PASA

2016-17 and 2017-18

Annual Book Publishing Industry Survey

UNIVERSITEIT VAN PRETORIA
UNIVERSITY OF PRETORIA
YUNIBESITHI YA PRETORIA

PASA
PUBLISHERS' ASSOCIATION
OF SOUTH AFRICA

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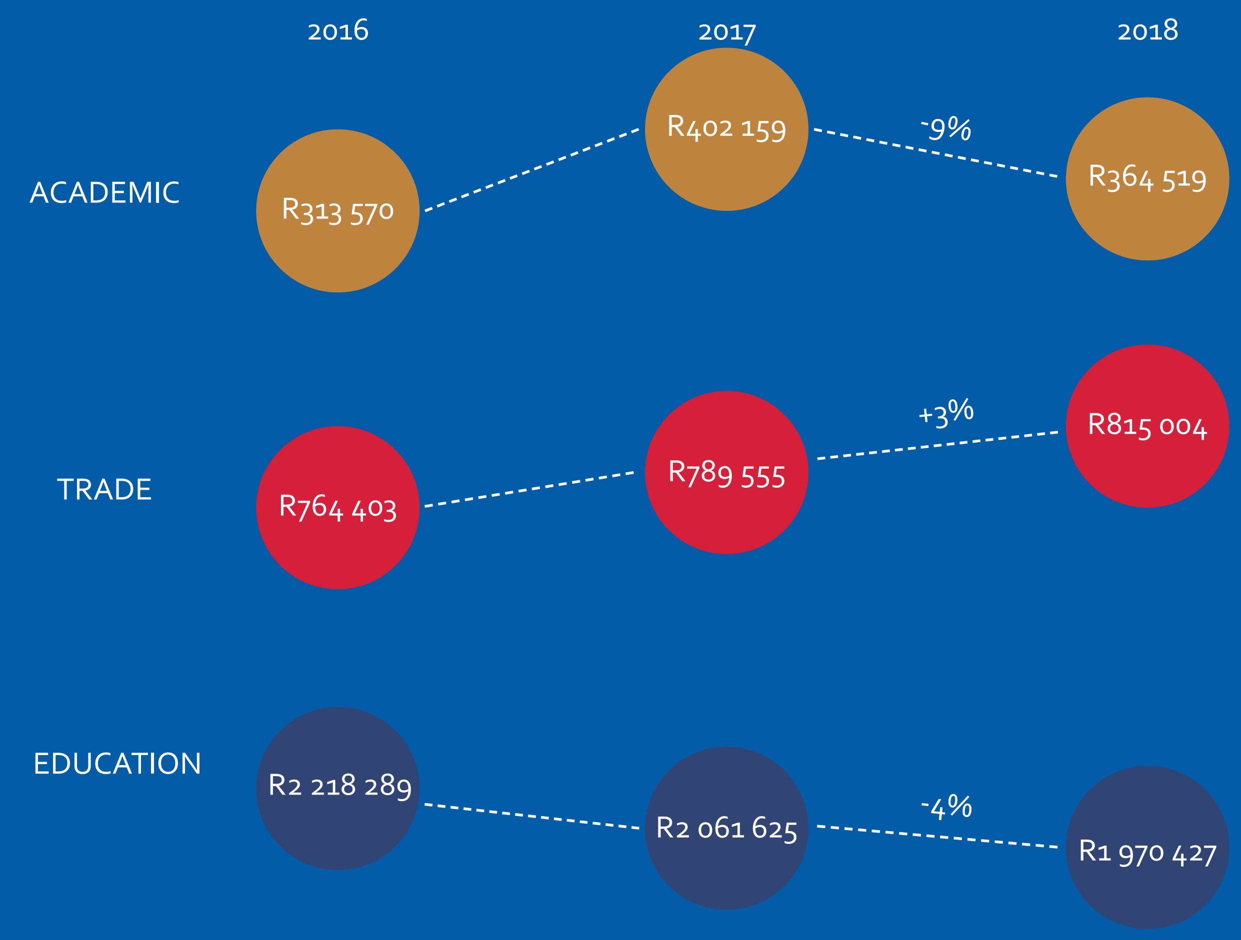
INTRODUCTION

The annual book publishing industry survey provides in-formation on the growth and development of the South African publishing industry. It is the most com-prehen-sive 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 pro-duction patterns from the previous financial year, as well as ownership and employment. The survey is conducted by an independent research team at the University of Pretoria, who maintain strict confidentiality of all data submitted. All the data reported is aggregated, and no individualised data may be gleaned from the report. To conduct the survey, a list of active publishers was drawn up, consisting of both PASA and non-PASA members, regardless of size. The total number of publishers in South Africa is unknown, but is thought to be between 150 and 200. In all, 150 publishers were invited to participate, with a special effort being made to include SMME publishers. The local publishing industry is dominated by a number of large players, all of whom participated in the survey. Thus, the 20 respondents represent more than 50 local imprints, as well as acting as distributors for a variety of international imprints. They also account for 1 168 permanent, full-time employees – not including contract and part-time employees and freelancers. Unfortunate-ly, none of the small publishers chose to participate, citing a lack of capacity or inadequate management information systems, which is understandable given that most operate with just one or two employees and a handful of titles. The survey also does not adequately represent self-publishers or distributors. This is an ongo-ing limitation. This survey reports on a two-year range, including both 2016/17 and 2017/18 (the reporting periods being April 2016 to March 2017, and April 2017 to March 2018). The range makes some patterns and shifts clearly visible. However, it should be cautioned that, while the majority of publishers provided full figures for both years, this was not the case throughout. There are also a few areas of reporting that remain problematic, including the number of new titles published each year, and these areas are thus not covered in the final report.

TOTAL INDUSTRY REVENUE



OVERVIEW

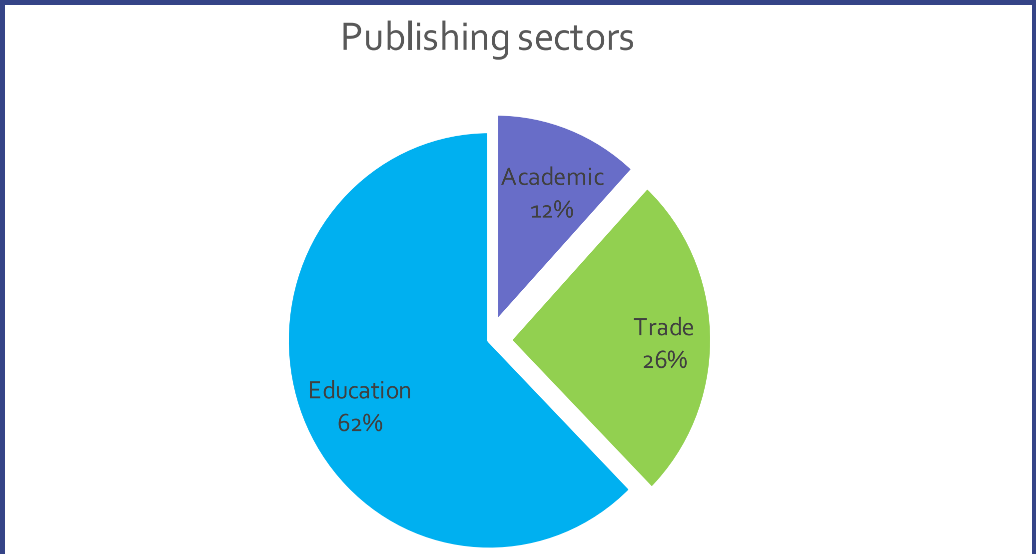
In 2017 and 2018, the South African publishing industry produced around R3.1 bn in revenue. This reported income matches the estimates of the Industrial Development Cooperation (IDC) Economic Trends Report for 2018, which suggested that the publishing industry represents about 1.45% of the R2 177 036 million turnover for the manufacturing industry, or approximately R3.1 bn. This match suggests that the current survey is highly representative of publishing in South Africa.

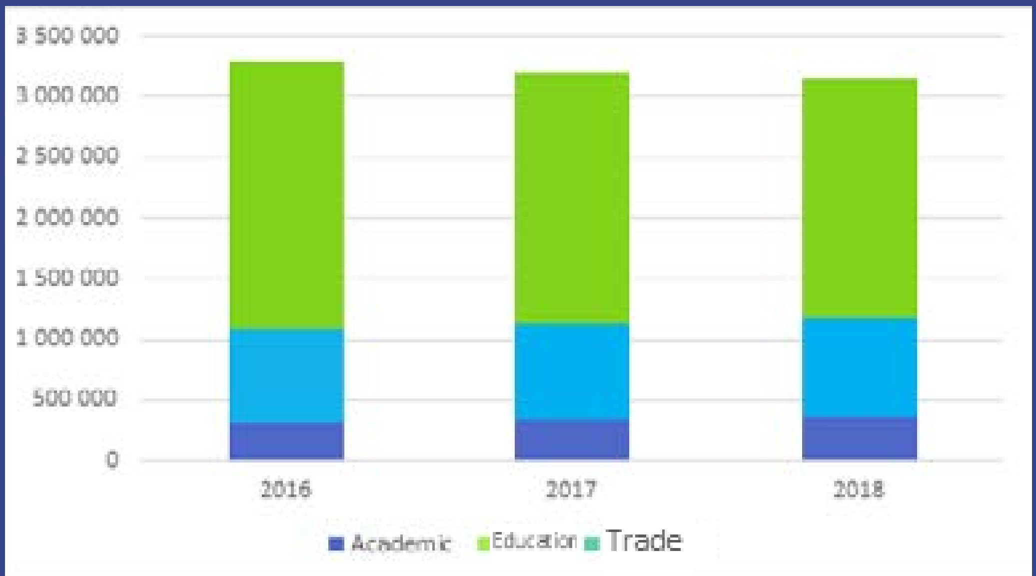
The three main publishing sectors are Education; Academic; and Trade. Unlike the international situation, where retail accounts for around 50% of income, in South Africa the Education sector accounts for around 60% of revenue. Of this revenue, just 3-4% represents sales of digital books. In the overall graphs below, Education includes schoolbooks, technical colleges and adult education, while Academic includes higher education, professional books and scholarly books. All revenue quoted is net, i.e. discounts and VAT have been deducted.

