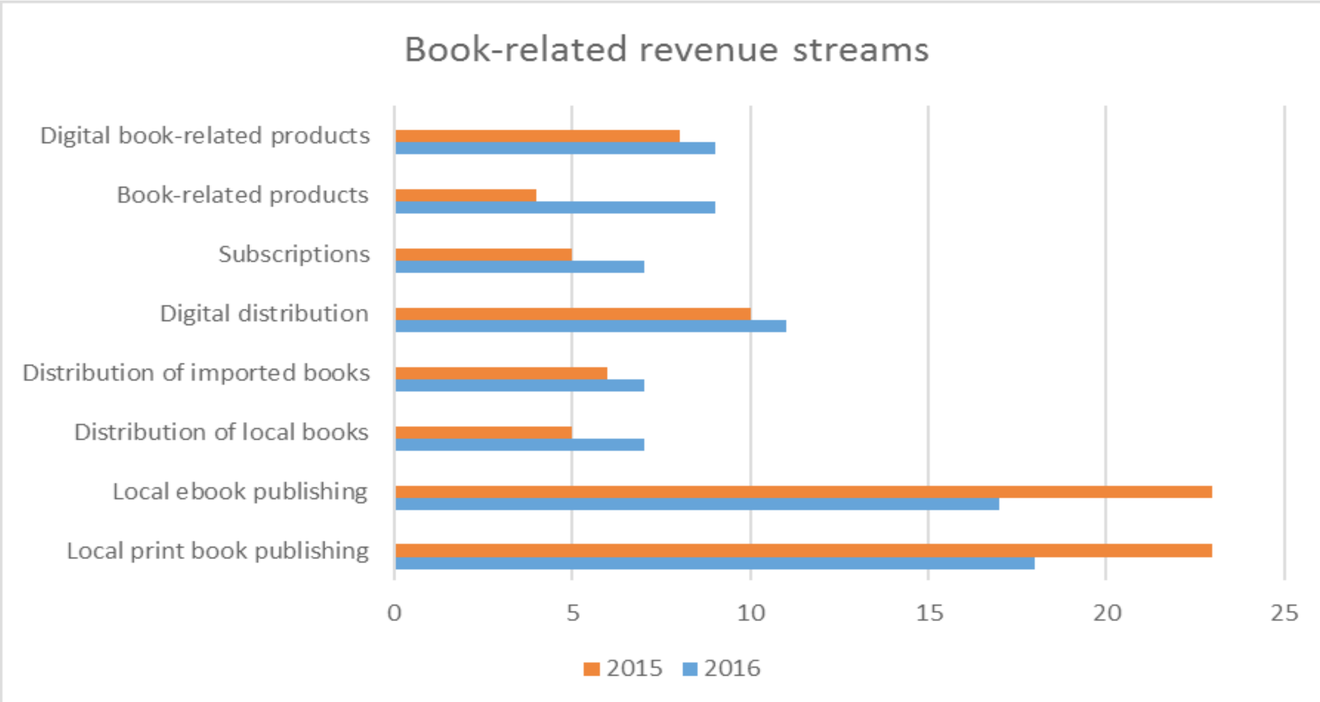
Total participants	PASA Members	New Participants	Turnover	
22	21	1	<10 mil (EME)	3
			10 mil – 50 mil (QSE)	3
			>50 mil (GENERIC)	14
			No answer	2

Industry participation

Due to fluctuating support from the Department of Basic Education, a relatively small reading market, unstable economic conditions, and continuing international competition, a clear movement towards alternative revenue streams can be seen in the publishing Industry. While still content-related, these movements are not necessarily related to traditional publishing.

Since this data is only available for 2015 and 2016, long-term trends cannot yet be identified. Supporting data from the Key Economic Trends report for South Africa indicates a large drop in both import and export values for the Printing and Publishing industry when compared to the 2015 financial year. This may encourage publishers to further diversify their product offerings in an unstable market.

