

## NOTES ON CHINESE ACQUISITIONS: UPDATE

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In my previous article, "Notes on East Asian Acquisitions" (*EALRGA Newsletter* no. 27, 1994, pp. 3-6), I described the background of the "book pricing controversy" between China's major book exporters and America's East Asian libraries. This essay outlines the new pricing agreement subsequently reached between the two parties and discusses the major issues, including price and service, central to the acquisitions of Chinese publications.

### CHINA

In November 1994, the China National Publishing Industry Trading Corporation (CNPITC) revised its export pricing policy after discussing the matter with Dr. Tai-loi Ma, Curator of the East Asian Library, University of Chicago, and Chairperson of CEAL's (Committee on East Asian Libraries) Subcommittee on Chinese Materials, who had gone to Beijing to negotiate for better terms. Major concessions were made by the Chinese side. First, the Export Working Group of CNPITC would no longer send notices abroad in future, leaving individual vendors to contact their own clients. Second, book prices would be listed in RMB. Third, instead of about 2.6 times the official exchange rate, the following descending scale of pricing would apply:

Under RMB Y50	Domestic price x 2.5
RMB Y50 - 100	Domestic price x 2.25
RMB Y100 - 1,000	Domestic price x 2
Above RMB Y 1,000	Domestic price x 1.3

In his message on this subject to the *eastlib* discussion list (6 December 1994), Dr. Ma stated that "Other vendors (CIBTC, CNPIEC, Zhonghua, etc.) would use the same formula, and some have already indicated their willingness to offer discounts. It is up to individual libraries to make deals with their favorite vendors."

It should be pointed out that so far, Chinese publishers and booksellers have adopted no uniform practices when sending their annotated catalogues abroad to invite orders. For example, Cultural Relics Publishing House (Wenwu chubanshe) lists all titles under their domestic price in RMB, but advises in a covering letter that the price increase multiple for export is 2.6. Beijing's Chinese Corporation for Promotion of Humanities (Zhongguo renmin kexue fazhan gongsi) lists all titles in RMB under their export price which is only double that of the domestic price. Nanjing's Jiangsusheng tushu jinchukou gongsi lists all titles in US dollars under their export price which is about 2.6 times the domestic

price. Whether the price is listed in RMB or US dollars, or whether the original domestic price has been clearly stated, the fact remains that among China's book vendors, some are charging a bit more than others in foreign sales. However, although all are charging considerably less than neighbouring Hong Kong booksellers, some overseas libraries still prefer to order Chinese publications from Hong Kong because they have been disappointed with the service offered by most Chinese book vendors.

## HONG KONG

From the librarian's viewpoint, Chinese booksellers in Hong Kong can be classified into four groups according to the nature and style of their business operation. First, there are four big bookstores that are also publishers and distributors. Next, there are a number of smaller bookstores which also specialize in mail order service. The third group consists of book vendors that deal exclusively in mail order trade. Lastly, there is the antiquarian bookseller, the mail order dealer, who is expert in supplying current publications that are relatively rare.

The "big four" in the first group are Joint Publishing (Sanlian), Commercial Press (Shangwu), Chung Hwa (Zhonghua), and Cosmos Books (Tiandi). Besides publishing many worthwhile titles themselves, all four companies conduct their business in a huge bookstore at a good location near a subway station. They are either situated on Hong Kong island (Joint in Central, Commercial in Causeway Bay, Cosmos in Wanchai), or on Kowloon peninsula (Chung Hwa in Yau Ma Tei). Both Commercial and Chung Hwa have branch stores in other districts of the British colony.

Joint Publishing is the major distributor of publications from China. Apart from distributing and selling numerous monograph titles, it runs a book club whose members are granted a discount. It is also the chief subscription agent for Chinese newspapers and periodicals. In 1995, it offers to supply more than 4,400 serial titles published in China, as listed in its 1995 *Subscription Guide to Chinese Periodicals*. This compares favourably well with CIBTC's (China International Book Trading Corporation in Beijing) shorter list of 1,838 titles in its 1995 *Newspapers and Magazines of China* catalogue. Based on a small sampling of price comparison, the sea mail subscription rates charged by Joint are on average about 26% (it varies dramatically from 15% to 65% for individual titles) more expensive than that of CIBTC. However, in some surprising cases, Joint's rates can actually be cheaper than CIBTC's. For example, a random check on the first ten titles listed under "Economics" on page 11 of CIBTC's catalogue shows that for both *Jingji kexue* and *Jingji luntan*, CIBTC's rates are at least 35% dearer than Joint's. As to service, issues sent by Joint are seldom missing because Hong Kong's postal service is very reliable. This is not the case with CIBTC in China. Since 1994, Joint has further improved the speed of their delivery by airfreighting all Beijing and Shanghai journals to Hong Kong for processing.

Commercial Press, founded in Shanghai in 1897, is the oldest publishing house in modern China. Its Hong Kong branch was established in 1914. For three generations, it is the most well-known publisher and bookseller in Hong Kong. Commercial has published many dictionaries which would have been used by millions of Chinese. More than two million volumes of books are currently stored in its warehouse. In recent years, it has become the distributor for more than fifty Chinese publishers, including Wenwu, Beijing guji and Shumu wenxian in Beijing, Shanghai guji and Shanghai zhishi in Shanghai, and all major publishers in Shangdong province and Tianjin city.