TOTAL REVENUE

Sector	2015/16 (R'000)	2016/17 (R'000)	2017/18 (R'000)	Change from 2017 to 2018
Academic	313 570	402 159	364 519	- 9%
Trade	764 403	789 555	815 004	+ 3%
Education	2 218 289	2 061 625	1 970 427	- 4%
Total industry	**3 296 262**	**3 253 339**	**3 149 950**	**- 3%**

THE PUBLISHING SECTORS





PUBLISHER PROFILES

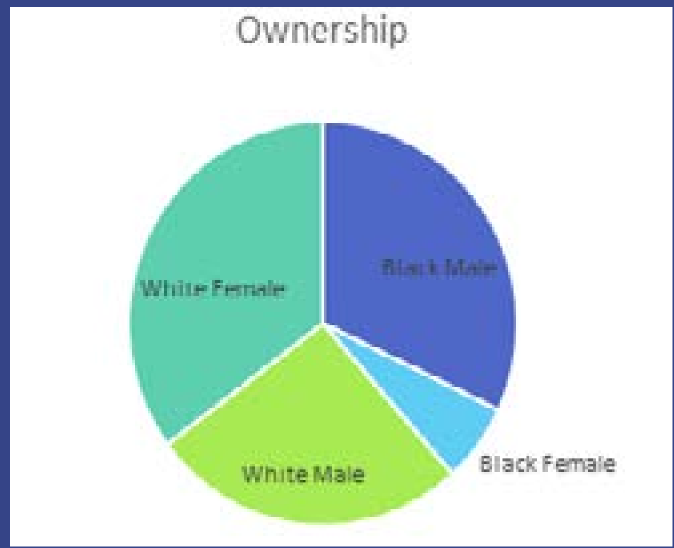
The total publishers operating in South Africa are estimated at around 150, with PASA having 127 members on its 2018 membership list. Most of these are small or micro-businesses, with fewer than five staff members. But the industry is heavily dominated by a small group of very large publishers, who together represent more than 80% of production and revenue. This representation is reflected in the participation in this survey.

PROFILE OF PARTICIPANTS

Total participants	PASA Members	New Participants	Turnover	Change from 2017 to 2018
20	15	5	<R10 mil (EME)	1
			R10 mil – R50 mil (QSE)	1
			>R50 mil (GENERIC)	11
			No answer	**7**

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 IDC Key Economic Trends reports for 2017 and 2018 shows a steady decline in formal, permanent employment in Printing and Publishing, with a drop of over 20% from the first quarter of 2017 to the first quarter of 2018.



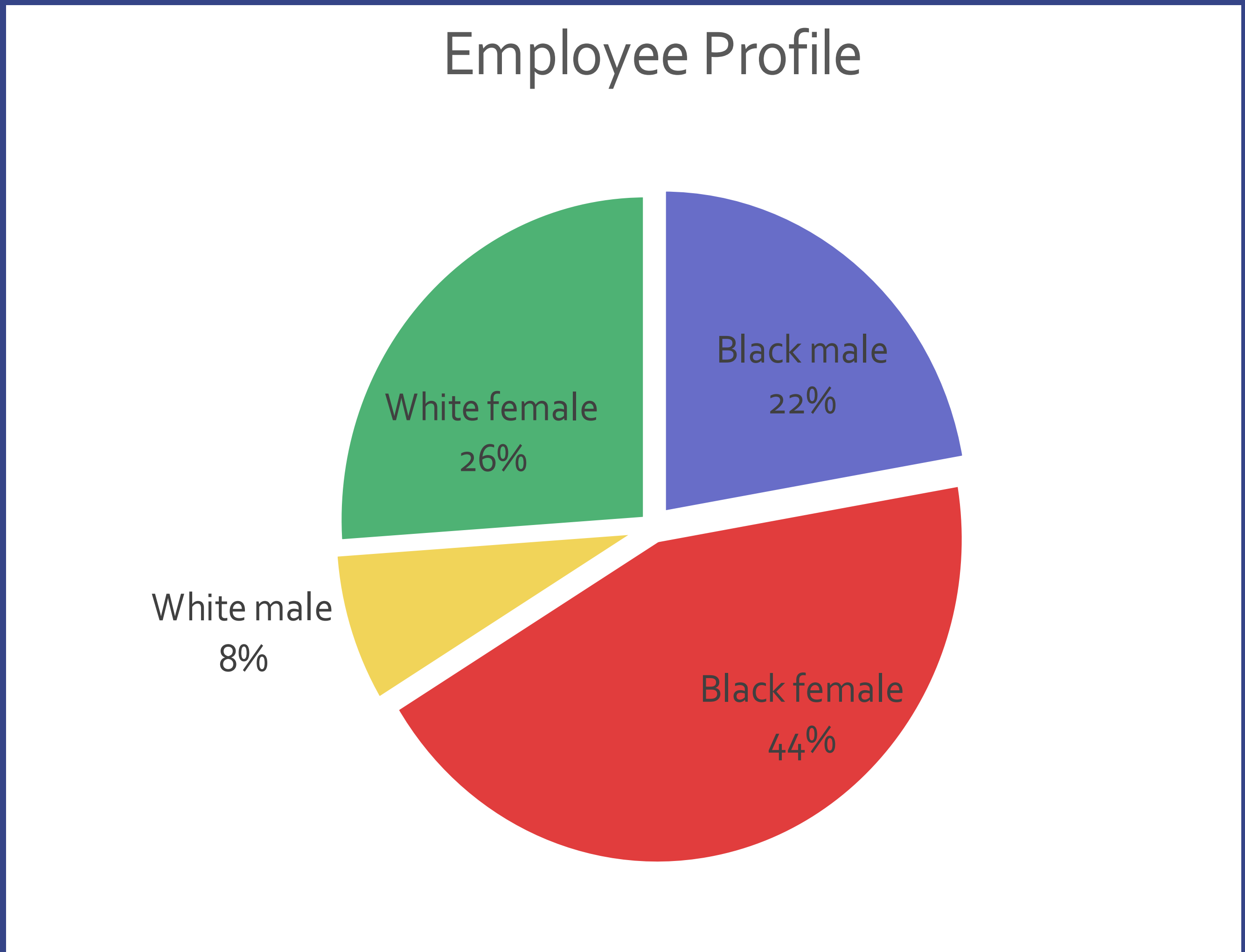
BEE Level

Level (BEE)	Count
Level 1 >100% AAA	2
Level 2 85 - 99% AA	2
Level 3 75 – 85% A	4
Level 4 65 – 75% BBB	**1**
Level 5 55 – 65% BB	**1**
Level 6 45 – 55% B	**0**
Level 7 40 – 45% C	**0**
Level 8 30 – 40% D	**0**
Not compliant <30% E/FF	**10**

EMPLOYMENT

Job Category	Black Individual		White Individual	
	Male	Female	Male	Female
Chief executive officer	4	1	4	6
Functional heads of department	14	32	28	50
Editorial staff	16	63	10	84
Design and production staff	16	25	13	14
Marketing, promotion and sales staff	65	132	15	98
Finance staff	14	49	6	18
Human resources staff	3	16	0	3
Office administration staff	19	71	0	10
Information technology staff	16	8	7	3
Warehousing and distribution staff	74	54	2	3
Other support staff	19	63	4	16

* This table accounts for permanent, full-time employees only.

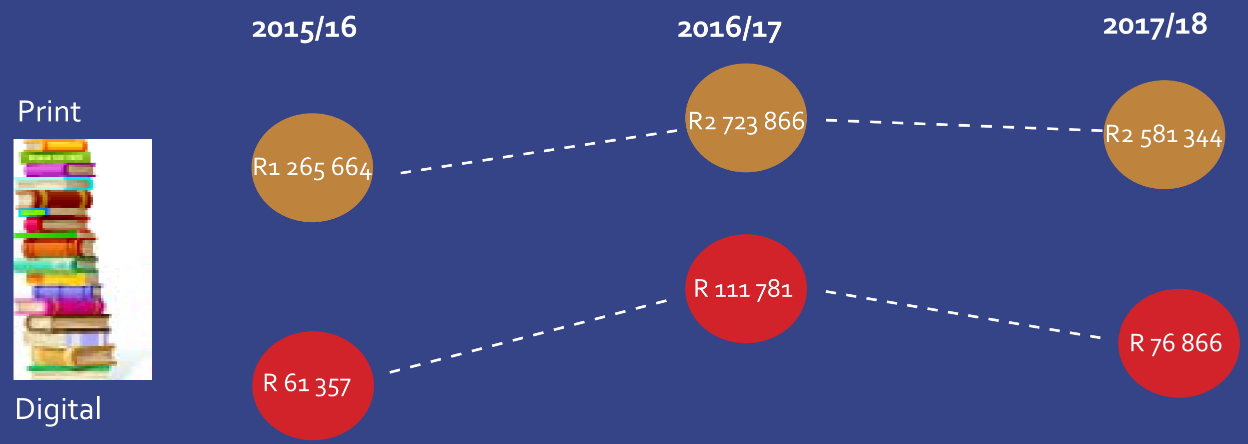


PRODUCTION

The survey requested the total number of new titles produced by each publisher. Only a few publishers provided details of the number of new titles or editions, so the survey is not able to report on aggregated figures for the number of new titles produced in 2017 or 2018. This sec-tion thus reports on the revenue made from local titles. Data was collected on revenue per format (print and digital) and per language. Although publishers have indicated a rise in the number of digital titles available, there was a drop in revenue from the sale of digital titles between 2017 and 2018. In this period, the revenue from digital titles dropped from 4% of total sales to 3%. In terms of languages, we continue to see domination by English and Afrikaans. The 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 data indicates a rise in the publication of African Languages, although these are still under-represented.

