

THE IMPLICATIONS OF NEUTRALITY RULES:

APPLICATION TO OTHER SECTORS

Publishing Sector

October, 2015

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1. NET NEUTRALITY IN THE PUBLISHING SECTOR

The book publishing industry engages in industrial processes transforming written works into books. Books, in their different forms and media, are cultural property, educational tools, a way of transmitting knowledge and an economic product subject to financing, production and sale.

The publishing sector is the main link in the book supply chain. It puts writers and readers in contact with one another and in so doing employs different discriminatory processes. In general, publishers assume a series of risks that they try to minimize by diversifying their portfolio of publications at the lowest possible cost. They earn a margin on each book which varies depending on the type of distributor selling the book.

Digitisation is also providing new opportunities for productive and commercial processes and is providing the public with new ways to use the products produced by publishers.

The following types of agents engage in the publishing business:

- a) Large groups that publish the works of successful authors and sell to the general public thanks to their financial and advertising strength. They are involved in the entire value chain of the book, from production to distribution and marketing.
- b) Small publishers specialised in niche markets, the smallest amongst them operating as laboratories aiming to discover and launch new authors. Their main interest is not the marketing of books.
- c) Distributors that are responsible for transporting, distributing and presenting new works to sales outlets. Distributors bear the cost of transporting books to the point of sale (back and forth insofar as books not sold are sent back to the publisher via the distributor) and of maintaining the commercial network in charge of presenting new works in bookshops and often of promoting them.
- d) Outlets are the last agents in the value chain providing the infrastructure used to place, exhibit and sometimes promote books for retail sale.

Publishers engage with authors through royalties and copyrights. These are typically the vehicles through which publishing firms remunerate authors who publish through them. Authors establish an exclusive relationship with the publisher for a specified number of years.

Authors pay their literary agents a percentage of their royalties in remuneration for the latter's negotiating efforts with publishers to achieve better contractual terms.

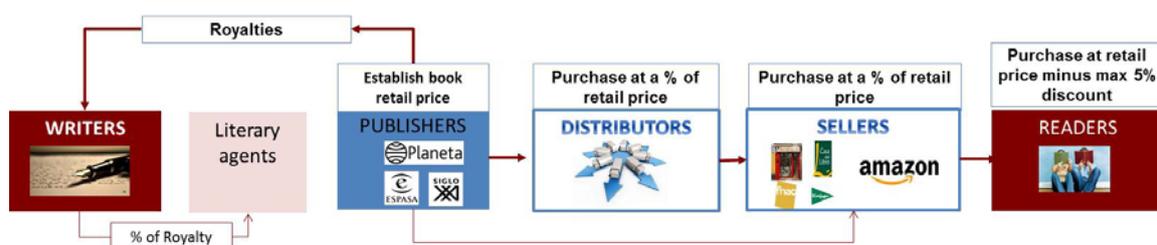
Once a book is published, the law requires that a retail price be established. The publisher is free to set that price which is strategically determined based on the expected market of readers. The regulation provides that once at the point of sale, the

final price of the book may have a maximum discount of 5% regardless of where the sale or procedure is made or where the economic operators through whom the transaction is made are located. On special days this discount can reach 10%.¹ Smaller publishers are not keen on this type of regulation as it restricts competition and hinders their development in the market.

Thus, publishers' margins with distributors are established based on the book's retail price set by the publisher. Publishers negotiate a margin with distributors which is determined as a percentage of the retail price. Distributors work for all publishing groups, i.e. they do not typically sign exclusivity clauses. Distributors use the same mechanism to negotiate with sales outlets. Sometimes publishers sell directly to retail outlets without the intermediation of distributors.

In other words, each agent earns a margin defined as a percentage of the book's retail price.

Graph 1: Agents and economic flows in the publishing market.



Source: Created in-house

Publishers' strategies target authors, distributors and retailers and consumers.

First of all, they try to maintain a portfolio of established, low sales-risk authors and expand their network of lesser-known authors to diversify and manage risk.

Secondly, they seek to reduce distribution and marketing costs by negotiating a margin with distributors and retailers based on their sales capacity. Thus, the greater their ability to market the book, the higher the margin of the retail price that these distributors and retailers require from publishers.

¹ The Reading, Book and Library Act, Law 10/2007 of 22 June 2007.

Lastly, publishers establish a strategic retail price which, in their view, will ensure efficient marketing and maximise book sales.

