

HOUSE OF COMMONS CULTURE MEDIA AND SPORT COMMITTEE INQUIRY

WRITTEN EVIDENCE FROM THE PUBLISHERS ASSOCIATION

1. The Publishers Association is the leading trade organisation serving book, journal, audio and electronic publishers in the UK, spanning fiction and non-fiction, academic and educational publishing. Our members represent over 80% of the UK publishing industry including global companies such as Elsevier, Wiley, Pearson, Penguin Random House, Hachette and the University presses, as well as many independent publishing houses.

Sectoral overview

2. The UK book and journal publishing industry was worth £4.4 billion in 2015, with revenues from digital contributing 32% to this.
3. Exports of physical and digital books made up 43% (£1.42 billion) of the total revenues and when journals are factored in as well, the figure is 54%. Over 35% of physical book export revenue came from Europe, with sales to the Middle East and North Africa, Asia and South America increasing.
4. For the first time since the invention of the e-book, digital sales growth went into reverse in 2015, while there was an increase in physical book revenues, highlighting the endurance of physical books.

The wider contribution of book and journal publishing

5. 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
6. 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.
7. 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.
8. Academic publishers are at the forefront of research, playing an important role in investing in innovation, helping academics build on and scrutinise the work of others and helping them share and refine their own work. This helps the UK to produce world class research.
9. Despite representing just 0.9% of the world's population and 4.1% of researchers, the UK published research accounts for 9.5% of downloads, 11.6% of citation and 15.9% of the world's most highly-cited articles
10. Educational publishers play an important role in producing high quality learning resources which are crucial in helping pupils achieve great results as well as [reducing teachers' workload](#) – allowing them to get on do what they do best, teach.

Impact of Brexit on employment in the publishing industry

11. Currently the UK publishing industry benefits from being able to attract and bring in a skilled workforce from the EU. The publishing industry [employs around 10%](#) of its workforce from Europe, compared with 5.6% in the rest of the economy, meaning that any changes in the status of EU workers would disproportionately affect the sector.
12. EU workers are highly valued, with almost a third of publishing houses saying that retaining freedom of movement is their top priority post-Brexit. A number of others said that securing the status of EU nationals living in the UK was their primary concern.
13. Publishing houses not only employ EU nationals in the UK, but they also have offices in various European countries and benefit from moving their workforce around different locations. For example one large academic publisher said UK nationals made up around 15% of its staff in the EU.
14. As well as benefitting from the skills that EU workers bring, publishers have also thrived from the variety and diversity of those who have come to work in the UK and the collaboration freedom of movement has enabled. If this openness changes dramatically this could have an impact on publishing and the types of books the sector produces.
15. Since 2011, the number of jobs in the creative industries has [risen by](#) nearly 20%, nearly triple the rate of the UK economy as a whole and therefore it is essential the sector continues to be able to attract talent from across the world to meet this growing demand.
16. Already the uncertainty over the status of EU workers and the lack of clarity around the UK's immigration policy has made it more difficult for publishers to attract the talent they need since the Brexit vote. For example as [reported in the Bookseller](#), Dorling Kindersley has said their inability to assure staff that their futures are secure has had an impact on who has been applying for jobs. Meanwhile Cengage Learning is considering moving its European headquarters away from London if the Government pursues a "hard Brexit" strategy over concerns that this would make it harder to attract talent.
17. There are also concerns about the impact on the publishing sector if the Government decides to pursue policies that would aim to restrict skilled migration to the UK. According to figures from DCMS, over 60% of the staff employed by the publishing sector are educated to degree level. Therefore if the UK did try and restrict the number of skilled workers who could come and work in the UK, this would make it harder for UK publishers to hire this skilled talent.
18. Therefore the Select Committee should recommend that the Government should not restrict skilled migration and should ensure that the UK continues to be an open and welcoming country for people to live and work. The Committee should also ensure that the Government provides certainty as soon as possible about the status of those currently working in the UK from the EU, and gives clarity about the migration policy they intend to implement once the UK leaves the EU.

Employment indirectly affecting the publishing industry

19. As well as being directly effected by the UK's immigration policy, academic publishers are indirectly affected by the ability for international students to study at higher education institutes and by the UK's ability to hire and attract the best researchers.
20. Policies aimed at reducing the number of international students studying in the UK, the loss of easy access to Europe, restrictions on skilled migration and onerous visa requirements could all restrict the number of foreign students and researchers working and studying in the UK.
21. The Culture Select Committee should recommend the Government does not include students in its net migration target and should ensure that it does not implement policies that aim to restrict the free movement of skilled workers.

Copyright after Brexit

22. Copyright is vital for publishing, underpinning creativity by ensuring that publishers and authors alike can turn their creative endeavour into a financial reward. Without a strong copyright regime publishers and authors would not be able to produce the same rich variety of novels that entertain and inspire, the textbooks that equip students with the tools they need to compete in the global economy or the journals which invest in innovation and help spread and share the latest research. Currently the UK has a reasonable and balanced intellectual property framework which respects creators, rights holders and users alike.
23. As copyright is essential to authors and publishers, in this time of uncertainty we believe the Government must retain a stable framework to give publishers the confidence to invest in authors and their work. The importance of maintaining a strong framework was highlighted in a survey of our members where almost 40% of our members that the main priority following the Brexit vote was a strong Government commitment to the existing copyright framework.