REVENUE FROM LOCAL TITLES (PRINT AND DIGITAL)

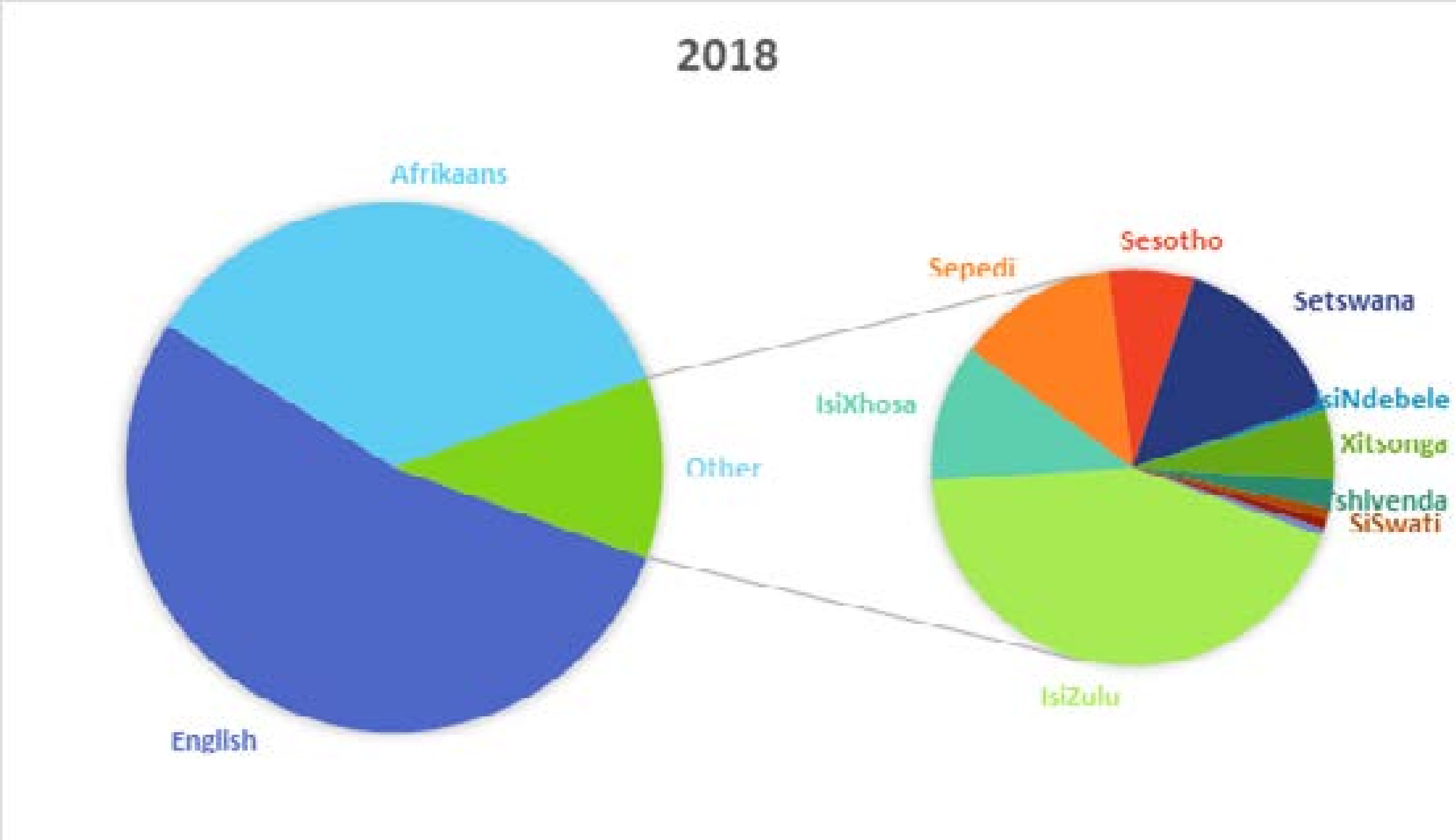
	2015/16		2016/17		2017/18	
	Print	Digital	Print	Digital	Print	Digital
Revenue (R'000)	1 265 664	61 357	2 723 866	111 781	2 581 344	76 866



LANGUAGE

Language	Income 2016/17		Income 2017/18	
	Print	Digital	Print	Digital
English	927 178	42 829	1 380 676	50 317
Afrikaans	236 516	2 414	913 222	23 448
IsiZulu	35 155	35	124 708	516
IsiXhosa	19 207	1	32 162	1 325
Sepedi	4 529	0	37 163	247
Sesotho	3 854	0	19 807	551
Setswana	2 757	0	42 805	271
IsiNdebele	3 504	0	1 312	14
Xitsonga	659	0	16 472	81
Tshivenda	3 965	0	6 556	35
SiSwati	2 871	6 105	2 431	1
Multilingual	1 223	274	2 429	15
Other Languages	1 776	45	1 601	45
Total	1 243 194	51 703	2 581 344	76 866

REVENUE FROM LOCAL TITLES (BY LANGUAGE)



INDUSTRY PARTICIPATION

Due to fluctuating support from the Department of Basic Education, a relatively small reading market, and unstable economic conditions, the publishing industry is increasingly pursuing alternative revenue streams. While still content-related, these movements are not necessarily related to traditional publishing. There is a decrease for the income from imported books for the reporting period, showing increased market share for locally published titles. From this table a growth in the creation of e-books and the distribution of digital material can benoted as well.

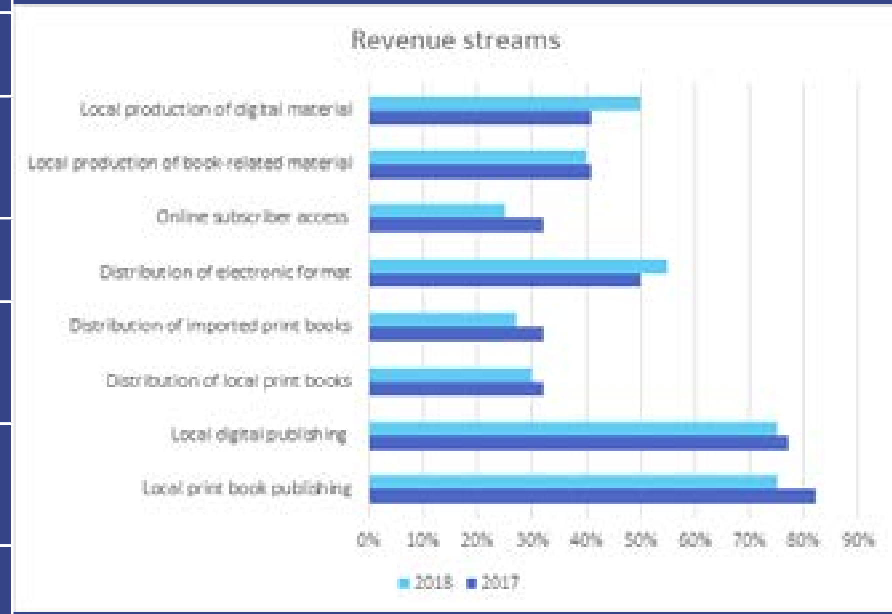
Note that the percentages in this graph do not add up to100%, as they represent proportions of publishers whoresponded that they were obtaining revenue from thischannel, and respondents could select multiple channels.

PUBLISHING REVENUE STREAMS

Activity	2016	2017/2018
	Percentage	Percentage
Local print book publishing	82%	75%
Local digital publishing: ebooks and electronic formats downloaded onto reading devices and apps	77%	75%
Distribution of locally published print books published by third parties (not related to self or holding company)	32%	30%
Distribution of imported print books published by third parties (not related to self or holding company)	32%	27%
Distribution of electronic formats downloaded onto user owned reading devices and apps	50%	55%
Online subscriber access services to professional and educational content databases	32%	25%
Local production of book-related material (e.g. loose-leaf ring books, posters, maps, activity sheets, etc.)	41%	40%
Local production of digital book-related material (CDs, DVDs, audio-books, etc.)	41%	50%

ADDITIONAL REVENUE STREAMS

Activity	2016	2017/2018
	Percentage	Percentage
Professional training services provided to external parties	50%	15%
Professional consulting services	41%	0.1%
Publishing services to third parties: Editorial and/or production	50%	20%
Publishing services to third parties: Marketing and sales	59%	25%
Publishing services to third parties: Warehousing and distribution	41%	10%



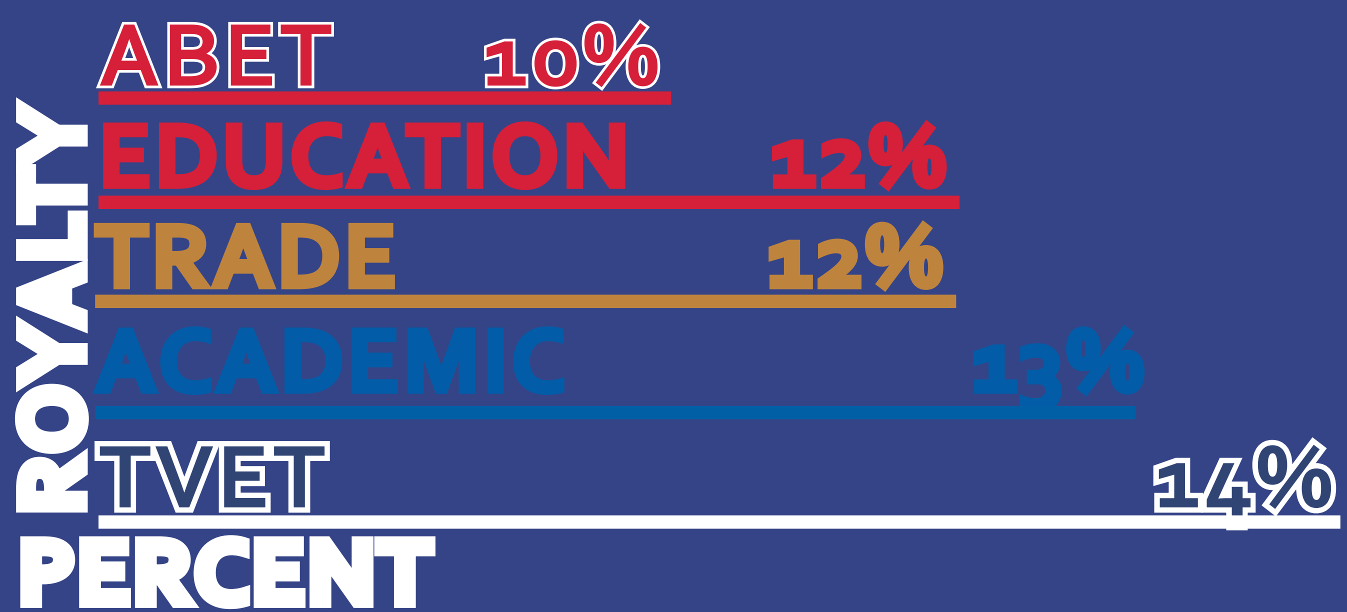
ROYALTIES

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 most participants do not have suitable systems in place to capture this data, only the average percentage of royalties paid could be captured, and this is reflected here as an average royalty rate. Using these average royalties, we can estimate that about R750 million in royalties was paid to authors in 2017/18.

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.