Books published in Jiangsu province are distributed in Hong Kong by Chung Hwa, the third big bookseller in this group. Like Joint and Commercial, Chung Hwa has its origin in China, and similar to them again, it maintains a multi-storey bookshop in Hong Kong. Chung Hwa has long been a publishing rival of Commercial. It is justly famous for its many well edited editions of Chinese classical works, particularly in literature, history and philosophy.

Cosmos Books, founded in Hong Kong, is the youngest publisher among the "big four". It publishes a large number of titles by contemporary writers on social sciences and the humanities. Their book covers are often more colourful and attractive than those produced by Joint, Commercial or Chung Hwa. As a publisher, its original titles on current affairs and cultural studies, and its reprints of controversial contemporary Chinese fiction are most welcomed by educators, professionals and college students. Cosmos operates a huge bookstore on below ground level with an impressive display of Hong Kong and Taiwan publications. Its current stock of books from China is also rich and varied.

Booksellers in the second group are chiefly located upstairs in residential buildings in the crowded streets of Mongkok, Kowloon. They are often within short distance from one another. One can thus visit Man's (Wenxing), Sapience (Xuefeng), Converging (Huichuan), Learner's (Xuejin), Greenfield (Tianyuan), and a few other shops in a couple of hours. Man's and Sapience are very competitive, often offering up to 40% discount on books published in China to personal shoppers. Like most other shops, they obtain their book stock directly from China, bypassing the distribution network of Joint, Commercial or Chung Hwa. For overseas mail orders, Sapience despatches all book parcels from Guangzhou, although orders must be sent to Hong Kong. Sapience also sells photocopies of journal articles which it regularly compiles, without revealing their sources, for researchers to select. To overseas clients, it offers 20% discount on books published in China and charges only 10% of the book cost for postage. This is comparatively cheap as most other booksellers bill their clients for the actual cost of postage, which often exceeds 20% of the book value. Shangwu even fixes the foreign sea mail postage as high as 60% of the book cost.

Convergence acts as an agent for several Chinese publishers and institutions, including Beijing's Zhongguo renmin daxue shubao ziliao zhongxin and the Number One Historical Archives (Zhongguo diyi lishi danganguan). It is accepting orders for the former's *Fuyin baokan ziliao* annual bound volumes, and the latter's microfilm collection of important documents. Convergence can also supply backsets of more than 1,250 Chinese serials published in this century, but its prices for prewar journals are often quite expensive.

There are fewer such bookstores on Hong Kong island. Two well-known ones are Sun Chau (Shenzhou) in Central, and Youth Literary (Qingwen) in Wanchai. Sun Chau is an antiquarian bookseller as well as an antique dealer. Youth Literary sells current publications published in China, Hong Kong and Taiwan. It offers 20% discount to personal shoppers on all titles.

While only some vendors in the second group issue a book list to attract clients, all booksellers in the third group rely on such catalogues for their business. These include Universal (Wanyou), Chiao Liu (Jiaoliu), Far East (Yuandong), Sunshine (Guangming), Hsiung Kuang (Xingguang), Knowledge (Zhishi), and several others. Their business is supported by East Asian libraries around the world, and many Chinese collections in America, Europe and Australia have been built up through their services. To cut down their overheads, most vendors have no separate warehouse apart from their office in a residential flat. Some have no full time staff other than a helpful family member or a casual assistant. The majority of them travel regularly to China to replenish their stock. All are trying hard to survive or prosper in this competitive business with a low to reasonable profit margin.

As Classic Novel Association (Guyi xiaoshuo hui) conducts its business in a distinctive style, it merits to be classified separately. Classic Novel is a mail order vendor specialising in Ming and Qing editions, periodical backsets, out of print titles, and contemporary Chinese publications intended for "internal circulation" (neibu faxing). It publishes a bimonthly catalogue which is annotated and illustrated. As many titles in this catalogue are rare, unique, hard to find, or essential for research, they are certainly worth acquiring despite their apparently high price. Classic Novel can also supply new ordinary publications at the market price to established clients. It has been in business since 1961, and was known as Wei Man Kok (Huiwenge) prior to 1980.

For current Chinese publications, Hong Kong booksellers generally convert the RMB marked price to Hong Kong dollar selling price by multiplying it 3 to 5 times (the official exchange rate is around RMB Y1=HK\$ 0.92). The pricing principle is: the higher the original price, the smaller the price-increase multiple. Books over RMB Y50 would cost about 3 times more while those under RMB Y15 would cost at least 4

times more. Annuals, local histories, limited editions, and books for "internal circulation" may cost considerably more.

This price increase is acceptable because Hong Kong vendors have to pay a high price for owning or renting their stores, offices, or warehouses. Transporting books from China, storing them in Hong Kong, processing foreign orders, and packing and sending parcels overseas by mail all involve time, space, and labour. Moreover, they often have to wait four to six months before they can receive any payment. Sometimes, longer delay in payment does occur and unpaid invoices do exist. All booksellers have to build up a sizeable amount of stock to attract business, but their unsold volumes will all turn into worthless paper.

In the past fifty years, both China and Hong Kong have undergone enormous changes, and in July 1997, Hong Kong will be returned to China. Let us hope that the majority of Hong Kong booksellers, including those who may earn more income if they close down their business and let out their stores or offices but choose not to do so, will continue to provide an excellent mail order service to overseas clients, not just for another two or three years, but well up to and beyond the next century.

