

KPIPA Publishing Industry Trends

[illegible]

Publishing Industry in H1 2018

- **KPIPA H1 2018 Publication Statistics** The number of new publications in H1 2018 decreased by 0.4% HoH.
- **Production, Sales, and Consumption Indices** Compared to H1 2017, production, sales, and consumption all increased in H1 2018.
- **Publishers (Listed Companies)** Revenue recorded ₩1.258 trillion in H1 2018, up 2.3% HoH.

▶ KPIPA H1 2018 Publication Statistics

- New publication volume: 42,748 new books were published in H1 2018 at an average of 7,125 publications per month. Educational books accounted for 30.3% of the new publications, or slightly under one-third of the total.
※ A decrease of 0.4% (174) HoH.
- Publishers with publication history: 5,827 publishers published new books in H1 2018. The percentage of publishers with just one new publication was 40.0% (2,331), while publishers with five or fewer new publications accounted for 75.7% (4,411).
※ An increase of 1.3% (73) HoH.

Publication Statistics Trend - H1 2018

(Unit: Number of publications, %)

Genre	Sub-Genre	Publication Data				
		H1 2017	H1 2018	Percentage	Delta	Delta %
Babies'/ Children's	Babies' Children's	4,506	3,646	8.5	△860	△19.1
Educational	Elementary Learning	11,964	12,942	30.3	978	8.2
	JH/HS Learning Foreign Language Employment, Examination, Certification					
Literature	Fiction Poetry, Essay, Play	6,652	7,012	16.4	360	5.4
Humanities	Philosophy, Psychology	5,752	5,777	13.5	25	0.4
	History, Culture Religion Other Humanities					
Art & Popular Culture	Art & Popular Culture	1,453	2,020	4.7	567	39.0
Practical	Self-Improvement	2,722	2,649	6.2	△73	△2.7
	Home, Life Cooking, Hobbies Health, Sports, Leisure Travel					
Social Sciences	Politics, Society Economics, Business Administration	4,821	4,589	10.8	△232	△4.8

Genre	Sub-Genre	Publication Data				
		H1 2017	H1 2018	Percentage	Delta	Delta %
Science & Technology	IT, Computer Natural Science Technology, Engineering	5,052	4,113	9.6	△939	△18.6
Total		42,922	42,748	100.0	△174	△0.4

Number of Publishers by Performance - H1 2018

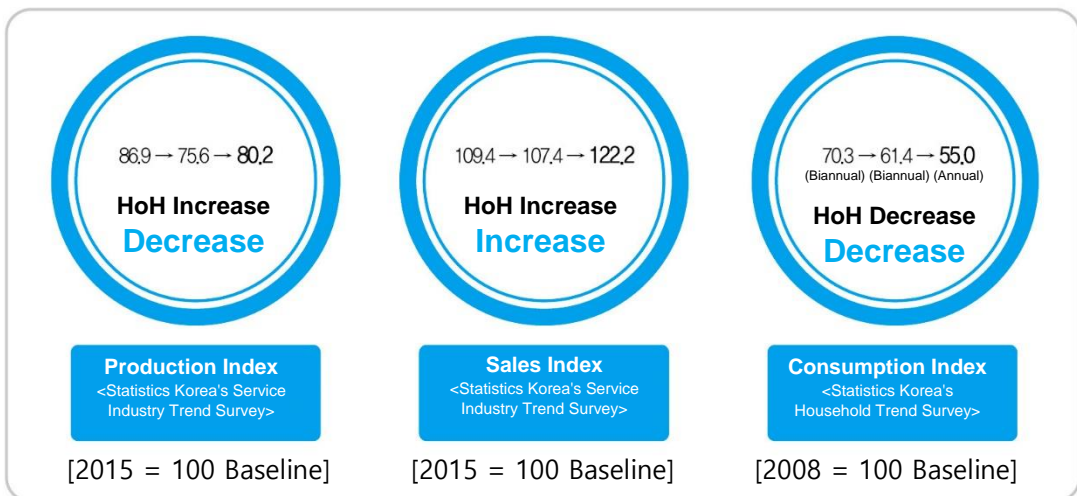
(Unit: Number of publications, %)