Product Category	Minimum Percentage	Maximum Percentage	Weighted Average Percentage	Average
Trade	8%	29%	12%	12%
Education	7%	16%	12%	12%
Academic	2%	39%	17%	13%
TVET	14%	15%	14%	14%
ABET	0%	16%	10%	10%

AVERAGE ROYALTY PER PRODUCT CATEGORY



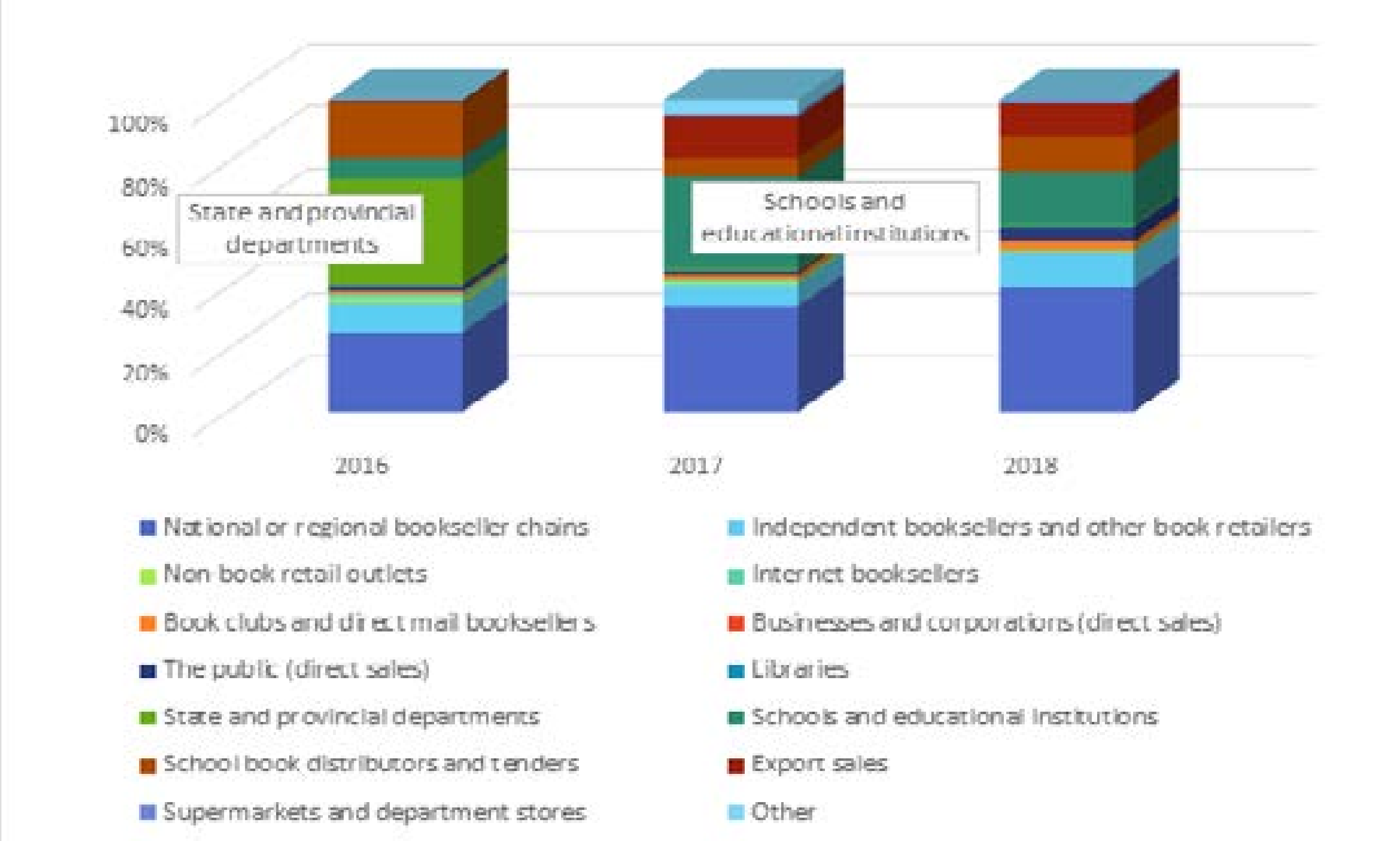
DISTRIBUTION CHANNELS

Publishers were asked to provide a breakdown of their income according to the various sales channels. The discounts referred to represent mean or weighted discounts, based on the aggregated figures provided by the respondents.

Notably, there is a drop in reported income from traditional and online sales. There is also a large drop in sales to schools and government institutions (as there were no submissions to the DBE in this period), although there is a reported increase in sales directly to the consumer from publishers.

TURNOVER AND DISCOUNT PER SALES CHANNEL

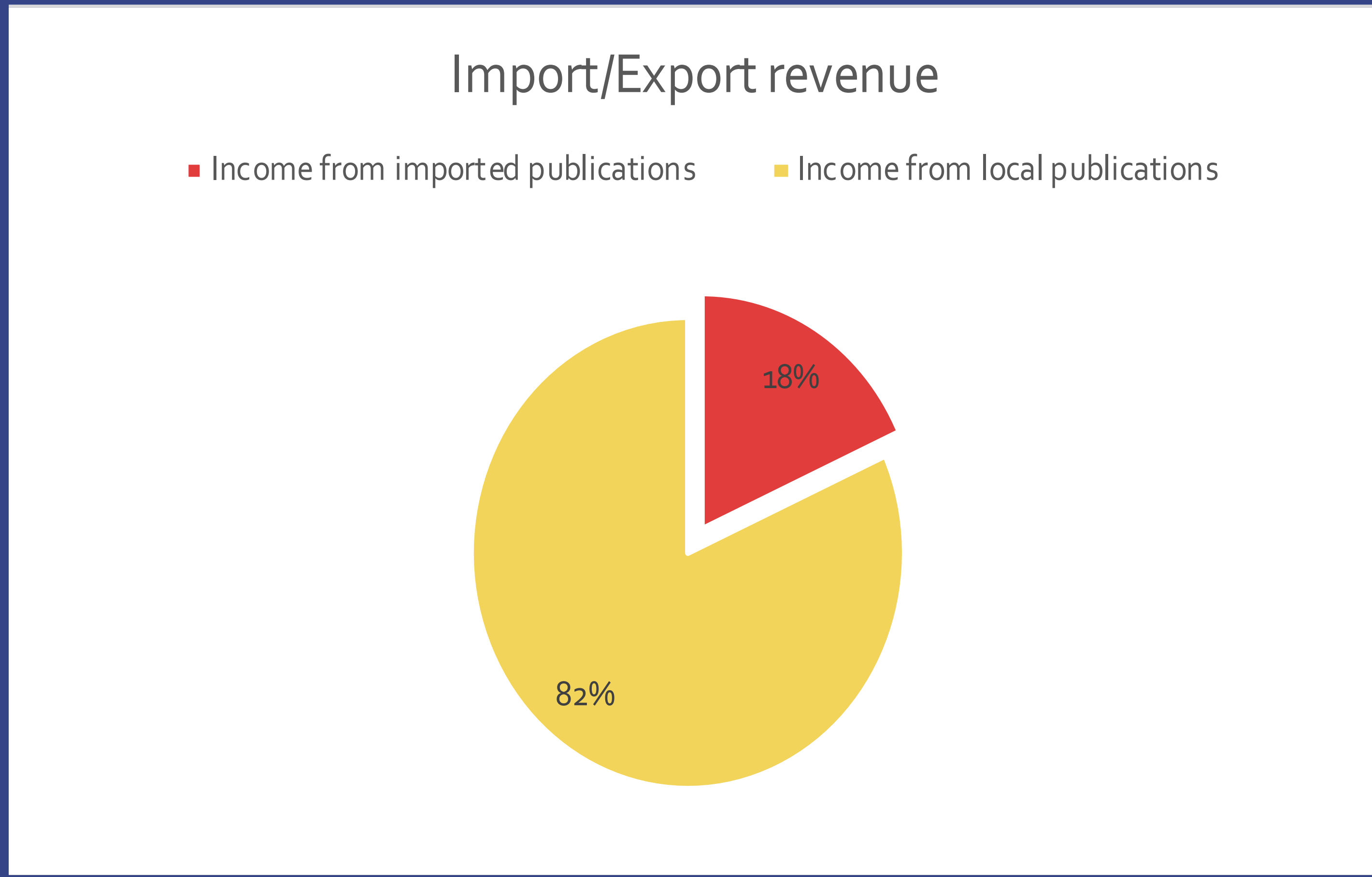
Type of sales outlet	2015/16	2016/17	2017/18	2018
	Aggregated revenue (R'000)			Mean discount
National or regional bookseller chains	737 566	1 132 567	699 540	32%
Independent booksellers and other book retailers	266 403	233 326	189 504	32%
Non-book retail outlets	55 565	30 435	7 246	14%
Internet booksellers	40 241	19 312	9 427	16%
Book clubs and direct mail booksellers	6 462	56 882	43 884	26%
Businesses and corporations (direct sales)	19 495	6 520	3 008	6%
The public (direct sales)	38 991	27 390	80 704	19%
Libraries	15 026	7 984	7 672	12%
State and provincial departments	978 824	23 220	9 280	22%
Schools and educational institutions	193 067	984 260	294 945	6%
School book distributors and tenders	510 637	199 378	198 501	18%
Export sales	19 161	445 929	181 152	18%
Supermarkets and department stores	940	32 973	20 505	11%
Other	5 724	143 619	131 548	16%
Totals (as reported)	2 888 102	3 343 795	1 876 916	



IMPORT AND EXPORT REVENUE

According to the Industrial Development Coorperation (IDC) Economic Trends Report for 2018, publishing showed a 6.0% growth in exports, a shrinkage of -9.7% in production and a 697.8% increase in imports in the fourth quarter of 2018. This survey does not include comprehensive data on imported book sales in South Africa, only on revenue from imports among local publishers.

Channel	Income 2016/17 (R'000)	Income 2017/18 (R'000)
Local sales of locally published print books	2 715 038	2 666 476
Local sales of imported print books	609 500	662 866
Local sales of digital book products	160 092	129 713
Local rights sales	19 067	14 629
Income from export rights sales	118	461
Distribution of locally published books	526	1 295
Other book-related income	2 394	2 241
Local sales of non-book products	174	245
Totals (as reported)	3 506 909	3 477 926
School book distributors and tenders	510 637	199 378
Export sales	19 161	445 929
Supermarkets and department stores	940	32 973
Other	5 724	143 619
Totals (as reported)	2 888 102	3 343 795



EDUCATION

The Education sector is largely concerned with pro-duc-ing school books for 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 set curriculum, although no new submissions took place during either 2017 or 2018. 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, pro-duction and employment in this sector.

The PWC Entertainment and Media Outlook: 2018 – 2022 predicted a -0.2% decline in the Education print sector for 2018, and a 10% growth in digital publications. This drop may be steeper than predicted, due to increasing state publishing.

