

23. Books and Magazines

1. Definition of Category

Books, brochures, leaflets and other non-serially published printed materials, as well as newspapers, magazines and other serially published materials and children's picture books. It does not include musical scores and terrestrial or oceanic maps.

HS Numbers	Commodity
4901	Books
4902	Magazines and newspapers
4903	Children's picture books

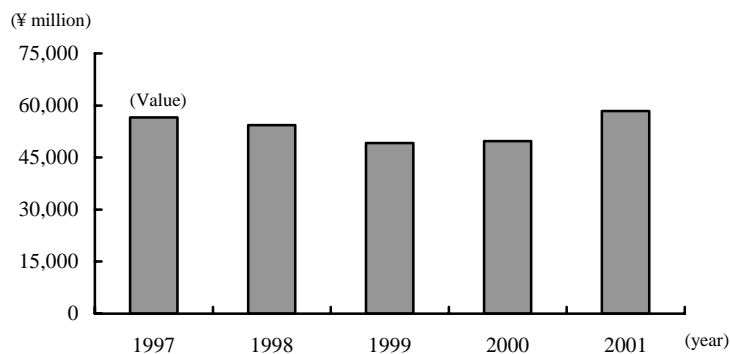
2. Import Trends

(1) Recent Trends in Book and Magazine Imports

The publishing industry is relatively less affected by the ups and downs of the economy. Imports of books and magazines had remained consistently above the ¥50 billion level up until 1998. However, from 1997 onward the domestic publishing industry began to see negative growth in sales of Japanese-language books and magazines. The trend has apparently dragged down sales of imported books and magazines as well, which slid below the ¥50 billion yen mark in 1999 to ¥49.2 billion.

After turning slightly upward in 2000, imports of books and magazines rose more robustly in 2001, climbing another 11.0%. With a total value of ¥58.4 billion, this represents the best result in the last five years. The leading category was books (¥36.8 billion, share 61.6%), followed by magazines and newspapers (¥19.1 billion, share 32.8%), and children's picture books (¥2.4 billion, share 4.2%).

Fig. 1 Japan's book, newspaper and magazine imports



	1997		1998		1999		2000		2001	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Books (tons)	13,452	35,453	9,861	33,070	9,667	28,763	11,932	30,622	13,293	36,795
Magazines & newspapers	19,845	18,220	17,624	19,056	17,113	18,029	16,475	16,542	17,991	19,126
Children's picture books	8,969	2,919	6,870	2,183	7,957	2,387	9,438	2,566	10,726	2,434
TOTAL	-	56,592	-	54,309	-	49,180	-	49,731	-	58,355

Units : 1,000, ¥ million

Source: Japan Exports and Imports

(2) Imports by Place of Origin

The United States leads in exports of books, newspapers and magazines to Japan, with second place going to the United Kingdom. These two countries together accounted for 57.2% in books and 64.2% in magazines and newspapers. The main reasons are the fact that English is the common language of discourse throughout the world as well as being the most widely used foreign language in Japan.

Recently, however, imports from Asia, such as Singapore, China, Hong Kong, have also been rising. Singapore is now the largest supplier of books, extracting the United States for the first time on a volume basis in 2000. The increase in imports from Asia is mainly due to the western publishing companies establishing distribution warehouses for the Asian market in Singapore and Hong Kong.

For picture books, rising production costs in Japan have prompted Japanese publishers to do their printing and binding in China and Southeast Asia.

