

The OSI Book Sector Surveys provide comparative data from 13 countries with regard to 1994 and 2000. Albania is the only country that shows considerable progress in each of the three aspects compared: this fact corroborates our knowledge about the depths from which this country had to get out in the past ten years.

The stable increase of the scope of new titles in ten countries is an indication of ongoing consolidation of the book sector. Book markets in Bulgaria, Hungary and Romania witnessed sudden growth in the 1990s, after the disappearance of ideological and infrastructural limitations, and appear to have reached a point of saturation – one wonders whether lasting of temporary.

The high print-runs in 1994 responded to the thirst for new kinds of publications, experienced in that period. Decrease was predictable, not perhaps to the extent that is demonstrated in the table. In half of the countries the total output fell to less than half in six years.

Combining the two aspects – number of titles and of copies, Poland has shown the highest level of stability over the span of the past 6 years. Similarly balanced are the figures of Russia and Lithuania.

## Cost Structure of Academic Books

This is the fifth time that the survey inquires about the costs of producing academic books in the ex-totalitarian countries of East and Central Europe and Central Asia. The issue was covered by the following questions:

#	Item	Remark
23	Price of academic books (\$)	Average 250-page paperback on a social science subject.
24	Paper (%)	Questions 24-33 analyze structure of Line 23: price of academic books in 2000. Beside paper, this line includes all materials: ink, glue etc.
25	Printing and binding (%)	
26	Authors' fees, royalties (%)	Including all kinds of copyright, e.g. for illustration.
27	Publisher's expenses (%)	Publisher's expenses in addition to specific costs covered separately, e.g. marketing. Includes general overhead costs of publisher ('Regie'). Indicate, if transport costs are borne by publisher.
28	Publisher's marketing expenses (%)	E.g. advertisements.
29	Publisher's profit (%)	
30	Wholesaler/distributor (%)	This line has sense only if a significant part, e.g. at least 1/3 of copies are sold via a wholesaler or distributor. Indicate if transport costs are borne by distributor.
31	Bookshop (%)	
32	Other, if any (%)	Please, specify.
33	VAT or sales tax (%)	Note that lines 24-33 should add up to 100%. If not, please re-calculate accordingly.

The double dilemmas of lack of data and difficulty of defining what 'average' is, prevailed at this part of the survey as well. The editors of the questions can help overcome these barriers; it can be established that this endeavour led to partial success only, although questions on cost structure have been asked in the surveys since 1996. On the basis of previous surveys, the questionnaire on 2000 had become more complex, thus more difficult to complete. The number of corrections and additional clarifications is therefore even higher than earlier. For most respondents it was rather difficult to relate various percentages to the 100% total of the full retail price of a book. (E.g. if one hears that "the author gets 10%", this usually refers to 10% of the net revenue of the publisher, and depending on the booksellers' share and eventual VAT, the author may easily end up with 5% of the retail price indeed.)

The issue of VAT is really a special problem, therefore the responses were analysed both with or without VAT.

Russia will not be singled out when the extremes of the following tables are discussed; indeed, this country shows the most balance record, its figures being always in the neighbourhood of the average.

**Table 9: Composition of the price of academic books without VAT**

Costs of an average academic book in 2000, expressed in percentages of retail price, VAT and sales tax disregarded.

	production		author	publisher			distribution		total
	paper	print & bind		general	marketing	profit	wholesale	bookshop	
ALB	23	13	13	6	1	13	6	25	100
ARM	21	33	8	21	0	0	0	17	100
AZE	31	15	19	0	0	23	0	13	100
BOS	12	24	11	15	3	5	10	20	100
BUL	29	16	15	7	4	7	4	19	100
CRO	5	10	10	25	5	20	0	25	100
CZE	13	17	9	18	1	9	8	25	100
EST	16	32	5	7	3	0	11	26	100
GEO	10	25	10	3	2	20	10	20	100
HUN	24	14	7	6	2	8	9	30	100
KYR	15	26	7	21	3	12	0	15	100
LAT	11	18	31	12	3	16	8	0	100
LIT	20	25	10	12	3	10	0	20	100
POL	15	15	10	20	0	0	15	25	100
ROM		25	9	23	3	7	0	33	100
RUS	15	22	5	16	4	5	0	33	100
SLK	4	18	11	6	6	11	14	31	100
TAJ	35	18	7	12	5	5	9	9	100
UKR	15	18	3	14	3	12	15	20	100
YUG	9	12	24	6	2	22	0	24	100
<b>average</b>	<b>16,2</b>	<b>19,7</b>	<b>11,2</b>	<b>12,5</b>	<b>2,6</b>	<b>10,3</b>	<b>5,9</b>	<b>21,5</b>	<b>100</b>

All figures have been rounded up to full numbers. In a number of cases the original figures have been adjusted so that the 100% was reached. Where “from-to” scopes were given, the middle values have been taken. The few countries in *italics* are those, where no adjustment whatsoever has been made. The averages are simple arithmetic means of the 19 countries, without any weight applied.

