

# SYMPOSIUM OF PUBLISHERS FROM EIGHT EUROPEAN COUNTRIES

Palais du  
Luxembourg,  
Salle Gaston  
Monnerville,  
Thursday 1<sup>st</sup>  
December 2011

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A day of inter-professional discussion organised by the *Bureau international de l'édition française*  
in collaboration with the *Syndicat national de l'Édition française*

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## Programme

*Introduction to the symposium by Alain GRÜND, President of the Bureau international de l'édition française*

*Symposium moderated by Pierre DUTILLEUL, Deputy Director of Editis, and by Olivier NORA, Chief Executive Officer of Editions Grasset and Editions Fayard*

### *First part: Professional round tables*

Italy – Roberto CALASSO and Stefano MAURI  
United Kingdom – Pete AYRTON and Richard CHARKIN  
Holland – Koen CLEMENT and Herman PABBRUWE  
Spain – Jesús BADENES and Jaume VALLCORBA  
Poland – Barbara JOZWIAK and Piotr MARCISZUK  
Sweden – Eva BONNIER and Dag HERNRIED  
Germany – Michael KRÜGER  
France – Antoine GALLIMARD and Arnaud NOURRY

### *Second part: Discussions with French and European representatives from ministries and public institutions*

Presentation by Jacques LEGENDRE  
Presentation by Yves CARMONA  
Presentation by Jacques TOUBON  
Presentation by Marisa FERNANDEZ-ESTEBAN  
Presentation by Frédéric MITTERRAND

## Introduction

### Introduction to the symposium by Alain GRÜND, President of the *Bureau international de l'édition française* (BIEF)

Before opening the debates, I would like to remind everybody of why we were prompted to organise this meeting, in conjunction with the *Syndicat National de l'Édition*.

I have observed that, at the European level, an increasing number of issues are arising, no doubt because the changes at that level are more rapid.

Our members - the publishers of France, whom BIEF has been supporting for several decades in their international dealings - are doubtless little different to their European colleagues. But above and beyond the characteristics specific to each of our countries, they perhaps benefit to a greater degree from the care and attention of the public authorities.

The holding of this symposium is the fruit of a cooperation between publishing professionals, the *Centre National du Livre* and the Ministry of Foreign Affairs, all of whom I thank very warmly for their contribution.

Today, I can see two clear indications of this public care and attention: the location of our symposium, the Senate, which is not after all very common for a professional gathering, and the fact that this afternoon two former ministers, a representative from the European Commission and our Minister of Culture will contribute to our debate.

In the meantime, my dear colleagues, we will, I hope, have had the chance to debate amongst ourselves the strengths and weaknesses, as the phrase goes, of our companies.

We have sought to minimise the background content of the contributions by providing everyone with fact files on each of our countries. These files, put together by BIEF's research department, do not claim to be exhaustive or definitively accurate (insofar as such a notion can be said to exist in the world of statistics), but our hope is that they will feed into the debate.

I remind you that we will be giving the floor to two representatives in succession from each of the 8 countries which we have selected.

So that our debates leave behind a concrete trace, and our many colleagues who wished to be here, but couldn't be, can consult the debates, a written synthesis of our discussions will be produced and diffused.

It only remains for me to thank our colleagues who have agreed to come here to share their experiences and to discuss the challenges they face. I hope this day will live up to their expectations.

## *First part: Professional round tables*

**Symposium of European Publishers**  
**Italy round table**  
**Thursday 1<sup>st</sup> December, Palais du Luxembourg, Salle Gaston Monnerville**

### **Presentation by Roberto CALASSO** **Chairman of Adelphi Edizioni**

*Founded in Milan in 1962, Adelphi Edizioni is a literary house, whose publications include as well classics, philosophy, science, psychology and anthropology. In 2010, the revenue was €13 million.*

The first decade of the twentieth century was a crucial stage in the history of publishing. It was at this time that the publishing house came into being as an entity and as a place that brought together works which were both related and divergent. Following the lead of the *Nouvelle Revue Française* in particular, publishers began to assert an individual style. At the time, they were as wealthy as they were passionate and they did not envisage making their businesses economically profitable. Then as now, it was easy to lose money publishing books, but making money from them was an arduous task.

#### *A trend towards uniformity*

Our age is nevertheless, in many respects, the opposite of the beginning of the twentieth century. We are witnessing a progressive obliteration of publishers' profiles and of the differences between publishers. They are all competing for the same titles, those that can make the winner's fortune, or spell disaster. Books, like authors, are becoming interchangeable, to the extent that publishing house imprints are hardly visible on book covers any more, especially in the United States. Some may contend that this development is a reflection of major structural upheavals. Be that as it may, these changes are not compatible with the conception of a publishing house as an entity, or as a creation.

#### *The quality of publications as a bastion*

The brand name or label is an essential element of the modern economy. For it to develop, it requires discernment and individuality in making choices. The twentieth-century concept of a publishing house is not obsolete, because the publisher remains the person who must define the profile of their company and be judged upon it. This is why, as in the past, the quality of publications remains crucial, because it is the only antidote against monotony and boredom that waves of deafening advertisements cannot quell alone, any more than can large print-runs, matched only by the number of unsold copies to be pulped.

#### *Are publishing houses becoming extinct?*

Information technology can give the impression that the publisher is an intermediary who can now be done without. What's more, it seems that publishers themselves are contributing to this notion by renouncing their essential role as first reader and first interpreter. In so doing, they would be giving way to agents and distributors. But an agent does not create an entity and does not have a client list. In such conditions, could the effacement of publishers lead to anything other than a general levelling out to blandness?

#### *The publisher's sense of judgement - a prerequisite for survival*

At the beginning of the twentieth century, the great German publisher Kurt Wolff published, under the title *Le Jour du jugement*, (Judgment Day), a collection of debut authors, including Franz Kafka and Robert Walser. He managed to attract readers' attention through the physical appearance of the book: a soft-cover black notebook featuring no kind of editorial declaration. But it was above all the title which attracted people because it emphasised the notion of judgment, which is the true baptism of fire for a publisher. Only if he or she were to abdicate that role could we do without them, because the value they bring would then be next to zero.

## **Presentation by Stefano MAURI Chairman of Mauri Spagnol (GEMS)**

*Created in 2005 through the merge of the publishing activities of Mauri and Spagnol families, the group is today one of the leading players in Italian publishing with stakes in 16 publishing houses, as Longanesi, Guanda, Garzanti, Bollati Boringhieri, Salani... In 2010, their revenue was €185 millions. The group is controlled by Messaggerie Italiane, a book publishing, retail and distribution group owned by the Mauri family.*

If the publishing sector in Italy is in a cold war, it is surely because of the particular structure of its market. A very large proportion of books there are sold in supermarkets or over the internet. There are five powerful companies in terms of publications and sales and they can choose in an arbitrary fashion between distribution channels, and maintain the *status quo*. This is why there is a conflict between publishing houses and electronic distributors.

### *The digital breakthrough*

Everybody wants their books to be available in every bookshop, but publishers are now finding that they are in competition with international platforms which have no ethical code. Since the establishment of Amazon in 2010 and of Apple Store in 2011, the impact of new technologies on the publishing sector is going to be undeniably strong. This is already evident, particularly in the case of tourist guides, where digital looks set to replace printed books. Readers greatly appreciate eBooks. In addition, eBooks are a rational means of reducing publication and distribution costs.

### *The digital world and the physical world*

The major problem has to do with the fundamental difference between existing business models. These days, digital platforms are global players, for whom revenues from book sales come second to revenues generated by the sale of reading technologies. In addition, in spite of the competition between them, publishers do not only exchange assets or money but also ideas, and their relationships do not necessarily conform to explicit rules. For example, agreements can be reached during a book fair, without it being necessary to sign a contract immediately. This is inconceivable where platforms are concerned. If they want to play a role more like that of publishers, they will have to evolve.

### *The importance of legislation*

In this difficult context, the support of a law to help define the modalities of selling electronic books would be of central importance. In particular, it would be possible to make a clearer distinction between those who commission books and those who sell them. A debate should also be held on the choices left open to readers and, in particular, the interoperability of the various existing systems. Copyright should also be reviewed. A reduction in the duration of copyright could, for example, be compensated for by stricter action against piracy.

### *The obligation to communicate*

In addition to legislative action, publishers could make it better understood that their operating margins are much lower than those of digital platforms. More generally, they should more clearly highlight their special characteristics and the importance of their role, because digital technologies are good, and publishers need to make known their long-term role, in particular their ethical code, so as not to be cast out of the arena.

