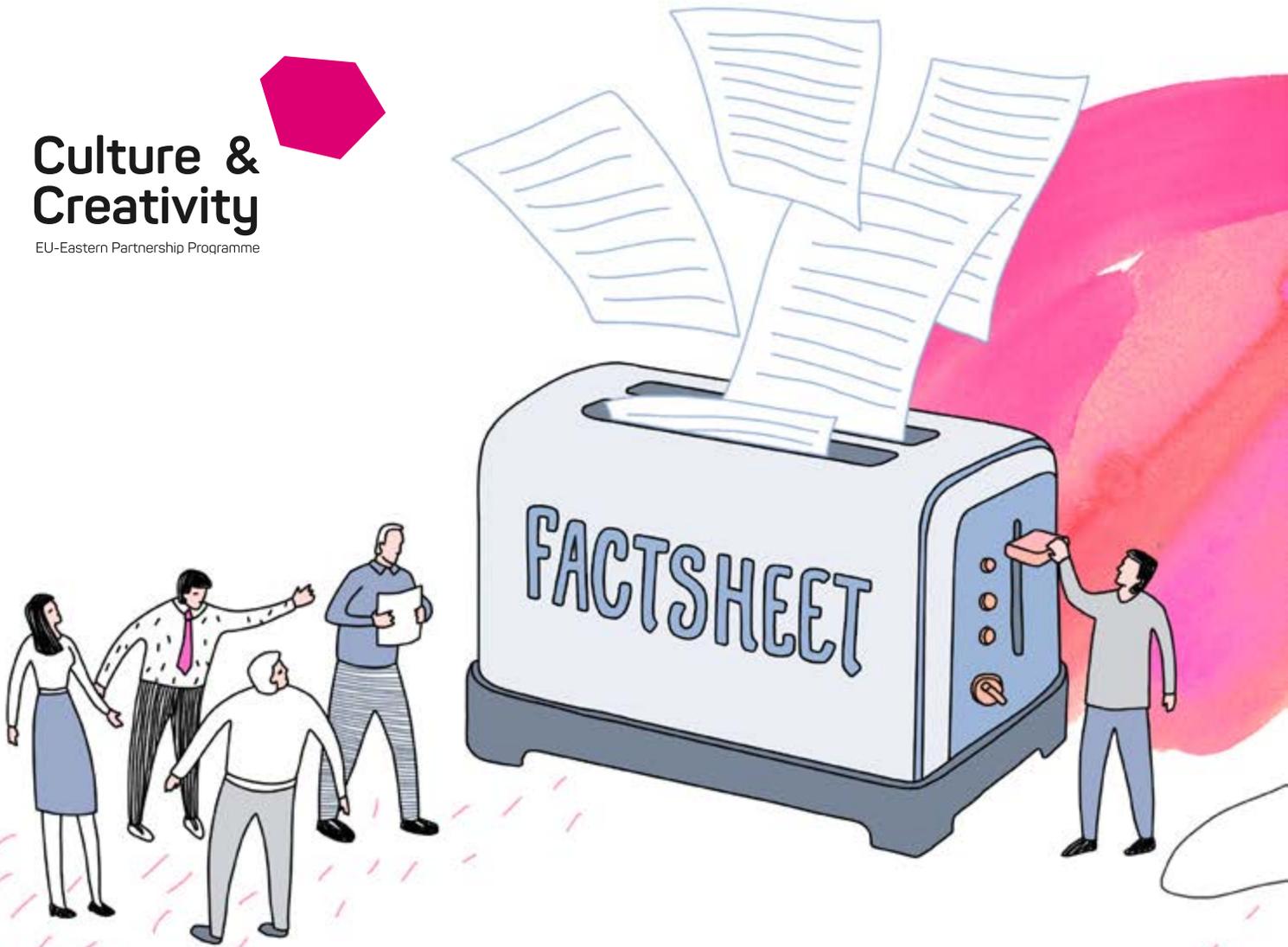


Culture & Creativity

EU-Eastern Partnership Programme



FACTSHEET ON ROLE OF CULTURE AND CREATIVE INDUSTRIES



This Programme is funded
by the European Union

The economic impact of creative industries

With revenues of €535.9b, the creative and cultural industries (CCIs) contribute to 4.2% of Europe's GDP. The sector is its third-largest employer, after construction and food and beverage service activities, such as bars and restaurants. [1]