Strategies in the publishing business between publishers and writers

Publishing companies pay the writers who publish through them in the form of royalties or copyrights. The commercial strategies employed by publishing companies are designed to regulate authors' remuneration whose incomes are determined by percentages agreed to by contract and the operation of the market where, as elsewhere, the response of the public is uncertain.

There are different types of royalties applied based on the different characteristics of the book or success of the authors in question. They do not follow a fixed pattern.² Authors are paid a percentage of the final sales price which typically ranges between 6% and 14% of the retail price and applies to final gross sales, i.e. books that have actually been sold.

Royalties vary depending mostly on the following variables:

- i. **Established authors** earn a higher advance payment which does not need to be reimbursed even if sales are lower than expected. They also earn a higher percentage which can reach 14%.
- ii. **New writers** get a very small or no advance payment and earn a percentage of between 6-10%.
- iii. **The author's nationality.** If the author is a citizen of the publishing country, s/he will receive a royalty in the vicinity of 10-12%. If the author is a foreign national the percentage is tiered based on volume of sales. A typical arrangement would be: fewer than 5 000 copies, 8%; between 5 000 and 10 000, 10%; and above 10 000, 12%. This tiered royalty scheme is also starting to be applied to national authors.
- iv. **The format of the book:** eBooks not only have a lower retail price (approximately 30%), the royalty paid to authors is also different from the printed version. It is set at 25% irrespective of the writer or volume of sales.
- v. **Reissued books:** If a book is successful, the publisher will usually contact the author about bringing out a paperback version about one year later. In this case,

² The Intellectual Property Act establishes a remuneration model according to which authors receive a fee per unit sold rather than a sum for their writing efforts. The aim here is to involve the author in the degree of success or failure of the work in the marketplace. However, although the Law establishes the basic principle of remuneration based on a percentage of sales, it also envisages lump sum (single payment) compensation in some specific cases, including the first or sole edition of scientific works.

the royalty paid to the author will range from 5 to 7% depending on the latter's bargaining power. The paperback version is less expensive for the publisher given the lower quality of the paper used, the idea being to increase demand among readers who are not willing to pay the price of new releases.

Business strategies followed by publishers, distributors and sales outlets

The price set by the publisher for distributors and shops is based on discounts on the retail price established at the time of the book's release. These two stages in the business chain are typically remunerated at 60% of retail price. However, this percentage may vary depending on bargaining power. In other words, publishers and distributors apply different discounts to retail outlets depending on the bargaining power of these two parties, regardless of whether the sales price is the same and they are marketing the same goods.

The type of sales channel is the aspect that has the greatest influence on the discounts agreed between publishers, distributors and retail outlets:

- i. **Distributors** are the number one sales channel; they assume transport and storage costs and earn the biggest discount.
- ii. **Bookshops or bookshop chains.** These have scant bargaining power as they are required to stock books put out by the large groups to ensure their viability. They get the lowest of the discount rates offered to retailers and distributors.
- iii. **Hypermarkets:** These are multi-product outlets and do not depend on business from book sales. Moreover, they sell a higher volume of copies and therefore are given better discounts than traditional bookstores.
- iv. **Kiosks:** These specialise in books reissued at very low cost. Although they do get a large discount, their margin is very small due to the low retail price of the books they sell.

Also, the size of the publishing house is another important factor affecting distribution and marketing margin. Discounts offered by small publishers are higher as the bargaining power in this case lies with the sales channel.

This same differentiation applies to relations between distributors and retailers.

Table 1: Average discount rate by type of publisher and sales channel.

Sales channel	Discount on retail price (%)			
	Total	Large publisher	Medium publisher	Small publisher
Distributors	47.5	37.2	40.8	49.7
Bookshop chains	36.9	36.4	36.3	37.3
Hypermarkets	36.7	34.4	37.0	36.8
Kiosks	32.6	...	32.0	32.4
Bookshops	30.5	31.9	29.7	30.7
Other channels	29.1	27.2	23.2	29.6
Direct	23.7	27.7	27.8	23.9

Source: Spanish Federation of Publishers' Guilds.

Publishing business strategies between retail outlets and consumers

As mentioned above, the publisher sets the retail price of books. There are regulations that limit the discount on the retail price that retail outlets are allowed to apply—a maximum of 5% which on special occasions (23 April, for example) can reach 10%.

