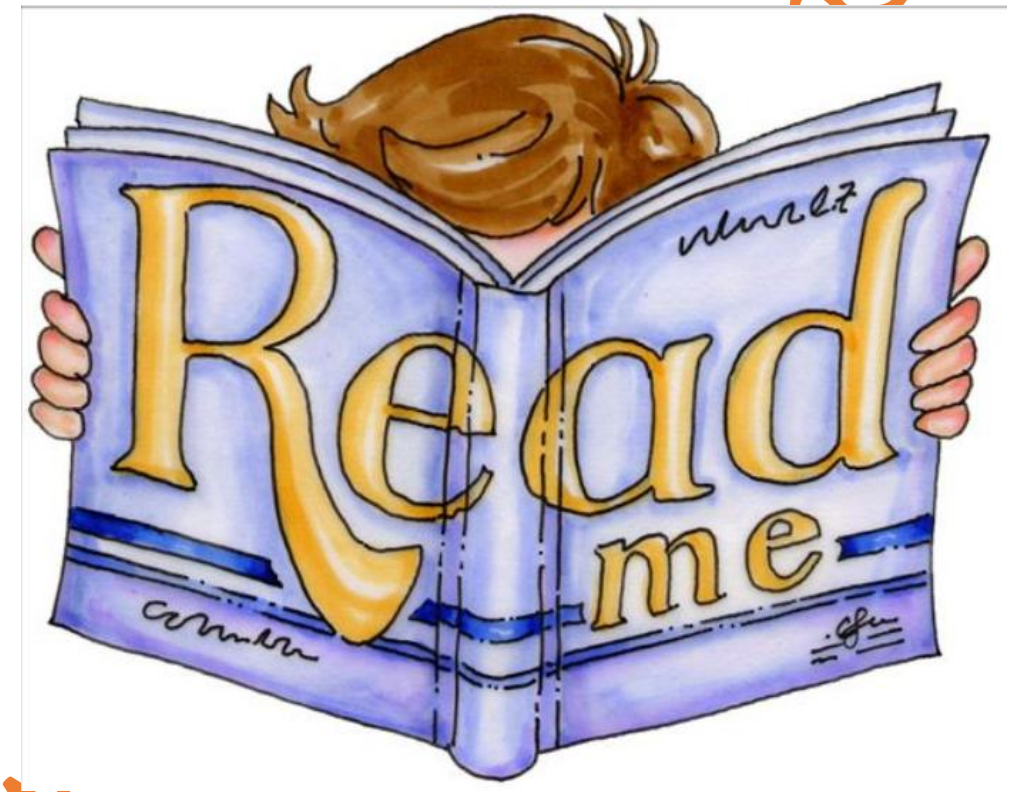
MARKET RESEARCH

KIDS BOOK INDUSTRY NORWAY



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NORWEGIAN BOOK MARKET

Norway is among the countries that offer the best conditions for the book industry. There are several reasons for that. Thanks to its high oil revenues, Norway is one of the richest countries in the world. It also has a literacy rate of 100%. The state-owned Arts Council always buys between 1,000 and 1,500 copies (for children books) of publishers' titles to stock the national libraries countrywide. For authors and smaller publishers in particular, this system ensures a certain level of financial security. In addition to this, all books are exempt from the country's 25% rate of value-added tax, and authors benefit form state support. Well established writers receive regular grants, and all others can apply for promotion programmes. By business agreement, deep discounting of new books is essentially banned, as is the case in a number of European countries. This protects booksellers from the likes of Amazon, and it also means that the profits from blockbuster titles, which would otherwise be the most heavily discounted, subsidize all other books to an even greater degree than they do here. You could say that Knausgaard has kept a lot of writers in business.

The main drawback is that the pool of potential buyers for any given book is small, so publishers have to charge a high price for each copy to cover their costs, and that can further limit sales. In addition the small market and the substantial cost of translation mean hat many great works are not available in Norwegian. Digitalization is also liberal. All published material in Norway is required by law to be deposited in the National Library, and the library is currently digitizing everything in its collection. Everyone in the country will be able to view the material free online; for books under copyright, the patron will be able to access the text but not download it.

PUBLISHERS & BOOKSELLERS

PUBLISHERS

The Norwegian book market is stable, having maintained the same level for many years. There are approximately 400 publishers, of which between 70 and 80 are members f the publishers' association. These account for around 80% of publishing turnover in the country. It is dominated by four large groups, 1) Cappelen Damm, 2) Gyldendal, 3) Aschehoug and 4) Vigmostad & Bjørke, each of which covers all segments.