**Symposium of European publishers  
United Kingdom round table  
Thursday 1<sup>st</sup> December, Palais du Luxembourg, Salle Gaston Monnerville**

**Presentation by Pete AYRTON  
Founder of Serpent's Tail and Editor**

*Founded in 1986 by Pete Ayrton, Serpent's Tail was acquired in 2007 by Profile, also independent. Specialised in fiction and essays, its list is rich in translations of foreign literature, including numerous French authors. Among its authors are three Nobel prize-winners (Elfriede Jelinek, Herta Muller, Kenzaburo Oe) and the Orange Prize-winner Lionel Shriver. In 2010, the revenue was of the combined group was €8 million.*

The combination of printed books and electronic books generates more sales. It is therefore a situation which is beneficial for both authors and publishers. It is what the Americans call a win-win situation - if positioned in the right groove, their shares increase with the sales.

*The attraction of the internet for established authors...*

So why is this situation not so simple? Firstly, this scenario does no justice to the role of the publisher. Traditional publishers are no longer needed. In March 2011, for example, a famous American writer turned down a \$500,000 contract with a publisher, signing instead a contract with Amazon. The reasons are partly economic. With a traditional publisher, the author receives less than 20% of the sale price of their book. On the internet, the author's share rises to 70%. However, authors' motives are not solely economic. The publisher's determination to control everything, from the cover to the title of the work, is also in question.

*... and less established authors*

Well-known authors are not the only ones who choose the internet at the expense of traditional publishers. Some young authors opt to diffuse their works initially on a platform such as Amazon before offering them to a publishing house. The substantial number of downloads can then be presented by the author as an argument in favour of signing a publishing contract.

The internet offers other interesting developments. On the website *Kickstarter*, authors are asked to upload their manuscript or synopsis. They can then be sponsored. When the necessary sum has finally been raised, the book can then be published. Likewise, the Internet offers other options to young, unknown authors, helping them to draw attention to their works.

*The importance of the fixed book price agreement*

Changes in the world of publishing will vary and be less rapid in countries which have a fixed book price agreement. These changes should, however, remain at the forefront of everyone's mind. The withdrawal of the fixed book price agreement led the United Kingdom into a disastrous situation. It is now difficult to find political support to lobby for the reintroduction of a fixed book price. While, for certain economists, bleeding the economy is a means of curing it, it is by no means certain that Molière's medicine is the best solution...

*The new challenges posed by digital sales*

The sale of books over the internet raises a number of questions. One is the question of the rights and clauses which accompany the sale of books in the United Kingdom and the United States. In particular, these clauses provide for a reduction in royalties when discounts are increased. Some British publishers offer discounts of up to -60%.

The sale of eBooks also raises the question of the share received by authors. Currently, the author's share stands at around 25% of the net sale price, whereas authors can now sign directly with Amazon and obtain a share of 70%. Given this, it will be increasingly difficult to persuade authors to go through publishing houses.

*What measures should publishers take?*

Several measures should be taken by publishers. The first involves defining what a bookshop is. Is it the place where buyers discover books? Defending independent bookshops remains essential in an age where it is fashionable to promote social networks as an alternative to the bookshop. The role of the publisher also needs to be strengthened. It is important to recall that the publisher remains the one who invests in order to nurture authors. Finally, it has been shown that eBooks encourage traditional sales - a reader will be tempted to buy a printed book as a present if they have appreciated the work in its electronic form. Publishers should try to benefit from the development of eBooks while keeping in mind that books still retain a special place in Western culture.

## **Presentation by Richard CHARKIN** **Executive Director of Bloomsbury Publishing**

*Bloomsbury Publishing is one of Europe's leading independent publishing houses. It has offices in New York, Berlin, London, and Sydney. In 2010 their revenue was €104 million generated from a mixture of publishing in print and digital formats ranging from the Harry Potter series, through Khaled Hosseini's novels, Who's Who, The Online Berg Fashion Library, the Arden Shakespeare, and the Booker Prize-winning The Finkler Question, by Howard Jacobson.*

Defining the role of the publisher is a difficult task. Publishers themselves have trouble defining what exactly they do. Still, the best way of understanding the profession of publisher is to analyse the supply chain.

### *The classic supply chain and the role of the publisher*

Currently, the author obtains about 12.5% of the sale price of their book. At the end of the supply chain, the publisher meanwhile obtains only 3%. In the United Kingdom, strong pressure is exercised from one end of the chain to the other by distributors and bookshops who are trying to increase their margins. It can therefore be the case that the discount offered to distributors exceeds 70%. Authors are also demanding a higher share of the sale price of their works.

Unlike Amazon, the publisher takes in charge many aspects of the publication of a book, starting with the editorial process and the design. These tasks will henceforward be the responsibility of the authors if they opt to diffuse their works via the internet. The publisher is also involved in the marketing, selling and packaging. The publisher distributes, prints and invests in the carrying out of these various tasks. They also pay to distribute the book to bookshops and to take back unsold copies.

### *The supply chain for eBooks*

The supply chain differs for eBooks. The role of publishers nevertheless remains essential because they meet the high costs of digitalisation, of storage and of administrative tasks. The shares received by publishers and authors are higher than in the traditional supply chain. Publishers and authors receive respectively 12% and 15% of the catalogue price, provided that production is 100% digital and that prices do not go down. If there is an even spread between print and digital production, the publisher's share goes down to 7.5%.

### *The limits of the digital model*

The digital model therefore offers an advantage, providing that digital production accounts for a large part of the overall business activity of the publisher. However, a mix of this kind will not be easy to achieve. In addition, the latest available figures indicate that in the United Kingdom, only 4% of books in printed format transit through independent bookshops. In other words, over 90% of eBooks pass through the hands of people who know nothing at all about the world of publishing. In addition, while sales of books have increased by 100% in volume, they have only increased by 40% in value. The average price of an eBook has therefore decreased by over half. As a consequence, the situation of publishers may well become delicate if such a trend continues.

### *Some reasons for optimism*

The picture is not, however, completely black. Publishers have several reasons to be optimistic about the development of the eBook. The digital format enables publishers to sell their books throughout the world with the help of advertising and marketing. It is henceforward possible to develop children's books in less static formats. Digital finally frees publishers of being confronted with the problem of estimating the number of copies of each title to order. The consequences of such errors are distinctly less important with eBooks. Finally, how can one not be happy with one's profession of publisher when, in parallel, more and more people from all walks of life are expressing a desire to publish?

**Symposium of European Publishers**  
**Holland round table**  
**Thursday 1<sup>st</sup> December, Palais du Luxembourg, Salle Gaston Monnerville**

**Presentation by Koen CLEMENT**  
**Director of WPG**

*WPG Publishers is an independent publishing group for the Dutch language area in The Netherlands and Belgium. WPG Publishers focuses on three main markets: education, books and magazines. With relevant and high quality products and services which bring beauty and insight. In 2010, the group's revenue was €201.9 million.*

The WPG shareholder is a foundation which has been in existence since 1970. This foundation has never paid out dividends or financial revenues. All profits have always been re-injected into the publishing houses, with the exception of a 20% slice of the profits which is distributed evenly to the 700 company staff. As a consequence, WPG is in a comfortable financial position.

*Flemish books - a market in difficulty*

The situation of Dutch and Flemish publishing is difficult - figures for October and November 2011 show a record fall of 10% in sales compared to 2010. Several factors explain this downturn: the 2008-2010 economic crisis and the reduction in the amount of free time the population devotes to reading. The amount of free time devoted to reading is falling due to competition from social networks, which have become serious competitors to the publishing houses. As a result, independent bookshops and a large national bookshop chain are in an unstable financial position. It is not inconceivable that some businesses will close down between now and the end of 2012.

In Flemish-speaking Belgium, the fall in sales has been less marked thanks to a number of bestsellers, particularly in the cookery book field.

*The fixed book price as a bastion*

The fixed book price appears to offer those in the publishing sector protection against economic fluctuations. However, it will take positive dynamic on the part of publishers, rather than economic protectionism, to get the market on its feet again, even though the fixed book price guarantees the existence of a very dense network of independent bookshops in Holland, in which 88% of book sales are made.

*eBooks are still on the fringes*

However, the fixed book price does not apply to eBooks, mainly because publishers do not wish it to. Be that as it may, the market share of eBooks currently stands at only 1.5% of overall book sales. Some players are expecting this figure to rise to 10% in the coming years. In addition, fixed price policy has to take into account VAT rates, which differ for eBooks and printed books: 19% for the former and 6% for the latter. The European Union will need to display a common vision in order to bring these VAT rates into line.

*Challenges to meet*

In order to meet the new market challenges, publishing houses are going to have open their minds to the new realities. They will have to show greater flexibility and acquit themselves of several professional roles: agent, copyright expert, designer and promoter.