Publishers employ strategic criteria in setting prices to discriminate between different types of readers with a view to maximising demand.

Generally speaking, differentiation depends on:

- i. **The recentness of the book.** The first edition of the book, often in hardcover format, is more expensive than the paperback edition that is published a year later. This is to discriminate between those consumers willing to pay more for a recently published book and those others who prefer to wait.
- ii. **Discounts on other products:** Multi-product outlets may put other products on sale to boost book sales. Such is the case of kiosks which offer books at very low prices with the purchase of other newsstand articles.

Applying the neutrality rule to the strategies employed by publishing houses

The hypothetical application of net neutrality principles in the publishing industry would limit marketing strategies typically used by publishers in their dealings with authors, distribution channels and consumers.

According to our reference definition of the neutrality rule “*when the rule of neutrality*

applies, all market participants should be treated equally in terms of pricing, preferences, quality, quantity or priority". **Application of the net neutrality rule would thus prevent publishers from distinguishing between authors, prioritising some books over others, setting different prices depending on the format of the book or establishing different royalties on the basis of the language of the text or the author's volume of sales. This would interfere with the pricing of books and distort the normal operation of publishing companies. It would likewise eventually affect the production and distribution of new publications. In short, it would limit the supply and distribution of works.**

Also, publishers would find it more difficult to optimise their business model or reduce the uncertainty inherent to the latter when introducing new authors as they would be forced to offer the same royalties across the board regardless of the type of author, nationality or sales risk. In a worst case scenario, some publishers would stop promoting new authors due to difficulty in obtaining adequate return. Book prices could rise while the supply of new publications could diminish.

Moreover, strict compliance with net neutrality in the publishing market would prevent publishers from applying different discounts according to sales channel (distribution, bookshops, bookshop chains, hypermarkets, direct sales, etc.). This would prevent publishers from optimising their business model based on sales expectations in the different distribution and sales channels.

Furthermore, different publishers, regardless of their size, would have to apply the same discount rate to the different distribution channels. Currently, small publishers offer distributors an average discount of 49.7% while the discount offered by large publishers to this distribution channel is 12.5 percentage points lower, i.e. 37.2%. Application of the net neutrality rule would prevent this differential treatment which, in turn, would hurt small publishers or smaller retailers which would be put out of business due to diminished bargaining power.

a) Impact of neutrality on publishers:

- Decline in the profitability of authors with lower sales expectations. Publishers would refrain from publishing those authors which would spell a decline in the overall availability of books.
- Some publication formats would disappear, most likely those entailing the highest costs.
- Tools to manage collection risks would no longer be available.
- Publishing risks would rise.
- The possibility of applying discounts on the retail price according to the distribution channel would disappear.

b) Impact of neutrality on writers:

- New writers would have a harder time getting published.
- The average remuneration of authors could be affected as publishers would minimise payments in the face of greater risk.

c) Impact of neutrality on distributors and retail outlets:

- Distributors' margin, i.e. the discount on the retail price they offer to retail outlets, would shrink.
- Distribution to less profitable retail outlets would be discontinued.

d) Impact of neutrality on consumers-readers:

- Fewer books on the market.
- Some book formats, generally the cheapest, would vanish from the market.
- Special offers and discounts would disappear.
- Cultural plurality would suffer.
- Access to culture would be hindered.

The specific effects that each business strategy has on clients are shown in Table 2.

Table 2: Summary of business practices that would be prohibited under the "neutrality rule" and the latter's impact on consumers of publishing companies' goods.