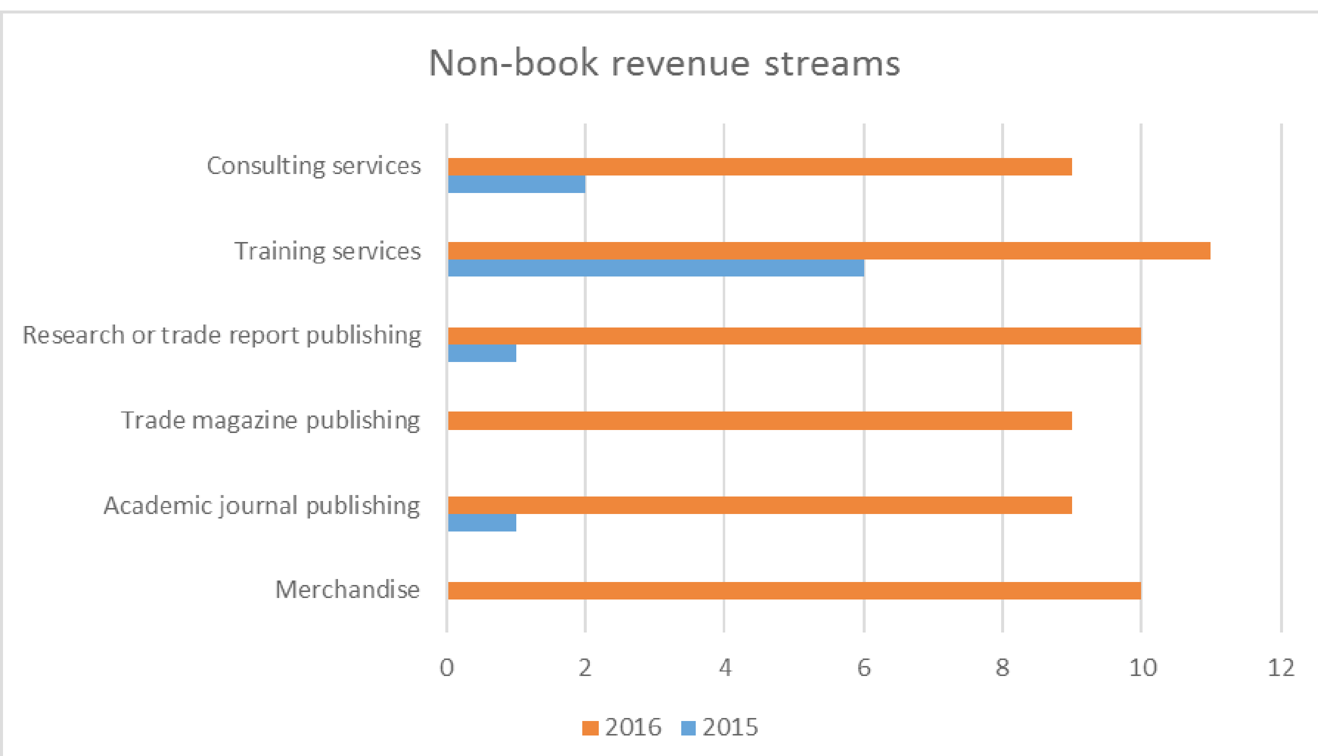
Participation in publishing industry



Activity	Participants	Percentage	Participants	Percentage
	2016/2017		2015/2016	
Local print book publishing	18/22	82%	23/23	100%
Local ebook publishing (electronic format content downloaded onto user owned reading devices and apps)	17/22	77%	23/23	100%
Local distribution of locally published print books published by third parties (not related to self or holding company)	7/22	32%	5/23	22%
Local distribution of imported print books published by third parties (not related to self or holding company)	7/22	32%	6/23	26%

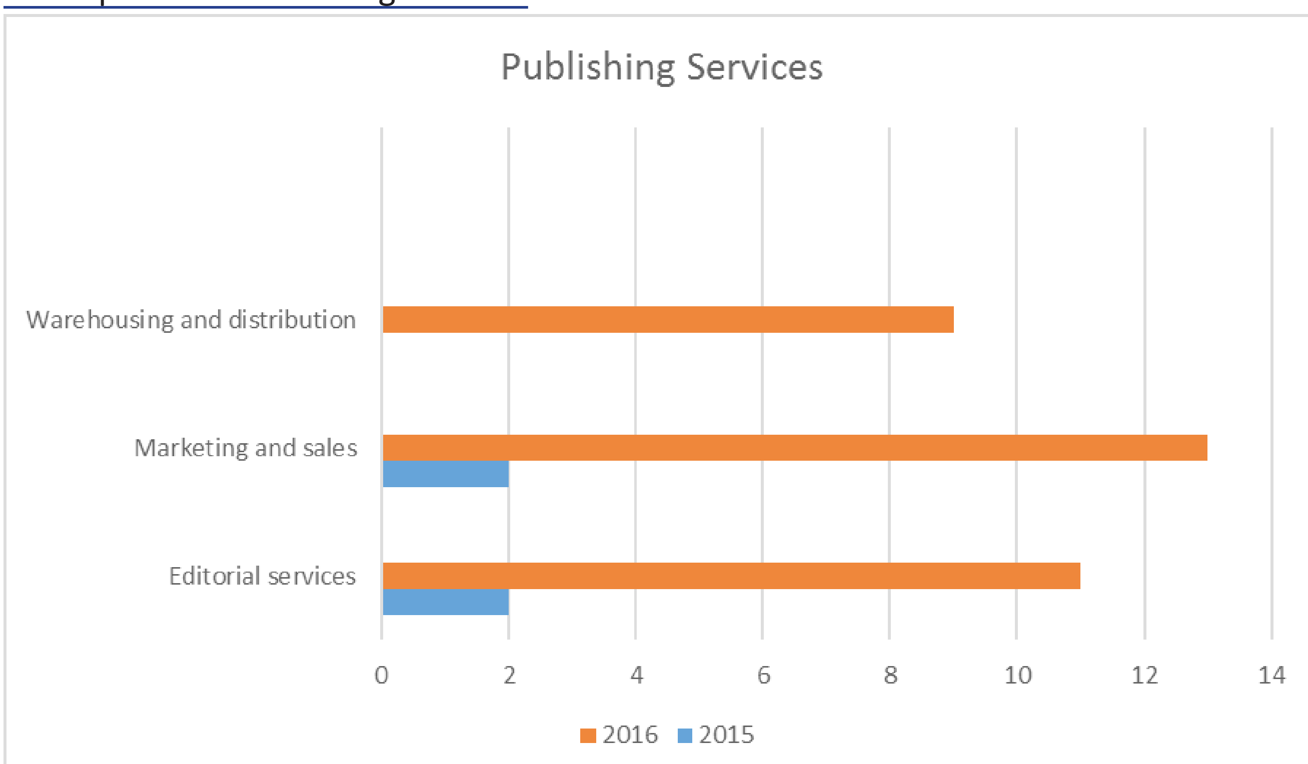
Local ebook distribution (electronic format content downloaded onto user owned reading devices and apps.	11/22	50%	10/23	43%
Online subscriber access services to professional and educational content databases	7/22	32%	5/23	22%
Local production of book-related material, title or character extensions (loose-leaf ring books, posters, maps, activity sheets etc.)	9/22	41%	4/23	17%
Local production of digital book-related brand or character extensions (CDs, DVDs, audio-books, etc.)	9/22	41%	8/23	35%

Participation in non-Book Publishing industry



Activity	Respondents	Percentage	Respondents	Percentage
	2016/2017		**2015/2016**	
Local production of non-paper-based book related products / brand / character extensions (soft toys, gift items etc.)	10/22	45%	0/23	0%
Academic journal publishing	9/22	41%	1/23	4%
Trade magazine publishing	9/22	41%	0/23	0%
Research or trade report publishing	10/22	45%	1/23	4%
Professional training services provided to external parties	11/22	50%	6/23	26%
Professional consulting services	9/22	41%	2/23	9%

Participation in Publishing Services



Activity	Respondents	Percentage	Respondents	Percentage
	2016/2017		2015/2016	
Publishing services to third parties: Editorial and/or production	11/22	50%	2/23	9%
Publishing services to third parties: Marketing and sales	13/22	59%	2/23	9%
Publishing services to third parties: Warehousing and distribution	9/22	41%	N/A	N/A

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 were 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. The number of new editions also does not correlate with the number of new ISBNs issued by the National Library of South Africa, as these are not necessarily used in a single year, and are used by many organisations that do not publish as a core function.

