

PUBLISHING AND BOOKSELLING IN UKRAINE

Facts, Trends, Recommendations

Results of a survey carried out in 2012

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Survey methodology, data collection and report
by Oleksandr Afonin

Comments on the book sector survey
by Rüdiger Wischenbart

The book sector survey report - a summary
by Myroslava Prykhoda

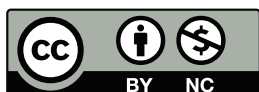
Conclusions and Recommendations
by Oleksandra Koval

Translations from Ukrainian
by Anna Ivanchenko

Editing
by Angela Rodel

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The following additional materials are available online in English and Ukrainian at www.bookplatform.org:

1. The complete version of RESULTS OF RE-SEARCH OF THE UKRAINIAN BOOK SECTOR by Oleksandr Afonin of the Ukrainian Publishers and Booksellers Association
2. All annexes of the current brochure's Report of the Study

INTRODUCTION

The current brochure presents a summary of the study of the Ukrainian book sector and its main findings and conclusions, as well as two expert opinions on it. This is the first time that a study of book publishing and book distribution in Ukraine has been carried out on such a scale. The study is based on years of systematic collection of information by the Ukrainian Publishers and Booksellers Association (UPBA), while the report was commissioned by the Publishers Forum (Lviv) as part of the Book Platform project. The report provides information about the state of the Ukrainian publishing sector from 2002 until 2012¹.

At the time of the preparation of the current publication, the tangible results of the study and the report were already starting to come into being.

The Parliamentary Hearings that took place on May 15, 2013, in Kyiv were largely based on the data and the analyses presented in the current report. *Under the title The Problems of Ukrainian Book Publishing, Bookselling As Well As Perspectives for Support of Book Reading in Ukraine*, the hearings were organized by the Committee for Culture and Spirituality of the Ukrainian Parliament and were held in the session hall of the Parliament (Verkhovna Rada of Ukraine). The speakers included heads of committees of Parliament, MPs, representatives of the Cabinet of Ministers, publishers, booksellers, librarians, and promoters. With the Book Platform project's support, the hearings were also attended by Jens Bammel, secretary general of the International Publishers Association (IPA), the Geneva-based organisation that represents publishers world-wide.

Shortly after the Parliamentary Hearings, the president of Ukraine signed Decree No.336/2013² on taking measures for government support of book publishing and the promotion of reading in Ukraine.

¹ The information for 2012 is not presented in all sections, as it had not been processed at the time of the Report's compilation

² www.president.gov.ua/documents/15813.html

PUBLISHING AND BOOKSELLING IN UKRAINE

A recovering book industry preparing to meet challenges domestically and from abroad

- **Overview and Context**

- **Economic and Other Relevant Key Parameters**

Ukraine's population of almost 45 million is 77.8 % Ukrainian and 17.3 % Russian, with Ukrainian being the official language.

A former member-state of the Soviet Union, Ukraine gained its independence in 1991. The 2008 economic crisis hit Ukraine dramatically, causing the GDP to plummet by 20 % between spring 2008 and spring 2009.

GDP per capita: \$ 7,210 (PPP, 2011, IMF)

1 Ukrainian hryvnia (UAH) trades at approximately 0.095 Euros.

- **Copyright and Legal Framework**

The 2001 law exempted the activities of publishing houses and printing entities from value-added tax (VAT) and from taxes on their income from pre-printing preparation, book printing and the book trading system (i.e. from paying VAT on the sale of books).

1997: *The Law on the Publishing Business in Ukraine*, was adopted, which defines the sector domestically and in its international interactions.

The law stipulates that publishers deposit between ten to seventeen copies of each title, to be submitted to the Ukrainian Book Chamber, as well as to several public libraries.

The use of an ISBN - issued by the Ukrainian Book Chamber - is compulsory, and costs 57.48 UAH for a title, with discounts available for bulk orders.

- **The Ukrainian Book Market**

In this study, only the domestic Ukrainian book market is represented, which is estimated to account for approximately 20 to 23 % of the total book consumption in Ukraine, while the

combined legal, individual and illegal imports from Russia plus pirated editions are estimated to account for 73 to 74 % of the market.

Given this assumption, the domestic Ukrainian book market is estimated to have a total value of 1600 million UAH in 2011 (or € 154 m, down from 1800 million UAH in 2010), while publishers have net sales of about 1 billion UAH (or € 95 m, in 2011).

The transition after the collapse of the Soviet Union in 1991 meant the book business had to change from being a strictly state-controlled sector, with 26 specialized publishing houses subordinated to a State Committee for Publishing, and 3,600 book retail outlets subject to similar central control, towards today's highly diversified industry. In the early 1990s, the first steps towards privatization led to a collapse of the old structures for book publishing and retail, as in most other former socialist countries.

By 1990, 7,000 new titles had been released, with 177 million copies distributed, or 3.4 copies per inhabitant. By 1999, this number had fallen to an average of only 0.4 books sold per inhabitant. Fostered by various initiatives, including tax exemptions, in 2008 - after a period of continuous growth until the start of the international economic crisis of that year - the penetration of books had rebounded to at least an average of 1.26 books per person being consumed by Ukrainians, while the annual output of new titles has tripled and reached again its the level from the 1990s, with 21,500 new titles and 1,326 new editions in 2011.

The decade since 2002 saw a strong growth in the publishing sector, starting with the release of 11,651 new titles and 793 re-editions, and a combined circulation of 48 million copies, peaking in 2008 with 22,815 new titles and 1225 re-editions and a combined circulation of 58 million copies, just as the international economic crisis hit the country, and hence the publishing industry along, with all other sectors. Nevertheless, by 2011, a total of 21,500 new titles and 1,326 re-editions resulted in almost 47 million books being distributed.

By 2011, a total of 1,576 publishers had legally registered and released titles; of these, 484 had released 10 or more titles per year (as compared to 1792/454 in 2008).

- **Trade Publishing**

The average print-run of a trade title was 3,800 copies in 2002, compared to 3,100 in 2007, and 2,000 in 2011. In fiction, the trend was different, starting at an average of 1,500, which could be extended to 2,500 by 2011 (down from a peak of 3,300 in 2007).

- **Translations**

In 2011, 594 out of the 3,731 published works of fiction were translations (or 15.9 %, slightly up from previous years), of which 228 works were translated from English, 221 from Russian (the fastest-growing source language in recent years), followed by 85 French, 67 German and 65 Polish titles.

- **Educational Publishing**

Materials that are officially used as learning materials and textbooks require a formal approval (“stamp”) from the Institute of Innovative Technology and Education (www.info.gov.ua) at the Ministry of Education and Science, Youth and Sports of Ukraine (www.mon.gov.ua). Materials without such approval cannot be used in the educational process.

Print-runs for textbooks fell from an average of 5,900 in 2002 to less than half that, with an average print-run of 2,500 in 2011.

The vast majority of organizations involved in higher education operate their own publishing divisions for textbooks for their own students, resulting in an estimated 15,000 to 16,000 available titles in that segment alone.

The textbook market - including free textbooks for students and school libraries - is valued at approximately 150 million UAH, coming from 150 to 160 relevant titles.

- **Digital Publishing and Distribution**

E-books have started to gain a presence in Ukraine, with e-reading devices such as the “PocketBook”, with the predominant document formats being PDF, ePub and TXT, as well as the regionally popular FB2. However, the pirated e-books strongly predominate over the slowly emerging legal market for e-books.

- **Libraries**

Of over 40,000 libraries across Ukraine, some 19,300 are public and more than 20,000 are school libraries. Fourteen libraries have the special status as national or state libraries.

The two national libraries, the Vernadsky National Library of Ukraine (www.nbuv.gov.ua) and the National Parliamentary Library of Ukraine (www.nplu.gov.ua), each have collections of more than 4.5 million books.

• **Book Selling: Distribution and Retail**

Industry experts estimate the turnover in book retail in Ukraine at 750 to 800 million UAH, with around 25 million copies distributed through retail channels (from a total production of approximately 47 million - see above under “production”). Total sales are estimated to have decreased by around 10 % in 2012 (against 2011).

The average mark up for retail from publishers’ net selling prices is estimated at 85%, with a significant differences between the main channels, as small independent stores on average mark up 50 to 70 %, while chains and large book stores add around 120 to 180 %, and book kiosks average around 40 to 60 % on a publishers’ net price for a book.

In Ukraine, no book wholesalers hold a significant share of the market.

In retail, chain bookstores under foreign ownership have a significant presence in the market (notably the Russian chain EKSMO, and the Polish chain EMPIK).

• **Piracy**

In Ukraine, piracy in the paper market and in the e-book market is extremely common. According to surveys conducted by pundits and research conducted by UPBA, we reached have this ratio: in the sector of educational literature, 60% is a legal and 40% is pirated, while 93-95% is legal and 5-7% - pirated in other genres.

• **Imports and Exports**

As stated above, the Ukrainian book market has traditionally been dominated by imported books from Russia.

Exports to Russia and CIS (former Soviet) countries amount to an estimated 170 m UAH. Revenues from foreign rights amount to only 20,000 to 25,000 EUR.

