

Publishing industry round-table discussion notes

December 2024

Background

1. On 28 November 2024 the Committee held an informal round-table discussion with representatives of the publishing sector, as part of the impact of funding reductions on culture and sport inquiry. This meeting was arranged following a number of letters to the Committee raising concerns about the impact of long-term cuts to funding for the sector.

2. Attendees:

Delyth Jewell MS

Heledd Fychan MS

Mick Antoniw MS

Catherine Hunt (Clerk)

Robin Wilkinson (Researcher)

Natalie Williams, University of Wales Press

Lynda Tunnicliffe, Rily Publications

Myrddin ap Dafydd, Gwasg Carreg Gwalch

Penny Thomas, Firefly Press

Discussion

3. Issues raised by attendees included:



- Publishers have received flat-funding and cuts in grants since 2004. They work this out to equate to a real-terms funding cut of almost half since 2010. The cost of living crisis has made the situation worse as families and schools are unable to afford books.
- They believe it would only take £1.3m extra to uplift the grant to the Books Council to its 2010 level. It represents good value for money to the wider economy from an employment perspective by supporting not only those employed by publishers, but a vast network of freelance authors, designers, illustrators etc.
- Input costs have also increased in recent years. e.g. energy and logistics costs have increased and paper has trebled in price since 2010.

The sector is at a crisis point. A number of publishers are concerned that, if current levels of funding continue, they won't survive another year. One publisher who suffered 25% loss of income and 25% less grant-aided titles since April 2024 has seen the loss of 4.5 jobs since April – 25% of the workforce.

- Publishing works by economies of scale; publishing at larger quantities enables a lower unit cost per copy. Whilst many publishers have target markets beyond Wales and work hard to grow their sales income, particularly in the areas of education, Welsh language or Wales-specific content, Wales's small population makes much publishing about Wales and in the Welsh language economically unviable without public intervention. In the absence of activity within Wales, no other nation will produce books about and for Wales (especially in the Welsh language), which one publishers sees as the essence of the Curriculum for Wales.
- Public funding is a minority of publishers' sales revenue (the exact amount varies by publisher but can be as low as 20%): this means that a small amount of public funding produces a lot of economic and cultural activity.
- Cuts to schools budgets and libraries have severely impacted books sales as these were key customers.
- The impact of publishers' financial situations has included job losses and reductions in activity. Some have resorted to using savings and not taking a salary to ensure their business can survive, but this is clearly unsustainable.
- Publishers are trapped in a downward spiral whereby reduced marketing budgets lead to reductions in sales, and so less money to invest in the product – and a greater reliance, therefore, on funding
- 2024 has been worse for publishers than the pandemic. Some have faced their worst sales in 9 years.
- The Books Council has been "amazing", but is under-resourced.
- The publishing industry is vital for literacy. Wales's low PISA test scores are a "national embarrassment". New schools are being built without money for books. Improved literacy is needed to meet the well-being of future generations' goals. Ireland was cited as an example of good practice where books and publishing had been prioritised and PISA results improved. Slovenia was cited as a country that invests in its publishing industry to boost the nation's international standing.

- Education and children's literacy are important, but the cultural value of the Welsh publishing industry is far broader than this and is under threat
- Welsh language books are needed to help the Welsh Government meet its Cymraeg 2050 target of a million Welsh-speakers by 2050, but the publishing industry has not been involved in planning the necessary resources.
- If the Welsh publishing industry is lost, it will be very hard to rebuild. Publishing requires a skillset which could be lost in a generation, for example Welsh language or Welsh culturally-aware copy editors, typesetters, proofreaders, lexicographers and so on.
- Books are crucial for the sustainability of Welsh language in the workplace, in schools, in training settings and so on.
- A thriving publishing industry is a factor in a country's standing on the international stage. Without books about a country's culture, history, language, literature and so on, there is little ability to document and share a country's value. Books also support the TV and film industry by providing content. The funding cuts are existential for many publishers and this is under very real threat.
- Publishers have joined together to form a sector-wide association named Cyhoeddi Cymru/Publishing Wales in order to share learning, raise the sector's profile, champion the industry and find synergy. The sector is working hard to grow and gain international traction.