Fig. 2 Principal exporters of books to Japan

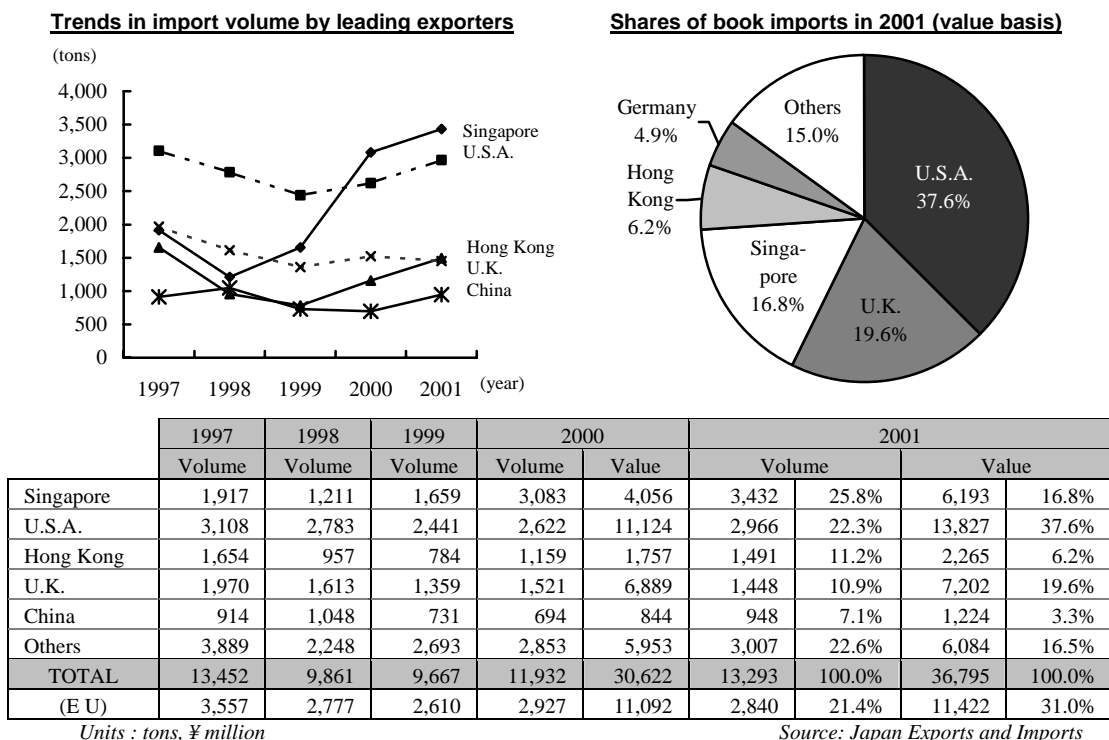


Fig. 3 Principal exporters of magazines and newspapers to Japan

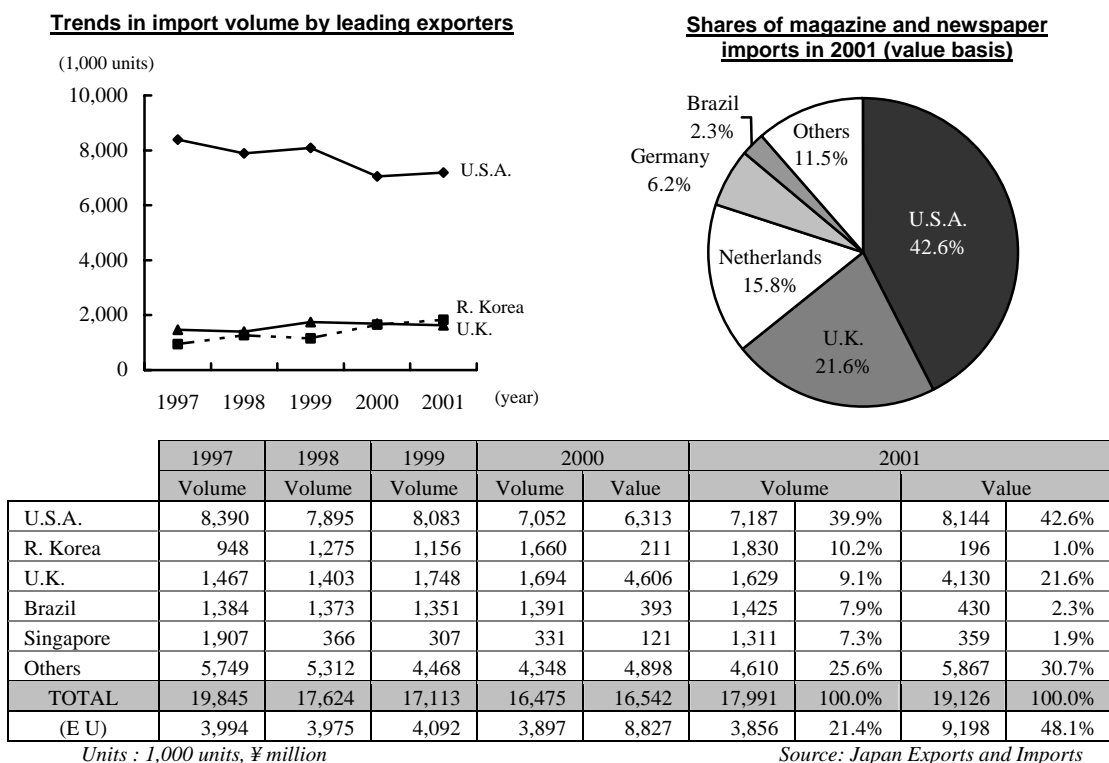
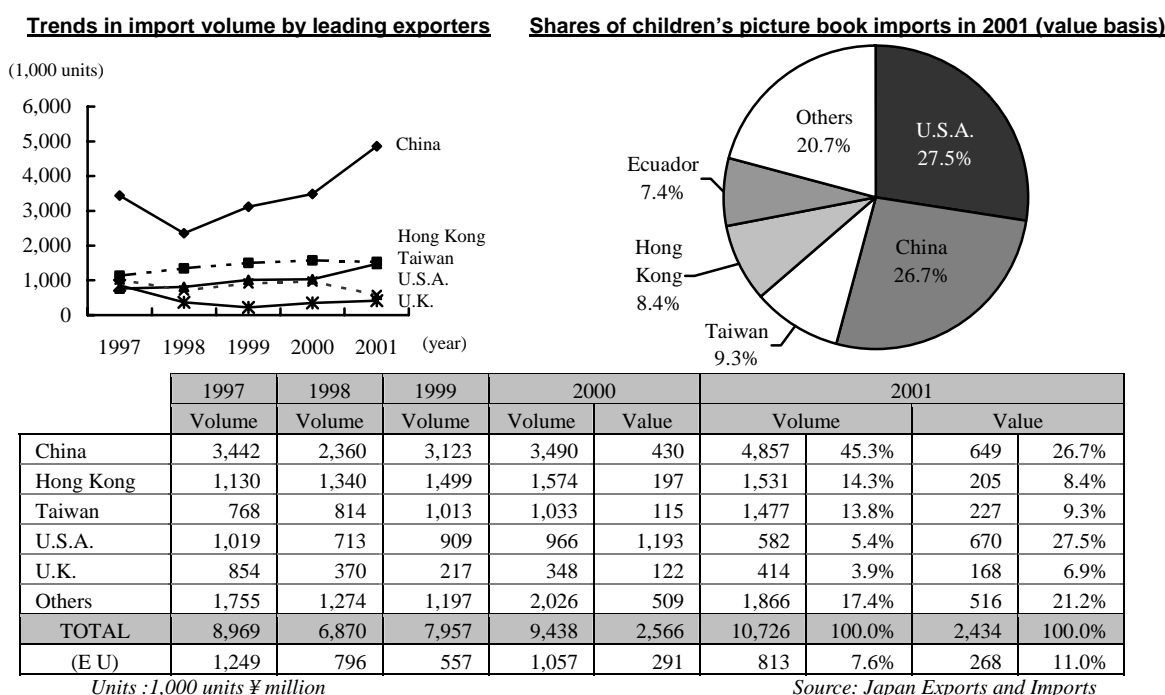


Fig. 4 Principal exporters of children's picture books to Japan

(3) Imports' Market Share in Japan

Demand for Western language publications is limited to those who can at least read foreign languages with reasonable fluency. Consequently, these publications have only a very small share in the Japanese market. Imports had 3.1% of the book market and 1.1% of the magazine market in 2000, and there is nothing to suggest any major change in this trend. However, imports of less than ¥200,000 per month per importer (whether corporate or individual) are exempt from reporting requirements, and these imports are not reflected in official customs statistics. Individuals who travel abroad purchase and bring back some books and magazines from abroad, while other individuals no doubt place direct book orders with publishers in other countries. Thus, the actual market share for imports is somewhat higher than indicated above.