Publishing houses will need to develop even more special partnerships with authors, whose royalties sometimes only account for 30% of their revenues. In addition, publishers will need to operate a new policy on returns, which is today obsolete, and optimise print-runs. The commissions received also need to be differentiated, since a collection of poetry and a bestseller are not aimed at the same market. Finally, bookshops need to be taken into account in this new publishing reality because they are a showcase for our profession.

## **Presentation by Herman PABBRUWE** **Chief Executive Officer of Brill**

*Founded in 1683, Brill has remained independent throughout its long history. Since 1896, Brill is a public company listed on the Amsterdam Stock Exchange. Its rich backlist contains thousands of books on international literature, humanities, social sciences, international law and science, mostly in the English language. Brill also publishes 175 journals, about 50 large reference works and related primary source collections. In 2010, their revenue was €27.1 million.*

The publishing sector in Holland is very large in proportion to the size of the country. The history of Holland and publishing goes back to the 16th and 17th centuries, when Holland was focused on trade with the Orient. Press freedom traditionally dates from this period.

### *Books in competition with other media*

Revenues from the sector have decreased by half in recent years. The sale of books is falling in the Dutch market as magazines, newspapers and databases gain ground. But books remain no less important, because they are being developed on new platforms such as mobile terminals, which offer new publishing opportunities.

Professional press editors do not rely on a fixed price, as is the case with the book market, but rather they seek to diversify. In particular, they are working on the development of licences, which may result in durable publishing policies.

### *An internationalised sector*

The Dutch publishing market is substantial, with global sales amounting to €2 billion, whereas sales on Dutch soil alone only reach €620 million. The headquarters of many international publishing houses, like Brill, are therefore located in Holland. These figures show that Dutch publishers have always looked beyond their own country in order to develop.

In addition, Dutch publishers have shown themselves to be very responsive in working with companies like Google and Amazon so that authors can find their readers and an international audience more effectively.

The majority of international publishers focus on the journal or database markets, designed for the needs of booksellers and academics, whereas individual readers are being targeted less and less by Dutch publishers. This orientation does not mean that sales are made to readers of the press, but rather to new bookshops, agents, wholesalers and brokers of all kinds.

### *The challenges of digital*

The professional publishing landscape is undergoing a profound change, characterised by the opportunities offered by new technologies. Such opportunities, which involve transforming books into an interactive medium, never existed in the past. As a result, prices can evolve in line with the functional additions.

Special attention must be paid to the confidentiality of data on account of digital data feeds. Public policies therefore need to be developed and legislation introduced to prevent the risk of digital piracy. Decision-makers should, however, be wary of distribution models which might destabilise the whole ecosystem of scientific information. The perception of a free internet is going to play an important role in the diffusion of content. The eBook market therefore needs to become economically profitable for the profession. To this end, many experiments are being carried out in Holland to assess the potential outlets for eBooks.

Certain dangers nevertheless need to be avoided, in particular the anxiety engendered by technological upheavals. Professional syndicates will therefore have to convince readers that publishing houses have become high-tech industries.

**Symposium of European Publishers**  
**Spain round table**  
**Thursday 1<sup>st</sup> December, Palais du Luxembourg, Salle Gaston Monnerville**

**Presentation by Jaume VALLCORBA**  
**Founder and Director of Acanilado**

*Founded in 1999, Acanilado is dedicated to Spanish and International literature. Among its contemporary authors are the Hungarian Nobel prize-winner Imre Kertész, Adam Zagajewsky and Marc Fumaroli. The richness and quality of their backlist has been rewarded by the National Prize, awarded by the Spanish Ministry of Culture, the City Council of Barcelona's Gold Medal for Cultural Merit and the Editorial Merit Recognition by the International Book Fair of Guadalajara. In 2010, their revenue was €2.7 million.*

The current crisis in book sales in Spain is both economic and structural. It has led us to analyse the developments in readers' behaviour. Among these developments, booksellers have noticed that readers of the past are not being replaced.

*Spanish students no longer read*

For about the last decade, university lecturers have been reporting that students of social sciences are no longer reading. A recent survey of American universities found that during their first two years of study, 45% of students failed to improve their critical thinking faculties, their complex reasoning or the quality of their writing. On average, they study for 12 hours a week, compared to 25 hours in 1980 and 20 hours in 1960. In addition, half of all students have reportedly never signed up for a course which requires them to write more than 20 pages or to read more than 40 pages a week. If university students are no longer reading, then who is going to?

Moreover, literature is progressively disappearing from teaching curricula.

*The educational system encourages the attitude that cultural content is free and instantly available*

The intensive use of photocopies in education has undermined the notion of possessing a personal library. Students have so many photocopies that they no longer think to acquire books to support them in their reading activities.

In universities, literature students are offered files consisting of book extracts, thereby dispensing them of the need to purchase the actual works. Moreover, authors receive no remuneration for this diffusion of extracts from their works. These files are now available in PDF format on virtual spaces, the development of which is encouraged within universities.

*eReading encourages fraudulent reproductions*

In Spain, the overall revenue of publishers stands at €1.95 billion. The figure for piracy is estimated at €793.2 million. These fraudulent reproductions concern 77.3% of all digital content and 49.3% of eBooks. Moreover, 280,000 virtual reading devices have been purchased, but only 180,000 eBooks have been sold.

The current reading practices of students are likely to leave their mark on the future. If the cultural elites have disappeared, it is up to the education system to remedy matters. Our future needs to be constructed with the help of educated citizens, who are used to reading and possessing a personal library.

## **Presentation by Jesús BADENES** **Chief Executive Officer of Planeta**

*Founded in 1949, this group is the eighth largest in the world. Apart from publishing houses, it holds firms dealing in direct sales, distance learning and audio visual creation. As well as publishing subsidiaries in Spain, the group has branches in Latin America, the USA and Portugal. In 2008, Planeta acquired the French publishing group Editis. Their revenue was €1.8 billion in 2010.*

After a period during which readership increased, the book industry has fallen back to its 2005 level. At the current time, Spanish publishing generates €3 billion, of which €2 million comes from eBooks. In 2011, digital publishing accounted for 0.2% of the entire Spanish sector.

### ***The place of ePublishing***

In the United States, it accounts for a large proportion of the market, in the region of 8 to 9%. The total revenues from traditional formats are lower than the revenues generated by ePublishing. Publishers make 45% of their products available on Amazon. As a result, this means of disseminating eBooks is good for investors and for publishers, in contrast to Spain where the profitability of ePublishing is lower than that of print publishing.

Few players are involved in the world of electronic distribution. Electronic platforms from America are therefore seeking to further increase their market shares, since once an actor has 7% or 8% of the market they are in a position of strength to dictate their terms.

### ***Booksellers remain publishers' best partners***

The situation is cyclical. Booksellers should not be abandoned; rather, their role should be strengthened. The transformation of their role should increase their power to compete against companies like Google and Apple. That said, while the latter pose a threat to the publishing sector, they also represent an opportunity: they enable publishers to reach a larger audience and readership.

### ***A growing Spanish market.***

The elites are continuing to read. In Spain, book sales are rising. At the beginning of the noughties, 39.6% of Spanish people bought books. Today, that percentage stands at around 55%. These figures are lower than those of the German and French markets, but higher than they were previously in Spain. It is true that university students read less, but these generally rising figures suggest that the Spanish are reading more books for leisure.

The Spanish market is therefore growing, so publishers can be optimistic about the differential between the percentage of sales in Spain and that of other European countries, currently calculated to be 70%.

### ***Constructing a more creative product range***

Technology is one of the best avenues for winning over new readers. It requires the offering of a more creative product range. However, the challenges do not only lie in the transition from a printed version to an electronic version. New formats need to be created in order to enhance the attractiveness of the eBook.

One of the other necessary developments involves adapting the size of books - today's readers are not prepared to read a 600-page work in the current electronic format. However, neither the United States nor Europe have made this transition.

It is up to publishers to construct this new market, in which traditional publishers cannot invest in the same manner as Amazon. Selecting good content and promoting it strongly has always enabled the book industry to develop. These positive activities need to be pursued in the future.

**Symposium of European Publishers**  
**Poland round table**  
**Thursday 1<sup>st</sup> December, Palais du Luxembourg, Salle Gaston Monnerville**

**Presentation by Barbara JOZWIAK**  
**Chief Executive Officer of PWN**

*When it was created in the 1950s, PWN was the only publisher of dictionaries and encyclopaedias in Poland. Today, the group is the largest in the country with the most varied production in the market, including digital. As well as publishing subsidiaries, PWN also owns Azymut, the largest distributor in Poland, and a dozen book shops. In total PWN Group consists of 15 legal entities. In 2010, the group's revenue was €77.3 million.*

In Poland, the book market is not governed by any specific law. The prices are not printed on the actual works. However, a powerful antitrust bureau protects against the possible abuses of an unfettered market. The year 2010 saw a 17% fall in retail sales. In this context, bookshops regularly apply discounts of up to 50% on the sale price of publications. On top of this, publishers in particular are subjected to pressure from wholesalers in terms of payment and rights of return.

