



The Creative Economy leading Trade and Innovation

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International Trade Division

United Nations Conference on Trade and Development

UNCTAD – Geneva

Applied Policy Seminar, Promoting Innovation in

Services Sector

25 March 2010, Geneva, Palais des Nations



I. UNCTAD's work on the creative economy

**II. Concepts, definitions, classification
and measurement**

III. UNCTAD global database

IV. Concluding remarks



I. UNCTAD's work on the creative economy





UNCTAD's vision on creative economy

Mandates to promote trade and development has 3 pillars:

(i) consensus-building – intergovernmental process promoting international and national policy actions

(ii) policy-oriented analysis – evidence-based studies and recommendations to assist governments in policy formulation with focus on developing countries

(iii) technical cooperation – assist governments to foster their creative economies for trade and development gains



UNCTAD's work on creative economy

“Creative Economy Report – 2008: The challenge of assessing the creative economy towards informed policy-making”

- *First multi-agency report to present the UN perspective on this new topic. Initiative of the UNCTAD/UNDP Partnership*
- *UNCTAD, UNDP, UNESCO, WIPO and ITC*
- *Conceptual, institutional and policy framework*
- *Analytical tools for informed policy-making*
- *Shared vision based on evidence and comparative analysis*

Sensitize governments about the potential of the creative economy to foster socio-economic development



Setting the scene

- *Cultural assets and human creativity are inexhaustible resources available in every society since time immemorial*
- *Ideas, knowledge and information are the drivers of creativity*
- *Globalization re-shaping patterns of world cultural consumption in a world dominated by images, sounds, texts and symbols*
- *Connectivity influencing society life-style and the way creative products are created, reproduced and commercialized*
- *Shift towards a more **holistic approach** to development interface between **economics, culture and technology***



Salient features of the global market for creative industries

- *So far in the 2000's unprecedented growth compared with traditional services and manufacturing*
- *New dynamic sector in world trade – 8.7% annual growth during 2000-2005 period*
- *Generate revenues from trade estimated at about US\$ 424 billion in 2005, plus gains from intellectual property rights (no data)*
- *The creative economy calls for a multi-disciplinary approach and concerted inter-ministerial policy actions*
- *Creative economy deals with the interface between creativity, economics, culture and technology*

In the economies in transition despite the abundance of creative talents the potential of the creative industries is under-utilized



Development dimension of the Creative Economy

Multi-dimensional
*Policy impact
economic, cultural
social and
technological*

Cross-cutting
*Culture
Trade
Industry
Labor
Technology
Tourism*

Omni-present
*education
work, leisure
entertainment*

In-temporal
*knowledge of the past
present technologies
vision of the future*

Creative economy already leading employment, trade and innovation in many parts of the world



II. Concepts, definitions, classification and measurement





Definition of the Creative Industries

- *Is the cycle of creation, production and distribution of goods and services that uses creativity and intellectual capital as primary inputs*
- *Comprise goods and services focused but not limited to arts with creative content, economic value and market objectives*
- *Produces tangible goods and intangible services able to generate revenues through trade and intellectual property rights*
(UNCTAD)

