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THE BOOK TRADE IN CHINA: IMPRESSIONS FROM A BUYING TRIP

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The National Book Fair was first held in Beijing in 1980, and since then it has become a major book-trading opportunity for the publishing industry and an important cultural attraction for the general public. Among the growing number of book fairs held in China, the National Book Fair is still one of the most highly regarded and supported events of its kind.

Thanks to a grant from the International Programs of Indiana University, I was able to attend the 2004 14th National Book Fair, held in Guilin, and then to visit library exchange partners and book vendors in Shanghai and Beijing. I was fortunate to take the entire trip with a respected colleague and an experienced traveler, Jean Han, Chinese Studies Librarian at the University of California, Berkeley. Through her recommendation, I was introduced to heads of libraries, librarians, large and small publishing houses, famous editors in Shanghai, and several professors in Chinese Studies. Our trip was notably fruitful, in both educational and cultural terms.

Based on my observations, I would like to point out what I think are noteworthy recent developments in the Chinese book trade.

• The Continuing Growth of the Book Market

The sheer sales figures at the national book fairs prove that the book market in China is huge and growing. According to official statements, at the 1st National Book Fair in Beijing in 1980, sales of RMB3,770,000 (US$455,507) were made. In 2000, at the 11th National Book Fair in Nanjing, sales amounted to RMB803,000,000 (US$ 97,021,688). In the twenty years from 1980 to 2000, there was a more than 200-fold increase in sales. The 14th National Book Fair, the first one held in a minority region, boasted of record-breaking sales beyond one billion RMB.

The Fair (http://www.cnslishu.com/hyzc.asp) was held between May 12-22 in Guilin, an exceptionally scenic and tourist resort in southwest China’s Guangxi Zhuang Autonomous Region. One important mission of the Fair was to introduce the rich cultures of the ethnic groups to the outside world and to promote books in the region—a mission in accordance with the established goal of the Chinese government to eliminate illiteracy and improve the overall educational level of the rural population. The Fair site was the 100,000-square-feet Guilin International Conference & Exhibition Center located close to the center of the city. More than 6,000 representatives from the publishing industry participated in the Fair, and nearly 160,000 kinds of books were on display.

The first floor of the convention center was divided into three parts: the lobby, the wholesale area, and the retailing area. Under the slogan of “exhibits and trade as one” (展销合一), wholesale and retailing trade occurred under the same roof. Most space, however, was given to the wholesale
business, where the exhibits were held. The general retailing business occupied a mere one-sixth of the available room, and this was the only area where people could purchase individual books on site.

The sponsor took a mixed socialist/capitalist approach to the distribution of different kinds of passes. Whereas a publishing representative paid RMB200 (US$24) for a work pass, the general public paid only a RMB2 (US$0.24) entrance fee, which allowed them access to the retailing area. The staff and representatives of the publishers and vendors could visit both the wholesale and the retail sections.

In my view, a primary reason for the record-breaking sales was the lively environment created for the wholesale market. Inside the wholesale area, all publishing houses were positioned according to provinces and regions. Each publisher featured certain regional characteristics. For example, publishing houses from Tianjin (天津), the host city of the 2005 National Book Fair, decorated the entrance to their book stands with pagodas with courtly patterns showing gold and red dragons and phoenixes. Government officials, surrounded by reporters and photographers, took time from their busy schedules to visit the Fair and to assure the people of the government’s support for the minority cultures. Publishing staff visited each other’s stands, compared publications, and chatted excitedly with their colleagues from other provinces. The entire atmosphere was very conducive to extensive trade.

- **The Public Passion for Books**

The book fair offered a glimpse of the public passion for books. This is easy to understand—more than ever, higher education promises opportunities for personal development and higher pay in the growing, fast-paced Chinese economy. Even the seemingly endless rain on the opening day and the day after did not deter the enthusiasm of readers. The massive convention center was crowded with people and sounds. Local teachers took their students to the Fair because it was regarded as a rare educational opportunity. Music floated above the human voices and faded beneath them. The exciting atmosphere was contagious. The retailing area was especially lively, since it was the only place where people could purchase books on site and where there were discounts for new publications. However, I gave up my effort to visit the retailing area because I was not sure whether I could successfully squeeze through the large crowds toward the books I was interested in.