There is continued growth in digital new editions and sales, in part due to increased digital sales in the education sector.

Comparison of production figures	2015		2014	
	Print	Digital	Print	Digital
Growth in New Editions	127,152	1,337	125,059	-443
Growth in Turnover (R'000)	1,265,664	61,357	530,022	-37,016.90

Language	Print	Digital	Print	Digital
	Income (R'000)		Number of new editions	
English	1,863,080	84,563	80,101	2,780
Afrikaans	257,112	10,845	22,161	684
IsiZulu	190,265	343	1,910	-
IsiXhosa	117,882	639	1,235	67
Sepedi	31,140	70	4,314	1
Sesotho	27,288	64	5,151	-
Setswana	76,081	274	5,171	2

IsiNdebele	3,293	-	52	-
Xitsonga	19,910	12	9,676	-
Tshivenda	22,277	2	3,011	-
SiSwati	3,821	-	79	-
Multilingual	4,906	143	7	-
Other Languages	340	17	-	-
Total	2,617,395	96,972	132,868	3,535

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. This has been addressed by allowing for the introduction of a weighted average of royalties paid as well as a maximum and minimum range. As can be seen from the inclusion of the average for the 2015/2016 and 2014/2015 financial years, any anomalous high royalty rates are now corrected.

Product Category	Minimum Percentage	Maximum Percentage	Weighted Average Percentage	Average 2015/2016	Average 2014/2015
Trade	5%	16%	6%	16.56%	8.6%
Education	5%	16%	11%	17.01%	13.9%
Academic	2%	39%	14%	13.46%	13.2%
TVET	9%	13%	11%	13.46%	13.2%
ABET	2%	8%	3%	13.46%	13.2%

Turnover and discount per sales channel

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.

The inclusion of the minimum, maximum and weighted average discount once again allows for a more accurate representation of the discounts provided to these retail channels.

Type of sales outlet	Turnover (R'000)	Minimum Discount %	Maximum Discount %	Weighted Average Discount %
National or regional bookseller chains	737,566	23%	38%	28%
Independent booksellers and other book retailers	266,403	18%	32%	23%
Non-book retail outlets	55,565	9%	19%	18%
Internet booksellers	40,241	24%	34%	20%

Book clubs and direct mail booksellers	6,462	18%	20%	21%
Businesses and corporations (direct sales)	19,495	5%	26%	15%
The public (direct sales)	38,991	3%	19%	17%
Libraries	15,026	12%	18%	15%
State and provincial departments	978,824	7%	17%	13%
Schools and educational institutions	193,067	13%	28%	15%
School book distributors and tenders	510,637	5%	26%	15%
Export sales	19,161	17%	30%	26%
Supermarkets and department stores	940	15%	47%	31%
Other	5,724	10%	18%	17%

Changes in turnover and discounts per channel

The temporary closure of Leisure Books/Leserskring no doubt had a large effect on the income produced from book clubs. The significant decrease in direct business sales could be representative of an unstable economy.

Type of sales outlet	**Turnover (R'000)**	**Turnover (R'000)**	**Growth (%)**
	2016/2017	**2015/2016**	
National or regional bookseller chains	737,566	561,598	31%
Independent booksellers and other book retailers	266,403	204,370	30%
Non-book retail outlets	55,565	45,271	23%
Internet booksellers	40,241	34,280	17%
Book clubs and direct mail booksellers	6,462	49,836	-87%
Businesses and corporations (direct sales)	19,495	77,217	-75%
The public (direct sales)	38,991	41,638	-6%
Libraries	15,026	7,692	95%
State and provincial departments	978,824	905,672	8%
Schools and educational institutions	193,067	103,897	86%
School book distributors and tenders	510,637	82,171	521%
Export sales	19,161	40,491	-53%
Other	5,724	751	662%
Supermarkets and department stores	940	-	-

Income per channel

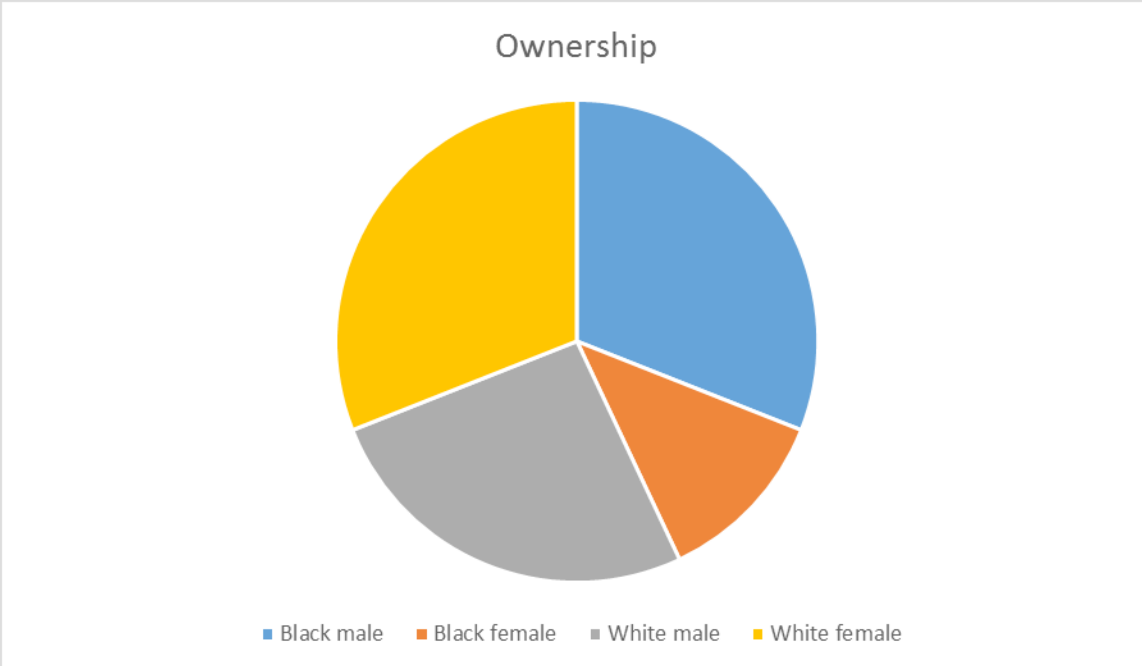
Channel	Income (R'000)
Local sales of locally published print books	2,582,751
Local sales of imported print books	569,358
Local sales of digital book products	95,467
Local rights sales	14,204
Scholarly books	5,441
Export sales of print and digital books	19,247
Income from export rights sales	113
Distribution of locally published books	58
Other book-related income	5979
Local sales of non-book products	3646