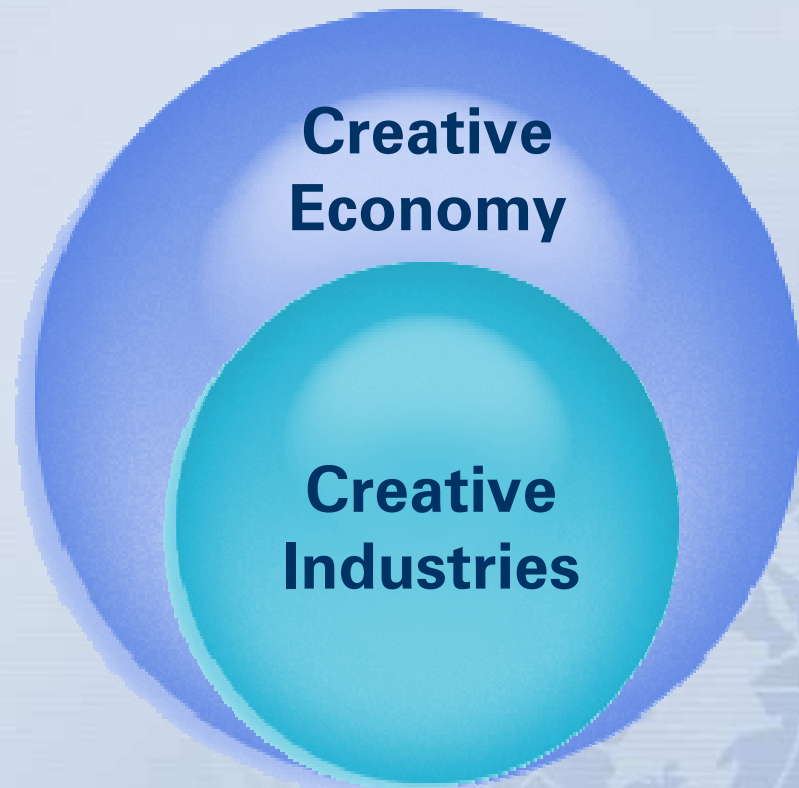
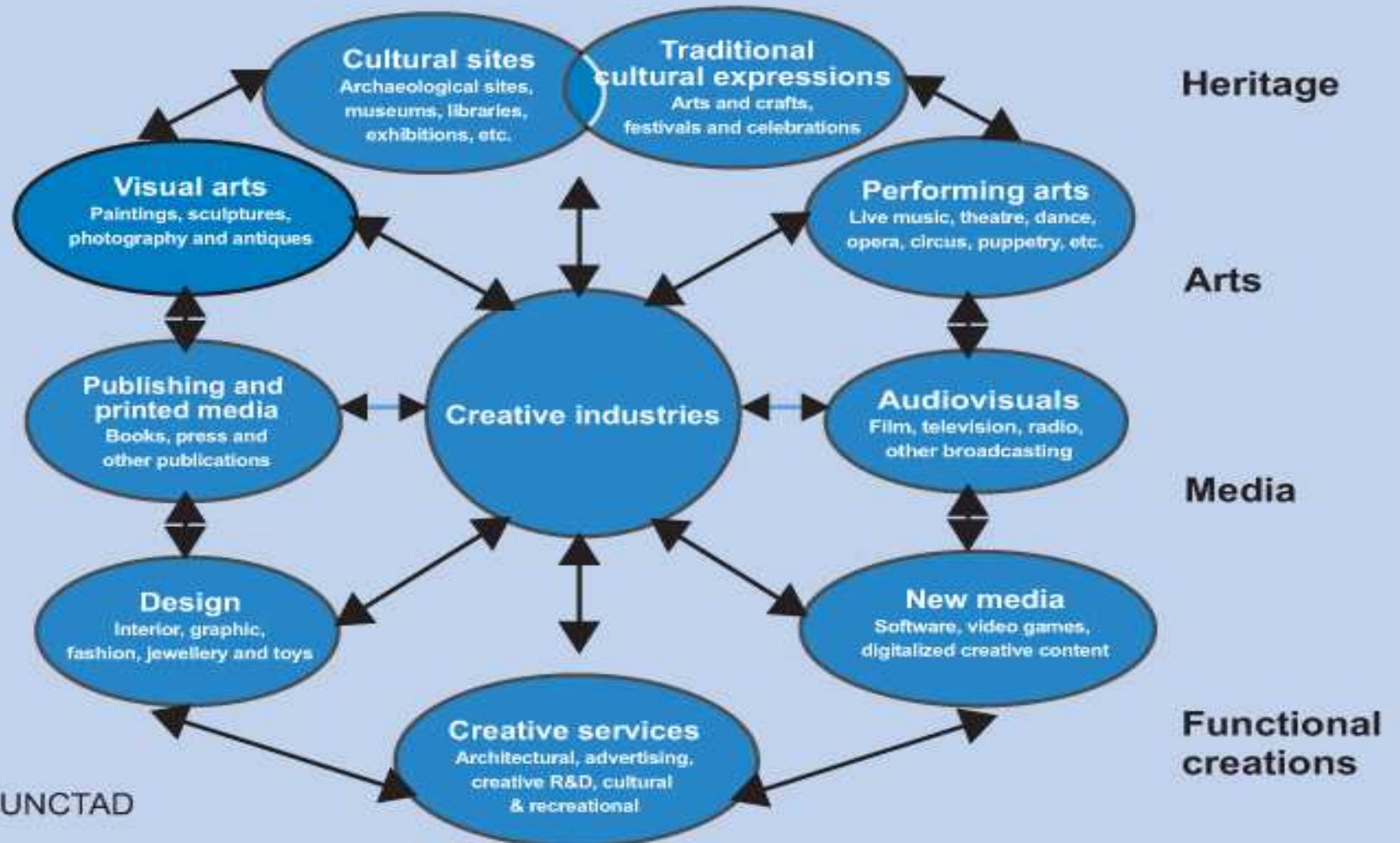