**Table 10: Production costs**

ARM	54
TAJ	53
EST	47
AZE	46
LIT	45
BUL	44
KYR	41
HUN	38
RUS	37
BOS	36
average	35,9
ALB	35
GEO	35
UKR	33
CZE	30
POL	30
LAT	29
ROM	25
SLK	22
YUG	21
CRO	15

Percentage costs of paper and other material as well as printing and binding expenses in net retail price, VAT and sales tax disregarded.

The share of production costs relates to the general level of ‘development’ of the book sector; the more advanced the sector and the economic environment, the lower the relative cost of producing a book. Our rank list tends to support this.

The unusual position of Estonia and Lithuania needs further inquiry; the small size of the market is a partial response only. We cannot give a ‘historical’ explanation based on earlier data, as these two countries were missing from previous surveys. (Their neighbour, Latvia, too, reported a relatively high rate of 37% for 1999, however, the figure has since dropped almost 10 percentage points.)

In 1996, 14 countries replied to a slightly simpler set of questions (average production cost: 40,7%). They were 20 in 1999, almost half of them from CIS, averaging 44,4%.

**Table 11: Publisher's costs and revenue**

CRO	50
KYR	36
ROM	33
LAT	32
YUG	30
UKR	29
CZE	28
average	25,4
GEO	25
LIT	25
RUS	25
AZE	23
BOS	23
SLK	22
TAJ	22
ARM	21
ALB	20
POL	20
BUL	19
HUN	16
EST	11

Percentage costs of general and marketing expenses as well as profit of the publisher in net retail price, VAT and sales tax disregarded.

This question appeared in this tri-furcate way for the first time. In 1996 and 1999 the publisher's share only was asked (averaging 20,8 and 14,7% respectively).

**Table 12: Distribution costs**

SLK	44
POL	40
HUN	39
EST	37
UKR	35
CZE	33
ROM	33
RUS	33
ALB	32
BOS	30
GEO	30
average	27,4
CRO	25
YUG	24
BUL	22
LIT	20
TAJ	19
ARM	17
KYR	15
AZE	13
LAT	8

Percentage of wholesale and retail discount in net retail price, VAT and sales tax disregarded.

This indicator behaves in the opposite way as production costs, the more developed the environment is, the more must be spent on distribution.

Averages from previous years: 30,3% in 1996 and 27,8% in 1999; going against expectations. In reality, share distributions costs are bound to go higher.

**Table 13: Composition of the price of an average academic book with VAT**

	production		author	publisher			distribution		tax	total
	paper	print & bind		general	marketing	profit	wholesale	bookshop		
<i>ALB</i>	18	10	10	5	1	10	5	20	20	100
ARM	21	33	8	21	0	0	0	17	0	100
<i>AZE</i>	25	12	15	0	0	18	0	10	20	100
BOS	15	15	10	20	0	0	15	25	0	100
BUL	25	13	13	6	3	6	3	16	14	100
<i>CRO</i>	5	10	10	25	5	20	0	25	0	100
CZE	12	16	9	17	1	9	8	24	5	100
<i>EST</i>	15	30	5	7	3	0	10	25	5	100
<i>GEO</i>	10	25	10	3	2	20	10	20	0	100
HUN	21	13	6	5	2	7	8	27	11	100
KYR	12	20	6	16	2	10	0	12	20	100
LAT	11	18	31	12	3	16	8	0	0	100
<i>LIT</i>	20	25	10	12	3	10	0	20	0	100
<i>POL</i>	15	15	10	20	0	0	15	25	0	100
ROM		25	9	18	3	14	0	32	0	100
<i>RUS</i>	15	22	5	16	4	5	0	33	0	100
SLK	4	16	10	5	5	10	13	28	10	100
TAJ	35	18	7	12	5	5	9	9	0	100
UKR	15	18	3	14	3	12	15	20	0	100
<i>YUG</i>	8	10	20	5	2	19		20	17	100
<b>average</b>	<b>16,4</b>	<b>17,0</b>	<b>10,3</b>	<b>12,0</b>	<b>2,3</b>	<b>9,5</b>	<b>5,9</b>	<b>18,7</b>	<b>6,2</b>	<b>100</b>

Percentages of net retail price, VAT and sales tax included.

