THE NET BOOK AGREEMENT


The Net Book Agreement (NBA) is a legal agreement whereby UK publishers set a minimum price for books. It is then illegal/impossible for retail bookshops to sell below this level. Most books except school textbooks for teachers to use in classrooms carry these minimum or “net” prices. This is, of course, a different meaning for the word “net” than is used in the USA. The agreement has been in place since 1900. It is however possible for individuals to buy books by mail at reduced prices from book clubs.

Currently the Agreement is being actively challenged by Terry Maher, Chairman of Pentos, which owns the Gillons group of 100 bookshops, the second largest chain of bookstores after W. H. Smith, and a library supplier too. This is by no means the first challenge to the NBR which allows books, along with some pharmaceuticals to be the only products with fixed prices in the UK.

Maher has run discounts, as you would commonly see in US bookshops, on new and popular titles. Last year he discounted shortlisted titles for the prestigious annual Booker Prize for fiction. He has had to withdraw some discounts as legal writs have been served by individual publishers. He argues that lower prices will not necessarily increase demand but obvious discounts will bring more people into bookshops.

The Publishers’ Association argues that if the NBR is abolished only the larger bookshops would survive since only they could negotiate large discounts from publishers. Small local bookshops would disappear.

The Booksellers’ Association argues that if the NBA were abolished large discounts on some books would mean booksellers would have to recoup loss of profit by putting up prices on other books.

The Book Trust argues that minimum price setting allows a greater variety of books to be available on booksellers' shelves. Penelope Lively, Chair of the Society of Authors, says that abolishing the NBA would threaten publication of many first novels, academic books and poetry, all of which can expect short print runs.

Tom Featherstone, President of the Library Association, also supports the NBA since he feels that it leaves librarians the freedom to choose suppliers by “quality of service” rather than price. If the NBA were abolished choice would be diminished and added library services might disappear.

Most countries in the European Community have some form of price maintenance for books but I do know some librarians who will say, off the record, that the free market of 1992 may well topple the NBA. Already the EC has ruled the NBA illegal on cross-border sales. The Publishers’ Association are appealing against the ruling.

Most libraries which serve the public in the UK, that is public and academic libraries have a Library Licence from the Publishers’ Association. This means that Libraries can buy UK books at 10% discount from nominated suppliers so long as they allow “the public” to use their library.

In practice some libraries get 10% discount anyway.

If you would like more detail on this topic look at LOGOS Volume 2 Issue 2 1991 where there are papers from both sides of the argument, but unfortunately not from librarians. Perhaps some librarians secretly want the NBA abolished and would not be too unhappy to see less choice of books. Of course clued-up UK librarians can buy direct from the USA too sometimes at a considerably cheaper rate than in the UK, where there is simultaneous publication in both places. But that’s another story...

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