• **Professional Organizations, Book Fairs, Promotional and Funding Programs**

The most important professional organizations in the sector are the Ukrainian Publishers and Booksellers Association (UPBA) and

the Ivan Fedorov Ukrainian Book Chamber, a “state institution” that also runs the Ukrainian ISBN agency.

The Lviv International Book Fair, also known as the “Publishers’ Forum in Lviv”, is the largest book fair and literary festival in Ukraine, and has been hosted by the non-profit civil organization Publishers’ Forum together with UPBA since 1994 (<http://bookforum.ua>).

- **The Approach and Methodology of this Study**

For this study, a broad array of official information from various official Ukrainian sources has been combined with expert interviews, for an in-depth documentation and analysis of all relevant aspects of the book industry in the country.

- **OUTLOOK: OPPORTUNITIES AND CHALLENGES**

The Ukrainian book sector has witnessed a challenging and complex trajectory over the past decade, from a recovery after the collapse of the Soviet system to the impact of a major economic crisis that hit the entire sector severely, to modest new growth most recently.

This is a difficult context in already demanding times of change in an industry that already needs to confront digitization and the advent of new, global competition.

Three general observations characterize what is at stake:

- The book industry in the Ukraine has to meet significant competition from abroad, notably from neighboring Russia and Poland;
- The ongoing digital revolution so far has primarily meant a huge increase in legal book production and distribution from piracy, both domestically and through imports;
- Domestically, the book sector still seems to be strongly governed by a framework of government regulations, without at the same time fostering the book trade and the publishing industry as a sector that could help in modernizing the country and in developing a knowledge-based society, where the exploitation of cultural and intellectual property is a fundamentally valuable asset.

However, the study presents, for the first time, a highly detailed and differentiated map, based on a thorough foundation of

data, of the entire sector and its context, which - provided the effort is continually updated in the future - is a highly valuable step towards successfully meeting the challenges ahead:

- Having a clear picture of the local market, its players and their strengths and weaknesses, which is the core aim this study hopes to achieve;
- Being able to compare local patterns and practices with other markets, and to learn and improve local business;
- Allowing the government to create a state-of-the-art legal framework, for which, again, solid information about the local industry is key.

Within this broad perspective, and in view of key findings from the survey of Ukrainian stakeholders, a number of suggestions can be made to improve the development of the book business in the years ahead:

- Take the current survey as a starting point, to be updated - and improved regarding the consistency of its findings - on a yearly basis from this point forward;
- Create a more detailed record, which also allows stakeholders to better understand not only the domestic production, but also imports, as well as the illegal parts of the sector (notably piracy and smuggling);
- Make the findings - an overall report as well as key data, organized in compact tables - available to all interested stakeholders and media, in both the Ukrainian, Russian and English languages, ideally on a website;
- Encourage an annual “book business day”, bringing together stakeholders from the entire value chain to debate internally the development of their industry and best practices, as well as to define goals for further improvements; this should include especially the following actions:
- Organize an open seminar and workshop for booksellers and publishers to disseminate the findings and explain their utility for improving business, and also to make stakeholders more willing to provide information more broadly in the future;
- Launch a sponsorship for the professional training of promising young staff in both publishing and distribution/retail at international training institutions (both for short-term programs

- e.g. summer schools - as well as full-curricula courses) to enhance professional skills throughout the sector. The selection process for such grants could be made to coincide with the awarding of an existing major book or literary prize or festival, to underscore the significance of high professional standards for the overall book culture.

- For educational publishing, consider organizing an annual workshop that would bring together textbook authors, publishers, teachers and representatives of the Ministry of Education and Science, plus ideally a mentor with an international professional background, to develop and mediate negotiations over standards in textbook publishing.

In addition, the analysis of the Ukrainian book business made us aware of a number of fields where improvements are very much needed in order to strengthen the industry:

- Encourage publishers, distributors and booksellers to introduce IT-based inventory management to allow for more efficient management of their enterprises, but also to introduce more transparent accounting, payments of royalties, etc.
- Organize a professional debate highlighting the educational publishing sector. This should include a dialogue between publishers and government organizations in view of optimizing - and opening - the current “stamp” system, and to allow for more flexible integration of learning materials without a complicated and costly approval procedure for each and every single item;
- Use the data from the legal register of new publications to build a solid “books in print” database that is openly accessible, and which could become the backbone of a state-of-the-art ordering catalogue and inventory system for publishers and retailers.

To meet these challenges and take advantage of opportunities, Ukrainian stakeholders should be encouraged to network with their international counterparts, especially through international professional organizations and fairs.

REPORT ON THE RESULTS OF RESEARCH ON THE UKRAINIAN BOOK SECTOR¹

1. BASIC RULES AND STANDARDS ESTABLISHED BY THE GOVERNMENT FOR ECONOMIC ENTITIES IN THE PUBLISHING SECTOR

The grounds for the publishing business, the procedure for organizing and conducting publishing activities, the distribution of publishing products, the conditions for mutual relations and the functioning of entities within the publishing sector are defined by the Ukrainian law *On the Publishing Business* (<http://zakon2.rada.gov.ua/laws/show/318/97>).

An enterprise or an entrepreneur intending to publish or sell books is obliged to register (obtain a license) from the State Committee on Television and Radio Broadcasting of Ukraine (www.comin.kmu.gov.ua).

Under the Ukrainian law *On Obligatory Copies* (<http://zakon2.rada.gov.ua/laws/show/595-14>), the publisher must send from ten to seventeen obligatory free copies to the Book Chamber of Ukraine, to the collections of some national and state libraries, as well as to state governance institutions.

The State Committee on Television and Radio Broadcasting of Ukraine is the main institution in the system of central executive bodies for creating and implementing state policy in the field of television and radio broadcasting, as well as in the information and publishing fields.

The Committee also includes representatives of non-governmental organizations representing the interests of stakeholders

¹ This report is a summary made by Myroslava Prykhoda of the complete Study of the Ukrainian Book Sector by Oleksandr Afonin of the Ukrainian Publishers and Booksellers Association (UPBA)

in the informational and book publishing fields. The interests of publishers are represented by the Ukrainian Publishers and Booksellers Association (UPBA) president.

The National ISBN Agency was established in Ukraine in 1997.

ISSN – the issue of Ukraine joining the ISSN system is being studied on the governmental level.

ISTC – the issue of Ukraine joining the ISTC system is being studied.

DOI, digital object identification, is used by Ukrainian intellectual property rights holders (scientists).

ONIX (e-commerce standards) – the issue of their implementation is being studied.

Taxation of publishing activities. Ukrainian publishers enjoy tax benefits.

Publishers and printing enterprises do not pay VAT and income taxes, and bookselling is exempt from paying VAT on the sales of books published in Ukraine; however, they pay income tax at a rate of 21 percent.

In Ukraine, there are no laws and regulations to limit extra charges on books sold.

2. BASIC INDICATORS CHARACTERIZING THE MARKET FOR PUBLISHING PRODUCTS

2.1. *Publication of Books*

Statistics about book publishing in Ukraine are maintained by the state research institution, the Ivan Fedorov Book Chamber of Ukraine (www.ukrbook.net). According to its data, the number of new titles and reprints published during the last ten years can be characterized as follows (see Table 2.1.1):

Table 2.1.1

**Number of New Titles and Reprints Published in Ukraine
in 2002-2011²**

Year of publication	New titles		Reprints	
	Number of titles, publishing units	Number of copies, thousand	Number of titles, publishing units	Number of copies, thousand
2002	11,651	40,386.2	793	7,476.7
2003	12,963	34,233.3	842	5,229.6
2004	13,946	47,376.0	844	5,428.7
2005	14,956	48,421.7	764	5,638.1
2006	15,097	48,892.9	770	5,316.7
2007	17,143	50,613.3	844	5,498.4
2008	22,815	53,914.0	1,225	4,244.1
2009	21,470	45,595.8	1,021	2,918.6
2010	21,347	40,587.5	1,210	4,470.8
2011	21,500	42,300.6	1,326	4,265.1

The Book Chamber of Ukraine registers obligatory copies of books in the year of their arrival at the fund and not always in the year of their publication. This is why there may be a margin of error of up to 3 to 5 percent. For a long time now, the Ukrainian book market has been in stagnation; the total number of published books (with the exception of two extreme years, with a low in 2003 and a high in 2008) fluctuates around the number of 45 million copies, about one copy per capita. The average number of copies has also decreased: from 3,800 copies in 2002 to 1,900 in 2011 (see Table 2.1.2).

² Data from the Ivan Fedorov Book Chamber of Ukraine (www.ukrbook.net).