Figure 1.3

UNCTAD classification of creative industries



Source: UNCTAD

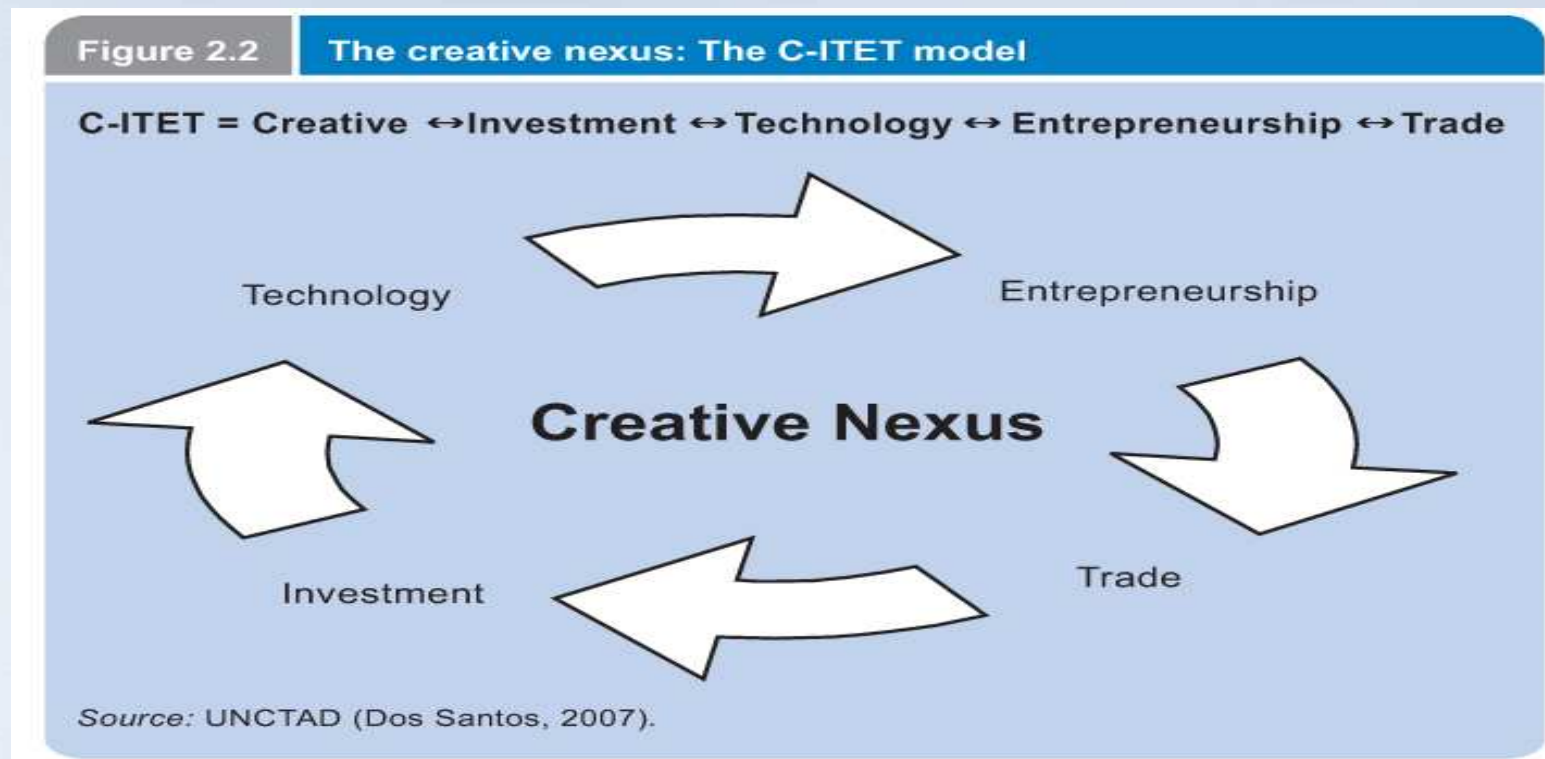


Application of the concepts

- *Creative Cities:*
 - *Urban complex where cultural activities of various sorts are an integral component of the city's economic and social functioning...intellectual capital applied to products, processes and services*
 - *Eg., Bayreuth, Edinburgh or Salzburg, over 60 cities worldwide*
- *Creative Clusters*
 - *The tendency of firms producing cultural products such as music, film, visual arts, fashion, design and so on ...Firms are able to economize on their spatial inter-linkages, to reap the multiple advantages of spatially concentrated labour markets, to tap into the abundant information flows and innovative potentials that are present wherever many different specialized but complementary producers are congregated, and so on*
 - *Eg., Mumbai, Hong Kong, Mexico City, Seoul and Shanghai.*



Back to the future – the creative nexus



Use our creativity, be bold, imaginative, transcend
Let's shape a better, real and a more creative economy



III. UNCTAD global database on trade statistics for creative goods and services





International trade in creative goods & services - global trends

Table 5.10 World exports of all creative-industry products (goods and services), by subgroup, 1996 and 2005

Subgroup	1996 (1)		2005 (1)		Growth rate
	Value (millions of \$)	As % of all creative industries	Value (millions of \$)	As % of all creative industries	
All creative industries (3)	227,451	100.00	424,427	100.00	6.4
All creative goods (4)	189,214	83.18	335,494	79.04	6.0