Improving enforcement

24. However there are areas where improvements could be made, including around enforcement. For example it is clear that online platforms and intermediaries should do more to protect users and creators from copyright infringement. Search engines are the first port of call for a significant number of people when looking for content online, and while not directly responsible for piracy, have the potential to play a significant role in reducing online copyright infringement. Research commissioned by the Motion Picture Association found that 74% of people accessing pirate sites for the first time did so via a search engine.
25. After leaving the EU the UK could introduce a duty of care on internet intermediaries to not point consumers to illegal content, for example via the ranking of search results which still see illegal content on the front page of such results. In this respect the Publishers Association is supporting an amendment to the Digital Economy Bill which proposes to introduce such a duty. The Select Committee should recommend that a duty of care on internet intermediaries should be included within the Digital Economy Bill.

26. As well as placing a duty on intermediaries, the Government should also continue its efforts to tackle copyright infringement. We have seen first-hand the important work that the Police Intellectual Property Crime Unit (PIPCU) does in tackling pirate websites and ensuring that the online environment is safe and secure for consumers and ensuring publishers and authors can continue to be remunerated for their work. We were encouraged when the Government chose to extend funding for PIPCU until 2017, and would call on the Committee to ensure that this commitment to tackling infringement, especially online, is continued by committing further long term funding of PIPCU.
27. Post-Brexit the government should also be aware that enforcement may become more difficult. The current framework ensures there is a semblance of a common enforcement system across the EU and has enabled us to work with Europol to protect intellectual property rights. However it is likely that the UK will not be able to be a member of Europol after Brexit. As the internet is borderless it is important for us to work with international organisations to ensure that rights are not being infringed. Therefore the Government should enter into negotiations with Europol and sign a cooperation agreement which would allow the UK could continue to operate closely with its European partners on tackling intellectual property infringement.

Publishers right for books and journal publishers

28. There is also the opportunity for the UK to introduce legislation which was not addressed in the EU's latest copyright reform proposals. For example we were disappointed that the proposed copyright package limited the introduction of a publisher's right to press publishers, preventing books and journals from also benefitting from this right.
29. One of the main benefits of the publishers' rights for book and journal publishers is that it would simplify enforcement. For example when the PA applied to the High Court for a blocking order against the main UK ISPs, members were required to provide evidence that they owned the copyright in the works being infringed in order to prove the infringement, which involved the sourcing of hundreds of contracts and other documentation of proof of assignment. Therefore the Select Committee should recommend that the UK Government considers extending the right so that it includes book and journal publishers once we leave the EU to help simplify this process in future.

Digital Single Market

30. The UK has been a strong pro-content industry voice in EU deliberations on copyright, often balancing the views from member's states which do not have large vibrant content industries. This resulted in significant improvements in the copyright reform proposals than were expected a few months ago.
31. For example, the new exception for illustration for education in the proposed directive for copyright in the digital single market will allow the UK licensing system to remain intact. The Commission also appears to have listened to concerns from the UK about the text and data mining exception. Although the exemption is still not limited to non-commercial research, there is a tighter definition on who the beneficiaries of the exception should be, requiring that the

researchers themselves be non-commercial even if the eventual use for research may be commercial.

Concerns about leaving the Single Market

Loss of UK influence

32. The UK's vote to leave the European Union has come at a critical moment in developing the Digital Single Market proposals. Although the UK has so far helped to balance out some of the potentially damaging proposals, without its positive influence going forward the legislation could have a negative effect on the publishing industry.
33. Given the extent of UK publishing exports to the EU and its importance as a market, it will be necessary for the UK to have consistent copyright legislation with remaining EU members to reduce additional costs for business. Therefore the Select Commission should emphasise the importance of the UK finding ways to continue to influence EU debates about copyright.

Loss of EU funding

34. Publishers benefit from EU funding for creative works. Creative Europe supports publishers and publishing houses through providing funding for the translation of literary works. Among other things, Creative Europe aims to support cultural and linguistic diversity, promote the circulation of high quality literary works of fiction and to encourage translation of literature from less used European languages into English, French, German and Spanish.
35. Publishers can receive up to €100,000 on an annual basis and the funding can be used to meet the costs of translation, publication and promotion. The 2007-2013 programme of funding provided support for 11 different publishing houses based in the UK to translate a number of different works. For example Macle hose Press, an imprint of Quercus, received €94,108 in 2014 to help fund the translation of seven novels, a number of which have been bestsellers in their own countries.
36. Meanwhile publishers indirectly benefit from EU research funding, where the UK is the second largest recipient of EU funds, receiving a total of £8.8bn between 2007 and 2013. If such funding is lost without being replaced the damaging effect it would have on science and research in general would most likely trickle down to academic publishers, for example in the number of articles produced and journals published.
37. Therefore access to funding, including that provided by the Horizon 2020 project, is one of the major concerns academic publishers have following the vote to leave the European Union. In a survey of our members 53% of academic publishers said that reduced funding for research and higher education institutions was the main challenge to scholarly research and the UK's place within it.

Advantages of leaving the Single Market

38. As outlined above, one opportunity of the UK being outside developing the digital single market is that the UK Government would be free to amend some parts of the copyright proposals, such as by extending the publishers right to book and journal publishers.

In conclusion, the Government should:

39. Ensure that the level of skilled migration into the UK is not reduced, provide certainty as soon as possible about the status of those currently working in the UK from the EU and exclude international students within the overall net migration figures.
40. Maintain a strong commitment to the existing copyright regime and continue its efforts to tackle copyright infringement by continuing to work closely with our European neighbours.
41. Continue to engage and influence negotiations on the Digital Single Market, especially around the copyright reform package.
42. Commit to maintaining participation in Creative Europe and the Horizon 2020 research programme or provide for similar levels of domestic investment.
43. Oppose the imposition of tariffs on publications (whether print or online) exported to, or imported from, the EU or other areas.

***The Publishers Association
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