Publication Data		H1 2017		H1 2018		Delta %
		Number of Publishers	Percentage	Number of Publishers	Percentage	
1 to 5	1	2,306	40.1	2,331	40.0	1.1
	2	856	14.9	945	16.2	10.4
	3	541	9.4	534	9.2	△1.3
	4	369	6.4	341	5.9	△7.6
	5	285	5.0	260	4.5	△8.8
	Subtotal	4,357	75.7	4,411	75.7	1.2
6 to 10	6	188	3.3	198	3.4	5.3
	7	153	2.7	155	2.7	1.3
	8	116	2.0	126	2.2	8.6
	9	83	1.4	103	1.8	24.1
	10	81	1.4	71	1.2	△12.3
	Subtotal	621	10.8	653	11.2	5.2
11 to 30	11 to 15	260	4.5	273	4.7	5.0
	16 to 20	136	2.4	134	2.3	△1.5
	21 to 25	86	1.5	76	1.3	△11.6
	26 to 30	58	1.0	56	1.0	△3.4
	Subtotal	540	9.4	539	9.3	△0.2
31 or more	31 to 40	65	1.1	53	0.9	△18.5
	41 to 50	39	0.7	40	0.7	2.6
	51 to 100	81	1.4	79	1.4	△2.5
	101 or more	51	0.9	52	0.9	2.0
	Subtotal	236	4.1	224	3.8	△5.1
Total		5,754	100.0	5,827	100.0	1.3

► Production, Sales, and Consumption Indices

- Production Index: With a baseline value of 100 for 2015, the publishing production index for H1 2018 was 80.2, up 4.6p HoH and has been showing a fluctuating trend for the past three years.
- Sales Index: With a baseline value of 100 for 2015, the book and stationery retail sales index for H1 2018 was 122.2, up 14.8p HoH and is now showing a sharp upward trend.
- Consumption Index: With a baseline value of 100 for 2008, the nationwide monthly average consumption index for households (more than one person) was 55.0 in 2017. (No biannual figures are available since the Household Trend Survey was restructured to annual statistics starting in 2017.)
- Looking at H1 statistics for each year, sales have increased and production has increased slightly but the overall trend is downward.

Latest Three-Year Production, Sales, and Consumption Trends



► Listed Publisher Analysis

- Revenue: Revenue for H1 2018 increased 2.3% HoH to approximately ₩1.258 trillion but decreased 1.5% compared to H2 2017.
※ Since H1 2016, revenue has been fluctuating for each consecutive half.
- Average Per-Employee Revenue: The average per-employee revenue for H1 2018 recorded approximately ₩155 million, down 9.7% HoH but up 0.4% compared to H2 2017.
※ This figure turned upward in H1 2018 after showing a continual downward trend beginning in H2 2016.
- Operating Profit: Operating profit for H1 2018 recorded approximately ₩183 billion, down sharply by 70.1% HoH and 74.2% compared to H2 2017.
※ Since H1 2016, operating profit has shown large fluctuations.

- Operating Profit Ratio: The operating profit ratio for H1 2018 decreased by 3.5%p HoH to 1.5%.
 ※ This figure has been fluctuating regularly since H1 2016. The operating profit ratio for H1 2018 decreased 4.1%p compared to H2 2017.
- Current Ratio: The current ratio for H1 2018 decreased by 14.9%p HoH to 160.4% and by 1.0%p compared to H2 2017.
 ※ Although this figure continued to increase after H1 2016, it has shown a decline since H2 2017.
- Export Revenue: Export revenue for H1 2018 decreased 1.7% HoH to approximately ~~₩~~12.4 billion but increased 0.7% compared to H2 2017.
 ※ This figure has been fluctuating regularly since H1 2016.
- Number of Employees: The number of employees increased 13.3% HoH to 8,140 but decreased 1.9% compared to H2 2017.
 ※ Although this figure continued to increase after H1 2016, it has started to decrease in H1 2018.