Fig. 5 Imports' share in the Japanese market

		1996	1997	1998	1999	2000
Books	Domestic sales	1,093,110	1,073,010	1,010,040	993,580	970,573
	Imports	29,399	35,453	33,071	28,764	30,622
	Total market	1,122,509	1,108,463	1,043,111	1,022,344	1,001,195
	Imports' share	2.6%	3.2%	3.2%	2.8%	3.1%
Magazines	Domestic sales	1,563,270	1,564,410	1,531,470	1,467,160	1,426,049
	Imports	19,844	18,220	19,056	18,029	16,542
	Total market	1,583,114	1,582,630	1,550,526	1,485,189	1,442,591
	Imports' share	1.3%	1.2%	1.2%	1.2%	1.1%

Unit : ¥ million Source: Japan Book Publishers Association, Japan Exports and Imports

3. Key Considerations related to Importing

(1) Regulations and Procedural Requirements at the Time of Importation

The Customs Tariff Law bans the importation of any books, drawings, sculptures or other objects that pose a threat to public safety or morality.

(2) Regulations and Procedural Requirements at the Time of Sale

There are no regulations for sale of books and magazines.

(3) Competent Agencies

- Customs Tariff Law

Compensation and Operation Division, Customs and Tariff Bureau, Ministry of Finance

TEL: 03-3581-4111

<http://www.mof.go.jp>

4. Labeling

(1) Legally Required Labeling

There is no legally required labeling for books and magazines.

(2) Voluntary Labeling based on Provisions of Law

There is no voluntary labeling based on provisions of law for books and magazines.

(3) Voluntary Industry Labeling

There is no voluntary industry labeling for books and magazines.

5. Taxes

(1) Customs Duties

Imports of books and magazines are duty free.

(2) Consumption Tax

CIF x 5%

6. Product Characteristics

The many publishing houses of the world produce an enormous number of book and magazine titles. New books are always coming out, and magazines are constantly starting up and ceasing publication. Thus, by its nature the book and magazine business deals with a highly diverse product line with small quantities of any particular item. Moreover, the potential readership for any book or periodical in a foreign language is effectively restricted to those who can read foreign languages (mainly English) fluently, although this is not entirely the case with picture books whose appeal is primary visual rather than verbal.

Imported books almost never compete directly with books published in Japan except for English language text materials and certain other types of textbooks. Also, except for certain best-sellers and other prominent new titles, more and more items are being special ordered through bookstores instead of being carried in regular store stock. Imported magazines are purchased through special order even more often than are books. The most common method of purchase is to order 3-month, 6-month or annual subscriptions. Most imported picture books come from English-speaking countries such as the United States and the United Kingdom. Although many of these picture books are printed in Asia, an increasing number of imported picture books are titles with high artistic value that appeal not only to children but to adults as well.

7. Domestic Distribution System and Business Practices

(1) Domestic Market Conditions

Total sales of books in 2000 were estimated at ¥970.6 billion (down 2.3% from the year before), and magazines were at ¥1.46 trillion (down 2.8%). The ratio of book-to-magazine sales is approximately 40:60 in favor of magazines on a volume basis and 18:82 on a sales value basis. There are several reasons why magazine sales outpace the sales of books in Japan:

- 1) The proliferation of computers and new media has produced a shift in perceptions of printed material. People increasingly see printed materials as something not to be read but rather to be seen. In rapidly changing modern society, books are seen as a source for the latest information.
- 2) Magazines are carried by a larger and increasingly diversifying number of outlets other than bookstores, including convenience stores and supermarkets.
- 3) Major national and regional bookstores are seeking to enhance their popular appeal by turning themselves into chain store operations, and this has led to an increase in the proportion of outlets carrying magazines.
- 4) More and more bookstores are opening in suburban areas, and suburban bookstores are more likely to carry magazines.

