

Cynulliad Cenedlaethol Cymru / National Assembly for Wales  
Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu / The Culture, Welsh Language and Communications Committee  
Ymchwiliad byr i oblygiadau ymadael â'r Undeb Ewropeaidd / Short inquiry into the implications of Brexit  
CWLC(5) BREXIT10  
Ymateb gan Cyngor Llyfrau Cymru / Evidence from Welsh Books Council

### **Increased cost and reduced competitiveness.**

There are universal concerns about the effects of Brexit within the book industry in Wales. The decline of the value of sterling has already led to a 25% increase in paper prices, and increased energy and transport costs for Wales based printers. Wales based publishers, who print in Poland, Czech Republic, Slovenia and Lithuania, will be burdened with additional administrative costs, whilst losing access to a range of competitive, international suppliers. Publishers have already received communication from HMRC to this effect. Those who print titles in Hong Kong and China are likely to be hit with increased administrative burden of customs regulation, increased tariff costs in and disruption to logistics arrangements as most of those shipments arrive in the Netherlands for onward transport to the UK. Welsh Government (WG)'s preparedness for Brexit in this area is dependent on the type of customs arrangement, and therefore Welsh publishers will need to prepare for the effect of this.

### **Reduced opportunity for cooperation with European partners**

Literature has been enriched in the past from cooperation through European funding schemes such as Literature across Frontiers, Creative Europe, Horizons 2020 and Erasmus. Less opportunities for authors due to lack of access to Europeans arts and culture programmes and less risk taking by publishers could disincentivise new talent from joining the industry. University publications have also been funded via European Research Councils – and loss of access to European funding may lead to a higher dependency on funding from Welsh and British Government. WG's preparedness for Brexit in this area needs to focus on ensuring Wales is able to continue to participate in such schemes, so that partners can prepare long term plans.

## **Perception of Wales by the rest of Europe**

WG needs to consider how Wales can market itself effectively within the context of the UK. Loss of visitors from the rest of Europe will have an impact, not only on businesses reliant on the tourist trade, but local booksellers and sale of specialist tourist publications. Less bookshop means less opportunity to showcase books and increase dependency on chains/online retailers that operate a much more selective and punitive (high discount titles only) buying regime. Historically, Wales was seen as a unique and distinct member of the European family of small nations; but now will be seen as part of Britain. WG needs to prepare for how it will continue to promote Wales as a unique destination.

## **Possible threat to the level of protection/support for the arts and Welsh language**

Publishers are concerned that the arts will be viewed as non-essential and therefore disproportionately affected by any possible cuts. Over the last decade, the level of current grants has not increased in line with inflation and the sector is already facing increased financial pressures. Any cuts in grants are likely to lead to job losses as well as a decrease of publishing activity. This will lead to less choice in print and digital books and pose a real threat to magazines which play a vital role in terms of media plurality in Wales. Investment is needed to develop choice in areas such as audio books, new digital formats and subject areas.

All publishers supported by WBC are micro enterprises located in disadvantaged rural locations, and potential job losses would impact disproportionately. Welsh publishers and booksellers form part of the foundation economy in Wales and have an unusually high level of spending on local products and services (e.g. freelance editors, designer, proof readers). Any reduction in publishing activity would also lead to less work in the freelance sector and result in less products for bookshops to be able to sell.

Authors are vitally important to publishers. There is concern that a decreased grant will lead to less opportunities for authors, as publishers are less likely to take risk

during periods of uncertainty. This could lead to whole generation of talent being lost to other more lucrative industries.

### **Different legal requirement leads to divergence**

WG needs to consider the impact on copyright protection and IP sales within the publishing industry. This could lead to increased administrative burden and double taxation when developing resources that have an EU audience but where legislation differs.

International recognised standards such as ISBN, ONIX and ISSN, as recommended by the IPA (International Publishers' Association) should continue to be adopted in the UK. WG needs to start a dialogue with the IPA of how they can best ensure continued cooperation.

There is also a possibility that the UK will fall behind in development in new, cost intensive product development such as audio books and digital formats, as the UK will not be part of any EU discussions on formats in future – and hence will lose their voice. European countries have pushed for multilingual formats, whereas the UK may opt for a monolingual format. WG should ensure that any EU regulations on formats will also be adopted by the UK.

Finally – continued use of key EU environmental policies such as ISO 14000 should continue to be adopted, within the print industry to ensure consideration of environmental impacts of production.