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.

The changes in employment and ownership figures cannot be compared to previous years due to the response pool varying from year to year; and the industry using many outsourced or freelance contractors that are not represented in these figures. The Key Economic Trends report presents a neutral view of employment creation in the Printing and Publishing sub-sector, but it could be expected that any decrease in income in the Education sector would have an impact on overall employment figures.

Ownership percentage



Black Individual		White Individual	
Male	**Female**	**Male**	**Female**
31%	**12%**	**26%**	**31%**

BEE level of respondents

Level	Count
Level 1 >100% AAA	1
Level 2 85 - 99% AA	3
Level 3 75 – 85% A	7
Level 4 65 – 75% BBB	4
Level 5 55 – 65% BB	1
Level 6 45 – 55% B	0
Level 7 40 – 45% C	0
Level 8 30 – 40% D	2
Not compliant <30% E/FF	4

Employment profile of respondents

Job Category	Black Individual		White Individual	
	Male	**Female**	**Male**	**Female**
Chief executive officer	3	2	7	10
Functional heads of department	26	32	35	71
Editorial staff	16	102	22	125

Design and production staff	21	53	13	42
Marketing, promotion and sales staff	77	149	21	115
Finance staff	19	67	6	22
Human resources staff	5	24	1	4
Office administration staff	15	64	1	9
Information technology staff	17	15	17	8
Warehousing and distribution staff	75	68	2	2
Other support staff	11	27	1	9

Education

The Education sector is largely concerned with producing school books and servicing the Department of Basic Education (DBE) 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 quite consistent, but provincial spending priorities are highly variable, resulting in major fluctuations in turnover. There is a slow rate of increase in digital publishing. To date, according to the DBE, 600 schools have been connected to the digital network under the Universal Service and Access Obligation (USAO).

Publishers remain concerned by the threat of state publishing in this sector. State-owned textbook development has been undertaken in Grades 1-3 readers in all 11 languages, as well as Grade 4-6 Mathematics and Grade 10-11 Technical Mathematics and Technical Science. These may have a negative impact on the publishing industry over time, but for 2016 a need for top-up packages due to low textbook retrieval was acknowledged by the DBE in their annual report.

Total income

As it is tailored for the South African schools market, production in this sector is almost entirely local, with less than 1% 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.

Channel	Income (R'000)
Local sales of locally published print books	1,890,198
Local sales of imported print books	50,209
Local sales of digital book products	34,243
Local rights sales	181
Other book-related income	145
Local sales of non-book products	3,027
Total	1,978,003

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.

Language	Print	Digital	Print	Digital
	Turnover (R'000)		Number of new editions	
English	1,259,614	42,810	75,071	2,640
Afrikaans	178,303	7,156	21,964	683
IsiZulu	160,909	343	1,910	-
IsiXhosa	117,140	638	1,233	67
Sepedi	30,593	69	4,314	1

Sesotho	26,683	64	5,151	-
Setswana	75,496	274	5,171	2
IsiNdebele	2,801	-	52	-
Xitsonga	19,409	12	9,676	-
Tshivenda	14,963	2	3,011	-
SiSwati	3,263	-	79	-
Multilingual	3,847	4	7	-
Other Languages	112	1	-	-

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%, and the inclusion of the minimum, maximum and weighted average percentages represents this more accurately than in previous surveys.

Product Category	Minimum Percentage	Maximum Percentage	Weighted Average Percentage
School print books	5%	18%	11%
School digital books	5%	14%	10%

Turnover and discount per sales channel

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 is needed 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.

Type of sales outlet	Turnover (R'000)	Minimum Discount %	Maximum Discount %	Weighted Average Discount %
National or regional bookseller chains	213,275	26%	41%	35%
Independent booksellers and other book retailers	169,632	23%	41%	35%
Non-book retail outlets	24,612	8%	29%	27%
Internet booksellers	1,891	18%	33%	30%
Book clubs and direct mail booksellers	36	20%	24%	24%
Businesses and corporations (direct sales)	8,623	5%	28%	18%

The public (direct sales)	33,977	3%	22%	16%
Libraries	7,391	25%	29%	28%
State and provincial departments	975,698	15%	23%	21%
Schools and educational institutions	36,642	14%	28%	23%
School book distributors and tenders	499,599	21%	36%	33%
Export sales	3,647	10%	41%	35%
Other	1,545	10%	25%	25%

Total turnover by province

Turnover is collected from all product categories, in individual provinces and cross-checked against total recorded income. The figures recorded in this survey represent 93% of the income recorded in a separate, internal survey of educational publishers that are PASA members. Thus, while there may be discrepancies for some of the provinces, the overall data can be seen as quite robust.