According to the Department of Basic Education 2018/9 Performance Plan, R11 million has been allocated to procurement of offline e-libraries for 100 schools and the provision of 500 e-Libraries. The Plan also indicates the government's intent to continue producing its own workbooks in the following Grades and subjects:

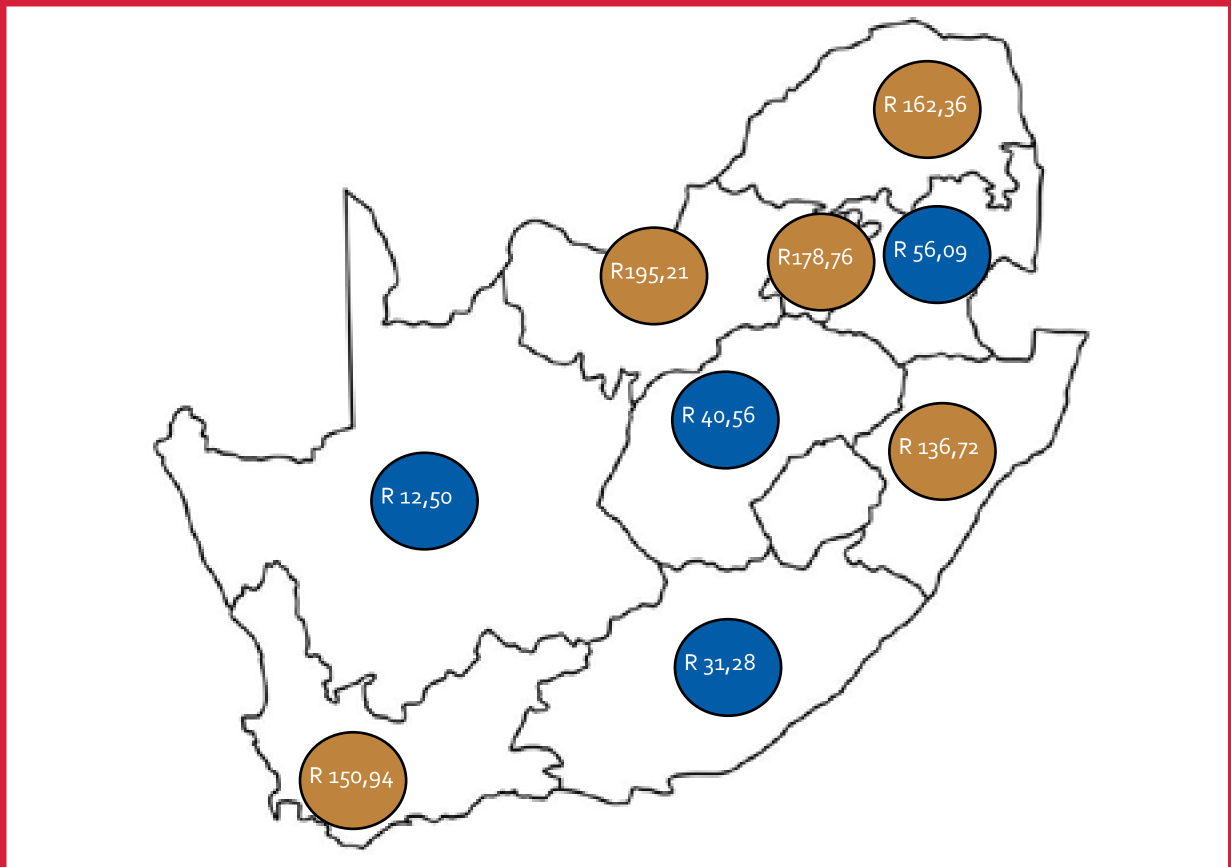
- Grade R workbooks (one per learner per term);
- Grades 1–3 Mathematics in 11 official languages;
- Grade 1–3 Life Skills for Quintiles 1 to 3 schools;
- Grades 1–6 Languages in all official languages;
- Grades 1–6 English First Additional Language; and
- Grades 4–9 Mathematics in Afrikaans and English.

The Plan also indicated the intent to develop an additional 344 titles of Home Language (Grades 1-6) in 11languages; English First Additional Language (Grade1-6); Mathematics (Grades 1-3) in 11 languages; Mathe-matics (Grades 4-9) in English and Afrikaans; Life Skills (Grades 1-3) in 11 languages and Grade R in 11 languag-es which was completed. Some of these materials are available online, but need to be printed if the schools or provinces prefer printed copies.

Open educational textbooks have also been developed in Mathematics and Physical Sciences. Additionally, Commercial Grade 12 Technical Mathematics and Science, Civil, Electrical and Mechanical Technology, Technical Mathematics and Science textbooks as well as Grade 1-3 Graded Readers and Big Books were de-ve-loped. Additional textbooks have been selected for development in Grades 10-12 Information Technology (IT), Computer Application Technology (CAT) and Music (Mus).

An additional total of 4 019 schools were provided with ICT hardware as well as connectivity through the Uni-ver-sal Service and Access Obligation (USAO) project, which could affect digital production in this sector in future.

Estimated spend on LSM per learner per province



*based on learner figures from 2016

REVENUE

As it is tailored for the South African schools market, production in this sector is almost entirely local, with his-tor-ically less than 1% of income being derived from imported books. While this remains true for 2016/17, 2017/18 reports approximately 2% from the sale of 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. Currently reports from this sector range from 1.8% to 2.3% when reporting on income from the sales of digital products.

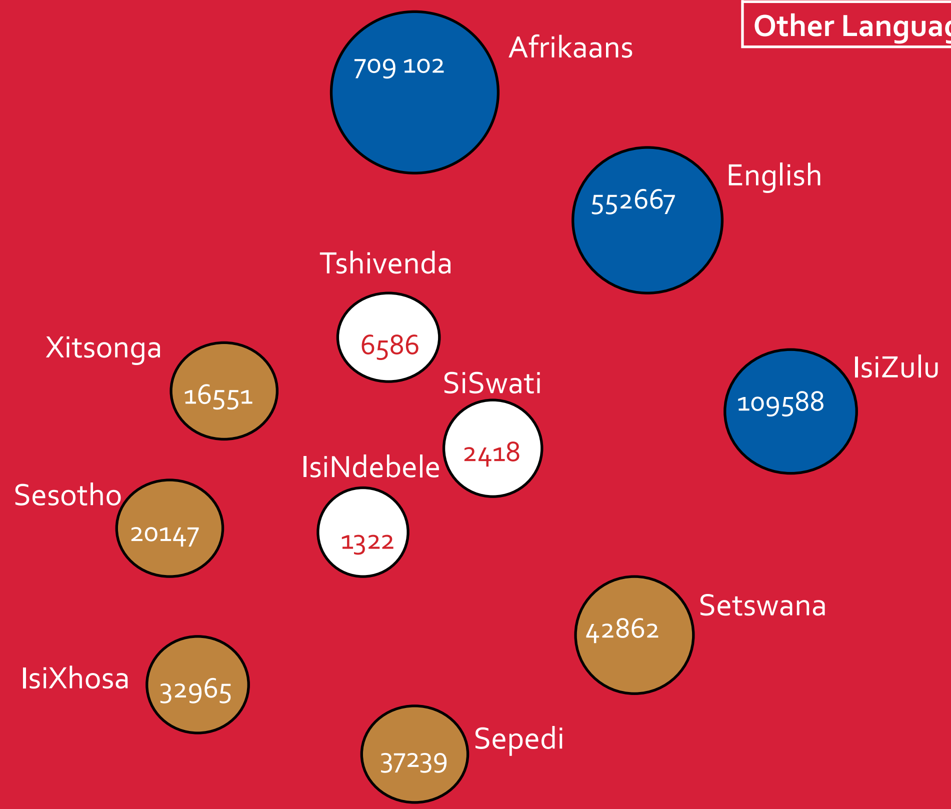
Income channel	2016/17 (R'000)	2017/18 (R'000)
Local sales of locally published print books	1 762 730	1 684 435
Local sales of imported print books	16 059	41 294
Local sales of digital book products	34 168	42 286
Local rights sales	7 287	3 780
Local sales of non-book products	174	0
Total Turnover	1 820 417	1 772 041

PRODUCTION

This table records data on revenue from new editions, and the languages and formats in which they are pro-duced. It also records the format and the division be-tween imported and exported books.

The actual numbers of new titles or editions produced and sold during 2017 and 2018 cannot be accurately re-ported due to incomplete responses obtained.

Language	2016/17 (R'000)		2017/18 (R'000)	
	Print	Digital	Print	Digital
English	1 259 184	32 766	531 688	20 979
Afrikaans	133 778	26 753	688 065	21 037
IsiZulu	113 034	303	109 107	481
IsiXhosa	102 913	768	31 641	1 324
Sepedi	23 740	1 792	36 992	247
Sesotho	24 378	77	19 596	551
Setswana	47 779	399	42 591	271
IsiNdebele	2 082	0	1 308	14
Xitsonga	18 412	13	16 470	81
Tshivenda	7 448	3	6 551	35
SiSwati	2 519	1	2 417	1
Multilingual	236	2 426	1 925	2
Other Languages	152	0	174	0



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%.

Product Category	2016/17			2017/18		
	Min%	Max%	Weighted Average %	Min %	Max%	Weighted Average %
Print books	6%	18%	12%	6%	18%	12%
Digital books	8%	15%	13%	8%	15%	13%

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.
Discounts can vary a great deal according to different kinds of suppliers. For the State and Provincial Departments, publishers provide individual prices in response to government tenders. Because publishers are required to provide their absolute lowest prices, no discounts are applicable to those prices. It is only in the case of supplementary mate-rials that the old catalogues show recommended retail prices (RRP) with a discount.
Note, too, that not all publishers completed this table, so the totals are lower than the actual overall income. However, all totals are aggregated.

Type of sales outlet	2016/17		2017/18	
	Turnover (R '000)	Discount %	Turnover (R '000)	Discount %
National or regional bookseller chains	239 667	31%	35 011	30%
Independent booksellers and other book retailers	142 380	30%	133 868	30%
Non-book retail outlets	2 913	33%	396	15%
Internet booksellers	971	26%	807	23%
Book clubs and direct mail booksellers	36	25%	0	0%
Businesses and corporations (direct sales)	10 975	20%	3 045	16%
The public (direct sales)	1 210	18%	338	6%
Libraries	1 206	30%	295	30%
State and provincial departments	975 175	18%	290 915	15%
Schools and educational institutions	23 431	18%	31 779	17%
School book distributors and tenders	438 552	25%	171 330	23%
Export sales	21 414	29%	18 939	29%
Other	119 395	27%	103 369	26%
Total	1 977 325	--	790 092	--

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 exceed those reported in a separate, internal survey of educational publishers. However, there are discrepancies for some of the provinces – specifically, the figures for the Eastern Cape and Mpumalanga do not include all of the smaller publishers who are particularly active in these provinces.