All creative services (5)	38,237	16.82	88,933	20.96	8.8

- **World trade of creative products annual growth rate of 8.7% during 2000-2005, and reached US\$ 424.4 billion in 2005**
- *Creative goods totalled US\$ 335.5 billion in 2005, 47% higher than in 2000, as shown in the table*
- *Developed countries dominated trade but exports have risen faster in developing countries due to China*
- *New opportunities for economies in transition to leapfrog in high growth sectors of the world economy*



Creative economy: leading trade and innovation in advanced countries

Europe EU-25, the creative economy has grown **12% faster** than the overall economy in 1999-2005

UK: In 1997-2004, as value added 5% growth as compared with 3% for the rest of the economy

EU led world exports - **US\$ 145 billion** in 2005 accounting for more than **4.7 million jobs**

Italy ranked first in exports due to **design products**

Exports earnings in developed countries increased **42%** during the period from **2000 to 2005**

Table 5.7

Creative goods: Top 10 exporters among developed economies, 2005

Rank	Developed economy	Value (in millions of \$)	Market share (%)	Growth rate (%)
		2005	2005	2000-2005
1	Italy	28,008	8.35	5.9
2	United States	25,544	7.61	3.6
3	Germany	24,763	7.38	14.2
4	United Kingdom	19,030	5.67	9.8
5	France	17,706	5.28	8.6
6	Canada	11,377	3.39	1.7
7	Belgium	9,343	2.78	-
8	Spain	9,138	2.72	8.1
9	Netherlands	7,250	2.16	9.7
10	Switzerland	6,053	1.80	9.1

Source: UNCTAD.



Creative services:
A new dynamic sector in world trade
UNCTAD figures show that world exports of :