The three biggest activity areas in 2012 were the visual arts (€127b), advertising (€93b) and TV (€90b), which together accounted for more than half of the CCIs. Publishing – of newspapers, magazines and books – in the meantime generated a combined revenue of €107b. [1]

Activities that rely heavily on intellectual property drive European growth, and deliver 38.6% of EU GDP. Copyright-intensive activities, represented by the 11 sectors of creative industries, accounted for 4.2% of EU GDP in 2012. [1]

The creative industries earn the UK £9.6m every hour in UK. [2]

The UK creative industries were estimated to contribute £71.4bn a year to the economy and to support 1.68m UK jobs. In the most recent estimates, these figures were £84.1bn a year and 1.9m jobs. [2]

Recent statistics show the creative industries sector's growing at 8,6% a year, making it the second fastest expanding industrial sector in UK. [2]

For every pound invested in arts and culture, an additional £1.06 is generated in the economy. [6]

Finance for growth

Successes include the establishment by Edge Investments, with support from the British Business Bank of a £40 Million creative industries-specific investment fund. [2]

Exports of creative industries services hit £19.8 billion in 2014 accounting for 9% of total exports of UK services. [2]

Employment

More than 7m Europeans are directly or indirectly employed in creative and cultural activities – 3.3% of the EU's active population. [1]

The biggest employers among Europe's CCIs were visual arts, performing arts and the music industry. They accounted for about half of the 7m CCI jobs in the EU in 2012. Performing arts (1,234,500), visual arts (1,231,500) and music (1,168,000) employ more than 1m people each, followed by advertising (818,000), books (646,000) and film (641,000). [1]

In terms of jobs, CCIs in the EU employ as many people as the food and beverage service industry does. They provide work for nearly 2.5 times more people than automotive manufacturers and 5 times more than the chemical industry. [1]

In 2013, the creative and cultural sectors employed, on average, more 15-29-year-olds than any other sector (19.1% of total employment in CCIs versus 18.6% in the rest of the economy). In Eastern and Central Europe, the trend is even more pronounced: on average, young people account for 1.3% more jobs in the creative economy than in the rest of the economy. [1]

The UK already has a high percentage of creative employment, constituting around 24% of the workforce, with 87% of highly creative occupations at low risk of being replaced by robots in the future. [7]

More than one in 12 UK jobs are in the creative economy, with employment increasing 5% between 2013 and 2014, compared with a 2.1% jobs increase in the wider economy. [6]

'Music, performing and visual arts' had the highest proportion of self-employed jobs. More than 7 in 10 jobs in this group were self-employed. [3]

'Design and designer fashion' was the group which had the largest percentage increase in employment in the Creative Economy between 2011 and 2013 (17.7% or 27,000 jobs). [3]

Diversity

About 11,4 % of creative industries jobs were filled by Black, Asian and Minority Ethnic (BAME) people in UK. [2]

Culture and digital technologies

Two of the top seven categories of goods and services purchased online are cultural. Books are the items most purchased online: 35% of shoppers have already bought books in this way. Concert, festival and theater tickets rank seventh, and 25% of online shoppers visit venue websites and other ticket retailers. [1]

EU consumers have become accustomed to listening to music, catching up with a TV or radio program and playing games on mobile devices. On tablets, they spend, on an average, 70% of their time "consuming" creative works. And, they spend 50% of their smartphone-time not making calls, but playing games, watching videos, listening to music or browsing the internet. [1]

European consumers are some of the most "digitally savvy" in the world. Western Europe has 197m smartphone users, the second-highest concentration in the world, and 73.1% of Europeans use the internet. [1]

The economic impacts of cultural and creative content on sales of smart connected devices (Estimated indirect impact of cultural and creative contents (videos, games, music, etc.):

Tablets €9.4b

Smartphones €22.27b

PC's €10.35b [1]

'IT, software and computer services' was the largest group, with creative employment of 825 thousand in 2013. Since 2011, there has been an increase of 117 thousand jobs (16.4%) in this group. [3]

In 2008 around 12% of consumer spending on media and entertainment was devoted to digital products and services; by 2017 that is expected to have risen to around 50%. [5]

Digital technology is also becoming increasingly important for cultural business models with 51% of arts and cultural organisations currently using the Internet to generate new revenue streams, an increase of 17% on 2013. [5]

£200 million was invested using crowdfunding in the UK in 2012 and it is estimated that 25% of UK adults had used Internet technology to share resources and funds in 2013.