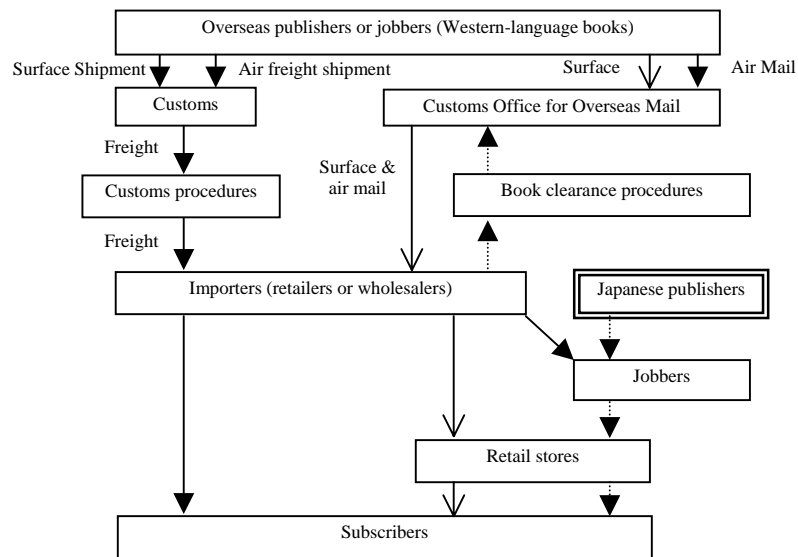
Most books and practically all magazines published in Japan are sold on consignment, with retailers usually authorized to return unsold merchandise. In contrast, most retailers on Western-language books and magazines purchase the stock outright. This entails a higher level of inventory risk for the retailer except in the case of certain hot titles or long-standing best sellers. Accordingly, the most common way for Japanese consumers to acquire foreign publications is for the store to special order the item direct from abroad.

Amazon.com, the world's largest online bookseller, launched the Japanese-language version of its site in November of 2000, and in August 2001 it reopened its "Western Books Store" with a selection of more than 70,000 titles and round-the-clock shipping capabilities. This has made it much easier and more convenient for people in Japan to find and purchase books published abroad.

(2) Distribution Channels

Because most books are imported on a special order basis, they are usually imported in small lots and shipped by surface mail. However, in recent years more and more consumers have been demanding more prompt service, and many do not mind paying extra for air mail or air freight shipping charges. Distribution of imported publications differs from Japanese publications in that they usually do not pass through intermediaries but rather are imported by comparatively large-scale bookstores or Western-language book specialty stores and then sold direct to consumers.