*A two-speed market*

The Polish printed book market is slowly declining as the eBook market develops. The sale of eBooks is currently limited to bestsellers. Publishers would like to raise their prices and diversify their products, but distributors are not yet ready for this. As a result, publishers produce increasing numbers of publications on demand. This new practice enables them to better control their needs in terms of working capital.

In 2011, a 5% VAT rate was introduced for the sale of printed books while a 23% VAT rate was imposed on eBooks. Retailers, booksellers and wholesalers are attracted to the publishing business as a means of increasing their margins. In 2011, for example, the Polish equivalent of the Fnac, the Empik chain, acquired three publishing houses. The incursion of these new players into the market limits the commercial scope for established publishing houses. On top of this, bookshop chains impose their margins on publishers.

*The situation regarding schoolbooks*

In the field of schoolbook publishing, the margins of the publisher and the distributor are lower and the cost of distribution is higher. In Poland, parents assume the costs of publications for their children. The Ministry of Education recently obliged publishers of schoolbooks to adjoin an electronic copy to every schoolbook. Polish libraries constitute a very limited market, accounting for revenues of €2.5 million a year.

*eBooks are not always attractive*

Consumers expect to find free content on the internet. Not only are students reading less and less, but they are refusing to pay for the knowledge they seek. They shun electronic publications for which they have to pay, even if the cost is a minimal €1. Students prefer to scan whole swathes of printed books, to such an extent that Polish publishers are currently seeking solutions in order to combat piracy.

As for authors, they remain reticent about new technologies. They willingly enter into a contract for a printed publication, but often reserve electronic publishing rights. In addition, ePublishing generates new costs for publishers. These costs are associated in particular with the conversion of files and the excessive copyright fees demanded by the designers of new multimedia editions. Polish publishers are also affected by the very high cost of licences for translating foreign works.

### *Diversifying the product range*

Given these various developments, Polish publishers need to become service providers. They need to offer consumers products which go beyond the traditional definition of the book.

PWN has been publishing electronic works since 2005. PWN has committed itself to responding to the digital challenge by developing multimedia product ranges in the educational and teaching domains. These include electronic language-learning methods, online atlases, eBooks and virtual databases in the cultural and scientific fields. PWN is also involved in developing content for new electronic platforms like smartphones and iPads. In addition, in 2012 PWN plans to road-test a digital tool which will enable students to build their own virtual library.

In spite of everything, the future is promising because it looks like being rich in creativity. Publishers will need to be in tune more than ever with the needs of their readers. They will also need to appreciate that, while the age of print publishing is almost superseded, the age of electronic publishing promises some attractive opportunities.

**Presentation by Piotr MARCISZUK**  
**Chairman of Stentor and Vice President of the Federation of European Publishers**

*Publisher of textbooks since 1993, Stentor also has a literature and humanities list. In 2007, Stentor launched Kora, an imprint specialised in books for children and young adults, some of which have received the Astrid Lindgren Prize. In 2010, their revenue was €1.5 million.*

The Polish book market is relatively restricted. There is a structural explanation for this situation – there are less than a thousand bookshops. However, over 70,000 titles are available.

***Book distribution in Poland***

Distributors are eating into the margins of publishers. In addition, they impose payment periods which regularly exceed six months. Publishers are beginning to refuse delivery of books to booksellers on account of these delays. For their part, authors and readers are expressing their dissatisfaction at the unavailability of publications. Concomitantly, advertising campaigns are encouraging readers to frequent small booksellers, who care more about having a convivial relationship with publishers.

The eBook market comprises 12,000 titles, or 17% of all titles sold. However, this only represents 1% of the total revenues from the book sector.

***The educational book market***

The situation in the educational book market is even less heartening. Any educational publication requires the approval of the Ministry of Education. In addition, the content of electronic publications is rigorously identical to that of the printed version. It would of course be preferable if the electronic versions were ambitious publications that exploit the possibilities of multimedia. It should be noted that in this respect, the Norwegian government have put a specialised structure in place for adapting the educational field to new publishing technologies. This has reduced schoolbook publishing in Norway to zero. The experiment also showed that young people use computers less for reading than they do for doing their exercises.

In Poland, publishers of educational works are restricted to the role of a public service auxiliary. However, as private businesses, they naturally expect a return on investment for their activities. They aspire to a commercial margin which they do not have. It should be borne in mind that the domain of European education accounts for 30% of publishing revenues in Europe.

The publishing sector in Poland is preparing itself for a major debate on educational publishing at a time when the public authorities are seeking to develop a public structure for electronic books. This project would be a heavy blow to private publishers. It would also be negative for the readership, because private publishing guarantees the ideological neutrality of the content. In addition, the Slovenian example shows that the content of school publications cannot be updated for many years when the Ministry of Education is unable to provide subsidies.

It is also worth remembering that when the government in Croatia decided to get involved in the publishing market, they demanded a 10% reduction in prices!

The publishing sector needs the protection of the State rather than competition or hostility. European educational publishers should campaign together to ensure that their independence and their commercial imperatives are respected.

In addition, the current discussions at WIPO (World Intellectual Property Organization) about a worldwide copyright exception for libraries, which precede the debate on exceptions for educational material, are illustrative of how copyright is being called into question, even within the international body that is dedicated to it.

**Symposium of European Publishers**  
**Sweden round table**  
**Thursday 1<sup>st</sup> December, Palais du Luxembourg, Salle Gaston Monnerville**

**Presentation by Eva BONNIER**  
**Literature Department Director at Albert Bonnier Publishing**  
**and President of the Swedish Publishers' Association**

*Owned by the Bonnier family since its creation in 1804, Bonnier now includes 175 firms in 17 countries. In 2010, the revenue of the group totalled €698.44 million, of which the book sector represents more than 20%.*

Swedish publishers would, above all, like people to read more! In the face of the various threats which weigh over publishing (falling prices, the decline in bricks and mortar bookshops and the erosion of young readerships), the Association of Swedish Publishers has focused its thinking on the fundamental expectations of consumers.

#### *The Swedish system - a deregulated market*

The system of freely setting prices seems today to be perfectly acceptable to players in the Swedish book industry. Sweden does not have a body which enables publishers and authors to collectively negotiate the terms of their collaborations, which are generally long-term arrangements.

The publisher and author negotiate the terms of their contracts face to face. To date, the development of the digital market, which accounts for around 10% of publications, has not had a major impact on these relationships.

More and more frequently, royalties are calculated on the basis of the net revenue from the sale of the book, which is to say the retail price with VAT and any discounts deducted. The deregulation of the market seems to be having a positive impact both on industry players and consumers. Sweden has around 300 booksellers. However, competition between publishers and booksellers remains fierce and tends to push prices down, which suits no one except the consumer.

#### *The decline of traditional bookshops...*

While online bookshops are growing, a third of Swedish communes, home to 10% of the total population, no longer have bricks and mortar bookshops. *'The Association of Swedish Publishers are taking this problem seriously,'* says Eva Bonnier. It is taking an active part in a seminar focusing on the future of Swedish booksellers and publishers, the aim of which is to establish better cooperation between them.

#### *... to the advantage of online sales*

Sales made via internet platforms today account for 30% of sales in Sweden. The vast majority of these sales are of Swedish publications. It should be noted that department stores are also playing a front-line role.

These days, Swedish publishers publish their new titles in several formats: hard-cover edition, paperback, audiobook and eBook. The pirating of eBooks is becoming an increasingly pressing problem for the book industry.

#### *Characteristics of the Swedish readership*

Every year, 90 million books are sold in Sweden, equating to around nine books per inhabitant. Still today, the enthusiasm for Swedish authors, including the authors of best-selling detective novels, remains very strong. Also, most Swedish publishers consider that translations have become too expensive, bearing in mind that Swedes like to read foreign publications in their original version.

There is a long tradition of reading in Sweden. As many studies on the subject have shown, this tradition is unfortunately being lost, particularly among boys. When reading habits evolve, it is more difficult for publishers to target the readership and their expectations.

To maintain reading levels in Sweden, the role of schools and libraries is crucial. Young Swedes must be able to experience well-written stories very early on in life.

*What role can Swedish publishers play in the face of a declining readership?*

Through the sale of eBooks, Swedish publishers can encourage more people to read, including an older readership. E-Books can be downloaded any time and anywhere. The primary role of publishers is to publish books of quality which are interesting, educational, surprising and informative and which genuinely encourage people to read.