Table 2.1.2

**Average Numbers of Copies for Books and Brochures
for Targeted Use in 2002-2011³**

(thousands of copies)

Targeted use sections	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Total	3.8	2.9	3.6	3.4	3.4	3.1	2.4	2.2	2.0	2.0
Scientific publications	0.5	0.6	0.6	0.7	0.6	0.4	0.5	0.4	0.4	0.3
Popular science literature for adults	4.1	2.7	2.7	3.1	5.0	3.9	2.4	2.3	2.5	2.2
Regulatory and industrial practice publications	1.6	1.6	2.1	2.4	2.2	1.3	1.4	2.2	1.8	1.9
Official publications	1.8	2.3	1.6	1.0	0.9	0.4	0.5	0.6	0.9	0.6
Civic and political publications	3.2	7.6	3.2	35.6	3.0	32.0	4.9	3.0	4.4	1.2
Training and methodology publications	5.9	4.3	6.1	4.7	4.4	3.4	2.8	2.5	2.4	2.5
Fiction for adults	1.5	1.7	2.1	2.4	3.3	2.4	2.6	1.9	1.9	2.5
Publications for children and youth	4.2	3.4	5.3	5.3	4.5	4.3	3.8	3.2	3.5	2.8
Reference materials	4.8	3.3	3.6	5.2	4.7	3.5	3.1	3.6	3.0	2.7
Informational publications	1.6	4.4	6.1	1.2	1.4	3.4	10.4	11.3	2.4	0.8

³ Data from the Ivan Fedorov Book Chamber of Ukraine (www.ukrbook.net).

Publications for publishers and book distributors	1.0	–	–	–	–	–	–	21.8	–	–
Bibliography publications	0.4	0.4	0.4	0.3	0.4	0.3	0.3	5.8	0.2	0.2
Publications for organizing leisure	12.5	5.0	5.8	10.4	13.4	11.6	11.4	10.7	9.0	9.6
Advertising publications	2.6	1.4	5.0	11.5	3.3	0.8	0.7	28.8	–	1.5
Religious literature	6.7	4.3	3.4	3.0	3.7	11.6	2.3	3.0	3.0	2.1

In 2011-2012, about 45,000 titles were published. One part of those is purely institutional and published in the printing houses of state institutions; though they are documented by the Book Chamber of Ukraine, they never make it into free circulation.

2.2. Book Sales

There are no official statistics on retail book sales in Ukraine.

The total number of books sold in Ukraine in 2011 is about 24 to 25 million copies for the total amount of about 750 to 800 million UAH. The revenues from exported publishing products, mostly to Russia and other CIS countries, amounted to about 170 million UAH in 2010. Selling licenses for publishing Ukrainian authors in other countries brings in about 20 to 25,000 EUR per year.

The total turnover from selling Ukrainian published products on both internal and external markets amounts to about 950 million to 1 billion UAH per year.

About 100 publishing houses obtain state commissions and budget financing on the basis of bidding procedures for the following:

- publication of socially significant titles, the list of which is compiled by the State Committee of Television and Radio Broadcasting of Ukraine (about 170 to 180 titles) for a total amount of 20 million UAH per year;

- publication of textbooks for schools, which are distributed via school libraries to the students for the period of their studies; this constitutes 150 to 160 titles for 150 million UAH per year.

The turnover of book sellers from selling books on the free market and following state commissions fluctuates between 1.120 billion UAH and 1.17 billion UAH.

Book sellers typically add the following mark-ups for Ukrainian book products:

- independent small book shops apply a mark-up of 50 to 70 per cent;
- the mark-up in chain bookstores and big book shops is around 120 to 180 per cent;
- book kiosks, where the products are sold by a private entrepreneur, have a mark-up of 40 to 60 percent.

The average mark-up on book products in Ukraine amounts to 85 percent.

In total, retail book sales amounted to about 1.8 billion UAH in 2010 and 1.6 billion UAH in 2011.

The UABB evaluates the market shares on the internal book market in the following way:

- books published in Ukrainian, Russian and languages of national minorities, account for 20 to 23 percent of the market;
- books imported from all countries except Russia, about 5 percent;
- books from Russia (legally imported, smuggled and additional “pirate” print runs) account for 73 to 75 percent.

The portion of Ukrainian publications on the book market in different years fluctuated between a low of 5 to 7 percent and the current 20 to 23 per cent; however, books from Russian publishing houses have always prevailed on the Ukrainian market.

3. MAIN STAKEHOLDERS IN THE BOOK MARKET, THEIR ROLES AND LINKAGES

3.1. Publishing Houses

As of November 25, 2012, the Ukrainian State Register of Publishers, Makers and Distributors of Book Products included 4,205 legal entities and natural persons. However, most of them do not engage in such activities.

Table 3.1.1 indicates the number of publishing houses that published books over the last ten years and also those which published ten or more new titles during the year.

Table 3.1.1

Number of Publishing Entities, Which Sent Obligatory Copies of Their Titles in 2002-2011 and Those Publishing No Fewer Than Ten Titles⁴

Year of publication	Publishing entities in Ukraine, total	Entities publishing no fewer than ten titles
2002	1,465	251
2003	1,453	248
2004	948	225
2005	1,677	292
2006	1,614	289
2007	1,691	313
2008	1,792	454
2009	1,650	483
2010	1,691	497
2011	1,576	484

⁴ Data from the Ivan Fedorov Book Chamber of Ukraine (www.ukrbook.net).

See Annex 1⁵ for a table of Ukrainian publishing houses that published books organized by categories, numbers of titles and numbers of copies.

The list of the top ten Ukrainian publishing houses, which published the largest number of books during the last five years according to the number of titles, is provided in Annex 2, while the ranking by the number of copies is given in Annex 3.

The number of employees in publishing houses varies greatly, depending on the volume of published products (see Table 3.1.2).

Table 3.1.2

Average Number of Employees in Publishing Houses⁶

Number of book titles published per year	Number of employees
up to 10 titles	5-10
up to 50 titles	15-25
100 titles	35-40
up to 300 titles	100-120
over 300 titles	up to 200

The average monthly salary of publishing houses employees is between 3,000 and 3,500 UAH. Normally, all employees of publishing houses have a higher education.

Book Sale Price - Breakdown of Expenses and Profit

In the recent years, the sale prices of books of Ukrainian publishing houses took into account the following average expenses and profit (see diagram 3.1.1):

⁵ All annexes are found only in the online version of the current text at www.bookplatform.org, Policy Studies/ Ukraine.

⁶ According to the data of Ukrainian Association of Book Publishers and Book Sellers

Diagram 3.1.1

Book Sale Price - Breakdown of Expenses and Profit⁷

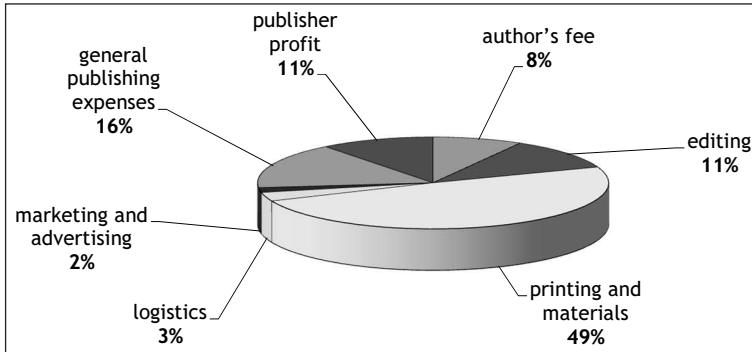


Table 3.1.3

Distribution of Publishing Houses by Regions in Ukraine⁸

Territorial administrative unit	Number of publishing houses	Territorial administrative unit	Number of publishing houses
Autonomous Republic of the Crimea	34	Odessa region	53
Vinnitsya region	28	Poltava region	29
Volyn region	17	Rivne region	19
Dnipropetrovsk region	54	Sumy region	19
Donetsk region	74	Ternopil region	24
Zhytomyr region	14	Kharkiv region	163

⁷ According to data from the UPBA research study.

⁸ According to data from the Ivan Fedorov Book Chamber of Ukraine.

Zakarpattia region	21	Kherson region	21
Zaporizhzhya region	44	Khmelnytsky region	30
Ivano-Frankivsk region	24	Cherkasy region	30
Kyiv region	28	Chernivtsi region	19
Kirovohrad region	19	Chernihiv region	21
Luhansk region	27	Kyiv	639
Lviv region	92	Sevastopol	11
Mykolayiv region	22		

3.2. Bookselling Enterprises

The main entities distributing Ukrainian book products are the following:

- book markets (open-air)
- big bookstores and their chains
- book sections of supermarkets
- independent bookshops

Book products are sold at retail by publishing houses in the form of club sales via catalogues and also during campaigns and exhibitions, as well as through publishing houses' websites.

The total volume of retail book sales is divided in the following way:

Diagram 3.2.1

Total Volume of Book Sales⁹

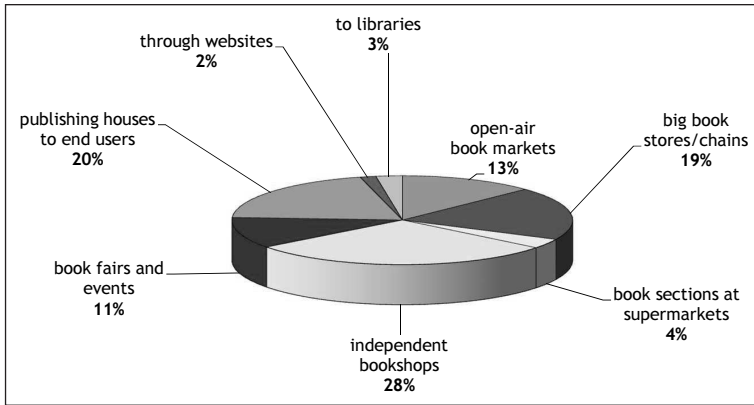


Table 3.2.1

Number of Book Retail Outlets¹⁰

Year	Total book retail outlets	Book stores	Kiosks and book stands
2010	8,511	1,409	7,102
2011	8,645	1,422	7,223
1 st half of 2012	8,579	1,470	7,109

The generalized information about the number of retail outlets for book products by region is provided in Table 3.2.2.

