

## Annual Report on the State of the Book Trade in FINLAND in 2007

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### 1. STATISTICAL INFORMATION ABOUT THE COUNTRY

#### Population December 31, 2007

- 5.3 million inhabitants.
- Practically every citizen over eight years of age can read and write.
- Almost everybody, who can read, reads something daily (newspapers, periodicals, textbooks, other books).

#### Bookstores May 1, 2008

- 239 general bookstores with a wide selection.
- 56 general bookstores with a limited selection.
- 31 bookstores selling religions books.
- 20 bookstores specialized in remainders (new books)
- 88 bookstores specialized other ways.
- 160 book departments with a limited selection in hypermarkets and department stores.
- 220 second-hand bookstores (in 60 of which books stand for more than 50 % of the sales).
- No changes from December 31, 2007

## Book Publishers December 31, 2007

- 103 publishers are members of the Finnish Book Publishers' Association (SKY).
- There are about 4 500 other publishers: authors and ad-hoc publishers, associations, institutions, universities, colleges and public administration units.

## Number of new book titles published at 2003-2007

- The total number of book titles in 2003 was 12 309.
  - 9 537 titles were published in Finnish.
  - 540 titles were published in Swedish.
  - 2 232 were published in other languages.
  - Members of SKY published 3 893 new titles and 3 416 new editions
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- The total numbers of book titles in 2004 was 12 977.
  - 9 946 titles were published in Finnish.
  - 614 titles were published in Swedish.
  - 2 417 titles were published in other languages.
  - Members of SKY published 4 364 new titles and 3 630 new editions.
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- The total numbers of book titles in 2005 was 13 667.
  - 10 650 titles were published in Finnish.
  - 669 titles were published in Swedish.
  - 2 281 titles were published in other languages.
  - Members of SKY published 4 511 new titles and 3 840 new editions.
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- The total numbers of book titles in 2006 was 13 656.
  - 10 715 titles were published in Finnish.
  - 634 titles were published in Swedish.
  - 2 372 titles were published in other languages.
  - Members of SKY published 5 088 new titles and 3 618 new editions.
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- In 2007 members of SKY published 4 646 new titles and 3 358 new editions
  - Information about the total number of book titles will be available in August 2008.
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- In May 2008 the number of available titles published in Finland is about 70 000.

## Imported books in 2003-2007

- The sales of imported books in 2003 were about 35.5 million € (consumer prices including VAT). The turnover was about 32.9 million €, which is 7.4 % of total turnover of books.
- The sales of imported books in 2004 were about 36.0 million € (consumer prices including VAT). The turnover was about 33.3 million €, which is 7.3 % of total turnover of books.
- The sales of imported books in 2005 were about 37.0 million € (consumer prices including VAT). The turnover was about 34.3 million €, which is 7.0 % of total turnover of books.
- The sales of imported books in 2006 were about 45.0 million € (consumer prices including VAT). The turnover was about 41.7 million €, which is 8.5 % of total turnover of books.

- According to advance information the sales of imported books at 2007 was about same than in 2006.

#### Total sales of books in 2003-2007 excluding VAT

- Sales of books in 2003 were about 32 million copies and turnover was 443.5 million €.
- Sales of books in 2004 were about 32 million copies and turnover was 459.3 million €.
- Sales of books in 2005 were about 32.5 million copies and turnover was 484.0 million €.
- Sales of books in 2006 were about 33.6 million copies and turnover was 490.9 million €.
- According to advance information the sales of books decreased about 1 % in 2007. Exact information is available in July 2008.

#### Book sales in 2006, market shares and turnover of distributors excluding VAT

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|---|------|---------------|
| • Bookstores                            | 41 % | 201 million € |
| • Supermarkets and department stores    | 12 % | 59 million €  |
| • Specialized distributors <sup>1</sup> | 11 % | 54 million €  |
| • Direct selling by publishers          | 16 % | 79 million €  |
| • Book Clubs                            | 10 % | 49 million €  |
| • Other distributors                    | 10 % | 49 million €  |

- Exact information for the year 2007 is available in July 2007.

Specialized distributors are firms selling to libraries and selling school books

#### Book sales through bookstores 2006

- Turnover of books was 201 million €.
- *Market share of the bookstores was:*
  - Finnish general books (excluding encyclopedias) 40 %
  - Textbooks 80 %
  - Comprehensive school textbooks 5 %
  - Foreign books 65 %
  - Total sales of books 41 %
- According to advance information the book sales through bookstores decreased 1-2 % in 2007. Exact information is available in July 2007.