Province	**Locally Published**	**Imported**	**Locally Published**	**Imported**	**Change (R'000)**	
	2016 (R'000)		**2015 (R'000)**		**Locally published**	**Imported**
Eastern Cape	422,777	5,420	129,690	2,145	273,087	3,275
Free State	33,419	378	38,604	1,935	-5,184	-1,556
Gauteng	386,372	21,124	300,444	20,837	85,928	287
Kwa Zulu Natal	216,452	2,606	396,730	6,833	-180,277	-4,226
Limpopo	259,586	240	101,942	519	157,644	-314
Mpumalanga	16,941	736	46,963	1,168	-30,022	-432
Northern Cape	24,087	273	20,952	126	3,135	147
North West	16,941	736	30,972	364	-14,030	372
Western Cape	165,344	10,354	176,011	10,922	-10,666	-567

Distribution by province

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

Eastern Cape	Locally Published (R'000)	Imported (R'000)
Grade R	15,080	66
Grade 1-3 core	64,038	25
Grade 4-6 core	83,906	-
Grade 7-9 core	127,697	470
Grade 10 core	24,184	34
Grade 11 core	30,403	-
Grade 12 core	26,657	-
Grade 10 Prescribed literature	2,430	-
Grade 11 Prescribed literature	479	-
Grade 12 Prescribed literature	9,686	-
FP Reading schemes	18,594	3,103
IP Reading schemes	4,254	666
SP Readers (non-core)	7,430	91
Dictionaries (Primary)	366	90
Dictionaries (Secondary)	282	87
Atlases (Primary)	230	-
Atlases (Secondary)	161	-
Posters	1,338	-
Supplementary and Library	3,035	96
Other	2,522	691
	422,777	5,420

Free State	Locally Published (R'000)	Imported (R'000)
Grade R	1,773	-
Grade 1-3 core	1,002	-
Grade 4-6 core	7,729	-
Grade 7-9 core	12,390	16
Grade 10 core	1,212	-
Grade 11 core	913	-
Grade 12 core	1,795	-
Grade 10 Prescribed literature	1,134	-
Grade 11 Prescribed literature	1,116	-
Grade 12 Prescribed literature	1,351	-
FP Reading schemes	131	55
IP Reading schemes	722	22
SP Readers (non-core)	295	1
Dictionaries (Primary)	95	52

Dictionaries (Secondary)	94	10
Atlases (Primary)	48	-
Atlases (Secondary)	74	-
Posters	887	-
Supplementary and Library	231	132
Other	426	91
	33,420	378

Gauteng	**Locally Published (R'000)**	**Imported (R'000)**
Grade R	24,037	82
Grade 1-3 core	26,240	28
Grade 4-6 core	86,806	-
Grade 7-9 core	82,488	931
Grade 10 core	25,132	6
Grade 11 core	24,204	-
Grade 12 core	21,900	-
Grade 10 Prescribed literature	2,459	-
Grade 11 Prescribed literature	8,082	-
Grade 12 Prescribed literature	18,770	-
FP Reading schemes	11,740	6,239
IP Reading schemes	2,802	1,021
SP Readers (non-core)	1,830	501
Dictionaries (Primary)	6,590	3,898
Dictionaries (Secondary)	8,826	397
Atlases (Primary)	2,218	2
Atlases (Secondary)	1,627	8
Posters	4,801	8
Supplementary and Library	21,709	3,827
Other	4,110	4,176
	386,372	21,125

Kwa-Zulu Natal	**Locally Published (R'000)**	**Imported (R'000)**
Grade R	27,991	91
Grade 1-3 core	60,798	104
Grade 4-6 core	91,065	-
Grade 7-9 core	86,341	265
Grade 10 core	27,028	32
Grade 11 core	30,805	-
Grade 12 core	26,666	-
Grade 10 Prescribed literature	4,191	-
Grade 11 Prescribed literature	4,839	-
Grade 12 Prescribed literature	7,823	-
FP Reading schemes	7,159	4363
IP Reading schemes	6,358	420

SP Readers (non-core)	3,560	117
Dictionaries (Primary)	1,237	544
Dictionaries (Secondary)	3,118	164
Atlases (Primary)	589	-
Atlases (Secondary)	2,149	-
Posters	469	-
Supplementary and Library	5,236	676
Other	3,229	719
	216,453	2,607

Limpopo	**Locally Published (R'000)**	**Imported (R'000)**
Grade R	3,365	-
Grade 1-3 core	13,876	-
Grade 4-6 core	49,239	-
Grade 7-9 core	73,755	-
Grade 10 core	22,017	-
Grade 11 core	23,956	-
Grade 12 core	37,555	-
Grade 10 Prescribed literature	1,564	-
Grade 11 Prescribed literature	1,979	-
Grade 12 Prescribed literature	15,263	44
FP Reading schemes	7,385	34
IP Reading schemes	5,466	9
SP Readers (non-core)	728	98
Dictionaries (Primary)	159	10
Dictionaries (Secondary)	117	17
Atlases (Primary)	25	-
Atlases (Secondary)	24	-
Posters	583	8
Supplementary and Library	2,132	4
Other	399	17
	259,587	240

Mpumalanga	**Locally Published (R'000)**	**Imported (R'000)**
Grade R	1,679	-
Grade 1-3 core	772	-
Grade 4-6 core	2,851	-
Grade 7-9 core	4,676	4
Grade 10 core	1,035	-
Grade 11 core	1,511	-
Grade 12 core	814	-
Grade 10 Prescribed literature	926	-
Grade 11 Prescribed literature	184	-
Grade 12 Prescribed literature	286	383
FP Reading schemes	226	24
IP Reading schemes	215	14

SP Readers (non-core)	367	54
Dictionaries (Primary)	299	5
Dictionaries (Secondary)	166	26
Atlases (Primary)	87	-
Atlases (Secondary)	12	-
Posters	46	67
Supplementary and Library	482	22
Other	307	137
	16,941	736

Northern Cape	**Locally Published (R'000)**	**Imported (R'000)**
Grade R	520	-
Grade 1-3 core	192	-
Grade 4-6 core	4,500	-
Grade 7-9 core	5,702	-
Grade 10 core	1,902	47
Grade 11 core	1,430	-
Grade 12 core	1,506	-
Grade 10 Prescribed literature	510	-
Grade 11 Prescribed literature	217	-
Grade 12 Prescribed literature	1,362	1
FP Reading schemes	304	-
IP Reading schemes	889	31
SP Readers (non-core)	65	24
Dictionaries (Primary)	12	2
Dictionaries (Secondary)	1,562	9
Atlases (Primary)	1,658	-
Atlases (Secondary)	834	-
Posters	174	34
Supplementary and Library	253	93
Other	493	33
	24,087	273