When people in business speak of prices, they usually mean net amount, i.e. without VAT, since in most cases VAT is refunded to them. For the public, however, VAT is also part of the price of a book (or any other commodity).

Again, *italics* mark countries, where all data in the table come from the questionnaire without any adjustment or rounding. Half of the 18 countries are subject to VAT, in Kyrgyzstan it is topped with sales tax as well. Note, that VAT, like all other components, is calculated from top down: this is how the 20% VAT + 5% sales tax becomes 20.49% of the Kyrgyz total.

**Table 14: Production costs**

ARM	54	UKR	33
TAJ	53	BOS	30
EST	45	POL	30
LIT	45	CZE	29
BUL	38	LAT	29
<i>AZE</i>	37	ALB	28
RUS	37	ROM	25
GEO	35	SLK	20
HUN	34	YUG	18
average	33,4	CRO	15
KYR	33		

Percentage costs of paper and other material as well as printing and binding expenses in net retail price, VAT and sales tax included.

The additional tax burden of 20% is considerable, which is seen in the position of the hardest hit three countries: Albania, Azerbaijan and Kyrgyzstan, where the relative weight of printing cost became smaller as compared to Table 2.

**Table 15: Publisher's costs and revenue**

CRO	50	TAJ	22
ROM	34	ARM	21
LAT	32	SLK	20
UKR	29	POL	20
KYR	29	BOS	20
CZE	27	AZE	18
YUG	25	BUL	16
RUS	25	ALB	16
LIT	25	HUN	14
GEO	25	EST	10
average	23,8		

Percentage costs of general and marketing expenses as well as profit of the publisher in net retail price, VAT and sales tax included.

Happy Croatia. Unless the respondent has been misled, about half of the price of a book gets to the publisher, a nice chunk of which is profit. From many points of view Croatia and Estonia appear to be two comparable societies: if this is so, their extreme positions in this table need a lot of explanation.

**Table 16: Distribution costs**

SLK	40	CRO	25
POL	40	ALB	25
BOS	40	YUG	20
UKR	35	LIT	20
HUN	35	TAJ	19
EST	35	BUL	19
RUS	33	ARM	17
ROM	32	KYR	12
CZE	31	AZE	10
GEO	30	LAT	8
average	26,3		

Percentage of wholesale and retail discount in net retail price, VAT and sales tax included.

With the tax burden added, the booksellers in Albania, Kyrgyzstan and Azerbaijan get even less of their meagre share of the price of books.

## Sales

The following section of the questionnaire relates to the amount of sales in 2000:

#	Item	Remark
14	Sales (\$)	Total turnover of book market in 2000, accumulated net sales (without VAT or sales tax), of all categories covered in Questions 15-18. In some countries the statistical offices, in others tax authorities, yet in others publishers' associations can give or estimate the answers to this and the following questions.
15	Domestic books (%)	Questions 15-18 cover sales structure, composition of total turnover (Line 14) in 2000. Question 15 refers to share of books published by publishers of your country.
16	Imported books (%)	Share of books published abroad. Note! This is different from Lines 5 and 8, (books published in your country, only written or printed abroad) which are both included in Line 4.
17	Textbooks (%)	Share of textbooks in total sales.
18	Other (%)	Share of other items (if any). Note that Questions 15-18 are about the book market in your country, therefore only items closely related to books, or further special categories of books should be mentioned here. Incomes of publishers from other commodities, e.g. periodicals, calendars, recorded music etc. should not be included. Second-hand book-shops should also be disregarded. Note also that your 4 answers to Questions 15-18 should add up to 100 %.
19	Digital books (%)	From Line 14: Share of income for "books" sold in digital (electronic) form (e.g. CD-ROM) within total turnover in 2000, in the four categories of Questions 15-18 taken together.
20	Exports (\$)	Turnover from exporting books in 2000. This is an addition to 14, sales inside your country.