⁹ According to the results of UPBA research

¹⁰ The data of State Committee on Television and Radio Broadcasting of Ukraine (www.comin.kmu.gov.ua).

Table 3.2.2

Number of retail outlets for book products by region in the first half of 2012¹¹

Territorial administrative unit	Retail outlets	2 nd half of 2011	1 st half of 2012	Growth
Autonomous Republic of the Crimea	Total outlets	28	58	+30
	Book stores	25	41	+16
Vinnytsya region	Total outlets	565	566	+1
	Book stores	58	67	+9
Volyn region	Total outlets	151	167	+16
	Book stores	38	26	-12
Dnipropetrovsk region	Total outlets	516	495	-21
	Book stores	115	114	-1
Donetsk region	Total outlets	616	840	+224
	Book stores	121	150	+29
Zhytomyr region	Total outlets	230	230	0
	Book stores	26	26	0
Zakarpattia region	Total outlets	104	104	0
	Book stores	32	32	0
Zaporizhzhya region	Total outlets	229	234	+5
	Book stores	48	48	0
Ivano-Frankivsk region	Total outlets	114	119	+5
	Book stores	53	54	+1
Kyiv region	Total outlets	300	300	0
	Book stores	37	36	-1
Kirovohrad region	Total outlets	82	78	-4
	Book stores	11	8	-3
Luhansk region	Total outlets	627	289	-338
	Book stores	73	62	-11

¹¹ The data from the State Committee on Television and Radio Broadcasting of Ukraine (www.comin.kmu.gov.ua).

Lviv region	Total outlets	215	218	+3
	Book stores	121	122	+1
Mykolayiv region	Total outlets	281	265	-16
	Book stores	51	51	0
Kyiv city	Total outlets	540	544	+4
	Book stores	105	107	+2
Sevastopol city	Total outlets	91	88	-3
	Book stores	32	34	+2
Odesa region	Total outlets	654	654	0
	Book stores	55	55	0
Poltava region	Total outlets	245	247	+2
	Book stores	47	48	+1
Rivne region	Total outlets	142	145	+3
	Book stores	32	36	+4
Sumy region	Total outlets	105	106	+1
	Book stores	31	33	+2
Ternopil region	Total outlets	676	676	0
	Book stores	49	49	0
Kharkiv region	Total outlets	368	368	0
	Book stores	49	49	0
Kherson region	Total outlets	482	482	0
	Book stores	67	67	0
Khmelnysky region	Total outlets	661	666	+5
	Book stores	59	60	+1
Cherkasy region	Total outlets	183	198	+15
	Book stores	29	36	+7
Chernivtsi region	Total outlets	267	267	0
	Book stores	36	36	0
Chernihiv region	Total outlets	173	175	+2
	Book stores	22	23	+1

Bookselling Outlets: a list

The UPBA prepared an extended list of book selling outlets.

1. Bookstores, which belong to bookselling chains and also to the chains of certain publishing houses

Table 3.2.3¹²

Name of bookselling chain	Number of book selling points (total)	Distribution level
“Family Leisure Club” book club	80	national
Logos Trans	38	national
“Navchalna knyha-Bohdan” publishing house chain	26	national
Bukva	16	national
Gala	15	regional
Litera	15	national
Krymknyha	13	regional
Bukvit	12	regional
Knyholend	11	regional
“Ranok” publishing house chain	10	national
Knyharnya Ye	9	national
Dim knyhy (Domaretsky)	8	regional
Lyubimaya Kniga	6	regional
Dum knyhy	6	regional
Pidruchnyky I posibnyky	4	regional
Folio	4	national
Litera-Nova	2	local
Atrium	2	local

¹² Results of UPBA research.

2. Independent book shops – about 600.
3. Bookselling sections and book stands with a narrow range of books in supermarkets - 1,165.
4. Sections selling children’s books only in specialized supermarkets selling clothing and food for children - 57.

According to a decree by the Cabinet of Ministers of Ukraine, bookstores whose stock no less than 50 percent of titles from Ukrainian publishers and which are located in the buildings of state or communal ownership can rely on a 6 percent discount on rent from the evaluated cost of the facilities. There are few book stores that take advantage of this benefit, and they are mostly situated in the western regions of Ukraine.

Bookstores belonging to foreign owners function as “trade dictate,” establishing hard-to-fulfill requirements for Ukrainian publishers. The bookselling system is targeted at selling imported books, mostly from Russia.

Exhibition events on the national level:

Lviv international Book Fair and Literature Festival. It has been held by a non-profit NGO, the Book Publishers Forum, jointly with UPBA since 1994. (<http://bookforum.ua>).

“Book World”, or “Medvin” (Kyiv), held since 1999 by Medvin exhibition company specializing in dental exhibitions (www.medvin.kiev.ua).

Kyiv international book fair and “Book Contracts” fair (Kyiv), which have been organized since 2003 by the central executive institution, the State Committee on Television and Radio Broadcasting of Ukraine (www.comin.kmu.gov.ua).

“Book World” (Kharkiv) (www.bookfestival.edem.kharkov.ua), held since 2000 by the owner of “Balka” / “Rayskiy ugolok”, Kharkiv book market.

“Book Arsenal” (Kyiv) (<http://artarsenal.in.ua/>), held since 2011 by the state exhibition center “Mystetsky Arsenal”.

There are about 20 regional book fairs. The best known are “Green Wave” (Odessa) (www.expodessa.com/books/about/all/), “Volyn Book” (Lutsk), “Book Toloka” (Mykolayiv, Lviv region).

Actually, there are no companies in Ukraine engaged in wholesaling and book distribution. There are only two enterprises engaged in small-scale wholesaling activities, “Dzherela-M” (www.knugoman.org.ua) and “Summit-knyha” (www.ua.all.biz/sammit-kniga-dp-e94793).

The following book chains are among the systemic distributors:

Logos Trans (www.kc.com.ua) – foreign ownership. Owned by EKSMO, a Russian private publishing house.

Bukva or EMPiK (www.empik.ua) – foreign ownership. Owned by EMPiK, a Polish private company.

Litera (www.libra.in.ua) – foreign ownership. Owned by AST, a Russian private publishing house, which is now in the stage of reorganization.

Knyharnya YE (www.book-ye.com.ua/shop/) – foreign ownership. Owned by ECEM Media GmbH, Austrian company.

Two more chains belonging to publishing houses can also be placed in this category. They are:

Family Leisure Club publishing house bookstore chain (<http://bookclub.ua/catalog/e-books/>) (owned by Bertelsmann, the German media corporate group);

the bookstore chain of the Navchalna knyha - Bohdan publishing house (www.bohdan-books.com).

It is impossible to determine the yearly turnover of these chains and the market share they occupy. Information about this is considered a commercial secret and is not disclosed.

3.3. *Printing Enterprises*

The register of State Committee on Television and Radio Broadcasting of Ukraine (as of the end of 2012) includes 2,577 printing companies producing books. The list also includes publishing houses with their own printing facilities. For example, those include Navchalna knyha - Bohdan (Ternopil), Pidruchnyky i posibnyky (Ternopil), Folio (Kharkiv), Gimnaziya (Kharkiv), and Factor (Kharkiv). There are also printing companies combining printing with publishing activities, e.g. the printing factory Pre-

sa Ukrainy (Kyiv), Vinnytska kartohrafichna fabryka (Vinnytsya), Volynska oblasna drukarnya (Lutsk), and others.

A small number of state enterprises targets state commissions to print mass batches of textbooks for schools and universities; they are the Globus factory (Kharkiv), the Presa Ukrainy printing factory (Kyiv), Atlas factory (Lviv), Tavryda printing enterprise (Simferopol), etc.

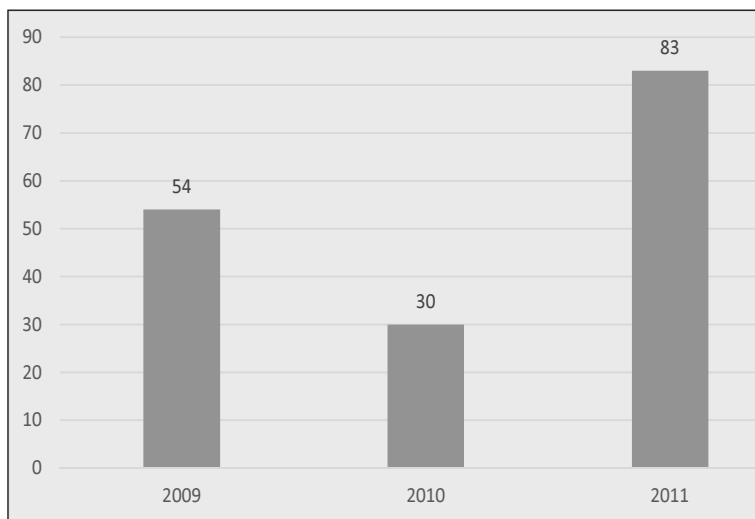
3.4. Digital Publishing Market

The active distribution of electronic books was started in Ukraine in 2007-2008, together with the emergence of the Most-Publishing company (LLC), which organized the supply and sale of PocketBook e-readers.