North West	**Locally Published (R'000)**	**Imported (R'000)**
Grade R	18,548	97
Grade 1-3 core	25,761	-
Grade 4-6 core	51,770	-
Grade 7-9 core	56,599	64
Grade 10 core	10,911	10
Grade 11 core	11,771	-
Grade 12 core	11,167	-
Grade 10 Prescribed literature	1,562	-
Grade 11 Prescribed literature	1,655	-
Grade 12 Prescribed literature	3,555	-
FP Reading schemes	8,947	1,940

IP Reading schemes	4,479	142
SP Readers (non-core)	1,912	17
Dictionaries (Primary)	111	117
Dictionaries (Secondary)	133	44
Atlases (Primary)	109	-
Atlases (Secondary)	50	-
Posters	313	-
Supplementary and Library	1,813	44
Other	307	137
	211,473	2,612

Western Cape	**Locally Published (R'000)**	**Imported (R'000)**
Grade R	997	3
Grade 1-3 core	9,820	1
Grade 4-6 core	34,938	-
Grade 7-9 core	41,310	42
Grade 10 core	11,009	19
Grade 11 core	10,819	-
Grade 12 core	10,379	-
Grade 10 Prescribed literature	827	-
Grade 11 Prescribed literature	2,210	-
Grade 12 Prescribed literature	7,218	-
FP Reading schemes	9,287	4,550
IP Reading schemes	4,044	850
SP Readers (non-core)	1,222	323
Dictionaries (Primary)	3,083	1,012
Dictionaries (Secondary)	3,093	398
Atlases (Primary)	1,123	-
Atlases (Secondary)	1,091	3
Posters	1,192	16
Supplementary and Library	7,571	1,481
Other	4,114	1,654
	165,345	10,355

Trade

Trade publishers produce books for the general reader. The sector is characterised by large international and local imprints, as well as several small to medium specialised 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.

Income from book related activity

Channel	Turnover (R'000)
Local sales of locally published print books	254,654
Local sales of imported print books	459,719
Local sales of digital book products	11,157
Local rights sales	10,634
Scholarly books	5,441
Export sales of print and digital books	19,247
Income from export rights sales	113
Distribution of locally published books	58
Distribution of imported books	-*
Other book-related income	2761
Local sales of non-book products	618
Total	764,402

*While there was distribution of imported books based on other figures, these have not been reported on.

Income derived from general trade publishing

Performance in this sector remains relatively flat, with professional and consumer books growing slightly due to ongoing literacy programs, as confirmed by the PWC Trends and Media Outlook survey 2011-2020. This is supported by findings from the manufacturing sector, indicating a 0.8% decrease in manufacturing in the Publishing industry, as well as the annual reports from several large media houses reporting on income from publishing activities.

Trade non-fiction	Locally Published (R'000)	Imported (R'000)
Adult fiction print	125,399	156,627,645
Adult fiction digital	5,552	251,547
Children's fiction print	21,567	39,378,129
Children's fiction digital	716	345,045
Scholarly non-fiction	5,128	10,060,943
Sales of non-book products	159	479,513
	158,521	207,142,821

* The Religious Trade sub-sector could not be reported on separately, due to low participation rates from publishers in that sector. Based on Nielsen sales reports, at least R37 million could be reported in addition to the figures reported above.

Book categories per language

The production data reveals that the local Trade publishing sector is increasingly dominated by English. Only in religious publishing and children's fiction is Afrikaans the dominant language. The scholarly publishing sector produces books almost exclusively in English. There is very little publishing in the African languages for the general reader, but notable improvements can be seen in children's fiction and non-fiction and scholarly publishing. Where no figures were reported, those languages have been excluded.

An attempt was made to collect figures on the number of new editions published during 2016, but the data collected was not sufficiently robust for comparison. It has thus been excluded from the report.

Adult Fiction Books	**Turnover**	
Language	**Print (R'000)**	**Digital (R'000)**
English	50,771	3,093
Afrikaans	34,426	3,059
IsiZulu	15	-
IsiXhosa	81	-
Setswana	8	-
Multilingual	148	-

Adult Non-Fiction Books	**Turnover**	
Language	**Print (R'000)**	**Digital (R'000)**
English	85,609	4,114
Afrikaans	19,177	324
IsiXhosa	47	-
Multilingual	910	-
Other Languages	228	16

Children's Fiction Books	**Turnover**	
Language	**Print (R'000)**	**Digital (R'000)**
English	1,466	79
Afrikaans	12,319	199
IsiZulu	61	-
IsiXhosa	91	-
Sepedi	38	-
Sesotho	96	-
Setswana	67	-
Xitsonga	2	-
SiSwati	66	-

Children's Non-Fiction Books	Turnover		New editions	
Language	**Print (R'000)**	**Digital (R'000)**	**Print**	**Digital**
English	4,091	26	-	-
Afrikaans	2,201	8	-	-
IsiZulu	29	-	-	-
IsiXhosa	34	-	-	-
Sepedi	21	-	-	-
Sesotho	22	-	-	-
Setswana	23	-	-	-
IsiNdebele	4	-	-	-
Xitsonga	11	-	-	-
SiSwati	4	-	-	-
Multilingual	-	139	-	-

Scholarly Books	Turnover	
Language	**Print (R'000)**	**Digital (R'000)**
English	13,485	105
Afrikaans	1,463	-
IsiZulu	29,252	-
IsiXhosa	488	-
Sepedi	488	-
Sesotho	488	-
Setswana	488	-
IsiNdebele	488	-
Xitsonga	488	-
Tshivenda	7,313	-
SiSwati	488	-

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.