Table 5.26

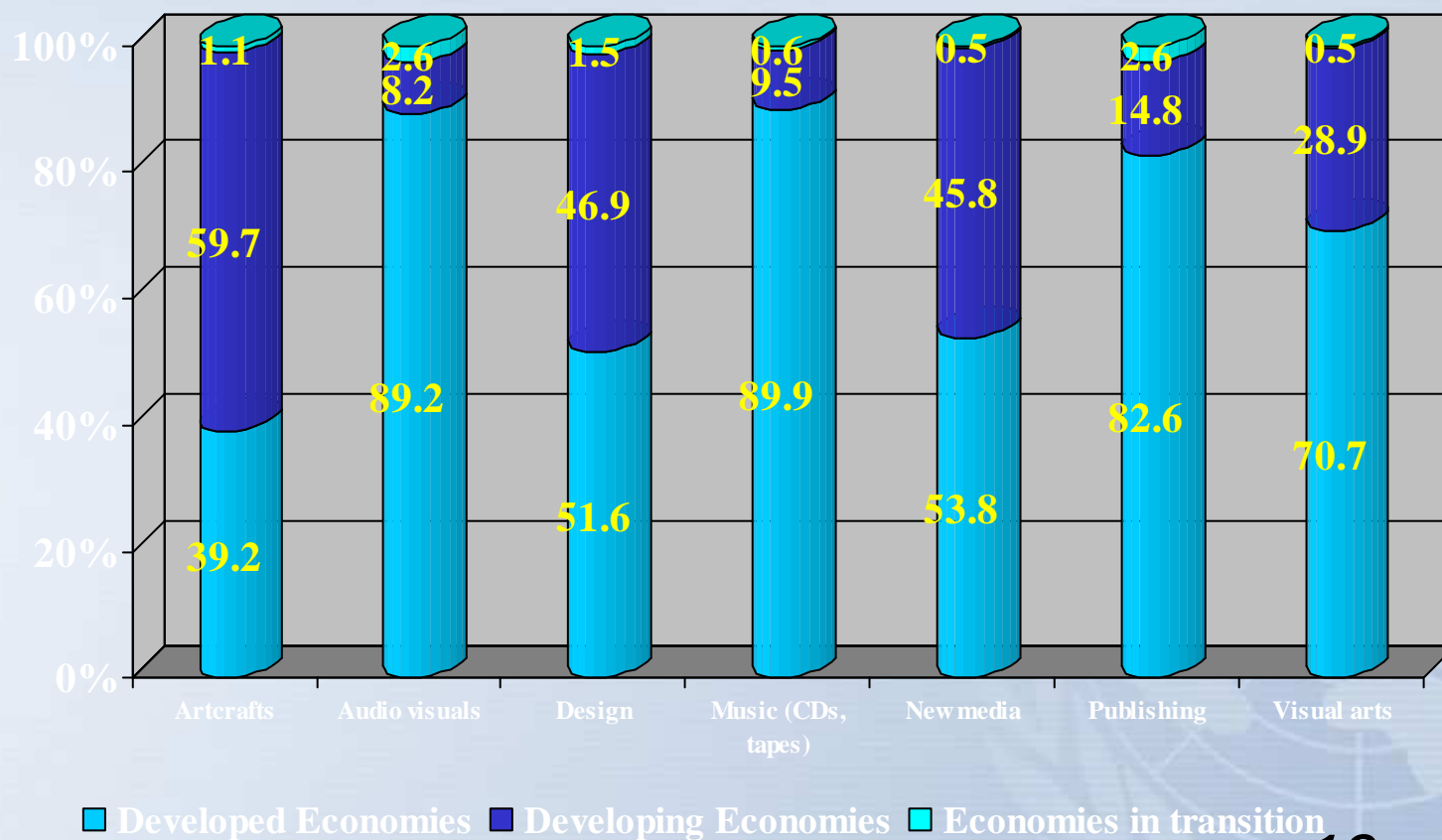
Reported exports of creative services, 1996, 2000 and 2005
(in billions of \$)

	All creative services	Architectural	Advertising	Audiovisual	R&D	Cultural and recreational	Other cultural
1996	38.2	9.8	5.0	6.3	13.3	10.5	1.0
2000	52.2	17.3	5.1	13.3	9.6	20.7	2.8
2005	88.9	27.7	15.7	17.5	18.0	27.5	3.5

Source: UNCTAD.