The official accounting of electronic publications, i.e. publications without hard copies, began on the state level only in 2009. The number of e-publications over the last three years is presented in diagram 3.4.1:

Diagram 3.4.1

Number of Electronic Publications in Ukraine in 2009-2011¹³



¹³ Data from the Ivan Fedorov Book Chamber of Ukraine.

Legal Ukrainian resources now provide access to electronic versions of titles existing in hard copies in the following languages:

- Ukrainian – about 4,000;
- Russian – about 50,000;
- English – about 300,000;
- German – about 200,000.

In general, there are over 650,000 titles available in 17 languages.

The main Ukrainian publishers of electronic books include the following:

Tsentr uchbovoyi literatury (www.audiobooks.ua/f/izdatelstvo/centr_uchbovoi_literaturi) – about 350 titles, even though the legality of some is doubtful;

Family Leisure Club (<http://bookclub.ua/catalog/e-books/>) – about 350 titles;

Ranok (<http://e-ranok.com.ua/>) – 300 titles;

Navchalna knyha - Bohdan (www.bohdan-books.com) – 300 titles;

Folio (www.folio.com.ua) – over 200 titles (technically about 1,000 titles, but not all are offered for sale);

Condor (www.condor-books.com.ua) – 200 titles;

Calvariya (www.calvaria.org) – 100 titles.

Among the biggest Russian publishers of electronic books available in Ukraine legally, we can find the following: EKS-MO (www.eks-mo.ru; 11,000 titles); AST (www.ast.ru; 4,000 titles), Ripol (www.ripol.ru; 2,500 titles), Tsentropoligraf (www.centropoligraf.ru; 1,000 titles), Piter (www.piter.com; 1,000 titles), “Veche” (www.veche.ru; 1,000 titles).

The Ukrainian market for electronic books includes the following distributors and aggregators:

1. Ukrainian

Obreey (<http://store.obreey.com/ukr>). This portal sells electronic books in various categories, such as scientific literature, textbooks, fiction, journalistic essays, etc.

Kassiopeya (<http://store.kassiopeya.com>) – the first Ukrainian cloud service for reading books. Kassiopeya sells access to book titles in different categories such as scientific literature, textbooks, fiction, journalistic essays, etc. It is the first aggregator in Ukraine, which offers a service for selling electronic books of Ukrainian publishers through Amazon and Barnes & Noble.

Family Leisure Club sells only its own books and uses various file types for uploading, such as FB2, TXT, RTF, PDF, and EPUB.

Ranok Publishing (<http://e-ranok.com.ua/>) sells only its own books and uses PDF-files for loading.

2. Russian

LitRes (<http://litres.ru/>), Wexler (<http://wexler.ru>), different aggregator and distributor in the systems – (Electronic Library Systems) (www.knigafund.ru/, www.book.ru/), etc.

Ozon (<http://ozon.ru/context/ebook/>).

3. International

Amazon, B & N, Kobo, Google Books, Gardners Books, Ingram Digital (aggregator), OverDrive (aggregator), and Lib्रेka (aggregator). Their activities in Ukraine are not prohibited, but not officially supported. Ukrainian publishers use them for selling their e-books abroad.

Self-publishing is present on the market of traditional books, but its share is very small. As for e-resources, there are several, but mostly for poetry and without a sales system (www.poesia.org). The most famous Russian projects are www.litclub.ru, www.proza.ru, and www.stihi.ru.

International self-publishing platforms are not used in Ukraine. There are two Ukrainian ones, ObreeyAuthors (<http://store.obreey.com/ukr>) and Kassiopeya (<http://store.kassiopeya.com>), where the author can upload his/her work and present it.

3.5. Situation with Non-Sanctioned Reproduction of Publishing Products (Piracy)

Piracy is extremely widespread on the Ukrainian book market. According to the results of expert surveys and the UPBA's own research, we determined the following percentages for the

market of traditional paper books: 60 percent legal and 40 percent “pirated” for textbooks, and 93 to 95 percent legal and 5 to 7 percent pirated for other genres. As for e-publications, according to data from the GFK Ukraine marketing agency, the “pirated” portion is much larger and amounts to 84 percent of the market, with only 16 percent legal.

“Pirate” websites provide 35 to 40,000 Ukrainian titles and about 250,000 titles produced in the Russian Federation. There are some pirate websites that offer over 200,000 Ukrainian titles, including e-copies of books from the funds of Ukrainian public libraries, which is an illegal act.

The UPBA has a civic department as well as a special group for identifying pirate websites. A new department was created in the Ministry of Internal Affairs of Ukraine, the Department to Fight Against Cybercrimes.

In 2012, the percentage of Internet users not willing to pay for content accessible online has grown, according to the research by IVOX UKRAINE (www.ivox.com.ua).

4. IMPORT AND EXPORT OF BOOKS. TRANSLATIONS

4.1. Import and Export of Books

It is hard to determine the amount of imports on the Ukrainian book market, due to the following reasons:

- legal import of printed products is documented by State Customs Service of Ukraine (www.customs.gov.ua) and State Statistics Service of Ukraine (www.ukrstat.gov.ua);
- there are smuggled supplies of imported books;
- there is also additional “pirate” printings of imported publications within the territory of Ukraine.

The volumes of imported book products are determined by weight, and their total cost is determined by the price declared by the importer, in US dollars. No service documents or analyzes the range of imported literature.

Such imports also include printed products, which are not books. According to data from the State Customs Service and State Statistics Service of Ukraine, the following statistics are available on the import of books (see diagram 4.1.1) in terms of: a) amount; b) cost:

Diagram 4.1.1

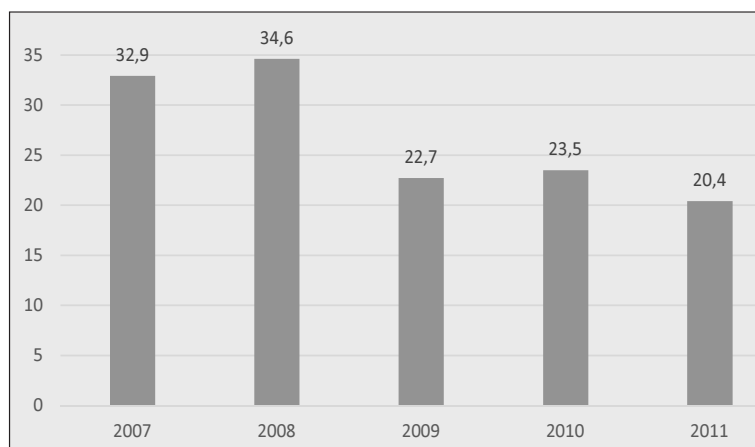
Import of Book Products in 2007-2011¹⁴

Year	Amount of books (in thousand USD)	Cost (in thousand USD)
2007	13157.5	39 855.1
2008	13822.5	54 189.6
2009	9076.5	37 846.1
2010	9392.3	41 755.1
2011	8177.2	42 758.4

The approximate volume of imported books (the average weight of a book is 350 to 400 g) is presented in diagram 4.1.2:

Diagram 4.1.2

Import of Books (in millions of copies)¹⁵



¹⁴ Data from the State Customs Service and State Statistics Service of Ukraine.

¹⁵ Data from the State Customs Service and State Statistics Service of Ukraine

The biggest imports of book products during the last five years were documented by State Customs Service of Ukraine for the following countries (see Annex 4).

The data on imports from the UK, the USA and Russian Federation are presented in Table 4.1.1.

Table 4.1.1

Import of Book Products from the UK, the USA and Russian Federation¹⁶

Year	United Kingdom		USA		Russian Federation	
	Amount, tons	Cost, thousand US dollars	Amount, tons	Cost, thousand US dollars	Amount, tons	Cost, thousand US dollars
2007	377.8	1,540.1	205.8	814.1	9,142.5	25,236.1
2008	407.9	1,731.7	38.6	108.7	9,340.4	36,292.1
2009	306.2	1,592.2	21.3	101.0	6,925.3	27,189.3
2010	392.1	2,087.7	63.6	108.6	6,150.3	26,634.7
2011	314.9	2,010.0	76.5	120.6	5,053.2	26,046.6

The main share of literature from the UK and the USA constitutes study materials for those who are learning English. The list of imported Russian literature contains mass fiction, entertainment, children's books, esoteric and reference literature.