*Other avenues for reflection*

In order to cater to the needs of people who do not wish to own eBooks, 'electronic lending libraries' could conceivably be created. This model, which has already been implemented in the United States, does not seem to have been well-received by librarians because it requires them to obtain numerous, very expensive licences.

Swedish readers need to have access to a physical space for books, which can encompass the wide diversity of Swedish publishing. The Swedish government recently established a commission charged with putting forward proposals for increasing readerships and reading levels in the country. The Association of Swedish Publishers is following the work of the commission with interest.

## **Presentation by Dag HERNIED** **Director of Alfabet**

*An independent publisher of fiction, non-fiction and children's books, Alfabet produces between 60 and 70 new titles each year. Since 2001, they have been publishing the adventures of the Moomins. Alfabet is the majority shareholder of the publishing company Ordfront. In 2010, the revenue of the two companies was €5.2 million.*

In Sweden, book sales have plunged by 10% over the last three years. The major distribution chains are complaining about large losses and seem to be unsure of their precise role within the book industry. They are trying to impose lower and lower prices on publishers. Independent Swedish publishing is caught in a vice between distributors and wholesalers. This situation has prompted a dozen or so independent publishers, including Alfabet, to get together to think through a number of issues.

### *Various avenues for reflection*

The aim of the discussions currently being held among independent Swedish publishers is to:

- 1/ Define how to respond to the demands from the major distribution chains for prices to be lowered.
- 2/ Identify the opportunities for developing independent publishing.
- 3/ Support the development of the digital market.

The sale of eBooks is soaring impressively in countries where central players like Amazon are established, such as the United Kingdom and the United States. Everywhere else, including in Sweden, sales of eBooks account for less than 1% of the total market.

In any event, independent Swedish publishers would ideally like to set up a system in which sale prices are not lowered and the profitability of publishers is not diminished, but this seems to be a Utopian ideal.

### *The threat posed by the major distributors to independent Swedish publishers*

Independent publishers seem currently to be experiencing the same fate as Swedish booksellers who sell printed books. The threat comes in large part from the major distributors, who essentially sell bestsellers at very competitive prices, not to reap profits but to attract customers. This strategy is also adopted by other players outside the book industry. As a result, independent publishers are unable to maintain the price levels which would guarantee their long-term survival.

Given this state of affairs, independent Swedish publishers would like to hear the views of participants in the Symposium of European Publishers on the following issues:

- 1/ What is the future of the digital market in terms of sales and impact on the various categories of publishing?
- 2/ Are paperbacks destined to disappear?
- 3/ Will the development of the digital market allow for the greater emergence of the print market for illustrated books or educational books for children?

**Symposium of European Publishers**  
**Germany round table**  
**Thursday 1<sup>st</sup> December, Palais du Luxembourg, Salle Gaston Monnerville**

*Absence for health reasons of Rüdiger Salat, Executive Director of Holzbrinck.*

**Presentation by Michael KRÜGER**  
**Director of Carl Hanser Verlag**

*Founded in 1928, Carl Hanser is organised around two poles: one focuses on technical books, the other on literature and children's books. They have branches in Austria, Switzerland and the USA. The revenue from their activity in Germany is approximately €50 million per year.*

Of the sector of the population which leaders pay attention to, only a small proportion read books. There was a time when this fact posed a problem. Previously, books promoted the existence of another world. *'Is writing still concerned with freedom?'* asks Michael Krüger. No. In a free and democratic society, statistics are just statistics.

*An ideal situation?*

According to the statistics, the German book industry is currently a paradise. Production remains substantial and will probably remain so in 2011. Some delight in the figures and others do not. Politicians are delighted to see that the population is reading. However, the statistics apply to all printed books without distinction. No statistics reflect the cultural state of the country. No questions are asked about the quality of books, the motivations of readers or the necessity of reading.

*A changing book industry*

At the end of the 18th century, Kant and Fichte analysed the meaning of intellectual property and examined the necessity of protecting it as a value. Bookshops distributed books to the population. German publishers, meanwhile, gathered in Leipzig and commissioned books. At that time, the notion of 'returns' was still unknown. However, this fruitful relationship, developed between the various players of the book world, is coming to an end. For some, it has already disappeared. It seems that a new definition of the profession of publisher needs to be constructed.

Agencies such as Morrison predict the rapid disappearance of the author as the essential core of the publishing business. The writer will apparently tend to become an entrepreneur with a shortened shelf-life operating in a world without publishers. According to Mr Morrison, a single generation will apparently suffice for these transformations to become a reality. Will this development signal an end to the great authors? Are Mr Morrison's predictions accurate? Given the walls surrounding the paradise of publishing, his predictions may well come true over the longer term. The predicted end of the long tradition of publishing would be a worthy subject of study.

*Conglomerates, marketing and big bucks*

Forty years ago, Germany had 2,000 booksellers and 100 independent publishers. Today, 80% of literary works are published by three companies. With the modernisation and acceleration of processes, it is likely that only these three companies will still be around in 2030. Why, indeed, should they stop short of conquering the entire publishing market?

Similarly, in those forty years, only half of the booksellers have survived. 70% of books sold are now sold to distribution chains and to Amazon. The sale of books has become a question of marketing and big bucks. It no longer requires intelligence or a critical mind.

*What future for publishers?*

The talent of publishers themselves is diminishing. Previously, publishers demanded a certain quality in the books which they wanted to sell. The great publishers had a feeling for what should be published. They read and loved their books. They would never have agreed to publish a large number of the books which feature these days on booksellers' bestseller lists. We must hope that the many small publishers appearing in Germany will have this capacity to sense quality. Some of them will know exactly what they want. They won't be afraid of digitalisation. They will have good taste and will adore reading books. To my mind, they are the publishers of the future.

**Symposium of European Publishers**  
**France round table**  
**Thursday 1<sup>st</sup> December, Palais du Luxembourg, Salle Gaston Monnerville**

**Presentation by Antoine GALLIMARD**  
**Chairman of Gallimard**

*Éditions Gallimard was founded in 1911, after the creation of La Nouvelle Revue française (NRF). Today is Gallimard one of the most important independent publishing groups in the French market. Among their authors are 35 Goncourt, 10 Pulitzer and 36 Nobel Prize winners. The group publishes 650 new titles each year. In 2010, their revenue was €241 million.*

In the global book market, the editorial identities of the various publishers are tending to fade and to become confused. In France, imprints and series remain fundamental parameters and they are preserving their function as reference points for all those in publishing. However, nobody can deny that the increasing financial orientation of the sector over the last thirty years has been accompanied by an international standardisation of editorial policy.

*The digital universe is seeking to sideline publishers*

This development is excessively pronounced in the digital universe. One notes, for example, that Amazon only mentions the name of the publisher or the series of works at the very end of their presentation pages, alongside the number of pages and the ISBN number. Worse still, in the case of eBooks, one no longer speaks of the original publishing imprints, but of a *Kindle* or *Google Edition*. These semantic developments and this restructuring of the information hierarchy is progressively instilling the idea that the role played by the publisher in an intellectual or creative project is trivial, and that any old supplier could take on their role at a lower cost.

This tendency is a serious insult to publishers and their catalogues, which, by bringing together a body of works, constitute a veritable intellectual breeding ground. Indeed, these catalogues form one of the pillars of Europe as a culture, first spoken of only recently but which, in reality, has its roots in the 18th century. Literary life is based on dialogue between written works; publishers bring a coherence to this dialogue, which is the very essence of civilisation.

*The advent of format to the detriment of form*

Form is the contour of an object or of a being; it is the manifestation of a temperament. It offers the beginnings of intelligibility. It has meaning for the reader, who uses it as a reference, and for the publisher, who, through it, expresses something about himself. By contrast, format is merely a description which guarantees compatibility with the system of which it is a part. With format, one is no longer seeking coherence but simply the performance of a network and a group of services. It is a means of labelling the distributor.

It is difficult to measure this phenomenon, which is a reflection of the efforts of the large operators to monopolise a new clientele. In any event, it is not certain that the disintermediation which this entails will be enduring. A universe like the digital universe, in constant mutation, needs mediation and guidance. Consequently, it is the responsibility of publishers to advertise their expertise in literary and academic subject matters as well as the expertise of their partners.

*Acting together and on a European scale*

To do this, publishers need to draw on the physical presence of booksellers and on their curiosity. To assist them, the only way forward is collective and concerted action. France is an example of successful market regulation, thanks to the fixed book price law, which has been accompanied by a rise in prices below the rate of inflation and has helped to preserve diversity. This example should encourage us to develop a dialogue with the European Union and, more generally, to strengthen the spirit of dialogue in Europe in order to reinforce the values underpinning the stance of publishers.