Some people complained that the exhibition was transformed into some kind of fun fair. In the spacious lobby, there were constant patrols by policemen and Liberation Army soldiers. To introduce the ethnic culture of the region, lines of pretty girls in embroidered costumes welcomed visitors. Famous publishers displayed their award publications in cased shelves along the hallways. Souvenir and snack vendors sold their wares in the corners. Like shoppers in a big mall, people examined their purchases with satisfaction.

Another evidence of the public passion for books is the sprouting of many book malls in large cities. On a humid Sunday morning, a large crowd gathered in front of the three-floor building of the Shanghai Book Mall on Fuzhou Road. Coming back from a stroll by the Huangpu River shore (黄浦滩), I was puzzled by the mass of people. I asked a passerby what was going on, and he replied that they were waiting in line to enter the book mall, which was scheduled to open at 9 o’clock. In
addition to buying books in a well-stocked bookstore, I think that people also enjoy being in a culturally attractive and air-conditioned environment.

In fact, the book malls serve as commercialized libraries. There are demands for a greater diversity of books and periodicals in a wide spectrum of disciplines and categories. Consumer books such as manuals and nonfiction books on trade and economics are among the bestsellers nationwide. Educational publications, such as textbooks and children’s literature, account for forty percent of the book market. In addition, foreign publications are in demand.

- The Expansion of Book Publication

According to official estimates, China published 190,761 books and 9,165 periodicals in 2003, up 6.6 percent and 1.8 percent respectively over the previous year. The demands from readers have evidently helped the publication industry to prosper. However, the publishing trade must try to maintain its growth rate in the face of rapidly growing competition, and also catch up with its counterparts elsewhere. The endeavor often creates large earnings, but sometimes the adjustments are not all favorable, as my observation of publications at the 2004 Book Fair made clear to me. Under the commercial influence from other East Asian areas, particularly Hong Kong and Taiwan, the presentation of books has much improved. Many commercial/leisure books are published with colorful covers and large fonts, while the book sizes become smaller with fewer page numbers than before. One-third of all new titles continue to be costly reprints, sometimes not published with appropriate scholarly commentaries. Copyright is an officially acknowledged concern, but much less so to publishers and authors, because they are looking ahead to more business rather than slowing down their production to resolve the issue of intellectual property.

Since China’s opening-up to the world in 1978, publishing has flourished. In the forty years between 1949 and 1988, 884,106 titles were published, whereas an average of 21,695 titles was published each year between 1949 and 1965. A decline of publications occurred during the Cultural Revolution—only 8,351 titles were published annually between 1966 and 1976. However, the publication industry was able to turn to a new page after the extreme ideological constraints put on books during the Cultural Revolution were lifted.

Here is an overview of the Chinese book publishing according to the statistics provided by China Publishers’ Yearbook. The number of titles published since 1977 has been rising steadily each year, often at an amazing pace. For example, an average of 39,553 titles was published annually between 1979 and 1989. In 1980, 21,621 titles (17,660 first editions, 3,961 reprints) were published, and in 1989, 74,973 titles (55,475 first editions, 19,498 reprints). In 1990, 80,224 titles (55,254 first editions, 24,970 reprints) were published, which is almost four times the 1980 amount. Ten years later, under the new “market economy” (市场经济) announced by the 15th National People’s Congress, 143,376 titles (84,235 first editions, 59,141 reprints) were published in 2000. This represents a 78.7% growth of publication in the ten-year span. In 2003, 190,391 book titles (110,812 first editions, 79,579 reprints) were published, a 33% growth over 2000.

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The table below illustrates the dramatic increase of titles published compared to publishing houses. Between 1980 and 2003, the number of publishing houses increased only about three times, from 193 to 568, despite an extraordinary tenfold growth in published titles.