Business strategy	Restrictions arising from neutrality rules	Impact on consumers
<p>Different royalties depending on the status of the author:</p> <p><i>Higher royalties for established authors</i></p>	<p>Apply the same conditions to all authors</p> <p><i>Discriminatory practices between different writers cannot be applied</i></p>	<ul style="list-style-type: none"> · Certain established authors would stop writing due to lack of compensation thus reducing the supply of books.
<p>Different royalties depending on volume of sales:</p> <p><i>Higher royalties for higher sales</i></p>	<p>Apply the same conditions to all copies sold</p> <p><i>Discriminatory practices on the basis of sales volume cannot be applied.</i></p>	<ul style="list-style-type: none"> · No incentive to print a large number of copies. · Lower average remuneration for authors.
<p>Different royalties depending on the nationality of the author:</p> <p><i>Translation into the publication language entails tiered royalties.</i></p>	<p>All market participants must be treated equally</p> <p><i>No discriminatory practices between translations and manuscripts in the language of publication permitted.</i></p>	<ul style="list-style-type: none"> · Negative effect on culture. Some foreign authors would be unwilling to enter the market. · Average remuneration for translated works would be lower.
<p>Advance payments based on sales expectations:</p> <p><i>Established authors are offered advance payment.</i></p>	<p>All market participants must be treated equally.</p> <p><i>Discriminatory practices for the same product may not be applied</i></p>	<ul style="list-style-type: none"> · Reduced incentive for bestselling authors. · Fewer new authors published as they would have to be paid an advance.
<p>Different prices depending on the format of the book:</p> <p><i>Paperbacks and eBooks are cheaper.</i></p>	<p>The same price must be charged for similar content.</p> <p><i>A different retail price cannot be charged for the same product</i></p>	<ul style="list-style-type: none"> · The cheaper versions of books would either disappear or the average price of what have traditionally been lower cost versions would rise. · Less access to culture
<p>Different retail price discounts depending on sales channel:</p> <p><i>Small bookshops are given a smaller discount than supermarkets.</i></p>	<p>Similar content should be given the same discount.</p> <p><i>Different discounts for the same product may not be applied.</i></p>	<ul style="list-style-type: none"> · It would no longer be cost effective to distribute to some retail outlets. · Some bookshops would go out of business resulting in a decrease in the dissemination of culture. · Some channels would stop distribution altogether due to scant market share.

Main results and conclusions

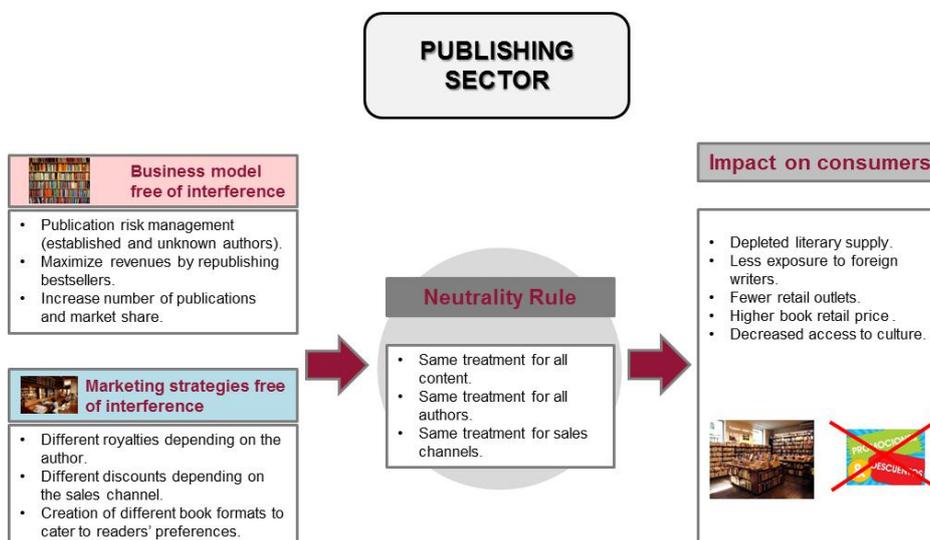
Application of the neutrality rule in the publishing sector would prevent the establishment of different prices based on a book's expected sales or characteristics. This would decrease supply, especially of works by new writers which would face greater difficulties getting published.

Also, if royalties cannot be based on sales, established authors would have less incentive to remain at the top of the sales charts which could harm publishing companies by increasing the risks inherent to their business.

Moreover, neutrality would reduce the difference between book formats and hinder the development of new business formulas to meet changing demand. It would also limit the options publishing companies have to optimise business processes. Publishing costs would increase while the quality of service would tend to deteriorate.

The same treatment applied to all content, authors and sales channels would have a negative effect on literary supply due to greater risk faced by publishers who would be forced to pay lower royalties to their authors. Foreign writers would be affected as well and sales channels and distributors would suffer due to diminished bargaining power.

Figure 2: Summary of the implementation of the "neutrality rule" in the publishing industry.