Province	2015/16 (R'000)		2016/17 (R'000)		2017/18 (R'000)	
	Locally Published	Imported	Locally Published	Imported	Locally Published	Imported
Eastern Cape	422 777	5 420	493 589	851	58 725	665
Free state	33 419	378	36 853	1 000	26 229	1 015
Gauteng	386 372	21 125	350 849	7 233	364 775	1 416
Kwa Zulu Natal	216 453	2 607	352 012	883	382 752	1 198
Limpopo	259 587	240	263 296	102	276 988	118
Mpumalanga	16 941	736	15 485	215	58 575	107
Northern Cape	24 087	273	17 579	24	3 578	14
North West	16 941	737	166 661	180	158 138	242
Western Cape	165 345	10 355	136 587	2 391	158 096	2 411
Total	1 541 922	41 871	1 832 911	12 879	1 487 856	7 186

REVENUE BY PROVINCE

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

Eastern Cape	2016/17 (R'000)		2017/18 (R'000)	
	Locally Published	Imported	Locally Published	Imported
Grade R	33	143	286	112
Grade 1-3 core	54 271	171	11 038	192
Grade 4-6 core	112 101	0	14 886	0
Grade 7-9 core	158 369	0	10 298	0
Grade 10 core	53 349	0	3 299	0
Grade 11 core	42 298	0	1 496	0
Grade 12 core	34 732	0	2 451	0
Grade 10 Prescribed literature	1 268	0	4 552	0
Grade 11 Prescribed literature	1 166	0	932	0
Grade 12 Prescribed literature	9 161	0	1 988	0
FP Reading schemes	11 339	79	3 314	62
IP Reading schemes	5 585	76	895	65
SP Readers (non-core)	7 509	112	987	43
Dictionaries (Primary)	18	2	18	1
Dictionaries (Secondary)	36	95	68	39
Atlases (Primary)	14	0	44	0
Atlases (Secondary)	12	0	42	0
Posters	9	0	87	0
Supplementary and Library	1 348	0	1 688	0
Other	971	173	356	151
Totals	493 589	851	58 725	665

Free State	2016/17 (R'000)		2017/18 (R'000)	
	Locally Published	Imported	Locally Published	Imported
Grade R	22	0	89	3
Grade 1-3 core	844	0	1 760	0
Grade 4-6 core	6 228	0	4 904	0
Grade 7-9 core	17 338	0	4 424	0
Grade 10 core	946	0	7 151	0
Grade 11 core	1 800	0	534	0
Grade 12 core	4 203	0	1 074	0
Grade 10 Prescribed literature	32	0	3 113	0
Grade 11 Prescribed literature	1 931	0	50	0
Grade 12 Prescribed literature	2 606	0	2 379	0
FP Reading schemes	56	0	165	0
IP Reading schemes	419	10	103	6
SP Readers (non-core)	224	3	63	0
Dictionaries (Primary)	0	0	0	0
Dictionaries (Secondary)	24	14	38	3
Atlases (Primary)	1	0	2	0
Atlases (Secondary)	2	0	10	0
Posters	1	0	7	0
Supplementary and Library	97	0	328	0
Other	79	973	35	1 003
Totals	36 853	1 000	26 229	1 015

Gauteng	2016/17 (R'000)		2017/18 (R'000)	
	Locally Published	Imported	Locally Published	Imported
Grade R	7 621	44	2 125	76
Grade 1-3 core	29 521	32	44 029	93
Grade 4-6 core	73 611	0	77 617	0
Grade 7-9 core	74 856	0	84 167	0
Grade 10 core	23 556	0	41 363	0
Grade 11 core	22 544	0	21 788	0
Grade 12 core	26 420	0	20 003	0
Grade 10 Prescribed literature	1 278	0	17 842	0
Grade 11 Prescribed literature	8 885	0	1 328	0
Grade 12 Prescribed literature	10 557	0	4 182	0
FP Reading schemes	8 082	571	5 961	277
IP Reading schemes	2 834	0	2 559	279
SP Readers (non-core)	2 586	530	3 008	477
Dictionaries (Primary)	409	28	155	7
Dictionaries (Secondary)	1 417	260	3 265	207
Atlases (Primary)	134	0	195	0
Atlases (Secondary)	199	0	558	0
Posters	344	0	217	0
Supplementary and Library	19 446	0	14 682	0
Other	36 549	5 768	19 731	6 540
Totals	350 849	7 233	364 775	1 416

Kwa-Zulu Natal	2016/17 (R'000)		2017/18 (R'000)	
	Locally Published	Imported	Locally Published	Imported
Grade R	29 805	91	24 750	147
Grade 1-3 core	53 762	105	61 761	281
Grade 4-6 core	77 735	0	80 996	0
Grade 7-9 core	76 942	0	89 097	0
Grade 10 core	24 382	0	37 391	0
Grade 11 core	27 337	0	26 772	0
Grade 12 core	30 808	0	28 025	0
Grade 10 Prescribed literature	2 583	0	2 305	0
Grade 11 Prescribed literature	5 161	0	1 265	0
Grade 12 Prescribed literature	1 066	0	3 255	0
FP Reading schemes	5 587	97	8 314	140
IP Reading schemes	6 053	64	6 002	48
SP Readers (non-core)	3 533	121	4 100	77
Dictionaries (Primary)	38	3	22	0
Dictionaries (Secondary)	823	121	1 620	135
Atlases (Primary)	75	0	25	0
Atlases (Secondary)	179	0	396	0
Posters	52	0	33	0
Supplementary and Library	4 634	0	5 306	0
Other	1 457	281	1 317	370
Totals	352 012	883	382 752	1 198

Limpopo	2016/17 (R'000)		2017/18 (R'000)	
	Locally Published	Imported	Locally Published	Imported
Grade R	705	0	566	3
Grade 1-3 core	13 650	0	19 860	11
Grade 4-6 core	45 902	0	50 561	0
Grade 7-9 core	74 686	0	81 348	0
Grade 10 core	22 055	0	40 648	0
Grade 11 core	23 588	0	28 140	0
Grade 12 core	48 489	0	23 006	0
Grade 10 Prescribed literature	502	0	12 078	0
Grade 11 Prescribed literature	1 930	0	1 157	0
Grade 12 Prescribed literature	11 595	0	1 943	0
FP Reading schemes	7 349	36	3 793	73
IP Reading schemes	8 009	5	8 537	3
SP Readers (non-core)	2 582	4	2 940	4
Dictionaries (Primary)	25	2	30	0
Dictionaries (Secondary)	29	39	42	4
Atlases (Primary)	1	0	6	0
Atlases (Secondary)	6	0	35	0
Posters	14	0	75	0
Supplementary and Library	2 105	0	1 861	0
Other	74	16	362	20
Totals	263 296	102	276 988	118

Mpumalanga	2016/17 (R'000)		2017/18 (R'000)	
	Locally Published	Imported	Locally Published	Imported
Grade R	2 023	0	239	0
Grade 1-3 core	846	0	2 310	0
Grade 4-6 core	2 959	0	16 859	0
Grade 7-9 core	4 015	0	11 630	0
Grade 10 core	1 079	0	10 445	0
Grade 11 core	1 494	0	6 411	0
Grade 12 core	958	0	6 743	0
Grade 10 Prescribed literature	27	0	23	0
Grade 11 Prescribed literature	764	0	17	0
Grade 12 Prescribed literature	39	0	1 528	0
FP Reading schemes	195	14	343	1
IP Reading schemes	205	4	884	3
SP Readers (non-core)	151	1	142	1
Dictionaries (Primary)	33	3	46	10
Dictionaries (Secondary)	19	40	10	31
Atlases (Primary)	4	0	22	0
Atlases (Secondary)	7	0	8	0
Posters	84	0	118	0
Supplementary and Library	504	0	705	0
Other	80	153	92	61
Totals	15 486	215	58 575	107

North West	2016/17 (R'000)		2017/18 (R'000)	
	Locally Published	Imported	Locally Published	Imported
Grade R	194	97	3 276	85
Grade 1-3 core	22 750	0	24 023	99
Grade 4-6 core	46 067	0	44 199	0
Grade 7-9 core	46 905	0	42 792	0
Grade 10 core	10 488	0	16 878	0
Grade 11 core	10 926	0	8 616	0
Grade 12 core	11 387	0	9 165	0
Grade 10 Prescribed literature	587	0	756	0
Grade 11 Prescribed literature	1 907	0	576	0
Grade 12 Prescribed literature	2 162	0	1 197	0
FP Reading schemes	2 227	0	2 795	6
IP Reading schemes	3 275	4	1 804	9
SP Readers (non-core)	1 747	0	398	1
Dictionaries (Primary)	32	0	17	0
Dictionaries (Secondary)	23	35	45	31
Atlases (Primary)	19	0	11	0
Atlases (Secondary)	8	0	13	0
Posters	75	0	65	0
Supplementary and Library	1 790	0	754	0
Other	4 092	44	758	11
Totals	166 661	180	158 138	242

Northern Cape	2016/17 (R'000)		2017/18 (R'000)	
	Locally Published	Imported	Locally Published	Imported
Grade R	24	0	18	0
Grade 1-3 core	329	0	293	0
Grade 4-6 core	4 180	0	249	0
Grade 7-9 core	4 354	0	242	0
Grade 10 core	1 791	0	126	0
Grade 11 core	1 251	0	68	0
Grade 12 core	1 797	0	120	0
Grade 10 Prescribed literature	45	0	1 319	0
Grade 11 Prescribed literature	300	0	5	0
Grade 12 Prescribed literature	952	0	692	0
FP Reading schemes	28	1	11	0
IP Reading schemes	595	0	6	0
SP Readers (non-core)	23	0	3	0
Dictionaries (Primary)	4	0	0	0
Dictionaries (Secondary)	15	17	9	6
Atlases (Primary)	637	0	0	0
Atlases (Secondary)	833	0	0	0
Posters	6	0	2	0
Supplementary and Library	238	0	312	0
Other	177	6	103	8
Totals	17 579	24	3 578	14

Western Cape	2016/17 (R'000)		2017/18 (R'000)	
	Locally Published	Imported	Locally Published	Imported
Grade R	417	4	1 070	8
Grade 1-3 core	11 432	1	10 866	36
Grade 4-6 core	33 531	0	32 373	0
Grade 7-9 core	37 535	0	37 249	0
Grade 10 core	10 487	0	15 995	0
Grade 11 core	10 548	0	12 871	0
Grade 12 core	11 444	0	12 572	0
Grade 10 Prescribed literature	431	0	5 439	0
Grade 11 Prescribed literature	2 942	0	989	0
Grade 12 Prescribed literature	3 265	0	2 563	0
FP Reading schemes	1 866	91	3 260	64
IP Reading schemes	1 216	224	1 577	235
SP Readers (non-core)	835	323	753	393
Dictionaries (Primary)	83	0	52	8
Dictionaries (Secondary)	134	177	1 204	181
Atlases (Primary)	68	0	74	0
Atlases (Secondary)	84	0	222	0
Posters	6	0	12	0
Supplementary and Library	5 195	0	6 876	0
Other	5 068	1 571	12 079	1 486
Totals	136 587	2 391	158 096	2 411

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 multi-national 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. (Scholarly publica-tions have been captured in the Academic sector.)