Key Listed Publisher Performance Trends

(Unit: ₩100 million, number of persons, %, %p)

Category	2016		2017		2018	H1 2018 (HoH)
	H1 2016 (Over Previous Half)	H2 2016 (Over Previous Half)	H1 2017 (Over Previous Half)	H2 2017 (Over Previous Half)	H1 2018 (Over Previous Half)	
Revenue	12,089.5 (Δ3.3)	12,781.0 (5.7)	12,295.5 (Δ3.8)	12,769.1 (3.9)	12,576.3 (Δ1.5)	2.3
Average Per-Employee Revenue	1.84 (Δ6.8)	1.93 (4.9)	1.71 (Δ11.3)	1.54 (Δ10.1)	1.55 (0.4)	Δ9.7
Operating Profit	575.0 (Δ42.6)	885.2 (53.9)	613.2 (Δ30.7)	710.8 (15.9)	183.5 (Δ74.2)	Δ70.1
Operating Profit Ratio	4.8 (Δ3.2p)	6.9 (2.1p)	5.0 (Δ1.9)	5.6 (0.6)	1.5 (Δ4.1)	Δ3.5p
Current Ratio	168.8 (8.5p)	172.5 (3.7p)	175.3 (2.8p)	161.4 (Δ13.9p)	160.4 (Δ1.0p)	Δ14.9p
Export	128.0 (5.4)	124.4 (Δ2.8)	126.2 (1.4)	123.1 (Δ2.5)	124.0 (0.7)	Δ1.7
Number of Employees	6,574 (3.8)	6,626 (0.8)	7,186 (8.5)	8,301 (15.5)	8,140 (Δ1.9)	13.3

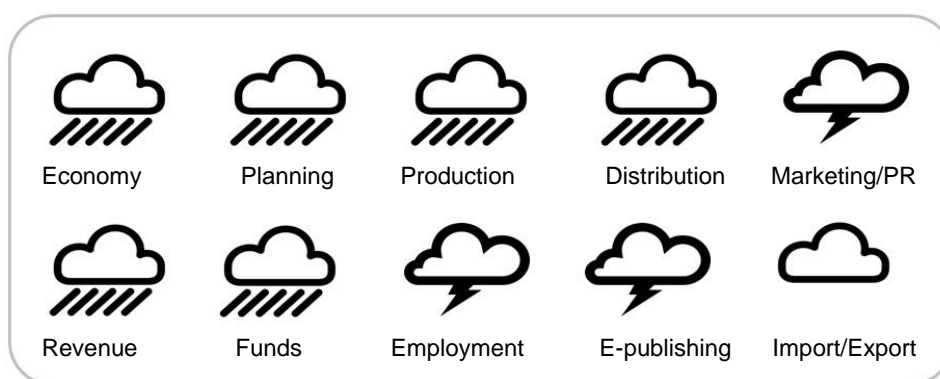
► Publishing Industry Economic Trend Indices (H1 2018 to H1 2019)

H1 2018 Trends:	Economy: 72; Planning: 78; Production: 79; Distribution: 84; Marketing/PR: 85; Revenue: 77; Funds: 77; Employment: 94; E-publishing: 93; Import/Export: 95
H2 2018 Trends:	Economy: 83; Planning: 89; Production: 88; Distribution: 90; Marketing/PR: 88; Revenue: 86; Funds: 86; Employment: 94; E-publishing: 93; Import/Export: 94
H1 2019 Outlook:	Economy: 75; Planning: 81; Production: 79; Distribution: 81; Marketing/PR: 79; Revenue: 79; Funds: 79; Employment: 89; E-publishing: 95; Import/Export: 94

* Grading scale (baseline value of 100): 84 or lower: Unsatisfactory; 85 to 94: Needs Improvement; 95 to 104: Good; 105 or higher: Excellent

- Following H1 2018, the publishing industry is expected to stagnate once again in H1 2019.
- With the exception of imports and exports, the publishing industry has shown stagnation in all sectors in H1 2018. Excluding the e-publishing sector, the economic slump is expected to continue into H1 2019.
- While the industry appeared to be recovering somewhat in the second half of 2018 compared to the first half, H1 2019 is expected to be sluggish overall compared to H2 2018.

Publishing Industry Economic Weather Map (H1 2018)



