**Additional Information re: Book industry productivity in UK & Germany [[1]](#footnote-1)**

This report aims to provide additional evidence of the effects of government intervention on productivity by studying the impact of the abolition of the Net Book Agreement (NBA) in the UK in the mid 1990s. The report uses the UK book industry pre-abolition as a comparator to UK performance post-abolition. It also compares the UK book market to the German book market (which, like several other European countries, continue to maintain fixed book price systems). The principal data used to compute productivity was obtained from the database: AMADEUS. This provides financial information for approximately nine million public and private companies across Europe. Attention was restricted to firms with five or more employees (although data was often not available for firms this small). This was done with the aid of supplementary industry sources. For the UK information on the main players from market research reports such as Verdict (2007) and Mintel (2007) combined with AMADEUS descriptions of firms' activities and company websites was sufficient. For Germany in addition to searching entries by NACE code lists of the top 100 publishers and the top 50 retailers were available from http://www.buchreport.de/

Sheet 1: *Ger Pub, UK Pub, Ger Ret* provides yearly (1991-2006) industry labour productivity for the German and UK publishing sectors and for the German book retailing sectors. [[2]](#footnote-2)

TOTREV is real total industry revenue (in th €).

TOTEMP is total number of employees.

PROD(WEIGHT) is an index of industry productivity (TOTREV/TOTEMP).

OBS is the number of firms used to calculate the industry total.

PROD (ARITH) is the average of the productivity of each of the individual firms.

In rows 30 and 32 PROD(WEIGHT) for German and UK publishers are rebased with the year 1997=100.

Sheet 2: *UK Ret* calculates yearly labour productivity for individual UK book retailers. (listed in column B).

From 1989-2006 turnover (in th €) and their number of employees where available are provided. In the subsequent row these are then used to calculate labour productivity.

Row 2 is the Retail Price Index for books & newspapers[[3]](#footnote-3).

In row 79 total turnover is calculated for all the firms listed above. Then, in row 80 real turnover is calculated by using the price series in row 2 to deflate total turnover.

In row 81 the total number of employees is calculated for all the firms listed above.

In rows 82 and 83 total nominal (79/81) and real productivity (80/81) are calculated.

In row 86 the average individual firm labour productivity is calculated. In row 87 this is deflated using the price series in row 2. In row 88 this is then rebased with the year 1997=100.

1. For more detail see Davies, S.W., Ball, C., Olczak, M., and Wilson, C., (2008). An evaluation of the impact upon productivity of ending resale price maintenance on books, report for the OFT, No. 981. <http://webarchive.nationalarchives.gov.uk/20140402142426/http://www.oft.gov.uk/shared_oft/economic_research/oft981.pdf> [↑](#footnote-ref-1)
2. All firm level data from the AMADEUS database, Bureau van Dijk. [↑](#footnote-ref-2)
3. Provided by the Office for National Statistics. [↑](#footnote-ref-3)