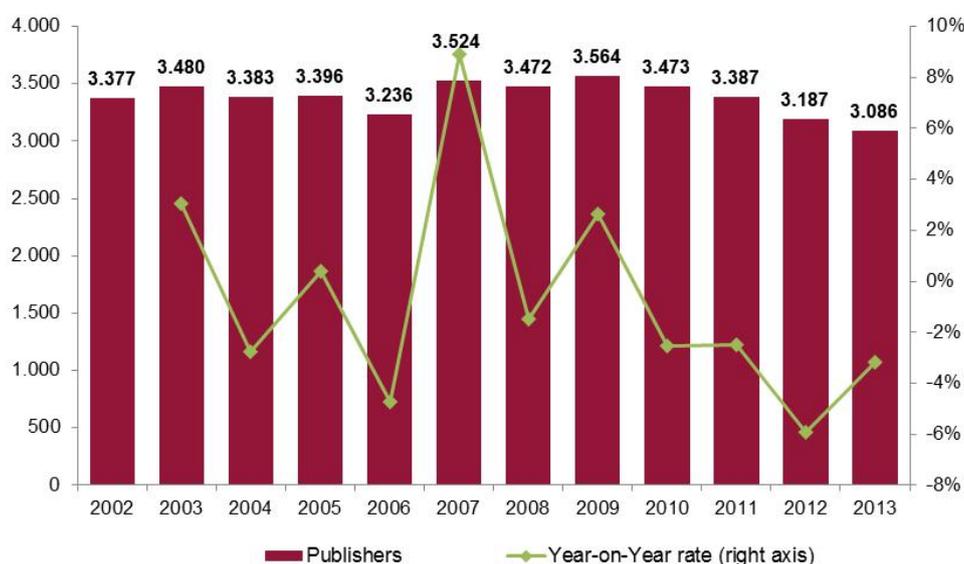
Source: Created in-house.

2. ANNEX I: DESCRIPTION OF THE BUSINESS MODEL CHARACTERISING THE PUBLISHING SECTOR

The publishing sector is an important economic engine in the area of Spanish culture and, in terms of GDP, accounts for 38.1% of the economic value of cultural activity.³

As stated in the preliminary results of the 2013 Overview of Book Publication in Spain, last year 326 new undertakings initiated publishing activity, 11.4% fewer than in 2012. With these new companies, the total number of active publishers stood at 3 086, 3.2% fewer than in 2012.⁴ 90.1% of all publishing is done by private companies, down from the previous year (92.5% in 2012).

Figure 4. Evolution of editorial activity in Spain 2002-2013



Source: Overview of book publication in Spain

According to the same source, in 2013 a total of 89 130 books were published, i.e. 14.9% fewer than in the previous year (104 724 books). Following sustained growth in publishing figures from 2005-2010 (over 40%), the 2013 figures confirm the downward trend that commenced in 2011. Despite this decline, it would be safe to say that the Spanish publishing sector remains very active with more than 89 000 new titles per year.

A number of publishing trends have been established in Spain in recent years. Specifically, we would draw attention to the gradual shortening of books' life cycle in

³Satellite Account of Culture in Spain: 2008-2011 preliminary results published by the Ministry of Education, Culture and Sports.

⁴ISBN data appearing in the preliminary 2013 Overview of Book Publication in Spain.

the marketplace, the existence of more titles but also of fewer copies, i.e. a decline in the average number of print copies due the growing popularity of eBooks.

- **Description of the business model; market analysis and supplier-customer profile.**

The publishing sector features different segments depending on content, end user, media used and distribution channel.

In terms of publication types, the study entitled “*Comercio Interior del Libro en España*” (Domestic Book Trade in Spain) 2005 published by the Federation of Publishers' Guilds of Spain (FGEE), draws a distinction between children's literature, non-university texts, scientific/technical, social sciences and humanities, practical books, general information, dictionaries/encyclopaedias, comic books and other materials.

Moreover, although the concept of publishing has traditionally been linked to paper and book format, electronic publications are growing in importance.

Similarly, the following production and marketing activities can be identified: publishing itself, wholesale distribution and retail sale.

Within the sphere of retail marketing, a difference can be drawn between direct distance retail sales to end consumers and sales through shops (specialised, such as bookshops and non-specialised, mostly hypermarkets, department stores, etc.).

Direct sales can, in turn, be broken down by product sold (by content) or channel used (e.g. direct home sales, by telephone, TV or Internet).

Today there are three main channels used to market books: traditional, modern and direct.