73% of the 947 cultural organisations surveyed in England say that digital activities have had a major positive impact on their work. [5]

51% of arts and cultural organisations said that digital technologies are important or essential to their business models, and these organisations were far more likely to be involved in revenue-generating online activities such as donations and crowdfunding. [4]

The digital revolution is transforming culture, just as it is transforming other aspects of our lives. It has increased levels of participation in informal cultural and creative activities, created new networks and forms of interaction, transformed the production and distribution of established art forms and allowed new art forms to emerge. [5]

Visual arts

Museums are key in making visual arts available to all citizens. Seven of the world's most visited art museums are in Europe, with Paris and London sporting three apiece. The Louvre in Paris pulled nearly 10m visitors in 2012, and all contenders drew more than 3m people, confirming museum's mass appeal for both national and international visitors. [1]

When questioned, visitors to several European museums told one study they seek entertainment and pleasure (28%), education and training (26%) and a gateway to history (17%). [1]

A global destination for the visual arts, Europe is the world's leading art market. With 34% of the global art market by value, Europe (including Switzerland) is the world leader in art sales, ahead of China (30%) and the US (29%). [1]

The European art trade is dominated by the UK (with 65% of the EU market), followed by France (17%) and Germany (5%). London confirms its position as an art hot spot with a global audience; Christie's, based in the UK, is the world's leading auction house and including its private sales its turnover US\$7b in 2013. [1]

In 2016, €6.2b of art and antiques were exported from EU, and €5b imported. This reflects Europe's strategic role as a global hub for art sales. [1]

Performing arts

Providing an estimated 1,234,338 jobs in Europe, the performing arts sector is the largest employer among the continent's cultural and creative industries, providing more than one job in six. [1]

Concerts and music festivals generated more than a third (37%) of global performing arts revenue in 2011. [1]

One study found that more than 45% of respondents described the European festival market as "healthy," and 40% said the economic crisis had not affected their investment and development plans very much. [1]

Sziget Festival is massive eight-day music festival brings together more than 65,000 attendees per day, and has been taking place annually since 1993 in Budapest. These open-air festivals are significant employers, hiring mainly local, welltrained and educated manpower from the younger generation. These jobs can never be outsourced to distant countries: this makes our role even more important at local level. [1]

Performing art and tourism

The performing arts play an important role in attracting people: for instance, 9.2% of tourists visiting the UK went to the theatre, a musical, opera or ballet. Local performances, in parks, pubs, restaurants and even camp sites are an essential element of Europe's tourist appeal. [1]

A rich built and cultural heritage in many European countries and capitals is reinforced by the dynamism of contemporary theater and music. [1]

In France alone, culture-oriented tourism generated €18b of revenues in 2011, and accounted for 35% of tourists' consumption decisions. [1]

During 2011 theatre audiences in Barcelona, a favorite European leisure destination, reached a record 2.8m visitors. [1]

Publishing industry

The European publishing sector is the world's biggest, and seven of the top ten book publishers in the world are European. [1]

With sales of more than €36.3b, the book market is a big contributor to the European creative economy, ranking as fifth-largest market, ahead of the film industry and performing arts. It employs almost 650,000 people across Europe. There are an estimated 150,000 authors in Europe. [1]

Magazines and newspaper

Though employing fewer than 500,000 people, the newspapers and magazines industry has a total revenue of more than €70b, making it the fourth-largest creative business. Newspapers bought at the kiosk or corner shop or delivered on subscription account for 60% of total sales. Half of publishers' revenues come from advertising, and advertising has been a critical element of their historic business model. [1]

Europe is the world's leading newspapers and magazine market. The EU28 long afforded the largest world market: in 2012, almost a third of the world's magazines were sold there, ahead of the US (24%) and Japan (11%). [1]

Two of the largest global press agencies, AFP and Reuters, are of European origin. Some of the most successful new business models are also European: weekly newsmagazine Der Spiegel has effectively managed the transition toward new platforms and digital content. The web edition, employing 60 journalists, is read by 5.6m unique visitors every month and, unlike the print edition, Der Spiegel's website has been profitable since 2005. [1]

Music industry

Composing and performing musical works occupies most of almost 1.2m people working in the music industry. There are 650,000 registered musicians, composers and songwriters. [1]