Product Category	Minimum Percentage	Maximum Percentage	Weighted Average Percentage	2015/2016 Royalties
General trade print books	5%	19%	8%	13.7%
General trade digital books	14%	21%	10%	20.46%
Scholarly print books	5%	16%	4%	10%
Scholarly digital books	6%	21%	5%	9.5%

Sales channels and discounts

The majority of Trade books are sold through bookseller chains. The largest drops can be seen in direct sales to corporations and book clubs. There is growth however, in all other channels, significantly non-traditional channels such as supermarkets.

General Trade	Turnover (R'000)	Minimum Discount %	Maximum Discount %	Weighted Average Discount %
National or regional bookseller chains	501,244	16%	55%	44%
Independent booksellers and other book retailers	39,937	16%	56%	40%
Non-book retail outlets	30,881	18%	45%	40%
Supermarkets and department stores	18,082	15%	47%	31%
Internet booksellers	35,722	18%	45%	38%
Book clubs and direct mail booksellers	6,558	58%	64%	62%
Businesses and corporations (direct sales)	7,391	17%	49%	38%
The public (direct sales)	2,773	0%	53%	35%
Libraries	7,636	23%	43%	42%
State and provincial departments	263	3%	10%	16%
Schools and educational institutions	2,055	18%	40%	36%
School book distributors and tenders	11,078	0%	40%	36%
Export sales	15,769	27%	48%	42%
Other	3,981	28%	48%	41%

Scholarly Trade	Turnover (R'000)	Minimum Discount %	Maximum Discount %	Weighted Average Discount %	Calculated Weighted Average Discount %
National or regional bookseller chains	4,440	35%	49%	39%	42%
Independent booksellers and other book retailers	4,137	35%	42%	0%	38%
Non-book retail outlets	1,494	35%	40%	0%	38%
Supermarkets and department stores	488	0%	0%	0%	0%
Internet booksellers	227	25%	45%	0%	42%
Businesses and corporations (direct sales)	253	5%	20%	0%	19%
The public (direct sales)	1,593	17%	33%	40%	38%
Libraries	5,352	32%	37%	0%	37%
State and provincial departments	29,382	10%	30%	0%	25%
Schools and educational institutions	4,489	10%	33%	0%	29%
School book distributors and tenders	2,438	0%	0%	0%	0%
Export sales	918	25%	58%	45%	40%

Academic

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

Income

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

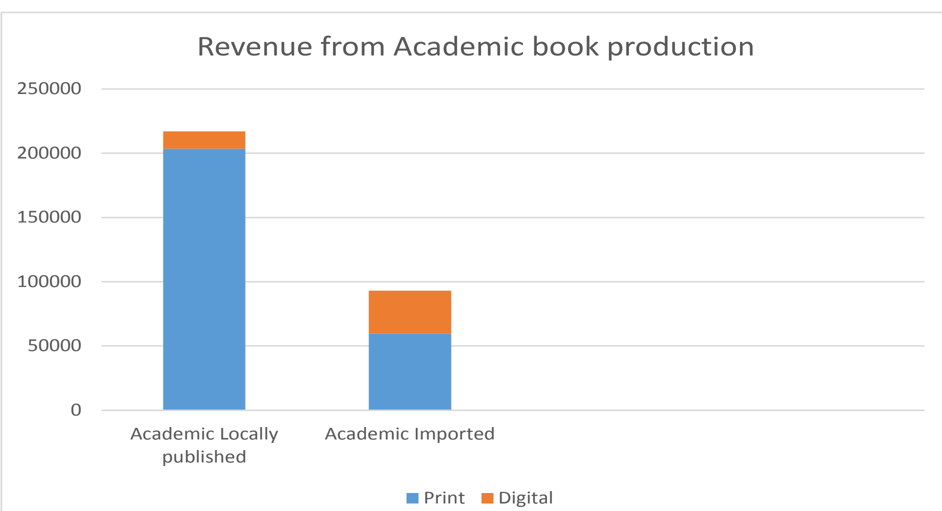
The “Fees must Fall” movement has had a significant impact on this sector, with one publisher reporting a decrease in sales of over 20% in the Western Cape. The continued rising cost of higher education, the protests and strikes in favour of free education, and the lack of specifically prescribed funding for textbooks in government-sponsored scholarships have all influenced the decline in sales of this market. This is being addressed by the Publishers Association of South Africa in direct negotiations with government funding bodies. There is an expected increase in the sale of professional books in the future, which may provide some balance in the sector.

Channel	**Turnover (R’000)**
Local sales of locally published print books	200,569
Local sales of imported print books	59,431
Local sales of digital book products	47,111
Local rights sales	3,389
Other book-related income	3,072
Total	313,573

Production aspects

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.

Professional books are moving towards a digital format more quickly, with more than half of the sales of imported professional books coming from digital products. The data for professional books have been included in the overall Academic category, due to insufficient data being provided by the respondents to allow for anonymised figures.



Book Category	Locally Published (R’000)		Imported (R’000)	
	Print	**Digital**	**Print**	**Digital**
Academic	203,487	13,524	59,493	33,678

Textbooks	Turnover (R’000)		New Editions	
	Print	**Digital**	**Print**	**Digital**
English	205,343	28,774	1,255	40
Afrikaans	3,540	17	60	0

Royalties

Product Category	Minimum Percentage	Maximum Percentage	Weighted Average Percentage	2015/2016
Textbook print books	4%	25%	15%	17.25%
Textbook digital books	4%	28%	15%	14%
Professional print books	2%	80%	13%	16%
Professional digital books	0%	23%	14%	19%

Sales channels and discounts

Academic books are mostly sold through bookseller chains, many of which are located on or near university campuses. The inclusion of a new category in sales channels in e-commerce (distinguishing between direct sales and retailer sales) will be included in the comparison of the next survey as this is new data collected.

In contrast, professional books are often sold directly to businesses and the public, in addition to other sales channels through traditional retail chains. There is a significant market to state and government departments as well as educational institutions.