According to the South African Book Development Council National Survey into the Reading and Book Reading Behaviour of Adult South Africans (2016) the potential reading market (defined as committed, open, and less committed readers) is approximately 27% of the national population. They also reported that print reading dropped from 58% to 47% of the population in 2006-2016. The PWC Entertainment And Media Outlook: 2018 – 2022 estimates a slight increase in the consumer publishing market (0.9%) by 2022. While there has been growth since 2017 to compensate for a shrinkage in 2016, the largest potential growth is in the e-book market, which is expected to double its market share by 2022 according to the PWC report.

REVENUE

The average selling price for books in this sector is R163, and around 18 000 different titles are sold each year.

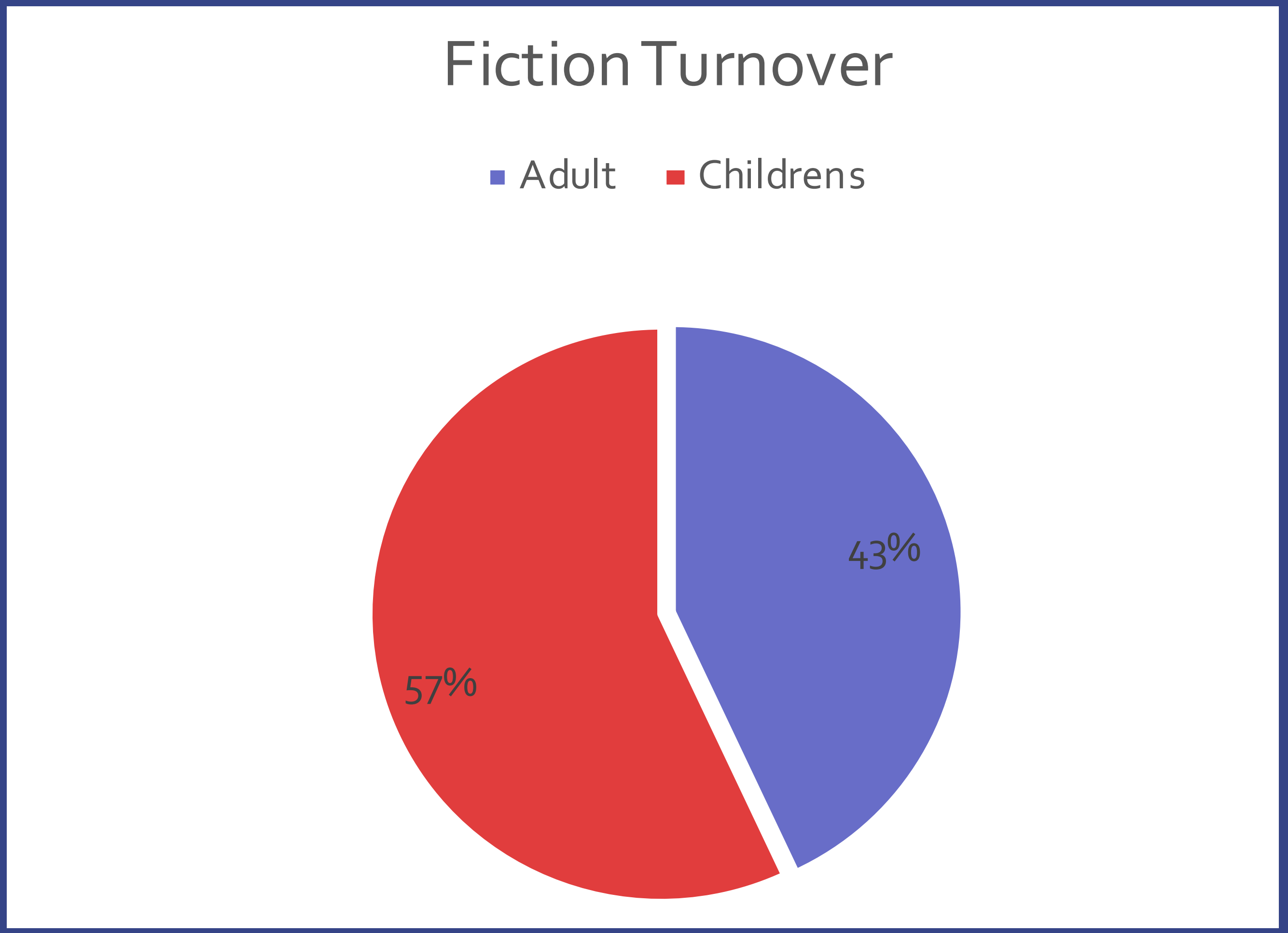
Revenue stream	2016/17 (R'000)	2017/18 (R'000)
Local sales of locally published print books	279 277	307 392
Local sales of imported print books	458 541	456 020
Local sales of digital book products	13 978	11 318
Local rights sales	9 823	4 363
Export sales of print and digital books	19 067	25 650
Income from export rights sales	118	461
Distribution of locally published books	526	1295
Other book-related income	2394	2241
Total revenue	783 725	808 740

REVENUE FROM FICTION

Genre of Publication	2016/17 (R'000)		2017/18 (R'000)	
Trade Fiction	Locally Published	Imported	Locally Published	Imported
Adult fiction print	39 218	166 653	36 285	158 247
Adult fiction digital	1 664	753	1 435	687
Children's fiction print	26 425	115 320	33 822	113 683
Children's fiction digital	818	369	550	489

REVENUE FROM NON-FICTION

Genre of Publication	2016/17 (R'000)		2017/18 (R'000)	
Trade non-fiction	Locally Published	Imported	Locally Published	Imported
Adult non-fiction print	186 308	162 118 823	212 167	164 829 642
Adult non-fiction digital	5 173	1 842 844	4 563	1 738 903
Children's non-fiction print	16 332	15 420 353	13 971	18 238 085
Children's non-fiction digital	29	770	10	0



DISTRIBUTION CHANNELS

General Trade	2016/17		2017/18	
Distribution channel	Turnover (R'000)	Discount	Turnover (R'000)	Discount
National or regional bookseller chains	563 362	44%	385 798	44%
Independent booksellers and other book retailers	38 621	38%	40 213	38%
Non-book retail outlets	27 268	37%	6 692	37%
Supermarkets and department stores	19 377	32%	9 601	32%
Internet booksellers	4 0794	39%	30 072	39%
Book clubs and direct mail booksellers	6 353	60%	2 891	60%
Businesses and corporations (direct sales)	8 136	33%	4 650	33%
The public (direct sales)	4 086	30%	5 110	30%
Libraries	21 926	38%	8 982	38%
State and provincial departments	8 535	15%	2 971	15%
Schools and educational institutions	6 482	36%	5 685	36%
School book distributors and tenders	7354	35%	9 627	35%
Export sales	11 035	30%	1 420	30%
Other	8 645	48%	7 522	48%

*These are Weighted Average Discounts

ROYALTIES

These percentages do not represent the royalty rate of any specific publishers, but rather an average on the figures reported from all publishers.

	2016/17			2017/18		
Product Category	Minimum Percentage	Maximum Percentage	Weighted Average Percentage	Minimum Percentage	Maximum Percentage	Weighted Average Percentage
General trade print books	6%	27%	13%	4%	27%	13%
General trade digital books	14%	31%	15%	11%	31%	14%

PRODUCTION

Due to historical difficulties in collecting figures on the number of new editions published the data has been exclud-ed from the report. According to audited figures provided for the sector, there were 1 034 new titles in 2017 (457 for non-fiction and 577 for fiction) and 1 043 (492 for non-fiction and 551 for fiction) new titles in 2018. These do not represent the total production for this sector, however. According to the SABDC National Reading Survey (2016) the preferred languages for reading include English, isiXhosa, isiZulu, Afrikaans and Sotho. However, there is very little publishing in the African languages for the general reader, although notable improvements can be seen in children's fiction and non-fiction. Where no figures were reported, those languages have been excluded.