- a) Traditional channel: Based on traditional retail outlets, mostly bookshops and kiosks.
- b) Modern channel: These are associated with large companies such as:
 - Non-specialised shopping centres such as supermarkets, hypermarkets, department stores, etc., characterised by their commercial aggressiveness and polished marketing skills. These are usually self-service establishments that do not offer the assistance of sales personnel.
 - Superstores specialising in media products related to culture and leisure (e.g. FNAC). The business of selling books is based on the existence of large shops offering all of the latest publications under a self-service system.
- c) Direct sales: This is the direct publisher-buyer channel which may take various forms:

- Door-to-door sales, with payment typically in instalments, of encyclopaedias and texts for specific professions (medicine, law, etc.).
 - Direct mail and telephone sales usually by speciality publishers.
 - Book clubs with exclusive offers for registered members.
- d) Special mention should also be made of electronic commerce of books which is steadily on the rise. The US giant Amazon was the first to engage in the on-line sale of books starting in 1996 and currently has a catalogue of 3 million titles. This is the prototype of the new virtual bookshop that exists only on the Internet without any physical outlets. Its success can be traced back to the effectiveness of shipments, discounts, detailed descriptions of every item and its powerful search engine which has made it a benchmark.

In addition to entirely virtual shops, there are also hybrid outlets. Many traditional publishers, bookshops, etc. have decided to engage in this new type of e-commerce through their on-line catalogues.

Desktop publishing (DTP) companies are starting to emerge. These are platforms which allow authors to publish their own books. Authors choose how much they want to earn from sales of their works and publish through the bookshop platform in question at no cost. When a purchase is made, the DTP company prints the copy and sends it to the buyer. These companies have pricing plans that vary depending on the book's features. For example, a book may cost more or less depending on the paper size or whether the print is in colour or black and white. Discounts are also applied depending on the number of copies printed by the author, even where the end product is the same.

- **Remuneration of authors**

The strategies used by publishing companies (Grupo Planeta, Aguilar, Alfaguara ...) are designed to establish author remuneration whose income depends on contractually agreed rates and the performance of a market subject to the uncertainty principle where the public's response is unknown. In such a competitive sector, companies try to keep their established authors on board as their sales are theoretically guaranteed while widening their network of publications to gain market share.

Publishing companies pay the writers who publish through them in the form of royalties or copyrights. These royalties do not follow a fixed pattern but vary depending on the author, format of the book and the point in time when each manuscript is published.

Royalties also depend on a number of factors inherent to the writer and the characteristics of the book. While the generally accepted royalty is 10% of the retail price, a range of between 6 and 14% exists, the lower end for new authors whose

success is unproven and the maximum percentage reserved for acclaimed authors whose success is in the *bestseller* range.

To date, the publishing market has established different royalties depending on whether the work is an original or a translation. While on average a national writer receives around 10% of the retail price, a translation into the language of the publisher follows a tiered royalty scheme or is based on sales volume.

As is the case for national authors, these percentages vary depending on the expected success of the author with the lower limit around 6% for those authors whose success is not assured and a ceiling of 14% for those whose works are expected to be bestsellers and who therefore wield greater bargaining power.

We would note that these tiered or sales-based royalties applied to translations are also starting to be included in the array of payment schemes used to compensate national authors.

In other words, the same manuscript written by a national and foreign writer would cost the publisher the same amount to put on the market but the payment schemes could be radically different. Furthermore, even though the marginal cost of producing copy number 4 999 is the same as for copy 5 001, the two will earn a different amount for the author, 8% and 10% respectively.

Publishing companies apply different royalties depending on the format of the book. Not only does the electronic version of the book have a lower retail price (about 30% lower), due to lower publishing costs, the royalties paid to writers are different from the printed version. eBooks pay a royalty of 25% regardless of the writer and regardless of sales volume.

Also, if a book is successful, the publisher will usually contact the author about bringing out a paperback version about one year later. In this case, the publishing market will contractually set a royalty of between 5% and 7%, depending on the bargaining power of the author. Apart from the somewhat lower cost for paperback publications which use lower-quality paper, the underlying idea is to set a lower retail price and a lower royalty for the writer. The book no longer has the same novel appeal and must therefore be sold at a lower price.

- **Remuneration of distribution channels:**

As we have already noted, distributors (Boyaca, UDL book distributors, Alfaomega, Azeta, Logintegral 2000, ...) and retailers (bookshops, FNAC, Casa del Libro, Hypermarkets, ...), form part of the publishing market. Distributors negotiate with publishers to establish the discount on the retail price of the book and distributors do the same with retail outlets. Sometimes publishers sell directly to retailers without the intermediation of distributors.