#### Miscellaneous 2007

- 72.4 million books were borrowed from public libraries (municipal libraries), which is on average 13.7 books/inhabitant (all loans together is 19.0/inhabitant) , and on average 33 books/customer. 41 % of Finns borrowed at least once from a public library.
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- Between citizens and public libraries there were 57.3 million visits and 37,7 million contacts by internet.
- The number of sold books amounted to about 33.6 million copies.
- Public libraries purchased 1.6 million books.
- Municipalities purchased 4.5 million comprehensive school textbooks.
- Other institutions and enterprises purchased about 4,5 million books.
- Private consumers bought about 20 million general books and 3 million textbooks.

#### Regulation of the book market

- VAT rate on books is 8 %.
- Finland has free pricing on books.
- The publishers demand security for the commission stock. For members of BA it is possible to take insurance for this purpose.
- No other restrictions for selling books exist.

Average wage of bookshops employees is about 22 000 - 25 000 Euros per year.

The average retail price of book is an irrelevant question. In Finland pricing of books is free. There are normal prices and special prices for different kind of books. For instance the price of hardcover novel could be 20 Euros in one retailer and 40 Euros in other retailer. The price of paperback is from six to ten Euros. In 2006 33.6 million copies at the price of 530.2 million Euros including VAT were sold.

Exact information of the share of translated titles in sales is not available.

Exact information of the shares of domestic and foreign fiction is not available. We estimate that foreign fiction represents about five percent of the sales of fiction.

The result of an average bookstore according to Statistics Finland based on the financial statements of 164 bookstores that carry commission stock (2006)

1 GROSS PROFIT (The sum of answers 2, 3, 5 and 6 should equal this figure)	31.8 %
2. EXPENSES Staff expenses are all salaries, wages and employee benefit, including owner's salary where it applies.	13.3 %
3. RENT, maintenance and other property costs, insurance and advertising	14.6 %
4. ALL OTHER EXPENSES	
5. NET INCOME before taxes	3.9 %

- Bookstores that carry commission employs about 1 000 peoples and other bookshops about 200 peoples.

## 2. THE DAY TO DAY WORK AND SERVICES OF THE BOOKSELLERS ASSOCIATION

## Association structure:

How many bookstores are member of the association?	170 members that have altogether 260 shops
Are the members only independent bookshops?	No. Most of the members are also members in bookshop chains.
Do you have bookshop chains as members?	Yes. Suomalainen Kirjakauppa, Akateeminen Kirjakauppa, Info-chain, KIPA-chain and Q-chain, the three last ones consist of independent bookshops. The independent bookshops belonging to voluntary chains are members of BA.
Do you have other retailing chains as members?	No.
Are supermarkets allowed to be members of the association?	Yes.
Are internet retailers allowed to be members of the association?	Yes.
How many people are employed by the association?	2
How many board members are there?	7
Where does the association get their income from? (which criteria do you handle for the yearly subscription, are there government subsidies?)	Membership fees, capital income, income from advertisements in the book trade calendar, registration fees of book trade seminars. For training and research projects there are some subsidies available from EU and governmental institutions, but the BA does not get any direct subsidies.
Do you have commercial activities?	World Book Day, book sale in February, Helsinki Book Fair.
Do you make members pay for certain services?	Contributions to research projects.
Do you participate in the distribution of books?	No
Do you have a clearing house?	No

## Training

- Training for bookshop assistants is offered by the *Kirjakauppakoulun Kannatusyhdistys* (an association founded to support the Booksellers School) in co-operation with the Marketing Institute in Helsinki. The contents of the course is being polished up at the moment.
- A course which improves the participant's ability to work as managers or as entrepreneurs started in 2007 and was completed in April 2008, when the students got their diplomas. This course was organized in co-operation with Erikoiskaupan Liitto (Federation of speciality retailers)

## Collective marketing:

Do you have a collective promotion	Book sale in January, The Day of Books and Roses (World Book Day), Helsinki Book Fair
Which one and what is the budget for this?	World Book Day 30 000 €
Do the publishers participate?	Yes, about 100 % of the costs
How is it organized?	The Finnish Book Publishers Association PA employed a person for 6 months to deal with the work.

## Services provided of the association

Do you organize book-tokens? How? What is the profit?	No.
Do you provide the bookstores with wrapping material?	No.
Do you help the members to obtain bibliographical tools?	No.