ADULT BOOKS BY LANGUAGE AND FORMAT

Adult Fiction Books	2016/17 (R'000)				2017/18 (R'000)			
	Turnover		New Editions		Turnover		New Editions	
Language	Print	Digital	Print	Digital	Print	Digital	Print	Digital
English	132 618	3 581	203	3	172 755	3 332	256	7
Afrikaans	29 815	1 035	134	0	26 185	797	95	1
IsiZulu	14	0	0	0	24	0	1	0
IsiXhosa	81	0	2	0	16	1	0	0
SiSwati	7	0	0	0	11	0	0	0
Multilingual	652	8	6	0	504	13	5	0

Adult Non-Fiction Books	2016/17 (R'000)				2017/18 (R'000)			
	Turnover		New Editions		Turnover		New Editions	
Language	Print	Digital	Print	Digital	Print	Digital	0	0
English	134 621	3 353	0	0	177 873	3 023	10	0
Afrikaans	155 749	1 677	10	0	192 193	1 515	0	0
IsiZulu	11 449	65	0	0	15 165	35	0	0
IsiXhosa	47	0	0	0	17	0	0	0
Other Languages	990	155	0	0	1 425	45	0	0
	652	8	6	0	504	13	5	0

CHILDREN'S BOOKS BY LANGUAGE AND FORMAT

Children's Fiction Books	2016/17 (R'000)				2017/18 (R'000)			
	Turnover		New Editions		Turnover		New Editions	
Language	Print	Digital	Print	Digital	Print	Digital	Print	Digital
English	31 296	83	3	0	90 378	81	3	0
Afrikaans	9 666	109	0	0	12 440	90	0	0
IsiZulu	85	0	0	0	333	0	0	0
IsiXhosa	113	0	0	0	271	0	0	0
Sepedi	35	0	0	0	171	0	0	0
Sesotho	114	0	0	0	210	0	0	0
Setswana	81	0	0	0	215	0	0	0
IsiNdebele	4	0	0	0	5	0	0	0
Xitsonga	13	0	0	0	2	0	0	0
SiSwati	70	0	0	0	3	0	0	0
Other Languages	0	0	0	0	2	0	0	0

Children's Non-Fiction Books	2016/17 (R'000)				2017/18 (R'000)			
	Turnover		New Editions		Turnover		New Editions	
Language	Print	Digital	Print	Digital	Print	Digital	Print	Digital
English	3 021	27	0	0	15 618	24	0	0
Afrikaans	2 933	7	0	0	2 680	1	0	0
IsiZulu	10	0	0	0	69	0	0	0
IsiXhosa	15	0	0	0	215	0	0	0
Sesotho	2	0	0	0	0	0	0	0
Setswana	4	0	0	0	0	0	0	0
Multilingual	31	0	0	0	0	0	0	0
IsiNdebele	0	0	0	0	0	0	0	0
Xitsonga	0	0	0	0	0	0	0	0
SiSwati	0	0	0	0	0	0	0	0
Other Languages	0	0	0	0	0	0	0	0

ACADEMIC

The Academic sector publishes textbooks and other products for university students, as well as pro-fes-sional products and books for continuing pro-fes-sional development, used by doctors, lawyers and accountants, for instance. Books produced by the Scholarly publishing sector are also included here.

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 provid-ed by booksellers and distributors and is beyond the scope of this study. The PWC report on the Enter-tainment and Media Outlook: 2018 – 2022 continues to predict growth in Professional publishing, with a 1.1% increase predicted by 2022.

REVENUE

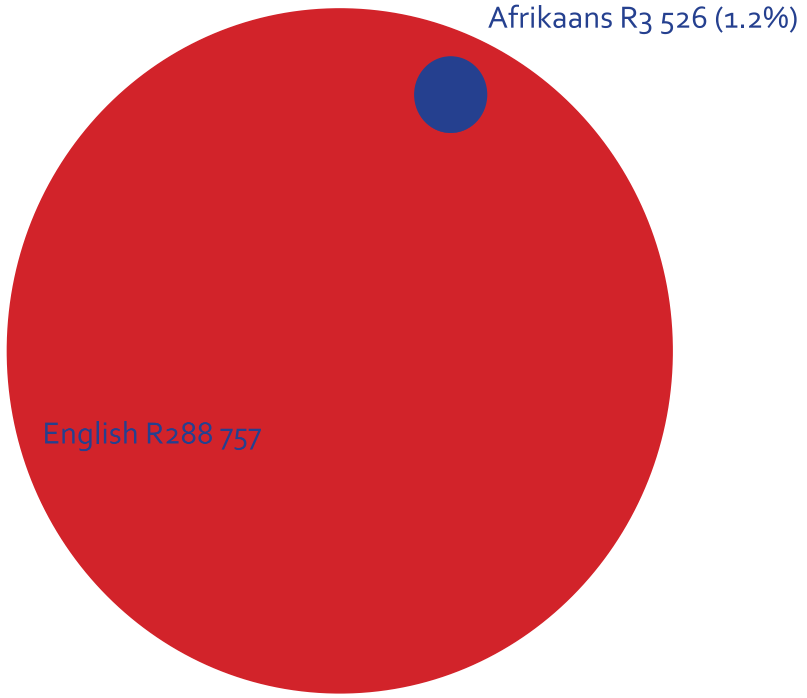
Locally published academic books are largely sold through pri-mary retail outlets. Print remains the dominant format.

Academic and Scholarly Publishing	2016/17 (R'000)	2017/18 (R'000)
Local sales of local-ly published print books	268 446	240 436
Local sales of im-ported print books	77 522	82 578
Local sales of digital book products	55 959	38 031
Local rights sales	6 038	3 243
Income from export rights sales	232	231
Total	402 159	364 519

PRODUCTION

The Academic sector is differentiated by category (textbooks and professional books) as well as by for-mat (print or digital), and by language. Print remains the format of preference, although all of the Aca-demic publishers have invested in new technolo-gies and new digital products.

The sector is heavily domi-nated 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 mov-ing towards a digital format more quickly, with more than half of the sales of imported professional books coming from digital products.



REVENUE

Academic and Scholarly	2016/17				2017/18			
	Turnover (R'000)		New Editions		Turnover (R'000)		New Editions	
	Print	Digital	Print	Digital	Print	Digital	Print	Digital
English	230 908	33 317	595	1	266 357	22 400	1 147	8
Afrikaans	5 497	12	940	0	3 517	9	13	0

ROYALTIES

Product Category	2016/17			2017/18		
	Minimum Percentage	Maximum Percentage	Weighted Average Percentage	Minimum Percentage	Maximum Percentage	Weighted Average Percentage
Textbook print books	2%	21%	13%	2%	24%	14%
Textbook digital books	3%	26%	14%	3%	29%	16%
Professional print books	0%	80%	14%	0%	80%	19%
Professional digital books	0%	23%	14%	0%	23%	18%
Scholarly print books	0%	30%	15%	0%	30%	15%
Scholarly digital books	0%	32%	16%	0%	32%	16%

SALES CHANNELS AND DISCOUNTS

Academic books are mostly sold through bookseller chains, many of which are located on or near university campuses. In contrast, professional and scholarly 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.

Type of sales outlet	2016/17		2017/18	
	Turnover (R 'ooo)	Discount %	Turnover (R 'ooo)	Discount %
Primary retail outlets	303 858	35%	255 441	35%
E-commerce (direct from the publisher)	8 895	19%	73 871	17%
E-commerce (sales via a retailer)	12 776	33%	12 974	33%
Other	21 024	23%	24 741	17%

TVET

The Technical and Vocational Education and Training (TVET) sector produces textbooks for students at the TVET colleges in South Africa, which offer technical or vocational training.
Although this is a form of tertiary education, the procurement and distribution model is completely different from that of the Academic textbook sector, as the TVET system is more centralised. The two sectors are thus separated for reporting purposes.

REVENUE

Locally published TVET textbooks are sold both directly to TVET colleges or via bookshops or tender suppliers.

TVET Turnover	2016/17 (R'ooo)	2017/18 (R'ooo)
Local sales of locally published print books	232 879	195 307
Local sales of imported print books	382	395
Local sales of digital book products	2 652	83
Total	235 913	195 784

PRODUCTION

The TVET sector produces books – overwhelmingly in print – for two different levels: the National Certificate (Voca-tional), or NCV, and the National Accredited Technical Diploma (NATED). In this survey, books in Afrikaans have been recorded for the first time, although the general trend is towards the use of English.

TVET	2016/17 (R'ooo)		2017/18 (R'ooo)	
Local Publication	NCV	NATED	NCV	NATED
TVET books print	85 948	105 584	118 135	100 611
TVET books digital	2 950	85	291	187

TVET	2016/17 (R'ooo)		2017/18 (R'ooo)			
	Locally Produced		Locally Produced		Imported	
Language	Print	Digital	Print	Digital	Print	Digital
English	232 784	3 052	123 338	478	7 428	1
Afrikaans	77	0	86	0	0	0

ROYALTIES

Product Category	2016/17			2017/18			2015/16
	Minimum Percentage	Maximum Percentage	Weighted Average Percentage	Minimum Percentage	Maximum Percentage	Weighted Average Percentage	Weighted Average Percentage
TVET print books	10%	17%	13%	10%	17%	13%	11%
TVET digital books	19%	14%	16%	19%	14%	16%	10%

SALES CHANNEL AND DISCOUNTS

TVET distribution and discount	2016/17		2017/18	
Type of sales outlet	Turnover (R '000)	Average Discount %	Turnover (R '000)	Average Discount %
National or regional bookseller chains	25 193	31%	24 678	31%
Independent booksellers and other book retailers	45 243	30%	12 787	30%
Non-book retail outlets	254	35%	159	35%
Internet booksellers	2 408	30%	26	30%
The public (direct sales)	1 082	20%	831	20%
Schools and educational institutions	161 520	30%	157 284	30%

ABET

ABETThe Adult Basic Education and Training (ABET) sub-sector is 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. The ABET market mostly comprises young adults who need to complete their basic education qual-ifications 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 or-gan-isations.

For 2016/17, the total revenue for local sales of locally published print books in ABET was R5.4 million, a figure which declined in 2017/18. 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.

REVENUE

ABET Turnover	2016/17 (R'000)	2017/18 (R'000)
Local sales of ABET books	5 408	2 847

PRODUCTION

The National Qualifications Framework recognizes 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 the ABET 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 infra-structure and training.

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

PRODUCTION

ABET	2016/17 (R'000)	2017/18 (R'000)
	Locally Published Print books	
Level 1	67	64
Level 2	98	88
Level 3	113	178
Level 4	1 128	1 347
English	5 246	2 671
Afrikaans	158	164

ROYALTIES

Product Category	2016/17			2017/18			2015/16
	Minimum Percent-age	Maximum Percent-age	Weighted Average Percent-age	Minimum Percent-age	Maximum Percent-age	Weighted Average Percent-age	Weighted Average Percent-age
ABET print books	0%	16%	10%	0%	16%	10%	5%

SALES CHANNELS AND DISCOUNTS

ABET distribution and discount	2016/17		2017/18	
Type of sales outlet	Turnover (R'000)	Average Discount %	Turnover (R'000)	Average Discount %
National or regional book-seller chains	487	30%	746	30%
Independent booksellers and other book retailers	247	30%	500	30%
Businesses and corpora-tions (direct sales)	960	30%	489	30%
The public (direct sales)	29	0%	45	0%
Schools and educational institutions	3 542	25%	502	25%
School book distributors and tenders	23	30%	195	30%
Other	12	0%	31	0%

LIST OF PARTICIPATING PUBLISHERS

NB publishers

Shuter & Shooter

Vivlia

Macmillan Education

Penguin Random House

Oxford University Press SA

Van Schaik Publishers

Cambridge University Press SA

Elsevier

Future Managers

Juta and Company

Juta & Company (law division)

Cengage Learning

Pearson

Wits University Press

Bookstorm

Pan Macmillan

Jonathan Ball Publishers

Via Afrika

Troupant