## **Presentation by Arnaud NOURRY** **Chairman of Hachette Livre**

*Hachette Livre is an international publishing group founded in 1826. Their production covers every editorial category. Today, Hachette Livre is the second largest publishing group in the world on the trade book market. In 2010, the group's revenue was €2.2 billion.*

Whereas in the United States, one in every four books sold is electronic, and in the United Kingdom the ratio is one in every ten, electronic publishing generates hardly any sales at all in France. Hachette sells 50 million books every year in the United States, of which 12 million are electronic. In France, those working in the sector have not rushed in, even though, since the autumn, the platforms of the Fnac, Apple and Amazon have been available.

### *Publishers protect themselves by setting their prices*

The primary element of the French publishing environment, which sets it apart from others and forms the basis of its solidity, is the publisher's ability to fix the price of the book. This model can clearly be exported, because it has been partially adopted in the United States. When the electronic book market was emerging, distributors wanted to set a fixed price for all publications: \$9,99. Booksellers and other sales outlets went up in arms against what they considered to be disloyal competition, which might have dragged the book industry into a spiral of price reductions which could have led to its collapse in a process comparable to that of the music industry in the face of piracy.

### *Electronic products need to be protected*

Second point of importance: the fight against piracy. The French publishing sector can confront this issue thanks to the dynamism of its digitalisation operations and to its vigilance, which has resulted, for example, in the setting up of HADOPI. For its part, Hachette calls upon the services of a provider to permanently monitor the internet in order to detect pirates and discourage them from their activities. Nevertheless, 40% of the company's best-selling titles are already available in an illegal version.

Next, it is essential to offer a legal and attractive range of products to readers. To do that, it is necessary to equip all our bookseller partners. The structuring of this product range is one of the prerequisites for the durability of the French system.

In addition, VAT should be the same for the various formats of a single publication.

### *The crucial role of traditional bookshops*

Finally, the system can only endure if a network of bookshops is maintained, whether they are independent or part of a chain. Booksellers are the players who are genuinely likely to promote new voices and to offer readers a more enriching experience than they would get from a platform. There is no magical formula for achieving this objective, but the publisher's desire to develop the bookshop sector is one reason for being optimistic.

### *Electronic publishing as an opportunity*

Electronic publishing preserves the role of the publisher. The internet is in effect no more than a vast echo chamber filled with inaudible voices. In this context, publishers' imprints, and the legitimacy which they bestow on published texts, are essential. In addition, electronic publishing is an opportunity to reach out to a global clientele. It is also an opportunity to invent new modes of creation, particularly for illustrated works. In any case, booksellers will retain a more fundamental role in creating an audience for authors than social networks. They must therefore be defended so that the different branches of the book profession may conserve at their heart the notions of talent and pleasure.

**Symposium of European Publishers**  
**Synthesis of the morning's discussions**  
**Thursday 1<sup>st</sup> December, Palais du Luxembourg, Salle Gaston Monnerville**

**Drafted by the moderators and delivered by Olivier NORA**  
**Chairman of Éditions Grasset and Éditions Fayard**

*Beyond the divergences, common challenges*

One cannot fail to notice the diversity of the eight countries represented today: different VAT rates, regulated systems and fixed book prices for some, deregulated systems for others, markets where the revenue is sometimes very substantial and sometimes less so, and where the importance of exports is variable. However, across this selection of large groups and independent publishing houses, it is striking to note the extent to which the challenges are similar and how the problems encountered and the way of confronting them are virtually identical, whether one is a small or large company, independent or part of a group. A consistency is emerging in the European continent's approach to books which is quite radically different to the approach seen in the United States.

If there is a general message to retain from this first day, it is that in these common challenges, there is something which relates to a key point Antoine Gallimard made during his presentation: namely a path towards a culture of Europe.

*The five points addressed in the first part of the discussions*

Firstly, the need to reassert the value of the publisher's role. The more we go down the path of disintermediation, the more we find ourselves in universes awash with indiscriminate information where no added value has been contributed through intellectual debate. Imprints, design, the book as an object and its production turn out to be of even more crucial importance.

Secondly, supporting independent bookshops as a guarantee of cultural diversity. We have seen, in the United Kingdom in particular, that independent bookshops account for only 4% of the book market and that in Poland the fabric of bookshops still needs to be woven. Regulatory policies have therefore helped to preserve a dense and high-quality network of booksellers, particularly in France, Holland and Germany, and they seem to offer an example to follow. We have also seen that the overly concentrated distribution of electronic books can seriously affect diversity and the independence of editorial creation.

The third point, which was important for everyone, was to put an end to variations in the rate of VAT depending on the medium, printed or electronic, in order to allow for the development of a legal and attractive range of eBooks. In this respect, the confirmation by the French President that a lower rate will be applied to the electronic book as of 1 January 2012 sets an example to follow throughout Europe.

Fourthly, reasserting copyright in the digital era. Copyright, far from being an obstacle to accessing knowledge, constitutes more than ever a pillar of the creative economy. Piracy is a serious threat to the book chain, and Open Access, when it is not financed, is no more than a falsely generous ideology which is part of the same process of destroying the value of creative industries. There is a risk that the current debates within the OMPI will lead to a serious and paradoxical calling into question of copyright, and will affect the economic equilibrium of intellectual creation.

Finally, the fifth point: pupils and students are observed to be reading less. This concern was expressed by most speakers, who predict an inter-generational gap in reading practices.

Conclusions about digital publishing were more ambivalent. Electronic publishing is both an obvious destabilising factor in the book economy and an obvious source of new opportunities, offering the possibility of reaching out to readers throughout the world or to new readers who do not visit bookshops and, above all, of creating new forms. Perhaps in feeling our way through the digital universe, at the interface or intersection between paper, image and sound, new objects will emerge which will be genuinely creative objects.

*Second part: Discussion with French and European representatives  
from ministries and public institutions*

**Symposium of European Publishers**  
**Discussion with French and European representatives**  
**from ministries and public institutions**  
**Thursday 1<sup>st</sup> December, Palais du Luxembourg, Salle Gaston Monnerville**

**Presentation by Jacques LEGENDRE**  
**Senator, Vice President of the Commission of Culture, Education and Communication**

*The importance of reduced VAT on all publication formats*

Since the *loi Lang*, there has been a fixed book price. Debates are in progress with a view to a fixed price for electronic books too. However, there remains the problem of exporting these objects. In addition, the European authorities consider them as industrial products rather than as products of the mind. This is why they do not accept the application of a reduced rate of VAT to them, especially when these electronic books are sold by booksellers outside France and indeed outside Europe. Parliamentarians therefore fear that their project will be called into question. Politicians, and in particular the government, have nevertheless opted to confront Brussels in order to support a text which is not limited to French soil.

*Electronic publishing - an opportunity to win over new readers*

Technological developments are shaking up the habits of lovers of books and paper. Two years ago, at a time when the digitalisation of the holdings of the Bibliothèque Nationale de France was at the centre of preoccupations, the Senate Commission decided to study the effects of the arrival of electronic books in Canada and the United States. The share of electronic books in the overall sales totals is constantly rising in these countries and it is likely that things will develop in a similar way in France, despite the attachment to the printed book. This is why it seems essential to try and take advantage of these developments and to potentially win over a new category of reader. This was one of the reasons why it was necessary to fight for the extension of the fixed price to electronic books.

*The need to facilitate access to out-of-commerce publications*

On 8 December, senators are going to examine a draft law on the publication, in electronic form, of 20<sup>th</sup> century literature which is no longer accessible to the public. A good part of contemporary living thought resides in these works. Consequently, it is essential to facilitate access to them. However, the project is not without its difficulties. Certain works are orphans and it is difficult to identify the holder of the copyright. It is certainly not the intention to call into question the author's copyright or intellectual property rights. The reader must, however, be able to easily access these works, which are currently stranded on a few rare shelves in a small number of libraries. There is no doubt that a solution can be found which respects the rights and roles of all, including authors, publishers and librarians.

The draft law submitted to Parliament is the fruit of numerous consultations, which publishers have been particularly involved in. It is in any case necessary to act quickly. The senate elections and the next presidential election have shortened the normal time-frame for the legislative procedure. All parliamentarians are conscious of the importance of the text, so it is possible to entertain the hope that it will be adopted before the forthcoming elections. Readers would then find themselves served as they should be, and the cause of knowledge will thereby be strengthened.

*Reviving an appetite for reading - an imperative*

In addition, the question of the younger generation's appetite for reading needs to be addressed. Events need to be organised to teach children very early on to love books, whether printed or electronic, because the co-existence of these two media is the objective which should unite all the players in the field.