## Bibliographical information:

Which bibliographical tools are most important for your country?	<i>FinnBooks</i> (database) and <i>Kirjaväylä</i> (ordering procedure using the <i>FinnBooks</i> database)
How are they organized? Printed catalogue, micro-fiches, cd-rom?	Organized by the distributor Kirjavälitys Oy. <i>FinnBooks</i> and <i>Kirjaväylä</i> are both online.
Does the association provide the members with bibliographical information on request?	No
How much percent of the requests can be answered positively?	98 % of Finnish books.
How up-to-date is the information?	<i>FinnBooks</i> and <i>Kirjaväylä</i> are both updated daily.

## Communication:

How do you organize the communication with the members?	Member newsletters (primarily by e-mail) and special newsletters with statistics and other information about the book trade, annual trade seminar, other special publications; communication mainly by e-mail & web-site.
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## Government relations and contacts with other organisations:

How do you keep in touch with the government?	Direct contacts with the Ministries and other authorities when necessary.
Do you have contacts with non-official bodies like foundations and other private organizations?	Yes. With organizations, which may promote publishing, selling and reading books?

## 3. THE DEVELOPMENT IN FINLAND IN 2007

- There has been no legislative change in VAT rates or cultural policy.
- Bookstores seem to have maintained their market share of books. The final statistical information of retail-markets 2007 will be available in July 2008. According the advance information the sales of books in bookstores was the same as 2006 and sales of other products increased about 3 % in 2007.
- Sales of multimedia, PC-games and consol-games in Finland increased 10.8 % in volume and 19.7 % in value in 2007. Bookstores' market share is small.
- The public libraries' purchasing of books in 2006 increased 1.7 % in value and 3.0 % in volume. The market share of bookstores as supplier for libraries still decreased. Considerable discounts and a narrow gross margin are typical of the bookstores' sales to libraries.

- At the end of 2007 over 100 publishers and about 50 bookstores had their www-pages on Internet. The bookstores' pages cover about 120 stores. The sales figures through the Internet have not yet been impressive.
  - At the end of 2007 in Finland is one bookstore selling printed books only on Internet and one bookstore has specialized in selling only e-books (mainly textbooks for the university level and non-fiction) by Internet.
4. THE WORLD BOOK AND COPYRIGHT DAY (THE DAY OF BOOKS AND ROSES)
- In 2007 the Day of Book and Rose was celebrated for the 11th time in Finland. The Day of Books and Roses were celebrated on May 8th. The main reason for the choice of date is that the changes of having better weather is better for out-of-door happenings is better in May than in April. A wide range of the Finnish publishing houses, a couple of book stores, associations and organizations associated with books, literature, education and culture took part of the event. The Finnish Book Publishers Association is responsible for the arrangements of the event. By celebrating the Day of Book and Rose the organizer wish to enhance the positive images connected to books, to strengthen the faith in the future of book, and to emphasize the importance of literacy. The main event was in Helsinki, in the Lasipalatsi Square. The Day of the Book and Rose is also noticed and celebrated throughout the Finland for example in several libraries, schools and cities.
5. BOOK IN SCHOOL CAMPAIGN
- Each year the Finnish Book Foundation organizes a campaign directed at schools with the purpose of encouraging reading. The first Book in School Campaign was conducted in 2004 for pupils in the seventh year. Two follow-up campaigns were planned in 2005 for eight and ninth year pupils and in 2006-2007 for lower school fourth, fifth and sixth year pupils. More information about past and present campaigns is available at [www.kirjakoulussa.fi](http://www.kirjakoulussa.fi) (in finnish).
6. "VUODEN KIRJAT" CATALOGUE
- Every year the Finnish Book Publishers Association produces its "Vuoden kirjat" (Books of the Year) catalogue, in which the Association´s member publishers give details of the books they have released during the year. The catalogue appears during the last week in October and is available from bookshops and at the Helsinki Book Fair
7. PROMOTION OF BOOKS AND RESEARCH
- - The BA and PA were active partners in planning the Helsinki Book Fair 25-28<sup>th</sup> October 2007.
  - The BA has organized information services in co-operation with members. The new system means more visibility in media.
  - A summary of the *Suomi lukee* –report (Finland reads report), which was published in November 2003, is available in English on internet, [www.skyry.net/sky/Finlandreads.PDF](http://www.skyry.net/sky/Finlandreads.PDF).
  - Results of the research "Finland reads 2008" will be available in January 2009.
  - In 2006 updated version of report The Book Trade in Finland is available in English on internet, [www.minedu.julkaisut/julkaisusarjat/ThebooktradeinFinland2.pdf](http://www.minedu.julkaisut/julkaisusarjat/ThebooktradeinFinland2.pdf).