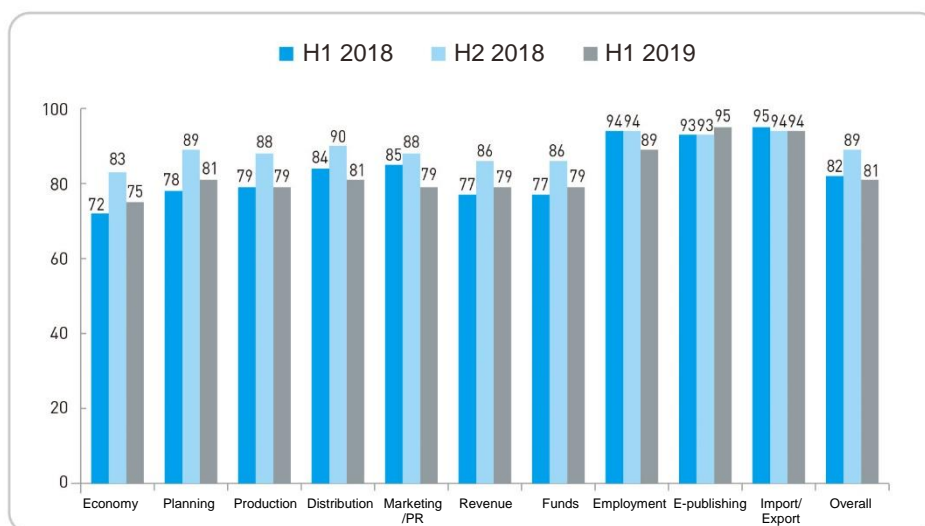
Publishing Industry Economic Trend Indices (H1 2018 to H1 2019)

Category	H1 2018	H2 2018	H1 2019
Economy	72	83	75
Planning	78	89	81
Production	79	88	79
Distribution	84	90	81

Category	H1 2018	H2 2018	H1 2019
Marketing/PR	85	88	79
Revenue	77	86	79
Funds	77	86	79
Employment	94	94	89
E-publishing	93	93	95
Import/Export	95	94	94
Overall	82	89	81

* Grading scale (baseline value of 100): 84 or lower: Unsatisfactory; 85 to 94: Needs Improvement; 95 to 104: Good; 105 or higher: Excellent

Publishing Industry Economic Trend Indices (H1 2018 to H1 2019)



KPIPA Annual Publication Statistics

- **Annual Publication Statistics - 2017** 80,130 new books were published in 2017, up 5.8% (4,403) YoY.
- **Number of Publishers by Performance - 2017** The number of publishers with publication history increased 7.9% YoY to 7,775, with publishers of ten or fewer publications accounting for 81.9% of the total.

- New publication volume: 80,130 new books were published in 2017. Educational books accounted for the largest portion at more than one-quarter of the total (26.6%). The data also shows that the volume of babies' and children's books decreased by 6.0% YoY.
 ※ An increase of 4,403 (5.8%) new publications YoY.
- Publishers with publication history: 7,775 publishers published new books in 2017. The percentage of publishers with just one new publication was 36.6% (2,842), while publishers with five or fewer new publications was 69.4% (5,397).
 ※ An increase of 566 (7.9%) publishers YoY.

Annual Publication Statistics (2016 to 2017)

(Unit: Number of publications, %)

Genre	Sub-Genre	Publication Data				
		2016	2017	Percentage	Delta	Delta %
Babies'/ Children's	Babies' Children's	8,535	8,021	10.0	△514	△6.0
Educational	Elementary Learning	22,055	21,298	26.6	△757	△3.4
	JH/HS Learning					
	Foreign Language					
	Employment, Examination, Certification					
Literature	Fiction Poetry, Essay, Play	13,131	14,221	17.7	1,098	8.3
Humanities	Philosophy, Psychology	9,940	11,373	14.2	1,433	14.4
	History, Culture					
	Religion Other Humanities					

Genre	Sub-Genre	Publication Data				
		2016	2017	Percentage	Delta	Delta %
Art & Popular Culture	Art & Popular Culture	2,652	2,978	3.7	326	12.3
Practical	Self-Improvement Home, Life Cooking, Hobbies Health, Sports, Leisure Travel	4,943	5,085	6.3	142	2.9
Social Sciences	Politics, Society Economics, Business Administration	8,062	8,940	11.2	878	10.9
Science & Technology	IT, Computer Natural Science Technology, Engineering	6,409	8,214	10.3	1,805	28.2
Total		75,727	80,130	100.0	4,403	5.8

Number of Publishers by Performance (2016 to 2017)

(Unit: Number of publications, %)

Publication Data	2016	Percentage	2017	Percentage	Delta	Delta %
1 to 5	4,938	66.7	5,397	69.4	459	9.3
6 to 10	906	13.0	969	12.5	63	7.0
11 to 30	879	13.6	917	11.8	38	4.3
31 or more	486	6.7	492	6.3	6	1.2
Total	7,209	100.0	7,775	100.0	566	7.9