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1. **Cappelen Damm**
    - The largest publisher in Norway, it is owned by the publishing groups Bonnier and Egmont, each of which holds a 50% share
    - Founded in 2007 as the successor to the publisher J.W. Cappelens Forlag (founded in 1829) and N.W. Damm & Søn
    - Portfolio: non-fiction, fiction, children's books
    - Approximately 1,200 new titles per year
    - The group also includes the book retailing chains Tanum and Storytel, the book club Bokklubber and the distributor Sentraldistribusjon
    - Imprint: Flamme.
2. **Gyldendal Norsk Forlag**
    - Belongs to the Gyldendal ASA group, alongside the retail chain Ark, 50% of the distributor Forlagsentralen and 48% of the book club De Norske Bokklubbene
    - Founded in 1925
    - Portfolio: non-fiction, fiction, children's books, school books
    - Four divisions: Gyldendal Litteratur, Gyldendal Undervisning, Gyldendal Akademisk and Gyldendal Rettsdata
    - Imprints: Kolon Forlag, Tiden Norsk Forlag.
3. **Aschehoug**
    - Owner of the book retail chain Norli Gruppen, as well as 50% of the distributor Forlagsentralen and 48.5% of the book club De Norske Bokklubbene
    - Portfolio: non-fiction, fiction, children's books; leader in the school book segment
    - Approximately 500 new titles per year (of which, 300 in the school book segment).

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4. **Vigmostad & Bjørke**

    - A young, dynamic, rapidly growing publisher, specialised in fiction translations, and other segments
    - In July 2015 it bought the Schibsted Media Group from Schibsted Forlag
    - The publisher Schibsted was founded in 1839 and is one of Norway's most important publishers. Its portfolio includes non-fiction, fiction, children's books and comics
    - Schibsted also includes the book retail chains Akademika and Haugen, and the digital sales platform Ebok.no.

Important small and medium-sized publishers include Kagge, Bastion, Pax, Det Norske Samlaget, Juritzen and Bazar.

BOOKSELLERS

In Norway there are around 580 bookshops. This represents a dramatic decline since 2011, when the number peaked at 640. In addition to these are an estimated 3,000 other book sales points. Of the four largest book retail chains, only one is independent, the three others belonging to the largest publishing groups. Norli Libris is 50% owned by Aschebourg; Ark belongs to Gyldendal, and Tanum to Cappelen Damm. The independent chain Notabene is currently struggling for its existence, as is Norli Libris. At the beginning of 2015, Notabene was taken over by a subsidiary of Norway's largest bank.

OTHER RELEVANT ASSOCIATIONS AND INSTITUTIONS

In addition to the publishers and booksellers, there are several other relevant parties in the industry:

- Norwegian Publishers Association (Den norske Forleggerforening): www.forleggerforeningen.no
- Booksellers Association (Bokhandlerforeningen): www.bokhandlerforeningen.no
- The House of Literature (Litteraturhuset), which opened in Oslo in 2007, is the largest institution of its kind in Europe: http://www.litteraturhuset.no/

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There are several book fairs/literature festivals in Norway. Most famous are the Oslo Book Festival, held every autumn since 2010 (http://www.oslobokfestival.no/), is organised by the publishers' association and the booksellers' association. Other annual literature festivals include those in Lillehammer (May) and in Stavanger (September).

INDUSTRY ECONOMICS

The booksellers are supplied by the distributors Forlagsentralen and Sentraldistribusjon. Supermarkets and kiosks use their own distributors, the most important of which are Bladcentralen and Interpress. There are two major book clubs. Norske Bokklubbene and Tanums Bokklubber. The significance of the book clubs has declined considerably since 2005.

In 2014, sales according to different distribution channels were as follows:

- Bookshops: 51%
- Supermarkets, kiosks: 16%
- Libraries/institutions: 14%
- Direct sales: 9%
- Book clubs: 9%
- Exports: 1%

E-book sales have also developed in Norway, but they still stand at a very low level. In 2014, they were responsible for about 1.5% of overall sales. E-books are sold at a roughly 40% lower price. However, unlike for printed books, the 25% VAT is applied to e-books. So far Amazon has not become established in Norway, where the leaders in the digital market place are Ark.no and Ebok.no.

In regards to turnover for 2014, the book industry has approximately EUR 600 million, (EUR 603 million in 2013) out of which:

- Trade publishing: 65%
- School books / science publishing 35%

In regards to book production for 2014, there were 10.204 new releases, compared to 10.300 in 2013.