Fig. 6 Distribution channels for imported books

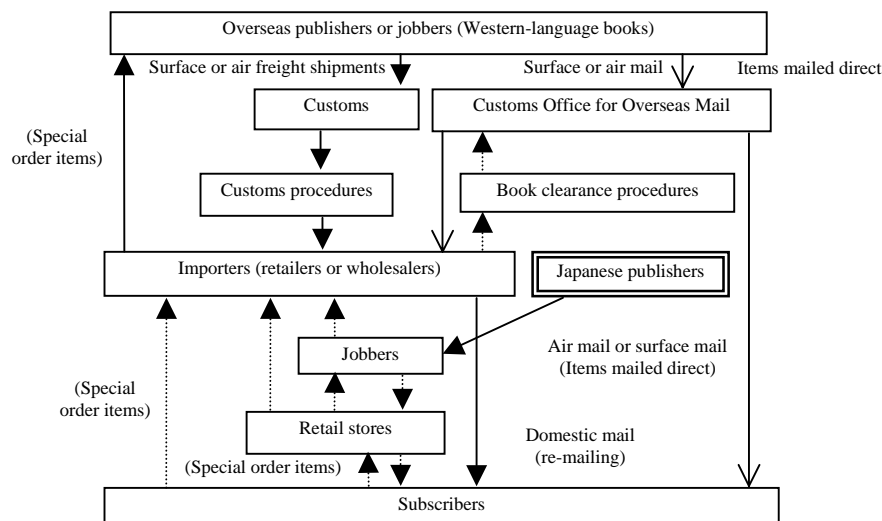


Because newspapers and magazines contain more time-sensitive information than books, they are increasingly being shipped into Japan by air mail. In most cases, subscribers to a foreign periodical receive the item directly through the mail from the foreign publisher or subscription agent. The publication passes through a non-customs postal agency from which it is sent directly to the subscriber.

Sometimes periodicals are sent by mail and handled by a non-customs postal agency before being forwarded to an importer (usually a major bookstore or Western-language book specialty store). Periodicals shipped by surface carrier or air freight are handled in the same manner as imported books, that is, after completing customs clearance procedures the merchandise is distributed through an importer.

Those who repeatedly import books or magazines into Japan are eligible to participate in the postal item post-processing customs procedure system, under which the importer files an advance report of intent to import and some usual customs procedures are omitted. This system is also referred to as "book clearance," and is a special set of customs procedures applied only to imports of books and magazines. For more information about this program, contact the Customs Office for Overseas Mail, Customs Bureau (TEL: 03-3241-6652).

Fig. 7 Distribution channels for imported newspapers and magazines



Note: Periodicals shipped to Japan by surface freight or air freight must complete normal customs procedures before entering Japan. Periodicals sent to Japan through the mail, whether by surface mail or air mail, complete postal item post-processing customs procedures before being re-mailed to addresses in Japan.

(3) Key Considerations for entering the Japanese Market

Books published in Japan are sold on consignment, and stores are allowed to return unsold merchandise. In contrast, imported books are usually purchased outright by the stores and cannot be returned. This necessitates greater financial resources on the part of retailers, and it imposes greater inventory carrying risk on retailers for slow-moving items. In order to reduce this risk some Western language book specialty stores obtain their inventory from jobbers. While this cuts down on the amount of paperwork and administrative headaches required to get books into Japan, it also cuts into store profit margins. In addition, books published in Japan are generally advertised and promoted by the publisher, while this is almost never the case with imported books. Stores must undertake to promote imported books themselves, such as by setting up a special imported book section or special subject area section in order to attract consumer attention.

8. After-Sales Service

Publications with improper pagination or missing pages may generally be returned or replaced upon request to the importer (bookstore) or publisher. In most cases the consumer need only submit the request to the store from which the item was purchased, and the store will forward the request to the publisher and receive a replacement item. Publishers or subscription agents normally offer subscription renewal services for newspapers, magazines and other serial publications. Most publishers also will accept standing orders for collected works, supplements or other non-serial items published over time.

9. Related Product Categories

Related categories include terrestrial and oceanic maps, music scores, postcards and calendars. As is the case with books and magazines, the Customs Tariff Law prohibits the importation of any item that poses a threat to public safety or morality.

10. Direct Imports by Individuals

Individual importers must complete the same procedural requirements at customs as resellers. Individual imports are also duty free. Individual imports are also subject to the prohibition on importation of items that threaten public safety or morality under the Customs Tariff Law.

11. Related Organizations

- Japan Association of International Publications TEL: 03-3271-6901 <http://www.jaip.gr.jp/jaip>
- Japan Book Publishers Association TEL: 03-3268-1302 <http://www.jbpa.or.jp>
- Japan Magazine Publishers Association TEL: 03-3291-0775 <http://www.j-magazine.or.jp/FIPP>
- Japan Booksalers Federation TEL: 03-3294-0388 <http://www.shoten.co.jp>
- Japan Publication Wholesalers Association TEL: 03-3291-6763