As for the export of Ukrainian books to other countries, the total results look as follows (see diagram 4.1.3), in terms of: a) amount of books; b) total cost:

¹⁶ Data from the State Customs Service and State Statistics Service of Ukraine

Diagram 4.1.3

Export of Book Products in 2007-2011¹⁷

year	amount of books (in tons)	total cost, thousand US dollars
2007	2 549	21 070
2008	2 201	15 475
2009	1 760	54 721
2010	2 868	31 868
2011	3 521	76 506

The export of books is presented in Annex 5.

There are no business establishments exporting Ukrainian books only. There are three publishing houses that legally export their own literature and partially the literature of other publishing houses, mostly to the Russian Federation, Belarus and Kazakhstan. The biggest exporter is Family Leisure Club (Kharkiv) (<http://bookclub.ua/catalog/e-books/>). Small numbers of books are exported by Ranok (Kharkiv) (<http://e-ranok.com.ua/>) and BAO (Donetsk) (www.bao-book.com/categories). The publishing houses Folio, Znannya, and Summit-Knyha have ceased such activities.

Exports have increased because Family Leisure Club, which is responsible for about 60 percent of Ukrainian book exports, has organized its book-club sales to the Russian Federation. Exports to Belarus and Kazakhstan have also grown, in particular for children's books. All exported literature is in Russian.

The decreasing dynamics of book imports can be explained by the economic crisis in Ukraine and the reduction of purchasing power among the population. The most significant book import decrease concerns supplies from Russian Federation. The main

¹⁷ Data from the State Customs Service and State Statistics Service of Ukraine

suppliers of book products from this country were two powerful publishing houses, AST and EKSMO, while their total production of books during the last three years (in terms of numbers of copies) was almost three times larger than the annual production volume of all Ukrainian publishers combined.

4.2. Translations into Ukrainian language

Data on translated publications in the Ukrainian language in 2002-2011 is provided in Annex 6.

For translated publications, about 70 percent is fiction on average. The next category in terms of the number of titles is children's books, ranging from fiction to popular science, which has a share of about 15 per cent. The remaining 15 percent encompasses all the other categories.

Table 4.2.1

Share of Translations in the General List of Fiction Titles in 2007-2011¹⁸

Year	Total number of fiction titles for adults, units	Number of translated titles, units	%
2007	2,730	385	14.1
2008	3,983	515	12.9
2009	3,696	479	13.0
2010	3,652	553	15.1
2011	3,731	594	15.9

During the last five years, the greatest number of works in different genres were translated from the following languages:

¹⁸ Data from the Ivan Fedorov Book Chamber of Ukraine.

Table 4.2.2

Number of Translated Works from Various Languages in Different Genres in 2007-2011¹⁹

Year	Language of original and number of translations, printed units					
	1	2	3	4	5	6
2007	English 219	Russian 96	German 54	French 53	Polish 30	Italian 10
2008	English 234	Russian 171	German 61	French 60	Polish 60	Italian 41
2009	English 274	Russian 147	French 59	German 36	Polish 34	Italian 26
2010	English 303	Russian 153	German 50	French 49	Polish 44	Italian 44
2011	English 228	Russian 221	French 85	German 67	Polish 65	Italian 44

Among publications in foreign languages prepared and published in Ukraine, Russian-language works rank first. In 2010, a total of 5,554 titles were published in Russian; in 2011, there were 5,420. We cannot consider these publications as translations because they were written in Russian. Translations from Ukrainian into Russian language amount to only 3 to 5 percent of the general volume of Russian-language publications. Russian is followed by English, German, French, Hungarian, Crimean Tatar, Polish, and Romanian. Most of these publications are designed for those studying foreign languages and also for national minorities (see Annex 7).

The number of Ukrainian fiction titles in foreign languages is insignificant. In 2010, there were nine titles published in English with the total number of 3,200 copies; and in 2011, eleven titles with the total number of 2,500 copies. In German, there were only two titles in 2011 totaling 1,100 copies, and one title in French with 300 copies (same year).

¹⁹ Data from the Ivan Fedorov Book Chamber of Ukraine.

Annex 8 lists top ten publishers, which actively published translated literature during the last five years.

5. PECULIARITIES OF THE EDUCATIONAL PUBLISHING MARKET

About fifty publishing houses specialize in educational literature.

Upon state orders for secondary schools, the following number of textbooks were produced

Diagram 5.1

Publication of Textbooks for Secondary Schools in 2009-2011²⁰

Year	Number of titles	Total number of copies, million
2009	163	10,378
2010	130	10,038
2011	151	5,209
2012	178	11,781

For professional and technical education, during the last five years not a single textbook for the major professions has been published with budget funds. The state has also not financed the publication of textbooks for universities. The publishing houses issue such textbooks at their own expense.

Universities have procured a small number of textbooks. As a result, the publishing houses specializing in textbooks for universities, in particular in the fields of technology, the natural sciences and engineering, decreased the numbers of copies three-fold. The average number of copies for such titles is 250 to 300.

²⁰ Data from the Institute of Innovation Technologies at the Ukrainian Ministry of Education, Science, Youth and Sport.

For colleges and universities, the following number of textbooks were published (see diagram 5.2): a) number of titles; b) total number of copies.

Diagram 5.2

Publication of Textbooks in 2009-2011

Year	Number of titles	Total number of copies, million
2009	4318	1,9
2010	4440	2,057
2011	4667	1,817

Per each student in 2011, 0.79 textbooks were published in Ukraine.

Most of the specialized publishing houses for educational literature are private.

There are only four state publishing houses issuing textbooks. Two of those, Osvita (www.osvitapublish.gov.ua) and Svit (www.svit.gov.ua), publish textbooks for secondary schools, and two others, Lybid (www.lybid.org.ua) and Vyscha shkola (<http://b2btoday.com.ua/id/3943430>) publish for universities.

The most powerful educational publishers are private firms: Geneza (www.geneza.ua), Gramota (www.gramota.kiev.ua), Navchalna knyha - Bohdan (www.bohdan-books.com), Gimnaziya (www.gimnazia.com.ua), Pidruchnyky i posibnyky (www.pp.utel.net.ua); as well as Osvita (state establishment).

The most famous publishing houses issuing textbooks for universities are private companies: Znannia (www.znannia.com.ua), Akademia (www.academia-pc.com.ua), "Tsentr uchbovoyi literatury" (www.audiobooks.ua/f/izdatelstvo/centr_uchbovoi_literaturi); as well as Lybid (state establishment).

Foreign publishing houses are underrepresented in the market for educational publications in Ukraine. At book markets

and in some bookstores one can buy textbooks published by Pearson (Longman) - the UK; Macmillan, Oxford University Press, Cambridge University Press, Cengage Learning - parent US company (UK); Hueber, Cornelsen (Germany); Hachette, Cle (France); Edelisa, Edinumen (Spain), etc.

6. LIBRARIES AND NGOs

6.1. Libraries

There are over 40,000 libraries in the library system of Ukraine. Out of those, 19,300 are state and public libraries, over 20,000 are located in schools, and 900 in universities. There are also:

- 18,000 public libraries for adults;
- 43 libraries for youth;
- 1,200 libraries for children.

The data about libraries by regions are provided in Table 6.1.1, and the distribution of library collections by languages and regions, in Table 6.1.2.

Table 6.1.1

Libraries by Regions²¹

(as of the end of 2011)

Territorial administrative unit	Total libraries, units	Location		Library fund, thousand copies		
		urban	rural	total	urban	rural
Ukraine	19,326	4,615	14,711	317,553	184,589.5	132,963.5
Autonomous Republic of the Crimea	783	261	522	12,184.1	7,066.2	5,117.9
Vinnitsya region	1,004	153	851	16,482.5	5,945.6	10,536.9
Volyn region	609	118	491	6,789.3	3,437.6	3,351.7

²¹ According to the data of the Ministry of Culture of Ukraine.

Dnipropetrovsk region	817	351	466	21,286.7	17,184.6	4,102.1
Donetsk region	993	626	367	25,327.3	21,163.6	4,163.7
Zhytomyr region	931	135	796	10,218.2	4,101.9	6,116.3
Zakarpattya region	503	77	426	6,271.6	2,535.8	3,735.8
Zaporizhzhya region	586	205	381	9,990.9	6,546.6	3,444.3
Ivano-Frankivsk region	771	123	648	8,339.4	2,974.5	5,364.9
Kyiv region	901	131	770	10,120.0	3,538.6	6,581.4
Kirovohrad region	590	125	465	8,241.2	4,062.2	4,179.0
Luhansk region	731	359	372	13,052.4	9,726.6	3,352.8
Lviv region	1,362	216	1,146	19,014.5	12,799.4	6,215.1
Mykolayiv region	515	116	399	8,637.7	5,185.5	3,452.2
Odesa region	898	193	705	20,974.7	12,359.1	8,615.6
Poltava region	813	118	695	11,649.6	4,957.5	6,692.1
Rivne region	607	107	500	12,933.4	5,836.8	7,096.6
Sumy region	589	124	465	8,432.1	4,215.1	4,217.0
Ternopil region	915	107	808	8,152.9	3,142.8	5,010.1
Kharkiv region	847	231	616	20,693.7	14,407.9	6,285.8
Kherson region	530	164	366	8,058.4	4,810.9	3,247.5
Khmelnitsky region	945	125	820	11,051.2	4,168.5	6,882.7
Cherkasy region	740	85	655	10,774.7	5,252.9	5,521.8
Chernivtsi region	404	59	345	5,973.0	2,320.1	3,652.9
Chernihiv region	739	117	622	10,192.7	4,347.6	5,845.1
Kyiv	143	143	—	10,823.8	10,823.8	—
Sevastopol	60	46	14	1,887.0	1,677.8	209.2

