

HOUSE OF COMMONS BUSINESS, INNOVATION AND SKILLS COMMITTEE  
INQUIRY INTO THE GOVERNMENT'S INDUSTRIAL STRATEGY

EVIDENCE FROM THE PUBLISHERS ASSOCIATION

**1. Introduction**

The Publishers Association is the leading trade organisation serving book, journal, audio and electronic publishers in the UK. Our members represent over 80% of the UK publishing industry and include academic journal publishers such as Elsevier, Wiley, society publishers and University presses.

We are responding to this inquiry to highlight the importance of including the creative industries within any industrial strategy the Government decides to pursue.

In previous attempts to develop an industrial strategy, the creative industries have been overlooked despite their strong performance and global significance. For example, the creative industries were absent from [a list of 11 sector](#) specific strategies compiled by the Department for Business, Innovation and Skills in 2013, despite fulfilling the department's criteria on which sectors should be supported by an industrial policy, namely that they should have prospects for future success.

Any industrial strategy should focus on the sectors where the UK has a clear competitive advantage, is capable of rapid expansion and providing high skilled jobs.

Although the creative industries are performing well by themselves, the sector would still benefit from an industrial strategy. Areas where an industrial strategy would be beneficial would include ensuring a strong intellectual property framework, helping the sector take advantage of fast-growing markets and making sure the government's policies post-Brexit do not impede the sector's growth.

**2. The importance of the creative industries**

The creative industries are one of the UK's greatest strengths, contributing a substantial amount to the UK economy. It is one of the few sectors where the UK is a true world leader, helping to boost its reputation internationally and grow its soft power around the world.

- Government [statistics show](#) that the creative industries were worth £84.1bn in 2014, accounting for 5.2% of the UK economy
- The creative industries grew 8.9% in 2014 - almost double the UK economy as a whole
- Between 2008 and 2014 Gross Value Added for the creative industries [grew by 37.5%](#), faster than any Blue Book sector over the same period
- The creative industries supports 1.8m jobs, with employment in the sector growing 5% from 2013 to 2014, more than double the average growth of 2.1% across the wider UK economy
- The value of services exported by the creative industries in 2014 was £19.8bn, accounting for 9% of total export services from the UK that year
- Global trade in creative goods [grew on average](#) 8.8% from 2002 to 2011, reaching \$624bn in 2011. Growth in developing country exports averaged 12.1% during this period.
- The UK has the third largest film market in the world (BFI 2015), is the third largest exporter in the world for audio-visual and related services (Bakhshi et al 2013), the fourth largest market for book publishing (The PA 2015), and is the fourth largest producer of recorded music in the world (BPI 2015)

Therefore any industrial strategy must feature the creative industries and recognise their importance to the UK economy as a whole.

### 3. Importance of the publishing sector

Within the creative industries the book publishing sector is a success story in itself, and an integral part of the creative industries overall strength.

- Publishing exports from the [UK grew the fastest](#) out of all the creative sectors from 2009-2014, jumping 165.7%. In 2013-14 exports grew by 62.8%, again putting publishing ahead of the other creative industries.
- Statistics from the Publishers Association shows that the UK publishing industry was worth £4.4bn in 2015, with digital sales contributing 32% to this total
- Export revenues reached £1.42bn in 2014, with physical and digital book exports contributing 43% to the industry's total sales revenue, 54% when including journal sales
- Over 35% of physical book export revenues came from Europe last year. Exports to the Middle East and Asia and South America are increasing, and now make up 16% and 17% of the export market respectively
- UK books are behind the top three grossing film franchises of all time – James Bond, Harry Potter, Lord of the Rings. [Five of the 20](#) global box office successes of the last 15 years are based on novels by UK writers.
- Wolf Hall, the current winner of the BAFTA award for the best drama series and Game of Thrones, current winner of the Emmy award for best Primetime drama, were both based on novels
- Top West End and Broadway hits such as Matilda, Charlie and the Chocolate Factory, Les Miserables and Wicked were based on or adapted from novels

### 4. Recommendations to government

As the Government looks to develop its industrial strategy, the Publishers Association has four main recommendations:

- At a time when the UK is looking to negotiate a new relationship with the world post-Brexit, it is vital that it takes advantage of its strongest sectors. This means that the government's industrial strategy should focus on sectors which have a strong growth potential and where the UK is already a world-leader.
- As the creative industries are one of the UK's fastest growing and most successful sectors, it must be included in any industrial strategy. A [recent report](#) from the Confederation of British Industries (CBI) highlighted the importance of having an industrial strategy for the creative sector. As it notes, the UK's strong reputation in this area means it is in a formidable position to take advantage of rising global demand for the creative industries.
- A strategy for the creative industries should not overlook the importance and strength of the publishing industry, both in terms of the value it adds to the UK economy and also to its importance to the creative economy.
- The government should support the creative industries by ensuring its value can continue to be protected through a strong intellectual property regime, ensuring it retains easy access to existing markets and can take advantage of growing ones, and ensuring it can continue to have access to the talent and skills it needs. We would also echo the recommendations made in the CBI's report referenced above.