Academic

<table>
<tr><th>Type of sales outlet</th><th>Turnover (R’000)</th><th>2015/2016 (R’000)</th><th>Minimum Discount %</th><th>Maximum Discount %</th><th>Weighted Average Discount %</th></tr>
<tr><td>Primary Retail Outlets</td><td>258,972</td><td>267,506</td><td>33%</td><td>38%</td><td>36%</td></tr>
<tr><td>E-commerce (direct publishers sales)</td><td>3,523</td><td rowspan="2">6,311</td><td>18%</td><td>35%</td><td>23%</td></tr>
<tr><td>E-commerce (retailer sales)</td><td>11,162</td><td>27%</td><td>32%</td><td>30%</td></tr>
<tr><td>Other</td><td>24,379</td><td>19,958</td><td>0%</td><td>33%</td><td>0%</td></tr>
</table>

Professional

Type of sales outlet	Minimum Discount %	Maximum Discount %	Weighted Average Discount %	Calculated Weighted Average Discount %
National or regional bookseller chains	32%	32%	30%	32%
Independent booksellers and other book retailers	30%	30%	30%	0%
Internet booksellers	33%	33%	0%	33%
The public (direct sales)	10%	10%	20%	10%
Schools and educational institutions	5%	32%	0%	31%
Export sales	30%	30%	30%	0%

ABET

Data on the Adult Basic Education and Training sector (ABET) was collected for the first time in the 2015/2016 survey, as it had previously incorporated into the larger Education sector. The market mostly comprises young adults who need to complete their basic education qualifications or supplement their existing literacy and numeracy skills. Many of the publishers are either private training providers, or Educational publishers working in partnership with non-government organisations.

Turnover

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.

For 2016, the total revenue for local sales of locally published print books was R5 290 000. Due to the nature of the market no income is recorded for the export or import of rights, or any income from the distribution of imported material. This sector can thus be seen as one of the two completely locally sustained sectors (along with the TVET sector), which could allow for great development in the South African publishing industry if better supported.

Production aspects

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 have been produced in this sector for the last three years. Thus it remains print-only. The lack of digital content is likely due to the lack of infrastructure, training and funding to implement infrastructure and training.

The majority of books produced in the past year were in English.

Turnover according to sub-category

Book Category	Locally Published (R'000)	
	Print	Digital
Level 1	651	-
Level 2	165	-
Level 3	182	-
Level 4	4,291	-

Language	Turnover (R'000)	
	Print	Digital
English	5,122	-
Afrikaans	165	-

Royalties

Product Category	Minimum Percentage	Maximum Percentage	Weighted Average Percentage	2015/2016
ABET print books	3%	16%	5%	39.3
ABET digital books	0%	0%	0%	10

Sales channel and discount

The primary sales channel is businesses and educational institutions.

Type of sales outlet	Turnover (R'000)	2015/2016 (R'000)	Minimum Discount %	Maximum Discount %	Weighted Average Discount %
National or regional bookseller chains	283	141	15%	30%	30%
Independent booksellers and other book retailers	371	80	15%	30%	30%
Non-book retail outlets	-	1	0%	0%	0%
Internet booksellers	1	1	30%	30%	30%
Businesses and corporations (direct sales)	833	63,320	0%	25%	25%
The public (direct sales)	4	16	0%	0%	0%
Libraries	0	175	0%	0%	0%
State and provincial departments	71	2,586	0%	25%	25%
Schools and educational institutions	3,703	616	15%	12%	21%
School book distributors and tenders	23		0%	30%	30%
Export sales	1	1	0%	0%	0%

TVET

For the first time in the 2015/2016 report data on the Technical Vocational Education and Training (TVET) sector was collected separately, where previously it had been integrated into the larger Education sector. This sector produces textbooks for students at the TVET colleges in South Africa, which offer technical or vocational training. The procurement and distribution model is completely different from that of the Academic textbook sector, as the TVET system is more centralised.

Income

Channel	Turnover (R'000)
Local sales of locally published print books	232,040
Local sales of digital book products	2,956
Total	234,996

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). As in the ABET sector books in Afrikaans have been recorded for the first time, although the general trend is towards the use of English.

	NCV	NATED	NCV	NATED
	2016/2017 (R'000)		2015/2016 (R'000)	
TVET books print	127,790	104,251	97,623	94,316
TVET books digital	2,862	94	4,934	219
Sales of non-book products	-	-	3,360	-

Language	Print	Digital	Print	Digital
	Turnover (R'000)		New Editions	
English	231,984	2,974	735	2
Afrikaans	39	-	-	-

Royalties

Product Category	Minimum Percentage	Maximum Percentage	Weighted Average Percentage	2015/2016
TVET print books	8%	16%	11%	14.9
TVET digital books	10%	10%	10%	14.4

Sales channel

Type of sales outlet	Turnover (R'000)	2015/2016 (R'000)	Minimum Discount %	Maximum Discount %	Weighted Average Discount %
National or regional bookseller chains	24,566	19,316	25%	31%	30%
Independent booksellers and other book retailers	57,049	9,165	23%	28%	27%
Non-book retail outlets	81	62	22%	23%	22%

Internet booksellers	2,324	1,965	22%	30%	30%
Book clubs and direct mail booksellers	-	263	10%	10%	10%
The public (direct sales)	1,075	493	3%	10%	8%
Schools and educational institutions	149,883	123,836	17%	21%	23%

Appendix: Participants

Education sector

Cambridge University Press Africa

Future Managers
Juta and Company
Lectio Publishers
Macmillan SA
NB Publishers
Oxford University Press SA
Pearson South Africa
Shuter & Shooter
Via Afrika
Vivlia Publishers

Trade sector

Bookstorm
HSRC Press
Jonathan Ball Publishers
Juta and Company
Lectio Publishers
NB Publishers
Oxford University Press SA
Pan Macmillan
Pearson South Africa
Penguin Random House
UCT Press
Wits University Press

Academic sector

Cambridge University Press
Cengage Learning EMEA
Juta and Company
Oxford University Press
Pearson South Africa
Van Schaik Publishers

ABET sector

Abetwana Publishing
Juta and Company
Pearson South Africa
Via Afrika
Vivlia Publishers

TVET sector

Future Managers
Juta and Company

Macmillan SA / Troupant Publishers
Oxford University Press
Pearson South Africa
Van Schaik Publishers