Table 6.1.2
Distribution of Library Collections by Languages and Regions²²
 (as of the end of 2011)

Territorial administrative unit	Total, thousand copies	Languages										Percentage from total amount	
		Ukrainian	Russian	Moldovan	Romanian	Hungarian	Polish	Crimean Tatar	Bulgarian	Gagauz	others	Ukrainian	Russian
Ukraine	317,553	129,006.1	182,649.4	267.7	81.0	391.9	116.4	91.2	16.9	1.6	4,930.8	40.6	57.5
Autonomous Republic of the Crimea	12,184.1	1,862.9	10,166.3	-	-	-	-	88.5	0.6	-	65.8	15.3	83.4
Vynnytsya region	16,482.5	8,457.3	7,932.4	-	-	-	6.5	-	-	-	86.3	51.3	48.1
Volyn region	6,789.3	3,669.2	3,077.2	-	-	-	-	-	-	-	42.9	54.0	45.3
Dnipropetrovsk region	21,286.7	6,782.4	13,957.9	-	-	-	-	-	-	-	546.4	31.9	65.6
Donetsk region	25,327.3	7,161.9	18,023.8	-	-	-	-	-	-	-	141.6	28.3	71.2
Zhytomyr region	10,218.2	4,846.2	5,339.8	-	-	-	2.6	-	-	-	29.6	47.4	52.3

²² According to the data of the Ministry of Culture of Ukraine.

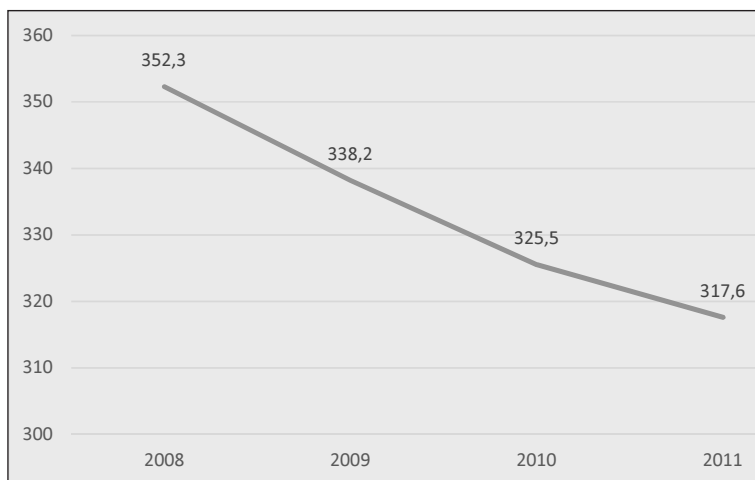
Zakarpattia region	6,271.6	3,048.6	2,794.1	—	14.0	391.9	—	—	—	—	23.0	48.6	44.6
Zaporizhzhya region	9,990.9	3,348.4	6,596.2	—	—	—	—	0.1	1.4	—	44.8	33.5	66.0
Ivano-Frankivsk region	8,339.4	5,171.4	3,165.7	—	—	—	1.4	—	—	—	0.9	62.0	37.9
Kyiv region	10,120.0	5,147.0	4,971.7	—	—	—	—	—	—	—	1.3	50.9	49.0
Kirovohrad region	8,241.2	3,526.5	4,670.9	—	—	—	0.7	—	—	—	43.1	42.8	56.7
Luhansk region	13,052.4	4,168.4	8,824.6	—	—	—	2.0	—	1.7	—	55.7	31.9	67.6
Lviv region	19,014.5	9,706.9	7,843.5	—	—	—	72.9	—	—	—	1,391.2	51.0	41.3
Mykolayiv region	8,637.7	3,081.5	5,519.7	—	—	—	—	—	2.2	—	34.3	35.7	63.9
Odesa region	20,974.7	6,167.6	13,973.2	59.3	—	—	—	—	11.0	1.6	762.0	29.4	66.6
Poltava region	11,649.6	5,342.9	6,276.8	—	—	—	—	—	—	—	29.9	45.9	53.9
Rivne region	12,933.4	8,006.2	4,878.0	—	—	—	2.1	—	—	—	47.1	61.9	37.7
Sumy region	8,432.1	3,874.7	4,531.4	—	—	—	0.1	—	—	—	25.9	46.0	53.7
Ternopil region	8,152.9	4,583.7	3,540.4	—	—	—	5.5	—	—	—	23.3	56.2	43.4
Kharkiv region	20,693.7	6,126.1	13,919.8	—	—	—	—	—	—	—	647.8	29.6	67.3
Kherson region	8,058.4	3,592.8	4,369.8	—	—	—	1.5	0.7	—	—	93.6	44.6	54.2
Khmelnytsky region	11,051.2	5,916.1	5,096.6	—	—	—	9.4	—	—	—	29.1	53.5	46.1
Cherkasy region	10,774.7	4,445.6	6,309.9	—	—	—	1.5	—	—	—	17.7	41.3	58.6
Chernivtsi region	5,973.0	2,742.7	2,930.1	208.4	67.0	—	3.6	—	—	—	21.2	45.9	49.1
Chernihiv region	10,192.7	4,729.4	5,434.2	—	—	—	—	—	—	—	29.1	46.4	53.3
Kyiv	10,823.8	3,345.1	6,781.5	—	—	—	6.6	1.0	—	—	689.6	30.9	62.7
Sevastopol	1,887.0	154.6	1,723.9	—	—	—	—	0.9	—	—	7.6	8.2	91.4

During the last three years, libraries have not received financing from the central budget. Financing from local budgets has permitted them to buy between 2.5 and 3 percent of Ukrainian books.

The total holdings of public libraries is presented in:

Diagram 6.1.1

Total Holdings of Public Libraries (million copies)²³



The main national libraries are the V.I. Vernadsky National Library of Ukraine (www.nbuv.gov.ua) and the National Parliamentary Library of Ukraine (www.nplu.gov.ua).

6.2. NGOs

The interests of publishing entities are represented by the following NGOs:

Ukrainian Publishers and Booksellers Association (UPBA). (www.uabooks.info);

Publishers Forum NGO (<http://bookforum.ua>);

Charity foundation of “Calvaria” publishing house (www.fund.calvaria.org);

Ukrainian Association of Printing Workers (UAPW).

²³ Data from the National Parliamentary Library of Ukraine.

7. GENERAL INFORMATION ABOUT THE CONTEXT

According to data from the State Committee of Statistics of Ukraine, the population of Ukraine as of October 1, 2012, was 45.599 million (with 46 percent men and 54 percent women). In the cities, there are 31.346 million residents, and in villages, 14.213 million residents. The labor resources of Ukraine are 27.8 million people, or 57.4 percent of the whole population; out of those, 54 percent are people of an active age. Seventy-one percent of the working population lives in the cities.

Of the working population, 26.5 percent are employed in industry; 7.5 percent in construction; 19.6 percent in farming and forestry; 33 percent in non-industrial fields.

The retirement age for Ukrainian citizens, both female and male, is 60 years of age.

The permanent population of Ukraine has the following age structure:

0-14 years of age - 6,496,000 people;

15-24 years of age - 6,250,000 people;

25-44 years of age - 13,458,000 people;

45-64 years of age - 12,405,000 people;

over 65 years of age - 6,950,000 people.

Gross national product (GNP) by purchasing power parity (PPP) per one Ukrainian resident in 2011 amounted to 3,621 USD according to the data of the Ministry of Finance of Ukraine (www.index.minfin.com.ua) and 7,598 USD according to the data of International Monetary Fund, which is one of the lowest results in Europe.

The unemployment level among the active population of Ukraine as of October 2012, amounted to 1.7 percent.

The average monthly salary is 2,999 UAH, average monthly pension is 1,253 UAH, the monthly minimum for subsistence is 1,110 UAH, and the cost of a basket of goods is 440 UAH.

Table 7.1 presents data about international agreements entering into force in Ukraine.

Table 7.1²⁴

International Agreements

No.	Agreement title	Date entered into force for Ukraine
1	Universal Copyright Convention of 1952	May 27, 1973
2	Berne Convention for the Protection of Literary and Artistic Works	October 25, 1995
3	Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of Their Phonograms	February 18, 2000
4	World Intellectual Property Organization Copyright Treaty	March 6, 2002
5	World Intellectual Property Organization Performances and Phonograms Treaties	May 20, 2002
6	International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations	June 12, 2002

State Intellectual Property Service of Ukraine (www.sips.gov.ua) is a member of the World Intellectual Property Organization.

According to the research and evaluations of UNESCO, the level of literacy in Ukraine has reached 99.7 per cent. This gives the country the 9th position in the global literacy ranking.

²⁴ Data of the State Intellectual Property Service of Ukraine (www.sips.gov.ua).