**Publication of Books, Magazines, and Newspapers from 1980-2003**

<table>
<thead>
<tr>
<th>Year</th>
<th>Publishers</th>
<th>Book Titles</th>
<th>Magazines</th>
<th>Newspapers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>568</td>
<td>190,391</td>
<td>9,165</td>
<td>1,442</td>
</tr>
<tr>
<td>2000</td>
<td>565</td>
<td>143,376</td>
<td>8,725</td>
<td>2,007</td>
</tr>
<tr>
<td>1990</td>
<td>501</td>
<td>80,224</td>
<td>5,751</td>
<td>1,442</td>
</tr>
<tr>
<td>1980</td>
<td>193</td>
<td>21,621</td>
<td>2,191</td>
<td>230</td>
</tr>
</tbody>
</table>

The limited competition in publishing and distribution under the “planned economy” (计划经济) caused the remarkable market profit claimed in the last two decades. Another notable feature influencing profits is the gradual inflation of book prices in recent years. Traditionally, book prices were kept low to sustain the principle of access to knowledge in an underdeveloped commercial structure. However, with recent inflation, ordinary paperbacks now cost a little more than US$2, and academic titles around $4. People fear that the inflation in book prices may contribute to a decline in the number of sales.

- **The Trend toward Incorporation**

In accordance with its World Trade Organization (WTO) commitments, on May 1, 2003, the Chinese government opened the book, newspaper, and periodical retailing market to foreign investors (who are, however, as yet excluded from obtaining publication rights). Starting in December 2004, foreign publishers have been allowed to engage in wholesale business nationwide, and will be fully released from market restrictions in 2009. At present, more than sixty foreign enterprises are planning to apply for investments in the book, newspaper, and periodical distribution business in China as soon as government policy allows.

Meanwhile, since 2002, China has begun the incorporation of its publishing houses in view of expansion into the international book trade and preparation for the impending competition from domestic and foreign companies. Altogether, fifty-five publishing groups were set up. Each group incorporates publication and distribution, involving media, chain stores, import and export, copyright trade, printing, information service, technology development, etc. The China Publishing Group (中国出版集团), the largest of its kind, established in April 2003, has under its umbrella twelve enterprises, including the Commercial Press, the Zhonghua Book Company, the Xinhua Bookstore, the China International Publishing Trade Corporation, the China Book Import and Export (Group) Corporation. “According to a national plan, by 2005, China will have five to ten publishing groups with an annual sale of one to even 10 billion RMB each.”

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• The Trend toward Privatization

There are two book-distribution systems in China: state-owned and non-state-owned bookstores. The former remains the predominant part of the distribution system, but the latter are becoming an important component of the book market. The non-state-owned bookstores include bookstores with collective and private ownership. Since the 1980s, the non-state-owned bookstores first emerged as supplementary outlets, “the second channel” (二渠道), to the Xinhua Bookstores, the major avenue of distribution. In the early 1990s, a number of non-state-owned bookstores, especially the privately owned, independent ones with successful business, became important players in the book market. This trend is continuing.

There are at present about 70,000 to 80,000 collectively-owned or independent bookstores in China. During the trip, my colleague and I visited several of them, such as Forest Song (风入松) in Beijing, All Sages (万盛) in Beijing, Guo lin feng (国林风) in Beijing, and Lu Ming (鹿鸣) in Shanghai. They are all located near well-known campuses. All have large numbers of titles in stock, and handle retail, wholesale, and Internet business. Well designed and spacious, they have attracted much attention from buyers. According to “Xinhua shu mu bao” (新華書目報, no.738), Zhang Yuqin (张雨芹, Manager of “Forest Song”) pointed out that the WTO has brought unprecedented marketing challenges, risks, and opportunities to the independent bookstores. One might expect that, with the open policy toward retail, wholesale, and distribution, more and more privatized bookstores will be established.

From a political perspective, the spread of independent bookstores in rural areas could contribute to the elimination of illiteracy and to the overall improvement of education. Take, for example, Guilin, where the 14th National Book Fair was held. It is a multi-ethnic region. Fourteen percent of the population (680,000 people) come from thirty-six ethnic groups. Zhuang (壮), Yao (瑶), Hui (回), Miao (苗), and Tong (侗), together with the Han people, are among the major minorities. In recent years, Guilin has become a medium-sized booming city with a thriving tourism business, but I was told that it was hard to find a bookstore with more than 10,000 titles in stock. The economic and social divide is very noticeable; large gaps exist between the emerging middle class and the poor, the urban and the rural, the educated and the illiterate (most of them belong to minority groups). For China’s rural population, the average time of formal schooling is at least three years fewer than for their urban counterparts. Therefore, education of the rural and poor population is a top concern of the government. One type of solution is the establishment of independent bookstores in the rural areas.