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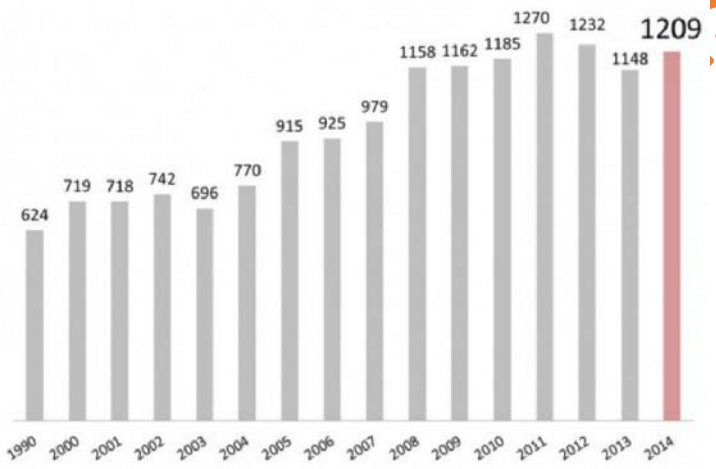
OVERVIEW OF CHILDREN BOOKS INDUSTRY

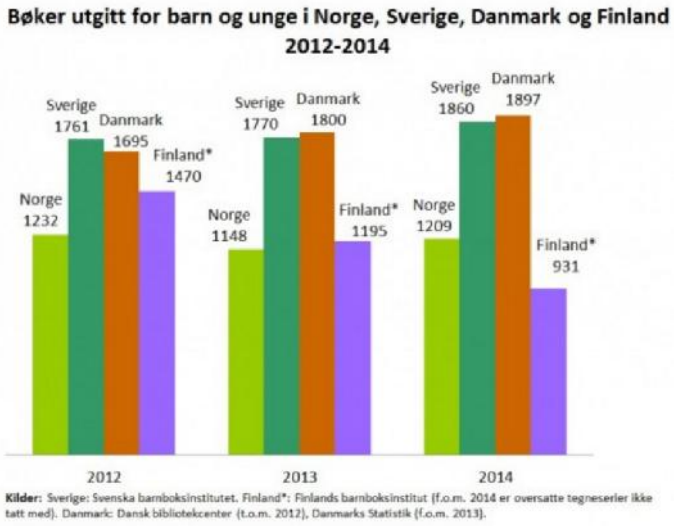
The Norwegian Institute for Children's Books in Norway is the institute that looks over the children book and its statistics. Most of the following data is taken from there and the latest official are for 2014.

NUMBER OF CHILDREN BOOKS

For 2014, there were 1209 books for children and young people in Norway. These books originated from 134 small and large publishers. If we look at the last 15 years (1990-2014) the number of children books has doubled, which is very good sign on the industry.



We can also compare the Norway Children book industry with the neighboring countries - chart below. Based on the data, Norway is behind Denmark (1897 children books), followed by Sweden (1860) but better than Finland (931).



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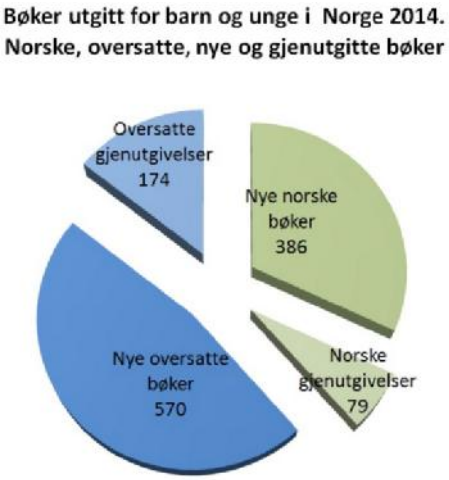
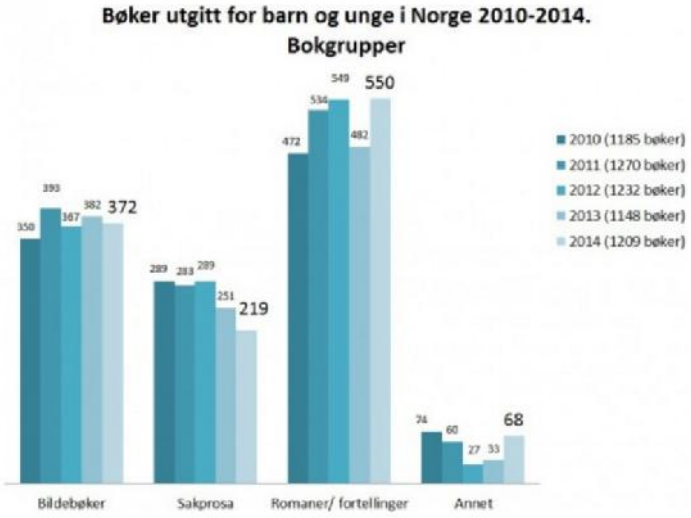
If we look at the number of new books, we can see that from the 1209 children books or 2014, 386 were new Norwegian books (compared to 401 in 2013), 79 were Norwegian reissues (compared to 88 in 2013), 570 new translated books (compared to 491 in 2013) and 174 re-released translation (compared to 168 in 2013).



We can also look at the children books by genre and for 2014:

- 45% Novels (550)
- 31% illustrated children books (372)
- 18% nonfiction (219)
- 6% Other (68)

We can also see how this changed over the last 5 years.



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If we look specifically at ONLY the new books which are 386:

- 45% of novels and stories
- 30% bildebøker
- 21% nonfiction
- 4% Others

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