8. CONCLUSIONS

Our research on the publishing market in Ukraine confirms that it is not structured; Ukraine has no clear state policy in the field of book publishing. Governmental decisions for structuring the publishing sector of the national economy as cultural industry according to European standards were very fragmented and did not favor its development.

Nevertheless, the publishing sector in Ukraine has great intellectual, organizational and technical potential; its further development would provide for rather swift improvement of the book market and help the latter acquire the features of a cultural industry.

For this, the following is necessary:

- creating a management structure in the form of civic institute (as it has been done in France or Poland) or an executive body which would work for the development of national book publishing and its structuring;
- developing a comprehensive state program for popularizing books and reading;
- providing systemic budget financing for libraries;
- providing access to loan resources for publishing entities; creating a legislative environment, which would enable stakeholders to attract investment resources into book publishing from other national business fields;
- organizing systemic and comprehensive scientific research on the book market;
- guaranteeing the state protection of copyright and publishing both for the traditional paper book and for electronic publications; fighting piracy in a systemic way;
- developing legislation, which would limit extra charges for book retailing, or establishing a single retail price for all bookselling points.

CONCLUSIONS AND RECOMMENDATIONS

By Oleksandra Koval¹

The preceding/ report is a result of the first comprehensive professional research study of the Ukrainian book market for the period of Ukrainian independence, which allows us to evaluate the dynamics of the changes over the last ten to fifteen years.

The research was conducted in the framework of the Book Platform project financed by the EuroEast Culture program of the EU. The project is implemented by Next Page Foundation (Bulgaria) in Ukraine, Georgia and Armenia. Publishers Forum, a non-profit NGO, is a Ukrainian partner of the project. The author of this research is the president of the Ukrainian Publishers and Booksellers Association (UPBA), Oleksandr Afonin, who is recognized both in Ukraine and beyond as a book market expert. During the preparation of the report, he consulted with numerous experts representing publishing houses, bookselling enterprises, libraries, governmental and non-governmental agencies, civic organizations, etc. However, the time and funding allocated for the research were much too limited to for it to be fully carried out. Checking some data obtained from official sources turned out to be impossible, as the very mechanisms for such verification are lacking. This pertains above all to official statistics.

The data provided in the research study still enable us to determine the reasons for the current unsatisfactory state of the book market; to evaluate the extent to which its development was influenced by tax benefits introduced for the publishing industry; to find out whether enough funds are allocated for the replenishment of library collections; to determine the efficiency of budget financing for publishing certain books within the framework of state or regional programs, etc.

This analysis allows us to make certain conclusions about the reality and future prospects of the Ukrainian book market at least for the following several years while paper books continue to dominate electronic ones. It is also possible to determine actions that should be undertaken by state bodies for the support and development of this important economic and social sector.

¹ Oleksandra Koval is president of Publishers Forum NGO (Lviv, Ukraine)

1. The research has shown that there is not a single credible information source in Ukraine about its book market.

The Ivan Fedorov Book Chamber, a state research institution, keeps track of arrivals of obligatory book copies and submits cumulative data not by the year of issue, but by the year of the arrival of copies at the Book Chamber. As the copies are sent in with significant delay, and some publishing houses do not send them at all, it is possible to evaluate the number of published titles and their print runs only with a wide margin of error (10-20%). Therefore, one cannot base analysis on such data and, respectively, they cannot be used in the development of strategies and program activities for market improvement.

It is also impossible to obtain credible information about the real (and not merely registered) number of legal entities engaging in publishing and bookselling activities, as well as to determine the real addresses where such activities are undertaken.

We recommend:

a) improving the accounting of the following:

- obligatory copies; to compare the data from the Book Chamber with the data from the National Parliamentary Library and other libraries receiving obligatory copies and keeping track of them;
- legal entities engaging in publishing and bookselling activities; analyzing statistical data provided by them and publishing the aggregated data for book publishing and book selling, including imported publications, in natural and monetary equivalents.

b) determining a state body responsible for doublechecking the accuracy of the accounting and analysis of statistical data for Ukrainian book publishing and selling, as well as for publishing and public discussing these data to guide measures aimed at improving the situation.

2. Introducing a VAT benefit for publishers and booksellers (for Ukrainian books) and income tax benefits for publishers had a great influence on the financial stability of Ukrainian publishers; a gradual increase in their publications range is desirable.

We recommend:

keeping tax benefits for book publishing and selling Ukrainian books until Ukraine reaches book publishing and selling results comparable with those of other European countries.

3. Based on the data in the respective register kept by the State Committee on TV and Radio Broadcasting of Ukraine and on the results of the survey conducted by regional state administrations, it is possible to conclude that Ukraine has more bookselling points than such developed publishing countries as Germany, France, or the UK. Unfortunately, the reality known not only to publishers but also to all people buying and reading books is totally different: there are not more than 400 working, stationary book shops in the whole of Ukraine; i.e., they are not even present in each district center.

We recommend:

that state authorities and local self-governance bodies create the organizational and financial conditions for the development of bookselling: separate book shops as well as local, regional and national bookstore chains. Such conditions could be created by providing facilities in municipal or state buildings free of charge, if these facilities are suitable for book stores; no-interest loans for bookstore startups would also be a great advantage.

4. There are about 18,000 public libraries in Ukraine. Every year, national and local budgets allocate 1.1 billion UAH for their maintenance; out of those only 40 to 50 million UAH are earmarked for collection replenishment.

We recommend:

in the following years, gradually increasing the percentage for replenishment of public library collections in the general budget for their maintenance, from the current 5 percent to 10, 15, 20 percent or more until the necessary balance is attained; introducing a system to immediately inform libraries about books available on the market; establishing a transparent system for book procurement; determining quotas for procuring books from foreign publishers for public libraries; monitoring demand for procured books; studying unsatisfied demand for the optimization of state book procurement.

5. In addition, libraries are available in practically all educational establishments: secondary schools, colleges and universities. The functions of school libraries have been reduced to a librarian giving out sets of textbooks in the beginning of school year and taking them back at the end of the year.

We recommend:

providing school libraries not only with textbooks, but also with a minimal collection of fiction and popular academic literature;

changing the purpose of a school library and transforming it into an informational and leisure center for students.

6. In recent years in Ukraine, the demand for university textbooks has sharply dropped: in 2011, only 1.8 million copies were published, while the number of students has surpassed 2.3 million, which means only 0.7 textbooks per student per year. Even though, according to current regulations, for each discipline or course studied in college/university, the educational establishment should have no less than one textbook per three students. Therefore, the data about current consumption for university textbooks visibly confirm the unacceptable drop in higher education standards.

We recommend:

stimulating the creation and publication of textbooks for colleges/universities through the introduction of obligatory indices for book purchases to libraries, with professors using not one but several obligatory textbooks and other study sources, especially in institutes and universities.

7. Expert surveys testify to the high level of book piracy. In previous years, it pertained to the illegal additional printing of popular books, mostly textbooks and fiction bestsellers. Now electronic piracy constitutes an ever-growing threat: most books published in Ukraine can be found on pirate torrents. Publishers believe they lose over 50 percent of their profits due to this.

We recommend:

Developing and adopting on a legislative level regulatory documents on copyright in electronic book publishing that would stipulate prosecution for piracy; not a single piracy case signaled by legal owners should be neglected by law enforcement institutions; as a first step, it is necessary to strictly prohibit the use of illegal books in the educational system.

8. World trends indicate that the share of electronic books will grow in the coming years; in part, it will expand the market, but in part it will simply decrease the demand for paper books.

We recommend:

establishing a constant system for monitoring and analyzing the electronic publications market to counter the decrease of demand for paper books and assist in the expansion of the market.

9. Research shows a steady decrease of demand for intellectual products (in this case, books), especially in the field of education, including lifelong learning, professional development, and leisure. Sociological surveys conducted at different times by various researchers show the trend of a decreasing number of people who read books in their spare time and also a decrease in the number of parents reading to their children.

We recommend:

immediately adopting and providing due financing for a long-term program for the support and development of reading by adapting best practices from other countries to Ukrainian reality; involving state institutions and NGOs with experience in popularizing literature in the development and implementation of this program; conducting local, regional, national and international events to support reading, e.g. reading, literary and book competitions, festivals, and exhibitions; involving media, including commercial outlets, in the promotion of reading. Testing reading skills and competence according to the PISA system, discussing and analyzing results will help to make the necessary changes in school curricula, which in ten to twenty years will favor the development of education on all levels and, as a consequence, increase the efficiency of the Ukrainian economy.

The list of proposed activities, which should stabilize and promote the development of the Ukrainian book market, is not exhaustive and should be expanded after consulting with the Association of Book Publishers and Book Sellers, the Ukrainian Library Association, the State Committee on TV and Radio Broadcasting of Ukraine, the Ministry of Education and Science of Ukraine, the Ministry of Culture of Ukraine, the State Statistics Committee of Ukraine, and other stakeholders. All recommended measures should be implemented during the next one to three years. During their implementation, the process should be monitored; in 2016, the next comprehensive research should be conducted to evaluate the efficiency of any changes introduced.