**Presentation by Yves CARMONA**  
**Deputy Director of Cultural and French language Policy, Ministry of Foreign Affairs**

*The collaborations which involve the Ministry of Foreign Affairs in the publishing sector*

The Ministry of Foreign Affairs is closely following developments in the book sector. The public authorities need to be attuned to the changes and mutations being brought about by technological developments so that they can provide appropriate responses. From this perspective, a collaboration between sector professionals and the public authorities would appear to be essential. In addition, the study conducted by the *Bureau international de l'édition française* on international practices concerning electronic books was co-funded by the Ministry of Foreign Affairs. The study gives a clearer overview of digital rights issues, territorial issues and the electronic product ranges developed by leading countries in the field.

A similar collaboration also exists with the Ministry of Culture and Communication, the *Centre national du Livre* and the *Institut français*, responsible for overseeing the book support programme of the Ministry of Foreign Affairs.

*The types of action*

Four types of action illustrate the support policy of the ministry. Support for the translation of French works into foreign languages is essential; as is the promotion of debating ideas as part of the development of a new form of influential diplomacy. The reconstruction of publishing circuits in francophone southern countries is a particular challenge, given the situation in sub-Saharan Africa. Finally, the French cultural network abroad constitutes a very special system. Through it, cultural attachés and book officers promote French and francophone ideas, works and authors, thereby contributing to the dynamism of French publishing in terms of export. Around the world there are 30 French *bureaux du livre*. They contribute to the influence of French publishing and encourage translations with the help of a publication assistance programme. This programme has supported 18,000 titles in 20 years and serves as a relay for the sector's national initiatives. The *Institut français* has a budget of €6 million to undertake these actions.

*The reasons for this involvement - the links between literature and diplomacy*

For a start, publishing is the leading cultural industry in terms of revenue, but the activities of the Ministry of Foreign Affairs are justified too by the special relationship which it entertains with the world of letters. Over the course of history, there have been many exchanges between the world of letters and the world of diplomacy, from Chateaubriand to Saint-John Perse to Romain Gary. Today, Daniel Rondeau is the permanent representative of France at UNESCO. A writer defending cultural diversity on behalf of France is indeed a handsome symbol.

Cultural diplomacy involves drawing on the strength of French culture in the service of its global influence. Books, in whatever form they take, are essential in this context.

Indeed, French has often found itself at the heart of expressions of indignation emanating from protestors in the Arab revolutions. There are many writers whose spirit of contestation and revolt has been nourished through their frequenting of French writers. The young bloggers who have participated actively in the revolutions also often express themselves in French.

Finally, the Law of July 27, 2010 on the action of the State abroad appointed a new entity responsible for cultural promotion: the *Institut français*. It is presided over by a man of letters: Xavier Darcos, an agrégé professor of literature and permanent secretary of the Academy of Moral and Political Sciences. This choice is significant. It reflects the desire of the French President to place the French language, intellectual debate and books at the heart of France's cultural promotion.

## Open-floor discussions

**Antoine GALLIMARD:** In the presence of European publishers, we shouldn't conduct a debate which only concerns France. It is, however, important to emphasise the importance of the support structures for publishing, which is the leading cultural industry. Parliamentarians are important interlocutors for facilitating the sector's adaptation to developments in the market.

Nevertheless, concerns have arisen regarding the suppression of certain external cultural attaché posts. The translation support programmes are also very important. Against the backdrop of policies to reduce budgetary deficits, one may wonder about the future of these programmes.

**Yves CARMONA:** In the framework of the General Review of Public Policies, 271 of the 5,000 posts in the culture and cooperation network have been cut. So the situation is not dramatic.

This policy review has also been an opportunity to map the network, which has enabled us to conduct a thorough review of our mode of functioning in order to encourage potential synergies. The professional bodies concerned were consulted as part of this process. 30 *bureaux du livre* continue to exist around the world. No other network is as strong. France's cultural promotion around the world is developing in the direction of a better mutual sharing of tasks.

**Jean-François COLOSIMO (President of the *Centre National du Livre*):** The book industry is, however, particular in that it is much healthier than other cultural industries. Cinema, for example, owes its survival solely to the *Centre National du Cinéma* (CNC). The French book industry, in contrast, does not owe its survival to public aid. Between 22 and 25% of the revenue of French publishers is generated abroad. So they themselves represent French culture around the world.

On top of this, the CNL has devoted as much money to exporting French literature as to importing foreign literature. This spirit of initiative and exploration on the part of publishers explains why 16% of books published in the world are published in France, and in French. It is this ideal of reciprocity which underpins today's gathering of publishers. Multilateral exchanges will help us to limit the encroachment of a globalised culture, which would be little more than a sub-culture, feeding vampire-like off national cultures.

## **Presentation by Jacques TOUBON** **Former Minister of Culture and Communication**

### *A European model to be adapted*

The publishers of the various European countries represent various ways of exercising their profession. A communal approach can nevertheless emerge. Indeed, meeting authors, booksellers and publishers helps us to discern a European model. The main American publishing houses are, moreover, European, or belong to European companies. The European model of the book industry is therefore one of the only sectors where Europe serves as a model, both from an economic point of view and at the level of expertise.

Of the top ten publishing companies, eight are European and two are American. The total revenue of these companies reaches \$21 billion. This sum is relatively modest when compared to Google's revenue, which reaches \$25 billion. It is therefore true that a certain model exists, but it seems that the world is organising itself, with the new technologies, on bases which surpass this model and may well call it into question.

### *The need for a European policy in support of the publishing industry*

The only solution is to apply a European policy. A creative national industry would not be sufficient, even though books imply languages and specific historical depths. Europe should not contribute to the disappearance of identities, but at the economic and industrial level, it seems essential to conduct affairs at the community level.

The book industry is not a heavy industry. Until now, such industries had been protected by distance and language. However, all books carry a universal intellectual message. This is particularly the case with French publishing. The industry is therefore strongly anchored as well as being universal. Today, new technologies are giving rise to the virtualisation of books and are generating a universality in the opposite direction. It is no longer a case of carrying the universal message of France, of Sweden or of Germany but rather the message of a sort of global formatting, carried by virtual platforms and networks. It is within the framework of this development, which removes natural forms of protection and promotes an imposed universality, that European policies must be directed.

### *The objectives which European policy should meet*

This policy should achieve two objectives. The first is that of economic balance and the profitability of the publishing industry. In Europe, the existence of cultural specificity depends on it being upheld not just by States but is also by productive, modern and profitable companies. As a consequence, European policy must contribute to the transformation of traditional industries into industries adapted to the new era generated by technology. Only then will companies be able to generate revenues and jobs.

The second objective is to enable everyone to access every work. Democratisation and the promoting of diversity can be facilitated through new technologies, providing that they are not subject to an oligopolistic mindset, which could only possibly lead to standardised formatting and an accentuation of the digital divide.

### *Means of action*

A European industry should take three elements into account. The first is the constitution of an internal European market. It will be necessary to adapt intellectual property law in order to give depth to the continental market. Next, regulation is indispensable. The electronic book market should not be handed over to players who are capable of selling a book worth €20 for only €4, on pain of seeing the market monopolised by the most powerful players, as was the case with music. The setting of the book price by the publisher seems to be the best solution to this danger. Finally, fiscal incentives, and in particular the application of a reduced rate of VAT, are a conceivable option.

In addition, each country has developed its own support and cultural promotion policies. The book industry is aided less directly than the cinema industry, for example. In this respect it is an exemplary case of what might be regarded as an optimum convergence of industrial policy and cultural policy. Books are the focus of a remarkable combination of the policies of industrial companies and the intervention of local, national or European authorities.

International competition no longer opposes companies or nations, but rather the various ways of approaching the digital economy. The Americans, the Koreans and the Japanese are ten years ahead of us. In certain domains, particularly the music world, it will be difficult to catch up on their head-start. On the eve of the explosion of the electronic book market, a European policy should help the market to remain open. European industries will thereby be able to develop, to be profitable and to generate jobs and revenues in Europe. It would then be possible to continue to publish all the authors and all the forms of books, for all audiences and at every price.

### Open-floor discussions

**Richard CHARKIN:** Publishing comprises two elements. The first has to do with strategy, with the capacity to decide on overall directions, and the second has to do with guerilla warfare on a more limited scale, with the capacity to take concrete decisions. Disintermediation is the central problem which publishers have to confront. It is not possible, for example, to prevent Amazon from presenting publications under the label *Kindle Edition*, which replaces the names of the publishers. Currently, the publisher's brand name appears on the spine of the book, which enables it to be identified on bookshop shelving. However, the spines are invisible on the internet. As a result, the publisher's brand name needs to feature in sufficiently large letters on the cover rather than on the spine. Indeed, Amazon allows you, by using the metadata, to place the publisher's name in large lettering on the cover presented on the website. If all publishers exploited this possibility, Amazon could do nothing about it.