Creative industries goods share in world exports - 2005

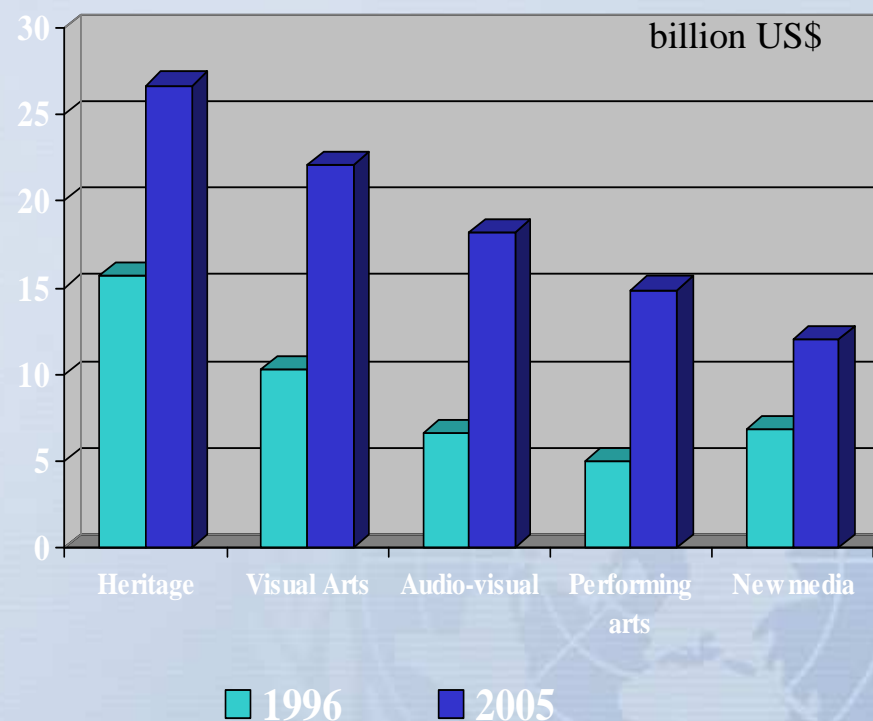
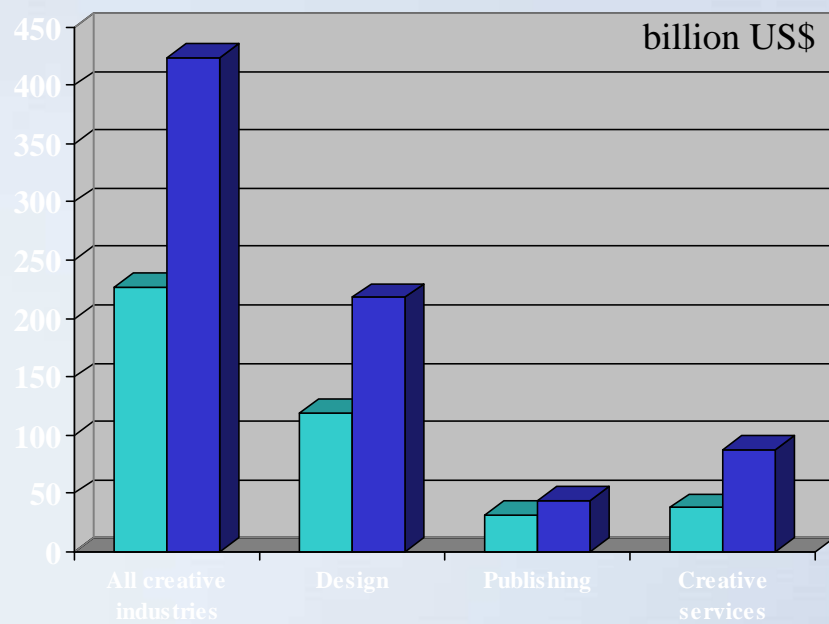


Source : UNCTAD



Creative Industries : A dynamic sector

World exports of creative goods and services



Source : UNCTAD



IV. Concluding remarks





Lessons Learned :

- *Creative economy calls for multi-disciplinary and concerted inter-ministerial policy response*
- *World exports of creative goods and services increased by 8.7% during 2000-2005. One of the most dynamic sectors of the world economy*
- *ICTs and IPRs are key drivers of the creative economy*
- *Technology offers opportunities for SMEs: new distribution channels for creative content, innovative business models*
- *The creative economy strengthens the links between creativity, culture, technology and economic development*



Major Findings:

- *No common definition of the creative economy nor a unique classification of the creative industries*
- *There is no one-fits-all recipe but flexible and strategic choices to be made by national governments*
- *Creative industries offers new venues for countries to leapfrog into high-growth areas of the world economy and innovation plays a key role*
- *Need to reconcile national policies for the creative economy with on-going multilateral processes*



**The creative economy
has the potential to generate
income and jobs
while promoting social inclusion,
cultural diversity
and human development**

Thank you for your attention

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