As noted above, distribution and marketing agents also form part of the publishing market. Distributors negotiate with publishers to establish the discount on the retail price of the book and distributors do the same with retail outlets. Sometimes publishers sell directly to retail outlets without the intermediation of distributors.

Since the retail price is set by the publisher, the price that publishers negotiate with distributors and the latter with retailers is based on discounts on that retail price. This percentage may vary depending on bargaining power. In other words, publishers and distributors apply different discounts to retail outlets depending on the bargaining power of the two parties, regardless of whether the sales price is the same and they are marketing the same goods.

When a publisher wants to distribute a book it can resort to a distributor which, in turn, presents it to retailers for sale, or it can negotiate directly with retail outlets. Even though the article being sold is the same, the publisher may negotiate different discounts depending on the characteristics of the distributor and sales channel. For example, since distributors are the principal sales channel (55.6% in 2013)⁵ and assume transport and storage costs, they are usually the ones that receive the highest discount rate from publishers as compared to other sales channels such as bookshops and bookshop chains. Also, for the same given book publishers will apply a higher discount rate to hypermarkets than to bookshops as the former sell more copies and therefore have greater bargaining power.

Naturally, the size of the publisher also has a bearing on the agreed price. Small publishers tend to offer higher discounts, especially in the case of sales through distributors.

Table 3: Average discount set by publishers according to sales channel and size.

	Total 2013	Very large publisher	Large publisher	Medium publisher	Small publisher
Distributors	47,5%	37,2%	40,7%	40,8%	49,7%
Bookshops	30,5%	29,4%	31,9%	29,7%	30,7%
Bookshop chains	36,9%	35,5%	36,4%	36,3%	37,3%
Hypermarkets	36,7%	36,8%	34,4%	37,0%	36,8%
Kiosks	32,8%	-	39,1%	32,0%	32,4%
Direct*	23,7%	27,7%	21,1%	23,2%	23,9%
Other channels	29,1%	34,2%	27,2%	27,8%	29,6%

* Direct sales: mail order, telephone, Internet or book clubs.

Source: Spanish Federation of Publishers' Guilds. Domestic Book Trade in Spain 2013.

⁵ Spanish Federation of Publishers' Guilds. Domestic Book Trade in Spain 2013.

When publishers choose distribution companies as their sales channel (55.6% of cases in 2013⁶), the latter are responsible for negotiating a discount rate with retailers.

If the retailer is a department store, a higher percentage is discounted meaning that the distributor's cut will be 10% -15% while the department store earns 45% - 50%. If the retailer is small or medium-sized, the percentage earned by each will be similar.

i) Retail price:

The retail price of books in Spain is governed by a 2007 law based on the already existing 1975 law.⁷

Under this Act, any person who publishes imports and re-imports books is required to set a fixed retail or transaction price, regardless of where the sale or transaction takes place or the economic operator through whom the transaction is made.

The Act also provides that the retail price may range between 95% and 100% of the fixed price, i.e., only a 5% margin is allowed for discount.

This means that publishers set the price of books and traders may apply a maximum 5% discount to that price. The only exception to this 5% discount on the sale price is National Book Day (23rd April) and the book fairs held in the different autonomous regions or cities where the discount rate ceiling is 10% of the retail price.

Some books are excluded from this fixed price regulation: collectors' editions (published in limited numbers for a select audience, numbered and of high quality), art books (those fully or partially published using craft methods to reproduce artistic works, those that include illustrations done manually or those which include bound craft work), old or out of print books, used books, textbooks and supplemental teaching material published mainly for the development and implementation of school curricula used in primary and secondary education.

Similar laws are in force in Germany, Austria, Greece, Portugal, Slovenia, Italy, Denmark, Holland, Hungary and Norway. Countries with a free pricing system are Belgium, Finland, Ireland, Luxembourg, United Kingdom, Sweden and Switzerland.⁸

⁶ Spanish Federation of Publishers' Guilds. Domestic Book Trade in Spain 2013.

⁷ The Reading, Book and Library Act, Law 10/2007 of 22 June 2007.

⁸ http://www.eldiario.es/turing/industria_editorial/valida-Ley-Precio-Fijo-ebooks_0_297120576.html

3. ANNEX II: MAIN REFERENCES

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