The European recorded music market is driven by growing digital markets. Digital recorded music sales grew by 109% in Europe between 2009 and 2013. [1]

Europeans remain among the world's largest consumers of recorded music, with 4 EU countries among the 10 biggest markets worldwide in 2013. According to IFPI, an industry body, digital sales accounted for 39% of global recorded music trade revenues in 2013 and 32% of those in Europe. [1]

The royalty collection from collective rights management organizations in Europe accounts for 60% of the worldwide total 2,80% of which is collected in the music industry. [1]

Embracing and creating digital business models have been crucial to the success of the European music industry. Recording companies are successfully delivering music through digital channels, broadening the world of licensed music, and innovating to bring artists to a global audience. [1]

Revenue from music subscription streaming services surged 51.3% in 2013, exceeding US\$1b globally (approximately €750m) for the first time. [1]

Online music services have developed enormously in Europe in the last few years. By 2013, more than 230 music services were available in Europe, offering more than 37m tracks in every EU country. Digital made 32% of European recorded music sales, while physical sales accounted for 56% in 2013. [1]

Film industry

A €17b market employing almost 650,000 people. Its biggest single source of revenues is the sale of cinema tickets – referred to as “gross box office revenues” in 2012 was 36.5% of the total. [1]

The UK has the third-largest filmed entertainment market in the world. UK-qualifying films earned £4.1b, taking 11.4% of the global market. Independent UK films accounted for 1.6% of the global market at a value of over £649 m. In Europe, the market share for UK films ranged from 10% to 16%. Film, TV, video, etc. contributed £9.8b of gross value added to the UK economy in 2012. [1]

British films earned a worldwide gross of \$4.1 billion, which amounted to 11% of global box office. ‘Film, TV, video, radio and photography’ was the group which had the third largest percentage increase in employment in the Creative Economy between 2011 and 2013 (11.8% or 27,000 jobs). [5]

The combined gross for these films is £773 million from British audiences alone. [5]

Architecture

With almost half a million registered architects in Europe and revenues reaching €36b, architectural activities are a significant business in the European creative economy. [1]

Advertising

With revenues estimated at €93b in 2012 and 820,000 employees, the advertising business is a powerful force in the European cultural and creative industries. Generating about 17% of total CCI revenues, it is the second largest business after visual arts. [1]

Europe is home to two of the world's big three advertising groups: WPP Group based in London and Publicis Groupe, headquartered in Paris, which have turnover of €16.4b and €8.5b, respectively. [1]

Radio

In 2012, radio was the second most widely used medium by European consumers, after television. Four out of five Europeans listen to radio for two hours or more every day. The revenues of the industry is €10b and it provides 97,000 jobs. [1]

Video games

With just more than 100,000 employees and €16b of annual sales, the video game industry is an adolescent with a global punch. [1]

Annual exports beyond Europe of almost €3b make video games the most traded of Europe's cultural goods. [1]

The cultural participation and civic engagement

A variety of studies highlight the processes by which cultural engagement helps young people build the confidence for political engagement, how public arts generates reflection about communities and their future and how minority groups find a collective voice, identity and recognition. [4]

The arts participants are involved in civic activities at a much higher rate than those who do not participate. 'According to the model, the odds that performing arts attendees will volunteer are 3.8 times greater than for non-attendees, regardless of their educational attainment, gender, and other selected demographic traits', and similar results applied to the relationship between arts participation and community meetings. The difference in levels of civic engagement was even greater for those who themselves created or performed art, as opposed to simply attending. [4]

While just 1% of young people with low socio-economic status alongside low artistic engagement voted in the 2004 US presidential election, 45% of those with the same socio-economic status but with a high level of artistic engagement did so. [4]



Culture and peace-building

The arts and cultural interventions help peace-building and healing after armed conflict, helping communities to deal with the sources of trauma and bring about reconciliation. [4]

The arts can help to deal with the sources of trauma, bring about reconciliation and help people to move on. The role of the arts in enlarging experiences and thinking about others in a more neutral setting than would emerge from conventional political dialogue is fundamental here. Their role can both be through building bridges between once hostile communities, which is particularly favoured by funders, and through allowing reflection within communities still suffering from trauma which may be just as important. [4]

Art can create alternative, perhaps safe, spaces to recover memories, articulate narratives and imagine new forms of relationships and understanding. [4]

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