• The Speed of Reform

A visible sign of the rapid change affecting the book industry is the fact that many publishing houses have moved to newly built high-rises. The book companies also look different. The enforcement of retirement at the age of fifty-five for women and sixty for men⁴ as well as the advancement of

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⁴ According to government policies, professional women working for government institutions and companies are required to retire at the age of fifty-five while men retire at the age of sixty. Female blue-collar workers are required to retire at the age of fifty while men retire at fifty-five.
electronic media have resulted in a systematic overhaul. Suddenly there are many thirty-something managers facing heavy challenges ahead. They have to be ready to instill new energy into their companies, and to offer new services to prospective clients. In order to get rid of their reputation as outdated organizations, and to create more lively and flexible images, some rare-book publishing houses even underwent name changes. For example, Jiangsu gu ji chu ban she (江苏古籍出版社), well known for its publication of art materials and reproductions of rare books, changed its name to Phoenix Publishing House (凤凰出版社). Volumes Publishing Company (万卷出版公司) is the new name of the Liangning hua bao chu ban she (辽宁画报出版社).

In general, everyone involved in the publishing industry realizes the necessity of reform. One such necessity concerns the recruitment of professionals and the training of staff members. Through regular participation in conferences, book fairs, and workshops, a growing number of capable staff becomes well trained in international publishing. Other areas that need improvement include flexible and systematic marketing strategies, quality in publication, cooperation with each other and with international business partners, customer-friendly services, and technological enhancement.

- The Emerging Electronic Book Trade

Starting in the mid-1990s, a growing number of online products have been created and marketed. Many CD-ROMs are produced as new publications or as online digitized Chinese classics. The Basic Stack Room of China’s Ancient Books (中国古籍基本文库) is a well-known project. Other notable examples are the Complete Library in Four Branches of Literature (四库全书) and Twenty-Five Histories (二十五史). An increasing number of CD-ROMs, mainly reproductions of texts, accompany print publications.

I was told that almost all of the leading commercial databases are either grown from or have close business relationships with national science and technology projects. There are three major e-book publishers in China: SuperStar Co. (超星数字图书馆; http://www.ssreader.com), Founder APABI E-books (方正网路传播; http://www.apabi.com) and Beijing Scholar’s Digital Co. (书生之家; http://www.2ldmedia.com). There are also three major full-text journal databases. The first one, Tsinghua Tong Fang (清华同方; http://www.cnki.net), founded in 1988, is very successful with its main product, China Academic Journals. Wanfang Digital Journal (万方数据库资源; http://www.wanfangdata.com.cn), founded in 1998, offers full-text journals mainly on science and technology. The third major e-journal database is VIP Chinese Journal (维普电子期刊; http://www.tvdata.com), founded in 1989: it offers 8,000 full-text science and technology journals starting 1989 onward.\(^5\) All companies have to deal with unresolved copyright issues.

China’s vast population, diverse regional development, and geographic spread make e-publishing an important avenue for narrowing the educational gap between the urban and rural populations. Currently, most e-clients are students, academics, and professionals who have access to libraries or PCs.

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• Conclusion

When I talked to publishers and vendors, I always had the impression that the general mood is positive and optimistic, and that people look with hope into the future. Indeed, they have every reason to be upbeat. With a potential readership of 1.3 billion people, the book market in China is huge. The reform trend points to a more competitive and open business environment. Independent bookstores are mushrooming. The industry is moving toward a more systematic and flexible distribution system. However, what we see now is just the beginning. The true challenges lie ahead. Will the Chinese government and the book industry fully meet WTO expectations? And even if they do, will the educational disparities between city and countryside, where four-fifths of the nation’s citizens reside, be overcome?