**Jacques TOUBON:** France's objective is to develop European services and platforms, which implies not using brands other than those of the publishers. Publishers must therefore develop new practices and create new platforms under the brand name of each publishing house. In Europe, publishers and IT professionals should work together with this ambition in mind. The skills exist, and they need to be put into action for Europeans. It is a question of political motivation which concerns both institutions and publishers, who must get together to create such an arrangement.

**Presentation by Marisa FERNANDEZ-ESTEBAN**  
**Policy Officer, European Commission – globalisation, copyright, competition sector**

The internet represents an opportunity but also a challenge. The European Commission wishes to help the participants here today by putting forward a legal framework for developing new economic models and for guaranteeing a promising future for the publishing sector. At the beginning of 2011, a 'Comité des Sages' (Reflection Group) published a report on digitalisation, online accessibility and the preservation of European cultural heritages. In its activities, the European Commission is following the recommendations of this report.

*The initiatives of the European Commission*

The Comité des Sages had already highlighted the fact that digitalisation should not serve as an excuse for reducing the share of revenues enjoyed by authors and creators. Copyright is a lever of dynamism and competitiveness which supposes that all creators are remunerated. It is therefore essential to safeguard their rights and to develop new economic models. This is the objective of the strategy developed on intellectual property, approved by the Commission in November 2011.

The first proposal of this strategy concerns orphan works. Its objective is to create a European legal framework for the mutual recognition of the orphan character of works under consideration. An agreement was also reached on the subject of out-of-print works. It was signed, notably, by the Federation of European Publishers.

*The European Commission's projects for the future*

In 2012, the Commission will initiate a review of the directive on the respect of intellectual property rights, and examine the need to define new measures to reinforce protection against violations. This directive, adopted in 2004, needs to be revised in view of the growing number of infractions of intellectual property law on the internet. The aim is to update the legal framework to ensure optimal and adequate protection.

In addition, the European Commission must respect the objective of promoting Europe as a centre of creativity and innovation. To this end, it encourages the creation, promotion and distribution of all digital content. In particular, it is necessary to create high-performance digital platforms. This process implies the application of innovative commercial models which guarantee a balance between fair remuneration for rights holders and bringing access to content and knowledge to a wider public.

*The Creative Europe programme*

One of the Commission's initiatives is called 'Creative Europe'. Its aim is to support, within a single framework, all those involved in culture and creation, with the help of a budget of €1.8 billion for the 2014-2020 period. This programme will be aimed at culture professionals to help them promote cultural and artistic diversity. In particular, it plans to co-fund the translation of over 5,500 books and works of literature so that everyone can appreciate them in their native language. To date, only 300 titles have benefited from the support of the current structures. In addition, the programme will comprise a sector-specific component. It consists of a financial guarantee, managed by the European Investment Fund, to help enhance the access of smaller structures to funding.

**Presentation by Frédéric MITTERRAND**  
**Minister of Culture and Communication**

*France's publishing relations with other European countries*

The publishers present at this Symposium represent, in the domain of the book, all the diversity of knowledge and literary creation of the continent. They constitute the European republic of letters in all its linguistic diversity. For a long time, those involved in the book sector have also been giving substance to the Europe of culture. The eight countries represented here are at the heart of the exchanges between European publishers. Spanish and Italian are the leading languages into which French is translated. Over the last five years, relations with Germany have become closer through the increasing number of professional meetings. Exchanges in terms of rights with the United Kingdom are highly unbalanced. These exchanges should enable us to define new horizons in order to encourage reciprocity in cultural exchanges. Swedish publishing production has achieved an impressive breakthrough in Europe with the help of the sales juggernauts that have emerged from its school of detective novels. Poland has acquired the rights to several hundred French titles and constitutes an important base for developing relations between publishers in central and eastern European countries. Finally, professional relationships are developing with Holland. The prospects there are remarkable, particularly in the sector of books for children and young adults.

*A diversity of approach to common challenges*

Not all issues are approached in the same way in all countries. The exchanges nevertheless reveal common challenges in developing the book sector. This is particularly the case with setting a fixed price for books, which, depending on the country, is the role of the publisher or the bookseller. The same applies to the structure of the book chain and especially to the relationship between authors, translators and publishers. Electronic publishing constitutes a new arena for reflection and leads to modifications in the market rules, whether in terms of the diffusion of works or the remuneration of their authors. The diversity of the publishing strategies presented here is a reflection of the force of this debate. This is why professional gatherings are an essential reference point for action by States within the European Union. In this respect, the Federation of European Publishers, which works to elaborate a well-defined voice in dealings with European authorities, is an essential player.

*The solidity of publishing as a cultural industry.*

All culture professionals have an economic role to play. Often, however, their activities cannot achieve their fullest expression without the support of public authorities or philanthropic institutions. The case of books is different, with the industry supporting itself. It is the leading cultural industry in Europe and one of the least assisted. This is a healthy state of affairs.

Publishers are at the confluence of creative activity and business activity, which is their strength. This is why professionals and public authorities must work to ensure that a strong and powerful European book industry prospers, founded upon a fertile creative sector. Industrial development is indeed at the centre of all preoccupations. The question is whether we will establish a simple consumer space or a genuine centre of creation.

*Europe in the face of transformations from other lands*

The digital revolution nevertheless comes to us from America and Asia, whose players are much more powerful than the most powerful European company. It is not too late to act, provided we get organised. In Europe, sales of electronic books remain peripheral. However, the profound transformations underway in the United States cannot escape our attention. There, the growth of digital is spectacular.

In this context, digital territories appear to be Eldorados with supposedly unlimited potential. The electronic book is knocking at our door and the market will doubtless take off in the coming months. Everyone is preparing for it and contracts now systematically provide for the electronic use of works. However, the remuneration of authors remains an ill-resolved problem.

In any event, the most conservative fears jostle with the most unfounded hopes.

Europe has many aces up its sleeve in order to benefit and profit from the digital revolutions. But for all that, it would be unwise to succumb to technophilia or to forecasting exercises which herald the death of the book. We do not need to renounce the rich tapestry of our booksellers, who constitute an irreplaceable network for promoting books in all their diversity and for contributing to the vitality of our countries, of our democracies and of our social bonds. This is an issue which I wish to re-situate at centre stage in the debates on the future of the book sector.

In the future, the place of the book will no doubt be less central in people's hearts and minds. But the pure and simple disappearance of the cardinal figures of the author, the publisher and the bookseller is not going to happen any time soon. In order to find a balance between unfounded hopes and fears, we need to seek a path of development for creative industries so that they can take advantage of the new opportunities.

### *France's contribution to the development of the European publishing market.*

France has taken big political risks in order to define the outlines of a model. This is founded on the guarantee of copyright and its sensible development, on value management by creative players and on the diversity and attractiveness of the product range.

The recent Forum d'Avignon, in the framework of the G8-G20 cultural summit, was an opportunity to restate the principles of action which should lead to the establishment of appropriate mechanisms for the digital era. The French government has been heavily involved in supporting authors and publishers in their dispute with Google. In the face of the difficulties they have encountered with their worldwide digital library project, Google is now seeking bilateral solutions negotiated with publishers.

It is also a question of avoiding value being harnessed by actors who are alien to the book sector. A law now permits publishers to set the price of electronic books on the model of the regulations applicable to the printed book. This model is widespread around the world, particularly in the most liberal countries. France has chosen to introduce a law in order to protect publishers' interests. Discussions have begun with the European Commission on the subject of this law, which contains provisions applicable beyond French territory. A group of States, with Spain and Germany, is being formed on this subject in order to assist European countries in accessing the digital market under proper conditions.

### *The importance of cooperation among all European players, particularly on the issue of VAT*

Readers find themselves at the centre of all the debates and the object of everyone's desire. It is hard to say if, for them, electronic books constitute a new experience. For the time being, such an experience is too much of a break with their habits for them to accept a sale price which is too close to that of the printed copy. So that the sector can achieve tangible reductions in price, the French President has committed himself to harmonising the VAT rates on printed and electronic books. This measure should come into force on 1<sup>st</sup> January 2012.

Serious discussions are taking place on this subject with the European Commission. In its campaign, the French government is putting forward strong economic and legal arguments. Instead of a deregulated market which plays into the hands of those who seek a hegemony, Europe must give preference to the civilised construction of the electronic book market and to the competitiveness of European industries, which require a reduced rate of VAT for electronic books. To achieve this, professionals and governments must unite to ensure that the convergent interests of the creative industries prevail. Increasing numbers of professional gatherings should therefore take place throughout Europe.